


REPORT

PARLIAMENT
OF KENYA
LIBRARY

 THE NATIONAL ASSEMBLY PAPERS LAID	
OF	
DATE: 09 MAR 2021	DAY: Tuesday
TABLED BY: H. M. Hon. Amos Kimunya	THE AUDITOR-GENERAL
CLERK-AT THE-TABLE: Mañah Wanjiku	

ON

POLITICAL PARTIES FUND

**FOR THE YEAR ENDED
30 JUNE, 2019**



Republic of Kenya

OFFICE OF THE REGISTRAR OF POLITICAL PARTIES – POLITICAL PARTIES FUND

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDING
JUNE 30, 2019**

Prepared in accordance with the Accrual Basis of Accounting Method under the International Public Sector Accounting Standards (IPSAS)

OFFICE OF REGISTRAR OF POLITICAL PARTIES
Reports and Financial Statements
For the year ended June 30, 2019

Table of Contents	Page
I. KEY ENTITY INFORMATION AND MANAGEMENT	ii
MANAGEMENT TEAM	x
REPORT OF THE ATTORNEY GENERAL	xvii
REPORT OF THE INDEPENDENT AUDITORS FOR THE OFFICE OF REGISTRAR OF POLITICAL PARTIES.....	ii
STATEMENT OF FINANCIAL PERFORMANCE	1
STATEMENT OF FINANCIAL POSITION	2
STATEMENT OF CHANGES IN NET ASSETS	3
STATEMENT OF CASH FLOWS	4
FOR THE YEAR ENDED 30 JUNE 2019	4
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS	5
NOTES TO THE FINANCIAL STATEMENTS.....	6
APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS	12

OFFICE OF REGISTRAR OF POLITICAL PARTIES
Reports and Financial Statements
For the year ended June 30, 2019

I. KEY ENTITY INFORMATION AND MANAGEMENT

The Act establishes the Office of the Registrar of Political Parties (ORPP) as a State office within the meaning of Article 260 of the Constitution of Kenya. 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.

The Act is the primary legal reference for management of political parties in accordance with Articles 91 and 92 of the Constitution 2010, which envisages well-governed political parties that respect internal democracy and their constitutional status in the Kenyan political system. The office promotes a democratic political system that is issue-based, people-centred, result-oriented and accountable to the public as outlined in the Second Medium Term Plan (MTP III), ORPP Strategic Plan, Government Manifesto and Vision 2030.

The Office of Registrar of Political Parties is headed by Registrar who is responsible for the general policy and strategic direction of ORPP.

(a) Principal Activities

Vision

An inclusive and viable democratic multi-party system

Mission

To register and regulate political parties for enhanced democracy in Kenya.

Core Values

The Office is bound by the national values and principles of governance, leadership and integrity as stipulated in the Constitution. The specific core values are:

Professionalism:

The office promotes a culture of professionalism. Merit, competence and proven experience are the basis of recruitment and reward. Professionalism will reflect on our performance through satisfaction of all our stakeholders.

Integrity:

The office puts utmost premium on honesty in the service of its stakeholders. The office genuinely pursues a policy of non-tolerance of any form of corruption. The staff and everyone engaging with the office take personal responsibility and are held accountable for their decisions and conduct.

OFFICE OF REGISTRAR OF POLITICAL PARTIES

Reports and Financial Statements

For the year ended June 30, 2019

Teamwork:

The Office embraces team-work in all its operations.

Respect for the rule of law:

The office is bound by the constitution and the legal framework governing Political system. The office takes great interest in achieving both substantive and procedural rule of law in undertaking its responsibilities.

Innovativeness:

The role of innovation is a crucial driving force of economic development for an organization. In particular, innovation is a vital source of strategic change, by which organizations generate positive outcomes including sustained competitive advantage.

Impartiality:

The office is unbiased, fair, firm, and dispassionate in its operations.

Core Functions

The mandate of the ORPP is to register, regulate and administer the Political Parties Fund. The statutory functions of the office are as outlined below:-

- (a) Register, regulate, monitor, investigate and supervise political parties to ensure compliance with this Act;
- (b) Administer the Political Parties Fund;
- (c) Ensure publication of audited annual accounts of political parties;
- (d) Verify and make publicly available the list of all members of political parties;
- (e) Maintain a register of political parties and the symbols of the political parties;
- (f) Ensure and verify that no person is a member of more than one political party and notify the Commission of his findings;
- (g) Investigate complaints received under the Act; and

(b) Key Management

The office day-to-day management is under the following key departments:

1. Registration and County Coordination
2. Compliance and Regulation; and
3. Corporate Services.

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2019 and who had direct fiduciary responsibility were:

No.	Designation	Names
1.	Registrar of Political Parties	Ann N. Nderitu MBS

OFFICE OF REGISTRAR OF POLITICAL PARTIES

Reports and Financial Statements

For the year ended June 30, 2019

2.	Assistant Director, Human Resource Management	Dinah Liech
3.	Assistant Director, Records Management	Joel Terer
4.	Assistant Director, Compliance	Juliet Murimi
5.	Deputy Chief Finance Officer	Joshua Kimulu
6.	Chief Accountant	Douglas Wanzala
7.	Assistant Director Audit	Veronica Muasya
8.	Senior Economist	Joseph Kariuki
9.	Chief Supply Chain Management Officer	Kelvin Mung'asio
10.	Senior Training and Development Officer	Anastacia Kaberere
11.	SICTO	Robert Waithaka
12.	Senior Communication Officer	John Mberia

(d) Fiduciary Oversight Arrangements

1. Audit Committee

The Public Finance Management Act, 2012 section 73(5) and Regulation 174 of the Public Finance Management Regulations, 2015 provides for the establishment of the Audit Committee. In compliance, the Registrar through letter Ref.: RPP/CMT/13 dated 25th August 2016, appointed the following members:

S/No	Name	Appointment
1.	MaryAnne Njau-Kimani, OGW	Chairperson
2.	Sellestine Kiuluku, MBS	Member
3.	Sarah Ogongo	Member
4.	Jacob Ondari	Member
5.	Reuben Chirchir	Member
6.	Daniel Nyaga	Member
7.	Veronica Muasya	Secretary

The functions of the Audit committee include:

- a) Obtain assurance from management that ORPP financial and non-financial internal control and risk management functions are operating effectively and reliably.
- b) Provide an independent review of ORPP reporting functions to ensure the integrity of financial reports.
- c) Monitors the effectiveness of the entity's performance management and performance information.
- d) Provide strong and effective oversight of the internal audit function.
- e) Provide effective liaison and facilitate communication between management and external audit.
- f) Provide oversight of the implementation of accepted audit recommendations.

OFFICE OF REGISTRAR OF POLITICAL PARTIES

Reports and Financial Statements

For the year ended June 30, 2019

- g) Ensure the ORPP effectively monitors compliance with legislative and regulatory requirements and promotes a culture committed to lawful and ethical behaviour.

2. Budget Implementation Committee

Pursuant to The National Treasury Circular no. 12/2016 dated 29th June 2016, the Registrar constituted a budgetary implementation committee with following as members:

Budget Implementation Committee Members

S/No	Name	Designation	Appointment
1.	Joshua Kimulu	DCFO	Chairperson
2.	Dinah Liech	Ag. D/HRM	Member
3.	Juliet Murimi	Ag. D/Compliance	Member
4.	Joseph Kanja	Senior Economist	Member
5.	Kelvin Mung'asio	Snr Supply Chain Mgt	Member
6.	Anastacia Kaberere	STDO	Member
7.	Douglas Wanzala	Chief Accountant	Secretary

The functions of the committee include:

- a) To review and consider the cash flow plans – this shall involve a regular review of ORPP cash plan and approval of any changes to the initial cash flow plan to be communicated to National Treasury;
- b) To review the utilization of cash limits and consider any changes as may be required;
- c) To review the utilization of donor funds voted for ORPP;
- d) To advise the Accounting Officer on any challenges related to the budget implementation;
- e) To review and recommend reallocation of expenditures;
- f) To review and approve the submission of expenditure returns, IPPD, pending bills and A-I-A returns for ORPP and recommend actions to be taken;
- g) To participate in sector Working Groups in budget preparation processes; and
- h) To prepare budget for ORPP in consultation with Heads of Departments.

3. Human Resource and Administrative Committee

The management agreed to have the above committee for effective implementation of Human Resource Policy.

The committee is composed of the following members:

S/No	Name	Designation	Appointment
1.	Joel Terer	Asst. DRM	Chairperson

OFFICE OF REGISTRAR OF POLITICAL PARTIES

Reports and Financial Statements

For the year ended June 30, 2019

2.	Joshua Kimulu	DCFO	Member
3.	Boniface Olwal	Snr County Monitor	Member
4.	Anastacia Kaberere	STDO	Member
5.	Rebecca Wahu	Snr County Monitor	Member
6.	Kelvin Mung'asio	Snr Supply Chain Mgt	Member
7.	Dinah Liech	Ag. D/HRM	Secretary

The terms of reference are:-

- a) Recommend recruitments and appointments of staff to fill vacant positions
- b) Deliberate and make recommendations to the Management Committee on all requests for promotions and re-designations
- c) Handle employee discipline cases and make appropriate recommendations to the Management Committee
- d) Deliberate and make recommendations to the Management Committee on all requests of acting allowance and special duty allowance
- e) Handle staff performance management
- f) Management of internship and requests for industrial attachment and

Co-ordinate review of organizational structure and other human resource policies

4. ICT

The office constituted the above committee to provide guidance on matters relating to effective and efficient management of IT resources in ORPP.

Members of the committee are:

S/No	Name	Designation	Appointment
1.	Kelvin Mung'asio	Procurement	Chairperson
2.	Robert Waithaka	ICT	Member
3.	Jacqueline Kosgei	HR	Member
4.	Josephat Nyongesa	ICT	Member
5.	Abdilahiman Hussein	Planning	Member
6.	Lucy Kemunto	Communication	Member
7.	Lenard Rotich	ICT	Member
8	John Mberia	Communication	Secretary

OFFICE OF REGISTRAR OF POLITICAL PARTIES

Reports and Financial Statements

For the year ended June 30, 2019

The functions of the ICT & CSR Steering Committee are to:

ICT Terms of Reference

- a) Deliberate and make recommendations on matters related to effective and efficient management of IT resources.
- b) Ensure that ICT policies are aligned with the strategic objectives of ORPP.
- c) Take action to ensure that the ICT projects are delivered within the agreed budget and timeframe.
- d) Monitor and report on the implementation of ICT projects against approved project plans, with particular emphasis on quality, risk management, benefits realization and change management.
- e) Assess the quality and value of ICT project proposals and provide advice and recommendations to the office on the merits of those proposals.
- f) Review and approve ICT project implementation plans and project management documents such as systems disaster recovery management, information security and policies.
- g) Provide the office with regular progress reports on the implementation of the ICT plans.
- h) Oversee development, approval and implementation of ICT Strategic objective
- i) Make recommendations on ICT related projects

CSR Terms of Reference

- a) Monitor implementation of communication-related policies and strategies;
- b) Periodic review of corporate communication gaps and recommend appropriate interventions;
- c) Edit ORPP publications and IEC materials generated internally and externally for printing;
- d) Identify, undertake or coordinate communication-related research such as internal surveys, external customer satisfaction surveys, stakeholders' feedback analysis among others;
- e) Oversee implementation of ORP Corporate Social Responsibility activities;
- f) Identify and periodically appraise Management with appropriate measures on statutory, regulatory and policy requirements/developments on matters pertaining to the Committee mandate;
- g) Benchmark nationally and internationally on matters pertaining to the Committee mandate;
- h) Provide input into organization, participation or hosting of corporate events;
- i) Review establishment of the communication department and propose remedies for its optimal functioning aligned to ORPP optimal establishment.

5. Legal Standards Committee

The management agreed to have the above committee for effective implementation of the Act.

OFFICE OF REGISTRAR OF POLITICAL PARTIES

Reports and Financial Statements

For the year ended June 30, 2019

Members of the committee are:

S/No	Name	Designation	Appointment
1.	Juliet Murimi	Ag. Dir. Compliance	Chairperson
2.	Joseph Kanja	Senior Economist	Member
3.	Robert Waithaka	Snr ICT Officer	Member
4.	Joy Onyango	Compliance Officer	Member
5.	Lodupo Tukei	Liaison Officer	Member
6.	Judy Gathoni	Registration Officer	Member
7.	Kazungu Saquib	Records Mgt Officer	Secretary

The TORs of the Legal Standing Committee.

- a) Supervising and overseeing the review, negotiation and drafting of major contracts and other legal documents.
- b) Develop guidelines to be used in the process of Registration of political parties.
- c) Provide legal advice to the Registrar in carrying out her functions in line with the Act.
- d) Develop guidelines for monitoring, regulation and supervision of political parties to ensure compliance
- e) Develop necessary tools to administer the Fund.
- f) Oversee and advise on the legal issues that pertain to the general operations of the Office.
- g) Proper legal research and preparation of legal reports, opinion and correspondences.
- h) Ensuring the organization complies with the law in all aspects of its functions.
- i) Providing appropriate legal advice on a diverse range of substantive and procedural questions arising in administrative functions of the office.
- j) Coordinating Political Parties Liaison Committee (PPLC) dialogues' activities
- k) Ensure proper record and update of Court pleadings and documents on behalf of the office.
- l) Coordinate and ensure appropriate legal representation before the Tribunal and all Courts of law.
- m) Oversee the development of necessary Regulations for implementation of the Act.
- n) Coordinate legal reform processes pertaining to the office mandate and functions.
- o) Coordinate the office outreach and interface with the stakeholders.
- p) Perform such other functions as may be conferred by the Registrar or by the management committee.

6. ORPP staff mortgage and car loan advisory committee

Members of the committee are:

S/No	Name	Appointment	Alternate Members
1.	Joshua M. Kimulu	Chairperson	
2.	Joel K. Terer	Member	
3.	Dinah A. Liech	Secretary	Jacqueline J. Kosgei
4.	John M. Macharia	Member	Douglas O. Wanzala

OFFICE OF REGISTRAR OF POLITICAL PARTIES

Reports and Financial Statements

For the year ended June 30, 2019

5.	Anastacia N. Kaberere	Member	Joseph K. Kanja
6.	Geraldine F. Mukele	Member	Loserian T. Lodupo
7.	Kelvin Mung'asia	Member	Ezekiel Obonyo
8	Alice Gichaga	Secretariat	
9	Elizabeth Wakesho	Secretariat	

The terms of reference are:-

- a) Select competitively the Service Provider for the administration of the Scheme on its behalf
- b) Liaise with the Service Provider to set up a revolving fund for the disbursement of loans
- c) Supervise the day-to-day running of the Scheme
- d) Forward the successful applications with recommendations to the Service Provider for approval
- e) Process applications for loans in accordance with the existing terms and conditions of borrowing
- f) Identify and credit valuation firms for the purpose of rendering valuation and services
- g) Identify and credit law firms for the purpose of rendering legal services and
- h) Any other activities incidental to this appointment

7. Training committee

In carrying out its ToR's the training committee will be guided by the following laws:-

1. The Constitution of Kenya 2010;
2. Employment Act;
3. The ORPP HR Manual; and
4. Other relevant laws and/or existing government policy.

Members of the committee are:

S/No	Name	Designation	Appointment
1.	Joshua Kimulu	DCFO	Chairperson
2.	Dinah Liech	Ag. D/HRM	Member
3.	Bonface Olwal	Snr County Monitor	Member
4.	Beatrice Nderi	Snr County Monitor	Member
5.	Lodupo Tukei	Liaison Officer	Member
6.	Kelvin Mung'asio	Snr Supply Chain Mgt	Member
7.	Anastacia Kaberere	STDO	Secretary

OFFICE OF REGISTRAR OF POLITICAL PARTIES

Reports and Financial Statements

For the year ended June 30, 2019

The Terms of Reference (ToR's) for the training committee are:

- a) Analysis of the ORPP Training needs
- b) Identification of staff training programs (group training)
- c) Prioritizing training needs and ensuring equitable distribution of resources
- d) Consideration of the recommendation of the ORPP's training plans and staff development strategies
- e) Consideration and prioritization of training projections
- f) Assessment of available scholarship awards and optimum utilization of training resources
- g) to deliberate and make recommendations on training matters
- h) Tabled all staff training requests with training committee's recommendations to the HoD's meeting for deliberation and approval
- i) Ensure that all staff-training request are relevant to the officer's duties/career before recommending.

MANAGEMENT TEAM



Ann Nderitu, MBS
Registrar of Political Parties

Ann Nderitu is currently the Registrar of Political Parties. Her office is responsible for, registration, regulation, monitoring and supervision of political parties to ensure compliance with the Political Parties Act, 2011; In addition, the office is in charge of Administration of the Political Parties Fund among other things. As the Registrar, she is also the CEO of the Institution and gives strategic direction to the political system in Kenya by formulating policies and implementation of the Law.

Before her appointment as Registrar of Political Parties Ann was the immediate Head of Electoral Training at the Independent Electoral and Boundaries Commission (IEBC), where she designed and implemented all the Electoral Training Programmes for all electoral officials and key stakeholders. She also worked as the Manager in charge of Partnerships and also as Ag Director Voter Education and Partnership where she coordinated all stakeholders working with the Commission, worked with Donors on Resource Mobilization for the Commission, designed and implemented National Voter Education Curriculum and programmes among other things. Before joining the Commission, Ann worked as an Education Administrator in the Ministry of Education in various positions, the last post being District Education Officer.

Ann Nderitu holds a Master's Degree in Linguistics, Bachelor of Education (Eng. /Lit), Diploma on Public Administration (Isreal) Diploma in Project Management, Human Resource Management and Early Childhood Education respectively, among other qualifications.

She is a Certified BRIDGE Accrediting Facilitator; which puts her among the few Election Management and Training Experts in African Region. She

OFFICE OF REGISTRAR OF POLITICAL PARTIES

Reports and Financial Statements


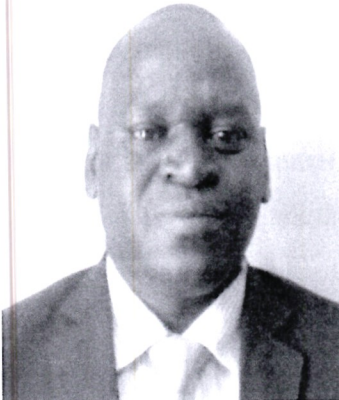
For the year ended June 30, 2019

	<p>has customized the BRIDGE curriculum for TtF, Voter Education Module, Gender and Election Module, Post-Election Module for Kenya, Media and Elections and Election Contestants Module for Kenyan context and has used the same to train locally. Further as Head of Electoral Training, she spearheaded the writing and publishing of sixteen (16) Election Training Manuals on the Kenyan electoral process, which she used to design and implement the National training programme of over 470,000 election officials and political party's agents.</p> <p>Ann has attended various Professional courses among them Strategic Leadership, The Role of Political Parties in the Electoral Process and Mainstreaming Disability in the Electoral Process, Election Conflict Resolution, Election Legal Reform, Election Management among others.</p> <p>Ann is very passionate about inclusive governance and she deliberately advocates for inclusion of women, youth, persons with Disability and other Marginalized Groups.</p> <p>In a nutshell Ann Nderitu is an experienced public administrator and an expert Election Management Practitioner.</p>
 <p>Dinah A. Liech Deputy Director, Human Resource Management</p>	<p>Mrs.Liech is responsible for providing strategic direction on HRM policies and effective management of Human Resource matters of ORPP. The position is also responsible for institutional transformation, optimal staffing levels and delivers current and future HR strategic goals for formulation and implementation of Human Resource Policies and procedures. She holds Masters in Business Management from ESAMI & Maastricht Management Institute and a Bachelor's degree in Business Administration from Kenya Methodist University. She is a Certified Public Secretary of Kenya (CPSK), holds a Diploma in Human Resource Management from Galilee International Management Institute (GIM) – Israel and a Certificate in Strategic Leadership development Programme (SLDP) from Kenya School of Government. She is a member of the Institute of Human Resource Management (IHRM), and Institute of Certified Public Secretaries of Kenya (ICPSK).</p>

OFFICE OF REGISTRAR OF POLITICAL PARTIES

Reports and Financial Statements

For the year ended June 30, 2019

 <p>Juliet W. Murimi Assistant Director, Compliance</p>	<p>Juliet Murimi is responsible for strategic direction for effective and efficient registration, and continuous compliance by political parties. She holds a Masters Degree in Business Administration, Strategic Management from Jomo Kenyatta University of Agriculture and Technology LLB Degree from the University of Nairobi and a Diploma in law from Kenya School of Law (KSL). She has a Certificate in Strategic Leadership development Programme (SLDP) and Senior Management Course (SMC) from Kenya School of Government. She is an Advocate of the High Court of Kenya and an active member of the Law Society of Kenya. She is an accredited BridgeTtF Facilitator.</p>
 <p>Joshua M. Kimulu Deputy Chief Finance Officer</p>	<p>Mr. Joshua Kimulu is responsible for effective implementation of prudent financial management strategies, policies, standards and procedures in budget planning and preparation, and resource mobilisation. He holds a Master of Science Degree in International Economic and Business from University of Groningen, the Netherlands, a Bachelor of Arts Degree in Economics from Moi University. He holds a certificate of Certified Public Accountants Part III (Section IV), Strategic Leadership and Senior Management from Kenya School of Government.</p>
 <p>Joel K. Terer Assistant Director, Records Management</p>	<p>Mr. Terer is responsible for implementing policies, guidelines and procedure on records management of the Office. He holds Masters in Arts, in Economics and Cooperation from BKD University (India) and Bachelor of Arts-Economics and Sociology from Agra University (India). He has a certificate in Records management from ESAMI, Strategic Leadership development Programme (SLDP) and Senior Management Course (SMC) from Kenya School of Government.</p>

OFFICE OF REGISTRAR OF POLITICAL PARTIES

Reports and Financial Statements




For the year ended June 30, 2019

 <p>John M. Macharia Assistant Accountant General</p>	<p>John Macharia is responsible for implementing prudent financial management policies, strategies, standards, procedures in accounting in line with Public Financial Management Act (PFM) and other Treasury Circulars. He holds a Bachelor Degree of Commerce in Finance from Masinde Muliro University of Science and Technology. He is a CPA (K) and has a certificate in Strategic Leadership development Programme (SLDP) and a certificate in Senior Management Course (SMC) from Kenya School of Government. He is a member of ICPAK.</p>
 <p>Veronicah N. Muasya Chief Internal Auditor</p>	<p>Veronicah Muasya is responsible for internal audit and Risk Management of the Institution as per Public Financial Management Act and Auditing Standards. She holds an MBA from the Management University of Africa (Kenya), a Diploma in Auditing from Institute of Internal Audit (IIA), Kenya, a CPA (K) holder, a Certificate in Certified Fraud Examiner (CFE) from Association of Certified Fraud Examiner, a Strategic Leadership development Programme (SLDP) and Senior Management Course (SMC) from Kenya School of Government. She is a member of the following professional bodies: Association of Certified Fraud Examiner (CFE), Institute of Internal Audit and ICPAK.</p>
 <p>Kelvin Kasaine Mung'asio Chief Supply Chain Management Officer</p>	<p>Mr. Kelvin Kasaine Mung'asio holds a Professional Diploma in Procurement and Supply from the Chartered Institute of Procurement and Supply (CIPS), Bachelor of Commerce and a Masters (MSc.) in Procurement and Logistics from Jomo Kenyatta University of Agriculture and Technology (JKUAT). He is a licenced procurement practitioner and a member of the Kenya Institute of Supplies Management (KISM) and a member of the Chartered Institute of Procurement and Supply (MCIPS). He is the head of the Supply Chain Department and oversees all the procurement and disposal of assets in accordance to the Public Procurement Act and Regulations. He also ensures effective implementation of supply chain management policies, guidelines and procedures.</p>

OFFICE OF REGISTRAR OF POLITICAL PARTIES

Reports and Financial Statements

For the year ended June 30, 2019

 <p>Robert G. Waithaka Senior ICT Officer</p>	<p>Robert Waithaka is responsible for strategic direction on ICT services including security, networks, policy, training and the website. He holds a Master's degree in IT, in Systems Security and Audit from Strathmore University and a Bachelor's degree in IT from Jomo Kenyatta University of Agriculture and Technology (JKUAT). He has the following certifications: Enterasys Certified Specialist (ECS), Enterasys Certified Network Associate (ECNA), Cisco Certified Network Associate (CCNA) and Microsoft Certified Technology Specialists (MCTS).</p>
 <p>Joseph K. Kanja Senior Economist</p>	<p>Joseph Kanja is responsible for the formulation of policies on monitoring and evaluation of the overall performance of the institution and political parties. He holds a Bachelor of Science degree in Mathematics and Economics from Moi University. He has a certificate in Project Management from GIZ (Kenya), Certificate in Monitoring and Evaluation from GIZ (Kenya) and a certificate in Senior Management Course (SMC) from Kenya School of Government. He is a member of Evaluation Society of Kenya (ESK)</p>
 <p>Anastacia N. Kaberere Senior Training and Development Officer</p>	<p>Anastacia Kaberere is responsible for planning, coordinating and implementing training and development strategies in line with Training Policy. She holds a Master's degree in Business Administration, Project Management, from Kenyatta University, a Bachelor's Degree in Business Administration, Human Resource Management from Kenya Methodist University and a Diploma in Business Management from Kenya Institute of Management (KIM). She has a certificate in Senior Management Course (SMC) from Kenya School of Government, a certificate in Training of Trainers (ToT) from Commonwealth Secretariat and a certificate in Supervisory Skills Management from Kenya School of Government.</p>

OFFICE OF REGISTRAR OF POLITICAL PARTIES
Reports and Financial Statements
For the year ended June 30, 2019

(e) Office Headquarters

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

Office Contacts

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

Office of the Registrar of Political Parties Regional offices

- i. Kisumu**
Re-insurance Plaza, 3rd floor Wing B
Oginga Odinga Road
Kisumu
- ii. Mombasa**
Palli House, 5th Floor
Nkrumah road
Mombasa
- iii. Uasin Gishu**
Kerio Valley Development Authority (KVDA) Plaza 7th floor
Along Oloo street
Eldoret
- iv. Isiolo**
County Estate, Isiolo Township
Plot No. LR7918/164
Isiolo
- v. Kitui**
Mamelondi House
JICA/KEFRI road
Nxet to Main Prisons
Kitui
- vi. Nakuru**
Metro Cosmo Limited
Mache Plaza, 1st Floor Room 18
Nakuru
- vii. Nyeri**
Advocates Plaza,
Lower Ground
Kamakwa Road

OFFICE OF REGISTRAR OF POLITICAL PARTIES
Reports and Financial Statements
For the year ended June 30, 2019

Nyeri

(f) Entity Bankers

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

Accounts Maintained

Dep: Registrar of Political Parties 1000181842

(g) Independent Auditors

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

(h) Principal Legal Adviser

The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

REPORT OF THE ATTORNEY GENERAL

1 Introduction

The Republic of Kenya is a multi-party democratic state founded on the national values and principles of governance (Article 4). The people of Kenya are free to exercise their political and democratic rights through free, fair and credible electoral process. The Constitution 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 (Article 38).

Article 91 of the Constitution of Kenya provides for enactment of a legislation to provide for establishment and management of a Political Parties Fund.

To implement Article 91, the Political Parties Act, 2011 was enacted and established the Office of the Registrar of Political Parties with the Mandate to register and regulate political parties, and to administer the Political Parties Fund. The purpose of the Fund is to;

- i. promote the representation in Parliament and in the county assemblies of women, persons with disabilities, youth, ethnic and other minorities and marginalized communities;
- ii. promote active participation by individual citizens in political life;
- iii. cover the election expenses of the political party and the broadcasting of the policies of the political party;
- iv. organize civic education in democracy and other electoral processes;
- v. bring the political party's influence to bear on the shaping of public opinion; and
- vi. cater for administrative and staff expenses of the political party.

a. Summary of budget performance for the year ended 30th June 2019

During the financial year 2018/19, Political Parties fund had an original budget of Kshs Three hundred seventy one million (371.2) million. The budget was enhanced through supplementary budget estimates 2 by Kshs Three hundred million (300) million to Kshs Six hundred seventy one million (671.2) million. The enhancement was meant to increase money to political parties fund from Kshs. Three hundred seventy one million (371.2) million to Kshs. Six hundred seventy one million (671.2)

OFFICE OF REGISTRAR OF POLITICAL PARTIES
Reports and Financial Statements
For the year ended June 30, 2019

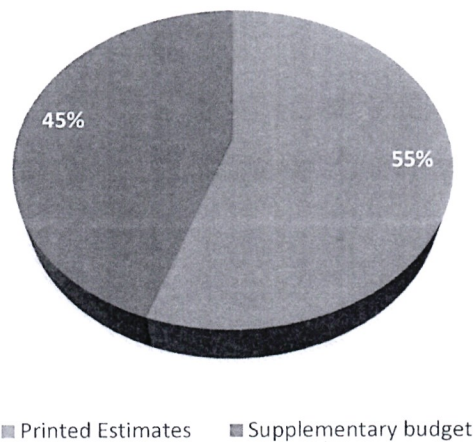
million. While executing the budget, the office complied with provision of PFM, PPA&D and PPA Act.

Table 1 below shows the printed estimates Vis a Vis the approved budget.

Table 1: Overall Budget

Printed Estimates	Supplementary budget	Approved Budget
371.2	300	671.2

Political Parties Fund budget 2018/19

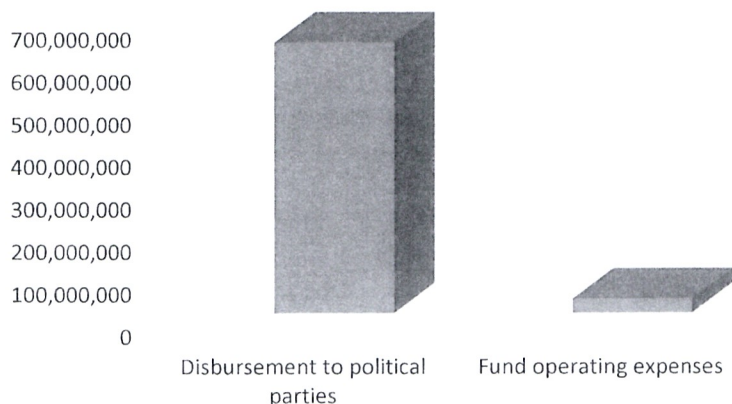


Fund Utilization

S/No.	Item	Amount (Kshs million).
1	Disbursement to political parties	637,630,500
2	Fund operating expenses	33,559,500
Total		671,190,000

The fund was distributed in accordance with section 25 of the Political Parties Act where 95% went to political parties and 5% to fund operating expenses.

Fund utilization



From the foregoing it is established that the entire 95% disbursement was achieved while fund operating expenses only realised a partly 19% of the funds. The low budget utilization can be attributed to rate approval of supplementary 2.

b. Key achievements of the political parties fund.

- i. Enhanced Democracy through sensitization of the public on the Political and electoral processes.
- ii. Increased women and other SIGs representation both in the Political parties governing bodies and the Government.
- iii. Capacity building of political parties Fund Managers and Officials.
- iv. Improved compliance levels of political parties with the Political parties Act
- v. The Office was allocated an additional Kshs. 300 million through supplementary budget II estimates thereby narrowing the gap between the provision of the Act and the allocated funds.

c. Emerging issues

d. Challenges

- (i) During the financial year 2018/2019, the Government allocated Kshs. 671 million to the Political Parties Fund which was less than what is provided for in the Political Parties Act leading to litigations which were costly and time consuming.

- (ii) The high turnover of political parties fund managers pose a challenge to the management of the fund and the office has to continuously sensitize them on the Public Finance Management.
- (iii) The Office is currently funding only two political parties out of the 68 fully registered political parties thereby creating un-even playing ground.

e. Recommendations

- i. Review provisions of the Political parties Act pertaining to funding criteria of political parties to ensure all political parties share the Fund.
- ii. The Office to continuously sensitize political parties fund managers/officials on public finance management.
- iii. The Government to allocate funding to the Political Parties Fund as per the Political Parties Act.

f. Way Forward

The Office will continuously engage all stakeholders to ensure that; there is timely disbursement of funds, reporting and prudent utilization of resources.



Justice (RTD) Paul Kihara Kariuki, CBS
Attorney General

Date.....

2 STATEMENT OF THE REGISTRAR OF POLITICAL PARTIES

Section 81 of the Public Finance Management Act, 2012 and requires the Registrar of Political Parties to prepare financial statements in respect to Political Parties fund, which give a true and fair view of the state of affairs of the fund at the end of the financial year and the operating results of the fund for that year. The Registrar is also required to ensure that the office keeps proper accounting records, which disclose with reasonable accuracy the financial position of the fund. The Registrar is also responsible for safeguarding the assets of the office.

The Registrar is responsible for the preparation and presentation of the fund's financial statements, which give a true and fair view of the state of affairs of the fund for and as at the end of the financial year ended on June 30th 2019. 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; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Registrar accept responsibility for the fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and Political Parties Act. The Registrar is of the opinion that the fund's financial statements give a true and fair view of the state of fund's transactions during the financial year ended June 30th, 2019, and of the fund's financial position as at that date. The Registrar further confirm the completeness of the accounting records maintained for the fund which have been relied upon in the preparation of the fund's financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Registrar to indicate that the fund will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Political parties fund financial statements were approved and signed by the Registrar on 30.09 2019.



Ann N. Nderitu, MBS
Registrar of Political Parties



John M. Macharia
Assistant Accountant General
ICPAK M/No. 5474

OFFICE OF REGISTRAR OF POLITICAL PARTIES

Reports and Financial Statements

For the year ended June 30, 2019

3 MANAGEMENT DISCUSSION AND ANALYSIS

In 2007 the PPA 2007 Act was enacted to regulate the formation and operation of political parties with an aim to institutionalize them making them legal entities. In doing this, the Act established the political parties fund, its sources, and management and distribution criterion. Never the less, the Constitution in 2010 provided numerous changes with regard to the general management of political parties. This was actualized through the enactment of the Political Parties Act 2011, which established the Political Parties Fund to be administered by the Registrar of Political Parties.

The legal framework has been drafted with the aim of regulating the management. The Fund is established under the Political Parties Act 2011. However, there are other statutory provisions relevant to the management of the fund.

The Political Parties Fund is established under the Political Parties Act 2011. The Act also provides for the administration and management of the fund. It also outlines the sources of the fund which are moneys from:-

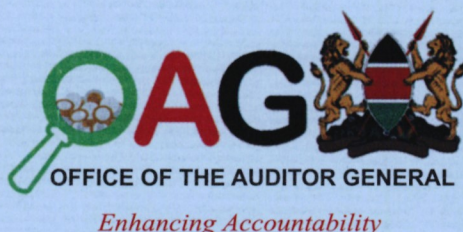
- i. the national government (0.3 % of national revenue); and
- ii. any contributions and donations to the Fund, and any other lawful source.
- iii. Other sources include;
 - a) Membership fee;
 - b) Voluntary contribution from a lawful source;
 - c) The proceeds of any investment, project or undertaking in which the political party has an interest.
 - d) Donations, bequests and grants from any other lawful source, but not from a non-citizen, foreign government, inter-governmental or non-governmental organization
 - e) However, a foreign agency, or a foreign political party which shares an ideology with a political party registered in Kenya, may provide technical assistance to that political party

OFFICE OF REGISTRAR OF POLITICAL PARTIES
Reports and Financial Statements
For the year ended June 30, 2019

REPORT OF THE INDEPENDENT AUDITORS FOR THE OFFICE OF REGISTRAR OF POLITICAL PARTIES

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON POLITICAL PARTIES FUND FOR THE YEAR ENDED 30 JUNE, 2019

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of the Political Parties Fund set out on pages 1 to 12, which comprise the statement of financial position as at 30 June, 2019, and the statement of financial performance, statement of changes in net assets, 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.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Political Parties Fund as at 30 June 2019, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the Political Parties Fund Act, 2011.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Registrar of Political Parties Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective 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 and for its assessment of the effectiveness of internal control, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to sustain services, disclosing, as applicable, matters related to

sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Fund or to cease operations.

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.

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the financial reporting process, reviewing the effectiveness of how the entity monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion 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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not

reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease sustaining its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.



Nancy Gathungu
AUDITOR-GENERAL

Nairobi

16 February, 2021

OFFICE OF REGISTRAR OF POLITICAL PARTIES
Reports and Financial Statements
For the year ended June 30, 2019

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30th JUNE 2019

	Notes	2018-2019	2017-2018
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfer from office of the Registrar of Political Parties	6	671,190,000	371,190,000
Total revenue		671,190,000	371,190,000
Expenses			
Use of goods and services		-	13,818,014
Depreciation and amortization expense	7	602,883	213,788
Repairs and maintenance	8	-	127,600
Disbursements	9	637,630,500	352,630,500
General expenses	10	5,848,193	8,327,011
Total expenses		644,081,576	375,116,913
Net Surplus / Deficit for the year		27,108,424	(3,926,913)

The notes set out on pages 6 to 13 form an integral part of these Financial Statements

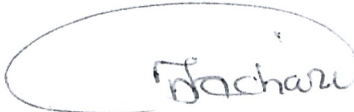
OFFICE OF REGISTRAR OF POLITICAL PARTIES
Reports and Financial Statements
For the year ended June 30, 2019

STATEMENT OF FINANCIAL POSITION
AS AT 30th JUNE 2019

	Notes	2018-2019	2017-2018
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	11	76,927,364	52,539,282
		76,927,364	52,539,282
Non-current assets			
Property, plant and equipment	12	4,216,854	1,496,512
		-	-
Total assets		81,144,218	54,035,794
Liabilities			
Total liabilities		-	-
Net assets		81,144,218	54,035,794
Accumulated surplus		81,144,218	54,035,794
Total net assets and liabilities		81,144,218	54,035,794

The Financial Statements set out on pages 1 to 5 were signed on behalf of the Board of Directors by:


Ann N. Nderitu, MBS
Registrar of Political Parties


John M. Macharia
Assistant Accountant General
ICPAK M/No. 5474

OFFICE OF REGISTRAR OF POLITICAL PARTIES
Reports and Financial Statements
For the year ended June 30, 2019

STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 30th JUNE 2019

	Accumulated surplus	Total
At July 1, 2017	57,962,707	57,962,707
Surplus/Deficit	(-3,926,913)	(-3,926,913)
At June 30, 2018	54,035,794	54,035,794
At July 1, 2018	54,035,794	54,035,794
Surplus/Deficit	27,108,424	27,108,424
At June 30, 2019	81,144,218	81,144,218

OFFICE OF REGISTRAR OF POLITICAL PARTIES**Reports and Financial Statements****For the year ended June 30, 2019****STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019**

		2018-2019	2017-2018
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Government Transfers	6	671,190,000	371,190,000
Total Receipts		671,190,000	371,190,000
Payments			
Goods and services	10	5,848,193	13,818,014
Other payments		-	8,454,611
Disbursements	9	637,630,500	352,630,500
Total Payments		643,478,693	374,903,125
Net cash flows from operating activities		27,711,307	(3,713,125)
Cash flows from investing activities		-	
Net cash flows used in investing activities		-	-
Cash flows from financing activities			
Purchase of property, plant and equipment		(3,322,749)	(1,710,300)
Net cash flows used in financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		24,388,558	(5,423,425)
Cash and cash equivalents at 1 JULY 2018	11	52,539,282	57,962,707
Cash and cash equivalents at 30 JUNE 2019	11	76,927,364	52,539,282

**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
FOR THE YEAR ENDED 30 JUNE 2018**

	Original budget		Adjustments		Final budget		Actual on comparable basis		Performance difference	
	2018-2019	Kshs	2018-2019	Kshs	2018-2019	Kshs	2017-2018	Kshs	2017-2018	Kshs
Revenue										
Government grants and subsidies	371,190,000		300,000,000		671,000,000		671,000,000		-	
Total income	371,190,000		300,000,000		671,000,000		671,000,000		-	
Expenses										
Goods and services	5,848,193		-		5,848,193		5,848,193		-	
Depreciation and amortization expense	602,883		-		602,883		602,883		-	
Grants and subsidies paid	637,630,500		-		637,630,500		637,630,500		-	
Total expenditure	644,081,576				644,081,576		644,081,576		-	
Surplus for the period					27,108,424		27,108,424			

OFFICE OF REGISTRAR OF POLITICAL PARTIES
Reports and Financial Statements
For the year ended June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The office of the Registrar of Political Parties established by section 33 of the Political Parties Act 2011 as a State office within the meaning of Article 260 of the Constitution of Kenya.

Political Parties Fund is established by the Political Parties Act and derives its authority and accountability from Article 23 of the Act. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya.

The principal activities of the fund include:

- Administer the fund through distribution of funds to political parties that are compliant with the Political Parties Act.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

This is the second year that the financial statements are been prepared on an accrual basis. The financial statements have been prepared on a historical cost basis. The preparation of financial statements is in conformity with International Public Sector Accounting Standards (IPSAS) that allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the Political Parties Fund accounting policies.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Political Parties Fund.

The financial statements have been prepared in accordance with the PFM Act and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been applied consistently.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds.

OFFICE OF REGISTRAR OF POLITICAL PARTIES
Reports and Financial Statements
For the year ended June 30, 2019

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Budget information

The National Assembly approved the original budget for FY 2018-2019 on June 2018. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the entity recorded additional appropriations of 300 million on the 2018-2019 budget following the governing body's approval.

The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

c) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

The office has a policy on depreciation where fittings and fixtures are depreciated at a rate of 12.5% per annum.

i) 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 and at various commercial banks 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 were not surrendered or accounted for at the end of the financial year.

j) Comparative figures

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

k) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2018.

5 SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Entity's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. State all judgements, estimates and assumptions made:

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Entity based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Useful lives and residual values

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- i. The condition of the asset based on the assessment of experts employed by the Entity
- ii. The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- iii. The nature of the processes in which the asset is deployed
- iv. Availability of funding to replace the asset
- v. Changes in the market in relation to the asset

OFFICE OF REGISTRAR OF POLITICAL PARTIES
Reports and Financial Statements
For the year ended June 30, 2019

6 TRANSFERS FROM MINISTRIES, DEPARTMENTS AND AGENCIES

Name of the Entity sending the grant	Amount recognized to Statement of Comprehensive Income KShs	Amount deferred under deferred income KShs	Amount recognised in capital fund.	Total grant income during the year	2018-2019
			KShs	KShs	KShs
Office of the Registrar of Political Parties	671,190,000	-	-	-	671,190,000
Total	671,190,000	-	-	-	671,190,000

USE OF GOODS AND SERVICES

7 DEPRECIATION AND AMORTIZATION EXPENSE

Description	2018-2019	2017-2018
	KShs	KShs
Property, plant and equipment	602,883	213,788
Total depreciation and amortization		

8 REPAIRS AND MAINTENANCE

Description	2018-2019	2017-2018
	KShs	KShs
Computers and accessories	-	127,600
Other	-	-
Total repairs and maintenance	-	127,600

9 Disbursements to political parties

Description	2018-2019	2017-2018
Jubilee Political Party	434,648,341	240,374,863
Orange Democratic Movement	202,982,159	112,255,637
Total	637,630,500	352,630,500

10 GENERAL EXPENSES

Description	2018-2019	2017-2018
	KShs	KShs
Training	84,000	-
Other	5,764,193	-
Total general expenses	5,848,193	-

OFFICE OF REGISTRAR OF POLITICAL PARTIES
Reports and Financial Statements
For the year ended June 30, 2019

11 CASH AND CASH EQUIVALENTS

Description	2018-2019	2017-2018
	KShs	KShs
Bank account	76,927,364	52,539,282
Total cash and cash equivalents	76,927,364	52,539,282

DETAILED ANALYSIS OF THE CASH AND CASH EQUIVALENTS

Financial institution	Account number	2018-2019	2017-2018
		KShs	KShs
a) Current account			
Central Bank of Kenya	1000181842	76,927,364	52,539,282
		-	-
Total		76,927,364	52,539,282

12 PROPERTY, PLANT AND EQUIPMENT

	Land and Buildings	Plant and equipment	Total
Cost	Shs	Shs	Shs
At 1 July 2017	-	-	-
Additions	-	1,710,300	1,710,300
Disposals	-	-	-
Transfers/adjustments	-	-	-
At 30th June 2018	-	1,710,300	1,710,300
Additions	3,322,749	-	3,322,749
Disposals	-	-	-
Transfer/adjustments	-	-	-
At 30th June 2019	3,322,749	-	5,033,049
Depreciation and impairment			
At 1 July 2017	-	-	-
Depreciation	-	213,788	213,788
Impairment	-	-	-
At 30 June 2018	-	213,788	213,788
Depreciation	415,344	187,539	602,883
Disposals	-	-	-
Impairment	-	-	-
Transfer/adjustment	-	-	-
Net book values AS At 30th June 2018	-	1,496,512	4,216,854
Net book values AS At 30th June 2019	2,907,405	1,309,448	4,216,854

OFFICE OF REGISTRAR OF POLITICAL PARTIES

Reports and Financial Statements

For the year ended June 30, 2019

13 CASH GENERATED FROM OPERATIONS

	2018-2019	2017-2018
	KShs	KShs
Surplus for the year before tax		
Adjusted for:		
Depreciation	602,883	213,788
Working Capital adjustments		
Net cash flow from operating activities	602,883	213,788

14 CONTINGENT ASSETS AND CONTINGENT LIABILITIES

	2018-2019	2017-2018
	Kshs	Kshs
Contingent liabilities		
Court case against the company	-	-
Total	-	-

15 EVENTS AFTER THE REPORTING PERIOD

There were no material adjusting and non-adjusting events after the reporting period.

16 Currency

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

OFFICE OF REGISTRAR OF POLITICAL PARTIES
Reports and Financial Statements
For the year ended June 30, 2019

APPENDIX 1: 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. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
2	Inadequate staffing; the registrar was on acting capacity and the three assistant registrar's were not in place.	Through Public Service commission, the office advertised the positions of Registrar of Political Parties and the three assistant Registrar's. the office further sought authority from the National Treasury to fill the vacant positions which was declined but advised to review the office structure to obtain a lean and efficient structure	Director Human resource.	Resolved and Not resolved	N/A

Guidance Notes:

- (i) Use the same reference numbers as contained in the external audit report;
- (ii) Obtain the "Issue/Observation" and "management comments", required above, from final external audit report that is signed by Management;
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for implementation of each issue;
- (iv) Indicate the status of "Resolved" or "Not Resolved" by the date of submitting this report to National Treasury.



Ann N. Nderitu, MBS
Registrar of Political Parties



John M. Macharia
Assistant Accountant General
ICPAK M/No. 5474

Date..... 30.09.2019.....