

REPUBLIC OF KENYA



*paper laid by the
Leader of Majority
on 6/8/2014
Bundi:*

KENYA NATIONAL AUDIT OFFICE



REPORT

OF

THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF THE
OFFICE OF REGISTRAR OF POLITICAL
PARTIES VOTE 168**

**FOR THE YEAR ENDED
30 JUNE 2013**

REPUBLIC OF KENYA



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KENYA NATIONAL AUDIT OFFICE

REPORT OF THE AUDITOR-GENERAL ON THE OFFICE OF THE REGISTRAR OF POLITICAL PARTIES VOTE 168 FOR THE YEAR ENDED 30 JUNE 2013

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of the Office of the Registrar of Political Parties Vote 168 which comprise the Statement of Assets and Liabilities as at 30 June 2013, and the Appropriation Account for Recurrent Vote and the financial statements of the Political Parties Fund for the year then ended and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 8 of the Public Audit Act, 2003. 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.

Accounting Officer's Responsibility for the financial Statements

The Registrar of Political Parties is responsible for the preparation and fair presentation of these financial statements in accordance with the Government Financial Regulations and Procedures and the Public Finance Management Act, 2012 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 Registrar is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 4 and 6 of the Public Audit Act, 2003.

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 9 of the Public Audit Act, 2003. The audit was conducted in accordance with International Standards on Auditing. 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 the effectiveness of the Office's internal control. An audit also includes an evaluation of 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.

Audit Opinion

In line with my responsibility, I express the following opinion on the financial statements:

Unqualified Opinion

- (i) Statement of Assets and Liabilities for Recurrent Vote 168
- (ii) Appropriation Account for Recurrent Vote 168
- (iii) Financial statements of the Political Parties Fund

In my opinion, the financial statements present fairly, in all material respects, the financial position of Office of the Registrar of Political Parties as at 30 June 2013 and of its operations for the year then ended, in accordance with Government Financial Regulations and Procedures, the Public Finance Management Act, 2012 and comply with the Political Parties Act, 2011.

Other Matters

I draw your attention to the following matters;

1. The Office of the Registrar of Political Parties has no functional internal audit unit and audit committee as required by the International Standards for the Professional Practice of Internal Auditing to ensure effective internal controls.
2. The Office has no formal Risk Management and Information Technology policies and procedures.

These matters may compromise the operational efficiency and effectiveness of the office of the Registrar of Political Parties. My opinion is not qualified in respect of these matters.

A handwritten signature in black ink, appearing to read 'E. Ouko', written in a cursive style.

Edward R.O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

22 May 2014



OFFICE OF THE REGISTRAR OF POLITICAL PARTIES

ANNUAL REPORT 2012/13

OFFICE OF THE REGISTRAR OF POLITICAL PARTIES

**FINANCIAL STATEMENTS FOR THE YEAR ENDED
30TH JUNE 2013**

OFFICE OF THE REGISTRAR OF POLITICAL PARTIES ANNUAL REPORT – 2011/2012

Produced by: Office of the Registrar of Political Parties

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NAIROBI

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PART I:

INTRODUCTION

The Political Parties Act, 2011 established the office of the Registrar of Political Parties as a body corporate with perpetual succession and a seal. The office is a State Office within the meaning of Article 260 of the Constitution and is not subject to the direction of any person or authority. It plays a critical role in registering, regulating and administering the Political Parties Fund. This is in line with the Vision 2030 Political pillar that recognizes the Rule of Law, Democracy and Good Governance as fundamental to the country's socio-political and economic development.

The Constitution under Articles 91 and 92 as well as the Act affirm the above position and recognize political parties as important institutions in the promotion of democracy and as a link between state institutions and local grass root organizations.

MANDATE

The mandate of the office is to;

- Register, regulate, monitor, investigate and supervise political parties to ensure compliance with the Act;
- Verify and make publicly available the list of members of all political parties
- Administer the Political Parties Fund;
- Liaise with members of Political Parties Liaison Committee;
- Ensure publication of audited annual accounts of political parties;
- Maintain a register of political parties and symbols of the political parties;
- Ensure and verify that no person is a member of more than one political party and notify the commission of the findings;
- Investigate complaints received under this Act;

- Engage such staff, experts or consultant as are necessary for the proper discharge of the office mandates;
- Perform such other functions as may be conferred by the Act and any other written law;

VISION STATEMENT

Mature multi-party democracy that promotes nation-building and good governance.

MISSION STATEMENT

To foster a progressive political system through strengthened political parties which stimulate internal democracy, policy based competition and respect diversity within the framework that promotes adherence to human rights, principals of governance, accountability and compliance with the rule of law.

CORE VALUES

The office of the Registrar of Political Parties (ORPP) is a state office and is governed by the principles of governance under Article 10 and Chapter Six of the Constitution, in respect to leadership and integrity. The office is also committed to promoting principles governing independent offices under Article 249 of the Constitution including; independence; protection of the sovereignty of the people; promoting constitutionalism; and securing the observance of democratic values and principles. In addition, the ORPP will uphold the following specific values:

- Professionalism and Fairness
- Integrity and Patriotism
- Teamwork and Honesty
- Respect for the rule of law
- Equality and equity

Key Strategic Objective: To promote competitive and issue based political parties.

Strategic Programme: Registration, Regulation and Funding of Political Parties.

Key Strategic Priorities

- To register and regulate political parties.
- To maintain and update political parties membership database.
- To enhance public understanding of the operations of political parties and their contribution to the democratic process.
- To promote dialogue through PPLCs between Independent Electoral and Boundaries Commission (IEBC), and the political parties.
- To develop regulations to implement the Political Parties Act 2011.
- To ensure efficient management of Political Parties Fund.

Key Management Staff

Name	Designation
Lucy K. Ndungu	Registrar of Political Parties
Dinah Liech	Manager Human Resource
Juliet Murimi	Manager Political Parties

PART II MANAGEMENT REPORTS

(a) The Minister's Report

The office of the Registrar of Political Parties is a fundamental pillar for sustainable and democratic political parties in the country. The cooperation manifested by the Governance Justice Law Order Sector (GJLOS), political parties and other stakeholders has enabled the Country to become a multi-party state as envisaged by the constitution Article 4(2) "*The Republic of Kenya shall be a multiparty democratic state founded on the national values and principles of governance referred to in Article 10*". Currently, the office has 59 fully registered political parties out of which 45 participated in the 4th March, 2013 General Election.

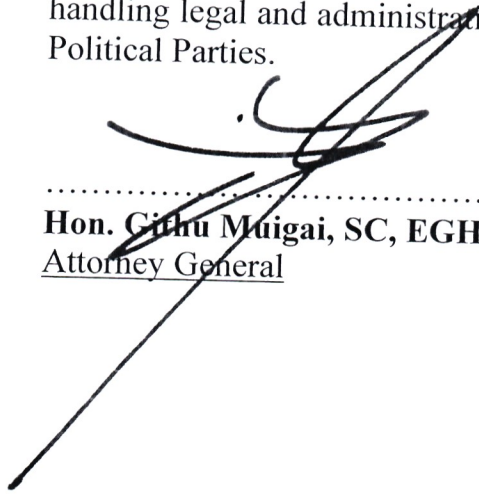
The office of the Registrar maintains a database for members of all political parties, which ensures that a person shall not be a member of more than one political party.

To strengthen political parties, the government has established the political parties fund to be administered by the registrar of political parties. The purpose of the fund is to;

- promote the representation in Parliament and in the county assemblies of women, persons with disabilities, youth, ethnic and other minorities and marginalized communities;
- bringing political parties influence to bear on the shaping of the public opinion;
- promote active participation by individual citizens in political life;
- cover the election expenses of the political party and the broadcasting of the policies of the political party;
- Organize civic education in democracy and other electoral processes;
- Administrative and staff expenses of the political party.

The office of the Registrar of Political Parties was instrumental in the formation of the Political Parties Liaison Committee (PPLC) which comprises of Independent Electoral and Boundaries Commission (IEBC), RPP and political parties. PPLC played a key role in the last General Election. It was a forum for dialogue, political party agents' training and peace committee meetings. Currently PPLC is operational at the national and county level.

I wish to recognize the contribution of the office of Registrar of Political Parties in handling legal and administrative matters pertaining to the management and regulation of Political Parties.


.....
Hon. Githu Muigai, SC, EGH,
Attorney General

Date.....


(b) Accounting Officer's Report

1. KEY ACHIEVEMENTS

i. Strengthening the office of the Registrar of Political Parties

The Political Parties Act, 2011 substantially reformed the ORPP and established a framework for an independent office in accordance with Article 260 of the Constitution. The office has made significant steps towards realizing functional independence. It has developed its organizational structure, human resource manual and career guidelines with assistance from the Ministry of State for Public Service (as it then was) for management staff. In line with constitutional requirements the office submitted its salary structure to the Salaries and Remuneration Commission (SRC) and has since been approved.

ii. Maintaining a Database for Political Parties

In line with the mandate stipulated in the Act the office of the Registrar has maintained a database for all fully registered political parties. The database is available to all stakeholders including the government, non-governmental organizations and the public.

iii. Development of Regulations for Political Parties

The office of the Registrar of Political Parties is in the process of reviewing the Political Parties' Registration and Political Parties Funding and Accounts Regulations of 2007. It has also embarked on the development of political parties' liaison Committees, coalitions and mergers regulations and stakeholders' forums have been made. These regulations will enable political parties to operate efficiently and effectively.

iv. Management of Political Parties Fund

The office disbursed political parties' funds to fully registered political parties in accordance with the laid down regulations. It also trained accountants and executive officers of political parties on the accounting process of government funds to ensure that political parties comply with government financial regulations.

v. *Establishment of the Political Parties Liaison Committee*

The Political Parties Liaison Committee (PPLC) established by the Act is operation at national and county level. The principle function of the PPLC is to provide a platform for dialogue between Independent Electoral and Boundaries Commission (IEBC), RPP and political parties. PPLC played a key role in the last General Election. It was a forum for elections dialogue, political party agents' training and peace committee meetings.

vi. *Court Cases*

The office has been involved in court matters arising from its mandate and it has successfully defended its actions

KEY TARGET NOT ACHIEVED AND CHALLENGES

- The optimal number of staff as per the structure has not been attained. This was occasioned by the conflict created by section 33 and the fifth schedule of the act relating to the appointment of the chairman of the selection committee. The attention of the amendment has been drawn to the relevant government agencies for review.
- Section 24 of the Act relating to the sources of funds has not been complied with. The section provides that the sources of the fund shall be:
Such funds not below zero point three percent of the revenue collected by the government or as may be provided by the parliament. In the last financial year the office was allocated 240 million which is below the stipulated amount in the act.

The Way Forward

The office of the Registrar of Political Parties is dedicated to its mandate and is working towards fully operationalization of the Act. To this end the office will cooperate with all the government and non-governmental agencies in meeting its obligations.

PART III:

STATEMENT OF THE ACCOUNTING OFFICER'S RESPONSIBILITY

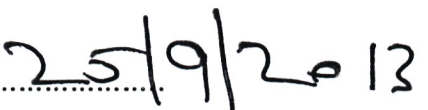
In compliance with the Public Audit Act, 2003 (sec. 4) and the Government Financial Management Act, 2012 sections 81, 82 and 84 together with other Government Laws, Government Financial Regulations and Procedures and Treasury Circulars issued from time to time.

I accept responsibility for the maintenance of accounting records which may be relied upon in preparation of the financial statements as well as adequate systems of internal control.

I further accept responsibility for the attached annual accounts, which have been prepared in conformity with Treasury directions and appropriate Government Financial Regulations and Procedures.

Am of the opinion that the attached Appropriations and other financial statements present fairly the financial state of affairs of the office of the Registrar of Political Parties Vote R-168 and fund account as at 30th June 2013.

..........

Date..........

Lucy K. Ndungu
Accounting Officer

PART IV:

REPORT OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS.

v. *Establishment of the Political Parties Liaison Committee*

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The Way Forward

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VOTE R168 REGISTRAR OF POLITICAL PARTIES
 RECURRENT APPROPRIATION ACCOUNT ON SUMMARY ITEM - FOR THE PERIOD FROM JUL-12 TO JUN-13

HEAD	SUB HEAD	ITEM	TITLE AND DETAILS	Original	Address Supplementary	Approved Estimates	Actual Expenditure	Over	Under
				KShs	KShs	KShs	KShs	KShs	KShs
0002			Registrar of Political Parties						
	01		Headquarters Registrar of Political Parties						
		2210100	Basic Salaries - Permanent Employees	31,681,166	0	31,681,166	23,651,374	0	8,029,792
		2210200	Basic Wages - Temporary Employees	0	6,204,000	6,204,000	2,898,000	0	3,306,000
		2210300	Personal Allowances paid as part of Salary	22,238,834	0	22,238,834	20,630,083	0	1,608,751
		2120100	Employer Contributions to Compulsory National Social Security Schemes	1,080,000	0	1,080,000	59,200	0	1,020,800
		2210100	Utilities, Supplies and Services	317,713	0	317,713	0	0	317,713
		2210200	Communication, Supplies and Services	1,620,705	-162,071	1,458,634	599,000	0	859,634
		2210300	Domestic Travel and Subsistence, and Other	8,275,465	3,235,806	11,511,271	10,335,065	0	1,176,206
		2210400	Transportation Costs	2,254,161	-450,832	1,803,329	1,175,676	0	627,653
		2210500	Foreign Travel and Subsistence, and Other	7,361,872	1,698,009	9,059,881	4,761,818	0	4,298,063
		2210600	Printing, Advertising and Information Supplies and Services	4,900,000	0	4,900,000	3,537,986	0	1,362,014
		2210700	Rentals of Produced Assets	10,664,166	-2,132,833	8,531,333	7,136,142	0	1,395,191
		2210800	Training Expenses (including capacity building)	3,561,208	-356,121	3,205,088	3,118,853	0	86,235
		2210900	Hospitality Supplies and Services	7,019,620	-7,019,620	0	0	0	0
		2211000	Insurance Costs	2,457,000	-245,700	2,211,300	1,979,742	0	231,558
		2211200	Office and General Supplies and Services	2,477,068	0	2,477,068	2,219,450	0	257,618
		2211300	Fuel Oil and Lubricants	9,570,000	-3,214,000	6,356,000	3,743,540	0	2,612,460
		2220100	Other Operating Expenses	1,600,000	0	1,600,000	1,591,383	0	8,617
		3110700	Routine Maintenance - Vehicles and Other Transport Equipmt.	1,300,000	-1,300,000	0	0	0	0
		3111000	Purchase of Vehicles & Other Transport Equipment	6,946,966	-380,393	6,567,573	5,684,122	0	873,451
		3111100	Purch. of Office Furn. & General Eqpt. Mach.	40,000,000	-17,193,192	22,806,808	12,204,840	0	10,601,968
			GROSS EXPENDITURE	165,325,945	-21,325,947	143,999,998	105,326,275	0	38,673,723
			Net Expenditure Subhead 01						
	02		Political Parties Fund						
		2630100	Current grants to Govt. Agencies and other levels of Govt.	240,000,000	0	240,000,000	236,971,835	0	3,028,165
			GROSS EXPENDITURE	240,000,000	0	240,000,000	236,971,835	0	3,028,165
			Net Expenditure Subhead 02						
			Net Expenditure Head 000200	405,325,945	-21,325,947	383,999,998	342,298,109	0	41,701,889
			Total Net Expenditure vote R168	405,325,945	-21,325,947	383,999,998	342,298,109	0	41,701,889

VOTE R168 REGISTRAR OF POLITICAL PARTIES

RECURRENT APPROPRIATION ACCOUNT ON SUMMARY ITEM - FOR THE PERIOD FROM JUL-12 TO JUN-13

HEAD	SUB HEAD	ITEM	TITLE AND DETAILS	Original	Add/Less Supplementary	Approved Estimates	Actual Expenditure	Over	Under
168000	201		Headquarters Registrar of Political Parties	KShs	KShs	KShs	KShs	KShs	KShs
	0000001		Headquarters						
		0000100	Item Name not Found	143,999,998	0	143,999,998	105,326,275	0	38,673,723
			GROSS EXPENDITURE	143,999,998	0	143,999,998	105,326,275	0	38,673,723
			NET EXPENDITURE FOR SUBHEAD 0000001	143,999,998	0	143,999,998	105,326,275	0	38,673,723
168000	202		Net Expenditure Head 168000201 Political Parties Fund	KShs		KShs			
	0000001		Headquarters	143,999,998	0	143,999,998	105,326,275	0	38,673,723
		0000100	Item Name not Found	240,000,000	0	240,000,000	236,971,835	0	3,028,165
			GROSS EXPENDITURE	240,000,000	0	240,000,000	236,971,835	0	3,028,165
			NET EXPENDITURE FOR SUBHEAD 0000001	240,000,000	0	240,000,000	236,971,835	0	3,028,165
			Net Expenditure Head 168000202	KShs	0	240,000,000	236,971,835	0	3,028,165
			Net Expenditure Subvote 1680	KShs	0	383,999,998	342,298,109	0	41,701,889
			Total Net Expenditure vote R168 Registrar of Political Parties	KShs	0	383,999,998	342,298,109	0	41,701,889

FOOT NOTES TO APPROPRIATION ACCOUNTS

REASON FOR MATERIAL DIFFERENCE BETWEEN APPROVED ESTIMATES AND ACTUAL EXPENDITURE.

Head	Item	Details	Amount - Ksh	Reason for over/ under expenditure
002	2110100	Basic salaries- permanent employees	8,029,792.00	The staff establishment of the Office of the Registrar of Political Parties as envisaged in the new organizational structure was not fully operational zed because there was a conflict of sec.33 and the 5 th schedule of the Political Parties Act.
	2110200	Basic wages – temporary employees	3,306,000.00	There was a delay in the process of engaging campaign monitors occasioned by late approval from treasury and strict electoral timelines.
	2110300	Personal Allowances paid as part of salary.	3,250,751.00	The staff establishment of the Office of the Registrar of Political Parties as envisaged in the new organizational structure was not fully operational zed because there was a conflict of sec.33 and the 5 th schedule of the Political Parties Act.
	2120100	Employer Contribution pulsory	1,020,800.00	The staff establishment of the Office of the Registrar of Political Parties as envisaged in the new

	National social Security Schemes.		organizational structure was not fully operationalized because there was a conflict of Section 33 and the 5 th Schedule of the Political Parties Act.
2210300	Domestic Travel and Subsistence, and other transportation costs.	1,176,206.00	The under expenditure was due to additional funds factored in the supplementary budget which was passed by parliament towards the close of the financial year.
2210500	Printing Advertising And Information ,Supplies And Services	4,298,063.00	The under expenditure was due to failure by political parties to comply with The Political Parties Act to submit their final accounts for publication.
2210600	Rentals of Produced Goods	1,362,014.00	The office of the Registrar of Political Parties secured office but the time taken to secure the same took longer than expected .The office was able to pay rent for the quarter.
2210700	Training expenses (including capacity building	2,612,460.00	Due to the demanding schedule and strict timelines on the 4 th March General Election calendar some officers were not able to undertake their annual training. The same will achieved in the current financial year.

3111100	Purchase of specialized equipment /machinery	10,610,968.00	The completion and commissioning of the software took a longer period than expected; as a result the expenditure was carried over to the subsequent financial year.
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OFFICE OF THE REGISTRAR OF POLITICAL PARTIES

**POLITICAL PARTIES FUND
FINANCIAL STATEMENTS FOR THE
YEAR ENDED 30TH JUNE 2013**

INTRODUCTION

The Political Parties Act, 2011 established the office of the Registrar of Political Parties as a body corporate with perpetual succession and a seal. The office is a State Office within the meaning of Article 260 of the Constitution and is not subject to the direction of any person or authority. It plays a critical role in registering, regulating and administering the Political Parties Fund. This is in line with the Vision 2030 Political pillar that recognizes the Rule of Law, Democracy and Good Governance as fundamental to the country's socio-political and economic development.

The Constitution under Article 91 and 92 as well as the Act affirm the above position and recognize political parties as important institutions in the promotion of democracy and as a link between state institutions and local grass root organizations.

MANDATE

The mandate of the office is to;

- Register, regulate, monitor, investigate and supervise political parties to ensure compliance with the Act;
- Verify and make publicly available the list of members of all political parties
- Administer the Political Parties Fund;
- Liaise with members of political parties liaison committee;
- Ensure publication of audited annual accounts of political parties;
- Maintain a register of political parties and symbols of the political parties;
- Ensure and verify that no person is a member of more than one political party and notify the commission of the findings;
- Investigate complaints received under this Act;
- Engage such staff, experts or consultant as are necessary for the proper discharge of the office mandates;
- Perform such other functions as may be conferred by the Act and any other written law;

VISION STATEMENT

Mature multi-party democracy that promotes nation-building and good governance

MISSION STATEMENT

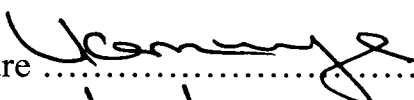
To foster a progressive political system through strengthened political parties which stimulate internal democracy, policy based competition and respect diversity within the framework that promotes adherence to human rights, principals of governance, accountability and compliance with the rule of law.

STATEMENT OF THE ACCOUNTING OFFICER

The office of the Registrar of Political Parties is established under the Political Parties Act, 2011. The office is vested with a critical role of registering, regulating and administering the Political Parties Fund. Section 23 of the Political Parties Act establishes the Political Parties Fund which shall be administered by the Registrar. In line with this mandate the Registrar of Political Parties will cause to be kept all proper books and records of the income and expenditure of the Political Parties Fund.

The Registrar is also required to ensure that proper accounting records are kept which disclose with reasonable accuracy at any time of the financial position of the fund. The Registrar of Political Parties accept responsibility for the Fund Account which has been prepared using appropriate accounting policies supported by reasonable and prudent judgment and estimates in conformity with the Political Parties Act, 2011.

The Registrar of Political Parties is of the opinion that the Fund Account gives a true and fair view of the state of the financial affairs of the Political Parties Fund and accepts the responsibility for the maintenance of accounting records, which may be relied upon in the preparation of Fund Account for the year ended 30th June 2013.

Signature 

Date 29/9/2013

Lucy K. Ndungu
Accounting Officer

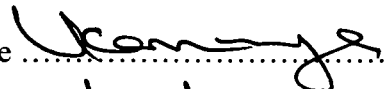
STATEMENT OF COMPREHENSIVE INCOME

VOTE 168

POLITICAL PARTIES FUND ACCOUNT

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30TH, JUNE 2013.

INCOME	NOTES	2012/2013	2011/2012
		Amount (Kshs)	Amount (Kshs)
Grants to Government Agencies		240,000,000.00	250,000,000.00
Other Income		-	8,409,160.00
Total Income		<u>240,000,000.00</u>	<u>258,409,160.00</u>
EXPENDITURE			
		Amount (Kshs)	Amount (Kshs)
Distribution to Political Parties : 15%	6	33,283,005.00	33,510,633.30
Distribution to Political Parties : 80%	6	191,660,337.10	237,537,251.25
Fund Operating Expenses		<u>1,547,500.00</u>	<u>15,471,398.00</u>
Total Expenditure		<u>226,490,842.10</u>	<u>286,519,282.55</u>
Fund (deficit) / Surplus for the year		<u>13,509,157.90</u>	<u>(28,110,122.55)</u>

Signature 

Date 29/9/2013

Lucy K. Ndungu
Accounting Officer

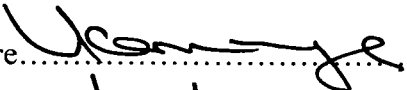
STATEMENT OF FINANCIAL POSITION

VOTE 168

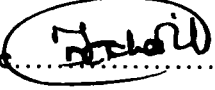
POLITICAL PARTIES FUND ACCOUNT

STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE, 2013

Current Assets	NOTES	2012/2013	2011/2012
Cash At Hand		NIL	NIL
Cash Deposit at Bank	2	58,310,688.70	49,858,287.50
Due from R 168	3	2,028,600.00	
Due from R 168	3	3,028,165.00	
Total Assets		<u>63,367,435.70</u>	<u>49,858,287.50</u>
Financed By			
Opening Fund balance		49,858,277.10	77,968,410.05
(Deficit/Surplus for the year		<u>13,509,157.90</u>	<u>28,110,122.55</u>
Fund Balance as at 30th June 2013		63,367,435.00	49,858,287.50

Signature.....
Date.....29/9/2013.....

Lucy K. Ndungu
Accounting Officer

Signature.....
Date.....29.09.2013.....

John M. Macharia
Head of Accounting Unit

VOTE 168: POLITICAL PARTIES FUND ACCOUNT
Statement of changes in net Assets/Equity

	2012/13
Balance as at 01/07/2012	Kshs.49,858,287.50
Add surplus for the year	<u>Kshs.13,809,157.90</u>
Balance as at 30/6/2013	<u>Kshs.63,367,445.40</u>

VOTE 168: POLITICAL PARTIES FUND ACCOUNT

Statement of cashflows
For the year ended 30/6/2013

	2012/2013	2011/2012
Operating activities		
Operating surplus/deficit	Kshs.13,509,157.90	(28,110,122.45)
Increase in account receivables	<u>Kshs.(5,056,765.00)</u>	<u>1,052,918.20</u>
Net cash flow from operating activities	Kshs.8,452,392.90	(27,057,204.35)
Cashflows from investing activities	-	-
Cashflows from financing activities		
Analysis of balances of cash and cash Equivalents		
Net increase/decrease in cash and Cash equivalents	-	(27,057,204.35)
Net change in cash		
Cash and cash equivalent at the beginning	<u>Kshs.49,858,287.50</u>	<u>76,915,491.85</u>
Cash and cash equivalent at close	<u>Kshs.58,310,688.70</u>	<u>49,858,287.50</u>

Particulars	2012/2013	2011/2012
	Amount (Kshs)	Amount (Kshs)
Unpaid Political Parties	26,849,413.74	58,508,186.35
5% Fund Administration	31,461,274.96	
Total	58,310,688.70	58,508,186.35

5. Change of Political Parties Names

The following Political Parties changed their names as indicated below:

Party Code	Political Party Previous Name	Changed Name
005	National Patriotic Party	Mwangaza Party
011	Nuru Party	National Democratic Movement
016	PNU Alliance	Alliance Party of Kenya
021	Orange Democratic Movement –K	Wiper Democratic Movement
028	AFFORD-in-Kenya	Maendeleo Democratic Movement
031	Chama cha Mwananchi	New Socialists Movement
035	National Alliance Party Of Kenya	The National Alliance
050	Muungano Development Movement Party	Muungano Party

6. Non-compliant Political Parties.

Some political parties that failed to comply with the Political Parties Act 2011 ceased to exist. They include:-

Kenya African democratic Union

Party of Hope

VIPA Progressive Alliance

7. Distribution of Political Parties Fund

	NAME	15% PAYMENTS		80% PAYMENTS	
		AMOUNT (Kshs.) 2012-2013	AMOUNT (Kshs.) 2011-2012	AMOUNT (Kshs.) 2012-2013	AMOUNT (Kshs.) 2011-2012
1	National Rainbow Coalition-Kenya (NARC- K)	679,245.00	797,872.30	9,171,329.75	8,880,725.05
2	National Vision Party (NVP)	-	-	-	-
3	Labour Party Of Kenya (LPK)	679,245.00	797,872.10	3,442,915.00	7,944,423.65
4	Grand National Union Party Of Kenya (GNU)	679,245.00	797,872.20	-	-
5	Mwangaza Party (MP)	679,245.00	797,872.30-	576,237.85	577,815.75
6	United Democratic Forum Party (UDFP)	679,245.00	-	-	-
7	Party Of Independent Candidates Of Kenya (PICK)	679,245.00	797,872.30	1,308,103.00	1,310,100.00
8	Restore And Build Kenya (RBK)	679,245.00	-	-	-
9	Kenya National Congress (KNC)	679,245.00	797,872.30	969,177.00	970,657.00
10	Mazingira Greens Party Of Kenya (MGPK)	679,245.00	797,872.10	2,443,302.80	3,659,608.80
11	National Democratic Movement (NDM)	679,245.00	797,872.30	14,528.85	
12	Wiper Democratic Movement - Kenya	679,245.00	797,872.30	12,726,084.00	8,249,259.35
13	Democratic Party (DP)	679,245.00	797,872.30	8,064,196.00	12,078,651.05
14	Party Of National Unity (PNU)	679,245.00	797,872.10	32,704,528.00	51,919,004.60
15	Party of Action (POA)	-	-	-	-
16	Alliance Party Of Kenya (APK)	679,245.00	-	-	-
17	Agano Party Of Kenya (AGANO)	679,245.00	797,872.30	2,487,438.55	-
18	The Independent Party (TIP)	679,245.00	797,872.35	2,326,064.55	3,484,008.40
19	Kenya Social Congress (KSC)	679,245.00	797,872.30	241,333.05	240,701.00
20	New – Ford Kenya (NFK)	679,245.00	797,872.30	2,473,329.00	3,704,584.40
21	Orange Democratic Movement (ODM)	679,245.00	797,872.30	72,595,138.00	72,793,927.20
22	Peoples Party Of Kenya (PPK)	679,245.00	797,872.10	236,915.70	237,277.00

23	Forum For Restoration Of Democracy – Kenya (FORD-K)	679,245.00	797,872.30	1,542,036.30	4,517,176.35
24	Forum For Restoration Of Democracy –People (FORD-P)	679,245.00	797,872.10	4,864,536.00	7,289,173.40
25	Progressive Party Of Kenya (PPK)	679,245.00	797,872.30	155,899.00	-
26	United Republican Party (URP)	679,245.00	-	-	-
27	Conservative Party Of Kenya (CP)	679,245.00	-	-	-
28	Maendeleo Democratic Party (MDP)	679,245.00	797,872.10	52,098.40	3,725,716.90
29	National Rainbow Coalition (NARC)		797,872.30	-	3,299,917.00
30	Kenya African Democratic Development Union Asili (KADU-A)	679,245.00	797,872.30	523,721.20	524,521.00
31	Chama Cha Mwananchi (CCM)	679,245.00	797,872.30	1,106,746.50	1,109,777.10
32	Social Democratic Party Of Kenya (SDP)	679,245.00	797,872.10	855,683.00	858,026.60
33	Kenya African National Union (KANU)	679,245.00	797,872.30	15,680,647.00	18,689,033.40
34	Safina Party	679,245.00	797,872.30	9,768,110.00	14,630,794.50
35	National Alliance Party of Kenya (NAPK)	-	797,872.30	-	283,030.10
36	Chama Cha Uzalendo(CCU)	679,245.00	797,872.20	1,424,378.00	1,426,552.00
37	National Agenda Party Of Kenya (NAP-K)	679,245.00	797,872.30	-	-
38	Mkenya Solidarity Movement (MSM)	679,245.00	797,872.30	-	-
39	Peoples Democratic Party (PDP)	679,245.00	797,872.10	236,915.70	156,296.45
40	New- Democrats (ND)	679,245.00	797,872.30	216,252.45	216583
41	United Democratic Movement (UDM)	679,245.00	797,872.10	1,129,567.00	1,131,291.00
42	Shirikisho Party Of Kenya (SPK)	679,245.00	797,872.30	897,544.80	1,344,353.60
43	Unity Party Of Kenya (UPK)	679,245.00	-	-	-
44	Party Of Democratic Unity (PDU)	679,245.00	-	-	-
45	Sisi Kwa Sisi	679,245.00	-	-	-
46	Saba Saba Asili	679,245.00	-	-	-
47	Farmers Party (FP)	679,245.00	797,872.10	355,619.40	356,162.00

48	National Labour Party (NLP)	679,245.00	797,872.10	791,631.00	793,799.50
49	Federal Party Of Kenya (FPK)	679,245.00	797,872.30	206,089.60	206,404.00
50	Muongano Development Movement Party (MUUNGANO)	679,245.00	797,872.30	56,126.90	-
51	National Party Of Kenya (NPK)	679,245.00	-	16,114.00	-
52	Mzalendo Saba Saba (MSS)	679,245.00	-	-	-
53	Kenya National Democratic Movement (KENDA)	679,245.00	-	-	-
54	Peoples Patriotic Party Of Kenya (PPPK)	-	797,872.30	-	37,796.00
55	Forum For Restoration Of Democracy – Asili (FORD-A)	-	797,872.30	-	720,041.00
56	VIPA Progressive Alliance	-	797,872.30	-	170,063.10
	TOTAL	33,283,005.00	33,510,633.20	191,660,337.10	237,537,251.25

NOTES TO THE FUND ACCOUNT

1. Accounting Policies

The financial statements have been prepared in accordance with International Public Sector Accounting Standard (IPSAS). The accounting policies adopted are as set below.

Basis of accounting

The Political Parties Fund Account has been prepared using the accrual accounting basis.

Sources of Funds

Sections 24 of the political parties act provide the sources of funds as follows:

- a. Such funds as may be provided by the Minister of finance in the Annual Estimate and approved by parliament through appropriation act.
- b. Contributions and donations to the fund from any other lawful source.

And the balance of the fund at the end of the financial year shall be retained for the purpose for which the fund is established.

Disbursement of funds

The mandate of the office of Registrar of Political Parties is derived from the Political Parties Act, 2011. However, the distribution of funds for the 2012/2013 financial year was in accordance with section 25 of the Political Parties Act, of 2007 which provides for funds distribution as follows:

- a. Fifteen percent shall be distributed equally among the Political Parties.
- b. Eighty percent shall be distributed proportionately by reference to the total number of votes secured at the last general election by each political party's presidential, parliamentary and civic candidates; and
- c. Five percent for the administration of the fund.

2. Cash and Bank Balances

	2012/2013	2011/2012
	Amount (kshs)	Amount (kshs)
Cash in Hand	Nil	Nil
Bank: central bank No. 1000160446	<u>58,310,688.70</u>	<u>49,858,287.50</u>
	<u>58,310,688.70</u>	<u>49,858,287.50</u>

3 Due From R-168

Kshs. 2,028,600.00 was erroneously paid from deposit cash book instead of recurrent. The same was credited to the deposit bank Account on 30th June 2013.

Kshs. 3,028,165.00 were erroneously paid to NARC. However, the same was returned to the fund by NARC immediately.

4 Fund Account Balance.

During the financial year ended 2012/2013, a total of Kshs. 58,310,688.70 (**Fifty Eight million three hundred and ten thousand six hundred and eighty eight and seventy cents**) was carried forward and the same was recorded as the bank account balance.

This comprises of:

- Money due to political parties that has accrued over the years due to non-compliance with the requirements and regulations of the Political Parties Act, 2011.
- Five percent administrative Funds.



OFFICE OF THE REGISTRAR OF POLITICAL PARTIES

KENYA NATIONAL AUDIT OFFICE
P. O. Box 30084 - 00100, NAIROBI.

27 SEP 2013

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STATEMENT OF ASSET AND LIABILITIES VOTE R 168

STATEMENT OF ASSET AND LIABILITIES
VOTE R- 168

STATEMENT OF ASSET AND LIABILITIES AS AT 30TH JUNE, 2013

DETAILS	2012/2013 FINANCIAL YEAR
ASSETS	(Kshs.)
Exchequer Account 2012/2013	29,292,588.00
Paymaster General Account	9,381,135.00
Total	38,673,723.00
LIABILITIES	
General Account on Vote	38,673,723.00
Total	38,673,723.00



John M. Macharia
Head, Accounting Unit

**ANALYSIS OF RECURRENT 168 PAYMASTER GENERAL ACCOUNT
BALANCES 2012/2013 – Kshs. 9,381,135.**

Exchequer Receipts 2012/2013	Kshs. 114,707,410
<u>Less Net Expenditure</u> 2012/2013	Kshs. <u>105,326,275</u>
General Account of Vote Balance 2012/2013	Kshs. <u>9,381,135</u>

