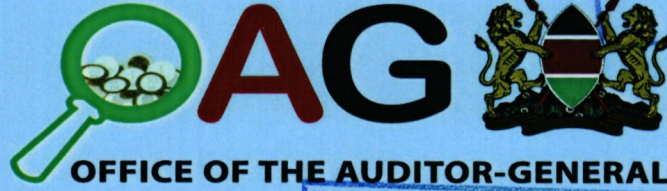


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**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

**OFFICE OF THE REGISTRAR  
OF POLITICAL PARTIES**

**FOR THE YEAR ENDED  
30 JUNE, 2021**





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**OFFICE OF THE REGISTRAR OF POLITICAL PARTIES**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**JUNE 30, 2021**

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

**Office of the Registrar of Political Parties  
Reports and Financial Statements  
For the year ended 30, June 2021.**

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**Office of the Registrar of Political Parties  
Annual Report and Financial Statements  
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**I. KEY ENTITY INFORMATION AND MANAGEMENT**

**(a) Background information**

The Office of the Registrar of Political Parties (ORPP) is established under the Political Parties Act 2011 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 pursuant to Articles 38, 91 and 92 of the Constitution of Kenya 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 Third Medium Term Plan (MTP III) of Vision 2030, ORPP Strategic Plan and, Agenda Four.

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

The accompanying report constitutes the financial statements for the Office of the Registrar of Political Parties for the Financial Year 2020/2021.

**Vision**

A model regulator of political parties for a credible democratic multi-party system.

**Mission**

To promote the realization of political rights through registration and regulation of political parties 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 will inculcate competence and skills in order to efficiently, effectively and transparently serve internal and external clients.
- **Integrity-** The Office will uphold high moral standards and honesty in the provision of services.

**Office of the Registrar of Political Parties  
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- **Respect for the rule of law**- The Office shall adhere to the applicable laws, rules and regulations.
- **Innovativeness**- The Office will adapt creative processes aided by modern technology
- **Impartiality**- The Office will observe political neutrality and offer equal treatment in the provision of services
- **Inclusivity** –The office will provide equal access to opportunities and resources for all people including special interest and marginalized groups.

**Mandate and 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 Independent Electoral and Boundaries Commission of the findings;
- (g) Investigate complaints received under the Political parties Act; and
- (h) Perform such other functions as may be conferred by the Act or any other written law.

**(b) Key Management**

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

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 30<sup>th</sup> June 2021 and who had direct fiduciary responsibility were:

| No. | Designation                              | Names               |
|-----|--|---------------------|
| 1.  | Registrar of Political Parties           | Ann N. Nderitu, MBS |
| 2.  | Assistant Registrar of Political Parties | Ali Abdulahi Surraw |

**Office of the Registrar of Political Parties  
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|     |   |                    |
|-----|---|--------------------|
| 3.  | Assistant Registrar of Political Parties                | CPA Florence Biry  |
| 4.  | Assistant Director, Records Management                  | Joel Terer         |
| 5.  | Assistant Director, Compliance                          | Juliet Murimi      |
| 6.  | Chief Finance Officer                                   | Joshua Kimulu      |
| 7.  | Assistant Accountant General                            | John Macharia      |
| 8.  | Assistant Director Internal Auditor                     | Veronicah Muasya   |
| 9.  | Senior Economist  | Joseph Kariuki     |
| 10. | Senior Supply Chain Management Officer                  | Kelvin Mung'asio   |
| 11. | Senior Training and Development Officer                 | Anastacia Kaberere |
| 12. | Senior Information Communication and Technology Officer | Robert Waitthaka   |
| 13. | Senior Communication Officer                            | Mutethia Mberia    |
| 14. | Principal Human Resource Management Officer             | Jacqueline Kosgei  |
| 15. | Senior Legal Officer                                    | Boniface Olwal     |

**(d) Fiduciary Oversight Arrangements**

**1. Plenary**

The ORPP Plenary shall comprise the Registrar of Political Parties (RPP) and the (3) three Assistant Registrars of Political Parties (ARPPs), With the Registrar as the Chairperson.

**Terms of Reference (ToR's)**

- a. The responsibilities of Plenary shall be;
  - i. To oversee the execution of the mandate of the Office.
  - ii. To approve and provide policy and strategy directions to the ORPP in line with the statutory mandate
  - iii. To approve, ratify resolutions/recommendations, and adopt reports/decisions made by the directorates and or management on policy issues as the case may require.

**2. ORPP Management Committee**

The office has a management committee constituted of all Heads of directorates and Departments.

**Terms of Reference (ToR's)**

- a) Implement strategic decisions of the office
- b) Implement policy direction, guidelines, reviews and approval of office internal policies
- c) Receive, deliberate and approve recommendations from various internal committees
- d) Implement the implementation of the budgets and operational plans;

**Office of the Registrar of Political Parties  
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- e) Manage and review operational and financial performance of the organization
- f) Monitor the organization's performance and ensure sustainability
- g) Enhance the corporate image of the organization
- h) Ensure effective engagement with all the organization's stakeholders
- i) Ensure adherence to government guidelines, policies and regulations

**3. Audit Committee**

The Public Finance Management Act, 2012 section 73(5) and paragraph 174 of the Public Finance Management Regulations, 2015 provides for the establishment of the Audit Committee for a term of three (3) years. The Registrar through letters' Ref: RPP/CMT/13 vol. IV (18-23) dated 4<sup>th</sup> January 2021, appointed the following as members of ORPP Audit Committee. Appointment was effective from 1<sup>st</sup> February 2021 for a period of 3 years.

| <b>S/No</b> | <b>Name</b>               | <b>Appointment</b> |
|-------------|---------------------------|--------------------|
| 1.          | MaryAnne Njau-Kimani, OGW | Chairperson        |
| 2.          | Pariken Ole Sankei        | Member             |
| 3.          | Kyalo Mwengi              | Member             |
| 4.          | Osman Ibrahim             | Member             |
| 5.          | Elizabeth Kiano           | Member             |
| 6.          | Joseph Welimo             | 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) Monitor 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.
- g) Ensure that ORPP effectively monitors compliance with legislative and regulatory requirements and promotes a culture committed to lawful and ethical behavior.

**Office of the Registrar of Political Parties  
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**4. Budget Implementation Committee**

In line with The National Treasury Circular no. 12/2020, the Registrar constituted a Budget Implementation Committee (BIC) with the following members: Accounting Officer is the substantive chair.

| S/No | Name               | Designation           | Appointment |
|------|--------------------|-----------------------|-------------|
| 1.   | Joshua Kimulu      | CFO                   | Chairperson |
| 2.   | Jacqueline Kosgei  | Senior HR Officer     | 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.   | Joshua Ngala       | Senior County Monitor | Member      |
| 8.   | John Macharia      | AAG                   | Secretary   |

**The functions of the committee include to:**

- a) 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) review the utilization of cash limits and consider any changes as may be required;
- c) advise the Accounting Officer on any challenges related to the budget implementation;
- d) review and recommend reallocation of expenditures;
- e) review and approve the submission of expenditure returns, IPPD, pending bills and A-I-A returns for ORPP and recommend actions to be taken;
- f) participate in sector Working Groups in budget preparation processes; and
- g) prepare budget for ORPP in consultation with Heads of Departments.

**5. Human Resource and Administrative Committee**

The Human Resource and Administrative Committee is responsible for effective implementation of the Human Resource Policy.

| S/No | Name                 | Designation               | Appointment |
|------|----------------------|---------------------------|-------------|
| 1.   | Joel Terer           | Asst. DRM                 | Chairperson |
| 2.   | Joshua Kimulu        | CFO                       | Member      |
| 3.   | Boniface Olwal       | Senior Legal Officer      | Member      |
| 4.   | Joseph Kanja         | Senior Economist          | Member      |
| 5.   | Samson Walela        | Senior County Monitor     | Member      |
| 6.   | John Mutethia Mberia | Snr Communication Officer | Member      |
| 7.   | Jacqueline Kosgei    | Senior HR Officer         | Secretary   |

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**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
- g) Co-ordinate review of organizational structure and other human resource policies.

**6. Information, Communication and Technology (ICT) Steering Committee**

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

| <b>S/No</b> | <b>Name</b>       | <b>Designation</b>    | <b>Appointment</b> |
|-------------|-------------------|-----------------------|--------------------|
| 1.          | Juliet Murimi     | Ag. D/Compliance      | Chairperson        |
| 2.          | Kelvin Mung'asio  | Snr Supply Chain Mgt  | Member             |
| 3.          | Josephat Nyongesa | ICT Officer           | Member             |
| 4.          | Saqib Kazungu     | Records Mgt Officer   | Member             |
| 5.          | Lenard Rotich     | Senior ICT Assistant  | Member             |
| 6.          | John Mberia       | Senior Comm Officer   | Member             |
| 7.          | Rebeccah Wahu     | Senior County Monitor | Member             |
| 8.          | Robert Waithaka   | Senior ICT Officer    | Secretary          |

**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) 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.
- g) Provide the office with regular progress reports on the implementation of the ICT plans.

**Office of the Registrar of Political Parties  
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- h) Oversee development, approval and implementation of ICT Strategic objectives

**7. Communication and Resource Centre Committee**

The Committee is responsible for all facets pertaining to ORPP communication and resource centre.

**Members to the Committee are;**

| <b>S/No</b> | <b>Name</b>        | <b>Designation</b>           | <b>Appointment</b> |
|-------------|--------------------|------------------------------|--------------------|
| 1.          | Joseph Kanja       | Senior Economist             | Chairperson        |
| 2.          | Lenard Rotich      | Snr ICT Officer              | Member             |
| 3.          | Marjorie Okeyo     | Senior Research Officer      | Member             |
| 4.          | Abdirahman Hussein | Planning Officer             | Member             |
| 5.          | Lucy Kemunto       | Communication Officer        | Member             |
| 6.          | Hope Nandwa        | A/RMO                        | Member             |
| 7.          | Mutethia Mberia    | Senior Communication Officer | Secretary          |

**Terms of Reference (ToRs)**

- a. Develop appropriate polices and monitor implementation of existing policies and strategies relevant to the Committee scope;
- b. Periodic review of corporate communication and information resources
- c. Edit ORPP publications and IEC materials;
- d. Identify, undertake and coordinate communication-related research;
- e. Oversee implementation of ORPP Corporate Social Responsibility activities;
- f. Identify and periodically appraise Management with appropriate measures pertaining to the Committee scope;
- g. Provide input into organization, participation or hosting of corporate events;
- h. Review establishment of the communication department, Resource Centre
- i. Continuously carry out needs assessment to ascertain the current and the projected needs Resource Center users;
- j. Implement ORPP Resource Centre Management policy and develop relevant manuals and procedures;
- k. Identify and coordinate sourcing of appropriate infrastructure (software, systems, hardware) in line with the Resource Centre objectives;
- l. Identify and oversee acquisition of relevant up to date information resources, researches and avail to users through Resource Centre platforms;
- m. Periodically collect and collate information resources for stocking in the Resource Centre on behalf of the assigned functional areas;
- n. Act as focal point between ORPP & stakeholders on matters relevant to the Resource Centre.

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**8. Legal Standards Committee**

The legal standards committee is responsible for effective implementation of the Act and advisory on registration and regulation processes.

**Members of the committee are:**

| <b>S/No.</b> | <b>Name</b>    | <b>Designation</b>   | <b>Appointment</b> |
|--------------|----------------|----------------------|--------------------|
| 1.           | Juliet Murimi  | Ag. Dir. Compliance  | Chairperson        |
| 2.           | Joseph Kanja   | Senior Economist     | Member             |
| 3.           | Joy Onyango    | Compliance Officer   | Member             |
| 4.           | Lodupo Tukei   | Liaison Officer      | Member             |
| 5.           | Judy Gathoni   | Registration Officer | Member             |
| 6.           | Kazungu Saquib | Records Mgt Officer  | Member             |
| 7.           | Bonface Olwal  | Senior Legal Officer | Secretary          |

**ToR's of the committee include:**

- a) Develop strategies and policies for the registration, compliance and regulation of political parties;
- b) Deliberate on the legal issues pertaining to the operations of ORPP;
- c) Advise ORPP on litigation matters;
- d) Develop guidelines for investigation of offences and sanctions for non-compliant political parties under the Act;
- e) Coordinate Political Parties Liaison Committee (PPLC) programmes; and
- f) Coordinate legal reform initiatives.

**9. Training and Development Committee**

**Members of the committee are:**

| <b>S/No</b> | <b>Name</b>        | <b>Designation</b>      | <b>Appointment</b> |
|-------------|--------------------|-------------------------|--------------------|
| 1.          | Kelvin Mung'asio   | Senior Supply Chain Mgt | Chairperson        |
| 2.          | Joshua Kimulu      | CFO                     | Member             |
| 3.          | Josephat Nyongesa  | ICT Officer             | Member             |
| 4.          | Beatrice Nderi     | Senior County Monitor   | Member             |
| 5.          | Joy Onyango        | Compliance Officer      | Member             |
| 6.          | Mary Kavindu       | HRMO                    | Member             |
| 7.          | Anastacia Kaberere | STDO                    | Secretary          |

**Office of the Registrar of Political Parties  
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**The Terms of Reference (ToR's) for the training committee are:**

- a. Identify and analyse ORPP staff Training needs
- b. Prioritizing training needs and ensuring equitable distribution of resources
- c. Recommendation of the ORPP's staff training plans and development strategies
- d. Assessment of available scholarship awards and optimum utilization of training resources
- e. Deliberate and make recommendations on training matters for management approval
- f. Development of training guidelines
- g. Conduct training impact assessment
- h. Develop mentorship and coaching programmes

**10. ORPP Staff Mortgage and Car Loan Scheme Advisory Committee**

The Committee is responsible for overseeing the implementation and administration of the Scheme pursuant to paragraph 7 of Political Parties (Staff Mortgage and Car Loan Scheme) Regulations, 2017.

**Members of the committee are**

| <b>S/No</b> | <b>Name</b>           | <b>Designation</b>                          | <b>Appointment</b> |
|-------------|-----------------------|---|--------------------|
| 1.          | Joshua M. Kimulu      | Chief Finance Officer                       | Chairperson        |
| 2.          | Joel K. Terer         | Assistant Director, Records                 | Member             |
| 3.          | John M. Macharia      | Assistant Accountant General                | Member             |
| 4.          | Anastacia N. Kaberere | Senior Training and Development Officer     | Member             |
| 5.          | Geraldine F. Mukele   | Senior County Monitor                       | Member             |
| 6.          | Kelvin Mung'asio      | Senior Supply Chain Management Officer      | Member             |
| 7.          | Lenard Rotich         | ICT Assistant                               | Member             |
| 8.          | Jacqueline Kosgei     | Principal Human Resource Management Officer | Secretary          |
| 9.          | Alice Gichaga         | Senior Office Administrator                 | Secretariat        |
| 10          | Elizabeth Wakesho     | Office Administrator                        | Secretariat        |

**The functions are:-**

- a) Select competitively the Service Provider for the administration of the Scheme on behalf of the Office
- 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

**Office of the Registrar of Political Parties  
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- 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

**11. Name Search and Registration Committee**

**Members to the Committee**

| <b>S/No</b> | <b>Name</b>       | <b>Designation</b>          | <b>Appointment</b> |
|-------------|-------------------|-----------------------------|--------------------|
| 1.          | Bonface Olwal     | Senior Legal Officer        | Chairperson        |
| 2.          | Alice Gichaga     | Senior Office Administrator | Member             |
| 3.          | Lenard Rotich     | Snr ICT Officer             | Member             |
| 4.          | Lodupo Tukei      | Liaison Officer             | Member             |
| 5.          | Judy Gathoni      | Registration Officer        | Member             |
| 6.          | Kazungu Saquib    | Records Mgt Officer         | Member             |
| 7.          | Josephat Nyongesa | ICT Officer                 | Secretary          |

**Terms of Reference**

The committee provides guidance on the review of applications on name and symbols searches.

Terms of Reference (TORs) will include;

- a) Review applications for names and symbols
- b) Advise the Registrar on reservation of names and symbols
- c) Review applications for change of names by fully registered political parties
- d) Set specifications for soft copies for the symbols and advise applicants on the same

**Office of the Registrar of Political Parties  
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**(e) Office Headquarters**

P.O. Box 1131 – 00606,  
Lion Place 1<sup>st</sup> Floor,  
Karuna Close, Off Waiyaki Way,  
Westlands, Nairobi, Kenya  
Telephone: (254) (020) 4022000  
E-mail: info@orpp.or.ke  
Website: www.orpp.or.ke.

**Office of the Registrar of Political Parties - Regional offices**

- i. Kisumu**  
Re-insurance Plaza, 3<sup>rd</sup> floor Wing B  
Oginga Odinga Road  
Kisumu
- ii. Mombasa**  
Palli House, 5<sup>th</sup> Floor  
Nyerere Avenue  
Mombasa
- iii. Uasin Gishu**  
Kerio Valley Development Authority (KVDA) Plaza 7<sup>th</sup> floor  
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**  
Assumption Center, 4th Floor  
Moi road
- vii. Nyeri**  
Advocates Plaza,  
Lower Ground  
Baden Powell Road  
Nyeri

**Office of the Registrar of Political Parties  
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**(f) Entity Bankers**

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

**Accounts Maintained**

|                                     |            |
|-------------------------------------|------------|
| Rec: Registrar of Political Parties | 1000181206 |
| CBK 165:                            | 1000182806 |

**(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

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**II. FORWARD BY THE CABINET SECRETARY**

**1. Introduction**

The Republic of Kenya is a multi-party democratic state (Article 4 of CoK). The Constitution guarantees political rights for the people of Kenya who are free to exercise their political and democratic rights through free, fair and credible electoral process. In line with the national values and principles of governance, 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).

The Constitution under Articles 91 and 92 envisages well-governed and managed political parties as important governance institutions in the promotion of democracy. The Political Parties Act, 2011 (PPA) was enacted to operationalize these two Articles. The Act established the Office of the Registrar of Political Parties (ORPP) as an independent State Office within the meaning of Article 260 of the Constitution of Kenya.

**1.1 Summary of budget performance for the year ended 30<sup>th</sup> June 2021**

The Office has a Recurrent Vote R1311. In the printed Estimates of FY2020/21, the office had an allocation of Kenya shillings one billion three hundred forty five million seven hundred ninety one thousand nine hundred ninety one (Kshs.1,345,791,991). Through supplementary budget estimates No. 1 the budget was reduced by Kshs fifteen million four hundred and seventy thousand (Kshs.15,470,000) resulting to an revised budget of Kshs one billion three hundred and thirty million three hundred and twenty one thousand nine hundred ninety one (Kshs.1,330,321,991). During supplementary budget estimates No. 2, the budget was further reduced by Kshs twenty four million two hundred thousand (Kshs.24,200,000) resulting to a balance of Kenya shillings one billion three hundred and six million one hundred and twenty one thousand nine hundred ninety one (1,306,121,991). In overall during the F/Y 2020-21 the budget of the Office of the Registrar of Political Parties was reduced by Kshs thirty nine million six hundred and seventy thousand (Kshs. 39,670,000).

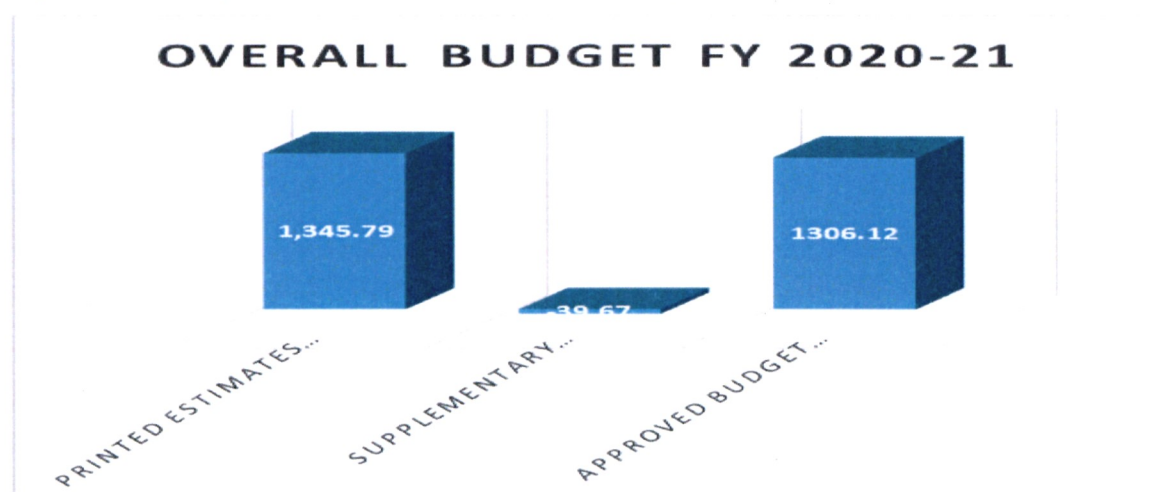
The Office complied with the Public Financial Management Act, Public Procurement and Asset Disposal Act, Political Party Act and other laws that govern Public finances while executing the budget.

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**Table 1: Overall Budget**

| Printed Estimates Kshs.(m) | Supplementary budget Kshs. (m) | Revised Budget Kshs.(m) |
|----------------------------|--------------------------------|-------------------------|
| 1,345.79                   | (39.67)                        | 1306.12                 |

Figure 1: The bar graph below illustrates the overall budget

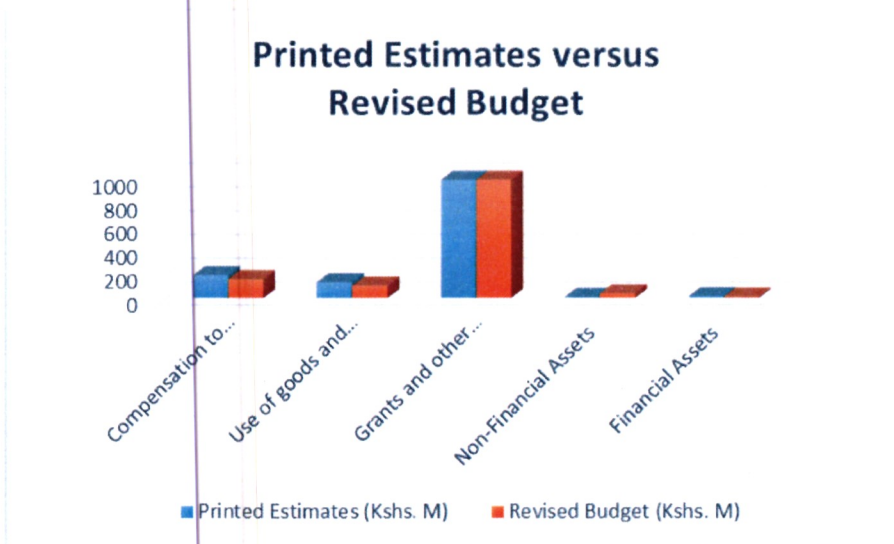


**Table 2: Printed estimates Vs. Revised budget provision for FY2020/21**

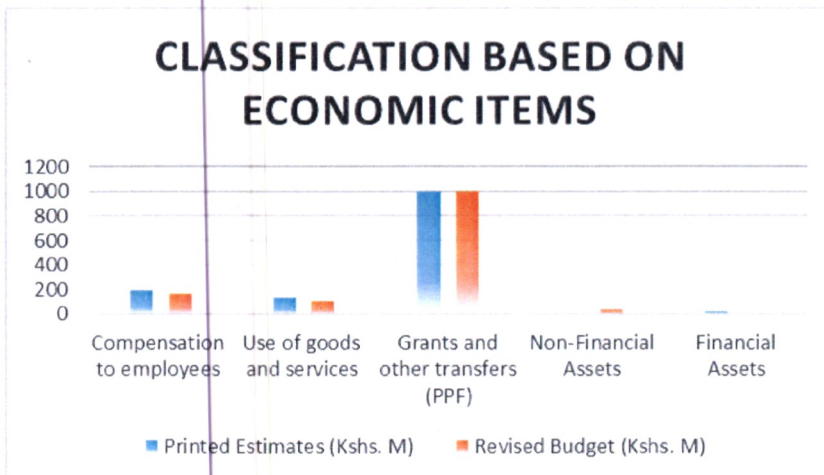
| Item                             | Printed Estimates (Kshs. M) | Revised Budget (Kshs. M) |
|----------------------------------|-----------------------------|--------------------------|
| Compensation to employees        | 193.06                      | 159.66                   |
| Use of goods and services        | 133.74                      | 103.55                   |
| Grants and other transfers (PPF) | 995.24                      | 995.24                   |
| Non-Financial Assets             | 9.26                        | 36.80                    |
| Financial Assets                 | 14.50                       | 10.87                    |
| <b>Total Expenditure Vote</b>    | <b>1,345.8</b>              | <b>1,306.12</b>          |

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**Figure 2;** the bar graph below shows comparison of the printed estimates versus approved estimates.



**Figure 3:** The bar graph below illustrates classification of the budget on economic items

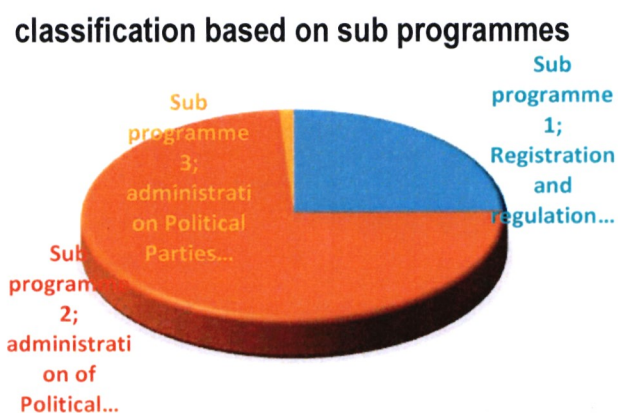


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**Table 3: budget classification by Program and Sub-programmes**

| Programme  | Printed estimates in millions | Supplementary budget in millions | Revised budget in millions |
|--|-------------------------------|----------------------------------|----------------------------|
| <b>Registration, Regulation and Funding of Political Parties</b>           |                               |                                  |                            |
| <b>Sub programme 1;</b> Registration and regulation of political parties   | 335.56                        | (33.46)                          | 302.10                     |
| <b>Sub programme 2;</b> administration of Political Parties fund           | 995.24                        | -                                | 995.24                     |
| <b>Sub programme 3;</b> administration Political Parties Liaison Committee | 14.99                         | (6.21)                           | 8.78                       |
| <b>Total</b>   | <b>1345.79</b>                | <b>39.67</b>                     | <b>1306.12</b>             |

Figure 4: The pie chart below illustrates the approved budget by programmes.



The budget utilization for the Office stood at ninety nine point one percent (99.1%). The Office utilized a total of Kenya shillings one billion two hundred ninety four million seven hundred sixty eight thousand seven hundred (Kshs.1,294,768,700) against a revised budget allocation of Kenya shillings one billion three hundred and six million one hundred twenty one thousand nine ninety one (Kshs.1,306,121,991).

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There was system disruptions to give way for the preparation of the two supplementary budget estimates hence the office could not realize 100% budget absorption. Further, there was COVID -19 challenges that affected the implementations of certain programs.

**2. Key Achievements**

**2.1. Registration and Documentation of Political Parties**

Registration of political parties is one of the key functions of the Office, which involves provisional registration and full registration. The registration process involves scrutinizing applications for both provisional and full registration in line with the constitutional requirements for political parties as set out in the Political Parties Act, 2011.

**2.1.1 Provisional Registration**

During the period under review, the Office received twenty-nine (29) formal applications for provisional registration which were vetted and notices published inviting objections from public and political parties. All the twenty nine (29) applications were processed with twenty-one (21) being issued with certificate of Provisional Registration while eight (8) were rejected.

**2.1.2 Full Registration**

Out of the provisionally registered parties, the Office received nine (9) applications for full registration which were scrutinized to ensure that the applicants met the threshold set out in the Political Parties Act, 2011.

Two (2) parties namely National Reconstruction Alliance (NRA) and Democratic Action Party- Kenya (DAP-K) having met the requirements of full registration were fully registered. The seven (7) did not meet the threshold and were rejected.

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Registrar of Political Parties, issuing certificate of full registration to DAP-K officials

The number of fully registered political parties as at 30<sup>th</sup> June 2021 were seventy-three (73).

## **2.2 Maintained secure, reliable and verifiable database of political parties**

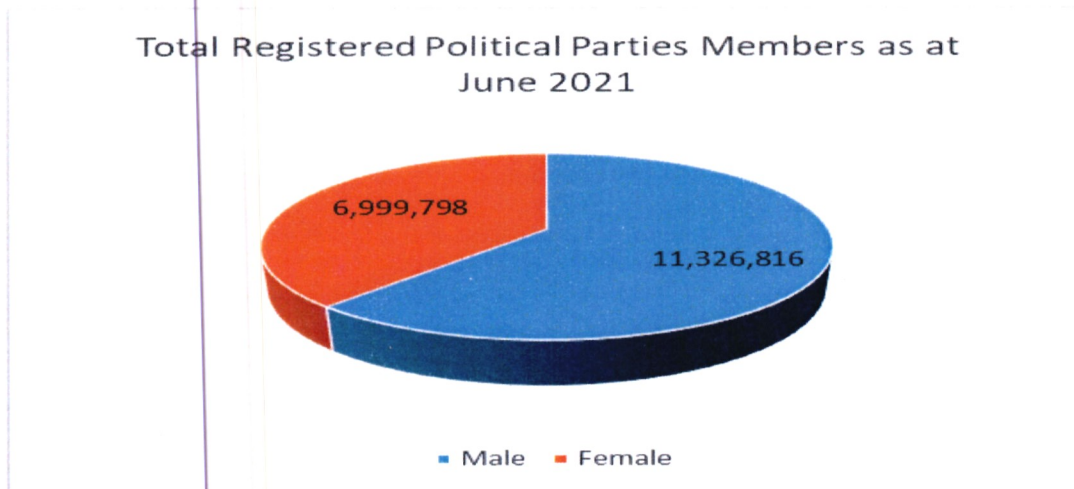
The Office of the Registrar of Political Parties maintains an up to date register of political party members and symbols. The ORPP also ensures that, no person is a member of more than one political party at a time. The Integrated Political Parties Management System (IPPMS), which is a web based application, facilitate efficient and effective management of political party memberships, party officials and signatures, party symbols and colours, party funding, bank accounts details, and records of assets and liabilities amongst other features continued to facilitate this Mandate. Continuous improvement of this database system is critical to make it more effective and efficient. During the year under review, Improvements made to the IPPMS included;

- Enabling automatic sharing of report pertaining to a political party membership recruitment with the secretary general of the party through email.
- Collaborating with e-citizen to make political party membership register available to the public for verification. This was meant to ensure that the IPPMS is up to date with regards to membership details of political parties.

As at 30<sup>th</sup> June 2021, the political parties' membership was eighteen million, three hundred and twenty-six, six hundred fourteen (18,326,614) comprising 61.8% male and 38.2% female as shown in fig 4 below.

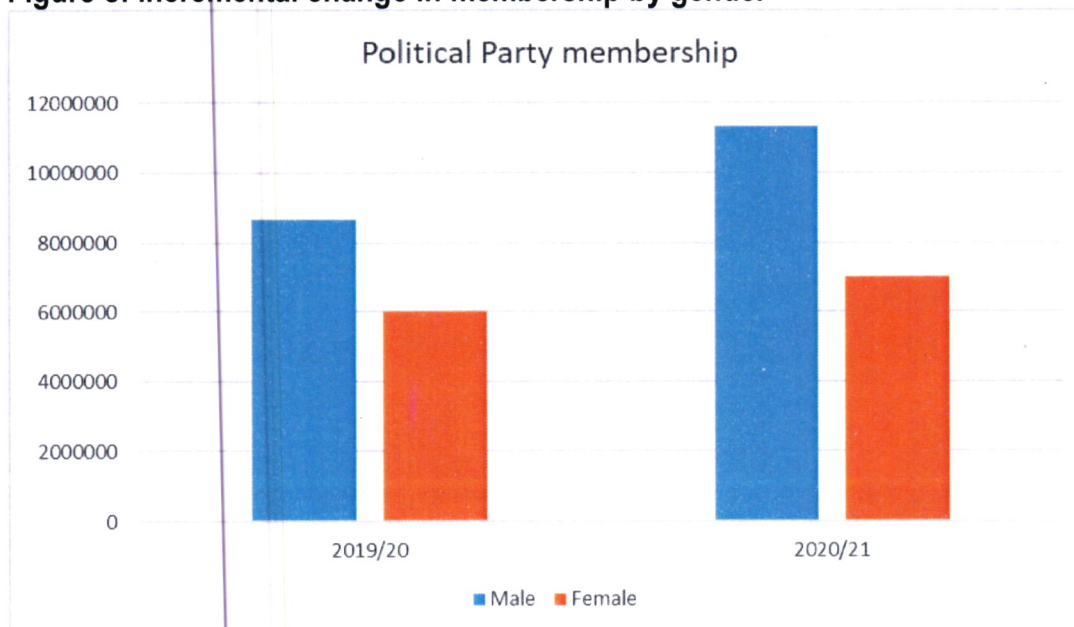
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**Figure 4: Registered Political Parties Members by Gender**



The change in membership reflected a 24.8% increase from the previous year comprising 30.8% and 16.3% increase in male and female respectively.

**Figure 5: Incremental change in membership by gender**



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**2.3 Continuous update of political parties' records**

The Office effected changes for political party names, constitutions, composition of governing bodies, name and address of party officials, colors and physical locations in line with statutory procedures. Notices of the intended change were published in newspapers of nationwide circulation and Kenya Gazette within stipulated legal timelines. The following changes of particulars were received and effected.

**Table 5: Change of political party particulars**

| <b>S/No</b> | <b>Nature of Change</b> | <b>No of Political Parties</b> |
|-------------|-------------------------|--------------------------------|
| 1           | Officials               | 7                              |
| 2           | Constitutions           | 6                              |
| 3           | Addresses               | 2                              |
| 4           | Symbols                 | 1                              |
| 5           | Name                    | 1                              |

**2.4 Regulation of political parties**

During the year under review, the Office exercised its mandate to regulate and supervise political parties to ensure continuous compliance with the PPA, 2011 and relevant laws. The following mechanisms were employed.

**2.4.1 Compliance Audits**

During the financial year, the Office conducted three Compliance audits on all fully registered political parties.

As at 30<sup>th</sup> June 2021, constitutions of sixty eight (68) political parties were compliant while (5) parties had various non-compliant issues. This translates to 91.8% compliance level. Political parties that had not complied were notified on the areas of non-compliance and directed to remedy the breaches in line with section 21 (2) (c) of the Political Parties Act, 2011.

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**2.4.2 Sensitization of Governing Officials of Newly Registered Political Parties**

The Office conducted a compliance training for governing body officials of newly registered political parties; namely; - Civic Renewal Party, Party of Economic Democracy, The Service Party and the National Ordinary People Empowerment Union.

A total of twenty-one (21) out of which five (5) were female political party officials were trained.

**2.4.3 Inspection of Headquarter Offices of fully registered political parties**

The Office conducted inspection exercise on sixty-five (65) political parties headquarter offices. Other than to ascertain existence of the head office, the inspection team also verified whether party records were maintained at the offices in line with section 17 of the PPA. Records that were inspected include lease agreements, Political party constitution, Ideology, election & nomination rules, disaggregated membership register, financial records and assets register.

**2.5 Strengthened Legal and Regulatory framework**

**2.5.1 Review of the Political Parties Act**

The office developed a draft the Political Parties (Amendment) Bill 2021. The Draft Bill is ready for submission to the relevant committee in parliament for deliberation and enactment.

**2.5.2 Political Parties (Membership) Regulations, 2021**

During the year, the Office held two (2) external stakeholders' consultative meetings as well as various internal meetings with the aim of finalizing the draft Political Parties (Membership) Regulations, 2021. The draft regulations were evaluated and recommendations incorporated as proposed. The Draft regulations are due for final rehashing with support from the Kenya Law Reform Commission and the State Law Office for further scrutiny before being shared with stakeholders as part of public participation.

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**2.5.3 Development of Political Party Primaries Bill**

Following the conclusion of the inter agency taskforce formed by the Registrar and subsequent development of the draft policy on the framework for the conduct of party primaries and draft party primaries bill, the publication of the draft bill was done and introduced to the Senate. Consequently, public participation was done and three resultant output documents were developed.

- The Memorandum on the Senate Bill and
- The Hybrid Political Parties Primaries Bill, 2020
- Proposals for amending the Senate Bill, 2020

**2.6 Litigation**

During the year under review, the office was enjoined in six (6) case, two (2) were before the Political Parties Dispute Tribunal (PPDT) and four (4) were in the High Court. Legal services were outsourced on need to need basis from the prequalified list of law firms.

**Table 7: Number of cases the office is enjoined in.**

|   |   |   |   |  |
|---|---|---|---|--|
| 1 | <b>E250 of 2020<br/>(Constitutional<br/>Petition)</b> | Patrick Kabundu and<br>2 others vs The PSC<br>and others                | Various including the<br>constitutionality of the ORPP,<br>appointment of the Registrar<br>and assistants, administration<br>of the party fund. | Ongoing  |
| 2 | <b>Constitutional<br/>Petition 197 of<br/>2020</b>    | Ford Kenya vs<br>ORPP & Anne<br>Nderitu                                 | Various; That ORPP erred in<br>gazetting proposed change of<br>officials of Ford Kenya.   | Ruling on the POs and<br>application coming up<br>on 25 <sup>th</sup> September<br>2020. |
| 3 | <b>Constitutional<br/>Petition 55 of<br/>2020</b>     | Dr. Angela Mwikali<br>Nyalita and Others v<br>Ekuru Aukot and<br>others | Various; disclosure of funds and<br>alleged failure on the part of<br>ORPP on ensuring Third Way<br>Alliance is compliant.                      | Coming on 29 <sup>th</sup><br>September, 2020 to<br>confirm filing of<br>responses.      |
| 4 | <b>E002 OF 2020</b>                                   | ODM vs Perpetua<br>Mbonjiwa and others                                  | Constitutionality of non-party<br>members being elected through<br>party  | ongoing  |
| 5 | <b>Civil Appeal No.<br/>155 of 2019</b>               | ANC party Vs<br>Godfrey Osotsi &<br>ORPP                                | The ANC party appealed<br>against the ruling of PPDT over<br>the suspension of Hon. Osotsi.   | ongoing  |

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|   |                                     |                         |   |                        |
|---|-------------------------------------|-------------------------|---|------------------------|
| 6 | <b>Civil Appeal No. 295 of 2019</b> | Alphonse Nzioki Vs. PNU | The Appellant appealed the ruling from the PPDT on the Petition on the Party Elections. | The matter is on going |
|   |                                     |                         |   |                        |

**2.7 Institutional capacity**

**2.7.1 Enhanced human resource capacity**

**a) Staff Establishment**

During the period under review, three (3) state officers assumed office for the positions of Registrar and two (2) assistant registrars who were interviewed by the Public Service Commission, vetted by Parliament and appointed by the President vide gazette notice volume number 183 of 2020. The office further advertised twenty-one (21) vacant positions out of which 20 positions were filled.

**Table 8: ORPP staffing level**

| Particulars           | Total Number of Employees | Male      | Female    | Persons with Disability |
|-----------------------|---------------------------|-----------|-----------|-------------------------|
| Pensionable Employees | 79                        | 40        | 39        | 1                       |
| Contractual Employees | 12                        | 8         | 4         | 0                       |
| <b>Total</b>          | <b>91</b>                 | <b>48</b> | <b>43</b> | <b>1</b>                |

**Figure 5: staffing level**

**Figure 6: shows staffing levels and categories.**



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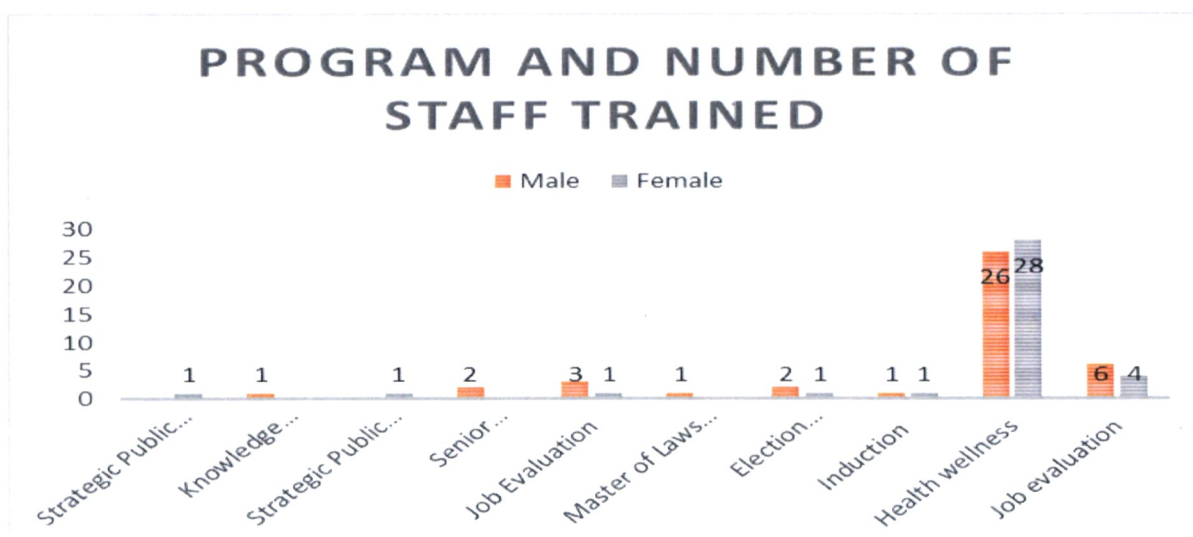
**b) Staff Development**

The Office identified staff training capacity needs and implemented the following training programmes aimed at retaining qualified and competent staff.

**Table 9: Program and number of staff trained**

| S/N | Program  | No. of staff trained | Male      | Female    |
|-----|--|----------------------|-----------|-----------|
| 1.  | Strategic Public Affairs and Government Relations course | 2                    |           | 2         |
| 2.  | Knowledge Management                                     | 1                    | 1         |           |
| 3.  | Senior Management Course                                 | 2                    | 2         |           |
| 4.  | Job Evaluation   | 4                    | 3         | 1         |
| 5.  | Master of Laws Project                                   | 1                    | 1         |           |
| 6.  | Election Management Course                               | 3                    | 2         | 1         |
| 7.  | Induction  | 2                    | 1         | 1         |
| 8.  | Health wellness  | 54                   | 26        | 28        |
| 9.  | Job evaluation   | 10                   | 6         | 4         |
|     | <b>Total</b>   | <b>79</b>            | <b>42</b> | <b>37</b> |

**Figure 7: shows number of staff trained and programs undertaken**



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### **2.7.2 Institutional Capacity Strengthened**

During the year under review, the office procured resources, systems and assets to enable it execute its mandate. In adherence by the Public Procurement and Asset Disposal Act (2015), the Office undertook the following;

- i) Partitioned office space at ORPP headquarters and the Eldoret office; acquired
- ii) Procured two (2) motor vehicles;

### **2.8 Enhanced ORPP Corporate Image**

The Office undertook various activities geared towards creating awareness of its mandate and operations among its stakeholders. These included:

- i) Reviewed print information material
- ii) Maintained an updated corporate website and social media platforms;
- iii) Coordinated a partnership between ORPP and various media outfits to address topical issues.
- iv) Published a print journal on 'Political party's role in promoting democracy and good governance';
- v) Conducted one CSR activity, a visit to Mukuru kwa Njenga Nairobi. Personal voluntary contribution.



**ORPP staff posing for a photo during the CSR visit to Reli women self-help group**

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- vi) To enhance feedback and transparency to our stakeholders, the Office procured and installed suggestion and corruption reporting boxes at the ORPP headquarter;
- vii) The office produced thirteen (13) editions of internal bulletins to enhance internal communication engagement;
- viii) The office ran public messages in Eldoret town regional outdoor advertising in partnership with the County Government of Uasingishu.

**ORPP advertisement running on a billboard in Eldoret town**

**2.9 Enhanced linkages and synergies with partners and stakeholders**

The office continued its engagement with political parties and other stakeholders in the execution of its mandate. These collaborations were geared towards strengthening political parties as institutions of democracy. During the year, the Covid-19 pandemic disrupted planned engagements due to the containment measures but the office was able to attend virtual and limited physical partner meetings thus enhancing its collaboration with stakeholders.

**2.10 Political parties participation in elections**

**2.10.1 Capacity building of Political Party Chief Agents**

The Office conducted training of political parties and independent candidates' chief agents involved in by-elections held in five (5) constituencies, twelve (12) County Assembly wards and one (1) County (senate election). A total of seven hundred and thirty-six (736) agents were trained for various by elections.

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**A session of chief agents being sensitized by an ORPP staff in Matungu constituency in Kakamega county**

**3. List emerging issues related to the entity,**

- i. Demand for review of office station working model to reflect Covid-19 ramifications while ensuring productivity. Within the financial year, there were two major interruptions to the activities of the Office due to Covid – 19. The Office had to institute two Work from Home schedules: July – August 2020 and March – April 2021. For the period of the schedule, each department was covered by two members of staff. Having the Office that fragmented greatly hampered communication and disrupted flow of work. Ultimately, the Office could not implement planned activities as per the approved work plan for the year since some budget lines were suspended as well as procurement of critical office supplies affected.
- ii. Following the publication of the 'Building Bridges Initiative' (BBI) report, ORPP was invited by the BBI taskforce to present its proposals. The Registrar presented proposals regarding legal reforms, integration among others to the taskforce. In addition, the BBI movement led to a heightened political atmosphere in the country, thus prompting ORPP to be on high alert.
- iii. High number of by-elections. The year 2020/2021 experienced a remarkably higher number of by-elections than had been anticipated. This could partly be attributed to Covid- 19. ORPP participated in by – elections through training of agents and participating in clearance of candidates who vied as independent candidates. ORPP also actively monitored the by elections. The large number of by – elections has seen ORPP stretched in both its financial, human and logistical resources.

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- iv. Fluid trends of political formations and intra and inter party conflicts. 2020/2021 witnessed significant political realignments. New parties and movements were formed to and from existing political parties witnessed.
- v. Increased stakeholder accountability: Upscale of stakeholder expectation in view of new emerging ICT advancements has led to increased demand for transparency and accountability from public institutions. Demand and consumption of information is at an all-time high, and scrutiny of public institutions has become commonplace.
- vi. ORPP has had to leverage public participation and utilize online platforms for timely dissemination of information.

**4. Highlight key risk management strategies.**

**Table 10: Risk versus strategy**

| <b>S/No.</b> | <b>Risk</b>   | <b>Management strategy</b>   |
|--------------|---|--|
| 1.           | Political violence and uncertainty                      | The office undertakes stakeholders engagements   |
|              |   | The office liaises with other state organs to enforce law and order  |
| 2.           | Delay in amendment of law                               | The office lobbies relevant state organs to finalise enactment of laws                                       |
| 3.           | Political party wrangles                                | Capacity building of political parties' internal dispute resolution mechanism.                               |
|              |   | Encourage political parties to undertake out of court settlement of their disputes.                          |
| 4.           | Reputation risk to the office                           | Stakeholder's engagement on the mandate of the office.   |
|              |   | Policy statement made through the media to educate citizen on issues of political importance.                |
| 5.           | Cybercrime against the ICT system                       | The Office continually upgrades the security systems and puts in place effective controls.                   |
| 6.           | Fraudulent Registration                                 | The ORPP is in the process of developing membership regulation   |
|              |   | The office is in the process of integrating the IPPMS with relevant stakeholder's database.                  |
| 7.           | Rapid increase in the number of independent candidates. | Amendment of the legal Framework to provide for independent candidates who are not covered in the PPA, 2011. |

**5. Challenges**

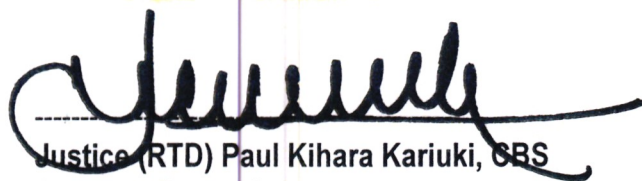
- i) Budget constraints affecting implementation of Office activities and programmes.

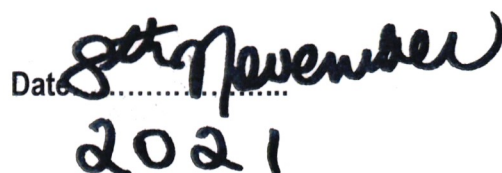
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- ii) The raging COVID 19 pandemic and the containment measures continues to hamper planned office activities.
- iii) Inadequate staffing level. The Office has a staff in-post of 82 staff which is way below the authorised establishment of 235 staff.
- iv) Limited presence of the Office at the County level. Currently the Office has 7 Offices against 47 counties.
- v) Numerous court litigations,

**6. Recommendations**

- a) Continuous engagement with the National Treasury for need for IFMIS to be operational throughout and prompt honour of exchequer requests.
- b) Embrace use of technology.
- c) The National Treasury and Head of Public Service to approve recruitment of additional staff.
- d) Provision of adequate funding to establish additional county offices.
- e) Strengthen alternative dispute resolution mechanism of political parties.

  
Justice (RTD) Paul Kihara Kariuki, CBS  
Attorney General

Date   
2021

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**III. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES**

The Office of the Registrar of Political Parties is established under the Political Parties Act, 2011 with the mandate to register and regulate political parties and to administer the Political Parties Fund.

The key strategic objective of the Office of Registrar of Political Parties is to promote competitive and issue based political parties.

This report summarizes the ORPP performance during the 2020/2021 financial year.

**Table 11: Performance versus predetermined objectives**

| ORPP Programme  | Objective  | Outcome                                       | Indicator   | Performance | Remarks  |
|---|--|---|---|-------------|--|
| Registration, Regulation and Administration of Political Parties Fund | To promote competitive and issue based political parties | Competitive and Issue Based Political Parties | Percentage of applications for provisional registration processed   | 100         | During the year under review, ORPP received 29 applications out of which 21 were successful and were issued with certificate of provisional registration |
|   |  |   | Percentage of applications for full registration processed  | 100         | During the year under review, ORPP received 9 applications out of which 2 were successful and were issued with certificate of full registration          |
|   |  |   | Percentage of Political Parties officials of new parties sensitized on compliance with PPA<br><br>compliance with the Political Parties Act, 2011 | 100         | There were 4 new political parties and 21 officials were sensitized  |

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|  |  |  |   |     |   |
|--|--|--|---|-----|---|
|  |  |  | No. of regulations developed  | 1   | Draft Political Parties (Membership) Regulations were developed and forwarded to State Law Office for final rehashing |
|  |  |  | No. of Political Parties Chief Agents Trained                             | 736 | There were by elections in 18 electoral areas and 736 agents were trained   |
|  |  |  | Political Party Act, 2011 reviewed  | 1   | A Bill on review of Political Parties Act, 2021 has been drafted  |
|  |  |  | No of Interviews carried out to sensitize public on Political Parties Act | 4   | The Registrar participated in 4 interviews on TV and Radio stations   |
|  |  |  | ORPP Office partitioned   | 1   | ORPP Office space in 4 <sup>th</sup> floor was successfully partitioned   |
|  |  |  | 2020 – 2025 ORPP Strategic Plan developed                                 | 1   | ORPP Strategic Plan was finalized and published   |
|  |  |  | No. of Consultative dialogue forums held at the National Level            | 4   | The PPLC is s dialogue forum for IEBC, Political Parties and ORPP   |

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**IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY  
REPORTING**

The Office operates within the confines of the Political Parties Act, 2011 and resultant Regulations under which it is established. In the year under review, the Office continued to actualize the aspirations of Article 91 and 92 of the Constitution by ensuring implementation of Political Parties Act (PPA), 2011. In its undertaking, legal gaps that may have hampered its operations. These were the premise for areas of amendments of the PPA.

During the period under review, the Office continued to operate within financial management practices and guidelines of budgeting, programme performance reviews and periodic reporting as required in the financial reporting framework and standards. Internally controls including financial controls, internal audits, monitoring and reporting to the Accounting Officer were in place. This is evident by detailed financial statements herein and unqualified audit report in the year in question and previous years.

Strategic Corporate Social Responsibility (CSR) is guided by ORPP CSR strategy and policy. It is well structured with strategic guidance from top leadership pervading all staff to ensure inclusivity, desirable impact and sustainability. The strategy anchors the institutional approach to CSR under the following thematic areas; environmental conservation and protection; humanitarian interventions; education and sports and employee wellness. In the course of CSR policy and strategy implementation, the Office continuously evaluates targeted activities to enhance future engagements.

The Office had functional onsite and off-site back-up plans to safeguard critical data held by the Office. Such included appropriate controls access and maintenance of restricted areas for systems security installation. ICT policy document that directs existence and application of ICT systems has been developed and continue to be implemented.

In the period, members of Management were sensitized on risk identification within their respective areas that informed developed of draft risk corporate profile. This and other risk-related framework that the Office continues to establish has been pivotal in actualizing the risk-based governance that the Office espouses. The risk-based approach was referenced in regulating political parties and the Office role as part of the duty bearer in political stability of the country.

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In its corporate governance structure, ORPP conducts its business with strict adherence to relevant laws, tenets of good governance as corporate citizen entity as well as accountable individual persons holding positions of responsibility.

Management Committee comprises of the Registrar, Assistant Registrars and Heads of Departments. The Committee held 6 meetings during which varied matters and resolutions were made. A conflict of interest register was maintained to which any member with conflicting affiliation in a matter(s) under discussion was obliged to record such. The Management also deliberated on multifold policy issues to chart strategic direction of the Office. To enhance its Management capacity, the Office build its capacity through short trainings on Management courses, risk management among other respective member's trainings as encapsulated in the ORPP training plan.

**Management meetings for FY 2020/21**

| <b>S/No</b> | <b>Date of the meeting</b>  | <b>Members Present</b> | <b>Attendance (%)</b> |
|-------------|-----------------------------|------------------------|-----------------------|
| 1.          | 9 <sup>th</sup> July 2020   | 13/13                  | 100                   |
| 2.          | 17 <sup>th</sup> July 2020  | 12/13                  | 92                    |
| 3.          | 29 <sup>th</sup> July 2020  | 13/13                  | 100                   |
| 4.          | 6 <sup>th</sup> August 2020 | 12/13                  | 92                    |
| 5.          | 1 <sup>st</sup> Sept 2020   | 11/13                  | 85                    |
| 6.          | 14 <sup>th</sup> Dec 2020   | 15/15                  | 100                   |
| 7.          | 25 <sup>th</sup> May 2021   | 12/15                  | 80                    |

In the year under review, a governance Charter was developed, discussed and adopted. The Charter guides the relationships and responsibilities of different governance organs of ORPP. Recognized in the Charter are; Registrar, Plenary, Management and varied standing and ad hoc committees

**1. Sustainability strategy and profile**

The Office of Registrar of Political Parties (ORPP) is an entity that espouses the tenets of corporate citizenship that live beyond its statutory mandate. This is attained through elaborate strategic outlook with appropriate strategic planning, policy and strategy interventions the Office has put in place. The Office has adopted an integrated CSR approach. This has proven effective and has set ORPP apart as one of the progressive corporates, mindful of its current and future roadmap for social business endeavor.

Strategic Corporate Social Responsibility (CSR) is guided by ORPP CSR strategy and policy. It is well structured with strategic guidance from top leadership pervading all staff to ensure inclusivity, desirable impact and sustainability. The strategy anchors the institutional approach to CSR under the following thematic areas; environmental conservation and protection; humanitarian interventions; education and sports and employee wellness. In the course of CSR policy and strategy implementation, the Office continuously evaluates targeted activities to enhance future engagements.

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**2. Environmental performance**

- Paperless
- Disposal process

The Office will endeavor to develop an environmental policy

**3. Employee welfare**

The Office continued to operate within the laid down Occupational Safety and Health standards. Good working environment and conditions that benefit and cater for working needs of all cadres of staff was maintained. This was in line with working codes as stipulated in the Office policy and code of conduct already in place.

The Office is guided by the Human Resources Policy and Procedures Manual in place for the Office has laid bare relevant Human Capital Management principles. It clearly encapsulates matters in respect to: human resource planning; recruitment; selection, placement and promotion; employee orientation/induction; performance management and appraisal; training and development; succession planning among other provisions. Implementation of all the areas therein is spearheaded by inclusive Committees with required checks and balances. The crafting of the manual is well aligned to the human resource practices and best practices.

**The ORPP Welfare Association**

The ORPP has a staff Welfare association which is a functional home-grown voluntary welfare. The objectives of the Association are to; offer financial support to members towards bereavement, medical (In patient expenses beyond the medical cover) and retirement; foster and encourage welfare activities among its members; solicit for assistance from the employer or any other benefactor in cash or in kind for the welfare of the members of the association; establish and maintain funds by means of voluntary contributions and subscriptions and ; acquire either by purchase, lease or otherwise any property movable or immovable or other assets and sell, let, mortgage, charge or otherwise deal with or disposed off, for interest of members.

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**4. Market place practices-**

The organisation should outline its efforts to:

**a) Responsible competition practice.**

The Office has continued to strictly adhere to the requirements of the Public Procurement and Asset Disposal Act, 2015. The Office initiates processes and awards for works, goods and services in conformity with the law. The ORPP in all its procurement, has appropriately registered list of suppliers, continually appointed relevant committees in appropriate stages of procurement, utilizes acceptable systems, avails relevant procurement information for public knowledge and scrutiny; undertakes timely reporting of procurement matters to relevant bodies. The Office maintains a register of legally binding agreements/contracts/ leases that guide applicable engagement. The suppliers are continually guided on matters pertaining the processes, procedures, obligations that underpin procurement.

**b) Responsible Supply chain and supplier relations**

The Office considers suppliers as partners and this partnership should be based not only on financial transactions, but also on mutual trust and loyalty. The suppliers feel like they are a part of the office by Informing them about our processes.

The office also tries to ensure that the suppliers are paid on time. If for any reason the office cannot make the payment on a date agreed, we inform the supplier as soon as possible with the date on which they can expect the payment.

The office tries to maintain strong and regular communication with suppliers. Keep them regularly informed and up to date, on the strategies and plans so that they know where they fit in and how they can help, plan for and benefit from those plans.

The Office ensures that they honor the contracts in which they enter with the suppliers that includes such as Item or Service Description, Price, Delivery Terms, Payment Terms, Communications etc., and then have both parties sign it.

**c) Responsible marketing and advertisement**

The office has a list of prequalified suppliers who supply the goods and services as and when required who are competitively selected through an advertisement through the office website, My GOV, and the newspaper. All the suppliers are given equal chance the competitive binding where the lowest bidder is awarded the contract of supply. Further a committee known as inspection and acceptance is appointed to ensure the goods / services conforms to the specifications provided by the user.

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- **Product-related ethics**

Product-related ethics includes product safety, product liability, and product imitation, which are subject to legal regulations

- **Price-related ethics**

Price-related ethics should be equal or proportional to benefit, which is taken by the consumers. The proportion principle says that price levels should be proportional to the size or significance of the benefit gained from a product or service.

- **Promotion-related ethics**

Promotion-related ethics includes moral problems related to advertising, sales promotion, and public relations. Such a moral problem can involve an advertisement itself or a sponsor or agency.

**d) Product stewardship**

In Kenya, the rights and responsibilities of consumers are enshrined in the Consumer Protection Act, 2010. They are designed to ensure that consumers are provided with full information, including the price quality, of any product or service they may wish to purchase, to ensure that they are safe and meet international standards. The Kenya Information and Communications (Consumer Protection) Regulations, 2010 stipulates consumers' rights and responsibilities as follows;

**Consumer Rights and Interest**

The office ensures that consumers receive clear and complete information about terms and conditions for available and proposed products and services.

The Office ensures protection from unfair trade practices, including false and misleading advertising and anti-competitive.

The Office ensures all customers have access to equal opportunity to the same type and quality of service.

The Office has readily available technologies required to serve specific customers.

The office has also ensured that Consumer is protected against unauthorized use of their personal information.

The office ensures that communication with consumers is appropriate without abusing language.

The office has also ensured that it familiarizes and honors the obligation under any contract entered into with a product supplier or service provider.

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**5. Community Engagements-**

The Office visited Reli women group in Mukuru Kwa Njenga which is a resident community-based organisation, local village leaders and on-ground government officials. The visit presented a rare opportunity for ORPP to share contextualised life skills talks, experiences as well as presenting assorted dry food items bought from the proceedings of staff voluntary contributions. Specific areas of focus of the talks centred on resource-pooling mechanisms to set up sustainable income-generating small scale ventures as well as guidance for the women to actively participate in political processes and general leadership roles.



ORPP staff posing for a photo during the CSR visit to Reli women self-help group

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**V. STATEMENT OF THE REGISTRAR OF POLITICAL PARTIES**

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


The Registrar of Political Parties is responsible for the preparation and presentation of the office's financial statements, which give a true and fair view of the state of affairs of the office for the financial year, ended June 30, 2021. 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 of Political Parties accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Registrar is of the opinion that the office's financial statements give a true and fair view of the state of office's transactions during the financial year ended June 30, 2021, and of the office's financial position as at that date. The Registrar of Political Parties further confirms the completeness of the accounting records maintained for the office, which have been relied upon in the preparation of the office's financial statements as well as the adequacy of the systems of internal financial control.

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

**Approval of the financial statements**

The office's financial statements were approved and signed by the Registrar on 30.9.2021.



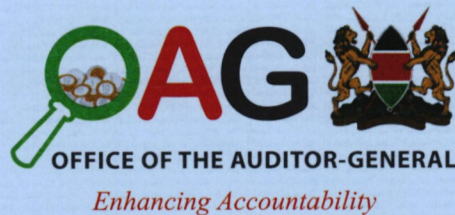
**Ann N. Nderitu, MBS**  
Registrar of Political Parties



**John Macharia**  
Assistant Accountant General  
ICPAK M/ No: 5474

# REPUBLIC OF KENYA

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

## REPORT OF THE AUDITOR-GENERAL ON OFFICE OF THE REGISTRAR OF POLITICAL PARTIES FOR THE YEAR ENDED 30 JUNE, 2021

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### PREAMBLE

I draw your attention to the contents of my report which is in three parts:

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure government achieves value for money and that such funds are applied for intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment, and the internal controls developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, and that its internal control, risk management and governance systems are properly designed and were working effectively in the financial year under review.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report, when read together constitute the report of the Auditor-General.

### REPORT ON THE FINANCIAL STATEMENTS

#### Opinion

I have audited the accompanying financial statements of the Office of the Registrar of Political Parties set out on pages 1 to 16, which comprise the statement of assets and

liabilities as at 30 June, 2021, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation - recurrent 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 the Office of the Registrar of Political Parties as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the Political Parties Act, 2011.

### **Basis for Opinion**

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Office 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 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 (Cash 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 governance.

In preparing the financial statements, Management is responsible for assessing the Office of the Registrar of Political Parties' ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the Management is aware of the intention to terminate the Office 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 Management 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 ability of the Office of the Registrar of Political Parties to continue 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 Office to cease to sustain 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 Office of the Registrar of Political Parties 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.

  
**CPA Nancy Gathunga, CBS**  
**AUDITOR-GENERAL**

**Nairobi**


**02 March, 2022**

**Office of the Registrar of Political Parties  
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**VII. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30 JUNE 2021**

|                                     | Note | 2020-2021            | 2019-2020            |
|-------------------------------------|------|----------------------|----------------------|
|                                     |      | Kshs                 | Kshs                 |
| <b>RECEIPTS</b>                     |      |                      |                      |
| Exchequer releases                  | 1    | 1,295,102,125        | 1,189,945,566        |
| Other Receipts                      | 2    | -                    | -                    |
| <b>TOTAL RECEIPTS</b>               |      | <b>1,295,102,125</b> | <b>1,189,945,566</b> |
| <b>PAYMENTS</b>                     |      |                      |                      |
| Compensation of Employees           | 3    | 155,978,747          | 143,581,541          |
| Use of goods and services           | 4    | 97,485,246           | 121,977,444          |
| Transfers to Political Parties Fund | 5    | 995,240,000          | 871,190,000          |
| Acquisition of Assets               | 6    | 46,064,707           | 48,377,125           |
| <b>TOTAL PAYMENTS</b>               |      | <b>1,294,768,700</b> | <b>1,185,126,110</b> |
| <b>SURPLUS/DEFICIT</b>              |      | <b>333,425</b>       | <b>4,819,456</b>     |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 30.9.2021 and signed by:



**Ann N. Nderitu, MBS**  
Registrar of Political Parties



**John Macharia**  
Assistant Accountant General  
ICPAK M/ No: 5474


**Office of the Registrar of Political Parties  
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**VIII. STATEMENT OF ASSETS AND LIABILITIES AS AT 30 JUNE 2021**

|                                       | Note | 2020-2021      | 2019-2020        |
|---------------------------------------|------|----------------|------------------|
|                                       |      | Kshs           | Kshs             |
| <b>FINANCIAL ASSETS</b>               |      |                |                  |
| <b>Cash and Cash Equivalents</b>      |      |                |                  |
| Bank Balances                         | 7(a) | 237,552        | 4,787,562        |
| Cash Balances                         | 7(b) | 95,873         | 31,894           |
| <b>Total Cash and cash equivalent</b> |      | <b>333,425</b> | <b>4,819,456</b> |
| Retention                             | 11   |                | -                |
| <b>TOTAL FINANCIAL ASSETS</b>         |      | <b>333,425</b> | <b>4,819,456</b> |
| <b>FINANCIAL LIABILITIES</b>          |      |                |                  |
| Retention                             | 11   |                | -                |
| <b>NET FINANCIAL ASSETS</b>           |      | <b>333,425</b> | <b>4,819,456</b> |
| <b>REPRESENTED BY</b>                 |      |                |                  |
| Fund balance b/fwd                    | 9    | 4,819,456      | 153,853          |
| Prior year adjustment                 | 10   | -4,819,456     | -153,853         |
| <b>Surplus/Deficit for the year</b>   |      | <b>333,425</b> | <b>4,819,456</b> |
| <b>NET FINANCIAL POSITION</b>         |      | <b>333,425</b> | <b>4,819,456</b> |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 30.9 2021 and signed by:

  
Ann N. Nderitu, MBS  
Registrar of Political Parties

John Macharia   
Assistant Accountant General  
ICPAK M/ No: 5474

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**IX. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021**

|  |    | 2020-2021            | 2019 -2020           |
|--|----|----------------------|----------------------|
|  |    | Kshs                 | Kshs                 |
| <b>Receipts for operating income</b>                     |    | <b>1,295,102,125</b> | <b>1,189,945,566</b> |
| Exchequer Releases                                       | 1  | 1,295,102,125        | 1,189,945,566        |
| Other Receipts   | 2  | -                    | -                    |
| <b>Payments for operating expenses</b>                   |    | <b>1,248,703,993</b> | <b>1,136,748,984</b> |
| Compensation of Employees                                | 3  | 155,978,747          | 143,581,541          |
| Use of goods and services                                | 4  | 97,485,246           | 121,977,444          |
| Transfers to Political Parties Fund                      | 5  | 995,240,000          | 871,190,000          |
| <b>Adjusted for:</b>                                     |    |                      |                      |
| Adjustments during the year                              |    |                      |                      |
| Decrease/(Increase) in Accounts Receivable               |    | -                    | -                    |
| Increase/(Decrease) in Accounts Payable                  |    | -                    | -                    |
| Prior Year Adjustments                                   | 10 | (4,819,456)          | (153,852)            |
| <b>Net cash flow from operating activities</b>           |    | <b>41,578,676</b>    | <b>53,042,730</b>    |
| <b>CASHFLOW FROM INVESTING ACTIVITIES</b>                |    |                      |                      |
| Proceeds from Sale of Assets                             |    | -                    | -                    |
| Acquisition of Assets                                    | 6  | 46,064,707           | 48,377,126           |
| <b>Net cash flows from Investing Activities</b>          |    | <b>46,064,707</b>    | <b>48,377,126</b>    |
| <b>CASHFLOW FROM BORROWING ACTIVITIES</b>                |    |                      |                      |
| Proceeds from Domestic Borrowings                        |    | -                    | -                    |
| Proceeds from Foreign Borrowings                         |    | -                    | -                    |
| <b>Net cash flow from financing activities</b>           |    | <b>-</b>             | <b>-</b>             |
| <b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>          |    | <b>-4,486,031</b>    | <b>4,665,604</b>     |
| <b>Cash and cash equivalent at BEGINNING of the year</b> | 9  | <b>4,819,456</b>     | <b>153,852</b>       |
| <b>Cash and cash equivalent at END of the year</b>       |    | <b>333,425</b>       | <b>4,819,456</b>     |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 30.9.2021 and signed by:



**Ann N. Nderitu, MBS**  
 Registrar of Political Parties



**John Macharia**  
 Assistant Accountant General  
 ICPAK M/ No: 5474

Office of the Registrar of Political Parties  
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X. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT

| Receipt/Expense Item                | Original Budget<br>a | Adjustments<br>b   | Final Budget<br>c=a+b | Actual on Comparable Basis<br>d | Budget Utilization Difference<br>e=e-d | % of Utilization<br>f=d/e-% |
|-------------------------------------|----------------------|--------------------|-----------------------|---------------------------------|--|-----------------------------|
| <b>RECEIPTS</b>                     |                      |                    |                       |                                 |  |                             |
| Exchequer releases                  | 1,345,791,991        | 39,670,000         | 1,306,121,991         | 1,295,102,125                   | 11,019,866.00                          | 0.84                        |
| Other Receipts                      | -                    |                    |                       |                                 |  |                             |
| <b>TOTAL RECEIPTS</b>               |                      |                    |                       |                                 |  |                             |
| <b>PAYMENTS</b>                     |                      |                    |                       |                                 |  |                             |
| Compensation of Employees           | 193,060,000          | (33,400,000)       | 159,660,000           | 155,978,747                     | 3,681,253                              | 2.30                        |
| Use of goods and services           | 133,736,705          | (30,189,667)       | 103,547,038           | 97,485,246                      | 6,061,792                              | 5.85                        |
| Transfers to Political Parties Fund | 995,240,000          | -                  | 995,240,000           | 995,240,000                     | -                                      | -                           |
| Acquisition of Assets               | 23,755,286           | 23,919,667         | 47,674,953            | 46,064,707                      | 1,610,246                              | 3.40                        |
| <b>TOTAL PAYMENTS</b>               | <b>1,345,791,991</b> | <b>-39,670,000</b> | <b>1,306,121,991</b>  | <b>1,294,789,309</b>            | <b>11,353,291</b>                      | <b>0.87</b>                 |
| <b>Surplus/Deficit</b>              |                      |                    |                       |                                 |  |                             |

During the year under review, the budget changed from the printed estimate of Kenya shillings one billion three hundred forty five million seven hundred ninety one thousand nine hundred ninety one (Kshs.1,345,791,991) to revised budget of Kenya shillings one billion three hundred and six million one hundred and twenty one thousand nine hundred ninety one (Kshs.1,306,121,991). The budget was reduced by Kenya shillings thirty nine million six hundred and seventy thousand (Kshs. 39,670,000) through supplementary budget estimates 1 and 2.

The entity financial statements were approved on 30.9. 2021 and signed by:



**Ann N. Nderitu, MBS**  
Registrar of Political Parties



**John Macharia**  
Assistant Accountant General  
ICPAK M/ No: 5474

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XI. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

| Programme/Sub-programme   | Original Budget      | Adjustments         | Final Budget         | Actual on            | Budget            |
|---|----------------------|---------------------|----------------------|----------------------|-------------------|
|   | 2021                 |                     | 2021                 | comparable basis     | utilization       |
|   | Kshs                 | Kshs                | Kshs                 | 2021                 | difference        |
|   |                      |                     |                      | Kshs                 | Kshs              |
| Registration , Regulation and funding of political parties        |                      |                     |                      |                      |                   |
| Sub-programme 1 –Registration and regulation of political parties | 335,561,991          | (33,462,175)        | 302,099,816          | 290,851,485          | 11,248,331        |
| Sub-programme 2- Funding of political parties                     | 995,240,000          | -                   | 995,240,000          | 995,240,000          | -                 |
| Sub-programme 3- Political Parties Liason Committee               | 14,990,000           | (6,207,825)         | 8,782,175            | 8,677,215            | 104,960           |
| <b>Total</b>  | <b>1,345,791,991</b> | <b>(39,670,000)</b> | <b>1,306,121,991</b> | <b>1,294,768,700</b> | <b>11,353,291</b> |

**Office of the Registrar of Political Parties  
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For the year ended 30, June 2021.**

**XII. SIGNIFICANT ACCOUNTING POLICIES**

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

**a) Statement of compliance and Basis of Preparation**

The financial statements have been prepared in accordance with Cash-basis International Public Sector Accounting Standards (IPSAS) as prescribed by the Public Sector Accounting Standards Board (PSASB) and set out in the accounting policy note below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include deposits and retentions.

The financial statements comply with and conform to the form of presentation prescribed by the PSASB. The accounting policies adopted have been consistently applied to all the years presented.

**b) Reporting Entity**

The financial statements are for the Office of the Registrar of Political Parties. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012.

**c) Reporting Currency**

The financial statements are presented in Kenya Shillings (KShs), which is the functional and reporting currency of the Government and all values are rounded to the nearest Kenya Shilling.

**d) Recognition of Receipts**

The Entity recognises all receipts from the various sources when the event occurs and the related cash has actually been received by the Entity.

**i. Transfers from the Exchequer**

Transfers from the exchequer are recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the receiving entity.

**ii. Other receipts**

These include Appropriation-in-Aid and relates to receipts such as proceeds from disposal of assets and sale of tender documents. These are recognised in the financial statements the time associated cash is received.

**e) Recognition of payments**

The Entity recognises all payments when the event occurs, and the related cash has been paid out by the Entity.

**i) Compensation of Employees**

Salaries and wages, allowances, statutory contribution for employees are recognized in the period when the compensation is paid.

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**ii) Use of Goods and Services**

Goods and services are recognized as payments in the period when the goods/services are paid for. Such expenses, if not paid during the period where goods/services are consumed, shall be disclosed as pending bills.

**iii) Acquisition of Fixed Assets**

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment.

A fixed asset register is maintained by each public entity and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the financial statements.

**f) In-kind contributions**

In-kind contributions are donations that are made to the Entity in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the Entity includes such value in the statement of receipts and payments both as receipts and as payments in equal and opposite amounts; otherwise, the contribution is not recorded.

**g) Third Party Payments**

Included in the receipts and payments, are payments made on its behalf to third parties in form of loans and grants. These payments do not constitute cash receipts and payments and are disclosed in the payment to third parties in the statement of receipts and payments as proceeds from foreign borrowings.

**h) 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.

**a) Restriction on Cash**

Restricted cash represents amounts that are limited/restricted from being used to settle a liability for at least twelve months after the reporting period. This cash is limited for direct use as required by stipulation.

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**i) Accounts Receivable**

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as payments when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

**j) Accounts Payable**

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized on an accrual basis (as accounts payables). This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted by National Government Ministries and Agencies. Other liabilities including pending bills are disclosed in the financial statements.

**k) Pending Bills**

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they are recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the Entity at the end of the year. When the pending bills are finally settled, such payments are included in the Statement of Receipts and Payments in the year in which the payments are made.

**l) Budget**

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 2020 for the period 1<sup>st</sup> July 2020 to 30<sup>th</sup> June 2021 as required by Law and there were two supplementary adjustments to the original budget during the year.

A comparison of the actual performance against the comparable budget for the financial year under review has been included in the financial statements.

**m) Comparative Figures**

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

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**n) 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 30<sup>th</sup> June 2021.

**o) Errors**

Material prior period errors shall be corrected retrospectively in the first set of financial statements authorized for issue after their discovery by: i. restating the comparative amounts for prior period(s) presented in which the error occurred; or ii. If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.

**p) Related Party Transactions**

Related party relationships are a normal feature of commerce. Specific information with regards to related party transactions is included in the disclosure notes.

**q) Contingent Liabilities**

Section 148 (9) of the PFM Act regulations 2015 requires the Accounting officer of a National Government entity to report on the payments made, or losses incurred, by the National Government entity to meet contingent liabilities as a result of loans during the financial year.

A contingent liability is:

- i. A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- ii. A present obligation that arises from past events but is not recognised because:
  - i) It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
  - ii) The amount of the obligation cannot be measured with sufficient reliability.

Some of contingent liabilities may arise from: litigation in progress, guarantees, indemnities. Letters of comfort/ support, insurance, Public Private Partnerships. The Office of the Registrar of Political Parties does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

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**XIII. NOTES TO THE FINANCIAL STATEMENTS**

**1. Exchequer Releases**

| <b>Description</b>                     | <b>2020-2021</b>     | <b>2019-2020</b>     |
|--|----------------------|----------------------|
|  | <b>Kshs</b>          | <b>Kshs</b>          |
| Total Exchequer Releases for quarter 1 | 316,900,092          | 272,252,001          |
| Total Exchequer Releases for quarter 2 | 552,203,335          | 324,695,246          |
| Total Exchequer Releases for quarter 3 | 61,146,518           | 304,062,423          |
| Total Exchequer Releases for quarter 4 | 364,852,180          | 288,935,896          |
| <b>Total</b>                           | <b>1,295,102,125</b> | <b>1,189,945,566</b> |

During the year under review, the office received exchequers amounting the figure shown in the table above where the office did not achieve 100% budget execution. The revised budget was Kenya shillings one billion three hundred and six million one hundred twenty one thousand nine ninety one (Kshs.1,306,121,991). Hence, the difference was Kenya shillings eleven million nineteen thousand eight hundred and sixty six (Kshs. 11,019,866) being the amount of unexecuted budget.

**2. Other Receipts**

In the year under review, the office collected Appropriation in Aid (A.I.A) in form of administrative fees totalling Kenya Shillings three million three hundred sixty four thousand two hundred and forty (Kshs. 3,364,240). During the same period, the office budget did not have the provision to collect A.I.A therefore the same was surrendered to the exchequer as excess A.I.A. and official miscellaneous receipts No D1581878 and D1709416 issued.

**3. Compensation of Employees**

|  | <b>2020-2021</b>   | <b>2019-2020</b>   |
|--|--------------------|--------------------|
|  | <b>Kshs</b>        | <b>Kshs</b>        |
| Basic salaries of permanent employees                              | 87,862,788         | 75,499,923         |
| Basic wages of temporary employees                                 | 2,904,784          | 3,424,470          |
| Personal allowances paid as part of salary                         | 54,067,093         | 55,811,074         |
| Employer Contributions Compulsory national social security schemes | 11,144,083         | 8,846,074          |
| <b>Total</b>   | <b>155,978,747</b> | <b>143,581,541</b> |

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The 8.63% increase in personnel emolument could be attributed to the new staff that the office recruited and the filing of the positions of the two assistant registrars during the year.

**4. Use of Goods and Services**

|  | <b>2020-2021</b>  | <b>2019-2020</b>   |
|--|-------------------|--------------------|
|  | <b>Kshs</b>       | <b>Kshs</b>        |
| Utilities, supplies and services                             | 1,452,114         | 1,029,012          |
| Communication, supplies and services                         | 3,766,168         | 2,447,015          |
| Domestic travel and subsistence                              | 14,965,359        | 26,363,700         |
| Foreign travel and subsistence                               | 322,673           | 733,975            |
| Printing, advertising and information supplies & services    | 1,553,550         | 2,447,880          |
| Rentals of produced assets                                   | 34,836,961        | 35,779,533         |
| Training expenses  | 1,327,141         | 2,400,946          |
| Hospitality supplies and services                            | 8,627,697         | 12,463,445         |
| Insurance costs  | 17,840,365        | 20,484,544         |
| Specialized materials and services                           | 410,534           | 311,275            |
| Office and general supplies and services                     | 3,608,279         | 2,870,285          |
| Fuel Oil and Lubricants                                      | 749,074           | 3,381,900          |
| Other operating expenses                                     | 5,956,861         | 9,893,055          |
| Routine maintenance – vehicles and other transport equipment | 1,518,334         | 1,066,379          |
| Routine maintenance – other assets                           | 550,136           | 304,500            |
| <b>Total</b>   | <b>97,485,246</b> | <b>121,977,444</b> |

There were significant changes in expenditures under domestic travel and other operating expenses which could be attributed to the frequent system outages to allow for supplementary budget estimates and the partial lockdown occasioned by the COVID- 19 outbreak where most planned activities were postponed.

**5. Grants and Transfers to Political Parties Fund**

| <b>Description</b>                         | <b>2020-2021</b>   | <b>2019-2020</b>   |
|--|--------------------|--------------------|
|  | <b>Kshs</b>        | <b>Kshs</b>        |
| <b>Transfers to Political Parties Fund</b> |                    |                    |
| Transfers grants                           | 995,240,000        | 871,190,000        |
| <b>TOTAL</b>                               | <b>995,240,000</b> | <b>871,190,000</b> |

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**6. Acquisition of Assets**

| <b>Non -Financial Assets</b>                       | <b>2020-2021</b>  | <b>2019-2020</b>  |
|--|-------------------|-------------------|
|  | <b>Kshs</b>       | <b>Kshs</b>       |
| Refurbishment of Buildings                         | 6,643,367         | 6,164,988         |
| Purchase of Vehicles and Other Transport Equipment | 25,030,000        | -                 |
| Purchase of Office Furniture and General Equipment | 3,516,340         | 2,187,200         |
| <b>Sub-total</b>                                   | <b>35,189,707</b> | <b>8,352,188</b>  |
| <b>Financial Assets</b>                            |                   |                   |
| Domestic Public Non-Financial Enterprises          | 10,875,000        | 40,024,938        |
| <b>Sub-total</b>                                   | <b>10,875,000</b> | <b>40,024,938</b> |
| <b>Total</b>                                       | <b>46,064,707</b> | <b>48,377,126</b> |

**7. a) Bank Accounts**

| <b>Name of Bank, Account No. &amp; currency</b> | <b>Amount in bank account currency</b> | <b>Indicate whether recurrent, Development, deposit e.t.c</b> | <b>Exc rate (if in foreign currency)</b> | <b>2020-2021</b> | <b>2019-2020</b> |
|---|--|---|--|------------------|------------------|
|   |  |   |  | <b>Kshs</b>      | <b>Kshs</b>      |
| Registrar of Political Parties - 1000181206     | KES                                    | Rec   | -  | 237,551          | 4,787,562        |
| <b>Total</b>                                    |  |   |  | <b>237,551</b>   | <b>4,787,562</b> |

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**(b): cash in hand**

|  | 2020-2021     | 2019-2020     |
|--|---------------|---------------|
|  | Kshs          | Kshs          |
| Cash in Hand – Held in domestic currency | 95,873        | 31,894        |
| <b>Total</b>                             | <b>95,873</b> | <b>31,894</b> |

**(c) Cash in hand should also be analysed as follows:**

|                           | 2020-2021     | 2019-2020     |
|---------------------------|---------------|---------------|
|                           | Kshs          | Kshs          |
| Location - 1 Headquarters | 95,873        | 31,894        |
| <b>Total</b>              | <b>95,873</b> | <b>31,894</b> |

**8. Accounts Receivable**

| <i>Description</i>  | 2020-2021 | 2019-2020 |
|---------------------|-----------|-----------|
|                     | Kshs      | Kshs      |
| Government Imprests | -         | -         |
| Salary advances     | -         | -         |
| District suspense   | -         | -         |
| Clearance accounts  | -         | -         |
| <b>Total</b>        | <b>-</b>  | <b>-</b>  |

**9. Fund Balance Brought Forward**

| <b>Description</b> | 2019-2020        |
|--------------------|------------------|
|                    | Kshs             |
| Bank accounts      | 4,787,562        |
| Cash in hand       | 31,894           |
| <b>Total</b>       | <b>4,819,456</b> |

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**10. Prior Year Adjustments**

|                                 | <b>Balance b/f<br/>FY 2019/2020 as<br/>per audited<br/>financial<br/>statements</b> | <b>Adjustments<br/>during the<br/>year relating<br/>to prior<br/>periods</b> | <b>Adjusted **<br/>Balance b/f<br/>FY 2019/2020</b> |
|---------------------------------|---|--|---|
| <b>Description of the error</b> | <b>Kshs</b>   | <b>Kshs</b>  | <b>Kshs</b>   |
| Bank account Balances           | 4,787,562   | -  | 4,787,562   |
| Cash in hand                    | 31,894  | -  | 31,894  |
| <b>Total</b>                    | <b>4,819,456</b>  | <b>-</b>   | <b>4,819,456</b>                                    |

11. The office undertook partitioning work during the year under review and retained 10% of the certified works as retention. Further, the retention was transferred to deposit account vide miscellaneous receipt Nos B3426344 and B3398940 to be released to the contractor after the expiry of the making good defects period.

**12. List of Pending Bills**

| <b>Description</b> | <b>2020-2021</b>    |
|--------------------|---------------------|
|                    | <b>Kshs</b>         |
| Supply of services | 1,351,489.30        |
| <b>Total</b>       | <b>1,351,489.30</b> |

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**13. Related Party Disclosures**

(i): Pending Accounts Payable

|                             | <b>Balance b/f<br/>FY 2019/2020</b> | <b>Additions for<br/>the period</b> | <b>Paid during the<br/>year</b> | <b>Balance c/f<br/>FY<br/>2020/2021</b> |
|-----------------------------|-------------------------------------|-------------------------------------|---------------------------------|---|
| <b>Description</b>          | <b>Kshs</b>                         | <b>Kshs</b>                         | <b>Kshs</b>                     | <b>Kshs</b>                             |
| Construction of buildings   | -                                   | -                                   | -                               | -                                       |
| Construction of civil works | -                                   | -                                   | -                               | -                                       |
| Supply of goods             | -                                   | -                                   | -                               | -                                       |
| Supply of services          | -                                   | 1,351,489.30                        | -                               | 1,351,489.30                            |
| <b>Total</b>                | -                                   | 1,351,489.30                        | -                               | 1,351,489.30                            |

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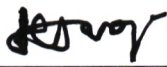
**PROGRESS ON FOLLOW UP OF PRIOR YEARS AUDITOR'S RECOMMENDATIONS.**


The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor.

| Reference No. on the external audit Report | Issue / Observations from Auditor   | Management comments  | 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 deputies were | Through Public Service Commission, the Office advertised the positions of Registrar of Political Parties and the three assistant registrars. The Office further sought authority from The National Treasury (TNT) to fill the vacant positions. TNT through letter Ref. RES.1311/19/01/A/ (22) dated 3 <sup>rd</sup> February 2020 gave approval of availability of funds. The Head of Public Service through letter Ref: OP/CAB/4/24A dated 2 <sup>nd</sup> March 2020 gave authority to recruit the additional members of staff. | Director of Human Resource        | Resolved   |

**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 Macharia  
 Assistant Accountant General  
 ICPAK M/ No: 5474

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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

| Supplier of Goods or Services    | Original Amount     | Date Contracted | Amount Paid To-Date | Outstanding Balance 2020/21 | Outstanding Balance 2019/20 | Comments |
|----------------------------------|---------------------|-----------------|---------------------|-----------------------------|-----------------------------|----------|
|                                  | A                   | B               | C                   | d=a-c                       |                             |          |
| <b>Construction of buildings</b> |                     |                 |                     |                             |                             |          |
| 1.                               |                     |                 |                     |                             |                             |          |
| <b>Sub-Total</b>                 |                     |                 |                     |                             |                             |          |
| <b>Supply of goods</b>           |                     |                 |                     |                             |                             |          |
| 2.                               |                     |                 |                     |                             |                             |          |
| <b>Sub-Total</b>                 |                     |                 |                     |                             |                             |          |
| <b>Supply of services</b>        |                     |                 |                     |                             |                             |          |
| 3. Focus Safaris and Car Hire    | 540,096             | -               | -                   | 540,096                     |                             |          |
| 4. Ngurumah Tours and Travel     | 353,220             | -               | -                   | 353,220                     |                             |          |
| 5. Rentokil Initial              | 36,039.30           | -               | -                   | 36,039.30                   |                             |          |
| 6. Gelian Hotel                  | 179,800             | -               | -                   | 179,800                     |                             |          |
| 7. Cedars                        | 15,540              | -               | -                   | 15,540                      |                             |          |
| 8. Kenya Institute of Management | 153,900             | -               | -                   | 153,900                     |                             |          |
| 9. Isuzu East Africa             | 72,894              | -               | -                   | 72,894                      |                             |          |
| <b>Sub-Total</b>                 | <b>1,351,489.30</b> | -               | -                   | <b>1,351,489.30</b>         |                             |          |
| <b>Grand Total</b>               | <b>1,351,489.30</b> | -               | -                   | <b>1,351,489.30</b>         |                             |          |

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**ANNEX 2 – SUMMARY OF FIXED ASSET REGISTER**

| Asset class                              | Historical Cost b/f<br>(Kshs)<br>2019/2020 | Additions during<br>the year<br>(Kshs) | Disposals during<br>the year<br>(Kshs) | Transfers in/(out)<br>during the year | Historical Cost c/f<br>(Kshs)<br>2020/21 |
|--|--|--|--|---------------------------------------|--|
| Buildings and structures                 | 16,035,080                                 | 6,643,367                              |  |                                       | 22,678,447                               |
| Transport equipment                      | 23,436,000                                 | 25,030,000                             |  |                                       | 48,466,000                               |
| Office equipment, furniture and fittings | 13,158,472                                 | 3,516,340                              |  |                                       | 16,674,812                               |
| ICT Equipment                            | 1,002,000                                  |  |  |                                       | 1,002,000                                |
| Machinery and Equipment                  | 2,805,986                                  |  |  |                                       | 2,805,986                                |
| Intangible assets                        | 2,314,950                                  |  |  |                                       | 2,314,950                                |
| <b>Total</b>                             | <b>58,752,488</b>                          | <b>35,189,707</b>                      |  |                                       | <b>93,942,195</b>                        |

The balance as at the end of the year is the cumulative cost of all assets bought and inherited by the office of the Registrar of Political parties.

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**ANNEX 4 – REPORTS GENERATED FROM IFMIS**

The following financial Reports Generated from IFMIS should be generated and attached as appendices to these financial statements.

- i. GOK IFMIS Comparison Trial Balance
- ii. FO30 (Bank reconciliations) for all bank accounts
- iii. GOK IFMIS Receipts and Payments Statement
- iv. GOK IFMIS Statement of Financial Position
- v. GOK IFMIS Statement of Cash Flows
- vi. GOK IFMIS Notes to the Financial Statements
- vii. GOK IFMIS Statement of Budget Execution
- viii. GOK IFMIS Statement of Deposits
- ix. GOK IFMIS Budget Execution by Programme and Economic Classification
- x. GOK IFMIS Budget Execution by Heads and Programmes
- xi. GOK IFMIS Budget Execution by Programmes and Sub-programmes