

REPUBLIC OF KENYA



Enhancing Accountability



REPORT

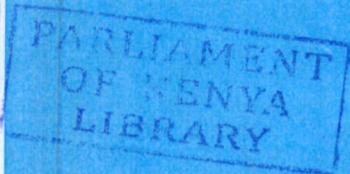


OF

DLP

THE AUDITOR-GENERAL

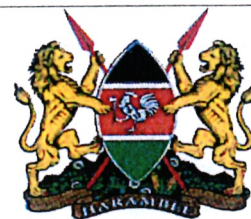
8/2/21



ON

**OFFICE OF THE REGISTRAR
OF POLITICAL PARTIES**

**FOR THE YEAR ENDED
30 JUNE, 2020**



Republic of Kenya

ANNUAL REPORT

AND

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2020

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 –ORPP
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P.O. Box 1131-00606
NAIROBI

OFFICE OF THE REGISTRAR OF POLITICAL PARTIES
Reports 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 2019/2020.

Vision

A model regulator of political parties for a viable 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.

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Integrity: The office will uphold high moral standards and honesty in the provision of services.

Respect for the rule of law: the office shall adhere to the applicable laws, rules and regulations.

Innovativeness: the Office shall adapt creative processes aided by modern technologies.

Impartiality: The Office shall observe political neutrality and offer equal treatment in the provision of services.

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 Commission of the findings;
- (g) Investigate complaints received under the 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 departments:

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

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2020 and who had direct fiduciary responsibility were:

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

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| | | |
|-----|---|--------------------|
| 2. | Assistant Director, Records Management | Joel Terer |
| 3. | Assistant Director, Compliance | Juliet Murimi |
| 4. | Chief Finance Officer | Joshua Kimulu |
| 5. | Assistant Accountant General | John Macharia |
| 6. | Assistant Director Internal Auditor | Veronicah Muasya |
| 7. | Senior Economist | Joseph Kariuki |
| 8. | Senior Supply Chain Management Officer | Kelvin Mung'asio |
| 9. | Senior Training and Development Officer | Anastacia Kaberere |
| 10. | Senior Information Communication and Technology Officer | Robert Waitthaka |
| 11. | Senior Communication Officer | Mutethia Mberia |
| 12. | Principal Human Resource Management Officer | Jacqueline Kosgei |
| 13. | Senior Legal Officer | Boniface Olwal |

(d) Fiduciary Oversight Arrangements

1. ORPP Management Committee

The Committee Members: Registrar and All Heads of Departments

Terms of Reference (ToR's)

The office has a management committee constituted of all Heads of Departments. The Terms of reference for the Management Committee include to: -

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

2. 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

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3 years. The Registrar through letter Ref.: RPP/CMT/13 dated 25th August 2016, appointed the following as members of ORPP audit committee.

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

The term of the Audit committee ended on 30th September, 2019 after successfully serving for a period of three years as provided in paragraph 4.2.2 of the PFMR, 2015.

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.

3. Budget Implementation Committee

Pursuant to The National Treasury Circular no. 7/2019, the Registrar constituted a Budget Implementation Committee (BIC) with the following members:

| S/No | Name | Designation | Appointment |
|------|------|-------------|-------------|
|------|------|-------------|-------------|

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| | | | |
|----|--------------------|---|-----------------------|
| 1. | Ann Nderitu, MBS | Registrar of Political Parties | Chairperson |
| 2. | Joshua Kimulu | Chief Finance Officer | Alternate Chairperson |
| 3. | Dinah Liech | Assistant Director HRM | Member |
| 4. | Jacqueline Kosgei | Principal Human Resource Management Officer | Member |
| 5. | Juliet Murimi | Assistant Director Compliance | Member |
| 6. | Joseph Kanja | Senior Economist | Member |
| 7. | Kelvin Mung'asio | Senior Supply Chain Management | Member |
| 8. | Anastacia Kaberere | Senior Training and Development Officer | Member |
| 9. | John Macharia | Assistant Accountant General | 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.

4. 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 | Assistant Director Records Management | Chairperson |
| 2. | Joshua Kimulu | Chief finance officer | Member |
| 3. | Boniface Olwal | Senior County Monitor | Member |
| 4. | Anastacia Kaberere | Senior Training and Development Officer | Member |
| 5. | Rebecca Wahu | Senior County Monitor | Member |
| 6. | John Mberia | Senior Comm. Officer | Member |
| 7. | Dinah Liech | Assistant Director HRM | Secretary |
| 8. | Jacqueline Kosgei | Principal Human Resource management Officer | Alternate 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.

5. 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:

| S/No | Name | Appointment |
|-------------|-------------------|--------------------|
| 1. | Kelvin Mung'asio | Chairperson |
| 2. | Jacqueline Kosgei | Member |
| 3. | Josephat Nyongesa | Member |
| 4. | Gladys Morara | Member |
| 5. | Lenard Rotich | Member |
| 6. | Robert Waithaka | 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.
- h) Oversee development, approval and implementation of ICT Strategic objectives

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6. Communication and Resource Centre Committee

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

Members to the Committee are;

| S/No | Name | Designation | Appointment |
|-------------|-----------------|---|--------------------|
| 1. | Joseph Kanja | Senior Economist | Chairperson |
| 2. | Joshua Ngala | Senior County Monitor | Member |
| 3. | Marjorie Okeyo | Senior Research Officer | Member |
| 4. | Kazungu Saqib | Records Mgt. Officer | Member |
| 5. | Judy Gathoni | Registration Officer | Member |
| 6. | Lenard Rotich | ICT Assistant | Member |
| 7. | Lucy Kemunto | Communication Officer | Member |
| 8. | Hope Nandwa | Assistant Records Management Officer | Member |
| 9. | Mutethia Mberia | Senior Communication Officer | Secretary |

Terms of Reference (ToRs)

1. Develop appropriate policies and monitor implementation of existing policies and strategies relevant to the Committee scope;
2. Periodic review of corporate communication and information resources
3. Edit ORPP publications and IEC materials;
4. Identify, undertake and coordinate communication-related research;
5. Oversee implementation of ORPP Corporate Social Responsibility activities;
6. Identify and periodically appraise Management with appropriate measures pertaining to the Committee scope;
7. Provide input into organization, participation or hosting of corporate events;
8. Review establishment of the communication department, Resource Centre
9. Continuously carry out needs assessment to ascertain the current and the projected needs Resource Center users ;
10. Implement ORPP Resource Centre Management policy and develop relevant manuals and procedures;
11. Identify and coordinate sourcing of appropriate infrastructure (software, systems, hardware) in line with the Resource Centre objectives;
12. Identify and oversee acquisition of relevant up to date information resources, researches and avail to users through Resource Centre platforms;

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13. Periodically collect and collate information resources for stocking in the Resource Centre on behalf of the assigned functional areas;
14. Act as focal point between ORPP & stakeholders on matters relevant to the Resource Centre.

7. 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:

| S/No | Name | Designation | Appointment |
|-------------|-----------------|--------------------------------|--------------------|
| 1. | Juliet Murimi | Assistant Director, Compliance | Chairperson |
| 2. | Joseph Kanja | Senior Economist | Member |
| 3. | Robert Waithaka | Senior ICT officer | Member |
| 4. | LodupoTukei | Liaison Officer | Member |
| 5. | Judy Gathoni | Registration Officer | Member |
| 6. | Kazungu Saqib | Records Mgt Officer | Member |
| 7. | Joy Onyango | Compliance Officer | Member |
| 8. | Bonface Olwal | Senior County Monitor | 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.

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8. Training and Development Committee

Members of the committee are:

| S/No | Name | Designation | Appointment |
|-------------|--------------------|---|--------------------|
| 1. | Joshua Kimulu | Chief Finance Officer | Chairperson |
| 2. | Jacqueline Kosgei | Principal Human Resource Management Officer | Member |
| 3. | Bonface Olwal | Senior County Monitor | Member |
| 4. | Beatrice Nderi | Senior County Monitor | Member |
| 5. | Kelvin Mung'asio | Senior Supply Chain Management Officer | Member |
| 6. | Lodupo Tukei | Liaison Officer | Member |
| 7. | Anastacia Kaberere | Senior Training and Development Officer | Secretary |

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

9. 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.

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Members of the committee are

| S/No | Name | Designation | Appointment |
|-------------|-----------------------|---|--------------------|
| 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
- 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

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10. Name Search and Registration Committee

Members to the Committee

| S/No | Name | Designation | Appointment |
|-------------|-------------------|-----------------------------------|--------------------|
| 1. | Robert Waithaka | Senior ICT Officer | Chairperson |
| 2. | Juliet Murimi | Assistant Director, Compliance | Member |
| 3. | Joel Terer | Asst. DRM | Member |
| 4. | Alice Gichaga | Senior Office Administrator | Member |
| 5. | LodupoTukei | Compliance Officer | Member |
| 6. | Judy Gathoni | Registration 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

(e) Office Headquarters

P.O. Box 1131 – 00606,
Lion Place 1st 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, 3rd floor Wing B
Oginga Odinga Road
Kisumu
- ii. Mombasa**
Palli House, 5th Floor

OFFICE OF THE REGISTRAR OF POLITICAL PARTIES
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- Nyerere Avenue
Mombasa
- iii. **Uasin Gishu**
Kerio Valley Development Authority (KVDA) Plaza 7th 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

(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

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(h) Principal Legal Adviser

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

II. FORWARD BY THE ATTORNEY GENERAL

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 30th June 2020

The Office has a Recurrent Vote R1311. In the printed Estimates of FY2019/20, the office had an allocation of Kenya shillings one billion two hundred ninety-eight million seven hundred and ten thousand (Kshs.1,298,710,000). The budget was reduced through supplementary budget estimates No. 1 and 2 by Kshs. Eighty six million five hundred and seventy thousand two hundred forty seven (Kshs.86,570,247) leaving a balance of Kenya shillings One billion two hundred and twelve million, one hundred and thirty nine thousand seven hundred fifty three (Kshs.1,212,139,753).

During supplementary budget estimate No. 1, the budget was reduced by Kenya shillings thirty two million five hundred and fifty six thousand and seventy four (Kshs.32,556,074) while in supplementary budget estimate No. 2 the budget was reduced by Kenya shillings fifty four million and fourteen thousand one hundred and seventy three (Kshs.54,014,173) bringing the total reduction to Kenya shillings Eighty six million five hundred and seventy thousand two hundred forty seven (Kshs.86,570,247).

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The Office complied with the PFMA, PPADA, PPA Act and other laws that govern Public finances while executing the budget.

Table 1: Overall Budget

| Printed Estimates Kshs.(m) | Supplementary budget Kshs. (m) | Approved Budget Kshs.(m) |
|----------------------------|--------------------------------|--------------------------|
| 1,298.71 | (86.58) | 1,212.13 |

Figure 1: The bar graph below illustrates the overall budget

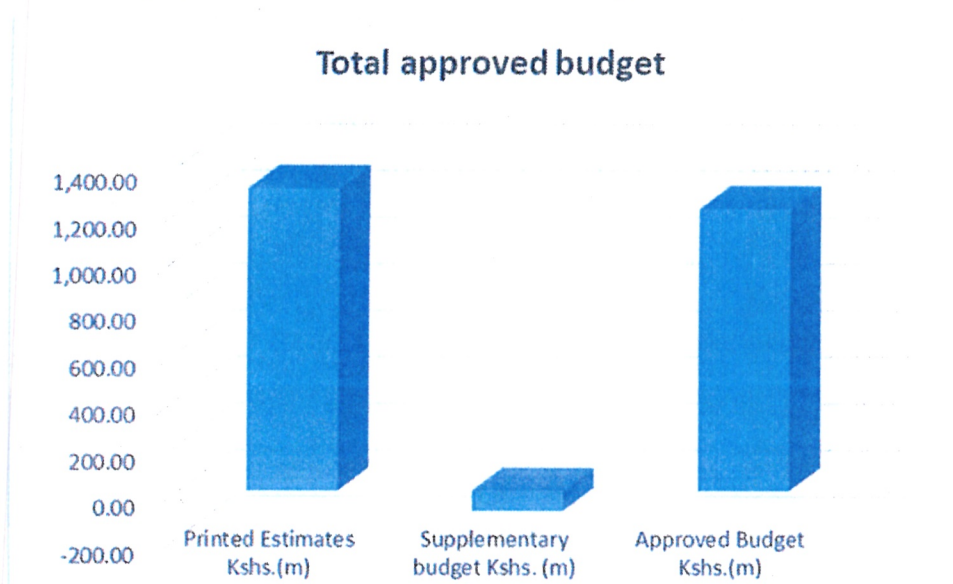


Table 2 below indicates the printed and the approved budgetary provisions for the FY2019/20 by economic classification

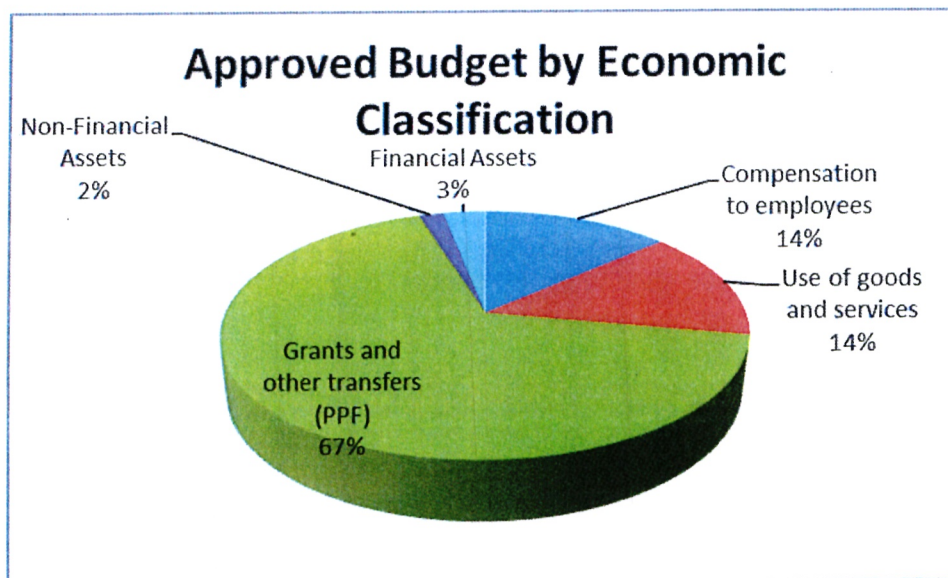
Table 2: Printed estimates Vs. Approved budget provision for FY2019/20

| Item | Printed Estimates (Kshs. M) | Approved Budget (Kshs. M) |
|----------------------------------|-----------------------------|---------------------------|
| Compensation to employees | 177.2 | 154.20 |
| Use of goods and services | 186.54 | 136.77 |
| Grants and other transfers (PPF) | 871.19 | 871.19 |
| Non-Financial Assets | 23.76 | 9.96 |
| Financial Assets | 40.02 | 40.02 |

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| Item | Printed Estimates (Kshs. M) | Approved Budget (Kshs. M) |
|------------------------|-----------------------------|---------------------------|
| Total Expenditure Vote | 1,298.71 | 1,212.14 |

Figure 2: The pie chart below illustrates the percentage of approved budget by economic classification.



The funds spent by ORPP during the financial year 2019/2020 were used to implement one programme namely Registration, Regulation and Funding of political parties. The programme comprises of three sub- programmes namely:

- a) Registration and Regulation of political parties
- b) Funding of Political Parties; and
- c) Political Parties Liaison Committee.

Table 3: summary of budget by economic classification

| Economic Classification | Printed estimates in millions | Supplementary budget in millions | Approved budget in millions |
|---------------------------------------|-------------------------------|----------------------------------|-----------------------------|
| Compensation to Employees | 177.20 | (23.00) | 154.20 |
| Use of Goods and services | 186.54 | (49.77) | 136.77 |
| Transfer to other Government entities | 871.19 | - | 871.19 |
| Non-Financial Assets | 23.76 | (13.80) | 49.98 |
| Financial Assets | 40.02 | - | 40.02 |

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| | | | |
|--------------|-----------------|----------------|-----------------|
| Total | 1,298.71 | (86.57) | 1,212.14 |
|--------------|-----------------|----------------|-----------------|

classification by economic items

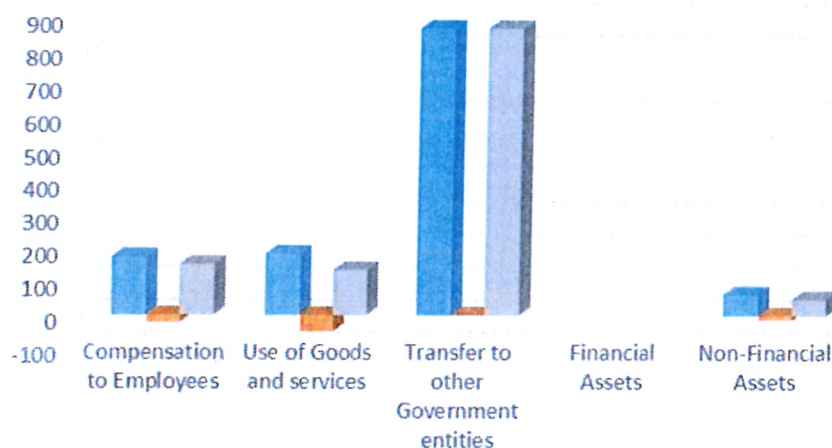
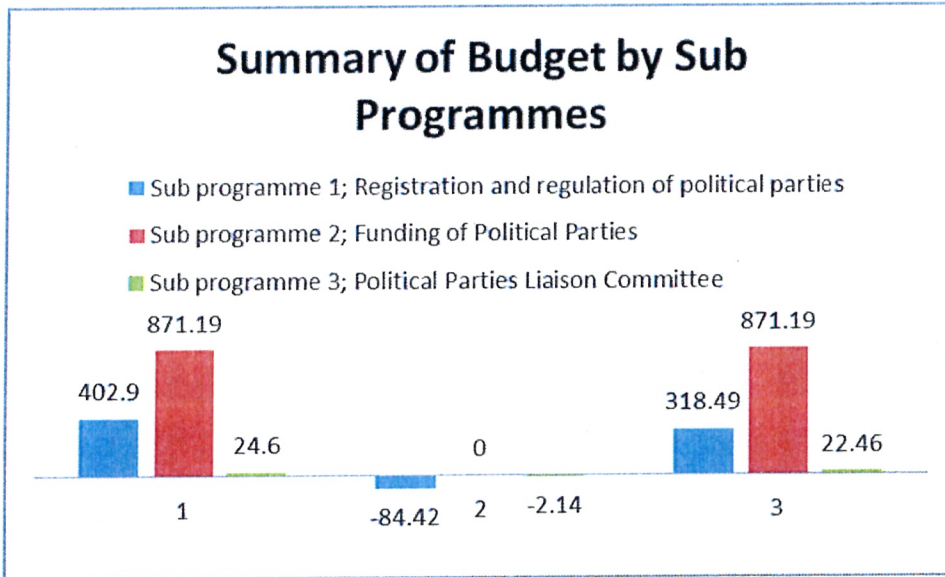


Figure 3: The above bar graph illustrates economic classification of the approved budget

Table 4: Summary of budget by Sub Programmes

| Programme | Printed estimates in millions | Supplementary budget in millions | Approved budget in millions |
|--|--------------------------------------|---|------------------------------------|
| Registration, Regulation and Funding of Political Parties | | | |
| Sub programme 1; Registration and regulation of political parties | 402.90 | (84.42) | 318.49 |
| Sub programme 2; Funding of Political Parties | 871.19 | - | 871.19 |
| Sub programme 3; Political Parties Liaison Committee | 24.60 | (2.14) | 22.46 |
| Total | 1,298.71 | (86.57) | 1,212.14 |

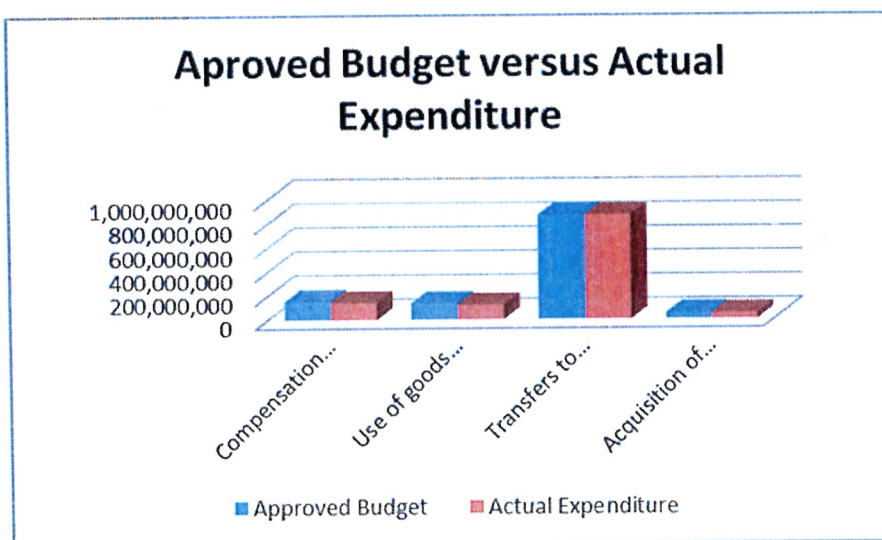
Figure 4: The figure below illustrates printed estimates vs approved budget by sub programme



The budget utilization for the Office stood at ninety seven point eight percent (97.8 %). The Office utilized a total of Kenya shillings one billion one hundred eighty five million one hundred twenty six thousand one hundred ten (Kshs.1,185,126,110) against an approved allocation of Kenya shillings one billion two hundred twelve million one hundred thirty-nine thousand seven hundred fifty-three (Kshs.1,212,139,753).

The Office did not realize 100% budget absorption due to the challenges posed by the COVID-19 pandemic.

Figure 5: The figure below illustrates approved budget vs actual expenditure



2. Key Achievements

2.1 Registration of Political Parties

During the period under review, the Office scrutinized applications for both provisional and full registration in line with the constitutional requirements for political parties set out in the Political Parties Act, 2011. In the period under review, the Office received twenty-three (23) applications for provisional registration. Twenty-one (21) applicants were provisionally registered as at 30th June 2020.

The Office received and processed five (5) applications for full registration namely;

- i. Party of Economic Democracy
- ii. National Reconstruction Alliance
- iii. Umoja Summit Party
- iv. The Service Party
- v. National Ordinary People Empowerment Union

The Office further conducted county verification exercises to confirm the existence and the physical locations of the statutory headquarters and county offices.

Three (3) political parties met all the statutory requirements and were issued with certificate of full registration. They are;

- a) Party of Economic Democracy;
- b) The Service Party; and
- c) National Ordinary People Empowerment Union.

Figure 6: Party of Economic Democracy receiving full registration certificate



Figure 7: The Service Party receiving certificate of full registration

Figure 8: National Ordinary People Empowerment Union receiving certificate of full registration



The number of fully registered political parties as at 30th June 2020 was seventy-one (71).

2.2 Regulation of Political Parties

2.2.1 Finalization and Publication of the Political Parties Act, Regulations

The Political Parties Act empowers the Registrar of Political Parties to make regulations for effective implementation of the Act. During the year under review, the office developed; The Political Parties (Registration) Regulations, 2019 and the Political Parties (Funding) Regulations, 2019. These regulations were rehashed and finalized with technical support from the legislative drafters from the State Law Office and were published in August 2019 and are operational. The Office also spearheaded the development of the draft Political Parties (Political Parties liaison committee) Regulations, 2019 and the Political Parties (Membership) Regulations, 2019.

OFFICE OF THE REGISTRAR OF POLITICAL PARTIES
P. O. Box 1131 - 00606
NAIROBI - KENYA

SPECIAL ISSUE

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Kenya Gazette Supplement No. 139

9th August, 2019

(Legislative Supplement No. 45)

LEGAL NOTICE No. 141

THE POLITICAL PARTIES ACT

(No. 11 of 2011)

THE POLITICAL PARTIES (REGISTRATION) REGULATIONS,
2019

ARRANGEMENT OF REGULATIONS

Regulation

PART I—PRELIMINARY

1—Citation.

2—Interpretation.

PART II—REGISTRATION OF A POLITICAL PARTY

3—Application for provisional registration of a political party.

4—Application for full registration of a political party.

5—Notice of change of office holders.

6—Notice of change of location of head office or postal address, etc.

7—Notification of changes, alterations in name, colour, symbol and constitution of political party.

8—Approval of change.

9—Register of political parties.

10—Correction of information.

11—Removal of particulars of a political party from the register.

12—Designation of signatories.

13—Declaration after full registration of a political party.

14—Notices by Registrar to be sent by registered post, physical address or official e-mail address.

15—Notification of suspension of a party.

16—Deregistration of a political party.

PART III— OFFICES OF POLITICAL PARTIES

17— Requirement to maintain a functioning office.

18— Location of party offices.

19— Documents to be kept in political party offices.

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SPECIAL ISSUE

723

Kenya Gazette Supplement No. 141

9th August, 2019

(Legislative Supplement No. 47)

LEGAL NOTICE NO. 143

THE POLITICAL PARTIES ACT

(No. 11 of 2011)

THE POLITICAL PARTIES (FUNDING) REGULATIONS, 2019

ARRANGEMENT OF REGULATIONS

PART I—PRELIMINARY

1— Citation.

2— Interpretation.

PART II—ADMINISTRATION AND MANAGEMENT

3— Management and control of the Fund.

4— Political Parties Fund account.

5— Accounts of political parties.

PART III – FUNDING OF POLITICAL PARTIES

6— Notification by the Registrar.

7— Application for the Fund by political parties.

8— Processing of applications.

9— Decision by the Registrar.

10— Allocation of funds and disbursement.

PART IV—ACCOUNTING AND REPORTING

11— Functions of accounting officer of a political party.

12— Annual accounts.

13— Approval of accounts.

14— Auditing of reports and accounts by Auditor General.

15— Publication of reports by the Registrar.

16— Inspection of audited accounts.

PART V—GENERAL PROVISIONS

17— Declaration before elections.

18— General guidelines on the management of the funds.

19— Administrative and staff expenses.

20— Revocation of L.N. No 169 of 2009.

FIRST SCHEDULE: FORMS

SECOND SCHEDULE: FEES

2.2.2 Compliance with the Political Parties Act, 2011

During the financial year 2019/2020 the Office supervised the compliance status of political parties to ensure adherence to the political party constitutions, the Political Parties Act and all other relevant laws.

To ensure compliance the Office undertook several regulatory activities which included; -

A compliance review workshop held where compliance statuses of sixty-eight 68 fully registered political parties was tracked on the thematic areas of political party constitution; membership requirements, composition of governing body, procedure of effecting changes; and submission of financial records. Political parties were sensitized and guided on how to remedy the breaches within stipulated timelines. As a result, the number of compliant political parties increased and enhanced political vibrancy was noted.

As well the Office maintained continuous correspondence with political parties and occasionally issued compliance notices, circulars and show cause letters to non-compliant political parties. A compliance audit workshop was also conducted targeting political parties that had various aspects of non – compliance and had been identified as having challenges. The governing body officials were invited for compliance clinics and were guided on what they needed to do in order to comply especially on the need to recruit the requisite members to replace those who attritioned from the political parties.

Review of Political Parties' Accounts by ORPP

The Office reviewed accounts of fifty six (56) political parties who submitted their financial statements. Political Parties who had not prepared their books as per the international Accounting Standards (IAS) were notified to make necessary amendments.

Capacity building of political parties

The office enhanced the capacity of political parties officials on the format of financial reporting standards in accordance with the International Public Sector Accounting Standards (IPSAS).

Further, the Office trained one hundred and fourteen (114) data entry officials drawn from thirty-six (36) different political parties. Out of this, forty-eight (48) were female and sixty-six (66) were male. The training equipped political parties with the necessary skills to access the IPPMS and perform various functions and continuously provide user support training.

2.2.3 Development of the Legislative Framework for Political Parties' Primaries

The Office spearheaded the formation of taskforce to develop a framework for conduct of Political Parties' Primaries. The need for the taskforce was informed by the uncoordinated nature of political party primaries in Kenya as was captured by the 2017 ORPP election monitoring reports and the international and local post-election observer reports. The taskforce members were drawn from key electoral process stakeholders namely; Independent Electoral and Boundaries Commission (IEBC); Political Parties Dispute Tribunal (PPDT); National Assembly; Senate; Judicial Committee on Elections (JCE); National Gender & Equality Commission (NGEC), Ethics & Anti-Corruption Commission (EACC), Kenya Human Rights Commission (KHRC), Commission on Administrative Justice (CAJ); Kenya Law Reform Commission (KLRC); the State Law Office and ORPP.

The Taskforce through a participatory process developed legal and policy framework documents to guide political parties' in future party primaries and therefore enhance the credibility of the elections namely: -

1. The Political Parties Primaries Draft Bill and
2. The Political Parties Primaries Policy



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Members of the taskforce on review of the framework of political parties primaries handing over the draft bill and policy to parliamentary caucus group

2.2.3 Changes by Political Parties

The Office effected changes for political party names, constitutions, composition of governing bodies, name and address of party officials, colours and physical locations in line with statutory procedures. The office ensured that all changes were advertised in newspapers of nationwide circulation and published in the Kenya Gazette within stipulated legal timelines.

Table 2: Change of Party Particulars

| S/No | Name of Political Party | Nature of alteration |
|-------------|-----------------------------------|-------------------------------|
| 1. | Citizen Convention Party | Party constitution |
| 2. | Roots Party of Kenya | Location of Head office |
| 3. | Modern Alliance Party | Change of Party Name |
| 4. | Movement for Democracy and Growth | Change of NEC/Party Officials |
| 5. | Federal Party Of Kenya | |
| 6. | Citizen Convention Party | |
| 7. | Chama cha Uzalendo | |
| 8. | Democratic Party of Kenya | |
| 9. | United Green Movement | |
| 10. | Roots Party of Kenya | |
| 11. | Jubilee Party | |
| 12. | Modern Alliance Party | |
| 13. | Ford Kenya | |

2.2.4 Litigation

Due to competitive nature of democratic politics, disputes and conflicts arise between political party members and political parties. Resultant to this, ORPP is frequently enjoined as a party in such disputes as an Interested Party or as a Respondent. Political parties are required to exhaust their internal dispute resolution mechanism before resorting to the Political Parties Dispute Tribunal. Any person dissatisfied

OFFICE OF THE REGISTRAR OF POLITICAL PARTIES**Reports and Financial Statements****For the year ended June 30, 2020**

by the decision of the IDR mechanism or a decision made by the Registrar may appeal at the Political Parties Dispute Tribunal. Appeals against the decision of the PPDT lie at the High Court.

During the financial year 2019/2020, fourteen (14) cases were litigated at the PPDT and High Court.

The table below outlines a summary of the cases and the status;

Table 3: Cases and their status

| POLITICAL PARTIES DISPUTES TRIBUNAL | | | | |
|--|---------------------------|--|--|--|
| S/No | CASE CITATION | CASE | REASON | STATUS |
| 1. | PPDT Complaint 8 of 2020 | Caleb Koistany and others V ORPP and others. | Challenging change of officials in Jubilee Party. | Complaint was dismissed. |
| 2. | PPDT Appeal 2 of 2020 | Caleb Koistany and others V ORPP and others. | The Petitioners faulted the ORPP on approving the Jubilee-KANU coalition agreement. | Appeal Dismissed |
| 3. | PPDT Appeal of 2019 | Aisha Jumwa V. ODM and Registrar of Political Parties | The Complainant faulted the Parties Decision to expel her from the party | The complaint was allowed |
| 4. | PPDT Appeal No.2 of 2019 | Patrick Kabundu V. Jubilee Party & Registrar of Political Parties | The Petitioner challenges the management of the political Parties Fund | Complaint was dismissed |
| 5. | PPDT Appeal No. 1 of 2019 | Social Democratic Party of Kenya V. Registrar of Political Parties | The Petitioner challenged the decision of Registrar to reject the change of name and Constitution of the Party | By a consent the matter was settled out of Court |
| 6. | PPDT Case No3 of 2019 | Eva Malenya Vs. IEBC & 3 others | The case is about the gazette of the Perpetua in the party list | The matter was concluded |
| 7. | PPDT NO. 5 OF 2019 | Alphonse Musyoki V. PNU and Registrar | Elections of political parties officials | Case was dismissed |
| 8. | PPDT Complaint No. 2 2019 | Geofrey Osotsi V. Registrar & ANC | The complainant challenged the decision of Registrar to | The complaint was allowed |

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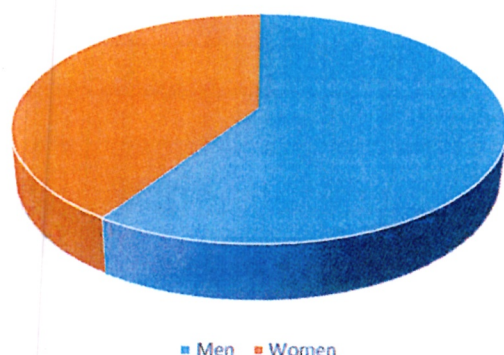
| | | | | |
|-------------------|---|--|---|---------|
| | | | expunge his name from the party list | |
| HIGH COURT | | | | |
| 9. | E250 of 2020 (Constitutional Petition) | Patrick Kabundu and 2 others vs The PSC and others | Various reasons including the constitutionality of the ORPP, appointment of the Registrar and Assistant Registrars, administration of the party fund. | Ongoing |
| 10. | Constitutional Petition 197 of 2020 | Ford Kenya vs ORPP & Anne Nderitu | Various reasons including That ORPP erred in gazetting proposed change of officials of Ford Kenya. | Ongoing |
| 11. | Constitutional Petition 55 of 2020 | Dr. Angela Mwikali Nyalita and Others v Ekuru Aukot and others | Various reasons including disclosure of funds and alleged failure on the part of ORPP on ensuring Third Way Alliance is compliant. | Ongoing |
| 12. | E002 OF 2020 | ODM vs Perpetua Mbonjiwa and others | Constitutionality of non-party members being elected through party | Ongoing |
| 13. | Civil Appeal No. 155 of 2019 | ANC party Vs Godfrey Osotsi & ORPP | The ANC party appealed against the ruling of PPDT over the suspension of Hon. Osotsi | Ongoing |
| 14. | Civil Appeal No. 295 of 2019 | Alphonse Nzioki Vs. PNU | The Appellant appealed the ruling from the PPDT on the Petition on the Party Elections | Ongoing |

2.3 Maintenance of Political Parties Database

The office maintained an updated political parties' database, which ensured that no person is a member of more than one political party as required by the Political Parties Act, 2011. The Integrated Political Parties Membership System enables political parties to recruit, cause resignation and subsequently update their membership register. It contained details of the fully and provisionally registered political parties including membership database, party headquarters and branches physical offices, party symbols and contacts. As at 30th June 2020, the political parties' membership was 14,680,414 comprising 59% men and 41% women;

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Total Registered Members of Political Parties as
of 30th June 2020



2.4 Integrated Political Parties Membership System (IPPMS) upgraded

The Office developed a road map for the re-engineering the IPPMS by relooking at the data presentation and dissemination of information. The envisaged IPPMS covers details of registration, founding members and party constitution. In Implementation of the IPPMS, the Office recruited clerical officers on contract to assist in harvesting and retrieval of political parties' raw data from sixty nine (69) physical files of political parties and other relevant records. As at 30th June 2020, thirty-three (33) files were completed.

2.5 Institutional Capacity Building

During the period under review, ORPP institutional capacity was improved through staffing, training and development of staff and improvement of work place environment, enhancement of corporate image and internal control systems.

2.5.1 ORPP Organizational Structure reviewed

During the year under review, work load analysis was undertaken by State Department for Public Service which reviewed the organizational structure. Consequently, the Office staffing level was revised upwards from 209 to 232. The office recruited two additional staff on contract, bringing the staffing level to sixty-six (66) as at 30th June 2020.

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Table 4: ORPP Staffing level as at 30th June 2020

| Particulars | Male | Female | Persons with Disability | Total Number of Employees |
|-----------------------|------|--------|-------------------------|---------------------------|
| Pensionable Employees | 31 | 33 | 1 | 64 |
| Contractual Employees | 2 | 0 | 0 | 2 |
| Total | 33 | 33 | 1 | 66 |

2.5.2 Staff training and Development - During the period under review, the Office identified staff training needs and sponsored staff to undergo various capacity building programs. Twenty-nine staff members were sponsored and participated in conferences, long programmes as well as short capacity building programmes.

The table below summarizes the various courses and conferences that staff attended.

Table 5: STAFF TRAINING PROGRAMS 2019/2020

1. Individual Short Training Programs

| S/No | Program | No. Trained |
|------|------------------------------------|-------------|
| 1. | Preparing and Bidding of Documents | 1 |
| 2. | Legislative Drafting | 1 |
| 3. | Public Relations and Customer care | 1 |
| 4. | Preparation and Bidding documents | 1 |
| 5. | Supervisory Skills | 1 |
| 6. | Utilization focused M&E | 1 |
| 7. | Accounting Officer's Program | 1 |

2. Long Programs

| S/No | Program | No. Trained |
|------|--------------------------|-------------|
| 1. | Master's Degree in Law | 1 |
| 2. | MBA Project | 1 |
| 3. | CISA | 1 |
| 4. | Certified Fraud Examiner | 1 |
| 5. | Supervisory Skills | 1 |
| 6. | Utilization focused M&E | 1 |

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3. Conferences, Workshop and Seminars

| S/No | Program | No. Trained |
|-------------|---|--------------------|
| 1. | LSK Annual Conference | 5 |
| 2. | International Conference on Leadership, Governance and Integrity | 2 |
| 3. | Women Leaders Conference | |
| 4. | Annual Financial Conference | 1 |
| 5. | Conference – Leveraging workplace Diversity for Enhanced Service Delivery | 2 |
| 6. | 25 th ESARICA Biennial General Conference | 1 |

2.5.3 Operational capacity enhanced

During the period under review, the Office undertook the following activities to enhance office operations and service delivery;

- a) Enhanced security at ORPP Headquarters by installing CCTV Cameras
- b) Rolled out and sensitized staff on the Electronic Staff Performance Appraisal System (SPAS);
- c) Developed a risk register on risk management including risk identification, risk mitigation and controls.
- d) Upgraded internet connectivity in the office of the registrar from 20mbps to 25mbps
- e) Installed motorized projector and electric screen at the ORPP Headquarters
- f) Reviewed ORPP Code of Conduct and Ethics.
- g) Initiated phase 1 of Partitioning works on the additional office space secured at ORPP headquarters.

2.5.4 Enhanced ORPP corporate image

The office is cognizant of the importance of developing and sustaining effective communication thrust for favourable standpoint between ORPP and its varied stakeholders including members of staff.

During the year under review, the following were undertaken;

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- a) Published and disseminated the *Political Parties Leadership Training Source Book* and *The popular Version* of the Political Parties Act, 2011;
- b) Published and disseminated *Communication Policy & Strategy*; *Corporate Social Responsibility Policy & Strategy*. The policy and strategy documents outline the framework for communication and CSR;



Launch of corporate documents

- c) Launched and disseminated the ORPP Service Charter which is significant in providing a yardstick for efficiency in service delivery.
- d) Maintained functional communication offline and online avenues for access to information and feedback receipt from stakeholders. The avenues are continually reviewed for currency and relevancy.
- e) Organized and participated in five (5) Agricultural Society of Kenya's International Trade Fairs and national shows in Nairobi, Mombasa, Eldoret, Nakuru and Nyeri. The participation provided an opportunity for the Office to create awareness and seek feedback on its various sub-programmes. They also provided an avenue for the Office to source appropriate feedback from the general public, essential in informing the Office enhancement of its service delivery;



Office show casing at the central regional ASK show in Nyeri

2.6 Strategic Partnerships and Collaborations

The Office of the Registrar of Political Parties recognizes the need for dialogue and engagement with political parties and other stakeholders.

2.6.1 Stakeholder Engagement

The Office stakeholder engagement is premised on mapped out needs and expectation framework as shown in the matrix below;

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Table 5:

| STAKEHOLDER | ROLE OF STAKEHOLDER |
|--|--|
| <p>State Actors</p> <ul style="list-style-type: none"> ▪ IEBC ▪ The Judiciary/PPDT ▪ Parliament ▪ The National Treasury ▪ The National Gender and Equality Commission (NGEC) ▪ National Cohesion and Integration Commission (NCIC) ▪ State Law office and Department of Justice ▪ Office of the Auditor-General | <ul style="list-style-type: none"> ▪ Consultations, Elections timelines and roadmap, Voter Education and registration, nominations of candidates and conduct of Elections ▪ Dispute Resolution ▪ Legal reform, budget allocation and oversight ▪ Provides guidelines on financial management and allocation of Budget ▪ Policy direction on compliance with principles on Special Interest Groups ▪ Promote cohesion ▪ Provides policy direction and legal advice ▪ Audits ORPP Accounts |
| <p>Non state actors</p> <ul style="list-style-type: none"> ▪ Political Parties ▪ Media ▪ Civil societies | <ul style="list-style-type: none"> ▪ Supervise political parties and maintains their records. ▪ Political education, communication ▪ Supports programmes and activities and also carries out political education to the public on their political rights. |
| <p>Development partners</p> | <ul style="list-style-type: none"> ▪ Strengthening Electoral Programme in Kenya ▪ Technical support to ORPP and Political Parties |

2.6.2 Tripartite Dialogue Platform

The Political Parties Liaison Committee (PPLC) is established under Section 38 of the Political Parties Act, 2011 as a platform for dialogue between ORPP, IEBC and Political Parties. The platform is crucial for the promotion of democracy through public participation, inclusiveness and respect for diversity. During the period under review, the Office coordinated PPLC meetings through which the following two (2) documents were developed; PPLC Code of conduct and PPLC guidelines on dispute resolution. In addition the committee deliberated and provided comments on;

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The Representation of Special Interest Groups Laws (Amendment) Bill 2019, Building Bridges Initiatives (BBI); Actualization of the ruling in the Katiba institute vs IEBC case on implementation of Article 100 of the Constitution; The draft Political Parties Liaison Committee Regulations and Political Parties Primaries Bill and Policy guiding party primaries;



Figure 5: PPLC Plenary meeting on PPLC Regulations and BBI

3. Challenges

During the period under review, the Office was faced with the following challenges;

- a) **Inadequate funding.** The ORPP activities and programs were adversely affected by the austerity measures imposed by the National Treasury. Three (3) supplementary budgets were issued during the year which resulted in budget cuts amounting to Kshs.86,570,247.
- b) **Inadequate Staff.** The office has only 66 staff in-post against an authorized establishment of 232 due to inadequate funding coupled with recruitment embargo in the public service.
- c) **Inter and intra Political Parties Conflicts.** The Office of the Registrar of Political Parties was frequently enjoined in matters filed in courts and in the Political Parties Dispute Tribunal (PPDT) arising from intra and inters political parties' wrangles. This affects the office in terms of legal fees and time used in defending cases.

d) **Limited devolution of services**

The Office had presence in seven (7) out of forty seven (47) counties. This hindered service delivery and affected the Office mandate of supervision and regulation of political party activities.

- e) **Covid-19 Pandemic.** The Office could not implement planned activities as per the approved work plan in the last quarter of the year since some budget lines were suspended as well as Procurement of critical office supplies was affected in line with Government budget realignments. The Office was further strained due to government directives and protocols.

f) **Legal gaps**

The Office faced challenges in implementation of the PPA, 2011 and has identified gaps for legal reforms

4. Recommendations

- a) The Office to continue engaging the National Treasury and Parliament for additional funding
- b) The Office to seek authority from the National Treasury to recruit additional staff to attain optimal staffing level and to decentralize ORPP functions to more counties.
- c) The Office to engage more stakeholders and development partners to enhance our institutional capacity.
- d) The Office to devise innovative cost saving measures
- e) The Office to sensitize political parties on the need for political tolerance and good governance
- f) The Office to spearhead legal reforms

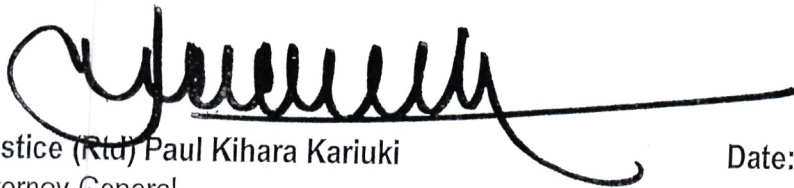
5. Emerging Issues

During the year under review, the following were the emerging issues;

- a) COVID- 19 Pandemic

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- b) The Building Bridges Initiative (BBI) - Heightened political activities and realignment of political allies due to the conversation around the Building Bridges Initiative (BBI).
- c) Increased political party leadership wrangles



Justice (Rtd) Paul Kihara Kariuki
Attorney General

Date:.....

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III. STATEMENT OF PERFORMANCE AGAINST ORPP'S 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 2019/2020 financial year.

| ORPP Programme | Objective | Outcome | Indicator | Performance |
|---|--|---|---|---------------------|
| 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 |
| | | | Percentage of applications for full registration processed | 100 |
| | | | No. of Political Parties that were supervised for compliance with the Political Parties Act, 2011 | 71 out of 71 |
| | | | No. of IEC materials disseminated to sensitize the public on their political rights | 8,000 out of 12,000 |
| | | | No. of Consultative dialogue forums Held at the National Level | 3 out of 4 |
| | | | No of PPLC regulations reviewed | 1 out of 1 |

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IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

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.

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.

4. Market place practices

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.

5. Community Engagements

a) Lea Toto Visit

In the year under review, ORPP undertook both direct and indirect activities as interventions towards the CSR import. Such included a visit to Lea Toto Centre in Kangemi, Nairobi, under Nyumbani Children's home. The Centre cares for HIV/AIDS-infected children and affected families. During the visit, the Office shared food stuff, motivated children and caregivers through career, motivation/life skills talks.

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b) Media Engagement

As part of access to information and customer experience endeavor ORPP has continued to engage and educate the general public on its Mandate. The engagements were through print and electronic mass media; regular update of information on social media and website; coordination and presentations; participation with targeted stakeholder for collaboration with state and non-state actors among others.

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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 accounting officer for the Registrar of political shall prepare financial statements in respect of that entity. 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 the accounting officer Office of the Registrar of Political Parties and is responsible for the preparation and presentation of the financial statements, which give a true and fair view of the state of affairs of the office as at the end of the financial year ended on June 30, 2020. 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 entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Registrar of Political Parties accepts responsibility for the financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the financial statements give a true and fair view of the state of transactions during the financial year ended June 30, 2020 and of the financial position as at that date. The Registrar of Political Parties further confirms the completeness of the accounting records maintained for the office, which have been relied upon in the preparation of the financial statements as well as the adequacy of the systems of internal financial control.

The Registrar of Political Parties confirms that the office has complied fully with applicable Government Regulations and Political Parties Act that the Office of the Registrar of Political Parties' funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further, the Registrar of Political Parties confirms that the entity'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 of the Registrar of Political Parties' financial statements were approved and signed by the Registrar on 29.9. 2020.



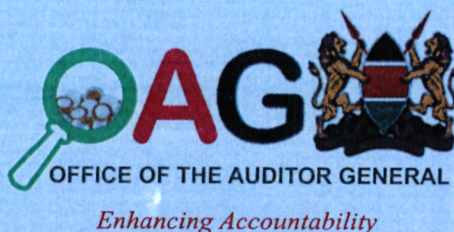
Ann N. Nderitu, MBS
Registrar of Political Parties



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

REPUBLIC OF KENYA

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HEADQUARTERS
Anniversary Towers
Monrovia Street
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, 2020

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 44 to 57, which comprise the statement of assets and liabilities as at 30 June, 2020, 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, 2020 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.

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.

Other Matter

Pending Bills

Note 9 to the financial statements reflects pending bill amounting to Kshs.3,960,263 that were not settled in the year under review but were carried forward to 2020/2021 financial year. Failure to settle bills in the year to which they relate adversely affects the implementation of the subsequent year's budgeted programmes as the pending bills form a first charge to that year's budget provision.

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, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in use of Public Resources, I confirm that nothing else 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

1. Inapplicable Allowance

The office Staff Mortgage and Car Loan Scheme Advisory Committee incurred an expenditure of Kshs.650,000 paid to sixteen (16) officers for ten (10) days. However, the Office of the Registrar of Political Parties Regulations on Staff Mortgage and Car Allowance stipulate that a Committee of seven (7) members shall be formed. However, a committee of sixteen (16) members was formed and paid by the office thus incurring an additional cost of Kshs.360,000. Further, it was established that the officers held only five (5) meetings against ten (10) meetings that were paid for. The propriety of the expenditure of Kshs.360,000 could not be confirmed

2. Accommodations and Travel Allowances

The statement of receipts and payments reflects an expenditure of Kshs.121,977,444 which, as disclosed in Note 4 to the financial statements, includes an amount of Kshs.26,363,700 incurred on domestic travel and subsistence allowances. The latter balance includes an expenditure of Kshs.12,486,000 paid to Political Parties Liaison members for accommodation and travel allowances. Although the Registrar had sought the advice of the Salaries and Remuneration Commission (SRC) on compensation of the members, the Commission had not given a directive as at the time of audit. Under the circumstances, the regularity of the payments could not be confirmed.

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 as to whether the activities, financial transactions and information reflected in the financial statements comply, 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 procedures performed, except for the matters described in the Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

1. Understaffing

The Office had a staff establishment of two hundred and thirty-five (235) officers. However, and as previously reported, only sixty-six (66) Officers were in-post resulting into a shortage of one hundred and sixty-nine (169) staff members. The understaffing hampers effective discharging of the mandate of the Office.

2. Audit Committee

The term for all the Audit Committee members expired in October, 2019. However, there is no evidence of extension of terms of service or recruitment of new members. In the absence of an effective Audit Committee, the Office was prone to serious internal control weaknesses.

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

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (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.

In preparing the financial statements, management is responsible for assessing the Office's ability to continue to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to abolish the Office or 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 money is applied in an effective manner.

Those charged with governance are responsible for overseeing the Office's financial reporting process, reviewing the effectiveness of how the office 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 review is planned and performed to express a conclusion with limited assurance as to 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 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. The nature, timing and extent of the compliance work is limited compared to that designed to express an opinion with reasonable assurance on the financial statements.

Further, in planning and performing the audit of the financial statements and review 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 Fund's 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 Office's ability 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.


Nancy Gathungu
AUDITOR-GENERAL

Nairobi

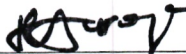
10 May, 2021

OFFICE OF THE REGISTRAR OF POLITICAL PARTIES
Reports and Financial Statements
For the year ended June 30, 2020

VII. STATEMENT OF RECEIPTS AND PAYMENTS

| | Note | 2019-2020 | 2018-2019 |
|-------------------------------------|------|----------------------|----------------------|
| | | Kshs | Kshs |
| RECEIPTS | | | |
| Exchequer releases | 1 | 1,189,945,566 | 1,016,306,413 |
| Other Revenues | 2 | - | - |
| TOTAL RECEIPTS | | 1,189,945,566 | 1,016,306,413 |
| PAYMENTS | | | |
| Compensation of Employees | 3 | 143,581,541 | 140,882,418 |
| Use of goods and services | 4 | 121,977,444 | 111,880,143 |
| Transfers to Other Government Units | 5 | 871,190,000 | 671,190,000 |
| Acquisition of Assets | 6 | 48,377,125 | 92,200,000 |
| TOTAL PAYMENTS | | 1,185,126,110 | 1,016,152,561 |
| SURPLUS/DEFICIT | | 4,819,456 | 153,852 |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 29.9.2020 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
Reports and Financial Statements
For the year ended June 30, 2020

VIII. STATEMENT OF ASSETS AND LIABILITIES

| | Note | 2019-2020 | 2018-2019 |
|---|------|------------------|----------------|
| | | Kshs | Kshs |
| FINANCIAL ASSETS | | | |
| Cash and Cash Equivalents | | | |
| Bank Balances | 7A | 4,787,562 | 147,251 |
| Cash Balances | 7B | 31,894 | 6,601 |
| Total Cash and cash equivalent | | 4,819,456 | 153,852 |
| Accounts receivables – Outstanding Imprests | - | - | - |
| TOTAL FINANCIAL ASSETS | | 4,819,456 | 153,852 |
| FINANCIAL LIABILITIES | | | |
| Accounts Payables – Deposits and retentions | - | - | - |
| NET FINANCIAL ASSETS | | 4,819,456 | 153,852 |
| REPRESENTED BY | | | |
| Fund balance b/fwd | 8A | 153,853 | 17,646,310 |
| Prior year adjustment | 8B | -153,853 | -17,646,310 |
| Surplus/Deficit for the year | | 4,819,456 | 153,852 |
| NET FINANCIAL POSSITION | | 4,819,456 | 153,852 |

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 29.9. 2020 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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For the year ended June 30, 2020

IX. STATEMENT OF CASH FLOWS

| | | 2019-2020 | 2018-2019 |
|--|---|----------------------|----------------------|
| | | Kshs | Kshs |
| Receipts for operating income | | 1,189,945,566 | 1,016,306,413 |
| Exchequer Releases | 1 | 1,189,945,566 | 1,016,306,413 |
| Other Revenues | 2 | - | - |
| Payments for operating expenses | | 1,136,748,984 | 923,952,561 |
| Compensation of Employees | 3 | 143,581,541 | 140,882,418 |
| Use of goods and services | 4 | 121,977,444 | 111,880,143 |
| Transfers to Other Government Units | 5 | 871,190,000 | 671,190,000 |
| Adjusted for: | | | |
| Adjustments during the year | | | |
| Decrease/(Increase) in Accounts receivable: (outstanding imprest) | - | | - |
| Increase/(Decrease) in Accounts Payable: (deposits and retention) | - | - | - |
| Prior Year Adjustments | - | (153,852) | - |
| Net cash flow from operating activities | | 53,042,730 | 92,353,852 |
| CASHFLOW FROM INVESTING ACTIVITIES | | | |
| Acquisition of Assets | 6 | 48,377,126 | 92,200,000 |
| Net cash flows from Investing Activities | | 48,377,126 | 92,200,000 |
| CASHFLOW FROM BORROWING ACTIVITIES | | | |
| Proceeds from Domestic Borrowings | - | - | - |
| Net cash flow from financing activities | | - | - |
| NET INCREASE IN CASH AND CASH EQUIVALENT | | 4,665,604 | 153,852 |
| Cash and cash equivalent at BEGINNING of the year | - | 153,852 | - |
| Cash and cash equivalent at END of the year | - | 4,819,456 | 153,852 |

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 29. 9. 2020 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

Reports and Financial Statements

For the year ended June 30, 2020

X. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT


| Receipt/Expense Item | Original Budget | Adjustments | Final Budget | Actual on Comparable Basis | Budget Utilization Difference | % of Utilization |
|-------------------------------------|----------------------|---------------------|----------------------|----------------------------|-------------------------------|------------------|
| | a | b | c=a+b | d | e=c-d | f=d/c % |
| RECEIPTS | | | | | | |
| Exchequers | 1,298,710,000 | (86,570,247) | 1,212,139,753 | 1,189,945,539 | 22,194,214 | 98 |
| TOTAL RECEIPTS | | | | | | |
| PAYMENTS | | | | | | |
| Compensation of Employees | 177,200,000 | (23,000,000) | 154,200,000 | 143,581,541 | 10,618,459 | 93 |
| Use of goods and services | 186,540,076 | (49,772,129) | 136,767,947 | 121,977,444 | 14,790,503 | 90 |
| Transfers to Other Government Units | 871,190,000 | - | 871,190,000 | 871,190,000 | - | 100 |
| Acquisition of Assets | 63,779,924 | (13,798,118) | 49,981,806 | 48,377,125 | 1,604,681 | 98 |
| TOTAL PAYMENTS | 1,298,710,000 | (86,570,247) | 1,212,139,753 | 1,185,126,109 | 27,013,644 | 97.8 |
| Surplus/Deficit | | | | | | |

Notes

- (a) The Office did not have a line budget of F/Y 2019/20 to collect appropriation in aid, Nevertheless, in executing the office mandate, Kenya Shillings Three million, two hundred eight six thousand, six hundred and eighty (Kshs.3,286,680) was collected and surrendered to the exchequer.
- (b) The Office performed well in terms of budget execution, however, there was a directive to scale down expenditures more so on non-essentials expenditures in order to prioritize the procurement of COVID-19 related supplies. This notwithstanding in the following areas, the expenditure fell below 90%:-
- i) 2210300: Hospitality supplies – Due to the Covid-19, the Government advised that public servant should work from home and no more physical meetings until the pandemic was controlled. Thus most planned activities were affected.
 - ii) Specialized materials
 - iii) 2211300 – Legal – The Office underspent on legal dues for the fact that even courts were affected by the pandemic.

The entity financial statements were approved on 29.9.2020 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
Reports and Financial Statements
For the year ended June 30, 2020

XI. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

| Programme/Sub-programme | Original Budget | Adjustments | Final Budget | Actual on comparable basis | Budget utilization difference |
|---|----------------------|-------------------|----------------------|----------------------------|-------------------------------|
| | 2020 | | 2020 | Date, 2020 | |
| | Kshs | Kshs | Kshs | Kshs | Kshs |
| Registration , Regulation and funding of political parties | | | | | |
| Sub-programme 1 –Registration and regulation of political parties | 402,920,000 | 84,422,026 | 318,497,974 | 293,721,372 | 24,776,602 |
| Sub-programme 2- Funding of political parties | 871,190,000 | - | 871,190,000 | 871,190,000 | - |
| Sub-programme 3- Political Parties Liason Committee | 24,600,000 | 2,148,221 | 22,451,779 | 20,214,738 | 2,237,041 |
| Total | 1,298,710,000 | 86,570,247 | 1,212,139,753 | 1,185,126,110 | 27,013,643 |

(NB: This statement is a disclosure statement indicating the utilisation in the same format at the Entity's budgets which are programme based. Ensure that this document is completed to enable consolidation by the National Treasury)

OFFICE OF THE REGISTRAR OF POLITICAL PARTIES
Reports and Financial Statements
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XII. SIGNIFICANT ACCOUNTING POLICIES

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

1. 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.

2. Reporting Entity

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

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.

3. Significant Accounting Policies

The accounting policies set out in this section have been consistently applied by the Entity for all the years presented.

a) Recognition of Receipts

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

• **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.

• **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.

b) Recognition of payments

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

OFFICE OF THE REGISTRAR OF POLITICAL PARTIES
Reports and Financial Statements
For the year ended June 30, 2020

- **Compensation of Employees**
Salaries and wages, allowances, statutory contribution for employees are recognized in the period when the compensation is paid.
- **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.
- **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.

4. 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.

5. 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.

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.

6. 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.

OFFICE OF THE REGISTRAR OF POLITICAL PARTIES

Reports and Financial Statements

For the year ended June 30, 2020

7. 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.

8. 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.

9. 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 1st July 2019 to 30th June 2020 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.

10. Comparative Figures

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

11. 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 30th June 2020.

12. 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.

13. 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.

OFFICE OF THE REGISTRAR OF POLITICAL PARTIES
Reports and Financial Statements
For the year ended June 30, 2020

XIII. NOTES TO THE FINANCIAL STATEMENTS

1 EXCHEQUER RELEASES

| Description | 2019-2020 | 2018-2019 |
|--|----------------------|----------------------|
| | Kshs | Kshs |
| Total Exchequer Releases for quarter 1 | 272,252,001 | 186,182,966 |
| Total Exchequer Releases for quarter 2 | 324,695,246 | 183,678,660 |
| Total Exchequer Releases for quarter 3 | 304,062,423 | 264,908,800 |
| Total Exchequer Releases for quarter 4 | 288,935,896 | 381,536,110 |
| Total | 1,189,945,566 | 1,016,306,416 |

2 OTHER REVENUES

| Description | 2019-2020 | 2018-2019 |
|--|-----------|-----------|
| | Kshs | Kshs |
| Receipts from Administrative Fees and Charges - Collected as AIA | - | - |
| Total | - | - |

In the year under review, the office collected Appropriation in Aid (A.I.A) inform of administrative fees totalling Kenya Shillings three million two hundred eighty six thousand six hundred and eighty. (Kshs 3,286, 680). 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 an official miscellaneous receipts No D0187623, D0187873 and D0209123 issued.

3 COMPENSATION OF EMPLOYEES

| | 2019-2020 | 2018-2019 |
|--|--------------------|--------------------|
| | Kshs | Kshs |
| Basic salaries of permanent employees | 75,499,923 | 73,439,591 |
| Basic wages of temporary employees | 3,424,470 | 3,620,281 |
| Personal allowances paid as part of salary | 55,811,074 | 54,493,620 |
| Employer Contributions Compulsory national social security schemes | 8,846,074 | 9,328,925 |
| Total | 143,581,541 | 140,882,417 |

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4. USE OF GOODS AND SERVICES

| | 2019-2020 | 2018-2019 |
|--|--------------------|--------------------|
| | Kshs | Kshs |
| Utilities, supplies and services | 1,029,012 | 848,159 |
| Communication, supplies and services | 2,447,015 | 2,767,503 |
| Domestic travel and subsistence | 26,363,700 | 23,511,293 |
| Foreign travel and subsistence | 733,975 | 705,437 |
| Printing, advertising and information supplies & services | 2,447,880 | 2,092,789 |
| Rentals of produced assets | 35,779,533 | 20,292,369 |
| Training expenses | 2,400,946 | 6,633,892 |
| Hospitality supplies and services | 12,463,445 | 16,823,277 |
| Insurance costs | 20,484,544 | 17,458,827 |
| Specialized materials and services | 311,275 | 204,484 |
| Office and general supplies and services | 2,870,285 | 2,816,698 |
| Other operating expenses | 9,893,055 | 14,564,266 |
| Routine maintenance – vehicles and other transport equipment | 1,066,379 | 1,242,749 |
| Routine maintenance – other assets | 304,500 | 104,400 |
| Fuel Oil and lubricants | 3,381,900 | 1,814,000 |
| Total | 121,977,444 | 111,880,143 |

5 TRANSFERS TO POLITICAL PARTIES FUND

| Description | 2019-2020 | 2018-2019 |
|--------------------------------------|--------------------|--------------------|
| | Kshs | Kshs |
| Transfers to Political Parties Fund) | 871,190,000 | 671,190,000 |
| TOTAL | 871,190,000 | 671,190,000 |

The above transfers were made to the following self-reporting entities in the year:

(i)

| Description | Recurrent | 2019-2020 |
|---------------------------------------|------------------|--------------------|
| | Kshs | Kshs |
| Transfers to Political Parties | | |
| Jubilee Party | - | 564,164,079 |
| Orange Democratic Party | - | 263,466,421 |
| 5% administration fees | - | 43,559,500 |
| TOTAL | - | 871,190,000 |

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We have confirmed these amounts with the recipient entities and attached these confirmations as an Appendix to this financial statements

6 ACQUISITION OF ASSETS

| Non Financial Assets | 2019-2020 | 2018-2019 |
|--|-------------------|-------------------|
| | Kshs | Kshs |
| Refurbishment of Buildings | 6,164,988 | - |
| Purchase of Vehicles and Other Transport Equipment | - | 5,200,000 |
| Purchase of Office Furniture and General Equipment | 2,187,200 | - |
| Purchase of ICT Equipment, Software and Other ICT Assets | - | - |
| Purchase of Specialized Plant, Equipment and Machinery | - | - |
| Sub-total | 8,352,188 | 5,200,000 |
| Financial Assets | | |
| Domestic Public Non-Financial Enterprises | 40,024,938 | 87,000,000 |
| Sub-total | 40,024,938 | 87,000,000 |
| Total | 48,377,126 | 92,200,000 |

An amount of Kshs.30,024,938 shown as domestic public non-financial enterprises was for Staff Mortgage while Kshs 10,000,000 was for staff car loan amounting to a total of Kenya shillings Forty Eighty Seven million three hundred seventy seven thousand one hundred twenty six (Kshs.40,024,938)

7A: Bank Accounts

| Name of Bank, Account No. & currency | Amount in bank account currency | Indicate whether recurrent, Development, deposit e.t.c | Exc rate (if in foreign currency) | 2019-2020 | 2018-2019 |
|---|--|---|--|------------------|------------------|
| | | | | Kshs | Kshs |
| Registrar of Political Parties –1000181206 | KES | REC | - | 4,787,562 | 147,250 |
| Total | | | | 4,787,562 | 147,250 |

7B: CASH IN HAND

| | 2019-2020 | 2018-2019 |
|--|------------------|------------------|
| | Kshs | Kshs |
| Cash in Hand – Held in domestic currency | 31,894 | 6,601 |
| Total | 31,894 | 6,601 |

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Cash in hand should also be analysed as follows:

| | 2019-2020 | 2018-2019 |
|--------------|---------------|--------------|
| | Kshs | Kshs |
| Headquarters | 31,894 | 6,601 |
| Total | 31,894 | 6,601 |

8 A FUND BALANCE BROUGHT FORWARD

| Description | 2019-2020 | 2018-2019 |
|----------------------|-----------|----------------|
| | Kshs | Kshs |
| Bank accounts | - | 147,252 |
| Cash in hand | - | 6,601 |
| Accounts Receivables | - | - |
| Accounts Payables | - | - |
| Total | - | 153,853 |

8B. PRIOR YEAR ADJUSTMENTS

| | Balance c/f FY 2018/2019 as per Financial statements | Adjustments | Adjusted Balance b/f FY 2018/2019 |
|---------------------------|--|-------------|---|
| Description of the error | Kshs | Kshs | Kshs |
| Bank account Balances | 147,252 | - | 147,252 |
| Cash in hand | 6,601 | - | 6,601 |
| Accounts Payables | - | - | - |
| Receivables | - | - | - |
| Others (<i>specify</i>) | - | - | - |
| | - | - | - |

The prior year adjustment refers to the cash and bank closing balance as at June 30 2019. This was however recovered by treasury on 26th July 2020

9: PENDING BILLS (Annex 1)

| | Kshs |
|---------------------------|------------------|
| Construction of buildings | 1,229,625 |
| Supply of goods | 204,216 |
| Supply of services | 2,526,422 |
| Total | 3,960,263 |

The office had accumulated pending bills as at 30th June 2020 totalling Kshs. Three million nine hundred sixty thousand two hundred sixty three. (Kshs 3,960,263). See Annex 1 attached.

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


| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Focal Point person to resolve the issue (Name and designation) | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|--|---|--|-----------------------------------|--|
| 2 | Inadequate staffing, the Registrar was on acting capacity and the three deputies were not in place | 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 rd February, 2020 gave approval of availability of funds. The Head of Public Service through letter Ref: OP/CAB/4/24A dated 2 nd March, 2020 gave authority to recruit the additional members of staff. | Director of Human Resource | Resolved and not resolved | Six (6) months |

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;

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(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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| LIST OF PENDING BILLS AS AT 30TH JUNE 2020 | | | | | |
|---|---------------------------------------|--|--------------------------------------|--------------------------------|---|
| Vote No. 1131 OFFICE OF THE REGISTRAR OF POLITICAL PARTIES | | Pending bills as at 30th June 2020 | Amount funded To date | Balance Outstanding | Remarks by Ministry /State Department/Agency |
| Ref | Supplier | Amount in Kshs | Amount in Kshs | Amount in Kshs | |
| 1. AGPO BILLS | | | | | |
| 1) | Gemlyn Enterprises | 76,489.20 | NIL | 76,489.20 | tonners |
| 2) | Charmie Enterprises | 127,727.00 | NIL | 127,727.00 | Provision of newspapers |
| 3) | Rentokil Initial | 64,004.16 | NIL | 64,004.16 | Sanitary services |
| 4) | Nyakmaki Electrical Works LTD | 32,480.00 | NIL | 32,480.00 | Repair of printers |
| 5) | Geskey Enterprises | 89,204.00 | NIL | 89,204.00 | |
| 6) | Berwaki Africa LTD | 274,049.00 | NIL | 274,049.00 | Repair of locks |
| 7) | FD Global Limited Tours and Travel | 27,250.00 | NIL | 27,250.00 | ticketing |
| Subtotal | | 691,203.36 | | 691,203.36 | |
| 2. NON AGPO BILLS | | | | | |
| 1) | Astorian Hotel | 84,000.00 | NIL | 84,000.00 | Conference facility |
| 2) | Lake Naivasha Resort | 433,350.00 | NIL | 433,350.00 | Conference facility |
| 3) | Best Western | 819,985.00 | NIL | 819,985.00 | Conference facility |
| Subtotal | | 1,337,335.00 | | 1,337,335.00 | |
| 3. HISTORICAL BILLS | | | | | |
| 1) | Dalton Enterprises | 1,229,625.16 | NIL | 1,229,625.16 | Final account on partitioning |
| 2) | Kenya School of Government – Embu | 117,500.00 | NIL | 117,500.00 | training |
| 3) | Silver Spring Hotel | 180,000.00 | NIL | 180,000.00 | Conference facility |
| 4) | Cedars Travel and Tours limited | 33,800.00 | NIL | 33,800.00 | ticketing |

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| | | | | | |
|--------------------|---------------------------|---------------------|-----|---------------------|-----------|
| 5) | Janzik Enterprises | 169,000.00 | NIL | 169,000.00 | Air time |
| 6) | Uniglobe Northline Travel | 201,800.00 | Nil | 201,800.00 | ticketing |
| Subtotal | | 1,931,725.16 | | 1,931,725.16 | |
| GRAND TOTAL | | 3,960,263.00 | | 3,960,263.00 | |

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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 | Outstanding Balance 2019 | Comments |
|---------------------------------------|-----------------|-----------------|---------------------|--------------------------|--------------------------|---|
| | A | B | c | d=a-c | | |
| Construction of buildings | 8,717,361 | 8.3.2018 | 7,487,736 | 1,229,625 | 1,229,625 | Final account on the phase III partitioning woks. |
| 1. Dalton enterprises | | | | | | |
| Sub-Total | | | | | | |
| Goods and services | | | | | | |
| 1. Gemlyn Enterprises | | | | 76,489.20 | 76,489.20 | Tonnors |
| 2. Charmie Enterprises | | | | 127,727.00 | 127,727.00 | Provision of newspapers |
| 3. Rentokil Initial | | | | 64,004.16 | 64,004.16 | Sanitary services |
| 4. Nyakmaki Electrical Works LTD | | | | 32,480.00 | 32,480.00 | Repair of printers |
| 5. Geskey Enterprises | | | | 89,204.00 | 89,204.00 | |
| 6. Berwaki Africa LTD | | | | 274,049.00 | 274,049.00 | Repair of locks |
| 7. FD Global Limited Tours and Travel | | | | 27,250.00 | 27,250.00 | Air ticket |
| 8. Astorian Hotel | | | | 84,000.00 | 84,000.00 | Conference facility |
| 9. Lake Naivasha Resort | | | | 433,350.00 | 433,350.00 | Conference facility |
| 10. Best Western | | | | 819,985.00 | 819,985.00 | Conference facility |
| 11. Kenya School of Government – Embu | | | | 117,500.00 | 117,500.00 | training |
| 12. Silver Spring Hotel | | | | 180,000.00 | 180,000.00 | Conference facility |
| 13. Cedars Travel and Tours limited | | | | 33,800.00 | 33,800.00 | Air ticket |
| 14. Janzik Enterprises | | | | 169,000.00 | 169,000.00 | Air time |
| 15. Uniglobe Northline Travel | | | | 201,800.00 | 201,800.00 | Air ticket |
| Grand Total | | | | 3,960,263.00 | 3,960,263.00 | |

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ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

| Name of Staff | Job Group | Original Amount | Date Payable Contracted | Amount Paid To-Date | Outstanding Balance 2020 | Outstanding Balance 2019 | Comments |
|------------------------------|-----------|-----------------|-------------------------|---------------------|--------------------------|--------------------------|----------|
| | | a | b | c | d=a-c | | |
| Senior Management | | | | | | | |
| 1. | | | | | | | |
| 2. | | | | | | | |
| 3. | | | | | | | |
| Sub-Total | | | | | | | |
| Middle Management | | | | | | | |
| 4. | | | | | | | |
| 5. | | | | | | | |
| 6. | | | | | | | |
| Sub-Total | | | | | | | |
| Unionisable Employees | | | | | | | |
| 7. | | | | | | | |
| 8. | | | | | | | |
| 9. | | | | | | | |
| Sub-Total | | | | | | | |
| Others (specify) | | | | | | | |
| 10. | | | | | | | |
| 11. | | | | | | | |
| 12. | | | | | | | |
| Sub-Total | | | | | | | |
| Grand Total | | | | | | | |

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 ANNEX 3 - ANALYSIS OF OTHER PENDING PAYABLES

| Name | Brief Transaction Description | Original Amount | Date Payable Contracted | Amount Paid To-Date | Outstanding Balance 2020 | Outstanding Balance 2019 | Comments |
|--|-------------------------------|-----------------|-------------------------|---------------------|--------------------------|--------------------------|----------|
| | | a | b | c | d=a-c | | |
| Amounts due to National Govt Entities | | | | | | | |
| 1. | | | | | | | |
| 2. | | | | | | | |
| 3. | | | | | | | |
| | Sub-Total | | | | | | |
| Amounts due to County Govt Entities | | | | | | | |
| 4. | | | | | | | |
| 5. | | | | | | | |
| 6. | | | | | | | |
| | Sub-Total | | | | | | |
| Amounts due to Third Parties | | | | | | | |
| 7. | | | | | | | |
| 8. | | | | | | | |
| 9. | | | | | | | |
| | Sub-Total | | | | | | |
| Others (specify) | | | | | | | |
| 10. | | | | | | | |
| 11. | | | | | | | |
| 12. | | | | | | | |
| | Sub-Total | | | | | | |
| | Grand Total | | | | | | |

OFFICE OF THE REGISTRAR OF POLITICAL PARTIES**Reports and Financial Statements****For the year ended June 30, 2020****ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER**

| Asset class | Historical Cost b/f (Kshs) 2018/2019 | Additions during the year (Kshs) | Disposals during the year (Kshs) | Transfers in/(out) during the year | Historical Cost c/f (Kshs) 2019/2020 |
|--|---|---|---|---|---|
| Land | | | | | |
| Buildings and structures | 9,870,092 | 6,164,988 | | | 16,035,080 |
| Transport equipment | 23,436,000 | | | | 23,436,000 |
| Office equipment, furniture and fittings | 10,971,272 | 2,187,200 | | | 13,158,472 |
| 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 |
| Total | 50,400,300 | 8,352,188 | | | 58,752,488 |

NB: The balance as at the end of the year is the cumulative cost of all assets bought and inherited by the Ministry, Department or Agency. Additions during the year are tying to note 6 on acquisition of assets during the year.

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ANNEX 5 – LIST OF PROJECTS IMPLEMENTED BY THE ENTITY. *(insert entity's name)*

| Ref | Project Name | Principal activity of the project | Accounting Officer | Project consolidated in these financial statements(ves/no) |
|-----|--------------|-----------------------------------|--------------------|--|
| 1 | | | | |
| | | | | |
| | | | | |
| | | | | |

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ANNEX 6 – LIST OF SCs, SAGAs AND PUBLIC FUNDS UNDER THE ENTITY (*insert entity's name*)

| Ref | SC, SAGA or Public Fund's name | Principal activity of entity | Accounting Officer | Amount transferred during the year | Inter- entity reconciliations done?(yes/no) |
|-----|--------------------------------|------------------------------|--------------------|------------------------------------|---|
| 1 | xxx | | | | |
| | | | | | |
| | | | | | |

ANNEX 7 – CONTINGENT LIABILITIES REGISTER

| | Nature of contingent liability | Payable to | Currency | Estimated Amount Kshs | Expected date of payment | Remarks |
|----|--------------------------------|------------|----------|-----------------------|--------------------------|---------|
| 1 | | | | | | |
| 2 | | | | | | |
| 3 | | | | | | |
| 4 | | | | | | |
| 5 | | | | | | |
| 6 | | | | | | |
| 7 | | | | | | |
| 8 | | | | | | |
| 9 | | | | | | |
| 10 | | | | | | |

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ANNEX 8- 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