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OFFICE OF THE AUDITOR-GENERAL



REPORT

OF

THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
KENYA AFRICAN DEMOCRATIC UNION
(KADU-ASILI)**

**FOR THE YEAR ENDED
30 JUNE 2013**



POLITICAL PARTIES 2017

Thursday, 2nd March, 2017

The House met at 2.30 p.m.

The Reports of the Auditor-General on the Financial Statements in respect of the

- (I) Kenya African Democratic Union (KADU-ASILI) for the years ended 30th June, 2012 and 2013 respectively and the certificates therein

B.

KADU ASILI
Annual Report
and
Financial Statements
As At 30 June 2013

KENYA NATIONAL AUDIT OFFICE
P. O. Box 30084 - 00100, NAIROBI
15 APR 2014
RECEIVED


20/7/16.

PRINCIPAL ACTIVITY

Political Activities

RESULTS FOR THE YEAR	2013	2012
	KShs	KShs
Surplus/(Loss) for the year	225,995	(5,403)
Surplus/(Loss) transferred to accumulated fund	225,995	(5,403)

OFFICIALS

- Milton M. Mchombo - National Chairman
- Birikadi C. Ngala - National Treasurer
- Patience M. Chome - Secretary General/Accounting officer

REGISTERED OFFICE/ADDRESS

P. O. Box 83229- 80100
MOMBASA

Principal Bankers:

Barclays Bank of Kenya Ltd
Nkrumah Road
P.O. Box 90182- 00100
MOMBASA

STATISTICAL INFORMATION

	2013	2012
	KShs	KShs
Turnover	2,205,706	1,484,563
Non-current Assets	38,571	51,456
Current Assets	192,688	91,808
Current Liabilities	106,000	244,000
Net Current Assets	86,688	(152,192)
Net Assets	125,259	(100,736)
Accumulated Fund	125,259	(100,736)

Statement of Financial Position As At 30 June 2013

		2013	2012
	NOTE	KShs	KShs
NON CURRENT ASSETS			
Property, Plant and Equipments	2	38,571	51,456 o/B
		<u>38,571</u>	<u>51,456</u>
CURRENT ASSETS			
Prepayments and Sundry Receivables	4	117,500 ✓	12,000 o/B
Cash and Bank Balances	5	75,188 ✓	79,808 o/B
		<u>192,688</u>	<u>91,808</u>
TOTAL ASSETS		<u>231,259</u> ^	<u>143,264</u> ^
CURRENT LIABILITIES			
Loan / Borrowings		30,000	100,000 o/B
Creditors and Accruals	6	76,000	144,000 o/B
Total Liabilities		<u>106,000</u> ^	<u>244,000</u> ^
Financed by :-			
Revenue Reserves		125,259	(100,736) o/B
Accumulated Fund		125,259 ^	(100,736) ^
TOTAL LIABILITIES AND ACCUMULATED FUND		<u>231,259</u> ^	<u>143,264</u> ^

The financial statements on page 4 and 8 were approved for issue by National Executive committee on 1st Aug 2013 and were signed on their behalf by

Patience M Chome

MRS. PATIENCE M CHOME

Secretary General/Accounting officer

REPUBLIC OF KENYA

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NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON KENYA AFRICAN DEMOCRATIC UNION (KADU-ASILI) FOR THE YEAR ENDED 30 JUNE 2013

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Kenya African Democratic Union (KADU-ASILI) set out on pages 3 to 8, which comprise the statement of financial position as at 30 June 2013, and the statement of comprehensive income, statement of changes in reserve and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Section 8 of the Public Audit Act, 2003 and Section 34 (1) of the Political Parties Act, 2007.

Management's Responsibility for the Financial Statements

The National Executive Committee Kenya African Democratic Union (KADU ASILI) is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 7 of the Public Audit Act, 2003.

Auditor-General's Responsibility

My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with the provisions of Section 9 of the Public Audit Act, 2003 and submit the audit report in compliance with Article 229 of the Constitution. The audit was conducted in accordance with International Standards on Auditing. Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to

Report of the Auditor-General on the Financial Statements of Kenya African Democratic Union (KADU-ASILI) for the year ended 30 June 2013

design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Party's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

Because of the matters described in the Basis for Disclaimer of Opinion paragraph, however, I am not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

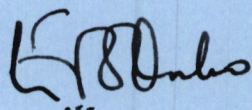
Accuracy and Completeness of Financial Statements

The balances reflected in the financial statements as at 30 June 2013 were not supported with necessary documentary evidence including schedules, analysis, bank reconciliation statements, bank balance certificates and cash survey certificates.

In the circumstances, the accuracy and completeness of the balances reflected in the financial statements as at 30 June 2013 as a whole could not be ascertained.

Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, I have not been able obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, I do not express an opinion on the financial statements.



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

Nairobi

02 February 2017

Statement of Comprehensive Income

	2013	2012
	KShs	KShs
INCOME		
Registrar of Political Parties	1,202,966 ✓	1,322,393 o/B
Membership/Nomination fees	932,800 ✓	162,170 o/B
Councillors contribution	59,940 ✓	-
Donations	10,000 ✓	-
	-	-
	<u>2,205,706</u> ^	<u>1,484,563</u> ^
EXPENDITURE		
Salary and wages	164,824 ✓	230,720 o/B
N.S.S.F	-	-
Printing and stationery	244,676 ✓	23,277 o/B
Postage and telephones	36,030 ✓	58,454 o/B
Rent charges	471,500 ✓	229,350 o/B
Travelling & Accomodation Expenses	381,000 ✓	138,380 o/B
Sitting allowances	60,200 ✓	-
Bank charges	9,796 ✓	14,866 o/B
Audit fees	-	25,000 o/B
Internal Audit fees	25,000	25,000 o/B
Professional fees-Audit	50,600	35,000 o/B
Advertisements	16,000 ✓	28,520 o/B
Nominations	142,000 ✓	-
Meetings and Seminars	346,760 ✓	277,150 o/B
Electricity	15,000 ✓	-
Office Utilities	3,440 ✓	19,775 o/B
Repairs and maintenance	-	33,520 o/B
Party Advocacy Expenses	-	332,513 o/B
Depreciation of fixed assets	12,885	18,441 o/B
Total Expenditure	<u>1,979,711</u> ^	<u>1,489,966</u> ^
Surplus/(Loss) for the year	<u>225,995</u> ^	<u>(5,403)</u> ^
Balance brought forward	-	-
Accumulated Fund	<u>225,995</u> ^	<u>(5,403)</u> ^

Statement of Changes in Reserve

	2013	2012
Accumulated Funds at 01 July 2012	(100,736)	(95,333) o/B
Prior period adjustments-Mamjee loan repayments	-	-
Accumulated Funds as Re-stated	(100,736) ✓	(95,333) o/B
Surplus for the year	225,995 ✓	(5,403) o/B
Accumulated Funds at 30 June 2013	125,259 ✓	(100,736) o/B

CASH FLOW STATEMENT	2013	2012
Cash flow from operations	KShs	KShs
Surplus for the year	225,995 ✓	(5,403) o/B ✓
Adjustments for: -		
Depreciation of assets	12,885 ✓	18,441 o/B
Cash generated from operations before working capital changes	238,881 ↑	13,038 ↑ ✓
Working capital changes		
Receivables	(105,500) ✓	-
Payables	(68,000) ✓	(112,400) o/B
Net Cash flow from operations	65,380 ↑	(99,362) ✓
Cash flow from financing activities		
Purchase of fixed assets	-	-
Borrowing received	-	-
Borrowing repaid	(70,000) ✓	100,000 o/B ✓
Cash flow from investing and financing activities	(70,000) ↑	100,000 ✓
Increase in cash and equivalents	(4,620) ↑	638 o/B
Cash and cash equivalents at the beginning of the year	79,808 ↑	79,170 o/B ✓
Cash and cash equivalents at the end of the year	75,188 ↑	79,808 ✓

NOTES

1. ACCOUNTING POLICIES

a). Accounting Period

The Party prepares its financial statements covering a period of twelve months ending 30 June every financial year.

b). Accounting Convention

The financial statements are prepared under the historical cost convention.

c). Income recognition

Income is recognized in the period in which it is received by the party and comprises of members contributions and Government funds.

d) Fixed Assets and Depreciation

Fixed assets are stated at cost less accumulated depreciation.

Depreciation is calculated on a reducing balance basis to write the asset over the expected useful lives at the following annual rates:-

Office Furniture and fittings	12.50%
Office equipment	12.50%
Office computer	33.50%

2. FIXED ASSETS

	Computer- KShs	Fittings KShs	Phone KShs	Total KShs
At cost				
At 1 January 2012	68,800	26,142	-	94,942 <i>cc</i>
Additions/(Disposals)	-	-	-	-
As at 30th June 2012	68,800 ✓	26,142 ✓	-	94,942 <i>cc</i>
Write off	-	-	-	-
	68,800 ✓	26,142 ✓	-	94,942 <i>cc</i>
Depreciation				
Accumulated as at 30th June 2012	38,070	5,416	-	43,486 <i>cc</i>
Charge for the year	10,295 ✓	2,591 ✓	-	12,885 <i>cc</i>
	48,365	8,007	-	56,371
Written Down Value	^	^		^
At 30 June 2013	20,435 ✓	18,135 ✓	-	38,571 ✓ <i>cc</i>
At 30 June 2012	30,730 ✓ <i>cc</i>	20,726 ✓ <i>cc</i>	-	51,456 ✓ <i>cc</i>

3. INVESTMENTS

2013	2012
KShs	KShs

-	-
-	-

4. RECEIVABLES AND PREPAYMENTS

2013	2012
KShs	KShs

Debtors and Prepayments	117,500 ✓	12,000
Prepaid office rent	-	-
Other sundry debtors	-	-

117,500

12,000

Kadu Asili

Annual Report and Financial Statements for the Year Ended 2013

NOTES

(Cont...)

5. CASH AND CASH EQUIVALENTS

	2013	2012
	KShs	KShs
Barclays Bank Current A/C	-	2,540 o/B
Cash in hand	75,188	77,268 o/B
At Year End	75,188	79,808

Bank balances have been verified by Bankers and cash in hand has been verified by Association officials.

The year-end cash and cash equivalents comprised cash in hand and deposits held at the bank.

6. CREDITORS AND PAYABLES

	2013	2012
Salary due	10,000 ✓	10,000 o/B
Rent due	6,000 ✓	50,000 o/B
Professional fees	25,000 ✓	25,000 o/B
Other-Accent General Agencies	-	59,000 o/B
Gucha Tech	35,000 ✓	-
	76,000	144,000