

REPUBLIC OF KENYA



Enhancing Accountability



PARLIAMENT
OF KENYA
LIBRARY

THE NATIONAL ASSEMBLY	
REPORT	
DATE:	08 APR 2015
	Wednesday
TABLED BY:	Hon. NZOMU WAGI, MP
	Deputy Majority Party Whip
OF:	Hahma Ahmed

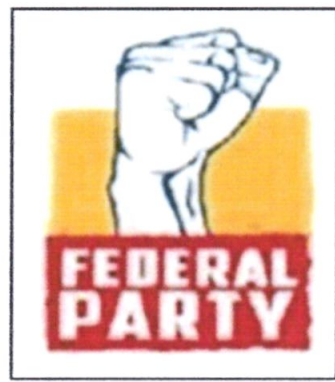
THE AUDITOR-GENERAL

ON

FEDERAL PARTY OF KENYA

**FOR THE YEAR ENDED
30 JUNE, 2024**

RECEIVED
30 DEC 2024
FEDERAL PARTY
NAIROBI



FEDERAL PARTY OF KENYA.

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2024

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

**Federal Party of Kenya.
Annual Report and Financial Statements
for the year ended June 30, 2024.**

Table of Contents.....	Page
1. Acronyms, Abbreviations and Glossary of Terms	iii
2. Key Entity Information and Management.....	iv
3. National Officials.....	vii
4. Chairman's Statement	viii
5. Report of the Chief Executive Officer	ix
6. Statement of Performance against Predetermined Objectives for FY 2023/2024	x
7. Corporate Governance Statement.....	x
8. Management Discussion and Analysis	xi
9. Environmental and Sustainability Reporting	xii
10. Report of the National Executive committee.....	xiii
11. Statement of Directors Responsibilities	xiv
12. Statement of Financial Performance for the year ended 30 June 2024	1
15 Statement of Financial Position as at 30 June 2023.....	2
16. Statement of Changes in Net Assets for the year ended 30 June 2024	3
17. Statement of Cash Flows for the year ended 30 June 2024.....	4
18. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2024.....	5
19. Notes to the Financial Statements	6
20. Appendices	35

**Annual Report and Financial Statements
for the year ended June 30, 2024.**

1. Acronyms, Abbreviations and Glossary of Terms

A: Acronyms and Abbreviations

CEO	Chief Executive Officer
DG	Director General
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
MD	Managing Director
NT	National Treasury
OCOB	Office of the Controller of Budget
OAG	Office of the Auditor General
PFM	Public Finance Management
PPE	Property Plant & Equipment
PSASB	Public Sector Accounting Standards Board
SC	State Corporations
FPK	Federal Party of Kenya

B: Glossary of Terms

Fiduciary Management- Members of Management directly entrusted with the responsibility of financial resources of the organisation

Comparative Year- Means the prior period.

**Annual Report and Financial Statements
for the year ended June 30, 2024.**

2. Key FPK Information and Management

(a) Background information

The Federal Party of Kenya is formed and registered under the newly established Registrar of political parties. It is domiciled in Kenya and has been in active state as per its objective since the year 2007.

(b) Principal Activities

The organization's principal activity is to strive to establish a government of Kenya based on the democratic and good governance and constitutional principles of a pluralistic democracy whilst promoting the rule of law.

(c) Key Management

The day-to-day management of the Federal Party of Kenya is under the following key organs constituted in the NEC;

No.	Designation	Name
1.	Secretary General	Kenedy Okello Oluoch
2.	Executive Director	Collins Wesley Ondigo
3.	National Treasurer	Hon. Lucas Watitwa
4.	Directors and managers	

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2024 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Chairman	Francis Angeuyah Ominde
2.	Secretary General	Kenedy Okello Oluoch
3.	Organizing Secretary	Joel Otuoma Wanga
4.	Executive director	Collins Wesley Ondigo
5.	National Treasurer	Hon. Lucas Watitwa

Key FPK Information and Management (continued)

(e) Fiduciary Oversight Arrangements

**Annual Report and Financial Statements
for the year ended June 30, 2024.**

The Party established an internal organ to assist in external fiduciary arrangement with constitutionally accepted bodies embedded within the structures and legal requirements of the office of the registrar of political parties. There is an internal audit committee comprised of the national treasurer, deputy treasurer, accountant and departmental directors to help the party comply with the statutory requirements of disclosure as per the International Public Sector Accounting Standards.

- **Audit and Risk Committee;** Audit Process is carried out without interferences as to guarantee the integrity of party's financial statements in accordance with the International Public Sector Accounting Standards.
- **Regulatory and legal requirements** of the government and the Party's code of conduct are in total compliance with all levels of government on disclosure and accountability of the income and expenditure
- **Risk Management** which is ensured by the committee dedicating its service in allocation of party resources in areas of full optimization and conformity with the party's objectives.

(f) FPK Headquarters

Annex House,
Ground floor, Limuru Road,
P.O Box 34463-00100
Nairobi, Kenya.

(g) FPK Contacts

Tel: 0722302368
Email; federalpartyofkenya07@gmail.com
Website; <https://federalpartykenya.com/>

(h) FPK Bankers

1. National Bank
Harambee Avenue branch,
Nairobi, Kenya.

Key Entity Information and Management (continued)

**Annual Report and Financial Statements
for the year ended June 30, 2024.**

(i) Independent Auditor

Auditor-General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

(j) Principal Legal Adviser

The Attorney General

State Law Office and Department of Justice

Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya

**Annual Report and Financial Statements
for the year ended June 30, 2024.**

3. National Officials.

Ref	Directors	Details
1.	Francis Angeuyah Ominde	Party Leader
2.	Abdow Bishar Maalim	Deputy Party Leader
3.	Kenedy Okello Oluoch	Secretary General
4.	Hon. Lucas Watitwa	National Treasurer
5.	Joel Otuoma Wang	National Organizing secretary
6.	Collins Wesley Ondigo	Executive Director

4. Key Management Team

	Management	Details
1.	Secretary General	Kenedy Okello Oluoch
2.	National Treasurer	Hon. Lucas Watitwa
3.	Executive Director	Collins Wesley Ondigo
4.	Deputy Treasurer and Accountant	Lucas Watitwa
5.	National Women League Leader	Judy Ngure
6.	National Youth league Leader	Robert Chore
7.	Secretary for Disability Affair	Ibrahim Mohamed

**Annual Report and Financial Statements
for the year ended June 30, 2024.**

5. Chairman's Statement

In accordance with the Public Audit act of 2015 and political parties act of 2011, we are obliged to prepare financial statements each year that are expected to present a true and fair view of the state of affairs of our party with a clear picture of our operating results.

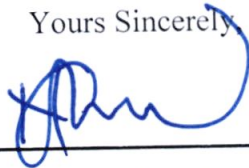
Prepared using appropriate accounting policies in conformity with the financial state of our party and its operating results, the finance management act of 2012, section 81 and section 31 of the political parties' act require us to prepare the financial statement and present them to office of the registrar and office of the auditor general not later than 30th September of every year.

The party further confirms the completeness of the accounting records that have been relied on in preparation of this financial statements for the year ended June 30th 2024.

I wish thank the National Executive committee members for their prudence in managing the political party affairs through efficient resource mobilization and allocation. My loyalty to serve the party remains my stead first pilar to their commitment. To all members who have supported this party thus far, I assure them of my firm stand to the slogan that we hold true; 'Inawezekana Tukijipanga' and we are on course.

Attached herewith, the party financial statements which give true and fair view of the company financial position for the period ended 30th June 2024

Yours Sincerely



Nahum Okwiya.

National Chairman FPK.

**Annual Report and Financial Statements
for the year ended June 30, 2024.**

6. Report of the Chief Executive Officer

We wish to present the report for the financial year ended 30th June 2024 in accordance with the International Public Sector Accounting Standard. During the Year, the key responsibilities of the party were:

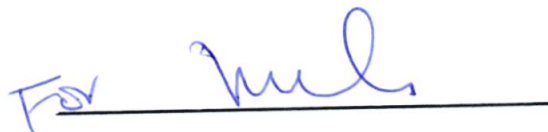
- (I) Developing strategy for financial resource mobilization to finance party activities
- (II) Ensuring that the books of the party are properly audited
- (III) Participation in the national political activities and forums that require our party presence.
- (IV) Preparing our party for the 2027 general elections.

In accordance with the Public Audit act of 2015 and political parties act of 2011, our party managed to accomplish the following activities in the financial year 2023-2024;

- (I) Developed a work plan and budgets in respect to our party strategic goals for the current financial year.
- (II) Ensured that our books of accounts were prepared in good time and presented to the auditor general's office with a clear distinction of our revenue and expenses.
- (III) The accounts were forwarded to the auditor general on 30th September 2024 in IPSAS format of reporting as per its requirement.

The major source of our income remained the same as previous years which is government funding

This report is approved by the National Executive committee and signed on behalf by:



Collins Wesley Ondigo

EXECUTIVE DIRECTOR FEDERAL PARTY OF KENYA.

**Annual Report and Financial Statements
for the year ended June 30, 2024.**

7. Statement of Performance against Predetermined Objectives for FY 2023/2024

Federal Party of Kenya had 3 strategic pillars/ themes/issues and objectives within the current Strategic Plan for the FY 2023/2024. These strategic pillars/ themes/ issues are as follows:

Pillar 1: Total Compliance

Pillar 2: Effective Administration Management of Party affairs.

Pillar 3: Diversification of Party revenue streams

Federal Party of Kenya develops its annual work plans based on the above 3 Pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The performance targets set for the FY 2023/2024 are progressive hence some are set for completion by 2025 September as they are capital intensive.

Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
Pillar 1:	Full compliance	Establishment of adequate party offices.	Engagement with county party representatives.	Negotiations are ongoing and on strategic possible party locations.
Pillar 2:	Engaging professional.	Achieving objectives within the set time lines.	Submission of Audit reports and accountable filling.	Great progress.
Pillar 3:	Diversification of Party revenue streams	Party revenue growth.	Approaching donors and increase party member's support.	On course with strategies being put in place as it is a continuous process.

8. Corporate Governance Statement

**Annual Report and Financial Statements
for the year ended June 30, 2024.**

Federal Party of Kenya is committed to operating in accordance with the best practice of the political integrity and ethics while maintaining the high standards of corporate governance and financial reporting to its members and the general public. The National Executive committee is reporting that throughout the year, it has complied with provisions of code of corporate governance.

The corporate governance of Federal Party of Kenya has gone a long way to define how the party within its structures has to conduct itself in line with the objectives and purpose for which it was founded on. It has established its own internal structures and a set of regulations that depicts all a manner of conduct within its internal operations and its relation with the outside world. The internal mechanisms have also ensured that the party complies and conforms to the national laws in relation to its space of operation. The interest of the general public is also catered for with all these responsibilities of corporate governance fully vested in the party's national executive council.

9. Management Discussion and Analysis

Our ambition is to be able to establish a prosperous and industrialized country where citizens enjoy power and privileges that emanate from economic growth, democratic rights and social integration that comes with utmost dignity. Our public engagement goes beyond political party activities of campaigns for power in general elections or by-elections rather, focuses on continuous civic education and mobilization of people for a unilateral decision on choice of good governance.

Section 81 Subsection 2 (f) of the Public Finance Management Act, 2012 requires the accounting officer to include in the financial statement, a statement of the national government Entity's performance against predetermined objectives. (This guidance statement should be removed in the final set of financial statements).

10. Environmental and Sustainability Reporting

i) *Sustainability strategy and profile*

Integration and automation of some of our party records to as to minimize paper work which emanates from trees hence minimizing deforestation.

ii) *Employee welfare*

Due to our current financial position and state considering our financial sources, we do not have a permanent party employee hence we do short-term contractual engagements with service providers based on the need during which the period of their service is entitled to emergency support or assistance in case of uncertainty during their engagement with the party.

iii) *Corporate Social Responsibility / Community Engagements*

As part of our social responsibility, we focus on civic education to inform the general public on the importance of good governance and the power that is wielded by the constitution to them.

**Annual Report and Financial Statements
for the year ended June 30, 2024.**

11. Report of the National Executive committee.

The National Executive Committee Submit their report together with the audited financial statements for the year ended 30th June 2024 showing the state of affairs of the Federal Party of Kenya.

i) Principal activities

The principal activities of the Entity are striven to establish a government of Kenya based on the democratic and good governance and constitutional principles of a pluralistic democracy whilst promoting the rule of law.

ii) Results

The results of the Entity for the year ended June 30, 2024, are set out on page 1 to 18.

iii) National Executive Committee

The members of the Board of Directors who served during the year are shown on page IV.

iv) Surplus remission.

In accordance with Regulation 219 (2) of the Public Financial Management (National Government) Regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year.

Or the FPK did not remit any funds to the consolidated fund for the financial year 2023/2024 as it did not have any surplus.

v) Auditors

The auditor general is responsible for the statutory audit of the Federal Party of Kenya in accordance with the article 229 of the constitution of Kenya and the public audit act of 2015 to carry out the audit of the Federal Part of Kenya for the period ended 30th June 2024.

By Order of the Board


.....
Kenedy Okello Oluoch

Secretary General

Federal Party of Kenya

Date: _____

12. Statement of Directors Responsibilities

Section 81 of the Public Finance Management Act, 2012 and Political Parties Act 2015 require the Directors to prepare financial statements in respect of that Entity, which give a true and fair view of the state of affairs of the FPK at the end of the financial year/period and the operating results of the Entity for that year/period. The Directors are also required to ensure that the FPK keeps proper accounting records which disclose with reasonable accuracy the financial position of the FPK. The Directors are also responsible for safeguarding the assets of the FPK.

The Directors are responsible for the preparation and presentation of the FPK financial statements, which give a true and fair view of the state of affairs of the FPK for and as at the end of the financial year ended on June 30th, 2024. 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 Federal Party of Kenya;
- 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 FPK;
- v) Making accounting estimates that are reasonable in the circumstances.

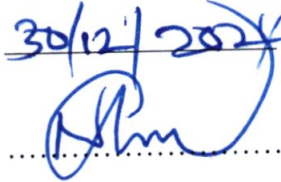
The Directors accept responsibility for the Entity's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the Public Finance Management Act, 2012 and (the State Corporations Act) – entities should quote applicable legislation as indicated under which they are regulated. The Directors are of the opinion that the Entity's financial statements give a true and fair view of the state of FPK transactions during the financial year ended June 30, 2024, and of the FPK financial position as at that date. The Directors further confirms the completeness of the accounting records maintained for the FPK, which have been relied upon in the preparation of the Entity's financial statements as well as the adequacy of the systems of internal financial control.

**Annual Report and Financial Statements
for the year ended June 30, 2024.**


In preparing the financial statements, the Directors have assessed the FPK ability to continue as a going concern. Nothing has come to the attention of the Directors to indicate that the FPK will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements.


The Federal Party of Kenya financial statements were approved by the Board on 30/12/2024 2024 and signed on its behalf by:


.....

Nahum Okwiya
National Chairman


.....

Hon. Lucas Watitwa
National Treasurer


.....

Kenedy Okello Oluoch
Secretary General

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

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

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

REPORT OF THE AUDITOR-GENERAL ON FEDERAL PARTY OF KENYA FOR THE YEAR ENDED 30 JUNE, 2024

PREAMBLE

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

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

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Federal Party of Kenya set out on pages 1 to 36, which comprise the statement of financial position as at 30 June, 2024

and the statement of performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Federal Party of Kenya as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Political Parties Act, 2011 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Unsupported Cash and Cash Equivalents

The statement of financial position and as disclosed in Note 15 to the financial statements reflects cash and cash equivalents balance of Kshs.10,805 while the Board of Cash Survey reflects a balance of Kshs.13,279 resulting in an unexplained variance of Kshs.2,474. Further, the supporting cashbooks and bank reconciliation statements were not provided for audit review.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance could not be confirmed.

The audit was conducted in accordance with International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Federal Party of Kenya Management in accordance with ISSAI 130 on the 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 qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the effects of the matter described in the Basis for Qualified Opinion section of my report, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Issues

In the audit report of the previous year, several issues were raised under the Report on Financial Statements. However, the issues remained unresolved as at 30 June, 2024.

Other Information

Management is responsible for the other information set out on page iv to xv which comprise of Key Entity Information and Management, National , Chairman's Statement, Report of the Chief Executive Officer, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the National Executive Council and Statement of Directors Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Party's financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements 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 audit procedures performed, except for the effect of the matter described in the Basis for Conclusion on the 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 governance were not effective.

Basis for Conclusion

Lack of Internal Audit Functions

During the year under review, the Party operated without an internal audit function as there were no reports or evidence that the Party operations were reviewed by an internal audit.

In the circumstances, the effectiveness of Party's internal controls and risk management could not be confirmed.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, 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 the Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Party's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

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

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. 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 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 conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment 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.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

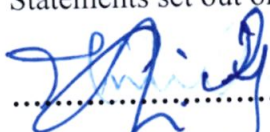
31 December, 2024

Federal Party of Kenya.
Annual Report and Financial Statements
for the year ended June 30, 2024.

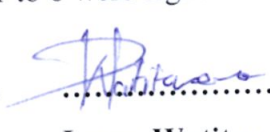
14. Statement of Financial Performance for the year ended 30 June 2024

	Notes	2023-2024	2022-2023
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from other governments entities	6	688,929	753,751
Public contributions and donations	8	00	35,800
Members Registration Fees	8	00	00
Nomination Fees	8	00	00
		688,929	789,551
Revenue from exchange transactions			
Other income	9	00	15,000
Total revenue		688,929	804,551
Expenses			
Use of goods and services	10	619,050	985,373
Employee costs	11	46,590	88,590
Depreciation and amortization expense	12	119,642	24,620
Repairs and maintenance	13	6,500	33,175
Finance costs	14	11,290	9,640
Total expenses		803,149	1,141,398
Surplus/ (deficit) before tax		(114,221)	(336,874)
Surplus/(deficit) for the period/year		(114,221)	(336,874)

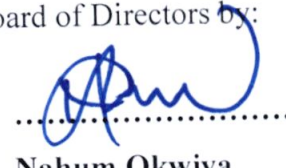
The notes set out on pages 7 to 18 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 6 were signed on behalf of the Board of Directors by:



Kenedy Okello Oluoch
Secretary General



Lucas Watitwa
National Treasurer



Nahum Okwiya
National Chairman

Date 30/12/2024

CPA (K) Nathan Kiptui
ICPAK M/No: 2725
 Date 30/12/2024.....

Date 30/12/2024.....


Date 30/12/24.....

Federal Party of Kenya.
Annual Report and Financial Statements
for the year ended June 30, 2024.


15 Statement of Financial Position as at 30 June 2024.

	Notes	2023-2024	2022-2023
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash equivalents	15	10,805	9,986
Inventories	17	6,900	17,709
Total Current Assets			27,695
Non-Current Assets			
Property, Plant and Equipment	18	124,016	243,658
Receivables from Exchange Transactions	16	153,449	233,250
Total Non- Current Assets		277,465	476,908
Total Assets		295,170	504,603
Liabilities			
Current Liabilities			
Trade and Other Payables	19	290,500	145,250
Total Current Liabilities		290,500	145,250
Non-Current Liabilities			
Service Concession Liability	20	00	20,000
Total Non- Current Liabilities			20,000
Total Liabilities		290,500	165,250
Net Assets		4,670	339,353
Reserves		100,000	100,000
Accumulated Surplus		(95,330)	239,353
Total Net Assets and Liabilities		4,670	339,353


The financial statements set out on pages 1 to 18 were signed on behalf of the Board of Directors by:



Kenedy Okello Oluoch
Secretary General



Lucas Watitwa
National Treasurer



CPA (K) Nathan Kiptui
ICPAK M/No: 2725

Date: 30/12/2024

Date: 30/12/2024

Date: 30/12/2024

Federal Party of Kenya.
Annual Report and Financial Statements
for the year ended June 30, 2024.

16. Statement of Changes in Net Assets for the year ended 30 June 2024

Description	Ordinary share capital	Revaluation reserve	Fair value adjustment reserve	Retained earnings	Capital/ Development Grants/Fund	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
As at July 1, 2022	00	100,000	00	(37645)	00	62,355
Issue of new share capital						
Revaluation gain	-	00	-	(336,847)	-	(336,847)
As at June 30, 2023	00	100,000	00	(374,492)	00	(274,892)
As at July 1, 2023	00	100,000	00	(374,492)	00	(274,892)
Issue of new share capital						
Revaluation gain	-	-	-	(114221)	-	(114221)
As at June 30, 2024	00	100,000	00	(488713)	00	(388,713)

Federal Party of Kenya.
Annual Report and Financial Statements
for the year ended June 30, 2024.

17. Statement of Cash Flows for the year ended 30 June 2024.

	Notes	2023-2024	2022-2023
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Retained Earnings		(114,221)	(336,847)
Add Back Depreciation		119,642	24,620
Total receipts		5,498	(312,227)
Working Capital Changes.			
Increase / Decrease in trade receivables		(145,250)	(94,250)
Increase/ Decrease in Payables		79,801	291,450
Cash generated from operation		(3,860)	258,789
Net Cashflow from Operating activities		1,638	(53,438)
Other income		00	15,000
Total Receipts		1,638	(38,438)
Total Payments			
Net cash flows from/ (used in) operating activities		1,638	(38,438)
Net increase/(decrease) in cash & Cash equivalents		(819)	19,219
Cash and cash equivalents at 1 July	14	9,986	29,205
Cash and cash equivalents at 30 June	14	10,805	9,986

18. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2024.

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	A	B	C=(a+b)	D	e=(c-d)	f=d/c*100
Revenue						
Transfers from Other Governments entities	1,257,425	-	1,257,425	688,928	568,497	45%
Public Contributions and Donations	300,000	00	300,000	00	300,000	100%
Other Income	200,000	00	200,000	00	200,000	100%
Total Income	1,757,425	00	1,757,425	688,928	1,068,497	61%
Expenses						
Use of Goods and Services	1,500,000	00	1,500,000	619,050.00	880,950.0	59%
Employee costs	50,000	00	50,000	46,590.00	3,410.00	7%
Repairs and Maintenance	20,000	00	20,000	6,500.00	13,500.00	68%
Total Expenditure	1,570,000	00	1,570,000	672,140.00	897,860.0	57%
Surplus for the period	187,425	00	187,425	16,788.00	170,637.0	91%

Based on letter sent to us from the registrar of political Parties on austerity measures taken by the government, our budgets were unable to fully actualize due to the limited resources hence we had to heavily cuts down on our expenditure to ensure we realize our party objectives for the year.

This therefore resulted to huge differences between the budgets and the actuals.

19. Notes to the Financial Statements

1. General Information

Federal Party of Kenya is established by and derives its authority and accountability from political Parties Act. The FPK is wholly owned by the Government of Kenya and is domiciled in Kenya.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the Federal Party of Kenya accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5 of these financial statements.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Federal Party of Kenya. The financial statements have been prepared in accordance with the PFM Act, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

Standard	Effective date and impact:
<p>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity's future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ol style="list-style-type: none"> (a) The nature of such social benefits provided by the FPK. (b) The key features of the operation of those social benefit

Federal Party of Kenya.
Annual Reports and Financial Statements
for the year ended June 30, 2024.

Standard	Effective date and impact:
	<p>schemes; and</p> <p>(c) The impact of such social benefits provided on the FPK's financial performance, financial position and cash flows.</p>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <p>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</p> <p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guaranteed contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>d) Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>
<p>Other improvements to IPSAS</p>	<p>Applicable 1st January 2023</p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> Amendments to refer to the latest System of National Accounts (SNA 2008). • <i>IPSAS 39: Employee Benefits.</i> Now deletes the term composite social security benefits as it is no longer defined in IPSAS. • IPSAS 29: Financial instruments: Recognition and Measurement. Standard no longer included in the 2023 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.

Federal Party of Kenya.
Annual Reports and Financial Statements
for the year ended June 30, 2024.

Notes to the Financial Statements (Continued)

i. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024.

Standard	Effective date and impact:
IPSAS 43	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an FPK.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>

ii. Early adoption of standards

The Entity did not early – adopt any new or amended standards in the financial year.

4. Summary of Significant Accounting Policies

- a) Revenue recognition
- i) Revenue from non-exchange transactions

Fees, taxes and fines

The Federal Party of Kenya recognizes revenues from fees, taxes and fines when the event occurs and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the Entity and the fair value of the asset can be measured reliably.

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the FPK and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that has been acquired using such funds.

- ii) Revenue from exchange transactions

Rendering of services

The Entity recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably, and it is probable that the economic benefits or service potential associated with the transaction will flow to the FPK.

Interest income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

Dividends

Dividends or similar distributions must be recognized when the shareholder's or the FPK right to receive payments is established.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

b) Budget information

The original budget for the Current FY was approved by the NEC. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Budget information (continued)

The FPK budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented.

c) Taxes

Current income tax

Federal Party of Kenya does not remit income tax as per the political Parties act and public finance management act.

Summary of Significant Accounting Policies (Continued)

d) Property, plant and equipment

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

e) Leases

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the FPK. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The FPK also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the FPK will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the FPK. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

f) Intangible assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred. The useful life of the intangible assets is assessed as either finite or indefinite. Intangible assets with an indefinite useful life are assessed for impairment at each reporting date.

g) Research and development costs

The Entity expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Federal Party of Kenya can demonstrate:

- i) The technical feasibility of completing the asset so that the asset will be available for use or sale.
- ii) Its intention to complete and its ability to use or sell the asset.
- iii) How the asset will generate future economic benefits or service potential
- iv) The availability of resources to complete the asset.
- v) The ability to measure reliably the expenditure during development.

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

Notes to the Financial Statements (Continued)

h) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The FPK does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. (Amend as appropriate). A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another FPK. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

a) Financial assets

Classification of financial assets

The entity classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the entity's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made irrevocable election at initial recognition for particular investments in equity instruments.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Subsequent measurement

Based on the business model and the cash flow characteristics, the entity classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through net assets/ equity

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

Trade and other receivables

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Fair value through surplus or deficit

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/equity are measured at fair value through surplus or deficit. A business model where the FPK manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

Impairment

The FPK assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The FPK recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL).

b) Financial liabilities

Classification

The entity classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

i) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition. Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

- i) Raw materials: purchase cost using the weighted average cost method.
- ii) Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of FPK.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

j) Provisions

Provisions are recognized when the FPK has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the FPK expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

k) Social Benefits

Social benefits are cash transfers provided to i) specific individuals and / or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The entity recognises a social benefit as an expense for the social benefit scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the entity will incur in fulfilling the present obligations represented by the liability.

l) Contingent liabilities

The Entity does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

m) Contingent assets

The FPK does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the FPK in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

Federal Party of Kenya.
Annual Reports and Financial Statements
for the year ended June 30, 2024.

are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of FPK.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

j) Provisions

Provisions are recognized when the FPK has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the FPK expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

k) Social Benefits

Social benefits are cash transfers provided to i) specific individuals and / or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The entity recognises a social benefit as an expense for the social benefit scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the entity will incur in fulfilling the present obligations represented by the liability.

l) Contingent liabilities

The Entity does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

m) Contingent assets

The FPK does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the FPK in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

n) Nature and purpose of reserves

The FPK creates and maintains reserves in terms of specific requirements. Therefore, based on the scope of our operations and guidelines of political parties act, should we have surplus, 90% is remitted back to the exchequer hence our reserves are muted from the possibilities of expansion as resources are limited in relation to our party expenses.

o) Changes in accounting policies and estimates

The FPK recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

p) Employee benefits

Retirement benefit plans

The Federal Party of Kenya intends to provide retirement benefits for its employees and directors in the coming days as it strives to attain operational financial freedom. Defined contribution plans are post-employment benefit plans under which an FPK intends to pay fixed contributions into a separate Entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

q) Foreign currency transactions

Transactions in foreign currencies are to be accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

r) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment.

Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

s) Related parties

FPK regards a related party as a person or an Entity with the ability to exert control individually or jointly, or to exercise significant influence over FPK, or vice versa. Members of key management are regarded as related parties and comprise NEC members and Key management members.

t) Service concession arrangements

The FPK analyses all aspects of service concession arrangements that it enters in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the FPK recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the FPK also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

u) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

v) Comparative figures

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

w) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2024.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual value

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

- a) The condition of the asset based on the assessment of experts employed by the FPK.
- b) The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- c) The nature of the processes in which the asset is deployed.
- d) Availability of funding to replace the asset.
- e) Changes in the market in relation to the asset

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 40. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

Federal Party of Kenya.
Annual Reports and Financial Statements
for the year ended June 30, 2024.

Notes to the Financial Statements (Continued)

6. Transfers from Other Government entities

Description	2023-2024	2022-2023
	KShs	KShs
Unconditional Grants		
Operational Grant	688,929	753,751
Total Unconditional Grants	688,929	753,751

The grant is from the government under the political parties' fund sharable revenue after the 2022 general elections. The fund is used to finance the activities of the Federal Party of Kenya.

b) Transfers from Ministries, Departments and Agencies (MDAs)

Name of The Entity Sending The Grant	Amount recognized to Statement of Financial performance. *	Amount deferred under deferred income.	Amount recognised in capital fund.	2023-2024	2022-2023
	KShs	KShs	KShs	KShs	KShs
Registrar of political party.	688,929	00	688,929	688,929	753,751
Total	688,929	00	688,929	688,929	753,751

Notes to the Financial Statements (Continued)

7. Levies, Fines and Penalties

Description	2023-2024	2022-2023
	Kshs	Kshs
Fuel Levy	00	00
Other Levies (Specify)	00	00
Fines	00	00
Penalties	00	00
Total	00	00

8. Public Contributions and Donations

Description	2023-2024	2022-2023
	Kshs	Kshs
Member registration fees	00	00
Members nomination fees	00	00
Other Public Donations (Specify)	00	35,800
Total Transfers and Sponsorships	00	35,800
Reconciliation Of Public Contributions and Donations		
Balance Unspent at Beginning of The Year	00	00
Current Year Receipts	00	35,800
Conditions Met - Transferred to Revenue	00	35,800
Conditions To Be Met - Remain Liabilities	00	35,800

Due to the party financial sources not being able to cater for party expenses, one of our party members donated a cash contribution which was then acknowledged and recorded by the party and given fully utilized in administrative errands of the party.

9. Other Income

Description	2023-2024	2022-2023
	Kshs	Kshs
Miscellaneous incomes	00	15,000
Total Other income	00	15,000

This are calls made to some party members based on urgent party needs for the sake of efficiency in a specific Service delivery.

Federal Party of Kenya.
Annual Reports and Financial Statements
for the year ended June 30, 2024.

10. Use of Goods and Services

Description	2023-2024	2022-2023
	Kshs	Kshs
Advertising	28,450.00	38,450.00
Professional Charges	16,000.00	40,000.00
Water and electricity	8,500.00	15,700.00
Communication and internet	24,000.00	36,000.00
Training	2,000.00	28,500.00
Rental Expense	270,000.00	405,000.00
Postage and delivery	9,400.00	16,000.00
Office stationery	6,900.00	17,709.00
Civic education Campaign	175,000.00	228,430.00
Travel and Accommodation	25,300.00	68,290.00
Transport and motor expense	38,500.00	45,871.00
Staff Skill Development	15,000.00	35,423.00
Staff Welfare	0.00	10,000.00
Total	619,050	985,373.00

11. Employee Costs

Description	2023-2024	2022-2023
	Kshs	Kshs
Other employee related costs *	46,590	88,590
Employee costs	46,590	88,590

Since our revenue cannot fully support permanent and pensionable employees, we therefore do contractual service from time to time and the above declared amounts are cost incurred for provision of specific required services such as office cleaning.

Federal Party of Kenya.
Annual Reports and Financial Statements
for the year ended June 30, 2024.

Notes to the Financial Statements (Continued)

12. Depreciation and Amortization Expense

Description	2023-2024	2022-2023
	Kshs	Kshs
Property, plant and equipment	19,719	24,620
Total depreciation and amortization	19,719	24,620

24620

The assets held by the company once they depreciate, they lose value hence having a different carrying amounts as compared to the previous year's net book value. Therefore, since we adopted a reducing balance depreciation schedule as opposed to the straight-line method, the difference in amounts for the 2 years is reflected.

13. Repairs and Maintenance

Description	2023-2024	2022-2023
	Kshs	Kshs
Property and equipment	00	15,075
Furniture and Fittings	00	14,100
Computers and Accessories	6500	4,000
Total Repairs and Maintenance	6,500	33,175

Notes to the Financial Statements (Continued)

14. Finance Costs

Description	2023-2024	2022-2023
	Kshs	Kshs
Bank Charges *	11,290	9,640
Total finance costs	11,290	9,640

15. Cash and Cash Equivalents

Description	2023-2024	2022-2023
	Kshs	Kshs
Current Account	(3,194)	2,154
Other (Cash At hand)	13,279	7,832
Total Cash and Cash Equivalents	10,085	9,986

At the end of the year, we had a bank deficit arising from monthly bank charges and cash at hand as reflected in the summery above.

At the moment, the party operates only one Bank Account.

Federal Party of Kenya.
Annual Reports and Financial Statements
for the year ended June 30, 2024.

Detailed Analysis of the Cash and Cash Equivalents

Financial Institution	Account number	2023-2024	2022-2023
		Kshs	Kshs
a) Current Account			
National Bank of Kenya	01020252783500	(3,194)	2,154
Sub- Total		(3,194)	2,154
b) Others (Specify)			
Cash In Hand		13,279	7,832
Sub- Total		13,279	7,832
Grand Total		10,085	9,986

16. Receivables from Exchange Transactions

(a) Receivables from Exchange Transactions (Current)

Description	2023-2024	2022-2023
	Kshs	Kshs
Receivables		
Members contribution	153,449	233,250
Total Current Receivables	153,449	233,250

(c) Ageing analysis for Receivables from exchange transactions

Description	2023-2024		2022-2023	
	Kshs		Kshs	
	2023/24	% of the total	2022/23	% of the total
Less than 1 year	100,00	65%	100,000	43%
Between 1- 2 years	53,449	35%	133,250	57%
Total (a+b)	153,449	100%	233,250	100%

(d) Reconciliation for Impairment Allowance on Receivables from Exchange Transactions

Impairment allowance/ provision	2023-2024	2022-2023
	Kshs	Kshs
At the beginning of the year	233,000	534,700
Recovered during the year		00
Written off during the year	79,551	301450
At the end of the year	153,449	233,250

Federal Party of Kenya.
Annual Reports and Financial Statements
for the year ended June 30, 2024.

17. Inventories

Description	2023-2024	2022-2023
	Kshs	Kshs
Printing Papers	3,150	5,439
Pens and another writing Material		2,790
Manila Papers & Flat chats	3,750	9,480
Total inventories at the lower of cost and net realizable value	6,900	17,709

These are material used in day to day running of the party activities.

Federal Party of Kenya.
Annual Reports and Financial Statements
for the year ended June 30, 2024.

Notes to the Financial Statements (Continued)

18. Property, Plant and Equipment

Cost	Computers.	Furniture and fittings	Other Assets (specify)	Total
	Kshs	Kshs	Kshs	Kshs
As At 1 July 2023	129,419	114,239	00	243,658
Additions	-	-	-	00
Disposals	-	-	-	00
Transfers/Adjustments	-	-	-	00
As at 30th June 2023	129,419	114,239	00	243,658
Additions	-	-	-	00
Disposals	-	-	-	00
Transfer/Adjustments	-	-	-	00
As at 30th June 2024				
Depreciation.				
At 1 July 2023	64,381	30,641	00	95,022
Depreciation	16,260	8,360		24,620
Impairment	-	-	-	00
As At 30th 2024	80,641	39,001	00	119,642
Net Book Values				
As at 30th June 2023	129,419	114,239	00	243,658
As at 30th June 2024	48,778	75,238	00	124,016

Federal Party of Kenya.
Annual Reports and Financial Statements
for the year ended June 30, 2024.

Notes to the Financial Statements (Continued)

19. Trade and Other Payables

Description	2023-2024		2022-2023	
	Kshs		Kshs	
Trade payables (Rent Areas)	270,000		135,250	
Other payables (Interest on rent Areas)	20,500		10,250	
Total trade and other payables	290,500		145,250	
Ageing analysis: (Trade and other payables)	2023/2024	% of the Total	2022/2023	% of the Total
Under one year	290,500	100%	145,250	100%
1-2 years	00	00	00	0%
2-3 years	00	00	00	0%
Over 3 years	00	00	00	0%
Total (tie to above total)	290,500		145,250	

The big sum of payables is as a result of rent arrears which has to be paid within the timeframe that falls within scope of 1 year.

20. Service Concession Liability.

Description	2023-2024		2022-2023	
	Kshs		Kshs	
Service concession Liability	00		20,000	
Total trade and other payables	00		20,000	

21. Financial Risk Management

The Federal Party of Kenya activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The FPK's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The Entity does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history. The FPK's financial risk management objectives and policies are detailed below:

Notes to the Financial Statements (Continued)

i) Credit risk

The Entity has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the FPK's management based on prior experience and their assessment of the current economic environment.

Notes to the Financial Statements (Continued)

Financial Risk Management

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Entity has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The board of NEC sets the FPK's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the FPK's directors, who have built an appropriate liquidity risk management framework for the management of the FPK's short, medium and long-term funding and liquidity management requirements. The FPK manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

Financial Risk Management

iii) Market risk

The FPK has put in place an internal audit function to assist it in assessing the risk faced by the FPK on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls. Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the Entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee. The Entity's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies. There has been no change to the Entity's exposure to market risks or the way it manages and measures the risk.

**Federal Party of Kenya.
Annual Reports and Financial Statements
for the year ended June 30, 2024.**

a) Interest rate risk

Interest rate risk is the risk that the Entity's financial condition may be adversely affected as a result of changes in interest rate levels. The FPK's interest rate risk arises from bank deposits. This exposes the Entity to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the FPK's deposits.

Management of interest rate risk

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates.

22. Related Party Disclosures

Nature of related party relationships

Entities and other parties related to the Federal Party of Kenya include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include Key management personnel and NEC members

Government of Kenya

The Government of Kenya is the principal financier of the Federal Party of Kenya.

Other related parties include:

- i) The Parent Ministry.
- ii) County Governments
- iii) Other SCs and SAGAs.
- iv) Key management.
- v) NEC Members

23. Events after the Reporting Period

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

24. Ultimate And Holding Entity

The FPK is a State Corporation/ or a Semi- Autonomous Government Agency under the government agency; Registrar of Political Parties whose ultimate parent is the Government of Kenya.

25. Currency

The financial statements are presented in Kenya Shillings (Kshs) rounded to the nearest Kshs.

**Federal Party of Kenya.
Annual Reports and Financial Statements
for the year ended June 30, 2024.**

20. Appendices

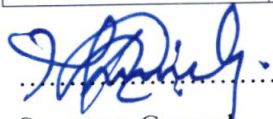
Appendix 1: Implementation Status of Auditor-General's Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
(i)	Lack of Signed report of CEO	In this resubmission, the concern is addressed	Resolved	Done
(ii)	Statement of performance against predetermined goals	Addressed in this resubmission	Resolved	Done
(iii)	Environmental sustainability Report	Addressed in this resubmission	Resolved	Done
(iv)	Blank page for auditor Signing	Addressed in this resubmission	Resolved	Done
(iv)	Indication of Attorney general as principal legal advisor	Addressed in this resubmission	Resolved	Done
(v)	Page numbering	Addressed in this resubmission	Resolved	Done
(vi)	Signing of statement of receipts and payment	Addressed in this resubmission	Resolved	Done
(v)	Comparative Balances vs Year under review	Addressed in this resubmission	Resolved	Done
(vi)	Statement of comparison and budget on actual amounts	Addressed in this resubmission	Resolved	Done
(vii)	Statement of compliance and	Addressed in this resubmission	Resolved	Done

Federal Party of Kenya.
Annual Reports and Financial Statements
for the year ended June 30, 2024.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	basis of presentation			
(viii)	Notes corresponding with the financial statement	Addressed in this resubmission	Resolved	Done
2	All other concerns raised	On preparation and presentation are resolved, substantiating our revenue and expenses are on progress	Ongoing	23 rd October 2024.



Secretary General,

Kenedy Okello Oluoch

Date: 30/12/2024