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KENYA NATIONAL AUDIT OFFICE

REPORT

OF

THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
THE AGANO PARTY**

**FOR THE YEAR ENDED
30 JUNE 2012**

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KENYA NATIONAL AUDIT OFFICE

REPORT OF THE AUDITOR-GENERAL ON THE AGANO PARTY FOR THE ENDED 30 JUNE 2012

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Agano Party set out on pages 6 to 12, which comprise the statement of financial position as at 30 June 2012, the statement of comprehensive income, statement of changes in equity and a statement of cash flow 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, Section 8 of the Public Audit Act, 2003 and Section 34(1) of the Political Parties Act, 2007. 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.

Management's Responsibility for the Financial Statements

The National Executive Committee of Agano Party 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 preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The National Executive Committee is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 6 of the Public Audit Act, 2003.

Auditor General's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, 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 Party's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion 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 Party as well as evaluating the overall presentation of the financial statements.

I believe the audit evidence obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

Basis for Qualified Opinion

1. Income

The Statement of Comprehensive income for the year ended 30 June 2012 reflects a total income of Kshs.4,523,589 from the Political Parties Fund. However, in the absence of evidence that the Party declared sources of its funding to the Registrar of Political Parties as required under Section 10(1) of the Political Parties Funding (Regulations) 2009, it has not been possible to confirm full disclosure of the revenue received by the Party during the year.

2. Cash flow Statement

The Cash flow statement reflects incorrect 2010/2011 comparative figures. As a result, cash and cash equivalents as at 30 June 2011 have been understated by Kshs.74,899.49 to reflect a negative balance of Kshs.70,495 instead of a balance of Kshs.4,404.49 reflected on the certified financial statements for the year ended 30 June 2011. Further, the cash flow statement reflects the cash and cash equivalent balance as at 30 June 2012 of Kshs1,710,594 while the statement of financial position reflects cash and bank balances of Kshs 1,686,399 as at the same date. Consequently, the accuracy of the cash and bank balances as at 30 June 2012 therefore, cannot be confirmed.

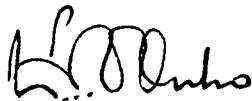
3. Administrative Expenses

The statement of comprehensive income for the year ended 30 June 2012 reflects administrative expenses of Kshs.927,917 which includes Ksh.175,000 incurred on salaries and wages during the year. However, the Party did not avail any documents to support the expenditure. Further, the figure of Kshs.927,917 includes rent expenditure of Kshs.387,900. However, no lease agreement was availed for audit verification.

Consequently, the completeness and accuracy of the administrative expenses could not be confirmed.

Qualified Opinion

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Party as at 30 June 2012, and of its financial performance and cash flows for the year then ended, in accordance with International Financial Reporting Standards and comply with the Political Parties Act, 2007.



Edward R. O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

10 June 2014



AGANO PARTY



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AGANO PARTY FINANCIAL STATEMENT FOR THE YEAR ENDED JUNE 2012

AGANO PARTY FINANCIAL STATEMENT

Agano Party Financial Statement For The Year Ended June 2012

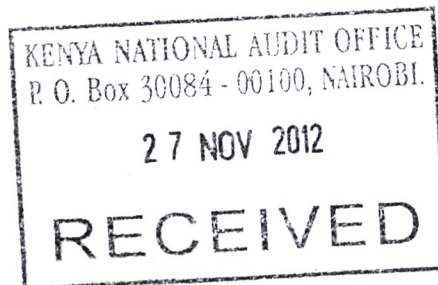


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AGANO PARTY

MANDATE

Agano is a Swahili word meaning covenant, promise, agreement or pledge. It is a political party for all Kenyans rooted which is firmly established on just and righteous principles where Leaders pledge and commit themselves to deliver what they promise Kenyans to do.

AGANO VISION

To see Kenya become a nation of JUSTICE, UNITY, PEACE, LIBERTY, PLENTY and BLESSINGS, achieving the KENYAN DREAM and VISION which Kenyans at Independence and in our National Anthem covenanted with Almighty God and themselves to seek and to pursue.

AGANO MISSION

Agano Party, a political party in the Republic of Kenya, exists to radically transform Kenya into a modern developed nation at par with the other first-world nations, through a servant-leadership of vision, integrity, righteousness, professionalism and excellence.

CORE VALUES

- Vision
- Integrity
- Servant leadership
- Promise keeping justice
- Compassion
- Dignity
- Family focus
- Frugality
- Stewardship
- Efficiency
- Professionalism
- Excellence

KEY STRATEGIC OBJECTIVES

The objectives of the party are to:

1. To speak up for those who cannot speak for themselves, for the rights of all who are destitute to speak and judge and lead fairly and to defend the rights of the poor and needy.
2. To stand for and promote family and all other societal values known from times immemorial in our culture, practices, values and believes.
3. To establish a good accountable Government in Kenya where dishonesty, fraud corruption and incompetence will be eliminated.
4. To establish government policies that will focus on job creation for the masses, giving emphasis to the need for private sector growth at all levels of the national economy.
5. To encourage and provide leadership through examples on nature of accountability and transparency in public life.
6. To introduce policies that will lead to recognized and revitalized performance in the industrial sectors, agricultural and tourist industries, livestock and fisheries in particular.
7. To provide free basic health and education for all recognizing that the rural and unemployed populations have priority and special needs.
8. To have policy and leadership in the protection, conservation and management of Kenya natural resources and wildlife.
9. To proactively promote the study of science, technology and innovation.
10. To pursue and advocate for allocation of at least 1% of the national budget to research and development.
11. To promote investment and maintenance of fundamental infrastructure for the opening up and enhancement of our national frontiers.
12. To promote a national wages policy that is founded on the principle of living expenses.
13. To promote, sustain and prioritize national security.
14. To encourage the study and exploitation of our maritime and mineral resources through amendments and enactment of enabling registration.

15. To establish national programs and policies that will ensure that the persons with disabilities and the marginalized have opportunity to participate in all aspects of national development.
16. To eliminate all forms of discrimination against women and to promote their acceptance as equal partners with men at all levels of decision making.
17. To empower the youth so as to mobilize them for political and socio-economic transformation of Kenya.
18. To establish government policies that will guarantee a decent quality life for every Kenyan in the areas of food, housing and access to health care.
19. To establish government policies which will not permit expansion of the gap between the rich and the poor at the expense of the poor?
20. To build a just, righteous and democratic Kenya.

STRATEGIC PROGRAMMES

1. Cohesion, Peace building and Conflict resolution Programs

Have been initiated and conducted through training of candidates, agents and campaigners to be ambassadors of peace. This is a form of mitigation act to diffuse the current politics of negative ethnicity and tribalism plaguing the nation of Kenya.

2. Democracy and governance Programs

Bad governance is the problem of Kenya and Africa as a whole. The Program aims at building the capacity of Leaders and voters in general in order to produce the right leadership of Kenya with a nationalistic vision to drive Kenya to the vision 2030 and beyond making them global leaders than global followers.

3. Health Programs

Targeting mother and child in order to reduce child mortality rates by encouraging women to breast feed their children.

4. Education and economic Programs

Identifying talent among youths and develop the same as opposed to the current seeking for employment mentality amongst the youth. This will give rise to more entrepreneurs and Employers with an effect to reduced rate of un-employment.

5. Social welfare Programs

This includes reaching out to the elderly to encourage them to mentor Youth, and children to become responsible citizens through the traditional story telling method but in larger groups. This aims at reducing criminal activities in the society.

KEY STRATEGIC PRIORITIES

1. Agano Party's priorities are to rout out rampant social evils and corruption and to create systems and institutions that are above politics and accountable leaders that do not compromise their principles but serve with integrity, vision and accountability within the first few years of its governance. This is because corruption has destroyed and almost brought Kenya to its knees as a nation.
2. To speak for those who have no voice or cannot be heard the Poor, Marginalized and Vulnerable, Youth, Women Disabled and physically challenged, HIV infected and affected and all such others.
3. To share its vision and mission as the alternative party in Kenya in order to provide an alternative political platform for aspirants who seek to serve the people of Kenya while focused on the social-developmental concerns as expressed by the people of Kenya.

KEY MANAGEMENT STAFF.

Agano Party's Secretarial staff is under the office of the Secretary General.

The Party also has NEC management committee headed by the chairman.

These are the names of the Management staff.

David Mwaure Waihiga..... Chairman
Murabu Chaka Tsuma..... V. Chairman
Alice G. Ndirangu..... Secretary General
Ruth Gichovi..... National Treasurer
Lenard Mukembu..... Executive Director
Gideon Keter..... Youth Leader
Samuel Karanja..... Director of Elections


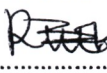
AGANO PARTY
STATEMENT FOR COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH JUNE 2012

	Note	2012 AMOUNT Kshs	2011 AMOUNT Kshs
INCOME	5		
INTEREST RECEIVED		-	-
POLITICAL PARTIES FUND		4,523,589.00	2,797,671.30
TOTAL INCOME		4,523,589.00	2,797,671.30
EXPENSES			
CIVIC EDUCATION	6	246,374.00	899,646.81
PUBLICITY	7	-	-
MARKETING & PROMOTION	8	1,437,044.00	1,566,714.00
ADMINISTRATIVE EXPENSES	9	927,917.00	489,856.00
TOTAL EXPENSES		2,611,335.00	2,956,216.81
SURPLUS/(LOSS)		1,912,254.00	(158,545.51)

AGANO PARTY
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2012

	Note	2012 Kshs	2011 Kshs
NON CURRENT ASSETS			
PROPERTY, PLANT & EQUIPMENT	2	151,478.00	21,119.00
CURRENT ASSETS			
DEBTORS & PREPAYMENTS	10	99,900.00	30,000.00
CASH AND BANK BALANCES	3	1,686,399.00	4,404.49
Total Current Assets		<u>1,786,299.00</u>	<u>34,404.49</u>
CURRENT LIABILITIES			
Payables & Accruals	4	<u>110,000.00</u>	<u>115,000.00</u>
Net Current Assets		<u>1,676,299.00</u>	<u>(80,595.51)</u>
TOTAL ASSETS		<u>1,827,777.00</u>	<u>(59,476.51)</u>
REPRESENTED BY			
ACCUMULATED FUNDS		1,827,777.00	(84,476.51)
TOTAL EQUITY & LIABILITIES		<u>1,827,777.00</u>	<u>(84,476.51)</u>

The financial statement were approved by the excutive committee(NEC)

on 26/11/2012 and signed on their behalf by:
 Secretary General Treasurer
 Name ALICE G. NDIRANGU RUTH GICHUVI
 Signiture  

AGANO PARTY

11 **STATEMENT OF CHANGE IN EQUITY**
FOR THE YEAR ENDED 30TH JUNE 2012

Accumulated Fund	2012	2011
	Kshs	Kshs
Opening Balance	(84,477.00)	74,069.00
Surplus For the year	1,912,254.00	(158,545.51)
	<hr/>	<hr/>
Total	1,827,777.00	(84,476.51)

AGANO PARTY
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 30TH JUNE 2012

	2011	2010
	Kshs	Kshs
SURPLUS/(DEFICIT)FOR THE YEAR	1,912,254.00	(158,545.51)
Depreciation	4,100.00	5,401.00
	1,916,354.00	(153,144.51)
WORKING CAPITAL CHANGES		
(INCREASE)/DECREASEIN DEBTORS/PREPAYMENTS	(99,900.00)	(129,900.00)
DECREASE/(INCREASE) IN CREDITORS	(110,000.00)	115,000.00
NET CASH FLOWS FROM OPERETING ACTIVITIES	1,706,454.00	(168,044.51)
 CASH FLOWS FROM INVESTING ACTIVITIES		
 CASH FLOWS FROM FINANCING ACTIVITIES		
NET INCREASE /(DECREASE) IN CASH EQUIVALENTS	1,706,454.00	(168,044.51)
CASH & CASH EQUIVALENTS AS AT 1st JULY 2011	4,140.00	97,549.00
CASH & CASH EQUIVALENTS AS AT 30th JUNE 2011	1,710,594.00	(70,495.51)

AGANO PARTY**2 PROPERTY, PLANT & EQUIPMENT MOVEMENT SCHEDULE****AS AT 30TH JUNE 2012**

	COMPUTER & ACCESSORIES	OFFICE EQUIPMENT	FURNITURE & FITTINGS	TOTAL
	Kshs	Kshs	Kshs	Kshs
Cost	34,750.00	4,500.00	17,295.00	56,545.00
Additions	101,710.00	-	32,750.00	134,460.00
Total	136,460.00	4,500.00	50,045.00	191,005.00
Depreciation				
Accumulated				
Depreciation	26,407.00	1,863.00	7,157.00	35,427.00
Charge for the year	2,503.00	330.00	1,267.00	4,100.00
Total Depreciation	28,910.00	2,193.00	8,424.00	39,527.00
NBV as at 30 June 2011	107,550.00	2,307.00	41,621.00	151,478.00

AGANO PARTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

1a **ACCOUNTING POLICIES**

The financial statements are prepared in accordance with International Financial Reporting Standards.

b **Basis of Accounting**

The Party prepares its financial on accrual basis Convention

c **Revenue Recognition**

Income represents fund transfers from the political parties fund. Grants and Donations are recognised when received. Interest income is recognised when Earned.

d **Depreciation of Fixed Assets**

The party's policy is to provide no depreciation in the year of acquisition and full depreciation in the year of disposal at the following rates:

Computer and Accessories	30%
Office Equipment	12.5%
Furniture and Fittings	12.5%

3 **CASH & EQUIVALENTS**

	2012	2011
	Kshs	Kshs
Petty cash	(265)	265
Kenya commercial bank	-	-
Kenya commercial bank-PPF	1,686,664	4,140
	<u>1,686,399</u>	<u>4,405</u>

4 **PAYABLES & ACCRUALS**

Chanan & Associates	-	50,000
KENAO	60,000	95,000
Photex Technical Services	50,000	-
	<u>110,000</u>	<u>145,000</u>

5 **INCOME**

Political party fund	4,523,589	2,767,671
Interest received	-	-
Donations*	-	30,000
	<u>4,523,589</u>	<u>2,797,671</u>

6 CIVIC EDUCATION	2012 Kshs	2011 Kshs
Printing and Production	196,652	116,714
Hall Hire	-	2,500
Seminars and Training	-	577,620
Civic Education	-	-
Entertainment and Refreshment	310	-
Meals	1,185	14,570
Travel	48,227	188,243
	<u>246,374</u>	<u>899,647</u>
8 MARKETING AND PROMOTION		
Travel expenses	-	-
Advertising	140,452.00	
Meetings and Confrences	16,315.00	
Consultancy \$ Legal Fees	51,000.00	
Postage and Delivery	15,550.00	
Recruitment Expenses	146,682.00	
Marketing	1,067,045.00	1,566,714
	<u>1,437,044</u>	<u>1,566,714</u>
9 ADMINISTRATIVE EXPENSES		
Stationery	18,985	-
Airtime	19,910	13,350
Accountancy	50,000	30,000
Audit fees	35,000	60,000
Office expenses	117,742	124,106
Bank charges	16,200	8,375
Photocopies	10,280	325
Rent	387,900	126,000
Repairs	42,800	
Computer repairs	-	12,299
Subscriptions	50,000	10,000
Gifts and donations	-	-
Salaries and wages	175,000	100,000
Depreciation	4,100	5,401
	<u>927,917</u>	<u>489,856</u>
10 DEBTORS & PREPAYMENTS		
Office Rent Deposit	99,900	24,000
Office Rent(July)	-	6,000
	<u>99,900</u>	<u>30,000</u>