

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

**THE FINANCIAL STATEMENTS OF  
NATIONAL AGENDA PARTY OF KENYA**

**FOR THE YEAR ENDED  
30 JUNE 2012**

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OF KENYA  
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*Paper Laid  
by Hon. A. Oduke (Kans)  
on Thurs. 18/02/2016  
(Pms) Mmw*



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- 4 SEP 2014  
KENYA NATIONAL AUDIT OFFICE  
P. O. Box 30084 - 00100, NAIROBI.

**NATIONAL AGENDA PARTY OF KENYA**

**ANNUAL REPORT AND  
FINANCIAL STATEMENTS**

KENYA NATIONAL AUDIT OFFICE  
P. O. Box 30084 - 00100, NAIROBI.  
- 4 SEP 2014  
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**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2012**

KENYA NATIONAL AUDIT OFFICE  
P. O. Box 30084 - 00100, NAIROBI.  
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**1. Party Official's Report**

The National Agenda Party of Kenya is pleased to submit the following Financial Statements for the year ended 30<sup>th</sup> June 2012.

**2. Legal Status**

Indicate when the party was registered.....

**3. National Agenda Party Vision and Mission**

**(i) Vision:**

.....

**(ii) Mission:**

.....

**4. Party Officials**

Alfayo Alfonze Agufana	National chairman
Abdi Ali Abdi	Secretary general
Julius Mbogo	Assistant Secretary general
Edward Kiogora Guantai	National Treasurer
Joseph Wambua Musyoki	National organizing secretary

**5. Other Relevant Information**

**(i) Principal Bankers:**

- Kenya Commercial Bank Moi Avenue
- Barclays Bank of Kenya Moi Avenue

**(ii) Principal Advocates:**

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**(iii) Auditors**

Kenya National Audit Office  
P. O. Box 30084- 00100  
NAIROBI.

**(iv) Registered Office/Domicile**


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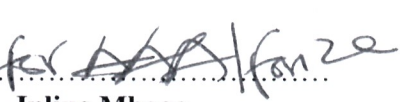
**PARTY OFFICIALS RESPONSIBILITY**

The Political Parties Act requires officials of the party to ensure that proper books and other records of accounts of income, expenditure, assets and liabilities are kept. This calls for preparation of Financial Statements.

The NAP-K officials accepts this responsibility and therefore has prepared the attached Financial Statements as at 30<sup>th</sup> June 2012 based on prudence in judgement in accordance with the International Financial Reporting Standards (IFRS) and in the manner required by the Political Parties Act 2007.

In the opinion of the Party Officials, nothing has come to the attention that the Party will not remain a going concern for at least twelve months from the date of this statement.

Chairman:  Date: 10/07/12  
**Alfayo Afugana**

Secretary General:  Date: 10/07/12  
**Julius Mbogo**

# REPUBLIC OF KENYA

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P.O. Box 30084-00100  
NAIROBI

## OFFICE OF THE AUDITOR-GENERAL

### REPORT OF THE AUDITOR-GENERAL ON NATIONAL AGENDA PARTY OF KENYA FOR THE YEAR ENDED 30 JUNE 2012

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#### REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of National Agenda Party of Kenya set out on pages 4 to 9, which comprise the statement of financial position as at 30 June 2012, the statement of comprehensive income, statement of changes in reserves and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provision 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.

#### Management's Responsibility for the Financial Statements

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

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

#### Auditor-General's Responsibility

My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with the provision of Section 9 of the Public Audit Act, 2003 and submit the audit report in compliance with Article 229(7) of the Constitution of Kenya. The audit was conducted in accordance with International Standards on Auditing. Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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*National Agenda Party of Kenya – Financial Statements for the year ended 30 June 2012*

accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

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

### **Basis for Disclaimer of Opinion**

#### **1. Unsupported Expenditure**

The financial statements for the Party as at 30 June 2012 reflect total income of Kshs.1,111,466.00 out of which Kshs.797,872.00 was from the Political Parties Fund. During the year under review, the party incurred expenditure of Kshs.1,247,258.25.00 which was however not supported by any documentation.

In the circumstances, it has not been possible to confirm the propriety and legality of the Kshs.1,247,258.00 expenditure as at 30 June 2012.

#### **2. Operating Deficit**

The statement of comprehensive income further shows that the Party operated a deficit of Kshs.135,791.35 as at 30 June 2012 compared with a surplus of Kshs.184,585.60 as at 30 June 2011.

No explanation was provided for the operating deficit of Kshs.135,791.35 as at 30 June 2012.

#### **3. Administrative Expenses**

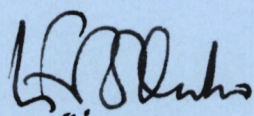
The statement of comprehensive income further reflects administrative expenses of Kshs.419,458.25 for the year ended 30 June 2012. However, the administrative cost of Kshs.419,458.25 is 53% of the total income from the Political Parties Fund contrary to Section 30(f) of the Political Parties Act, 2007.

Consequently, the Party was in breach of the law.

### **Disclaimer of Opinion**

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

Accordingly, I do not express an opinion on the financial statements.



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

**Nairobi**

**21 December 2015**

**STATEMENT OF FINANCIAL POSITION AS AT 30<sup>TH</sup> JUNE 2012**

	Notes	2011/2012 Ksh	2010/2011 Ksh
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	2	81,197.00	179,061.50
<b>CURRENT ASSETS</b>			
Cash and Cash equivalent	3	2,098.90	5,025.75
Trade and other receivables	4	61,000.00	61,000.00
<b>TOTAL CURRENT ASSETS</b>		<b>63,098.90</b>	<b>66,025.75</b>
<b>CURRENT LIABILITIES</b>			
Accounts payables	5	105,000.00	70,000.00
<b>TOTAL CURRENT LIABILITIES</b>		<b>105,000.00</b>	<b>70,000.00</b>
<b>NET CURRENT ASSETS</b>		<b>(41,901.10)</b>	<b>(3,974.25)</b>
<b>NET TOTAL ASSETS</b>		<b><u>39,295.90</u></b>	<b><u>175,087.25</u></b>
<b>REPRESENTED BY</b>			
Revenue reserves		39,295.90	175,087.25
Accumulated fund		<b><u>39,295.90</u></b>	<b><u>175,087.25</u></b>

Chairman:   
Alfayo Afugana

Date: 10/07/12

Secretary General:   
Julius Mbogo

Date: 10/07/12

**STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30<sup>TH</sup>**  
**JUNE 2012**

	Notes	2011/2012	2010/2011
		Ksh	Ksh
<b>INCOME</b>			
Political Parties Fund		797,872.30	638,297.90
Donations		313,000.00	1,164,440.00
Interest Earned		594.60	537.45
<b>Total income</b>		<b>1,111,466.90</b>	<b>1,803,311.35</b>
<b>EXPENDITURES</b>			
Administrative Expenses	6	419,458.25	522,145.75
Democratic Expenses	7	792,800.00	1,061,580.00
Audit fees		35,000.00	35,000.00
<b>Total Expenditures</b>		<b>1,247,258.25</b>	<b>1,618,725.75</b>
<b>Surplus/(Deficit)</b>		<b><u>(135,791.35)</u></b>	<b><u>184,585.60</u></b>

**STATEMENT OF THE CHANGES IN ACCUMULATED FUNDS FOR THE YEAR**  
**ENDED 30<sup>TH</sup> JUNE 2012**

	<b><u>(Kshs.)</u></b>
<b>Balance as at 1 July 2011</b>	<b>171,587.25</b>
Surplus(Deficit) for the year	(135,791.35)
Prior year adjustment(Bank charges written off)	3,500.00
<b>Balances as at 30th June 2012</b>	<b><u>39,295.90</u></b>

**STATEMENT OF CASH FLOW FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2012**

	<u>2011/2012</u>	<u>2010/2011</u>
	<u>Ksh</u>	<u>Ksh</u>
Net Surplus(Deficit) for Year	(135,791.35)	184,585.60
Add back: Depreciation charged for the year	97,864.50	97,864.50
Operating surplus before working capital changes	<b>(37,926.85)</b>	<b>282,450.10</b>
<b>Working capital changes</b>		
Accounts payable	35,000.00	(52,520.00)
Accounts receivables	0.00	(7,000.00)
Net cash generated from operating activities	<b>(2,926.85)</b>	<b>222,930.10</b>
<b>Cash flows from investing activities</b>		
Purchase of property and equipments	0.00	220,000.00
Net increase in cash & cash equivalent	<b>(2,926.85)</b>	<b>2,930.10</b>
At the start of the year	1525.75	(1,404.35)
Prior year adjustment(Bank charges written off)	<b>3,500.00</b>	<b>0.00</b>
At the end of the year	<b>2,098.90</b>	<b>1,525.75</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE**  
**2012**

**1. Principle Accounting policies**

**(a) Accounting convention**

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) under the historical cost convention.

**(b) Recurrent Grant**

The major source of income for The National Agenda Party of Kenya is Grants from the Government and donation by members. Income is recognised when received.

**(c) Currency**

Financial statements have been presented using Kenya shillings rounded off to the nearest shilling.

**(d) Fixed Assets**

Property plant and equipment are stated at Net Book Value.

**(e) Depreciation**

The following depreciation rates have been applied:

- Computer and accessories-33% per annum
- Furniture and fittings-25% per annum
- Full depreciation is provided in the year of acquisition and none in the year of disposal.

**2. Property, Plant and Equipment**

	<b>Furniture &amp; Fittings</b>	<b>Computers &amp; accessories</b>	<b>Total</b>
	<b>(Kshs.)</b>	<b>(Kshs.)</b>	<b>(Kshs.)</b>
Bal B/f 1/07/2011	31,458.00	270,000.00	301,458.00
As at 30/6/2012	31,458.00	270,000.00	301,458.00
Acc. Depreciation as at 1/7/2011	15,729.50	106,667.00	122,396.50
Depreciation for the year	7,864.50	90,000.00	97,864.50
ACC. Depreciation as at 30/6/2012	23,594.00	196,667.00	220,261.00
Net book value as at 30/06/2012	7,864.00	73,333.00	81,197.00
Net book value as at 30/06/2011	15,728.50	163,333.00	179,061.50

3. Cash and cash equivalent

	2011/2012	2010/2011
	Kshs	Kshs
Bank account: KCB	2,098.90	427.00
BBK		1,098.75
<b>Total</b>	<b><u>2,098.90</u></b>	<b><u>1,525.75</u></b>

4. Trade and other receivables

	2011/2012	2010/2011
	Kshs	Kshs
Rent Deposit (3 months) -Jormat Enterprises	54,000.00	54,000.00
(1 month) – Garissa office	5,000.00	5,000.00
(1/2 month) – Vihiga office	2,000.00	2,000.00
<b>Total</b>	<b><u>61,000.00</u></b>	<b><u>61,000.00</u></b>

5. Accounts Payables

	2011/2012	2010/2011
	Kshs	Kshs
KENAO - Audit fees	105,000.00	70,000.00
<b>Total</b>	<b><u>105,000.00</u></b>	<b><u>70,000.00</u></b>

6. Administrative Expenses

	2011/2012	2010/2011
	Kshs	Kshs
a. Rent of party office	250,560.00	250,560.00
b. Accountancy fees	20,000.00	20,000.00
c. Staff allowances	10,000.00	120,000.00
d. Printing & Photocopying	16,060.00	6,000.00
e. Communication costs	20,000.00	10,000.00
f. Depreciation expense	97,864.50	97,864.50
g. Bank charges	4,973.75	17,721.25
<b>Total</b>	<b><u>419,458.25</u></b>	<b><u>522,145.75</u></b>

7.0 Democratic Expenses

	2011/2012	2010/2011
	Kshs	Kshs
Branch's offices cost	168,000.00	169,000.00
Party Visibility and Profiling	624,800.00	892,580.00
<b>Total</b>	<b><u>792,800.00</u></b>	<b><u>1,061,580.00</u></b>