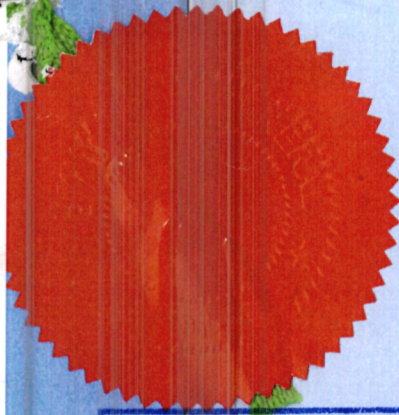


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL



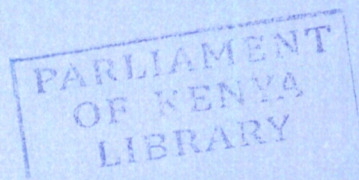
THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 07 MAR 2019	DAY: THURSDAY
TABLED BY:	<i>Hon. Aden Duale</i>
CLERK AT THE TABLE:	<i>Moses Kemungo</i>

REPORT

OF

THE AUDITOR-GENERAL

ON



THE FINANCIAL STATEMENTS OF
OFFICE OF THE REGISTRAR OF
POLITICAL PARTIES

FOR THE YEAR
ENDED 30 JUNE 2018



Year	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
Population	1,000	1,100	1,200	1,300	1,400	1,500	1,600	1,700	1,800	1,900	2,000
Area	100	110	120	130	140	150	160	170	180	190	200
Per Capita Income	100	110	120	130	140	150	160	170	180	190	200
Unemployment Rate	5%	6%	7%	8%	9%	10%	11%	12%	13%	14%	15%
Government Expenditure	100	110	120	130	140	150	160	170	180	190	200
Private Investment	100	110	120	130	140	150	160	170	180	190	200
Total Investment	200	220	240	260	280	300	320	340	360	380	400
Government Revenue	100	110	120	130	140	150	160	170	180	190	200
Private Savings	100	110	120	130	140	150	160	170	180	190	200
Total Savings	200	220	240	260	280	300	320	340	360	380	400



Republic of Kenya

OFFICE OF THE REGISTRAR OF POLITICAL PARTIES
REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30TH JUNE, 2018

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

Lion Place, 1st floor
Off Waiyaki way
P.O. Box 1131-00606
NAIROBI

Tel: +254 (020) 4022000
E-mail: registrar@orpp.or.ke
Website: www.orpp.or.ke

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OFFICE OF REGISTRAR OF POLITICAL PARTIES
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I. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The Office of the Registrar of Political Parties (ORPP) is established by Section 33 of the Political Parties Act, 2011 as an independent State office within the meaning of Article 260 of the Constitution of Kenya. The office is a body corporate with perpetual succession, under a common seal and capable of suing and being sued in its corporate name.

The Act is the primary legal reference for management of political parties in accordance with Articles 91 and 92 of the Constitution 2010, which envisages well governed political parties that respect internal democracy and their constitutional status in the Kenyan political system. The office promotes a democratic political system that is issue-based, people-centred, result-oriented and accountable to the public as outlined in ORPP Strategic Plan and Vision 2030.

The Office of Registrar of Political Parties is headed by the Registrar of Political Parties who is responsible for the general policy and strategic direction of the Office. The Registrar is deputized by three Assistant Registrars.

Vision

An inclusive and viable democratic multi-party system.

Mission

To promote institutionalized democratic political parties in Kenya.

Core Values

The Office is bound by the national values and principles of governance, leadership and integrity as stipulated in the Constitution. The specific core values are:

Professionalism: The office promotes a culture of professionalism and demonstrates competence and mastery of subject matter. Professionalism is reflected in our performance through conscientious and efficient in meeting commitments, observing deadlines and achieving results.

Integrity: The office puts utmost premium on honesty in the service of its stakeholders. It genuinely pursues a policy of non-tolerance of any form of corruption. The staff and everyone engaging with the office bear personal responsibility and are accountable for their decisions and conduct.

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- Teamwork:** The Office embraces team-work in all its operations.
- Transparency:** The office is open to independent scrutiny; accountable; shares information and promotes self-assessment.
- Respect for the rule of law:** The office is bound by the Constitution and the legal framework governing political system. The office takes great interest in achieving both substantive and procedural rule of law in undertaking its responsibilities.
- Equality and equity:** The Constitution and the statutory framework governing the office and political parties emphasize principles of equality and equity before the law. The Office positively seeks to assert the rights of special interest groups and promote diversity and equality in its internal establishment.
- Impartiality:** The office is unbiased, fair, firm, and dispassionate in its operations.

Core Functions

The mandate of the ORPP is to register, regulate and administer the Political Parties Fund. The statutory functions of the office are as outlined below:-

- (a) Register, regulate, monitor, investigate and supervise political parties to ensure compliance with this Act;
- (b) Administer the Political Parties Fund;
- (c) Ensure publication of audited annual accounts of political parties;
- (d) Verify and make publicly available the list of all members of political parties;
- (e) Maintain a register of political parties and the symbols of the political parties;
- (f) Ensure and verify that no person is a member of more than one political party and notify the Commission of his findings;
- (g) Investigate complaints received under the Act; and
- (h) Perform such other functions as may be conferred by the Act or any other written law.

(b) Key Management

The Office is structured into the following departments:

- a) Registration and County Coordination
- b) Compliance and Regulation; and
- c) Corporate Affairs.

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(c) Fiduciary Management

The office had put in place the following key management personnel, who had direct fiduciary responsibility to oversee the achievement of its mandate during the financial year ended 30th June 2018:

No.	Designation	Names
1.	Registrar of Political Parties	Lucy K. Ndungu, EBS, HSC.
2.	Deputy Director, Human Resource Management	Dinah A Liech
3.	Assistant Director, Compliance	Juliet W.Murimi
4.	Deputy Chief Finance Officer	Joshua M. Kimulu
5.	Assistant Director, Records Management	Joel K.Terer
6.	Assistant Accountant General	John M.Macharia
7.	Chief Accountant	Douglas O. Wanzala
8.	Chief Internal Auditor	Veronica N. Muasya
9.	Senior Economist	Joseph K.Kanja
10.	Chief Supply Chain Management Officer	Enid M.Nyamwaro
11.	Supply Chain Management Assistant	Lilian W. Mugo
12.	Senior Training and Development Officer	Anastacia N. Kaberere
13.	Senior Information Communication Technology Officer	Robert G.Waitaha

During the year ended 30 June 2018, Lucy K. Ndungu, HSC, EBS, was the Registrar of Political Parties/ Accounting Officer. She was appointed as a member of the Commission of Administrative Justice (CAJ) on 3rd August 2018, and has since been replaced by Anne N. Nderitu, MBS in an Acting Capacity with effect from 10th August 2018.






Lucy K. Ndungu, EBS, HSC
 Registrar of Political Parties

Lucy K. Ndungu, EBS, HSC is the Registrar of Political Parties. In her portfolio, the Registrar provides strategic direction in political system in Kenya by formulating strategic policies and implementation of the law. She was instrumental in setting the office of the Registrar of Political Parties, and spearheading the formulation of Legal and Institutional framework of political parties in Kenya. She holds a Bachelor's degree in Law from the University of Nairobi, Diploma in Law from Kenya School of Law and is an Advocate of the High Court of Kenya. She is a Certified Public Secretary of Kenya (CPSK), holds Executive Education in Advanced Management Program from Strathmore University and

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	<p>Certificate in Contemporary Public Administration Management – Israel and a Certificate in Strategic Leadership development Programme (SLDP) from Kenya School of Government. She is a member of Law Society of Kenya, The Institute of Certified Public Secretaries (ICPSK) and is an accredited Bridge Facilitator.</p>
 <p>Dinah A. Liech Deputy Director, Human Resource Management</p>	<p>Mrs. Liech is responsible for providing strategic direction on HRM policies and effective management of Human Resource matters of ORPP. The position is also responsible for institutional transformation, optimal staffing levels and delivers current and future HR strategic goals for formulation and implementation of Human Resource Policies and procedures. She holds Masters in Business Management from ESAMI & Maastricht Management Institute and a Bachelor's degree in Business Administration from Kenya Methodist University. She is a Certified Public Secretary of Kenya (CPSK), holds a Diploma in Human Resource Management from Galilee International Management Institute (GIM) – Israel and a Certificate in Strategic Leadership development Programme (SLDP) from Kenya School of Government. She is a member of the Institute of Human Resource Management (IHRM), and Institute of Certified Public Secretaries of Kenya (ICPSK).</p>
 <p>Juliet W. Murimi Assistant Director, Compliance</p>	<p>Juliet Murimi is responsible for strategic direction for effective and efficient registration, and continuous compliance by political parties. She holds a Masters Degree in Business Administration, Strategic Management from Jomo Kenyatta University of Agriculture and Technology LLB Degree from the University of Nairobi and a Diploma in law from Kenya School of Law (KSL). She has a Certificate in Strategic Leadership Development Programme (SLDP) and Senior Management Course (SMC) from Kenya School of Government. She is an Advocate of the High Court of Kenya and an active member of the Law Society of Kenya. She is an accredited BridgeTtF Facilitator.</p>

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 <p>Joshua M. Kimulu Deputy Chief Finance Officer</p>	<p>Mr. Joshua Kimulu is responsible for effective implementation of prudent financial management strategies, policies, standards and procedures in budget planning and preparation, and resource mobilisation. He holds a Master of Science Degree in International Economic and Business from University of Groningen, the Netherlands, a Bachelor of Arts Degree in Economics from Moi University. He holds a certificate of Certified Public Accountants Part III (Section IV), Strategic Leadership and Senior Management from Kenya School of Government.</p>
 <p>Joel K. Terer Assistant Director, Records Management</p>	<p>Mr. Terer is responsible for implementing policies, guidelines and procedure on records management of the Office. He holds Masters in Arts, in Economics and Cooperation from BKD University (India) and Bachelor of Arts-Economics and Sociology from Agra University (India). He has a certificate in Records management from ESAMI, Strategic Leadership development Programme (SLDP) and Senior Management Course (SMC) from Kenya School of Government.</p>
 <p>John M. Macharia Assistant Accountant General</p>	<p>John Macharia is responsible for implementing prudent financial management policies, strategies, standards, procedures in accounting in line with Public Financial Management Act (PFM) and other Treasury Circulars. He holds a Bachelor Degree of Commerce in Finance from Masinde Muliro University of Science and Technology. He is a CPA (K) and has a certificate in Strategic Leadership Development Programme (SLDP) and a certificate in Senior Management Course (SMC) from Kenya School of Government. He is a member of ICPAK.</p>

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Douglas O. Wanzala
 Chief Accountant

Douglas Wanzala is responsible for implementing prudent financial management policies, strategies, standards, procedures in accounting in line with Public Financial Management Act (PFM) and other Treasury Circulars. He holds a Masters degree of Science, (Finance and Economics) from KCA University, a Bachelor Degree in Commerce (Finance option) from KCA University, and a certificate in Senior Management Course (SMC) from Kenya School of Government. He is a CPA (K) and a member of ICPAK.



Veronicah N. Muasya
 Chief Internal Auditor

Veronicah Muasya is responsible for internal audit and Risk Management of the Institution as per Public Financial Management Act and Auditing Standards. She holds an MBA from the Management University of Africa (Kenya), a Diploma in Auditing from Institute of Internal Audit (IIA), Kenya, a CPA (K) holder, a Certificate in Certified Fraud Examiner (CFE) from Association of Certified Fraud Examiner, a Strategic Leadership Development Programme (SLDP) and Senior Management Course (SMC) from Kenya School of Government. She is a member of the following professional bodies: Association of Certified Fraud Examiner (CFE), Institute of Internal Audit and ICPAK.



Enid M. Nyamwaro
 Chief Supply Chain Management Officer

Enid Nyamwaro is responsible for coordinating, developing, and implementing strategic supply chain management policies and procedures that are aligned to the Public Procurement and Disposals Act. She holds a Masters degree in Science, Procurement and Logistics from Jomo Kenyatta University of Agriculture, Bachelor of Arts degree from the University of Nairobi, Graduate Diploma in Purchasing and Supply from the Chartered Institute of Purchasing and Supply (CIPS), UK, and is a Certified Public Accountant, Kenya finalist. She has a certificate in Strategic Leadership development Programme (SLDP) and Senior Management Course (SMC) from Kenya School of Government and Project Planning and Management from Kenya School of Government.

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(d) Fiduciary Oversight Arrangements

The oversight authority put in place by the Registrar of Political Parties includes the following:-

i. Audit Committee

The Audit committee concept was first established and operationalized in the Government of Kenya under Treasury Circulars No. AG3/086/6(61) of 2000; No.16/2005 and No 3/2009. In compliance with Section 73(5) of The Public Finance Management Act, 2012 and Public Finance Management (National & County) Regulations 2015 (Part XIII), the Accounting Officer vide letter Ref: RPP/CMT/13 dated 25th August 2016, appointed the following as members of ORPP Audit Committee:

- | | |
|---------------------------------|--------------------------------------|
| a) MaryAnne Njau-Kimani, OGW | Chairperson |
| b) Sellestine Kiuluku, MBS, EBS | Member |
| c) Jacob Ondari | Member |
| d) Sarah Ogongo | Member |
| e) Reuben Chirchir | Member |
| f) Daniel Nyaga | The National Treasury Representative |
| g) Veronicah Muasya | Secretary |

The functions of the Audit committee include:

- a) Obtain assurance from management that Registrar of Political Parties (RPP) financial and non-financial internal control and risk management functions are operating effectively and reliably.
- b) Provide an independent review of RPP reporting functions to ensure the integrity of financial reports.
- c) Monitors the effectiveness of the entity's performance management and performance information.
- d) Provide strong and effective oversight of the internal audit function.
- e) Provide effective liaison and facilitate communication between management and external audit.
- f) Provide oversight of the implementation of accepted audit recommendations.
- g) Ensure the RPP effectively monitors compliance with legislative and regulatory requirements

and promotes a culture committed to lawful and ethical behavior.

ii. Budget Implementation Committee

Pursuant to The National Treasury Circular No. 07/2017 dated 23rd June 2017, the Accounting Officer constituted a Budget Implementation Committee (BIC) comprising of the following members:

- | | |
|--------------------------|-------------|
| a) Lucy Ndungu, EBS, HSC | Chairperson |
| b) Joshua Kimulu | Member |
| c) Dinah Liech | Member |
| d) Juliet Murimi | Member |
| e) Joel Terer | Member |
| f) Enid Nyamwaro | Member |
| g) Joseph Kanja | Member |
| h) Robert Waithaka | Member |
| i) John Macharia | Secretary |

The functions of the committee include:

- a) To review and consider the cash flow plans and recommend review of the cash plan and approval of any changes to be communicated to the National Treasury,
- b) To review the utilization of cash limits and consider any changes as may be required,
- c) To review the utilization of donor funds voted for ORPP,
- d) To review the monitoring and evaluation report and advise the Accounting Officer on the performance of the entire budget and any challenges related to the budget implementation,
- e) To review and recommend reallocation of expenditures,
- f) To review and approve the expenditure plans, Payroll (IPPD), Pending Bills and A-I-A returns for the ORPP and recommend actions to be taken, and
- g) To participate in the budget Sector Working Groups

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iii. Evaluation Committee

The Accounting Officer constituted ad hoc evaluation committees in accordance with Section 46 (1) of the Public Procurement and Assets Disposal Act, 2015 from among members of staff with the relevant expertise.

The functions of the evaluation committee established under this Act include:-

- a) Evaluate the technical and financial aspects of a procurement
- b) Negotiation of the process including evaluation of bids, proposals for prequalification, registration lists, and Expression of Interest
- c) Adopt a process that shall ensure the evaluation process utilized adheres to Articles 201(d) and 227 (1) of the Constitution
- d) Inviting external technical experts who are not employees of the office to assist in matters that need specific technical expertise

iv. Inspection and Acceptance Committee

The Accounting Officer, pursuant to Section 48(1) of Public Procurement and Assets Disposal Act, 2015, established ad hoc Inspection and Acceptance committees.

The functions of the Inspection and Acceptance committee established under this Act include:-

- a) Inspect and where necessary, test the goods received;
- b) Inspect and review the goods ,works or services in order to ensure compliance with the terms and specifications of the contract;
- c) Accept or reject, on behalf of the procuring entity, the delivered goods, works or services
- d) Ensure that the correct quantity of the goods is received;
- e) Ensure that the goods, works or services meet the technical standards defined in the contract ensure that the goods, works or services have been delivered or completed on time
- f) Ensure that all required manuals and documentations are received; and
- g) Issue interim or completion certificates or goods received notes, as appropriate an in accordance with the contract.

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v. Assets Disposal Committee

The Accounting Officer, pursuant to Section 163 (1) of Public Procurement and Assets Disposal Act, 2015 established an ad hoc disposal committee for the purpose of disposal of unserviceable, obsolete, obsolescent, surplus stores, equipment or assets.

The functions of Assets Disposal Committee include:

- a) Verification and processing of all disposal recommendations in liaison with the head of procurement function as prescribed
- b) Recommend the best method of disposing of unserviceable, obsolete or surplus stores or equipment
- c) Draft a technical report, and
- d) Recommend to the Registrar the best method of disposing of the stores/equipment.

vi. Management Committee

The office has a management committee constituted of all the Heads of Department. The members of the committee are:

- | | |
|--------------------------|-------------|
| a) Lucy Ndungu, EBS, HSC | Chairperson |
| b) Dinah Liech | Member |
| c) Juliet Murimi | Member |
| d) Joshua Kimulu | Member |
| e) Joel Terer | Member |
| f) John Macharia | Member |
| g) Enid Nyamwaro | Member |
| h) Joseph Kanja | Member |
| i) Veronica Muasya | Member |
| j) Robert Waithaka | Member |
| k) Anastacia Kaberere | Secretary |

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The functions of the committee include:

- a) Provide strategic direction of the office
- b) Development of policy guidelines, reviews and approval of office internal policies
- c) To receive, deliberate and make recommendations on proposals from various ORPP committees
- d) Approve the implementation of the budgets and operational plans;
- e) Review of operational and financial performance

vii. Legal, Standards and Compliance Committee

The management constituted the above committee for effective implementation of the Political Parties Act, 2011.

Members of the committee are:

- | | |
|---------------------|-------------|
| a) Juliet Murimi | Chairperson |
| b) Joseph Kanja | Member |
| c) Lenard Rotich | Member |
| d) Geraldine Mukele | Member |
| e) Boniface Olwal | Member |
| f) Rebecca Wahu | Secretary |

The functions of the committee include:

- a) Deliberate on the legal issues pertaining to the operations of ORPP specifically ;
- b) Advise on ORPP litigation of court matters;
- c) Develop strategies and policies for the compliance and regulation of political parties;
- d) Develop guidelines for investigation of offences and sanctions for non-compliance political parties under the Act;
- e) Coordinate Political Parties Liaison Committee (PPLC) framework; and
- f) Coordinate legal reform initiatives

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viii. Human Resource and Administration and ICT Committee

The management constituted the above committee for effective implementation of Human Resource Policy, Administration and ICT matters:-

The committee comprised of the following members:-

- | | |
|---------------------|-------------|
| a) Dinah Liech | Chairperson |
| b) Joshua Ngala | Member |
| c) Joseph Kanja | Member |
| d) Geraldine Mukele | Member |
| e) Douglas Wanzala | Member |
| f) Robert Waithaka | Secretary |

The functions of the committee include:

- a) To plan the Human Resources/Training and development programs;
- b) Employee compensation and benefits;
- c) Training and the management;
- d) Staff development;
- e) Employee recruitment and retention;
- f) Discipline;
- g) Transport and security
- h) Administration

ix. Information Communication Technology Steering Committee

The office constituted the above committee to provide guidance on matters relating to effective and efficient management of IT resources in ORPP.

Members of the committee are:

- | | |
|--------------------|-------------|
| a) Robert Waithaka | Chairperson |
| b) Dinah Liech | Member |
| c) Joshua Kimulu | Member |

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d) Juliet Murimi	Member
e) Joel Terer	Member
f) John Macharia	Member
g) Lenard Rotich	Member
h) Josephat Nyongesa	Secretary

The functions of the committee are to:

- i) Develop ICT strategies and plans that ensure the cost effective application and management of ICT systems and resources throughout the office;
- ii) Review current and future technologies to identify opportunities to increase the efficiency of ICT resources;
- iii) Monitor and evaluate ICT projects and achievements against the ICT Work Plan;
- iv) Provide advice and recommendations to the Registrar and the Management on significant ICT issues.

(e) Entity offices

(i) Office of the Registrar of Political Parties (Headquarters)

P.O. Box 1131 – 00606,
Lion Place 1st Floor,
Karuna Close, Off Waiyaki Way,
Westlands, Nairobi, Kenya

Contacts

Telephone: (254) (020) 4022000

E-mail: registrar@orpp.or.ke

Website: www.orpp.or.ke.

OFFICE OF REGISTRAR OF POLITICAL PARTIES

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(ii) Office of the Registrar of Political Parties Regional offices

i) Kisumu

Re-insurance Plaza, 3rd floor Wing B

Oginga Odinga Road

Kisumu

ii) Mombasa

Palli House, 5th Floor

Nkrumah road

Mombasa

iii) Uasin Gishu

Kerio Valley Development Authority (KVDA) Plaza, 7th Floor,

Along Oloo Street

Eldoret

iv) Isiolo

County Estate, Isiolo Township

Plot No. LR7918/164

Isiolo

v) Kitui

Mammelodi House,

JICA/KEFRI Road

Next to Main Prisons

Kitui

vi) Nakuru

Metro Cosmo Limited,

Mache Plaza, 1st Floor Room 18,

Nakuru

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vii) Nyeri

Advocates Plaza,
Lower Ground
Kamakwa Road
Nyeri

(f) Entity's Bankers

i) Central Bank of Kenya

Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya

Accounts Maintained

REC: Registrar of Political Parties	1000181206
DEP: Registrar of Political Parties	1000181842
CBK 165: Registrar of Political Parties	1000182806

ii) Housing Finance Company

Westlands Branch
Skypark Plaza – Woodvale Close
P.O Box 2141 – 00606
Nairobi, Kenya

Accounts Maintained

HFC Mortgage loan	2327693101-0
HFC Car loan	2327693102-0

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(g) Independent Auditors

Auditor- General
Office of the Auditor -General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

(h) Principal Legal Advisor

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

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II. FORWARD BY THE ATTORNEY GENERAL

1. Introduction

The Republic of Kenya is a multi-party democratic state founded on the national values and principles of governance (Article 4). The people of Kenya are free to exercise their political and democratic rights through free, fair and credible electoral process. The Constitution provides that every person is equal before the law and has a right to make political choices which include the right to belong and campaign for a political party and candidate of their choice (Article 38).

The Constitution envisages well governed and managed political parties. Articles 91 and 92 of the Constitution recognize political parties as important governance institutions in the promotion of democracy. To operationalize the two Articles the Political Parties Act, 2011 was enacted. The Act established the Office of the Registrar of Political Parties (ORPP) as an independent State office within the meaning of Article 260 of the Constitution of Kenya, 2010.

2. Summary of budget Performance for the year ended 30th June 2018.

In the printed Estimates of FY2017/18, the office had been allocated Kshs. 877.8 million (Eight Hundred and Seventy Seven Million and Eight Hundred Thousand Shillings). The figure was reduced to Kshs. 808.6 million (Eight Hundred and Eight Million, Six Hundred Thousand Shillings) following a reduction during Supplementary Budget Estimates No. 1. This amount included Kshs. 371,190,000 (Three Hundred and Seventy One Million, One Hundred and Ninety Thousand Shillings) for Political Parties Fund (PPF) and Kshs. 437,337,310 (Four Hundred and Thirty Seven Million, Three Hundred and Thirty Seven Thousand, Three Hundred and Ten Shillings) for ORPP operations.

Table 1 below indicates the Printed Estimates Vs the Approved Budget for the financial year 2017/2018.

Table 1: ORPP Printed Estimates Vs the Approved Budget (Kshs.)

Printed Estimates	Approved Estimates	Actual Expenditure	Variance	Remarks
877,750,000	808,527,310	760,357,426	(48,169,884)	94% utilization level

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The funds spend by ORPP during the financial year 2017/18 was used to implement one programme namely **Registration, Regulation and Funding of political parties** whose strategic objective is to promote competitive and issue based political parties. The programme comprised of three sub-programs namely:

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

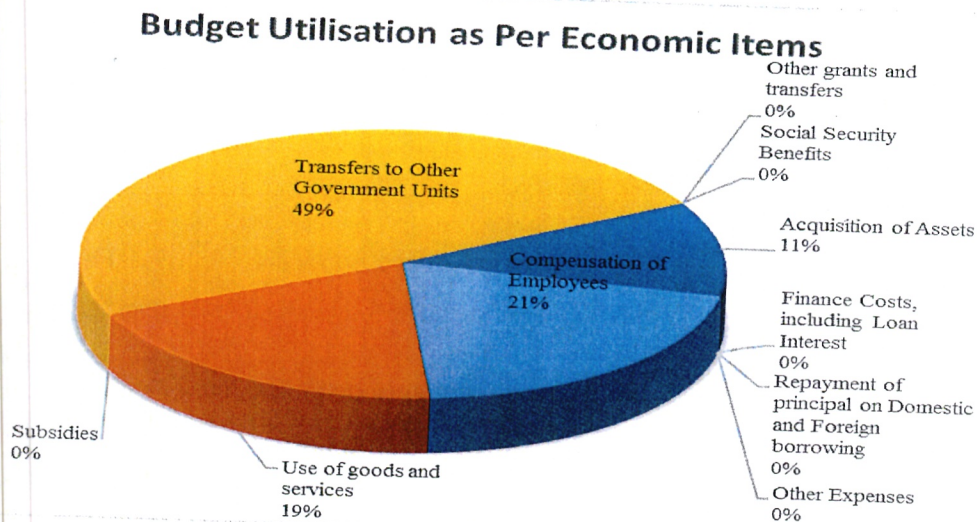
Table 2: Summary of Approved Budget Vs Actual Expenditure by Economic Classification

Economic Classification	Approved Estimate Kshs	Actual Expenditure Kshs	Percentage Utilization
Compensation to Employees	156,330,000	156,329,821	99.9%
Use of goods and services	188,599,810	146,254,268	78.8%
Current Transfers to Government Agencies	371,190,000	371,190,000	100%
Non - Financial Assets	17,307,500	11,483,337	52.6%
Financial Assets	75,100,000	75,100,000	100%
Total	808,527,310	760,357,426	94.0%

The actual expenditure for the financial year was Kshs.760, 357,427 (Seven hundred and sixty million, three hundred and fifty seven thousand, four hundred and twenty seven shillings) representing 94% budget utilization. The office was not able to utilize 100% of the amount allocated because of challenges faced in the month of June 2018 including IFMIS and Internet Banking (IB) challenges.

OFFICE OF REGISTRAR OF POLITICAL PARTIES
Reports and Financial Statements
For the year ended June 30, 2018

Figure 1: Expenditure by Economic Classification



3. Key Achievements of the Office of the Registrar of Political Parties

3.1 Legal and Regulatory Framework Strengthened

After the August 8th General Elections and 26th October 2017 Fresh Presidential Election the office evaluated its performance and realized that there was need to sensitize the political parties, aspiring candidates and the general public on compliance with the amended Political Parties Act.

To implement the above, the Office of the Registrar of Political Parties (ORPP) in collaboration with UN Women developed a Popular Version of the Political Parties Act, 2011 in both English and Kiswahili. Consequently, ORPP organized workshops to sensitize Trainer of Trainers (ToTs), County Political Parties' Officials and the National Political Parties Liaison Committee (PPLC). Forty One (41) political parties drawn from all the counties were sensitized on the popular version. The number of participants trained is analyzed in the table below.

Table 3: Number of Trainer of Trainers and Political Party Officials sensitized

S/No.		Male	Female	Total
1.	Trainer of Trainers (TOTs)	49	29	78
2.	Political Party Officials	130	75	205
	Total	179	104	283

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3.2 Registration of Political Parties

The registration function involves scrutiny of all applications for registration of a political party; both provisional and full registration of political parties in line with the Constitutional requirements for political parties set out in the Political Parties Act, 2011 and provides the necessary guidance to applicants.

The Registration Section of this directorate is mainly charged with the duty of ensuring that the Political Parties' registration applications are effectively and efficiently processed through the following steps :-

- a) Provisional Registration and
- b) Full Registration
- c) Coalitions and Mergers

3.2.1 Provisional Registration

The Office received applications for provisional registration from six (6) political parties namely:- United Green Movement, Umoja Summit Party, Civic renewal Party, Nyayo za Umoja Party, Grand Dream Development Party, White Flag Party.

The Office reviewed constitutions of the political parties to ensure that they comply with the requirements of the Constitution of Kenya and Section 9 of the PPA, 2011. Three political parties qualified for provisional registration, were gazette and issued with provisional certificate. The political parties are listed below.

- a) United Green Movement (UGM) Party The applicants received provisional registration status on 9th February, 2018
- b) Grand Dream Development (GDD) Party (The applicants received provisional registration status on 18th April, 2018
- c) The White Flag Party (TWF) party The applicants received provisional registration status on 26th June, 2018

3.2.2 Full Registration

As at 30th June 2018 the number of fully registered political parties stood at Sixty Seven (67).

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3.3 Regulation of Political Parties to ensure Compliance with the Political Parties Act, 2011 enhanced

Regulation of political parties pertains to the continuous follow up political parties to ensure that they remain compliant in the conduct of their day to day activities. Further the Office supervises how parties effect changes of their particulars including changes of officials, Party Constitutions, party names / symbols, location, address, or other particulars. Maintenance of party records and conduct of party meetings is also monitored by the compliance section.

The Political Parties Act requires all fully registered political parties file annually their work plans, books of accounts including sources of funds and statement of assets and liabilities.

The Office of the Registrar may from time to time issue compliance notices to political parties to enhance compliance with the Political Parties Act, 2011. These notices may include: -

- a) Notices of review of party constitutions and nomination rules
- b) Notice of filing of Statutory declaration 60 days after full registration
- c) Notice of filing of Statutory declaration 60 days before an election
- d) Notice on guidelines for party mergers and coalitions

To enhance compliance, ORPP ensured that:-

- a) All fully registered political parties complied with the PPA, 2011 with regards to issues of inclusion of special interests groups in the governing body, publication of sources of funding, income and expenditure, assets and liabilities and submission of books of accounts to the Auditor General for audit;
- b) Set procedures were followed in the event of changes in political party name, constitution, rules and regulations, titles, name and address of any party official, slogan and colors and physical locations. The office published in the Kenya Gazette the applications for changes filed.
- c) Meetings such as the National Delegates Conference were conducted as stipulated in party constitutions.
- d) Updated records of parties' compliance status were well maintained and included the gazettelement of political party particulars as summarized below.

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The Office processed the notification of changes, alteration in constitution of political party's rules and regulations, the title, name or address, any party official, its name, symbol, slogan or colour and location, address, or other particulars. The tables below indicate the party and the changes effected

Table 4: Change of Parties Office Bearers

S/No.	Political Party	Gazette Notice and Date
1.	Orange Democratic Movement (ODM)	No. 4488 of 11 th May 2018
2.	Thirdway Alliance Kenya (TAKE)	No. 1709 of 23 rd February 2018
3.	National Democratic Movement (NDM)	No. 1713 of 23 rd February 2018
4.	Wiper Democratic Movement- Kenya (WDM-K)	No. 1714 of 5 th February 2018
5.	Ukweli Party (UP)	No .672 of 26 th January 2018
6.	Amani National Congress (ANC)	No. 11045 of 10 th November 2017

Table 5: Change of Party Symbols

No.	Party	Former	Current	Gazette Notice and Date
1.	National Democratic Movement (NDM)	Green Compass	Sunflower with green stem	No 2537 of 16 th March, 2018
2.	Movement for Democracy and Growth (MDG)	Half scale of justice	Maize cobs	No.2045 of 2 nd March, 2018
3.	Citizens Convention Party (CCP)	Fishing net hanging inside a circle with the initials CPP	Fishing net in a full circle with the words CPP Sauti ya Raia	No. 7527 of 4 th August, 2017

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Table 6: Change of Party Head Office Location

No.	Party Name	Former Location	Current Location	Gazette Notice Number
	Citizens Convention Party (CCP)	Patel plaza, Hurlingham, Nairobi	Ondiek highway, Block 5/42 Kisumu	No. 3071 of 29 th March, 2018

Table 7: Change of Party Slogan

No.	Party Name	Former	Current	Gazette Notice and Date
	Movement for Democracy and Growth (MDG)	Funguo la Usawa, Funguo la Haki, Funguo la Umoja	Mahindi: Funguo la maisha, funguo la usawa	No 2045 of 2 nd March, 2018

3.4 Deregistration

The office of the Registrar of Political Parties has the mandate to deregister political parties that do not comply with the Political Parties Act, 2011. In 2017/18 financial year, the Office deregistered the following two (2) political parties namely: the Vibrant Democratic Party (VDP) and Kenya National Democratic Alliance (KENDA) for non-compliance.

3.5 Litigation

During the period under review, the Office was enjoined in numerous court matters both at the Political Parties Dispute Tribunal and in the High Court. This was attributed to the fact that it was an election year. The matters varied from appeals against the decisions of the Registrar while others the Office was enjoined as an interested party in order to provide clarity of information in court. The office was involved in the court matters listed in the table below:-

Table 8: Court cases

No.	COURT CASES 2017	STATUS
1.	Civil Appeal No. 24 of 2017- Nairobi ;Charles Nyandusi & 3 Others Vs Registrar of Political Parties & Another	Concluded

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No.	COURT CASES 2017	STATUS
2.	Civil Case No. 13 of 2017 Mombasa ; Maur Bwanamaka- vs -Registrar of Political Parties	Concluded
3.	PPDT Case No.2 of 2017 People's Trust Party -vs- Franklin Makola	Concluded
4.	PPDT Cause no. 1 of 2017 ; Peter Wafula Nabikhuli – Vs – ORPP & 2 Ors	Concluded
5.	Judicial Review No. 47 of 2017; Republic -vs- RPP ex parte Edwards Kings Maina	Concluded
6.	JR. Misc No. 67 of 2017 –Nairobi ; CCU –VS-ORPP	Concluded
7.	PPDT Case No. 14 of 2017 ; Alphonse Musyoki -vs- John Okemwa Anunda , PNU (interested Party)	Concluded
8.	High Court Civil Case No. 74 of 2017; Nairobi Northern Advocacy for Sustainable Agriculture Vs National Super Alliance, RPP and another	Concluded
9.	Constitutional Petition No. 142 of 2017 ; Okiya Omtatah Vs AG, RPP & 11 others	Concluded
10.	PPDT Case No. 2 of 2017 ; Peter Solomon Gichira -vs- RPP	Concluded
11.	Constitutional Petition No. 199 of 2017 ; Simon Mabisi Masinde & Michelle Nduta Gicharu -vs- ORPP, IEBC	Concluded
12.	Constitutional Petition No: 195 of 2017; Caroli Omondi –vs – RPP, IEBC	Concluded
13.	Constitution Petition No. 214 of 2017; Nazlin Omar & another –vs- RPP, IEBC.	Concluded
14.	PPDT Case No. 218 B of 2017; Bernard Kiala - vs - WDP-K & Anr	Concluded
15.	Election petition Appeal No. 46 of 2017 ; Emmanuel O. Achayo –vs- Abigael Awino , RPP, ODM	Concluded
16.	PPDT Case No. 264 of 2017; Peter Wahinya Njau –vs - RPP & 6 Others	Concluded
17.	Constitutional Petition no. 246 of 2017; Melvin Kipkoech Kutol –vs- ORPP, IEBC.,A.G	Concluded
18.	Constitutional Petition 253 of 2017; Gordon Sewe Okello –vs- RPP, IEBC,AG & 2 ors	Concluded

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No.	COURT CASES 2017	STATUS
19.	High Court MEPA No. 14 of 2017; Daniel Mutegi Kajiita – vs- ORPP, IEBC	Concluded
20.	Misc Election Petition Appeal No. 23 of 2017; Chama cha Uzalendo -vs- ORPP, IEBC, DPP, AG	Concluded
21.	High Court. Constitutional Petition: 260 of 2017; Ogola Victor Omondi – vs- ORPP, IEBC	Concluded
22.	High Court App. No. 190 of 2017; John Mbugua & 4 Others –vs- ORPP, IEBC	Concluded
23.	Election Petition Appeal: 47 of 2017; Osman Khalif Abdi –vs- RPP & 21 Others	Concluded
24.	JR. Constitutional Division IEBC Nomination Appeal No. 4 of 2017 Enosh Otieno Obure-vs- IEBC, RPP, ODM	Concluded
25.	JR Misc Application No. 301 of 2017; Republic – vs- ORPP, IEBC, WDM , Ex parte: Wavinya Ndeti	Concluded
26.	Judicial Review No.320 of 2017; Nixon Kiprotich Morogo – vs- IEBC, ORPP, Jubilee Party Nomination of Jubilee Party for MCA Solai Ward, Nakuru County.	Concluded
27.	Constl Pet. No. 284 of 2017; Stanley Otieno Okello Vs Daniel Okindo Majiwa & 3 others	Concluded
28.	High Court Petition No. 15 of 2017; Bonface Koome & Anr –vs- Hon Peter M. Munya, RPP & 5 Others	Concluded
29.	Constl Pet. No 36 of 2017; Michael Kanja Kagori Vs IEBC & 5 othr	Concluded
30.	High Court Constl. Pet.- Nakuru No 35 of 2017; Dr Sammy Kibet & 11 othrs Vs ODM & 7 others	Concluded
31.	High Court Pet No. 406 of 2017; Hon John Mbugua & 19 othr Vs AG & 5 other	Concluded
32.	High Court Contn Pet- Kakamega No 14 of 2017; John Chebun Kiplagat Bor on behalf of TheTerik Community Vs IEBC & 7 othrs & Violet Afandi Bagada & 13 others	Concluded
33.	High Court Const Pet No 490 of 2017; Hon. David Pkosing Vs NASA	Concluded

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No.	COURT CASES 2017	STATUS
	and 12 others	
34.	Sup Court Pet No. 19 of 2017; Hon. David Pkosing Vs National Supper Alliance & 12 others	Concluded
35.	Civil Appeal No.15 of 2018; ODM Vs The National Treasury & 3 othrs	Appeal Ongoing at the Supreme Court
36.	Complaint No 1 of 2018 PPTD Angela Gathoni & anor Vs Hon Musali & 3 othr & ANC & anor	Appeal Ongoing at High Court
37.	Civil Appeal No.152 of 2017 Esther M. Passaris Vs ORPP	Appeal ongoing at Supreme Court
38.	Civil Appeal No 256 of 2015 George Onyango Oloo and another Vs Rogers Mogaka Mogusu and another	Concluded
39.	High Court Petition No.250 of 2018 Hon. Abdullahi Issack Mohamed and another Vs County Assembly of Wajir and 5 others	Ongoing

3.6 Political Parties Capacity Building

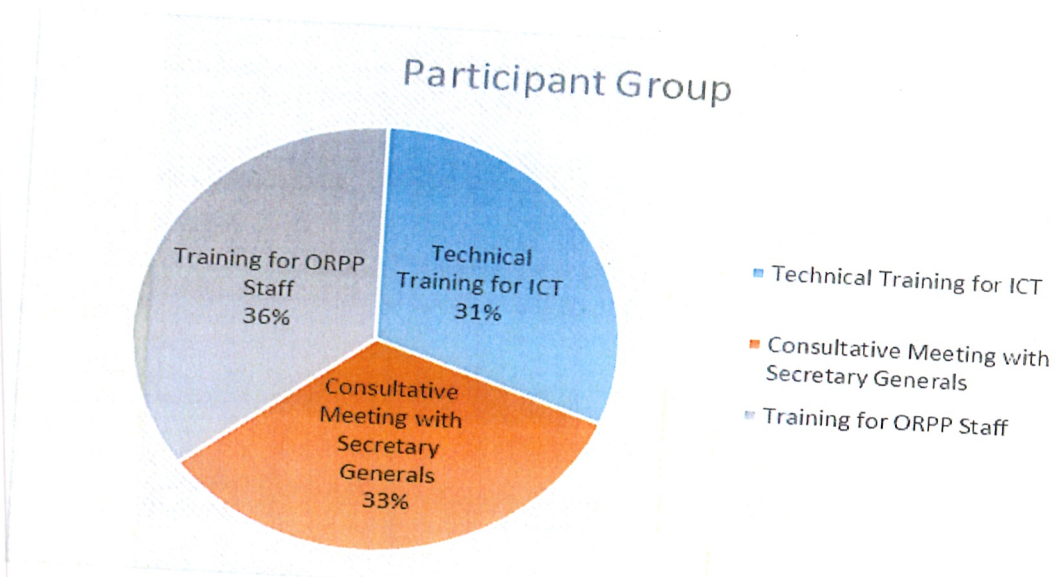
3.6.1 Number of Participants Trained on Integrated Political Parties Membership System (IPPMS)

The Office upgraded the Integrated Political Parties Membership System (IPPMS) and trained political parties' representatives as per the table below:-

Table 9: Number of Participants Trained on IPPMS

Participant Group	No.	Percentage (%)
Technical Training for ICT	42	42.31
Consultative Meeting with Secretary Generals	46	46.33
Training for ORPP Staff	49	49.36

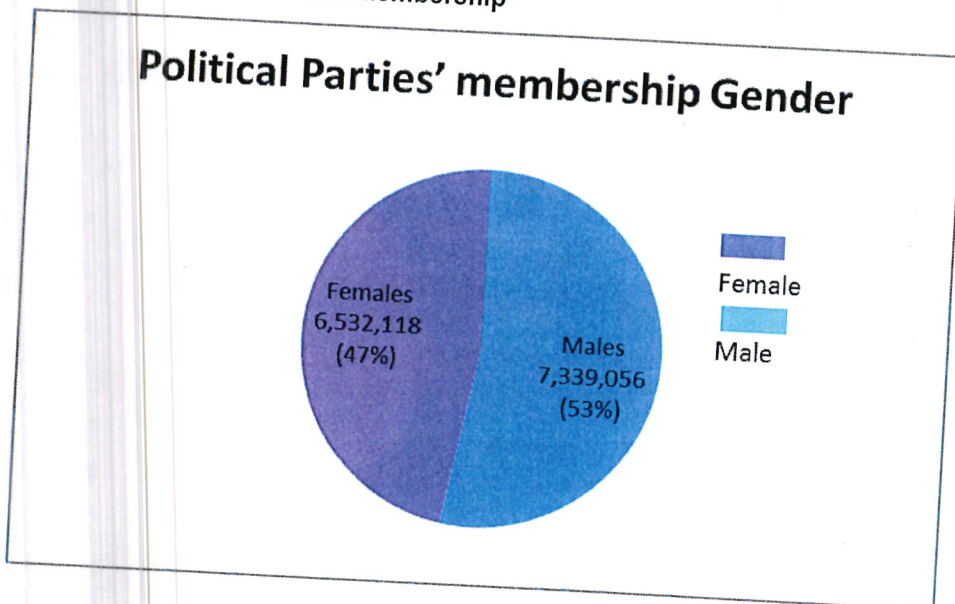
Figure 2: Participants trained



3.6.2 Political Parties Database

The office maintained an updated database of political parties which contained members' names, gender, ID/passport, addresses, persons with disabilities. The database is publicly available and as at 30th June 2018, the Political Parties' membership was 13,871,174 comprising of 7,339,056 male and 6,532,118 female.

Figure 3: Political Parties Membership



3.7 Human and Institutional Capacity of ORPP Strengthened

Capacity building includes both human resource and institutional development.

3.7.1 Staff Establishment

The approved staff establishment of ORPP is 209 posts. As at 30th June 2018, the in-post was 63 employees.

Table 10: ORPP Staff Establishment.

Particulars	Number	Male	Female	People with Disability
Pensionable Employees	61	27	34	1
Contractual Employees	2	1	1	0
Total	63	28	35	0

3.7.2 Human Resource Capacity Strengthened

During the period under review, the Office identified training capacity needs and sponsored staff to undergo specific capacity building programs. The table below summarizes the various courses that staff undertook.

Table 11: Courses and staff trained

S/No	Short Courses	No. of staff trained
1.	Senior Leadership Development Program	4
2.	Senior Management Course	13
3.	Supervisory Skills Management	1
4.	Customer Service Management	1
5.	Induction program	22
6.	Defensive Driving	3
7.	Group staff In-house training (Ethics and Anti – Corruption)	60
8.	Realizing Visions and Missions: The leadership Challenge	2
9.	Records Management Training	4
	Long Programmes	No. trained

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1.	MSc. Computer Information Systems	1
2.	Masters Degree in Finance	1
3.	Diploma Archives and Records Management	1
4.	Diploma Paralegal training	1

Table 12: Conferences/Workshops FY 2017/2018

S/No	Short Courses	No. Trained	Venue	Dates
1.	Eastern and Southern Africa Accountant General's Annual Conference (Organized by 13 member state)	2	Uganda	26 th Feb – 2 nd March
2.	Audit Committee Training	12	Mombasa	28 th Jan – 3 rd Feb 2018
3.	LSK Continuous Development programme	6	Nairobi	23 rd Feb 2018
4.	Pan African Lawyers Union 8 th Annual Conference	5	South Africa	July 2017

3.7.3 Institutional Capacity Strengthened

The office undertook the following programmes to improve institutional capacity:

- a) To safeguard documents, the Office procured two bulk filing cabinet and five fireproof cabinets;
- b) Developed Integrated Political Parties Management System (IPPMS) designed to facilitate efficient and effective management of political party particulars.
- c) Implemented Integrated Payroll and Personnel Database System (IPPD) with the support of State Department of Public Service and Youth to enhance management of payroll.
- d) Developed Payroll and Human Resource Information System (PHRIS) with the support of State Department of Public Service and Youth to enhance management of human resources processes.
- e) Established Staff Mortgage and Car Loan scheme to enable staff access to affordable housing

3.7.4 Enhanced ORPP Corporate Image

The Office maintained an interactive and up to date website and active social media with relevant content feeds. Members of the public were invited to visit the online platform for the verification of their Political Parties membership status. The website was updated with the following information that envisioned an enhanced public awareness and ORPP brand visibility: -

- a) Change of Political Parties names and symbols;
- b) Process of clearance of independent candidates;
- c) Job advertisement for the constituency monitors;
- d) Tender advertisement, expression of interests and list of prequalified firms; and
- e) Formal statements on areas of compliance

3.7.5 Political Parties Liaison Committee Strengthened;

The Political Parties Liaison Committee (PPLC) which is established under Section 38 of the Political Parties Act, 2011 undertook peace forums prior and after the 2017 General Election to:-

- a) Champion and advocate for free, fair, peaceful, and transparent electoral environment and processes in Kenya;
- b) Provide a platform for structured multi-party dialogue between Political Parties and the Electoral Management Body on issues relating to the organization and conduct of elections and the electoral environment generally;
- c) Enhance genuine interaction, experience sharing and information exchange between political parties and the Electoral Management Body (EMB) as a way of building trust and confidence in the electoral process;
- d) Identify gaps and shortcoming in the electoral law and process and adopt a consultative and pro-active approach in making suggestions for improvement;

3.8 Promoting Free Fair and Peaceful 2017 General Elections

3.8.1 County and Constituency Monitors

The ORPP prepared an elaborate roadmap for the 2017 General Elections. To actualize the monitoring activity, the office recruited on contract basis 47 County Monitors and 290 Constituency Monitors and deployed them to all counties and constituencies respectively. The monitors reported to the relevant authorities on hate speech, election malpractices and breach of both the Political Parties and Elections Code of Conducts during party primaries, campaigns, voting and tallying of election results.

3.8.2 Training of Political Parties and Candidates' Agents

The Office in collaboration with IEBC trained Political Parties/Agents in all the Counties on their roles and obligations before, during and after the elections. This enhanced smooth process of the elections during both the 8th August 2017 General Elections and the Fresh Presidential Election of 26th October 2017.

4. Emerging Issues

In the year under review, the following were the emerging issues which impacted on the implementation of ORPP mandate:

- a) Increased cases of litigations emanating from increased democratic space
- b) Increased number of independent candidates
- c) Shifting in political realignment
- d) Heightened political activities towards the 2017 General Elections and the Fresh Presidential election.

5. Challenges

The Office faced the following challenges in the course of implementing its programs and activities: -

a) Inadequate Staffing

The optimal staffing level for ORPP is 209 and the office had 60 members of staff in post. The staffing capacity is below the established optimal level due to inadequate financial allocation and embargo on recruitment in the public service. This exposes the office to succession management challenges.

b) Political Parties Fund

Section 24 of the Political Parties Act, 2011 establishes the Political Parties Fund. The sources of the Fund are "such funds not less than zero point three per cent of the revenue collected by the national government as may be provided by the Parliament". The interpretation of this section is not clear and this has led to court cases where the office is enjoined.

c) Inter and Intra Political Parties Conflicts

The Office of the Registrar of Political Parties is frequently enjoined in matters filed in courts and political parties Dispute Tribunal (PPDT) arising from inter and intra political parties wrangles. This affects the office in terms of legal fees and time management in defending cases. This has a negative effect on ORPP financial resources and operations.

d) Integrated Financial Management Information System (IFMIS) Procedures

There was frequent IFMIS fluctuation leading to delay in both procurement and payment processes.

6. Recommendations and Way Forward

The Office of the Registrar of Political Parties will continue to:

- a) Enhance the capacity of political parties to ensure transparency and accountability in their operations
- b) Strengthen monitoring and evaluation to enforce compliance of Political Parties Act, 2011 and provisions of the constitution
- c) Endeavour to strengthen its human resource capacity by recruitment of the optimum number of staff as per the approved staff establishment including the appointment of the Registrar and the three Assistant Registrars.


Justice (Rtd) Paul Kihara Kariuki, CBS

Attorney General

Date


First October
2018

III. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Registrar of Political Parties (ORPP) shall prepare financial statements in respect of the office. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board of Kenya from time to time.

The Registrar is the Accounting Officer for the Office of the Registrar of Political Parties and is responsible for the preparation and presentation of the financial statements, which give a true and fair view of the state of affairs of the office for and as at the end of the financial year ended on June 30th, 2018. 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 Office (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 office (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Registrar accepts responsibility for the financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Registrar is of the opinion that the financial statements give a true and fair view of the state of transactions during the financial year ended June 30th, 2018, and of the financial position as at that date. The Registrar further confirms the completeness of the accounting records maintained for the office, which have been relied upon in the preparation of the financial statements as well as the adequacy of the systems of internal financial control.

The Registrar confirms that the office has complied fully with applicable Government Regulations and the Political Parties Act and that the Office of the Registrar of Political Parties' funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further, the Registrar confirms that the financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

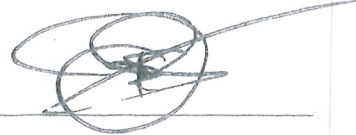
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Approval of the financial statements

The office of the Registrar of Political Parties' financial statements were approved and signed by the Registrar on _____ 2018.



Anne N. Nderitu, MBS
Ag. Registrar of Political Parties



Douglas O. Wanzala
Chief Accountant
ICPAK Member Number 10692

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OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON THE OFFICE OF THE REGISTRAR OF POLITICAL PARTIES FOR THE YEAR ENDED 30 JUNE 2018

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of the Office of the Registrar of Political Parties set out on pages 1 to 19, which comprise the statement of assets and liabilities as at 30 June 2018, and the statement of receipts and payments, statement of cash flows and statement of comparative budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Office of the Registrar of Political Parties as at 30 June, 2018, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the enabling Act.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Registrar of Political Parties in accordance with ISSAI 30 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no Key Audit Matters to report in the year under review.

Other Matters

1. Budget and Budgetary Performance

1.1. Receipts

The registrar of Political Parties had budgeted for Kshs.808,527,310 from exchequer but actual amount realized was Kshs.778,003,736 resulting into a shortfall of Kshs.30,523,574 or 4%. The shortfall of exchequer releases impacts on the implementation of planned programmes for the year under review.

Report of the Auditor-General on the Office of the Registrar of Political Parties Financial Statements for the year ended 30 June 2018

1.2. Payments

The Office of Registrar had budgeted to spend Kshs.808,527,310 against actual total payments of Kshs.760,357,426 resulting to an under expenditure of Kshs.48,169,884 or 6%. This was mainly attributed to use of goods and services where there was an underutilization of Kshs.42,345,542 or 22% as tabulated below:

Item	Final Budget Kshs.	Actual Kshs.	(Over)/Under Kshs.	Variance %
Payments				
Compensation of Employees	156,330,000	156,329,821	179	-
Use of goods and services	188,599,810	146,254,268	42,345,542	22
Transfers to Other Government Units	371,190,000	371,190,000	-	-
Acquisition of Assets	92,407,500	86,583,337	5,824,163	6
Total	808,527,310	760,357,426	48,169,884	6

The under expenditure was attributed to shortfall in exchequer releases resulting into unachieved annual objectives and goals.

2. Inadequate Staffing

As at the time of audit in October 2018, the Office of the Registrar of Political Parties was inadequately staffed. The Registrar was on an acting capacity and did not have any of the three (3) Deputy Registrars as required by the approved staff establishment. Also, all other departments had shortages of staff which negatively affected the Registrar's ability to discharge its mandate effectively.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the 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 4000. The standard requires that I comply with ethical requirements and plan and perform the review so as to obtain assurance as to whether the activities, financial transactions and information reflected in the financial statements are in compliance, 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, GOVERNANCE AND RISK MANAGEMENT SYSTEMS

Conclusion

As required by Section 7 (1) (a) of the Public Audit Act, 2015, based on the procedures performed, I confirm that internal controls, risk management and overall governance were operating effectively

Basis for Conclusion

The audit was conducted in accordance with ISSAI 1315 and ISSAI 1330. The standards require that I plan and perform the review so as to obtain assurance as to whether processes and systems of internal control, risk management and governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and Those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and governance.

In preparing the financial statements, management is responsible for assessing the ability to continue to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the management either intends to liquidate the Registrar or to cease operations, or have no realistic alternative but to do so.

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

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

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

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance review is planned and performed to express a conclusion about whether with limited assurance as to whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution. The nature, timing and extent of the compliance work is limited compared to that designed to express an opinion with reasonable assurance on the financial statements.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7 (1) (a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the Registrar's policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:


- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is

higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Registrar's ability to continue as a going concern or to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Office of Registrar to cease to continue as a going concern or to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Office of Registrar to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide management with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.



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

Nairobi

24 January 2019

higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Registrar's ability to continue as a going concern or to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Office of Registrar to cease to continue as a going concern or to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Office of Registrar to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide management with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.



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

Nairobi

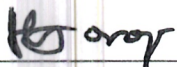
24 January 2019

OFFICE OF REGISTRAR OF POLITICAL PARTIES
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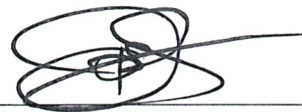
V. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2017-2018	2016-2017
		Kshs	Kshs
RECEIPTS			
Exchequer releases	1	778,003,736	667,592,000
Other Receipts		-	-
TOTAL RECEIPTS		778,003,736	667,592,000
PAYMENTS			
Compensation of Employees	3	156,329,821	121,211,273
Use of goods and services	4	146,254,269	125,288,356
Other grants and transfers	5	371,190,000	370,504,800
Acquisition of Assets	6	86,583,337	19,678,239
TOTAL PAYMENTS		760,357,427	636,682,668
Surplus		17,646,310	30,909,332

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on _____ 2018 and signed by:



Anne N. Nderitu , MBS
 Ag. Registrar of Political Parties



Douglas O. Wanzala
 Chief Accountant
 ICPAK Member No. 10692

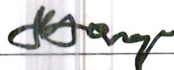
OFFICE OF REGISTRAR OF POLITICAL PARTIES
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VI. STATEMENT OF ASSETS AND LIABILITIES

	Note	2017-2018	2016-2017
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	7A	17,522,797	30,496,869
Cash Balances	7B	123,513	412,463
Outstanding Advances			
Total Cash and cash equivalent		17,646,310	30,909,332
Accounts receivables – Outstanding Imprests		-	-
TOTAL FINANCIAL ASSETS		17,646,310	30,909,332
FINANCIAL LIABILITIES			
Accounts Payables – Deposits and retentions		-	-
NET FINANCIAL ASSETS		17,646,310	30,909,332
REPRESENTED BY			
Fund balance b/fwd	9	30,909,332	581,711
Less Prior year adjustment		-30,909,332	-581,711
Surplus/Deficit for the year		17,646,310	30,909,332
NET FINANCIAL POSITION		17,646,310	30,909,332

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The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on _____ 2018 and signed by:



Anne N. Nderitu , MBS
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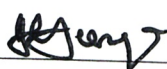
Douglas O. Wanzala
Chief Accountant
ICPAK Member No. 10692


OFFICE OF REGISTRAR OF POLITICAL PARTIES
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VII. STATEMENT OF CASH FLOWS

		2017-2018	2016-2017
		Kshs	Kshs
Receipts for operating income			
Exchequer Releases	1	778,003,736	667,592,000
Other Receipts		-	-
Payments for operating expenses			
Compensation of Employees	3	156,329,821	121,211,273
Use of goods and services	4	146,254,268	125,288,356
Other grants and transfers	5	371,190,000	370,504,800
Adjusted for:			
Adjustments during the year		-	-
Net cash flow from operating activities		673,774,090	617,004,429
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	6	86,583,337	19,678,239
Net cash flows from Investing Activities		86,583,337	19,678,239
CASHFLOW FROM BORROWING ACTIVITIES			
Repayment of principal on Domestic and Foreign borrowing		-	-
Net cash flow from financing activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENT		13,263,022	30,371,538
Cash and cash equivalent at BEGINNING of the year		30,909,332	537,794
Prior Year Adjustment			
Cash and cash equivalent at END of the year	10	17,646,310	30,909,332

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on _____ 2018 and signed by:


 Anne N. Nderitu, MBS
 Ag. Registrar of Political Parties



 Douglas Wanzala
 Chief Accountant
 ICPAK Member No. 10692


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VIII. STATEMENT OF COMPARATIVE BUDGET AND ACTUAL AMOUNTS

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Exchequer releases	877,750,000	(69,222,690)	808,527,310	778,003,736	30,523,574	96
Other Receipts	-	-	-	-	-	-
Total Receipts						
PAYMENTS						
Compensation of Employees	140,460,000	15,870,000	156,330,000	156,329,821	179	100
Use of goods and services	246,170,000	(57,570,190)	188,599,810	146,254,268	42,345,542	78
Transfers to Other Government Units	371,190,000	-	371,190,000	371,190,000	-	100
Acquisition of Assets	119,930,000	(27,522,500)	92,407,500	86,583,337	5,824,163	94
Total Payments	877,750,000	(69,222,690)	808,527,310	760,357,426	48,169,884	94
Surplus/ Deficit						

a) The ORPP budget for 2017-18 financial year, there was no provision to collect appropriation in aid. However in the course of executing its mandate, the office collected Kenya shillings five hundred and thirty two thousand one hundred and eighty only (Kshs.532,180) as administrative fees. This amount was surrendered to the National Treasury through MR number 2830829.


 Anne N. Nderitu, MBS
 Ag, Registrar of Political Parties


 Douglas Wanzala
 Chief Accountant
 ICPAK Member No. 10692

IX. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget 2018	Adjustments	Final Budget 2018	Actual on comparable basis Date, 2018	Budget utilization difference
	Kshs	Kshs	Kshs	Kshs	Kshs
Programme: Registration and Regulation of political parties and administration of Political Parties Fund.					
Sub-programme 1: Registration and Regulation of Political Parties	476,060,000	(69,222,690)	406,837,310	363,776,398	43,060,912
Sub-programme 2: Funding of Political Parties	371,190,000	-	371,190,000	371,190,000	0
Sub-programme 3: Administration of Political Parties Liaison Committee	30,500,000	-	30,500,000	25,391,028	5,129,972
Total	877,750,000	(69,222,690)	808,527,310	760,357,427	48,169,883

X. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with Cash-basis IPSAS financial reporting under the cash basis of Accounting, as prescribed by the PSASB and set out in the accounting policy notes below.

This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include deposits and retentions.

The receivables and payables are disclosed in the Statement of Assets and Liabilities. The Statement of Assets and Liabilities is not mandatory statement under the IPSAS Cash basis but is encouraged in order to disclose information on assets and liabilities.

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the entity all values are rounded to the nearest Kenya Shilling. The accounting policies adopted have been consistently applied to all the years presented.

The financial statements comply with and conform to the form of presentation prescribed by the PSASB.

2. Reporting entity

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

3. Recognition of receipts and payments

a) Recognition of receipts

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

Transfers from the Exchequer

Transfer from Exchequer is recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the receiving entity.

Other receipts

These include Appropriation-in-Aid and relates to receipts such as proceeds from disposal of assets and sale of tender documents. These are recognised in the financial statements the time associated cash is received.

b) Recognition of payments

The entity recognises all expenses when the event occurs and the related cash has actually been paid out by the entity.

Compensation of employees

Salaries and Wages, Allowances, Statutory Contribution for employees are recognized in the period when the compensation is paid.

Use of goods and services

Goods and services are recognized as payments in the period when the goods/services are consumed and paid for. Such expenses, if not paid during the period where goods/services are consumed, shall be disclosed as pending bills.

Acquisition of fixed assets

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment.

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A fixed asset register is maintained by each public entity and a summary provided for purposes of disclosure. This summary is disclosed as an annexure to the entity's financial statements.

4. 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.

Amounts maintained in deposit bank accounts are restricted for use in refunding third party deposits and distribution to qualifying political parties. As at 30th June 2018, this amounted to Kshs.52,539,281 compared to Kshs.57,962,707 in prior period.

There were no other restrictions on cash during the year

5. Accounts Receivable

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as payments when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

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XI. NOTES TO THE FINANCIAL STATEMENTS

1 EXCHEQUER RELEASES

Description	2017-2018	2016-2017
	Kshs	Kshs
Total Exchequer Releases for quarter 1	93,822,916	123,192,000
Total Exchequer Releases for quarter 2	88,208,020	139,800,000
Total Exchequer Releases for quarter 3	331,592,300	163,000,000
Total Exchequer Releases for quarter 4	264,380,500	241,600,000
Total	778,003,736	667,592,000

The total budget for FY 2017/18 was Kshs.808.5 million while the total exchequer requisitioned amounted to Kshs.778 million as shown above.

2 OTHER REVENUES

	2017-2018	2016-2017
	Kshs	Kshs
Receipts from Administrative Fees and Charges - Collected as AIA	-	
Total	-	

In the budget of ORPP for financial year 2017-18, there was no provision to collect appropriation in aid. However in the course of executing its mandate, the office collected Kenya shillings five hundred and thirty two thousand one hundred and eighty (Kshs. 532,180) as administrative fees. This amount was surrendered to Treasury.

The office did not have any other revenue to collect during the period under review.

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3 COMPENSATION OF EMPLOYEES

	2017-2018	2016-2017
	Kshs	Kshs
Basic salaries of permanent employees	53,458,698	53,439,127
Basic wages of temporary employees	49,870,000	27,344,921
Personal allowances paid as part of salary	44,039,344	31,323,401
Pension and other social security contributions	8,961,779	7,917,384
Employer Contributions Compulsory national social security schemes	-	1,186,440
Total	156,329,821	121,211,273

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4 USE OF GOODS AND SERVICES

	2017-2018	2016-2017
	Kshs	Kshs
Utilities, supplies and services	929,755	984,484
Communication, supplies and services	1,633,871	3,928,293
Domestic travel and subsistence	28,994,478	16,327,828
Foreign travel and subsistence	-	1,336,211
Printing, advertising and information supplies & services	867,409	5,037,169
Rentals of produced assets	23,513,718	19,627,849
Training expenses	6,406,465	29,144,889
Hospitality supplies and services	32,700,459	11,461,978
Insurance costs	11,806,585	9,580,445
Specialized materials and services	1,559,932	345,719
Fuel Oil and Lubricants	6,787,450	2,877,910
Office and general supplies and services	2,756,556	11,830,899
Other operating expenses	26,735,409	10,949,696
Routine maintenance – vehicles and other transport equipment	1,467,125	1,539,957
Routine maintenance – other assets	95,056	1,151,204
Total	146,254,268	125,288,356

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5 GRANTS AND TRANSFERS TO OTHER GOVERNMENT ENTITIES

Description	2017-2018	2016-2017
	Kshs	Kshs
Transfers to Political Parties	371,190,000	370,504,800
TOTAL	371,190,000	370,504,800

Grants to other government entities as provided for in the budget under Item 2630101 were transferred in year under review.

6 ACQUISITION OF ASSETS

<u>Non Financial Assets</u>	2017-2018	2016-2017
	Kshs	Kshs
Refurbishment of Buildings	2,423,752	45,240
Purchase of Vehicles and Other Transport Equipment	3,250,000	10,986,000
Purchase of Office Furniture and General Equipment	3,104,723	5,330,049
Purchase of Specialised Plant, Equipment and Machinery	2,704,862	
Purchase of ICT Equipment, Software and Other ICT Assets		1,002,000
Acquisition of Intangible Assets and ICT equipment		2,314,950
Domestic Public Non-Financial Enterprises	75,100,000	-
Total	86,583,337	19,678,239

Amount of Ksh 75,100,000 is made up of staff car loan of Ksh 10,100,000 and Staff Mortgage loan of Ksh 65,000,000.

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7A: Bank Accounts

Name of Bank, Account No. & currency	Amount in bank account currency	Indicate whether recurrent, Development, deposit e.t.c	Exc rate (if in foreign currency)	2017-2018	2016-2017
				Kshs	Kshs
Registrar of Political Parties - 1000181206	Kshs	Recurrent	-	17,522,797	30,496,869
Total				17,522,797	30,496,869

7B: CASH IN HAND

	2017-2018	2016-2017
	Kshs	Kshs
Cash in Hand – Held in domestic currency	123,513	412,463
Total	123,513	412,463

7C Cash in hand should also be analysed as follows:

	2017-2018	2016-2017
	Kshs	Kshs
Headquarters	123,513	412,463
Total	123,513	412,463

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8. ACCOUNTS RECEIVABLE - OUTSTANDING IMPRESTS

<i>Description</i>	2017-2018	2016-2017
	Kshs	Kshs
Salary advances	-	-
Total	-	-

9. FUND BALANCE BROUGHT FORWARD

<i>Description</i>	2017-2018	2016-2017
	Kshs	Kshs
Bank accounts	17,522,797	30,496,869
Cash in hand	123,513	412,463
Accounts Receivables	-	-
Total	17,646,310	30,909,332

The fund balance relate to the closing bank and cash balances brought forward from financial year 2016/2017. This however was taken back to the exchequer.

10 PRIOR YEAR ADJUSTMENTS

<i>Description of the error</i>	2017 - 2018	2016 - 2017
	Kshs	Kshs
Adjustments on bank account balances	30,496,869	(368,710)
Adjustments on cash in hand	412,463	(169,084)
Total	30,909,332	537,794

The prior year adjustment relate to bank and cash balances that were brought forward from 2016 - 2017 financial year. This amount is usually recovered by The National Treasury at the beginning of the Financial Period.

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11. OTHER IMPORTANT DISCLOSURES

11.1: OTHER PENDING PAYABLES (See Annex 3)

	2017 – 2018	2016 – 2017
	Kshs	Kshs
G4S SECURITY	240,000	
ATTIC TOURS & TRAVEL	128,000	
LONGROCK TOURS & TRAVEL	50,520	
ATTIC TOURS & TRAVEL	38,915	
ATTIC TOURS & TRAVEL	51,870	
ATTIC TOURS & TRAVEL	133,600	
GREAT RIFT VALLEY LODGE	206,400	
ONE PLANET PUBLISHING	630,000	
SLEEK TECHNOLOGIES	1,451,000	
SLEEK TECHNOLOGIES	418,000	
GOLDEN PALM BREEZE HOTEL	106,800	
ADVANCED SHARP SOLUTION	474,000	
SIGHT AND SOUND		
KITUI PREMIER RESORT		483,775
TURTLE BAY BEACH CLUB		432,000
PINECONE HOTEL		2,070,000
STARBUCKS HOTEL AND RESTAURANT CO. LTD		1,093,700
BOMEN HOTEL - ISIOLO		214,000
UTALII COLLEGE HOTEL		395,420
SIGHT AND SOUND COMPANY LTD		1,395,723
FOCUS SAFARIS		155,360
R.H. DEVANI		101,471
D.T. DOBIE		202,900
MOHAMMED MUIGAI ADVOCATES		1,461,600
SHAWNEERZ TYRES		210,500
LONGROCK TOURS		210,975
	4,139,605	8,216,924

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12. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
None	Disaster recovery plan and back-ups were not kept off site , and	Resolved	Senior ICT officer	Resolved	N/A
None	No IT strategic and steering committee	Resolved	Senior ICT officer	Resolved	N/A
None	No formally documented and approved use of management standards and procedures	Resolved	Senior ICT officer	Resolved	N/A

Guidance Notes:

- (i) Use the same reference numbers as contained in the external audit report;

OFFICE OF REGISTRAR OF POLITICAL PARTIES
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For the year ended June 30, 2018

- (ii) Obtain the "Issue/Observation" and "management comments", required above, from final external audit report that is signed by Management;
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for implementation of each issue;
- (iv) Indicate the status of "Resolved" or "Not Resolved" by the date of submitting this report to National Treasury.



Anne N. Nderitu, MBS
Ag/ Registrar of Political Parties



Douglas Wanzala
Chief Accountant
ICPAC NO. 10692

OFFICE OF REGISTRAR OF POLITICAL PARTIES
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ANNEX 1 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2016/2017	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 2017/2018
Land			-	9,870,092
Refurbishment of Buildings	9,598,840	2,423,752	-	18,236,000
Transport equipment	14,986,000	3,250,000	-	10,971,272
Office equipment, furniture and fittings	7,668,049	3,104,723	-	1,002,000
ICT Equipment, Software and Other ICT Assets	1,002,000		-	
Other Machinery and Equipment	532,544	2,704,862	-	2,805,986
Heritage and cultural assets	-	-	-	-
Intangible assets	2,314,950		-	2,314,950
Total	36,102,383	11,483,337	-	45,200,300

The office acquired new assets during the year however, there were no disposals in that period under review.

