

REPUBLIC OF KENYA



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REPORT

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THE AUDITOR-GENERAL

ON

DEMOCRATIC ACTION PARTY-KENYA

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

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE:	03 MAR 2025 Thursday
TABLED BY:	Hon. Naama Wago MP Deputy Majority Party Whip
CLERK-AT THE-TABLE:	A. Shituko



DEMOCRATIC ACTION PARTY-KENYA

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2024

**Prepared by the Accrual Basis of Accounting Method under the International Public Sector
Accounting Standards (IPSAS)**

Democratic Action Party - Kenya
Annual Report and Financial Statements
for the year ended June 30, 2024.

Democratic Action Party - Kenya
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1. Acronyms, Abbreviations and Glossary of Terms

A: Acronyms and Abbreviations

DAP-K	Democratic Action Party-Kenya
SG	Secretary General
NC	National Chairman
DNC	Deputy National Chairman
ED	Executive Director
ORPP	Office of the Registrar of Political Parties
IPSAS	International Public Sector Accounting Standards
NT	National Treasury
OAG	Office of the Auditor General
CMD	Centre of Multiparty Democracy
PFM	Public Finance Management
PPE	Property Plant & Equipment
PSASB	Public Sector Accounting Standards Board

B: Glossary of Terms

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

Comparative Year- Means the prior period.

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2. Key Entity Information and Management

(a) Background information

The Democratic Action Party – Kenya was formed in 2021 as a political party after meeting the registration requirements under the Political Parties Act, 2011. It is founded on the democratic principles of unity of purpose in diversity, rule of the law, transparency, accountability, equity and equality. The ideology of the party is Social Democracy.

(b) Principal Activities

The Party’s principal activity is to strive to establish a Government of Kenya based on democratic and good governance and constitutional principles of a democracy whilst promoting rule of law.

(c) Key Management

DAP-K’s day-to-day management is under the following key organs:

No.	Designation	Name
1.	National Management Committee	Dr. David Eseli Simiyu Secretary General
2.	Secretary General	Dr. David Eseli Simiyu
3.	The Secretariat	Aggrey Mugalavai Executive Director

(d) Fiduciary Management

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

No.	Designation	Name
1	Party Leader	Hon. Eugene Wamalwa
2	Chairman	Mr. David Simiyu Muchele
3	Secretary General	Hon. Dr. David Eseli Simiyu
4	Organizing Secretary	Hon. Dickson Oyugi Maungu
5	National treasurer	Ms. Beatrice Mbingi
6	1 st Deputy Party Leader	Hon. Wafula Wamunyinyi
7	Executive Director	Mr. Aggrey Kihima Mugalavai

Key Entity Information and Management

(e) Entity Headquarters

Chui House

Kufuga Road, Kufuga Lane, Karen

P o Box 1131 – 00606

Sarit Centre, Nairobi

(f) Entity Contacts

Telephone (254) 0208000280

(254) 0742382032

Website: www.dap-kenya.co.ke

E-mail: info@dap-kenya.co.ke

(g) Entity Bankers

i. Kenya Commercial Bank

Webuye Branch

ii. Co-operative Bank

Parliament Branch

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Key Entity Information and Management

(h) Independent Auditor

Auditor-General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

(i) Principal Legal Adviser

Attorney General




Sheria House, Harambee Avenue

P.O. Bo 40112-00100,

Nairobi, Kenya.

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3. The Board of Directors/Council

Ref	Directors	Details
1.	 <p>Hon. Eugene Wamalwa Party Leader</p>	<ul style="list-style-type: none"> • Advocate of the High Court • Cabinet Secretary for over 10 years.
2.	 <p>David Simiyu Muchele National Chairman</p>	<ul style="list-style-type: none"> • An accountant for over 20 years
3.	 <p>Dr. David Eseli Simiyu Secretary General</p>	<ul style="list-style-type: none"> • Medical Doctor • Member of parliament 15 years

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4.	 <p>Hon Athanas Wafula Wamunyinyi Deputy Party Leader</p>	<ul style="list-style-type: none">• Member of parliament for 20years• Businessman for over 25 years
5.	 <p>Beatrice Mbingi Treasurer</p>	<ul style="list-style-type: none">• Businesswoman for over 20 years

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4. Key Management Team

	Management	Details
1.	Mr. Aggrey Kihima Mugalavai	Executive Director
2.	Kevin Wanjala Simiyu	Deputy Executive Director
3.	Emmanuel Barasa	Finance Director
4.	Rodney Sabwa	ICT Director

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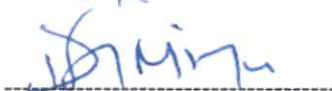
5. Chairman's Statement

We are obligated by the Political Parties Act 2011 (revised 2022) to prepare annual financial statements in respect of Democratic Action Party - Kenya, which statements are expected to represent a true and fair view of the state of affairs of our Party including the operating results at the end of each fiscal year. The Public Finance Management Act 2012 at Section 81, Section 31 of the Political Parties Act 2011 requires us to prepare the said statements and present the same to the offices of the Registrar of Political Parties and Auditor General respectively not later than September 30th every year.

In pursuit of the foregoing obligations, and exercising its mandate under the DAP – Kenya Constitution, the National Executive Committee approved the work plan and annual budget for the financial year under review within the framework of our Strategic Plan. Accordingly, we have submitted the report and accounts for the year ended June 30, 2024 to the Auditor General. We have also published in the local daily newspapers the applicable income section of the accounts for the year ended in accordance with section 29 (1) of the Political Parties Act 2011.

The year ending June 30th, 2024 has been a fairly busy year for our party. In the last General Elections, we managed to win one Governor, Five Members of Parliament and Twenty-eight members of county assemblies. This resulted into allocation of twelve slots for nominator MCAs.

Voluntary contributions from DAP – Kenya members, supporters, member pay bill, donations and bequests and grants from various lawful sources are other revenue streams that continue to strengthen the financial position of the Party. I wish to thank members of the National Executive Committee for their stewardship as well as the National Secretariat staff for prudent management of our resources. Our party slogan is “Mwamko Mpya” Our members and supporters have continued to manifest this in word and action. To them I commit to support and am loyal to the Party vision and do everything in my position to reciprocate their zeal.



Mr. David Simiyu Muchele

**Democratic Action Party - Kenya
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6. Statement of Performance against Predetermined Objectives for FY 2023/2024

In line with Section 81 Subsection 2 (f) of the Public Finance Management Act, 2012;

Democratic Action Party-Kenya has Several strategic pillars/ themes/issues and objectives within the current Strategic Plan for the FY 2023/2024. These strategic pillars/ themes/ issues are as follows:

- Pillar /theme/issue 1: Sensitize PWDs to be more involved in Political Processes
- Pillar/theme/issue 2: Involve more Women in Party activities and Political Processes
- Pillar/theme/issue 3: Involve more Youths in Party activities and Political Processes
- Pillar/theme/issue 4: Sensitize and involve citizens in political parties' activities
- Pillar/theme/issue 5: Media engagement and consultation to increase the party's visibility
- Pillar/theme/issue 6: Party Branding

Democratic Action Party-Kenya develops its annual work plans based on the above 8 pillars/Themes/Issues. Assessment of the NEC's performance against its annual work plan is done on a quarterly basis. The Democratic Action Party-Kenya achieved its performance targets set for the FY 2023/2024 period for its 8 strategic pillars, as indicated in the table below:

Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
Pillar/ theme/ issue 1:	Sensitize PWDs to be more involved in Political Processes	Encourage PWDs to take party positions	Conduct workshop and invite PWDs for a sensitization seminar	3 workshops were conducted in Nairobi head office where more than 300 PWDs were trained and encouraged to train others across the country
Pillar/ theme/ issue 2:	Involve more Women in Party activities and Political Processes	Nominate women to attend workshops organized by various partners eg ORPP, CMD	Over 30 women were nominated to attend several training activities organized by our engagement partners	Nominated attendees went on to organize similar workshops back in their counties at branch offices where they educated other women on importance of

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				women involvement in party activities
Pillar/ theme/ issue 3:	Involve more Youths in Party activities and Political Processes	Invite youths at the branch and head office	Organize party seminar at the branch offices	3 seminars were organized at the head office where facilitators were invited to encourage the youths to actively engage in political party's activities
Pillar/ theme/ issue 4:	Sensitize and involve citizens in political parties' activities	Coverage of at least 25 counties	Conduct political rallies and road shows across the country	Several political rallies conducted by our party leaders in support of elected members were conducted across the country
Pillar/ theme/ issue 5:	Media engagement and consultation to increase the party's visibility	Invitation to radio and television talk shows	Secure and attend talk shows in radio and TV stations	Our party leader and youth wing leader participated in various radio and TV talk shows
Pillar/ theme/ issue 6:	Party Branding	Physical visibility	Erection of publicity boards and distribution of party branded merchandise	Party branded merchandise were distributed across the country. Publicity sign boards were erected in our branches and headquarters offices

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7. Management Discussion and Analysis

Democratic action party –Kenya NEC adopted the financial statement for the year 2023/2024 in a meeting held in sept 2024 where they also discussed and adopted the audit report. The financial aspect and soundness of the entity was also critically analyzed where it was concluded that the financial performance in comparison with the to the operational activities of the party are in tandem as there was nothing to sound alarm for the Democratic Action Party-Kenya as a going concern.

The status of electoral preparedness by the party to participate and win in the upcoming by-elections and the 2027 general election are generally on course and up to the satisfaction of the NEC

In line with the constitutional requirement and with guidance from ORPP through continuous capacity building seminars, the party remains compliant with regards to the various legal requirements guiding the establishment and sustainability of a political party

The major risk threatening the existence of DAP-K is the systematic budget cuts by the National treasury which negatively impacts of cash flows thus threatening to paralyze the planned activities by the party across the various financial years.

The unpaid rental and staff salary arrears emanating from the roll over of disbursements due has exposed the party to accumulation of huge pending bills which over time might become unsustainable.

The economic situation brought about by factors beyond our control also signals tough economic times to both the party and various stakeholders within the industry.

The political development on the years under review even though with its own challenges but proving that the parties are playing a critical role in ensuring democracy is upheld

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8. Report of the Chief Executive Officer

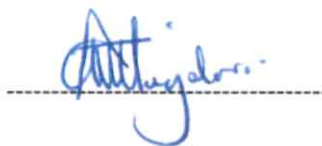
We wish to present the financial report for the year ended June 30th 2024 in accordance with the International Public Sector Accounting Standards. During the year, our key responsibilities included

1. Developing strategies for and realizing financial resource mobilization for the Party.
2. Ensuring that the books of the Party are prepared according to the law.
3. Participation in the preparation of the NGC & NDC.
4. Continuing to develop principles of stewardship, financial discipline, ethics and best practices to guide the Party in matters of Fiscal Planning and management.

In accordance with section 35 of Public Audit Act 2015 requirements and the Political Parties Act 2011, we managed to accomplish the following in time,

- Develop a work- plan and budgets with reference to the Party's strategic plan for the current financial year Work plan for 2023-2024, 4Year Strategic Plan for the party – Report and accounts for the year ended 30th June 2024.
- Ensured that the books of accounts for the year ended June 30th 2024 are prepared in time and presented to the Auditor General and that relevant income section of the same extracted and published in the Local Newspapers see The Star Newspapers of in accordance to section 29. (1) which states that 'A political party shall, within three months of its financial year, publish the sources of its funds stating
 - a) The amount of money received from the Political Parties Fund,
 - b) The amount of money received from its members and supporters, and
 - c) The amount and sources of donations given to the party.
- We further inform that the accounts were forwarded on to the office of the Auditor General in IPSAS reporting format.

The Key Income Drivers Are a share from government Political fund, Life membership, recruitment fees, Nomination fee and donation from well-wishers than the previous year where mainly was from founder members.



Mr. Aggrey Kihima Mugalavai

9. Corporate Governance Statement

DAP – Kenya is committed to operating in accordance with best practice in political integrity and ethics and maintaining the highest standards of financial reporting and corporate governance. The National Executive Committee is delighted to report that the party has, throughout the year, complied with the provisions set out in the Code on Corporate Governance and equally applied the main principles of the Code. Corporate governance for the DAP Kenya has gone a long way to define how the party conducts its affairs in line with the objects for which it was founded. It has given the party its structure, which contains all set of rules that governs the ethical operating procedures and processes of the party by ensuring that we conform to the Kenya Statutory requirements and the best practices in line with the Political Parties Act 2011 in all political activities. Likewise, it has ensured the best interests of the public and party members are jealously protected. Responsibility for corporate governance is vested with the National Executive Committee of the DAP Kenya. Much of the details are contained in the party Constitution which contains the following,

- Identity, Vision and Mission
- Membership, Rights and Duties
- Party Organs
- Stewardship
- Coalitions, Dispute Settlement and Amendment
- General Provisions

10. Environmental and Sustainability Reporting

Our ambition is to gradually but visibly establish a prosperous, industrialized and modern nation in which citizens enjoy social, economic and democratic rights, and live in dignity. We envisage that our people will exploit their full potential. The sporting concerts and events will ensure that there is a continuous link between the people and the party organs. This program arises from a desire to ensure our contribution to society goes beyond purely political campaigns. Citizens have a duty to interact in a responsible way from a social and environmental perspective. In this context, one of the questions DAP Kenya aims to answer is; How do our activities improve living standards in our communities? In addition, it makes political sense in the long term. When managed well this social responsibility can also facilitate achievement of strategically important goals for the party:

- Involvement in project work that tackles real challenges in our communities is a way through which we can increase staff management, member's loyalty and pride.
- Through collaboration in projects, we can improve the dynamism of relationships with our members and competitors.
- As a consequence of positive outcome from our Corporate social activity, we can enhance DAP Kenya's reputation among key stakeholders nationally.

11. Report of the Directors

REPORT OF THE NATIONAL EXECUTIVE COMMITTEE

The National Executive committee submit their report together with the audited financial statement for the year ended June 30, 2024 which show the state of the DAP Kenya affairs

Principal activities

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

Results

The results of the entity of the year ended June 30, 2024 are set out on page 1-7

Directors

The National Executive Committee Members who served during the year are shown on page vii

Auditors

The Auditor General is responsible for the statutory audit of the DAP Kenya in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 to carry out the audit of the DAP Kenya for the year/period ended June 30, 2024.

By Order of NEC.



Secretary General

Date: 01/03/2024

12. Statement of Directors Responsibilities

Section 81 of the Public Finance Management Act, 2012 and Political Parties Act, 2011 (revised 2022) require the Directors to prepare financial statements in respect of DAP-K, which give a true and fair view of the state of affairs of DAP-K at the end of the financial period and the operating results of DAP-K for the period (2023/2024). The Directors are also required to ensure that DAP-K keeps proper accounting records which disclose with reasonable accuracy the financial position of the DAP-P. The Directors are also responsible for safeguarding the assets of DAP-K.

The Directors are responsible for the preparation and presentation of the DAP-K financial statements, which give a true and fair view of the state of affairs of DAP-K for and as at the end of the financial year ended on June 30, 2024. This responsibility includes:

- (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of DAP-K;
- (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 DAP-K;
- (v) Selecting and applying appropriate accounting policies; and
- (vi) Making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for DAP-K financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and Political Parties Act, 2011. The Directors are of the opinion that DAP-K's financial statements give a true and fair view of the state of transactions during the financial year ended June 30, 2024, and of DAP-K's financial position as at that date. The Directors further confirms the completeness of the accounting records maintained for DAP-K, which have been relied upon in the preparation of DAP-K's financial statements as well as the adequacy of the systems of internal financial control.

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In preparing the financial statements, the Directors have assessed DAP-K's ability to continue as a going concern.

Nothing has come to the attention of the Directors to indicate that DAP-K will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

DAP-K's financial statements were approved by the Board on 1st August 2024 and signed on its behalf by:



.....

David Simiyu Muchele

National Chairman



.....

David Eseli Simiyu

Secretary General

REPUBLIC OF KENYA

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NAIROBI

Enhancing Accountability

REPORT OF THE AUDITOR-GENERAL ON DEMOCRATIC ACTION PARTY-KENYA OR THE YEAR ENDED 30 JUNE, 2024

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Democratic Action Party-Kenya set out on pages 1 to 15, which comprise of the statement of financial position as at 30

Report of the Auditor-General on Democratic Action Party-Kenya for the year ended 30 June, 2024

June, 2024, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Democratic Action Party-Kenya as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Political Parties Act 2011 (Revised 2022) and the Public Finance Management Act, 2012.

Basis for Opinion

The audit was conducted in accordance with International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Democratic Action Party-Kenya Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

As disclosed under the Implementation Status of the Auditor-General's Recommendations section of the financial statements, the prior year issues remained unresolved as at 30 June, 2024. Management has not provided satisfactory reasons for the delay in resolving the issues

Other Information

Management is responsible for the other information set out on page iv to xix which comprise of Key Entity Information and Management, Chairperson's Statement, Statement of Performance Against Predetermined, Management Discussion and Analysis, Report of the Chief Executive Officer, Corporate Governance Statement, Environmental and sustainability Reporting, Report of directors, and Statement of the

Directors responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effects of the matter described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that nothing else 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

Failure to Establish Party Offices in at Least 24 Counties

As reported in the previous year, a nationwide survey of 38 Counties found that the Party has a limited presence in Nairobi party headquarters and only nine (9) County offices. This was contrary to Section 7(f)(iii) of the Political Parties Act, 2011, which states that a political party shall be qualified to be fully registered if it has submitted to the Registrar of Political Parties the locations and addresses of the branch offices of the party, in more than half of the Counties.

In the circumstances, Management was in breach of the law.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effect of the matters described in the Basis for

Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Failure to Establish an Internal Audit Function

During the year under review, entity maintain internal auditing arrangements to strengthen internal control mechanisms that could have an impact on achievement of the entity's objectives.

During the year under review, the Party did not have an Internal Audit Function. This was contrary to Section 73 (3)(b) of the Public Finance Management Act, 2012 which requires every National Government entity to establish appropriate arrangements for conducting internal audits that adheres to the guidelines issued by the Accounting Standards Board.

In the circumstances, the effectiveness of the Party's internal controls, risk management and governance structures on financial and non-financial performance management could not be confirmed.

2. Lack of a Strategic Plan

During the year under review, the Party did not have an approved Strategic Plan required to support budget proposals. This was contrary to Regulation 32(5) of the Public Finance Management Act (National Government) Regulations, 2015 which requires all budget proposals to be supported by an entity's strategic plan.

In the circumstances, the existence of effective mechanisms put in place by Management for establishing realistic objectives and goals could not be confirmed.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk management and overall governance were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Party's ability to continue as a going concern, disclosing, as applicable, matters related

to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The Standards requires that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I also I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7 (1) (a) of the Public Audit Act, 2015.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

9 January, 2025

Democratic Action Party - Kenya
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14. Statement of Financial Performance for the year ended 30 June 2024

	Notes	2023/2024	2022/2023
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from Registrar of Political Party Fund	3	16,180,412	18,781,121
Public contributions and donations	4	1,745,445	5,500,000
Total revenue		17,925,857	24,281,121
Expenses			
Use of goods and services	5	15,242,870	17,612,864
Employee costs	6	3,638,238	2,770,000
Depreciation and amortization expense	7	204,893	289,923
Finance costs	8	30,117	20,560
Total expenses		19,116,118	20,693,347
Surplus/ (deficit) before tax		(1,190,261)	3,587,774
Net Surplus for the year		(1,190,261)	3,587,774
Attributable to:			
Surplus attributable to owners of the controlling Entity		4,998,375	3,587,774
Accumulated Surplus		3,808,114	4,998,129

The notes set out on pages 8 to 15 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 7 were signed on behalf of the Board of Directors by:

.....
Dr. Eseli Simiyu
Accounting Officer

01/08/2024

.....
Moses Khamala
Head of Finance

ICPAK M/No:
01/08/2024

.....
David Muchehe
Chairman of the Party

01/08/2024

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15. Statement of Financial Position as at 30 June 2024

	Notes	2023/2024	2022/2023
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash equivalents	9	176,898	62,322
Receivables from Exchange Transactions	10	6,272,856	8,751,181
Total Current Assets		6,449,754	8,813,503
Non-Current Assets			
Property, Plant and Equipment	11	472,402	657,295
Total Non- Current Assets		472,402	657,295
Total Assets		6,922,156	9,470,798
Liabilities			
Current Liabilities			
Trade and Other Payables	12	1,114,042	2,182,500
Current Provision for Depreciation	7	-	289,923
Current Portion of Borrowings	14	2,000,000	2,000,000
Total Current Liabilities		3,114,042	4,472,423
Total Liabilities		3,114,042	4,472,423
Net Assets			
Accumulated Surplus		3,355,726	4,341,094
Capital Fund		452,388	657,281
Total Net Assets		3,808,114	4,998,375
Total Net Assets and Liabilities		6,922,156	9,470,798

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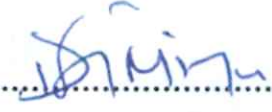
The financial statements set out on pages 1 to 7 were signed on behalf of the Board of Directors by:


.....

Dr. Eseli Simiyu
Accounting Officer
Secretary General
01/08/2024


.....

Moses Khamala
Head of Finance
ICPAK Member Number:
01/08/2024


.....

David Muchele
Chairman of the Party
01/08/2024

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

Description	Retained earnings	Capital Fund	Capital/ Development Grants/ Fund	Total
	Kshs	Kshs	Kshs	Kshs
As at July 1, 2022	152,633	1,257,722	-	1,410,355
Surplus/ deficit for the year	3,587,774	-	-	3,587,774
Depreciation adjustments 2022-2023- Cumulative	600,441	(600,441)	-	-
Prior Period Adjustment	246	-	-	246
As of June 30, 2023	4,341,094	657,281	-	4,998,375
As at July 1, 2023	4,341,094	657,281	-	4,998,375
Surplus/ (deficit) for the year	(1,190,261)	-	-	(1,190,261)
Depreciation/Amortization to retained earning	204,893	(204,893)	-	-
Surplus/ (deficit) for the year	3,355,726	452,388	-	3,808,114

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

	Notes	2023/2024	2022/2023
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other governments entities	3	16,180,412	15,642,280
Public contributions and donations	4	1,745,445	159,660
Total receipts		17,925,857	15,801,940
Payments			
Use of goods and services	5	15,242,870	15,249,940
Employee costs	6	3,638,238	2,770,000
Finance Cost	8	30,117	-
Total payments		18,911,225	18,019,940
Adjusted for:			
Decrease/(Increase) in Accounts receivable:		2,478,325	-
Increase/(Decrease) in Accounts Payable:		(1,068,458)	-
Depreciation and amortization		(289,923)	-
Net cash flows from/(used in) operating activities		134,576	(2,218,000)
Cash flows from investing activities			
Purchase of PPE and Intangible assets		(20,000)	(300,000)
Net cash flows from/(used in) investing activities		(20,000)	(300,000)
Cash flows from financing activities			
Proceeds from borrowings	14	-	5,000,000
Repayment of borrowings	14	-	(3,000,000)
Net cash flows from financing Activities		-	2,000,000
Net increase/(decrease) in cash & Cash equivalents		114,576	(518,000)
Cash and cash equivalents at 1 July 2022		62,322	580,322
Cash and cash equivalents at 30 June	9	176,898	62,322

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18. Statement of Comparison of Budget and Actual Amounts for FY2023/24

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 %
Exchequer releases	-	-	-	-	-	0
Transfers from other government entities	32,631,493	(11,449,081)	21,182,412	16,180,412	5,002,000	76%
Miscellaneous receipts – Elected/Nominated (MCA,MP, DGV, & GV)	2,500,000	(754,555)	1,745,446	1,745,446	-	100%
Total Receipts	35,131,493	(12,203,636)	22,927,858	17,925,858	5,002,000	78%
Payments					-	
Compensation of employees	3,031,493	606,817	3,638,310	3,638,310	-	100%
Use of goods and services	32,000,000	(12,740,570)	19,259,431	15,242,870	4,016,560	79%
Finance costs including loan interest	100,000	(69,883)	30,117	30,117	-	100%
Total Payments	35,131,493	(12,203,636)	22,927,858	18,911,297	4,016,560	82%
Surplus/ Deficit	-	-	-	(985,440)	985,440	-

(a) Variance analysis:

The deficit on our statement of comparison of budget and actual amounts for the year ended 2023/2024 is as a result of delayed disbursements from the ORPP funds thus led to salary arrears and some rent that remained unpaid as at 30th June 2024. (Salary Payable Kshs.729,043. Rent Payable Kshs. 171,400 and Audit Fees Payable Kshs. 85,000). The additional Kshs. 4,287,872 disbursement from ORPP delayed and was disbursement on 8th July, 2024 thus accounted on the next financial year.

(b) Reallocations within the year:

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The entity financial statements were approved on 1st August 2024 and signed by:



.....

HON. David Eseli Simiyu
Secretary-General



.....

Moses Khamala
Head of Accounting Unit
ICPAK M/No.....

19. Notes to the Financial Statements

1. General Information

The DAP-Kenya was formed by and derives its authority and accountability from Political Parties Act 2011 (revised 2022). The entity is wholly domiciled in Kenya. The entity's principal activity is to strive to establish a Government off Kenya based on democratic and good governance and constitutional principles of a pluralistic democracy whilst promoting rule of law.

2. Statement of Compliance and Basis of Preparation

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

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of DAP-K. The financial statements have been prepared in accordance with the PFM Act 2012, the State Corporations Act, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

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Notes to the Financial Statements (Continued)

3. Transfers from Other Government entities

Description	2023/2024	2022/2023
	KShs	KShs
Unconditional Grants		
Operational Grant	16,180,412	18,781,121
Total Unconditional Grants	16,180,412	18,781,121
Conditional Grants amortised/ transferred to revenue		
Total Government Grants And Subsidies	16,180,412	18,781,121

4. Public Contributions and Donations

Description	2023/2024	2022/2023
	Kshs	Kshs
Elected/Nominated party Members Contributions (MCAS/MPS/D/GOV & GOV)	1,745,445	5,500,000
Total Transfers and Sponsorships	1,745,445	5,500,000
Membership & Nomination fee	-	-
Reconciliation Of Public Contributions and Donations		

5. Use of Goods and Services

Description	2023/2024	2022/2023
	Kshs	Kshs
Electricity	11,000	12,860
Water	7,500	-
Security	30,000	188,500
Professional Services	-	100,000
Subscriptions	90,000	70,000
Advertising/Publication	120,000	-
Admin Fees	67,600	3,431,790
Audit Fees	170,000	-
Conferences and Delegations	716,470	8,566,284
Legal Expenses	-	100,000
Chemicals	20,100	-
Postage	-	12,870
Printing and Stationery	386,000	40,000
Rent expenses	2,947,500	2,410,000
Travel, Subsistence & Other Allowances*	8,709,900	-

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Description	2023/2024	2022/2023
	Kshs	Kshs
Other General Expenses	1,966,800	2,660,000
Use Of Goods and Services	15,242,870	17,612,313

6. Employee Costs

Description	2023/2024	2022/2023
	Kshs	Kshs
Salaries and wages	3,638,238	2,770,000
Employee costs	3,638,238	2,770,000

7. Depreciation and Amortization Expense

Description	2023/2024	2022/2023
	Kshs	Kshs
Property, plant and equipment	204,893	289,923
Total depreciation and amortization	204,893	289,923

8. Finance Costs

Description	2023/2024	2022/2023
	Kshs	Kshs
Finance – Bank charges	30,117	20,560
Total finance costs	30,117	20,560

9. Cash and Cash Equivalents

Description	2023/2024	2022/2023
	Kshs	Kshs
Current Account	176,898	62,322
Total Cash And Cash Equivalents	176,898	62,322

Detailed Analysis of the Cash and Cash Equivalents

Financial Institution	Account number	2023/2024	2022/2023
		Kshs	Kshs
a) Current Account			
Kenya Commercial Bank	M -38	4,615	5,680
Kenya Commercial Bank	N – 59	1,327	2,392
Co -op Bank	m-85000	19,035	8,333
Co – op Bank.	N -85001	151,920	45,916
Sub- Total		176,898	62,322
Cash In Hand		-	-

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Financial Institution	Account number	2023/2024	2022/2023
		Kshs	Kshs
Grand Total		176,898	62,322

Reconciliation for Impairment Allowance on Receivables from Exchange Transactions

10. Receivables from Exchange Transactions

Description	2023/2024		2022/2023	
	Kshs		Kshs	
Political Party Fund	-		3,138,841	
Licenses, Rent Deposits	272,000		272,000	
Other debtors (Party – Elected/Nominated)	6,000,856		5,340,340	
Total receivables from exchange transactions	6,272,856		8,751,181	
Aging Analysis- Receivables from exchange transactions	2024	% of the total	2023	% of the total
Less than 1 year	2,706,407	43%	3,138,841	36%
Between 1-2 years	-	0%	272,000	3%
Between 2-3 years	3,566,448	57%	5,340,340	61%
Total	6,272,856	100%	8,751,181	100%

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Notes to the Financial Statements (Continued)

11. Property, Plant and Equipment

Cost	Furniture and fittings	Computers	Total
	Kshs	Kshs	Kshs
As At 1 July 2023	414,857	842,865	1,257,722
Additions	20,000	-	20,000
As at 30th June 2024	434,857	842,865	1,277,722
Depreciation And Impairment			
At 1 July 2023	(202,179)	(398,248)	(600,427)
Depreciation	(58,169)	(146,724)	(204,893)
As At 30th June 2024	(260,348)	(544,972)	(805,320)
Net Book Values			
As at 30 th June 2023	212,678	444,617	657,295
As at 30 th June 2024	174,508	297,893	472,402

N/B. The policy used to depreciate the assets is on a reducing balance basis

Furniture and Fittings at 25%
Computers and related equipment at 33%

11 (b) Property, Plant and Equipment at Cost

If the freehold land, buildings and other assets were stated on the historical cost basis the amounts would be as follows:

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Furniture and Fittings	434,857	260,348	174,509
Computers And Related Equipment	842,865	544,971	297,893
Total	1,277,722	805,320	472,402

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Notes to the Financial Statements (Continued)

12. Trade and Other Payables

Description	2023/2024		2022/2023	
	Kshs		Kshs	
Employee payables	729,042		1,250,000	
Other payables	385,000		932,500	
Total trade and other payables	1,114,042		2,182,500	
Ageing analysis: (Trade and other payables)	2024	% of the Total	2023	% of the Total
Under one year	1,114,042.00	100%	2,182,500	0%
Total (tie to above total)	1,114,042.00	100%		

13. Borrowings

Description	2023/2024		2022/2023	
	Kshs		Kshs	
a) Domestic borrowings				
Balance at beginning of the year	2,000,000		-	
Domestic borrowings during the year	-		5,000,000	
Repayments during the year	-		(3,000,000)	
Balance at end of the year	2,000,000		2,000,000	
Balance at end of the period- domestic and External borrowings c = a+b	2,000,000		2,510,000	

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The analyses of both external and domestic borrowings are as follows:

	2023/2024	2022/2023
	Kshs	Kshs
Domestic Borrowings		
Kenya Shilling Loan From J O JUMA & CO ADV.	2,000,000	2,000,000
Total Balance at End Of The Year	2,000,000	2,000,000

Description	2023/2024	2022/2023
	Kshs	Kshs
Short Term Borrowings (Current Portion)	2,000,000	2,000,000
Total	2,000,000	2,000,000

14. Events after the Reporting Period

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

15. Currency

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

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20. Appendices

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
OAG/GJL/DAP-K/AUDIT/2022-2023(24)	Unaudited Comparative Balances	Engage an independent Auditor to confirm the accuracy of the books of prior years	Not Resolved	
OAG/GJL/DAP-K/AUDIT/2022-2023(24)	Failure to establish Party Offices	The management through the NEC passed a resolution to establish branch offices in at least 25 counties	Not Resolved	
OAG/GJL/DAP-K/AUDIT/2022-2023(24)	Budgetary Control and Performance	Try and improve on own source revenue to cover up for the delayed disbursement	Not Resolved	



Secretary General

Date:

