

REPUBLIC OF KENYA



OAG



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

NATIONAL ASSEMBLY
PAPERS LAID

DATE: 25 APR 2023

DAY:

TUESDAY

TABLED

OF

CLERK-AT
THE-TABLE:

Hon. Kimani Ichungwaa, MP
Leader of the Majority Party

Inzofu mwale

THE AUDITOR-GENERAL

ON

POLITICAL PARTIES FUND

FOR THE YEAR ENDED

30 JUNE, 2022



REPUBLIC OF KENYA

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Office of the Registrar
of Political Parties

ORPP

Strengthening Political Parties

Lion Place, 1st & 4th Floor

Off Waiyaki Way

P.O. Box 1131-00606

Sarit Centre, Nairobi.

ORPP FUND

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2022

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

Political Parties Fund
Annual Report and Financial Statements
For the year ended June 30, 2022.

**Political Parties Fund
Annual Report and Financial Statements
For the year ended June 30, 2022.**

I. Contents

1. KEY ENTITY INFORMATION AND MANAGEMENT	2
1. MANAGEMENT TEAM	20
2. FOREWARD BY THE ATTORNEY GENERAL	27
3. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES	29
4. CORPORATE GOVERNANCE STATEMENT	31
5. MANAGEMENT DISCUSSION AND ANALYSIS	33
6. ENVIRONMENTAL AND SUSTAINABILITY REPORTING	38
7. STATEMENT OF REGISTRAR'S RESPONSIBILITIES	46
8. REPORT OF THE INDEPENDENT AUDITOR FOR THE POLITICAL PARTIES FUND FOR THE YEAR ENDED 30 JUNE 2022.....	48
9. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2022	49
10. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022	50
11. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2022	51
12. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2022.....	51
<hr/>	
11. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2022 ..	52
12. NOTES TO THE FINANCIAL STATEMENTS	53

**Political Parties Fund
Annual Report and Financial Statements
For the year ended June 30, 2022.**

1. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The Office of the Registrar of Political Parties (ORPP) is established under Section 33 of the Political Parties Act, 2011 as a State Office within the meaning of Article 260 of the Constitution. The Act provides for the Registrar who shall be deputized by three Assistant Registrars. The Act provides that ORPP is a body corporate with perpetual succession with 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 pursuant to Articles 38, 91 and 92 of the Constitution which envisage well-governed political parties that respect internal democracy and uphold constitutional values. The office promotes a democratic political system that is issue-based, people-centred, result-oriented and accountable to the public as outlined in the Third Medium Term Plan (MTP III) of Vision 2030, ORPP Strategic Plan.

The Office of the Registrar of Political Parties is headed by the Registrar who is responsible for the performance of the functions as outlined under Section 34 of the Political Parties Act, 2011. The broad mandate of the Office is to register, regulate as well as administer the Political Parties Fund.

The accompanying report constitutes the financial statements for the Office of the Registrar of Political Parties for the Financial Year 2021/2022.

Vision

A model regulator of political parties for a credible democratic multi-party system

Mission

To promote the realization of political rights through registration and regulation of political parties in Kenya

**Political Parties Fund
Annual Report and Financial Statements
For the year ended June 30, 2022.**

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 will inculcate competence and skills in order to efficiently, effectively and transparently serve internal and external clients.
- **Integrity**- The Office will uphold high moral standards and honesty in the provision of services.
- **Respect for the rule of law**- The Office shall adhere to the applicable laws, rules and regulations.
- **Innovativeness** – The Office will adapt creative processes aided by modern technology
- **Impartiality** – The Office will observe political neutrality and offer equal treatment in the provision of services
- **Inclusivity** –The office will provide equal access to opportunities and resources for all people including special interest and marginalized groups.

Mandate and 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 the Political Parties 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) Keep and maintain a register of members of registered political parties;
- f) Maintain a register of political parties and the symbols of the political parties;
- g) Ensure and verify that no person is a member of more than one political party and notify the
- h) Commission of the findings;
- i) Certify that an independent candidate in an election is not a member of any registered political party;
- j) Certify that the symbol intended to be used by an independent candidate in an election does not

**Political Parties Fund
Annual Report and Financial Statements
For the year ended June 30, 2022.**

- resemble the symbol of a registered political party;
- k) Certify that the names appearing in a party list are the names of members of the political party presenting the party list;
 - l) Investigate complaints received under the Political Parties Act; and
 - m) Perform such other functions as may be conferred by the PPA or any other written law.

(b) Key Management

The office day-to-day management is under the following key directorates:

- 1. Registration and Field Services Coordination
- 2. Regulation and Compliance; and
- 3. Strategy, Planning and Administrative Support.

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2022 and who had direct fiduciary responsibility were:

No.	Designation	Names
1.	Registrar of Political Parties	Ann N. Nderitu, CBS
2.	Assistant Registrar of Political Parties	Ali Abdullahi Surraw
3.	Assistant Registrar of Political Parties	CPA Florence Birya
4.	Director Compliance	Daniel Kinuthia
5.	Assistant Director, Records Management	Joel Terer
6.	Assistant Director Registration	Locha Erukudi
7.	Chief Finance Officer	Joshua Kimulu
8.	Assistant Accountant General	John Macharia
9.	Assistant Director Internal Auditor	Veronicah Muasya
10.	Senior Economist	Joseph Kariuki
11.	Senior Training and Development Officer	Anastacia Kaberere

**Political Parties Fund
Annual Report and Financial Statements
For the year ended June 30, 2022.**

12.	Senior Information Communication and Technology Officer	Robert Waithaka
13.	Senior Communication Officer	Mutethia Mberia
14.	Principal Human Resource Management Officer	Jacqueline Kosgei
15.	Senior Legal Officer	Boniface Olwal
16.	Senior Administrative Officer	Jane Kamau
17.	Assistant Director Compliance	Juliet Murimi
18.	Supply Chain Management Officer	Esther Kiarie
19.	Legal Officer	Wafula Wakoko

(d) Fiduciary Oversight Arrangements

1. Plenary

The ORPP Plenary comprises the Registrar of Political Parties (RPP) and the Assistant Registrars of Political Parties (ARPPs) with the Registrar as the Chairperson.

Terms of Reference were;

- i. To oversee the execution of the mandate of the Office;
- ii. To approve and provide policy and strategy directions to the ORPP in line with the statutory mandate; and
- iii. To approve, ratify resolutions/recommendations, and adopt reports/decisions made by the directorates and or management on policy issues as the case may require.

2. Management Committee

The ORPP has a management committee which comprises the Registrar, Assistant Registrars, heads of departments and units with the Registrar as the chairperson.

**Political Parties Fund
Annual Report and Financial Statements
For the year ended June 30, 2022.**

Terms of Reference were: -

- i. Provide strategic direction of the office
- ii. Develop of policy guidelines, reviews and approval of office internal policies
- iii. Receive, deliberate and make recommendations on recommendations from various committees
- iv. Approve implementation of the budgets and operational plans;
- v. Review of operational and financial performance of the organization
- vi. Manage and regularly review operational and financial performance of the organization
- vii. Monitor the organizations performance and ensure sustainability
- viii. Enhance the corporate image of the organization
- ix. Ensure effective engagement with all the organization's stakeholders

3. Audit Committee

The Public Finance Management Act, 2012 under Section 73(5) and Regulation 174 of the Public Finance Management Regulations, 2015 provides for the establishment of the Audit Committee for a term of three (3) years. The Registrar through letters' Ref: RPP/CMT/13 vol. IV (18-23) dated 4th January 2021, appointed the following as members of ORPP Audit Committee. Appointment was effective from 1st February 2021 for a period of 3 years.

S/No.	Name	Appointment
1.	Maryann Njau-Kimani, EBS	Chairperson
2.	Pariken Ole Sankei	Member
3.	Kyalo Mwengi	Member
4.	Osman Ibrahim	Member
5.	Elizabeth Kiano	Member
6.	Joseph Welimo	The National Treasury Representative
7.	Veronica Muasya	Secretary

**Political Parties Fund
Annual Report and Financial Statements
For the year ended June 30, 2022.**

The functions of the Audit committee are to:

- i. Obtain assurance from management that ORPP financial and non-financial internal control and risk management functions are operating effectively and reliably.
- ii. Provide an independent review of ORPP reporting functions to ensure the integrity of financial reports.
- iii. Monitor the effectiveness of the entity's performance management and performance information.
- iv. Provide strong and effective oversight of the internal audit function.
- v. Provide effective liaison and facilitate communication between management and external audit.
- vi. Provide oversight of the implementation of accepted audit recommendations.
- vii. Ensure that ORPP effectively monitors compliance with legislative and regulatory requirements and promotes a culture committed to lawful and ethical behavior.

4. Budget Implementation Committee

In line with The National Treasury Circular No.7/2021, the Registrar constituted a Budget Implementation Committee (BIC) with the following members:-

S/No	Name	Designation	Appointment
1.	Ann Nderitu, CBS	Registrar of Political Parties	Chairperson
2.	Joshua Kimulu	Chief Finance Officer	Alternate Chairperson
3.	Jacqueline Kosgei	Principal HR Officer	Member
4.	Juliet Murimi	Ag. Director Compliance	Member
5.	Joseph Kanja	Senior Economist	Member
6.	Esther Kiarie	Supply Chain Management Officer	Member
7.	Bonface Olwal	Senior Legal Officer	Member
8.	Locha Erukudi	Assistant Director, Registration	Member
9.	Joshua Ngala	Senior County Monitor	Member
10.	Jane Kamau	Senior Administration Officer	Member

**Political Parties Fund
Annual Report and Financial Statements
For the year ended June 30, 2022.**

11.	Daniel Kinuthia	Director Compliance	Member
12.	John Macharia	Assistant Accountant General	Secretary

The functions of the committee are:

- i. To review and consider the cash flow plans – this shall involve a regular review of ORPP cash plan and approval of any changes to the initial cash flow plan to be communicated to National Treasury;
- ii. To review the utilization of cash limits and consider any changes as may be required;
- iii. To review the utilization of donor funds voted for ORPP;
- iv. To advise the Accounting Officer on any challenges related to the budget implementation;
- v. To review and recommend reallocation of expenditures;
- vi. To review and approve the submission of expenditure returns, IPPD, pending bills and A-I-A returns for ORPP and recommend actions to be taken;
- vii. To participate in sector Working Groups in budget preparation processes; and
- viii. To prepare budget for ORPP in consultation with Heads of Departments.

5. Human Resource and Administrative Committee

The Human Resource and Administrative Committee is responsible for effective implementation of the Human Resource Policy. Members of the committee were:-

S/No	Name	Designation	Appointment
1.	Joseph Kanja	Senior Economist	Chairperson
2.	Joshua Kimulu	Chief Finance Officer	Member
3.	Jane Kamau	Senior Administration Officer	Member
4.	John Macharia	Assistant Accountant General	Member
5.	Locha Erukudi	Assistant Director, Registration	Member
6.	Geraldine Mukele	Senior County Monitor	Member
7.	Jacqueline Kosgei	Senior HR Officer	Secretary

**Political Parties Fund
Annual Report and Financial Statements
For the year ended June 30, 2022.**

The terms of reference were: -

- i. Recommend recruitments and appointments of staff to fill vacant positions;
- ii. Deliberate and make recommendations to the Management Committee on all requests for promotions and re-designations;
- iii. Handle employee discipline cases and make appropriate recommendations to the Management Committee;
- iv. Deliberate and make recommendations to the Management Committee on all requests of acting allowance and special duty allowance;
- v. Handle staff performance management;
- vi. Management of internship and requests for industrial attachment; and
- vii. Co-ordinate review of organizational structure and other human resource policies.

6. Information, Communication and Technology (ICT) Steering Committee

The Office constituted the above committee to provide guidance on matters relating to effective and efficient management of ICT resources in ORPP. Members of the committee were:

S/No	Name	Designation	Appointment
1.	Bonface Olwal	Senior Legal Officer	Chairperson
2.	Josephat Nyongesa	ICT Officer	Member
3.	Saqib Kazungu	Records Management Officer	Member
4.	Lenard Rotich	Senior ICT Assistant	Member
5.	Josephat Kombo	Senior Accountant	Member
6.	Adiaziz Issack	HR Officer	Member
7.	Robert Waitthaka	Senior ICT Officer	Secretary

**Political Parties Fund
Annual Report and Financial Statements
For the year ended June 30, 2022.**

The terms of reference were: -

- i. Deliberate and make recommendations on matters related to effective and efficient management of IT resources.
- ii. Ensure that ICT policies are aligned with the strategic objectives of ORPP.
- iii. Take action to ensure that the ICT projects are delivered within the agreed budget and timeframe.
- iv. Monitor and report on the implementation of ICT projects against approved project plans, with particular emphasis on quality, risk management, benefits realization and change management.
- v. Assess the quality and value of ICT project proposals and provide advice and recommendations to the office on the merits of those proposals.
- vi. Review and approve ICT project implementation plans and project management documents such as systems disaster recovery management, information security and policies.
- vii. Provide the office with regular progress reports on the implementation of the ICT plans.
- viii. Oversee development, approval and implementation of ICT Strategic objective
- ix. Make recommendations on ICT related projects

7. Communication, CSR and Resource Centre Committee

The Committee is responsible for all facets pertaining to ORPP communication and resource centre.

Members of the committee were:-

S/No.	Name	Designation	Appointment
1.	Robert Waithaka	Senior ICT Officer	Chairperson
2.	Wafula Wakoko	Legal Officer	Member
3.	Marjorie Okeyo	Senior Research Officer	Member

**Political Parties Fund
Annual Report and Financial Statements
For the year ended June 30, 2022.**

4.	Lucy Kemunto	Communication Officer	Member
5.	Beatrice Amollo	Librarian	Member
6.	Hope Nandwa	Assistant Records Management Officer	Member
7.	Mutethia Mberia	Senior Communication Officer	Secretary

The terms of reference were: -

- i. Monitor implementation of communication-related policies and strategies
- ii. Identify and coordinate sourcing of appropriate infrastructure (software, systems, hardware) in line with the Resource Centre objectives;
- iii. Collate and Collect information periodically for stocking information at the Resource Centre on behalf of the assigned functional areas;
- iv. Periodic review of corporate communication gaps and recommend appropriate interventions
- v. Oversee implementation of ORPP Corporate Social Responsibility activities;
- vi. Identify and periodically appraise Management with appropriate measures on statutory, regulatory and policy requirements/developments on matters pertaining to the Committee mandate;
- vii. Provide input into organization, participation or hosting of corporate events;
- viii. Formulate the ORPP acquisition policy and relevant manuals and procedures that will guide the running of the Resource Centre

8. Legal Standards Committee

The legal standards committee is responsible for effective implementation of the Act and advisory on registration and regulation processes. Members of the committee were:-

S/No.	Name	Designation	Appointment
1.	Juliet Murimi	Ag. Director Compliance	Chairperson
2.	Joy Onyango	Compliance Officer	Member
3.	Lodupo Tukei	Liaison Officer	Member
4.	Locha Erukudi	Assistant Director, Registration	Member
5.	Wafula Wakoko	Legal Officer	Member

**Political Parties Fund
Annual Report and Financial Statements
For the year ended June 30, 2022.**

6.	Abdirahman Hussein	Planning Officer	Member
7.	Bonface Olwal	Senior Legal Officer	Secretary

The terms of reference were: -

- i. Develop strategies and policies for the registration, compliance and regulation of political parties;
- ii. Deliberate on the legal issues pertaining to the operations of ORPP;
- iii. Advise ORPP on litigation matters;
- iv. Develop guidelines for investigation of offences and sanctions for non-compliant political parties under the Act;
- v. Coordinate Political Parties Liaison Committee (PPLC) programmes; and
- vi. Coordinate legal reform initiatives.

9. Capacity Building, Partnerships and Stakeholders Engagement Committee

The Capacity Building, Partnerships and Stakeholders Engagement Committee is responsible for development ORPP framework for capacity building programmes and mechanisms for forging strategic partnership with stakeholders. Members of the committee were:-

S/No.	Name	Designation	Appointment
1.	John Mberia	Senior Communication Officer	Chairperson
2.	Joseph Kanja	Senior Economist	Member
3.	Judy Gathoni	Registration Officer	Member
4.	Beatrice Nderi	Senior County Monitor	Member
5.	Alice Gichaga	Senior Office Administrator	Member
6.	Mary Kavindu	Human Resource Management Officer	Member
7.	Anastacia Kaberere	Senior Compliance Officer – Capacity Building	Secretary

**Political Parties Fund
Annual Report and Financial Statements
For the year ended June 30, 2022.**

The Terms of Reference were: -

- i. Develop institutional procedures for capacity building, partnership and stakeholder engagement;
- ii. Identify and recommend thematic focus areas in line with Office needs on capacity building, partnership and stakeholder engagement and recommend for implementation;
- iii. Develop institutional guidelines and monitoring & reporting framework on capacity building, partnership and stakeholder engagement;
- iv. Develop and review materials for capacity building;
- v. Mobilize resources for the advancement of Office mandate
- vi. Recommend research areas and repository of information pertaining capacity building, partnership and stakeholder engagement programmes;
- vii. Periodically report on its capacity building capacity building, partnership and stakeholder engagement initiatives;
- viii. Advice Management on capacity building capacity building, partnership and stakeholder engagement.

10. ORPP Staff Mortgage and Car Loan Scheme Advisory Committee

The Committee is responsible for overseeing the implementation and administration of the ORPP Staff Mortgage and Car Loan Scheme pursuant to paragraph 7 of Political Parties (Staff Mortgage and Car Loan Scheme) Regulations, 2017. Members of the committee are:-

S/No	Name	Designation	Appointment
1.	Joshua Kimulu	Chief Finance Officer	Chairperson
2.	Anastacia Kaberere	Senior Compliance Officer – Capacity Building	Member
3.	John Macharia	Assistant Accountant General	Member
4.	Geraldine Mukele	Senior County Monitor	Member
5.	Lenard Rotich	ICT Officer	Member
6.	Jane Kamau	Senior Administration Officer	Member
7.	Jacqueline Kosgei	Principal HR Officer	Secretary
Alternate Members			
1.	Douglas Wanzala	Senior Accountant	Alternate to Assistant Accountant General

**Political Parties Fund
Annual Report and Financial Statements
For the year ended June 30, 2022.**

2.	Loserian Tukei	Compliance Officer	Alternate to Senior County Coordinator
3.	Mary Kavindu	Human Resource Management Officer	Alternate to Principal Human Resource Management Officer
	Secretariat		
1.	Alice Gichaga	Senior Office Administrator	Secretariat
2.	Elizabeth Wakesho	Office Administrator	Secretariat

The functions of the committee are to:-

- i. Select competitively the Service Provider for the administration of the Scheme on behalf of the Office
- ii. Liaise with the Service Provider to set up a revolving fund for the disbursement of loans
- iii. Supervise the day-to-day running of the Scheme
- iv. Forward the successful applications with recommendations to the Service Provider for approval
- v. Process applications for loans in accordance with the existing terms and conditions of borrowing
- vi. Identify and credit valuation firms for the purpose of rendering valuation and services
- vii. Identify and credit law firms for the purpose of rendering legal services

11. Name Search and Registration Committee

The Committee advises the Office on the registration of political parties, mergers, coalitions in pursuance to section 6, 7 and 10 of the Political Parties Act, 2011 as read together with regulations 3,4 and 21 of the Political Parties (Registration) Regulations, 2019. Members of the committee were:-

S/No.	Name	Designation	Appointment
1.	Locha Erukudi	Manager Registration	Chairperson
2.	Judy Gathoni	Registration Officer	Member
3.	Wafula Wakoko	Legal Officer	Member
4.	Joyce Onyango	Compliance Officer	Member
5.	Miriam Wambui	Registration Officer	Member

**Political Parties Fund
Annual Report and Financial Statements
For the year ended June 30, 2022.**

6.	Kazungu Saquib	Records Management Officer	Member
7.	Josephat Nyongesa	ICT Officer	Secretary

The Terms of Reference were to;

- a) Advise on the registration of political parties, coalitions, coalitions political parties and mergers, together with all their particulars including names, symbols, slogans, colours, officials, members and offices;
- b) Develop and implement manuals, guidelines, checklists and statutory forms for verification and scrutiny of provisional and full registration application documents in line with the Political Parties Act, 2011
- c) Implement strategies and policies for registration of political parties.
- d) Develop procedures for verification and scrutiny of changes to constitutive documents and particulars of political parties.
- e) Prepare all statutory documents on registration for publishing in the Kenya Gazette and in the newspapers as provided for in law.
- f) Prepare correspondences on the registration of political parties;
- g) Develop guidelines for verification and scrutiny of mergers, coalitions and coalition political parties' documents;
- h) Develop and implement manuals, guidelines and statutory forms for receipt, review and scrutiny of documents for political parties' coalitions, coalitions political parties and mergers in line with the Political Parties Act (Act);
- i) Develop guidelines and implementing strategies and policies for winding up of deregistered political parties.

12. Assets Disposal Committee

In line with Section 163 Public Procurement and Asset Disposal Act, 2015, the Registrar constituted an Assets Disposal Committee. The members of the committee were:-

**Political Parties Fund
Annual Report and Financial Statements
For the year ended June 30, 2022.**

S/No	Name	Designation	Appointment
1.	Jane Kamau	Senior Administration Officer	Chairperson
2.	Lenard Rotich	Senior ICT Assistant	Member
3.	Gladys Morara	Senior Accountant	Member
4.	Judy Gathoni	Registration Officer	Member
5.	Douglas Wanzala	Senior Accountant	Member
6.	Kelvin Yatich	Finance Officer	Member
7.	Esther Kiarie	Supply Chain Management Officer	Secretary

The functions of Assets Disposal Committee are to:

- a) verify and process 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.

(e) Office Headquarters

P.O. Box 1131 – 00606,
Lion Place 1st Floor,
Karuna Close, Off Waiyaki Way,
Westlands, Nairobi, Kenya
Telephone: (254) (020) 4022000
E-mail: info@orpp.or.ke
Website: www.orpp.or.ke.

Office of the Registrar of Political Parties – Regional Offices

i. Kisumu

Re-insurance Plaza, 3rd floor Wing B

**Political Parties Fund
Annual Report and Financial Statements
For the year ended June 30, 2022.**

Oginga Odinga Road
Kisumu

ii. Mombasa

Palli House, 5th Floor
Nyerere Avenue
Mombasa

iii. Uasin Gishu

Kerio Valley Development Authority (KVDA) Plaza 7th floor
Oloo Street
Eldoret

iv. Isiolo

County Estate, Isiolo Township
Plot No. LR7918/164

Isiolo

v. Kitui

Mamelondi House
JICA/KEFRI road
Next to Main Prisons
Kitui

vi. Nakuru

Assumption Centre, 4th Floor
Moi road
Nakuru

vii. Nyeri

**Political Parties Fund
Annual Report and Financial Statements
For the year ended June 30, 2022.**

Advocates Plaza,
Baden Powell Road
Nyeri

viii. Bungoma office

Daima Plaza:
Bungoma – Mumias Road,
Bungoma

ix. Malindi Office

Malindi Complex Mall:
Malindi – Garsen Road
Malindi Town

x. Nyahururu Office

GF Plaza
Kenyatta Avenue
Nyahururu

xi. Garissa Office

Office of the Auditor General,
Second Floor
Garissa

(f) Entity Bankers

- i. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya

Accounts Maintained

**Political Parties Fund
Annual Report and Financial Statements
For the year ended June 30, 2022.**

Rec: Registrar of Political Parties 1000181206
CBK 165: 1000182806

- ii. Cooperative Bank of Kenya
Westlands Branch
P.O Box
Nairobi, Kenya

Account Maintained

Office of the Registrar of Political Parties 01141588919600

(g) Independent Auditors

Auditor General
Kenya National Audit Office
Anniversary Towers, University Way
P.O. Box 30084

GOP 00100


Nairobi, Kenya

(h) Principal Legal Adviser


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

**Political Parties Fund
Annual Report and Financial Statements
For the year ended June 30, 2022.**

1. MANAGEMENT TEAM

 <p>Ann N. Nderitu, CBS Registrar of Political Parties</p>	<p>Ann Nderitu is currently the Registrar of Political Parties. Her office is responsible for, registration, regulation, monitoring and supervision of political parties to ensure compliance with the Political Parties Act, 2011; In addition, the office is in charge of Administration of the Political Parties Fund among other things. As the Registrar, she is also the CEO of the Institution and gives strategic direction to the political system in Kenya by formulating policies and implementation of the Law.</p> <p>Before her appointment as Registrar of Political Parties, Ann was the immediate Head of Electoral Training at the Independent Electoral and Boundaries Commission (IEBC), where she designed and implemented all the Electoral Training Programmes for all electoral officials and key stakeholders. She also worked as the Manager in charge of Partnerships and also as Ag Director Voter Education and Partnership where she coordinated all stakeholders working with the Commission, worked with Donors on</p>
	<p>Resource Mobilization for the Commission, designed and implemented National Voter Education Curriculum and programmes among other things. Before joining the Commission, Ann worked as an Education Administrator in the Ministry of Education in various positions, the last post being District Education Officer.</p> <p>Ann Nderitu holds a Master's Degree in Linguistics, Bachelor of Education (Eng./Lit), Diploma on Public Administration (Israel) Diploma in Project Management, Human Resource Management and Early Childhood Education respectively, among other qualifications.</p> <p>She is a Certified BRIDGE Accrediting Facilitator; which puts her among the few Election Management and Training Experts in</p>



**Political Parties Fund
Annual Report and Financial Statements
For the year ended June 30, 2022.**

	<p>African Region. She has customized the BRIDGE curriculum for TtF, Voter Education Module, Gender and Election Module, Post-Election Module for Kenya, Media and Elections and Election Contestants Module for Kenyan context and has used the same to train locally. Further as Head of Electoral Training, she spearheaded the writing and publishing of sixteen (16) Election Training Manuals on the Kenyan electoral process which she used to design and implement the National training programme of over 470,000 election officials and political party's agents.</p> <p>Ann has attended various Professional courses among them Strategic Leadership, The Role of Political Parties in the Electoral Process and Mainstreaming Disability in the Electoral Process, Election Conflict Resolution, Election Legal Reform, Election Management among others.</p> <p>Ann is very passionate about inclusive governance and she deliberately advocates for inclusion of women, youth, persons with Disability and other Marginalized Groups.</p> <p>In a nutshell Ann Nderitu is an experienced public administrator and an expert Election Management Practitioner.</p>
 <p>Ali Abdullahi Surraw Assistant Registrar</p>	<p>Mr. Ali Surraw is presently the Assistant Registrar in charge of Regulation, Compliance and Capacity Building of Political Parties Directorate. He is responsible for giving policy direction as well as providing strategic leadership and supervising the technical functions of the directorate for effective implementation of the office mandate.</p> <p>Mr. Ali is a public policy and governance expert. He has offered consultancy services to both county and national government agencies in the areas of policy development, public participation, public finance, strategy development and ethical leadership. He</p>




**Political Parties Fund
Annual Report and Financial Statements
For the year ended June 30, 2022.**

	<p>holds a Masters degree in Public Administration with a specialization in public policy analysis. He has also undertaken courses in public finance, strategic management and organizational development. Mr. Ali is a member of good standing with the Institute of Human Resource Management of Kenya (IHRM), The Kenya Institute of Management (KIM) and Institute of County Managers' Association-America (ICMA).</p> <p>He previously worked as a manager with National Social Security Fund and later with Independent Electoral and Boundaries Commission as an Elections Coordinator. Thereafter he worked as a County Executive Committee Member for Finance and Economic Planning in Isiolo County Government. Mr. Ali also served as the Executive Director for Devolution Research and Policy Centre, an organization that is involved in improving public policy making for realization of national development goals by Developing capacities in public policy research as well as providing advisory and technical services on public policy issues.</p>
 <p>CPA Florence Birya Assistant Registrar of Political Parties</p>	<p>CPA Florence Birya is presently the Assistant Registrar charged with the Registration, Field Services and Coordination of Elections Directorate.</p> <p>She is a qualified Accountant and a Management professional with vast experience in various functional and policy areas in the public sector. She holds a Master in Business Administration Finance Major and Bachelor's Degree Finance Major from the University of Nairobi. She is a Certified Public Accountant of Kenya - CPA (K), a member of the Institute of Certified Public Accountants Kenya (ICPAK) and is currently the ICPAK Coast Branch Chairperson and a member of the Devolution Committee of the ICPAK Council.</p> <p>She has held various senior management positions in the Kenya Public Sector including Finance & Administration Director, County Director of Treasury, Finance Manager, Grants Manager and</p>



**Political Parties Fund
Annual Report and Financial Statements
For the year ended June 30, 2022.**

	<p>Senior Accountant among others. She is an abridged trained trainer and passionately participates a lot in civic education, women empowerment, youth mentorship and church ministry. She has attained numerous outstanding achievements both in employment, professional appointments and community probona services.</p>
 <p>Joshua M. Kimulu 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 Economics 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 (CPA K), Strategic Leadership and Senior Management from Kenya School of Government. He also holds a Professional Certificate in International Trade from the University of Adelaide, Australia.</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 Senior Management Course (SMC) from Kenya School of Government. John is a member of ICPAK and in good standing.</p>

**Political Parties Fund
Annual Report and Financial Statements
For the year ended June 30, 2022.**

 <p>Veronicah N. Muasya Assistant Director Internal Audit</p>	<p>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.</p>
 <p>Robert G. Waithaka Senior ICT Officer</p>	<p>Robert Waithaka is responsible for strategic direction on ICT services including security, networks, policy, training and the website. He holds a Masters degree in IT, in Systems Security and Audit from Strathmore University and a Bachelor's degree in IT from Jomo Kenyatta University of Agriculture and Technology (JKUAT). He has the following certifications: Enterasys Certified Specialist (ECS), Enterasys Certified Network Associate (ECNA), Cisco Certified Network Associate (CCNA) and Microsoft Certified Technology Specialists (MCTS).</p>
 <p>Joseph K. Kanja Senior Economist</p>	<p>Joseph Kanja is responsible for the formulation of policies on monitoring and evaluation of the overall performance of the institution and political parties. He holds a Bachelor of Science degree in Mathematics and Economics from Moi University. He has a certificate in Project Management from GIZ (Kenya), Certificate in Monitoring and Evaluation from GIZ (Kenya) and a certificate in Senior Management Course (SMC) from Kenya School of Government. He is a member of Evaluation Society of Kenya (ESK)</p>

**Political Parties Fund
Annual Report and Financial Statements
For the year ended June 30, 2022.**

 <p>Anastacia N.Kaberere Senior Training and Development Officer</p>	<p>Anastacia Kaberere is responsible for planning, coordinating and implementing training and development strategies in line with Training Policy. She holds a Masters degree in Business Administration, Project Management, from Kenyatta University, a Bachelors Degree in Business Administration, Human Resource Management from Kenya Methodist University and a Diploma in Business Management from Kenya Institute of Management (KIM). She has a certificate in Senior Management Course (SMC) from Kenya School of Government, a certificate in Training of Trainers (ToT) from Commonwealth Secretariat and a certificate in Supervisory Skills Management from Kenya School of Government.</p>
 <p>Jacqueline Kosgei Principal Human Resource Management Officer</p>	<p>Jacqueline Kosgei is a seasoned Human Resource professional with over 15 years' experience in management of Human capital in various government Ministries and Agencies Jacqueline has extensive knowledge and skills in end to end recruitment, employee performance management, job evaluation and reward management, training and development, organizational development and formulation of HR policies, procedures and strategies While at the State Department for Public Service, Jacqueline provided extensive technical support to many government institutions in the development and review of their Human Resource Policies, Procedures and strategies Her other skills, include development and implementation of Quality Management System based on ISO .</p> <p>Jacqueline holds a Bachelor' of Arts degree in, Government and Public Administration, Higher National Diploma in HRM, Master of Business Administration (Strategic Management) and has attended various leadership and management courses at the Kenya School of Government. She is a full and active member of the Institute of Human Resource Management (IHMRM)</p>

**Political Parties Fund
Annual Report and Financial Statements
For the year ended June 30, 2022.**



Mutethia Mberia
Senior Communication Officer

Mberia is currently the team leader of the Corporate Communication Unit. The unit is charged with responsibility of providing a framework for developing and sustaining effective communication thrust through policy, definitive strategies, multi-content creation and dissemination as well as corporate communication advisory for a favourable standpoint between ORPP and its mapped out stakeholders.

He is a holder of a Master degree of Arts degree in Communication Studies (Public Relations concentration) from The University of Nairobi (UoN), a single subject professional certification in Public Relations, Customer Service, Advertising, International Business Communication and Marketing from Institute of Commercial Management-UK and Bachelor of Education Arts degree in English and Literature from Kenyatta University. He is a certified internal auditor in Quality Management System (QMS) and Information Security Management System (ISMS). Additionally, he is trained in corporate risk, quality assurance, performance contracting, access to information and

resolution of public complaints among others. He has organized and participated in various national and international fora and served in various taskforces. He has also other interests such as commentary in mainstream media on progressive topical issues, advocacy for use of Swahili language in corporate settings, theatre, corporate events moderation and poetry. Mberia is a member with good standing of the Public Relations Society of Kenya (PRSK), at which he has contributed to the PRSK's varied sub-committees programmes.

2. FOREWARD BY THE ATTORNEY GENERAL

Kenya is a multi-party democratic state in line with Article 4 of the Constitution. The Constitution guarantees political rights for the people of Kenya who are free to exercise their political and democratic rights through a free, fair and credible electoral process. In line with the national values and principles of governance, 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 of their choice as stipulated under Article 38 of the Constitution.

The Constitution under Articles 91 and 92 envisages well-governed and managed political parties as important governance institutions in the promotion of democracy. The Political Parties Act, 2011 (PPA) was enacted to operationalize these two Articles. The Act establishes the Office of the Registrar of Political Parties (ORPP) as an independent State Office within the meaning of Article 260 of the Constitution.

The Act also established the Political Parties Fund which is administered by the Registrar of Political Parties. The objective of the Fund is to promote democracy including representation in Parliament and in the county assemblies of women, person with disabilities, youth, ethnic and other minorities and marginalized communities; promoting active participation by individual citizens in political life; covering election expenses of the political party and broadcasting their policies; civic education in democracy and other electoral processes and bringing political parties influence to bear on the shaping of public opinion.


During the financial year FY 2021/22, the Office had an allocation of one billion four hundred seventy-five million two hundred sixty thousand shillings (Kshs. 1,475,260,000) for the Political Parties Fund (PPF). The National Assembly through letter ref NA.2/4/2021/ (291) dated 16th August 2021 advised the Office that five hundred million shillings (Kshs. 500,000,000) was for payment of court award arrears. The award arose from the judgement of the High Court in the Judicial Review No 483 of 2016 Orange Democratic Party Versus the National Treasury and others.

**Political Parties Fund
Annual Report and Financial Statements
For the year ended June 30, 2022.**

This therefore, indicates that the money that was available for distribution to the two qualifying political parties as per the criteria provided under section 25 of the Political Parties Act, 2011 was nine hundred seventy-five million two hundred sixty thousand shillings (Kshs. 975,260,000).

During the supplementary estimates No. 2 of FY2021/22, the political parties fund budget was increased by one billion shillings (Kshs. 1,000,000,000) bringing the total fund allocation to two billion four hundred seventy-five million two hundred sixty thousand shillings (Kshs. 2,475,260,000). The National assembly through letter ref NA.2/4/2022/ (164) dated 29th June 2022 advised the Office that four hundred million shillings (Kshs. 400,000,000) out of the additional Kshs. 1,000,000,000 was for payment of court award arrears. This left six hundred million shillings (Kshs. 600,000,000) for distribution to the two qualifying political parties as per the criteria provided under section 25 of the Political Parties Act, 2011.

There has been a remarkable increase in the governments' allocation to the Political Parties Fund over the period, however, the allocation has been less than the percentage that is required under the Political Parties Act, 2011 and therefore there is need for the Government to allocate adequate funds in compliance with the Act.



Justice (RTD) Paul Kihara Kariuki, EGH
Attorney General

Date: 30th September

2022

**Political Parties Fund
Annual Report and Financial Statements
For the year ended June 30, 2022.**

3. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES

The Strategic objective of the Fund is to promote democracy, including representation in Parliament and in the county assemblies of women, person with disabilities, youth, ethnic and other minorities and marginalized communities; promoting active participation by individual citizens in political life; covering election expenses of the political party and broadcasting their policies; civic education in democracy and other electoral processes and bringing political parties influence to bear on the shaping of public opinion.

Introduction

Section 81 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer when preparing financial statements of each National Government entity in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the national government entity's performance against predetermined objectives.

Progress on the attainment of Strategic Objectives through Performance Contracting

For purposes of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified for reasons of tracking progress and performance measurement. Below we provide the progress on attaining the stated objectives:

**Political Parties Fund
Annual Report and Financial Statements
For the year ended June 30, 2022.**

Program	Strategic Objective	Outcome	Indicator	Performance	Comments
To Register, Regulate and Administer Political Parties Fund	To promote competitive and issue based political parties	Competitive and Issue Based Political Parties	Number of Political Parties Compliant with the Political Parties Act	In FY 21/22 all registered political parties complied with the Parties Act, 2011	There were 90 Registered political parties
			Percentage of applications for provisional registration processed	100	The office processed all (7) the applications for provisional registration as stipulated in the Political Parties Act
			Percentage of applications for full registration processed	100	The office processed all (18) the applications for full registration as stipulated in the Political Parties Act of which 15 were successful
			Percentage of political parties that		The office monitors compliance with funding
			complied with funding regulations	100	regulations for all political parties (those who receive funds from exchequer and those who do not)
			No. of Political Parties officials sensitized on Public Finance Management Act, 2012	204	The office sensitises Finance/Accounts officers on prudent financial management.
			No. of Consultative dialogue forums Held at the National Level	8	The Consultative dialogue forums are composed of all registered political parties, Registrar of Political Parties and IEBC

**Political Parties Fund
Annual Report and Financial Statements
For the year ended June 30, 2022.**

4. CORPORATE GOVERNANCE STATEMENT

The Office of the Registrar of Political Parties (ORPP) draws its corporate status from Article 260 of the Constitution of Kenya (the Constitution) and section 33 of the Political Parties Act (PPA), 2011 which establishes the ORPP. It is headed by the Registrar of Political Parties (RPP) who is the Accounting Officer and deputized by Assistant Registrars of Political Parties (ARPPs) and are complemented by competent staff for the proper functioning and effective discharge of its mandate.

In its operations, ORPP adheres to the Constitution, the Political Parties Act, 2011 with attendant subsidiary legislations, and other relevant laws as an embodiment of values and principles of public service. Further, as reflected in its organogram, ORPP has a workable structure that allows seamless reporting flow, inclusivity of all cadres of staff and clearly delineated tasks and responsibilities for each of its functional areas.

The ORPP Plenary comprises the RPP and the ARPPs with the Registrar as the Chairperson. The broad function of the Plenary is to oversee the execution of the mandate of the Office, approve and provide policy and strategy directions of the Office in line with the statutory mandate; and approve, ratify resolutions/recommendations, and adopt reports/decisions made by the directorates and or management on policy issues as the case may require. Plenary holds two meetings per quarter unless intervening circumstances call for a special meeting as convened by the Registrar.

There is a Management Committee comprising the Registrar, Assistant Registrars and Heads of Department. It holds regular meetings at least once per month where resolutions are made. In the year under review, the Office held twelve (12) meetings as indicated below;

S/No.	Date of Meeting	Membership	Percentage
1.	4 th August 2021	16/17	94%
2.	18 th August 2021	14/17	82%
3.	23 rd August 2021	12/17	71%
4.	13 th September 2021	15/17	88%
5.	20 th September 2021	12/17	71%
6.	27 th September 2021	13/17	76%
7.	4 th October 2021	14/17	82%
8.	29 th November 2021	15/17	88%
9.	18 th January 2022	17/18	94%
10.	13 th April 2022	14/18	82%
11.	18 th May 2022	13/18	72%
12.	30 th June 2022	17/18	94%

**Political Parties Fund
Annual Report and Financial Statements
For the year ended June 30, 2022.**

A conflict of interest register was maintained to which any member with conflicting affiliation in a matter(s) under discussion was obliged to declare. The Management also deliberated on policy issues to chart strategic direction of the Office. To enhance its Management capacity, the Office build capacity through short trainings on Management courses, risk management among other respective members' trainings as provided in the ORPP training plan.

The roles of the Management Committee were;-

- a. Provide strategic direction of the Office
- b. Provide policy direction, guidelines, reviews and approval of office internal policies
- c. Receive, deliberate and approve recommendations from various committees
- d. Approve the implementation of the budgets and operational plans;
- e. Manage and review operational and financial performance of the organization
- f. Monitor the organization's performance and ensure sustainability
- g. Enhance the corporate image of the organization
- h. Ensure effective engagement with all the organization's stakeholders
- i. Ensure adherence to government guidelines, policies and regulations

Considering that ORPP is a regulator of political parties, the Office is bestowed to with the duty to create a level playing field in the political arena. This necessitates continuous review of ORPP's governance structure, internal systems and operations to align to the emerging trends and stakeholder requirements. In such reviews, internal stakeholders are involved prior, during and after execution of the Office's duties.

The Office in the period under review, held engagement and constructive feedback fora that played a pivotal role for informed governance decisions. Measures such as targeted awareness creation and access to information were too institutionalized and played a critical role towards capacitating the stakeholders particularly members of the public in engaging with ORPP. Further, the Office continued to forge and sustain local and international strategic networks to share experiences and best practices for full realization of its mandate.

**Political Parties Fund
Annual Report and Financial Statements
For the year ended June 30, 2022.**

This was done by way of making presentations; giving of keynote addresses; being part of key discussants and panelists; delegates' participation; coordination and participation to various workshops and seminars. During the year under review, the Political Parties (Amendment) Act, 2022 and the Political Parties (Membership) Regulations, 2021 were enacted with the objective of improving management and governance of political parties and attendant processes.

The Office is subject to governance accountability requirements in line with the Constitution. Audit and governance checks are undertaken by designated offices such as the Office of the Auditor General and relevant Committees of the National Assembly. The Office periodically reports for scrutiny in accordance with reporting requirements and within stipulated timelines. It is also required on a need basis to make submissions to Parliament on various issues in relation to its mandate.

To respond to demands of governance in modern day, ORPP continued to explore ways of increasing its financial and human resource, shift of strategy and enhanced research for informed decision making. The Office continued to undertake such strategic reviews that led to repositioning of the Office as the model regulator in electoral management space nationally and regionally.

5. MANAGEMENT DISCUSSION AND ANALYSIS

The Political Parties Fund (PPF) is established under section 23 of the Political Parties Act (PPA) and administered by the Registrar of Political Parties. The main sources of the fund are:

- a. such funds not being less than zero point three percent of the revenue collected by the national government as may be provided by Parliament; and
- b. Contributions and donations from any other lawful sources.

The Act stipulates the criteria for the distribution of the fund as follows:

- a. eighty per cent of the Fund proportionately by reference to the total number of votes secured by each political party in the preceding general election;
- b. fifteen per cent of the Fund proportionately to political parties qualifying under paragraph (a) based on the number of candidates of the party from special interest groups elected in the preceding general election;
- c. five per cent for the administration expenses of the Fund.

**Political Parties Fund
Annual Report and Financial Statements
For the year ended June 30, 2022.**

The purpose for which the PPF is utilized is to:

- a. Promote the representation in Parliament and in county assemblies of women, persons with disabilities, youth, ethnic and other minorities and marginalized communities;
- b. Carry out civic education in democracy and other electoral processes by political parties;
- c. Cover election expenses of the political parties;
- d. Bring the political parties' influence to bear on the shaping of public opinion; and
- e. Cover Administrative and staff expenses of the political parties' (should not exceed 30% of the monies allocated).

The Act further stipulates that the money allocated to the PPF should not to be utilized for:

- a) paying directly or indirectly remuneration, fees, rewards, allowances or any other benefit to a member or supporter of the political party, other than a member of staff;
 - b) to finance or as a contribution to any matter, cause, event or occasion directly or indirectly in contravention of any code of ethics binding on public officers;
 - c) directly or indirectly for the purposes of establishing any business or acquiring or maintaining any right or financial interest whatsoever in any business or in any immovable property; and
-
- d) for any other purpose incompatible with the promotion of a multiparty democracy and the electoral processes, or with the Constitution.

The allocation of funds, criteria of distribution of the Fund, and the purpose of the Fund was reviewed through the Political Parties (Amendment) Act, 2022. The elements in the amended Act were not applicable in the period under review.

1.1. Summary of budget performance for the year ended 30th June 2022

In the printed Estimates of FY2021/22, the Office had an allocation of one billion four hundred seventy-five million two hundred sixty thousand shillings (Kshs. 1,475,260,000) for the Political Parties Fund (PPF). The National Assembly through letter ref NA.2/4/2021/ (291) dated 16th August 2021 advised the Office that five hundred million shillings (Kshs. 500,000,000) was for payment of court award arrears.

**Political Parties Fund
Annual Report and Financial Statements
For the year ended June 30, 2022.**

The award arose from the judgement of the High Court in the Judicial Review No 483 of 2016 Orange Democratic Party Versus the National Treasury and others.

This therefore, indicates that the money that was available for distribution to the two qualifying political parties as per the criteria provided under section 25 of the Political Parties Act, 2011 was nine hundred seventy-five million two hundred sixty thousand shillings (Kshs. 975,260,000).

During the supplementary estimates No. 2 of FY2021/22, the political parties fund budget was increased by one billion shillings (Kshs. 1,000,000,000) bringing the total fund allocation to two billion four hundred seventy-five million two hundred sixty thousand shillings (Kshs. 2,475,260,000). The National assembly through letter ref NA.2/4/2022/ (164) dated 29th June 2022 advised the Office that four hundred million shillings (Kshs. 400,000,000) out of the additional Kshs. 1,000,000,000 was for payment of court award arrears. This left six hundred million shillings (Kshs. 600,000,000) for distribution to the two qualifying political parties as per the criteria provided under section 25 of the Political Parties Act, 2011.

Table 1: Overall Budget

Printed Estimates Kshs.(m)	Supplementary budget Kshs. (m)	Approved Budget Kshs.(m)
1,475.26	1,000	2475.26

1.2. Distribution of the Fund

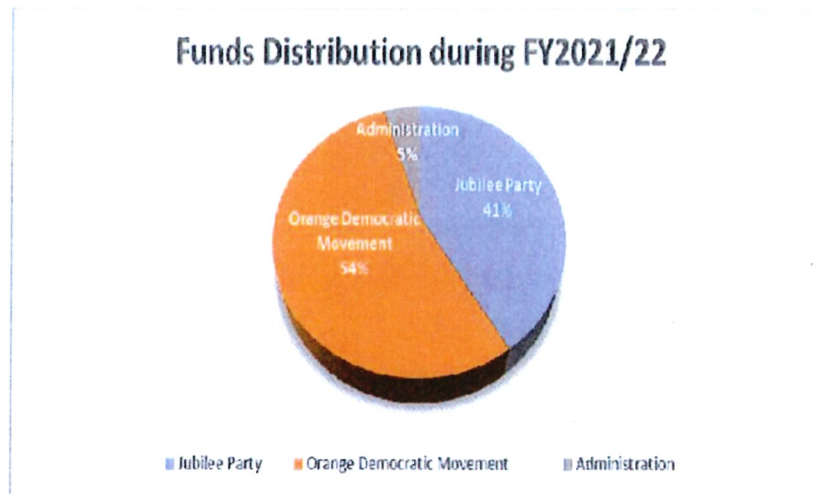
As illustrated below, the Fund was distributed as indicated in the table 2 below during FY2021/22:-

Table 2: Distribution of Political Parties Fund during FY2021/2022

S/No.	Description	Distribution (Kshs.)
1.	Jubilee Party (JP)	1,020,104,807
2.	Orange Democratic Movement (ODM)	1,331,392,193
3.	Administration (5% of PPF)	123,763,000
Total		2,475,260,000

**Political Parties Fund
Annual Report and Financial Statements
For the year ended June 30, 2022.**

Figure 1: % Distribution of the Political Parties Fund



1.3. Comparison of financial performance of the Political Parties Fund

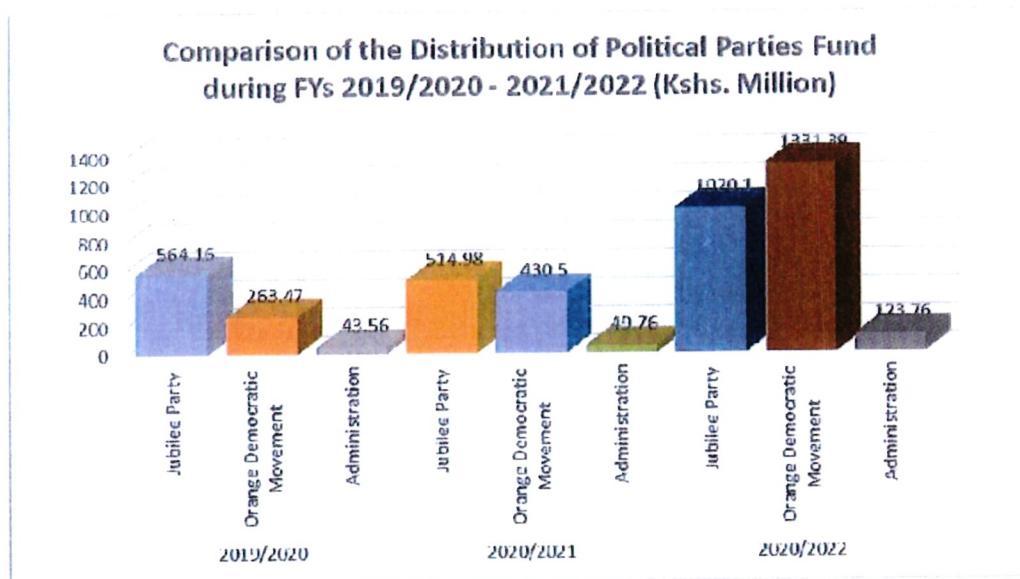
The Office has received funding through the Government to finance the qualifying Political Parties as provided under section 24 of the PPA, 2011. However, the funds provided were below the required amount stipulated under the PPA, 2011.

S/No.	Financial Year	Party	Amount
1.	2019/2020	Jubilee Party	564.16
		Orange Democratic Movement	263.47
		Administration	43.56
2.	2020/2021	Jubilee Party	514.98
		Orange Democratic Movement	430.50
		Administration	49.76
3.	2021/2022	Jubilee Party	1,020.10
		Orange Democratic Movement	1,331.39
		Administration	123.76

Figure 2 below shows the distribution of funds to the two political parties that qualified for funding as set out in the criteria while figure 3 depicts the amounts requested Vs the amount allocated for the last three (3) years.

**Political Parties Fund
Annual Report and Financial Statements
For the year ended June 30, 2022.**

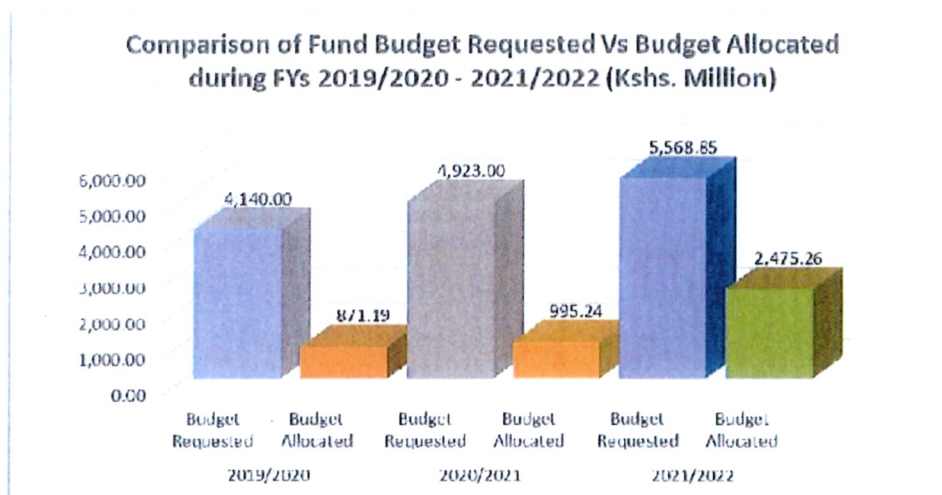
**Table 3 Comparison of the Distribution of Political Parties Fund during FYs 2019/2020 - 2021/2022
(Kshs. Million)**



**Table 4 Comparison of Fund Budget Requested Vs Budget Allocated during FYs 2019/2020
- 2021/2022 (Kshs. Million)**

S/No	Financial Year	Party	Amount
1.	2019/2020	Budget Requested	4,140.00
		Budget Allocated	871.19
2.	2020/2021	Budget Requested	4,923.00
		Budget Allocated	995.24
3.	2021/2022	Budget Requested	5,568.85
		Budget Allocated	2,475.26

**Political Parties Fund
Annual Report and Financial Statements
For the year ended June 30, 2022.**



6. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

The Office of the Registrar of Political Parties (ORPP) in its structures has put in place sustainable institutional measures. These sustainable efforts are embedded in the governance, operational and administrative processes. They include but not limited to; ICT developed and secured systems and solutions. Some of ICT gains in place are; Integrated Political Parties Management System (IPPMS); functional website and authenticated official social media platforms; various mobile applications and web-based/online portals; human resources management systems, adoption and full utilization of relevant modules in the of Integrated Personnel and Payroll Database; (IPPD); Integrated Financial Management Information System (IFMIS)), enlisting of e-services on eCitizen platforms among other efforts in line with e-government directives.

Further, the Office human capital succession management plan, recovery and continuity plans on its Information & Communication Technology (ICT) infrastructure are in place and anchored on corresponding policy documents. These measures are reviewed from time to time to be in tune with emerging trends, best practices, public sector guidelines and align to the ORPP strategic direction.

Some of the hurdles to sustainable efforts of ORPP pertain to; dynamic technological advancements; threat of cyber-crime and inadequate staff in some functional areas and specializations.

**Political Parties Fund
Annual Report and Financial Statements
For the year ended June 30, 2022.**

Every effort has been put to conserve the environment on which ORPP operates or impacts on. In the period under review, the Office continued to donate to recycling and paper producing companies its waste papers as a waste disposal mechanism. A policy direction to minimize hard copies documents, adopting soft copy use in creation, dissemination and dissemination of documents to minimize paper usage, printers and related accessories thus efficiently handling the business at hand with reduced cost was adhered to.

Staff members are encouraged to conserve water and electricity while at their work stations. The Office has shared utilities such as kitchenettes, washrooms, waste disposal areas to conserve the water and energy. In its procurement of various goods, particularly interest is put to ensure eco-friendly products and assets are procured. The disposal of electronic waste in the period under review was undertaken in line with such waste disposal guidelines.

In the Human Resources management spectrum- planning, recruitment, selection, placement and promotion at ORPP is practiced in line with principles of public service, public service HR policy guidelines and ORPP *Human Resources Policy and Procedure Manual, 2017* already in place and due for review in FY 2022/23. In the year under review, the Office competitively recruited the Director Compliance and made public vacancy announcements through newspaper advertisements contained in MyGov for seven (7) positions in February, 2022. A functional online staff Appraisal System was also implemented in the period, on which individual staff targets were developed and appraisals anchored on at the end of the financial year.

The Office undertook annual staff development through short trainings, workshops, seminars, symposia, to which staff are given equitable opportunities across cadres. To ensure this, a Training and Development Committee, at the beginning of the every year, considers staff projections and recommends for approval in line with individual staff training / development profiles and available financial resources. The Office has a training section that coordinates staff development. It is the docket that identifies and spearheads staff group trainings on diverse emerging training need on areas such as mental health, financial balance, work-life balance, retirement planning among others.

Stakeholder engagement remained cardinal practice within ORPP in its processes. The engagement is not only for external stakeholders but also regularly endeavored with internal publics in varied policy and administrative measures that spur the running of the Office. In the year under review, enactment of amendments to the Political Parties Act (PPA), 2011 was finalized and the development of Political Parties

**Political Parties Fund
Annual Report and Financial Statements
For the year ended June 30, 2022.**

(Membership) Regulations, 2020 completed. These key legal instruments, now operational, were borne of years of stakeholder engagements and consultations.

The Office in the run-up to the 9th August, 2022 election convened and conducted one-on-one clinics to political parties representatives on management of membership registers, party lists, conduct of party nominations and registration of coalitions and coalition political party providing appropriate guidelines and checklists. These were in line with ORPP functions specified under section 34 of the PPA.

There were also countrywide sensitization fora in over 15 regions, where the Office convened, coordinated and conducted by of ORPP sessions on raft of topical areas. Among the recipient groups included capacity building programmes fora for aspirants; party candidates; political parties organs and practitioners (ICT and communication officers); national and grassroots-based journalist; Special Interest Groups; bodaboda /tuktuk operators and faith-based; community-based organizations.

Procurement of goods, works and services for the reporting period was undertaken in line with Public Procurement, Disposal Act (PPDA), 2016 and consequent Regulations. Cycles in procurement from user requisitions and specifications, sourcing for quotations/ expression of interest, tender opening, evaluation, inspection and acceptance were done in line with relevant provisions public procurement law and benchmarks. Suppliers, being one of the ORPP recognized stakeholders were professionally engaged. ~~Payments of dues to the suppliers were duly honoured within due process as evidenced by the absorption rates in the financials herein.~~

Corporate Social Responsible (CSR) as underpinned in the ORPP's *Corporate Social Policy and Strategy, 2019* continued to be the guide to the CSR undertaking. The activities planned and undertaken were hinged on well assessed needs and clear criterion for desired impact.

The policy framework continued in the year under review to be the reference point for a mainstreamed CSR approach and buy in by staff. Broad areas intended in the policy include being a means to; enhance corporate image and identity; enhance strategic stakeholder partnerships and engagement as well as act as an internal institutionalized mechanism to foster internal publics' engagement and involvement in view of instating a verifiable Corporate Social Investment (CSI).

During the year under review, ORPP undertook both direct and indirect activities as interventions towards its CSR import.

**Political Parties Fund
Annual Report and Financial Statements
For the year ended June 30, 2022.**

In view of political education focus and civic awareness duty, ORPP undertook an inclusive awareness creation campaign in over thirty (30) national television and radio stations including vernaculars media outfits. The Office further engaged media outfits through panel discussions, editors conventions, interview, feature articles in over twenty (20) media outlets. Besides, the Office continued to formulate and appropriate disseminated target audience responsive content through print and electronic mass media; regularly updated/uploaded information on social media and website; coordination and presentations in various targeted stakeholder forums.

The Office in the year under review, continued to review feedback received and coordinated through its functional customer experience to inform outreach projects and perspectives as well as its overall service delivery transformation pursuit.

In the foregoing initiatives, ORPP attests and commits to operate and serve to optimally deliver on its mandate with due regard and responsiveness to its environment with the precincts of sustainable development, applicable laws and impactful community outreach belief.

The Office of Registrar of Political Parties have a governance charter. The Charter guides the relationships and responsibilities of different governance organs of ORPP. Recognized in the Charter are; Registrar, Plenary, Management and varied standing and ad hoc committees

a. Sustainability strategy and profile

The Office of Registrar of Political Parties (ORPP) is an entity that espouses the tenets of corporate citizenship that live beyond its statutory mandate. This is attained through elaborate strategic outlook with appropriate strategic planning, policy and strategy interventions the Office has put in place. The Office has adopted an integrated CSR approach. This has proven effective and has set ORPP apart as one of the progressive corporates, mindful of its current and future roadmap for social business endeavor.

Strategic Corporate Social Responsibility (CSR) is guided by ORPP CSR strategy and policy. It is well structured with strategic guidance from top leadership pervading all staff to ensure inclusivity, desirable impact and sustainability. The strategy anchors the institutional approach to CSR under the following thematic areas; environmental conservation and protection; humanitarian interventions; education and sports and employee wellness. In the course of CSR policy and strategy implementation, the Office continuously evaluates targeted activities to enhance future engagements.

**Political Parties Fund
Annual Report and Financial Statements
For the year ended June 30, 2022.**

b. Environmental performance

- Paperless
- Disposal process

Additionally, each office is equipped with good quality bins, which facilitates ease of disposal of waste. This also saves the time that the staff would be using to walk to common bins to dispose off waste. Re use of packing envelopes is encouraged. Used envelopes are especially convenient for the circulation of internal mail. This greatly reduces the number of envelopes used, and consequently disposed off in the Office.

The Office procured reusable utensils (plates, mugs and glasses. These efforts have greatly reduced the amount of waste the Office would have accumulated from disposable utensils.

Refillable ink cartridges are procured in the Office. This means that instead of throwing away empty cartridges, the Office simply refills, thus reducing the amount of the waste.

The Office will endeavor to develop an environmental policy

c. Employee welfare

The Office continued to operate within the laid down Occupational Safety and Health standards. Good working environment and conditions that befit and cater for working needs of all cadres of staff was maintained. This was in line with working codes as stipulated in the Office policy and code of conduct already in place.

The Office is guided by the Human Resources Policy and Procedures Manual in place for the Office has laid bare relevant Human Capital Management principles. It clearly encapsulates matters in respect to: human resource planning; recruitment; selection, placement and promotion; employee orientation/induction; performance management and appraisal; training and development; succession planning among other provisions. Implementation of all the areas therein is spearheaded by inclusive Committees with required checks and balances. The crafting of the manual is well aligned to the human resource practices and best practices.

**Political Parties Fund
Annual Report and Financial Statements
For the year ended June 30, 2022.**

The ORPP Welfare Association

The Office continued to operate within the laid down Occupational Safety and Health standards. Good working environment and conditions that befit and cater for working needs of staff were maintained. This was in line with working codes as stipulated in the Office policy and code of conduct already in place. The Office is guided by the Human Resources Policy and Procedures Manual in place that articulates relevant Human Capital Management principles. The Office has a staff medical cover and a car and mortgage facility which enable staff to acquire property either movable or immovable.

The ORPP has a functional home-grown voluntary staff welfare association. The Association offers financial support to members towards bereavement, medical (In patient expenses beyond the medical cover) and retirement; fosters and encourages welfare activities among its members; solicits for assistance from the employer or any other benefactor in cash or in kind for the welfare of the members; establishes and maintains funds by means of voluntary contributions and subscriptions.

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d. Operational Practices

Market Place Practices

a. Responsible competition practice

The Office has continued to strictly adhere to the requirements of the Public Procurement and Asset Disposal Act, 2015. The Office initiates processes and awards for works, goods and services in conformity with the law. The ORPP in all its procurement, has appropriately registered list of suppliers, continually appointed relevant committees in appropriate stages of procurement, utilizes acceptable systems, avails relevant procurement information for public knowledge and scrutiny; undertakes timely reporting of procurement matters to relevant bodies.

**Political Parties Fund
Annual Report and Financial Statements
For the year ended June 30, 2022.**

The Office maintains a register of legally binding agreements/contracts/ leases that guide applicable engagement. The suppliers are continually guided on matters pertaining the processes, procedures, obligations that underpin procurement.

b. Responsible Supply Chain and Supplier Relations

The Office considers suppliers as partners and this partnership should be based not only on financial transactions, but also on mutual trust and loyalty. The suppliers feel like they are a part of the office by Informing them about our processes.

The Office also tries to ensure that the suppliers are paid on time. If for any reason the office cannot make the payment on a date agreed, we inform the supplier as soon as possible with the date on which they can expect the payment.

The Office tries to maintain strong and regular communication with suppliers. Keep them regularly informed and up to date, on the strategies and plans so that they know where they fit in and how they can help, plan for and benefit from those plans.

The Office ensures that they honor the contracts in which they enter with the suppliers that includes such as Item or Service Description, Price, Delivery Terms, Payment Terms, Communications etc., and then have both parties sign it.

c. Responsible Marketing and Advertisement

The Office has a list of prequalified suppliers who supply the goods and services as and when required who are competitively selected through an advertisement through the office website, My GOV, and the newspaper. All the suppliers are given equal chance the competitive binding where the lowest bidder is awarded the contract of supply. Further a committee known as inspection and acceptance is appointed to ensure the goods / services conforms to the specifications provided by the user.

**Political Parties Fund
Annual Report and Financial Statements
For the year ended June 30, 2022.**

- **Product-related ethics**

Product-related ethics includes product safety, product liability, and product imitation, which are subject to legal regulations

- **Price-related ethics**

Price-related ethics should be equal or proportional to benefit, which is taken by the consumers. The proportion principle says that price levels should be proportional to the size or significance of the benefit gained from a product or service.

- **Promotion-related ethics**

Promotion-related ethics includes moral problems related to advertising, sales promotion, and public relations. Such a moral problem can involve an advertisement itself or a sponsor or agency.

- a) **Product stewardship**

In Kenya, the rights and responsibilities of consumers are enshrined in the Consumer Protection Act, 2010. They are designed to ensure that consumers are provided with full information, including the price quality, of any product or service they may wish to purchase, to ensure that they are safe and meet international standards. The Kenya Information and Communications (Consumer Protection) Regulations, 2010 stipulates consumers' rights and responsibilities as follows;

Consumer Rights and Interest

The office ensures that consumers receive clear and complete information about terms and conditions for available and proposed products and services.

The Office ensures protection from unfair trade practices, including false and misleading advertising and anti-competitive.

The Office ensures all customers have access to equal opportunity to the same type and quality of service.

**Political Parties Fund
Annual Report and Financial Statements
For the year ended June 30, 2022.**

The Office has readily available technologies required to serve specific customers.

The office has also ensured that Consumer is protected against unauthorized use of their personal information.

The Office ensures that communication with consumers is appropriate without abusing language.

The Office has also ensured that it familiarizes and honors the obligation under any contract entered into with a product supplier or service provider.

7. STATEMENT OF REGISTRAR'S RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and section 32(2) of the Political Parties Act 2011, require the Registrar of political parties to prepare financial statements in respect of that office, which give a true and fair view of the state of affairs of the Office at the end of the financial year. The Registrar of Political Parties is also required to ensure that the office keeps proper accounting records, which disclose with reasonable accuracy the financial position of the office. The Directors are also responsible for safeguarding the assets of the Office.

The Registrar of Political Parties is responsible for the preparation and presentation of the office's 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 30, 2022. 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 Entity; (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 of Political Parties accept responsibility for the office's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the Political Parties Act 2011.

**Political Parties Fund
Annual Report and Financial Statements
For the year ended June 30, 2022.**

The Registrar of Political Parties is of the opinion that the office's financial statements give a true and fair view of the state of office's transactions during the financial year ended June 30, 2022, and of the office's financial position as at that date.

The Registrar of Political Parties further confirms the completeness of the accounting records maintained for the office, which have been relied upon in the preparation of the office's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The Office's financial statements were approved by the Board on 30/06 2022 and signed on its behalf by:



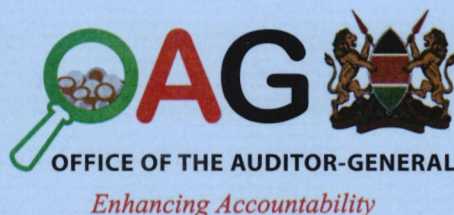
Ann N. Nderitu, CBS
Registrar of Political Parties



Douglas Wanzala
Principal Accountant
ICPAK M/ No: 10692

REPUBLIC OF KENYA

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

REPORT OF THE AUDITOR-GENERAL ON POLITICAL PARTIES FUND FOR THE YEAR ENDED 30 JUNE, 2022

PREAMBLE

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

- A. Report on the 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 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 Government achieves value for money and that such funds are applied for intended purpose.
- 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, the risk management environment and the internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

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 Political Parties Fund set out on pages 49 to 63, which comprise of the statement of financial position as at 30 June, 2022, 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 Political Parties Fund as at 30 June, 2022, 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 Public Finance Management Act, 2012 and the Political Parties Act, 2011.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Political Parties Fund Management in accordance with ISSAI 130 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.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

The audit was conducted in accordance with ISSAI 4000. The standard requires 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 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, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

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 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 Fund's ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to abolish the Fund or 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 Fund'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 overall 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 audit is planned and performed to express a conclusion about 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.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness of internal controls, risk management and overall 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 controls would not necessarily disclose all matters in the internal controls 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 controls 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 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 controls.

- 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 applicable 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 Fund's ability to continue 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 Fund to cease to continue 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 Fund 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 controls 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.


CPA Nancy Gathungu CBS
AUDITOR-GENERAL

Nairobi

27 January, 2023

Political Parties Fund
Annual Report and Financial Statements
For the year ended June 30, 2022.

9. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2022

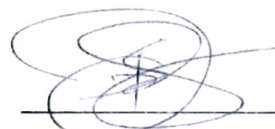
	Notes	2021-2022	2020-2021
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from Recurrent Account (ORPP)	5	2,475,260,000	995,240,000
		2,475,260,000	995,240,000
Revenue from exchange transactions			
Other income	-	-	-
Total revenue		2,475,260,000	995,240,000
Expenses			
Use of goods and services	6	24,377,447	18,051,065
Depreciation and amortization expense	7	3,380,014	2,829,224
Disbursement to Political Parties	8	2,351,497,000	945,478,000
Total expenses		2,379,254,461	966,358,289
Net Surplus for the year		96,005,539	28,881,711

The notes set out on pages 7 to 15 form an integral part of these Financial Statements.

The Financial Statements set out on pages 1 to 6 were signed by the Registrar



Ann N. Nderitu, CBS
 Registrar of Political Parties



Douglas Wanzala
 Principal Accountant
 ICPAK M/ No:10692



**Political Parties Fund
Annual Reports and Financial Statements
for the year ended June 30, 2022.**

10. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

	Notes	2021-2022	2020-2021
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash equivalents	9	214,941,614	118,340,061
Receivables from Non-Exchange Transactions	-	-	-
Total Current Assets		214,941,614	118,340,061
Non-Current Assets			
Property, Plant and Equipment	11(a)	16,748,804	19,201,746
Intangible Asset(Software)	11(b)	1,856,928	
Total Non-Current Assets		18,605,732	19,201,746
Liabilities			
Payables	10	1,120,378	1,120,378
Total Liabilities			1,120,378
Net Financial Assets		232,426,968	136,421,429
Represented by			
Fund balance b/fwd.		136,421,429	107,539,718
Surplus for the year		96,005,539	28,881,711
Net Assets Financial Position		232,426,968	136,421,429

The financial statements set out on pages 1 to 6 were signed by the Registrar



Ann N. Nderitu, CBS
Registrar of Political Parties



Douglas Wanzala
Principal Accountant
ICPAK M/ No: 10692

**Political Parties Fund
Annual Reports and Financial Statements
for the year ended June 30, 2022.**

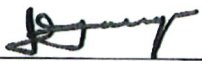
11. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2022

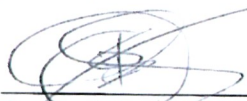
	Ordinary share capital	Total
	Kshs	Kshs
As at July 1, 2020	107,539,718	107,539,718
Surplus/ deficit for the year	28,881,711	28,881,711
As at June 30, 2021	136,421,429	136,421,429
As at July 1, 2021	136,421,429	136,421,429
Surplus/deficit for the year	96,005,539	96,005,539
As at June 30, 2022	232,426,968	232,426,968

12. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2022

	Notes	2021-2022 Kshs	2020-2021 Kshs
Cash flows from operating activities			
Receipts			
Surplus for the year		96,005,539	28,881,711
Non Cash Adjustment			
Depreciation and Amortization	7	3,380,014	2,829,224
Cash flows from operating activities		99,385,553	31,710,935
Cash flows from working capital changes			
Decrease /increase in payables from non-exchange transactions		-	1,320,637
Net cash flows from/(used in) operating activities			33,030,836
Cash flows from investing activities			
Purchase of Property, Plant, Equipment and Intangible assets	11	(2,784,000)	(14,473,777)
Net cash flows from/(used in) investing activities		(2,784,000)	(14,473,777)
Net cash flows from financing Activities			
Proceeds from issue of shares		-	-
Net cash flows (used in) financing Activities		-	-
Net increase/(decrease) in cash & Cash equivalents		96,601,553	18,557,059
Cash and cash equivalents at 1 July 2021	9	118,340,061	99,782,266
Cash and cash equivalents at 30 June 2022	9	214,941,614	118,340,061

The financial statements set out on pages 1 to 6 were signed by the Registrar


Ann N. Nderitu, CBS
Registrar of Political Parties


Douglas Wanzala
Principal Accountant
ICPAK M/ No: 10692

Political Parties Fund
Annual Reports and Financial Statements
for the year ended June 30, 2022.

13. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2022

	Original budget	Adjustments	Final budget	Actual	on Performance	%
	Kshs	Kshs	Kshs	comparable basis	difference	utilization
	a	B	C=(a+b)	d	e=(c-d)	f=d/c*100
Revenue						
Transfers from other government entities	2,475,260,000	-	2,475,260,000	2,475,260,000	-	100
Total Income	2,475,260,000	-	2,475,260,000	2,475,260,000	-	-
Expenses						
Use of Goods and Services	107,363,060	-	107,363,060	24,377,447	82,985,583	22.70
Depreciation and Amortization Expense	-	-	-	3,380,014		100
Grants and Subsidies	2,351,497,000	-	2,351,497,000	2,351,497,000	-	100
Total Expenditure	2,475,260,000	-	2,475,260,000	2,379,254,461	99,385,553	
Surplus for the period	-	-	-	96,005,537		
Capital Expenditure	16,400,000	-	16,400,000	2,784,000	13,616,000	17

**Political Parties Fund
Annual Reports and Financial Statements
for the year ended June 30, 2022.**

14. NOTES TO THE FINANCIAL STATEMENTS

1. General Information

The Office of the Registrar of Political Parties is established under section 33 of the Political Parties Act, 2011 (PPA) as a state office within the meaning of Article 260 of the Constitution of Kenya. The PPA under 23 establishes the Political Parties Fund, which shall be administered by the Registrar. The office is wholly owned by the Government of Kenya and is domiciled in Kenya. The principal activity of the fund is to ensure funds allocated to the political parties is distributed to all qualifying political parties in accordance with the criteria provided by the Act under section 25.

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 Office'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 the Office.

The financial statements have been prepared in accordance with the PFM Act, Political Parties Act, 2011, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

**Political Parties Fund
Annual Reports and Financial Statements
for the year ended June 30, 2022.**

3. Summary of Significant Accounting Policies

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

Fees, taxes and fines

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

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Entity and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds.

Rendering of services

The Entity recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours.

Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

**Political Parties Fund
Annual Reports and Financial Statements
for the year ended June 30, 2022.**

Sale of goods

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

Interest income

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

ii) Revenue from exchange transactions

Dividends

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

Rental income

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

b) Budget information

The original budget for FY 2021-2022 was approved by the National Assembly on xxxx. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Entity recorded additional appropriations of xxxx on the 2021-2022 budget following the governing body's approval.

**Political Parties Fund
Annual Reports and Financial Statements
for the year ended June 30, 2022.**

The Entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section xxx of these financial statements.

c) Property, plant and equipment

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

**Political Parties Fund
Annual Reports and Financial Statements
for the year ended June 30, 2022.**

Depreciation and amortisation is fully charged in the year of acquisition of the asset and the same is not calculated in the year of disposal. Reducing balance method is used in the calculation of depreciation.

The depreciation/amortisation rates are as follows:-

Building	Furniture	Computer	Intangible Asset (Software)
12.5%	12.5%	30%	33.3%

d) Changes in accounting policies and estimates

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

e) Cash and cash equivalents

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

f) Comparative figures

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

**Political Parties Fund
Annual Reports and Financial Statements
for the year ended June 30, 2022.**

g) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2022.

4. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions

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

Useful lives and residual value

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

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

**Political Parties Fund
Annual Reports and Financial Statements
for the year ended June 30, 2022.**

5. Transfers from Office of the Registrar of Political Parties (Recurrent Account)

Description	2021-2022	2020-2021
	KShs	KShs
Transfer		
Transfer	2,475,260,000	995,240,000
Total	2,475,260,000	995,240,000

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

Name Of The Entity Sending The Grant	Amount recognized to Statement of Financial performance	Amount deferred under deferred income	Amount recognised in capital fund.	Total transfers 2021-22	Prior year 2020-2021
	KShs	KShs	KShs	KShs	KShs
Office of the Registrar of Political Parties	-	-	-	2,475,260,000	995,240,000
Total	-	-	-	2,475,260,000	995,240,000

6. Use of Goods and Services

Description	2021-2022	2020-2021
	Kshs	Kshs
Travel, Subsistence & Other Allowances	12,943,900	15,011,198
Training	522,000	-
Hospitality supplies and services	-	1,158,389
Printing and Stationery	8,797,440	98,793
Telecommunication	741,897	436,275
Other General Expenses	1,372,210	1,346,410
Total	24,377,447	18,051,065

**Travel, accommodation, subsistence and other allowances- Where this cost has been budgeted under employee costs, please report it under note 17*

**Political Parties Fund
Annual Reports and Financial Statements
for the year ended June 30, 2022.**

7. Depreciation and Amortization Expense

Description	2021-2022	2020-2021
	Kshs	Kshs
Property, plant and equipment	2,452,942	2,829,224
Intangible Asset (Software)	927,072	-
Total depreciation and amortization	3,380,014	2,829,224

8. Disbursement to political parties

Description	2021-2022	2020-2021
	Kshs	Kshs
Jubilee Party (JP)	1,020,104,807	514,980,478
Orange Democratic Movement (ODM)	1,331,392,193	430,497,522
Administration 5%	123,763,000	49,762,000
Total Disbursement	2,351,497,000	945,478,000

9. Detailed Analysis of the Cash and Cash Equivalents

Financial Institution	Account number	2021-2022	2020-2021
		Kshs	Kshs
Central Bank of Kenya	1000181842	214,941,614	118,340,061
Total		214,941,614	118,340,061

10. Payables

Description	2021-2022	2020-2021
	Kshs	Kshs
Retention money	1,120,378	1,120,378
Total trade and other payables	1,120,378	1,120,378

Political Parties Fund
Annual Reports and Financial Statements
for the year ended June 30, 2022.

11. a) Property, Plant and Equipment

	Buildings	Furniture and fittings	Computers	Total
Cost	Kshs	Kshs	Kshs	Kshs
As at 1 July 2020	7,743,461	1,710,300	-	9,453,761
Additions	14,043,377	-	430,400	14,473,777
Disposals	-	-	-	-
Transfers/Adjustments	-	-	-	-
As At 30th June 2021	21,786,838	1,710,300	430,400	23,927,538
Additions	-	-	-	-
Disposals	-	-	-	-
Transfer/Adjustments	-	-	-	-
As at 30th June 2022	21,786,838	1,710,300	430,400	23,927,538
Depreciation and Impairment	12.5%	12.5%	30%	
At 1 July 2020	1,331,619	564,949		1,896,568
Depreciation	2,556,935	143,169	129,120	2,829,224
Impairment		-	-	-
Transfers/Adjustments		-	-	-
As at 30 June 2021	3,888,554	708,118	129,120	4,725,792
Depreciation	2,237,286	125,273	90,384	2,452,942
Disposals	-	-	-	-
Impairment	-	-	-	-
Transfer/Adjustment	-	-	-	-
As at 30th June 2022	6,125,840	833,391	219,504	7,178,734
Net Book Values				
As at 30th June 2021	17,898,284	1,002,182	301,280	19,201,746
As at 30th June 2022	15,660,999	876,909	210,896	16,748,804

Political Parties Fund
Annual Reports and Financial Statements
for the year ended June 30, 2022.

10. Payables

Description	2021-2022	2020-2021
	Kshs	Kshs
Retention money	1,120,378	1,120,378
Total trade and other payables	1,120,378	1,120,378

11. a) Property, Plant and Equipment

	Buildings	Furniture and fittings	Computers	Total
Cost	Kshs	Kshs	Kshs	Kshs
As at 1 July 2020	7,743,461	1,710,300	-	9,453,761
Additions	14,043,377	-	430,400	14,473,777
Disposals	-	-	-	-
Transfers/Adjustments	-	-	-	-
As At 30th June 2021	21,786,838	1,710,300	430,400	23,927,538
Additions	-	-	-	-
Disposals	-	-	-	-
Transfer/Adjustments	-	-	-	-
As at 30th June 2022	21,786,838	1,710,300	430,400	23,927,538
Depreciation and Impairment	12.5%	12.5%	30%	
At 1 July 2020	1,331,619	564,949		1,896,568
Depreciation	2,556,935	143,169	129,120	2,829,224
Impairment		-	-	-
Transfers/Adjustments		-	-	-
As at 30 June 2021	3,888,554	708,118	129,120	4,725,792
Depreciation	2,237,286	125,273	90,384	2,452,942
Disposals	-	-	-	-
Impairment	-	-	-	-
Transfer/Adjustment	-	-	-	-
As at 30th June 2022	6,125,840	833,391	219,504	7,178,734
Net Book Values				

**Political Parties Fund
Annual Reports and Financial Statements
for the year ended June 30, 2022.**

	Buildings	Furniture and fittings	Computers	Total
Cost	Kshs	Kshs	Kshs	Kshs
As at 30 th June 2021	17,898,284	1,002,182	301,280	19,201,746
As at 30 th June 2022	15,660,999	876,909	210,896	16,748,804

11.b) Intangible Asset

	Software
	Ksh
As at 30 June 2021	-
Addition	2,784,000
Disposal	-
Cost As at 30 June 2022	2,784,000
Amortisation @33.3%	927,072
Net Book Value as at 30 June 2022	1,856,928

Guidance Notes:

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



Ann N. Nderitu, CBS
Registrar of Political Parties