

REPUBLIC OF KENYA

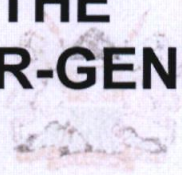


*Paper laid by the
Leader of
majority for
30/4/2014
@Kumh...*

KENYA NATIONAL AUDIT OFFICE

Volume 8

**REPORT OF
THE
AUDITOR-GENERAL**



KENYA NATIONAL AUDIT OFFICE

ON

**THE FINANCIAL STATEMENTS OF
ORANGE DEMOCRATIC MOVEMENT FOR
THE YEAR ENDED 30 JUNE 2013**



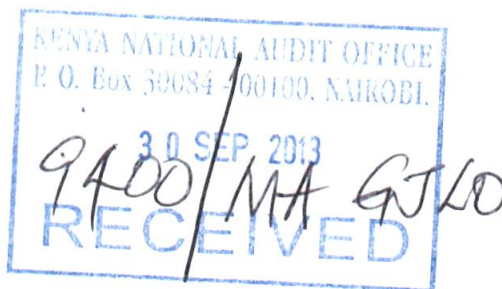
ORANGE DEMOCRATIC MOVEMENT

ORANGE HOUSE
MENELIK ROAD
KILIMANI AREA
NAIROBI

P.O. BOX 2478-00202
NAIROBI
Tel: 020-20253481

30th October, 2013

The Auditor General
The Kenya National Audit Office
P.O Box 30084 00100
NAIROBI



Dear Sir,

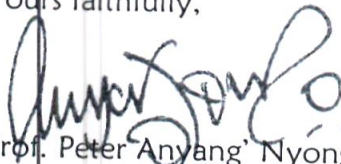
RE: AUDIT OF THE FINANCIAL STATEMENT OF THE ORANGE DEMOCRATIC
MOVEMENT FOR THE PERIOD ENDED 30TH JUNE, 2012

Please receive the following documents to enable you conduct the audit for our party

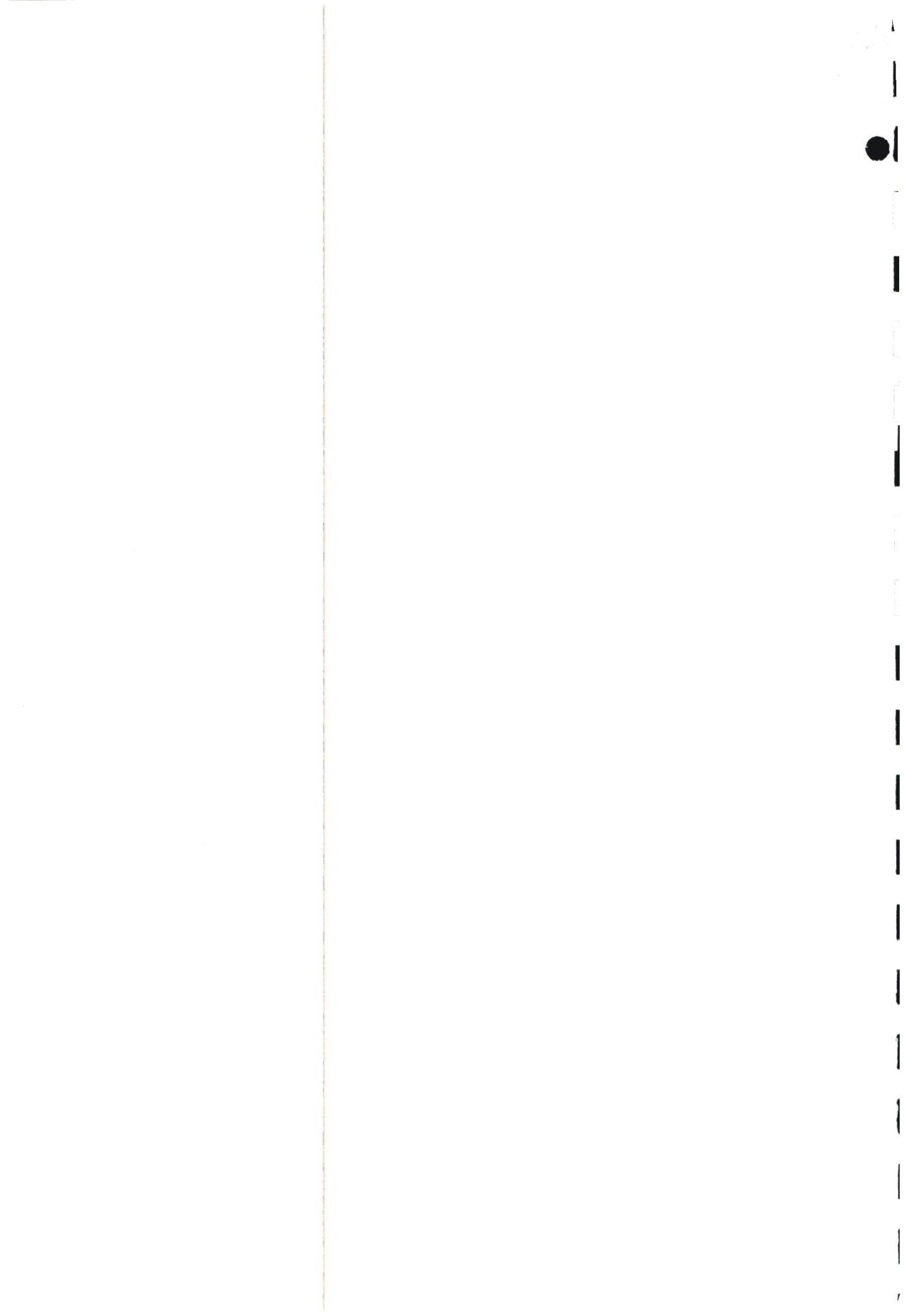
1. Party Constitution
2. Trial Balance
3. Signed 2012/2013 Financial Statements

Kindly indicate other documents required to enable you proceed with the audit work as required under law.

Yours faithfully,


Prof. Peter Anyang' Nyong'o
SECRETARY GENERAL

Chungwa Moja, Maisha Bora



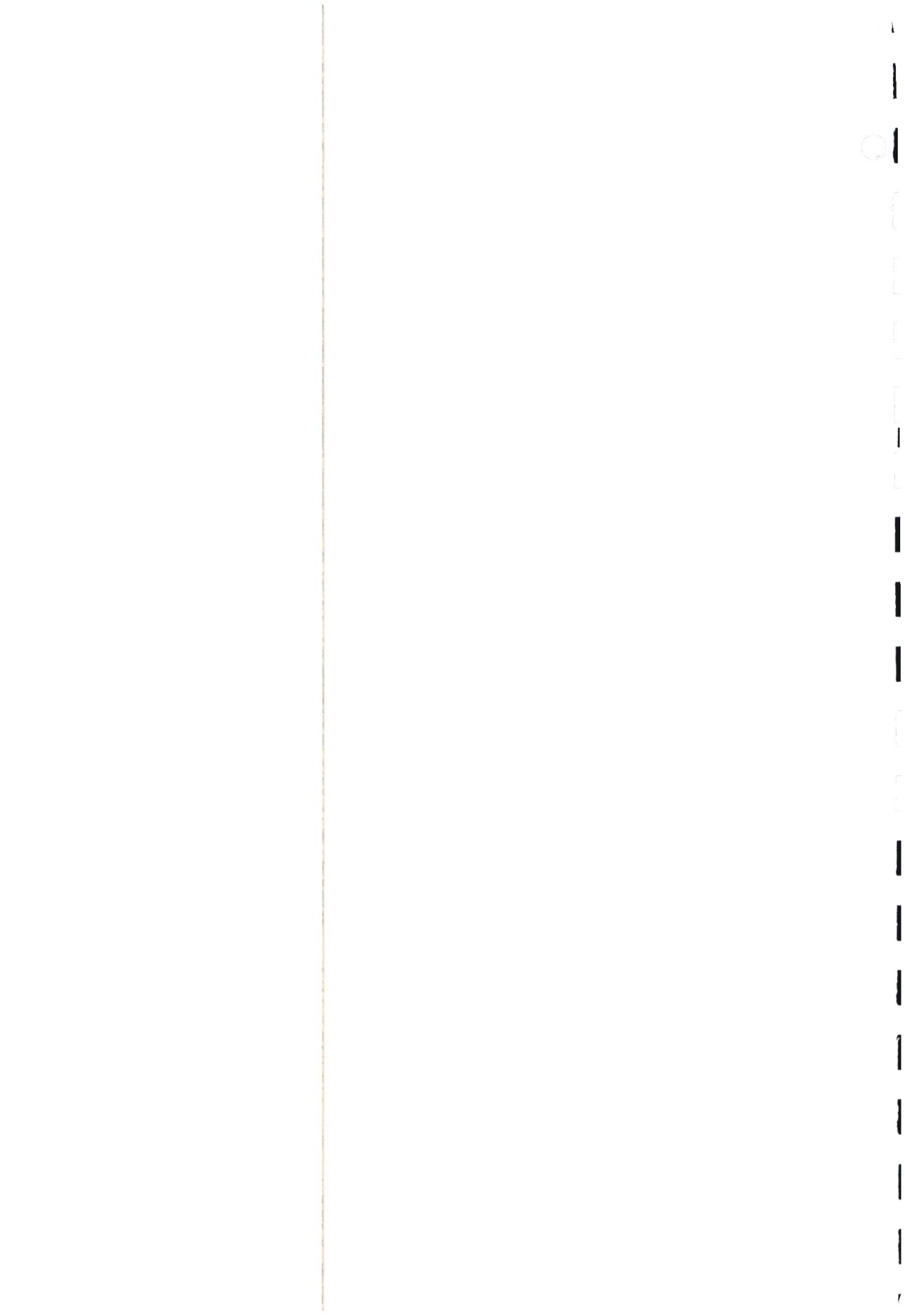
ORANGE DEMOCRATIC MOVEMENT

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

30 SEP 2013

RECEIVED

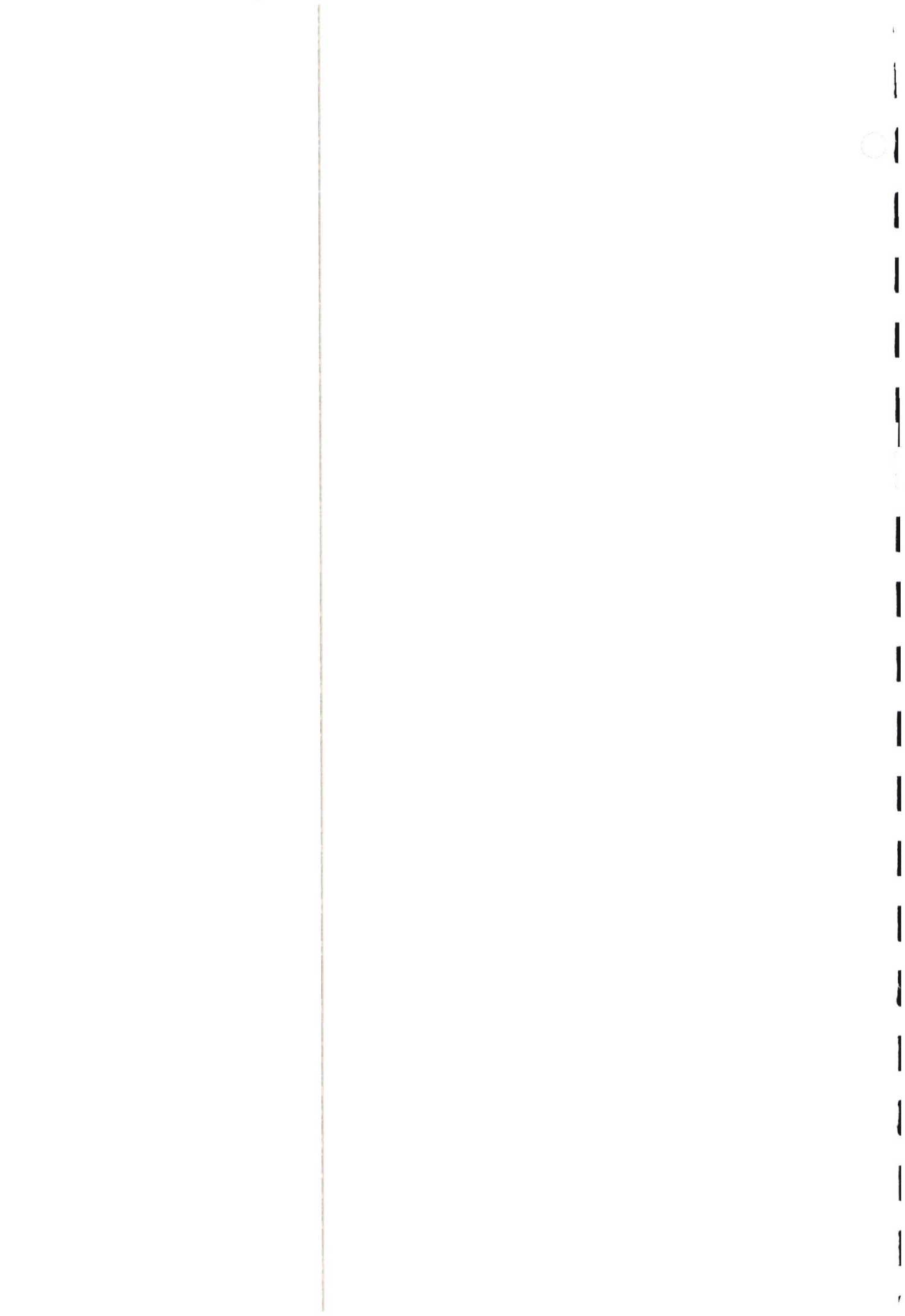
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2013



ORANGE DEMOCRATIC MOVEMENT

CONTENTS:

STATEMENT OF NATIONAL EXECUTIVE COMMITTEE RESPONSIBILITIES	3
REPORT OF THE NATIONAL EXECUTIVE COMMITTEE	4
STATEMENT OF COMPREHENSIVE INCOME	5
STATEMENT OF FINANCIAL POSITION	6
STATEMENT OF CASHFLOWS	7
STATEMENT OF CHANGES IN EQUITY	8
NOTES TO THE FINANCIAL STATEMENTS	9-12



ORANGE DEMOCRATIC MOVEMENT

STATEMENT OF THE NATIONAL EXECUTIVE COMMITTEE RESPONSIBILITIES.

The National Executive Committee is required to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Party as at the end of the financial year and of the operating results of the Party for the year. They are also responsible for ensuring the Party keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Party and for safeguarding the assets of the Party.

The National Executive Committee accepts responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Reporting Standards and in the manner required by the Political party's Act.

The National Executive Committee is of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Party and of its operating results. The National Executive Council further accepts responsibility for the maintenance of accounting records, which may be relied upon in the preparation of the financial statements as well as designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement.

Nothing has come to the attention of the National Executive Committee to indicate that the Party will be insolvent in the next twelve months from the date of this statement.

National Chairman.....

National Secretary.....

Date.....



1000

1000

ORANGE DEMOCRATIC MOVEMENT

REPORT OF THE NATIONAL EXECUTIVE COMMITTEE FOR THE YEAR ENDING 30TH JUNE 2013

PRINCIPAL ACTIVITIES

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

RESULTS.

The results for the year ended 30th June 2013 are set on pages 3 to 12

EXECUTIVE OFFICIALS

The executive officials during the year were as follows;

Hon. Henry Kosgey	-National Chairman
Hon. Prof. Peter Anyang' Nyong'o	-Secretary General
Hon. Hassan Ali Joho	-National organizing secretary
Hon. Dalmas Otieno Anyango	- Deputy Treasurer - R/ Mobilization
M/S Janet Ong'era	-Executive Director

REGISTERED OFFICE

Orange House
Menelik Road
Nairobi

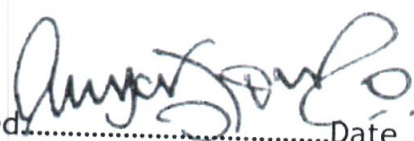
BANKERS

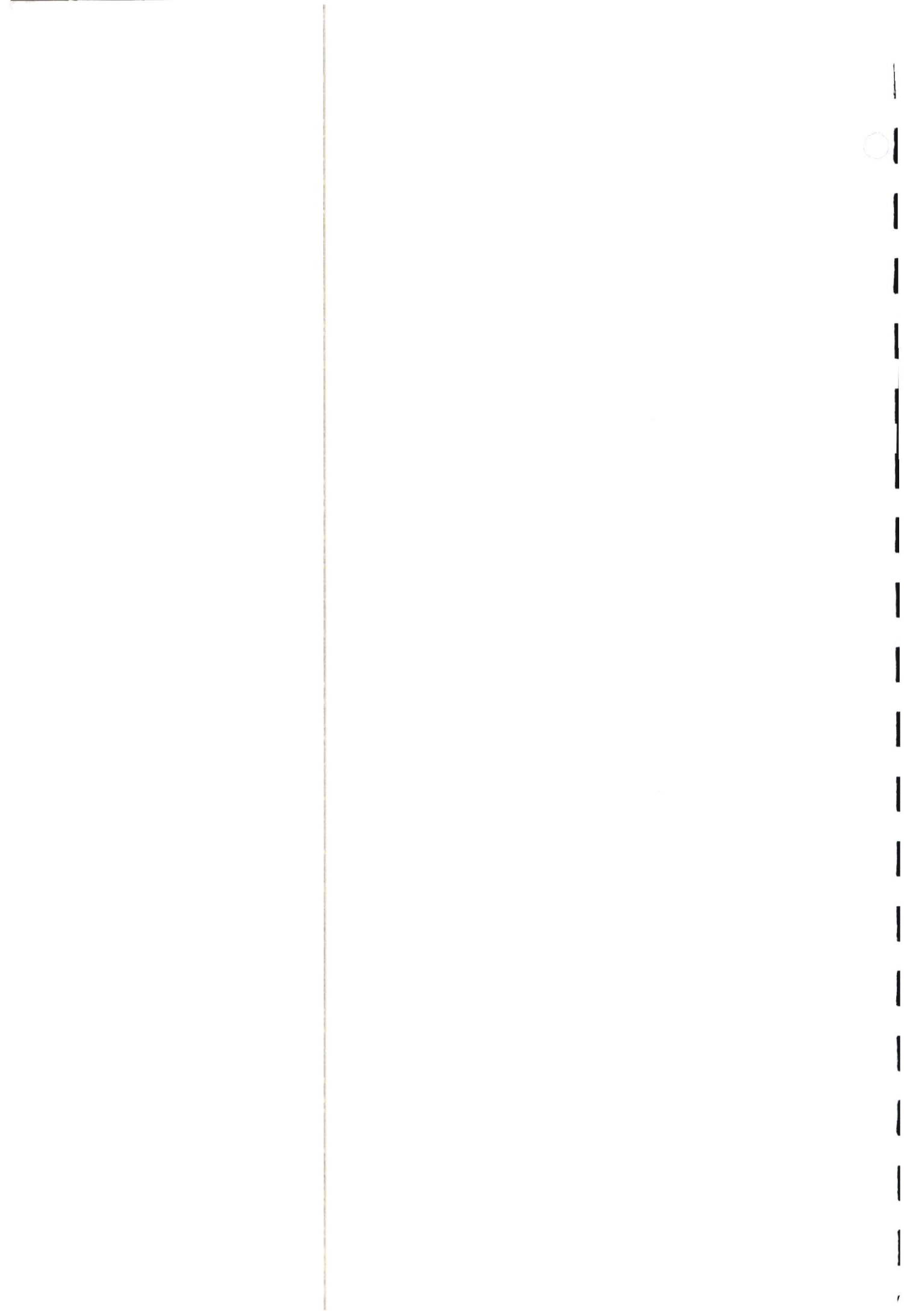
Co-operative Bank
Parliament Road Branch
Nairobi.

AUDITORS

AUDITOR GENERAL

By order of the Executive

Signed  Date 31/8/2013
Secretary General



REPUBLIC OF KENYA



Telephone: +254-20-342330
Fax: +254-20-311482
E-mail: cag@kenao.go.ke
Website: www.kenao.go.ke

P.O. Box 30084-00100
NAIROBI

KENYA NATIONAL AUDIT OFFICE

REPORT OF THE AUDITOR-GENERAL ON ORANGE DEMOCRATIC MOVEMENT FOR THE YEAR ENDED 30 JUNE 2013

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Orange Democratic Movement set out on pages 5 to 12, which comprise the statement of financial position as at 30 June 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya, Section 8 of the Public Audit Act, 2003 and Section 34(1) of the Political Parties Act, 2007 (Revised 2011). I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

Management's Responsibility for the Financial Statements

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

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

Auditor-General's Responsibility

My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with the provisions of Section 9 of the Public Audit Act, 2003. The audit was conducted in accordance with International

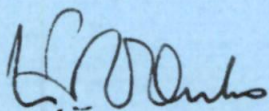
Standards on Auditing. Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the party's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Party's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In my opinion the financial statements present fairly, in all material respects, the financial position of the Orange Democratic Movement as at 30 June 2013 and of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards and comply with the Political Parties Act, 2007 (Revised 2011).



Edward R.O.Ouko, CBS
AUDITOR-GENERAL

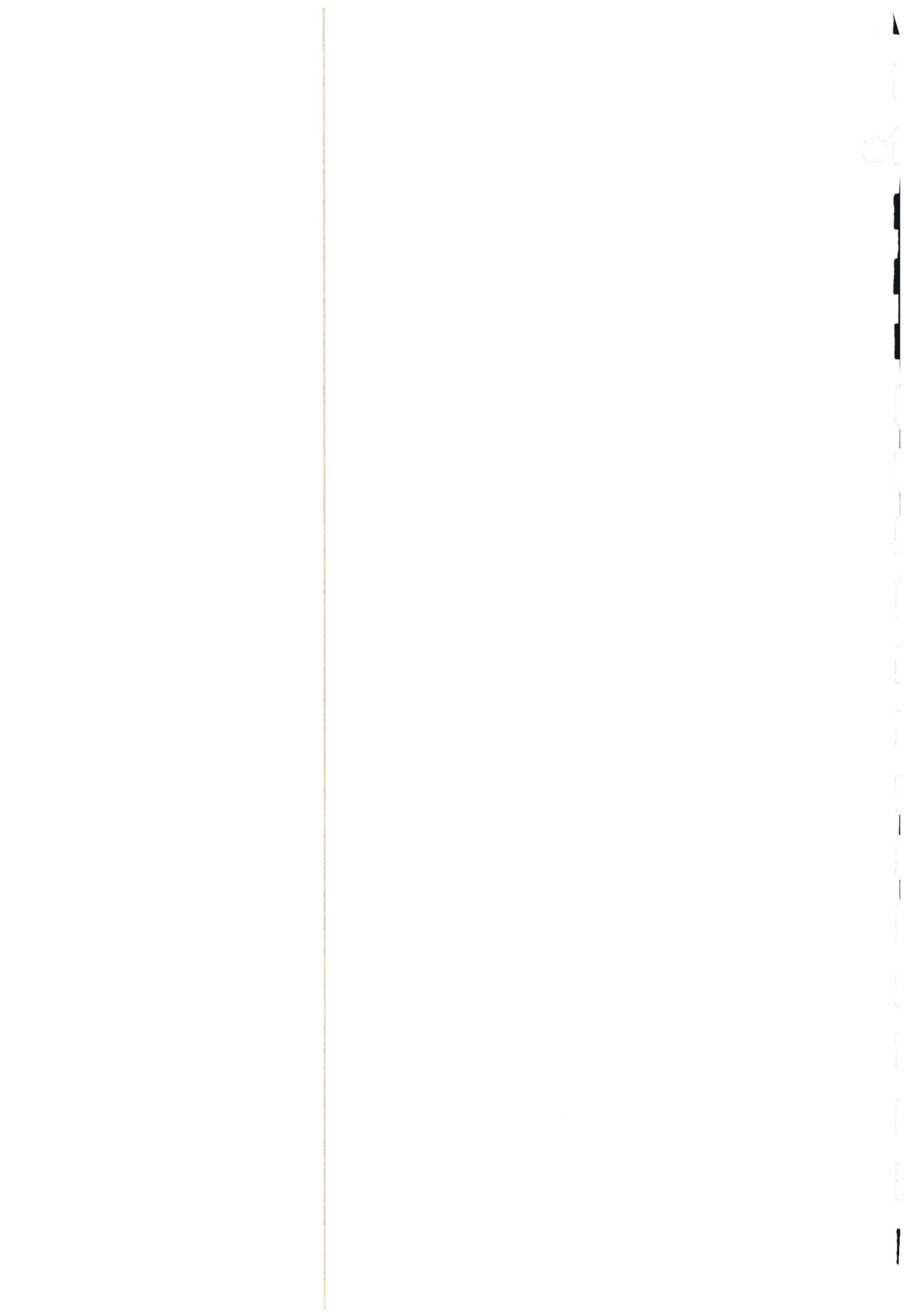
Nairobi

7 April 2014

ORANGE DEMOCRATIC MOVEMENT

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30TH JUNE 2013

INCOME	NOTES	2013 KSHS	2012 KSHS
Government Political Party Fund		73,274,383	73,591,800
SMS Services			11,550
Branch Application Forms			487,600
Life Membership Fees		8,660,000	4,478,000
MPs Contribution		9,094,000	24,779,900
Nomination Fees-Combined		149,125,500	355,000
Nomination Rules		32,700	
Ordinary Membership Cards		1,400,500	7,219,396
Contribution From Members		3,025,049	4,999,999
TOTAL INCOME		244,612,132	115,923,244
 EXPENDITURE			
Cost of Membership Cards		220,792	5,094,799
Administrative Expenses	3	37,135,559	30,555,220
Financial Costs	4	470,835	167,862
Branch Training, Coordination & Support	5	14,364,432	2,767,435
Campaign Expenses	6	132,313,251	32,113,967
Civic Education Expenses	7	3,611,930	5,388,450
Regional Conferences	8	54,566,421	35,659,264
Party Policy and Advocacy	9	6,936,960	4,091,769
TOTAL EXPENDITURE		249,399,389	115,838,766
NET INCOME		(5,008,049)	84,478

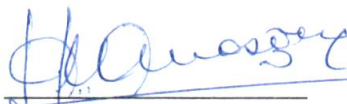


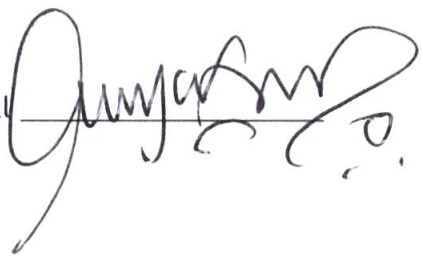
ORANGE DEMOCRATIC MOVEMENT

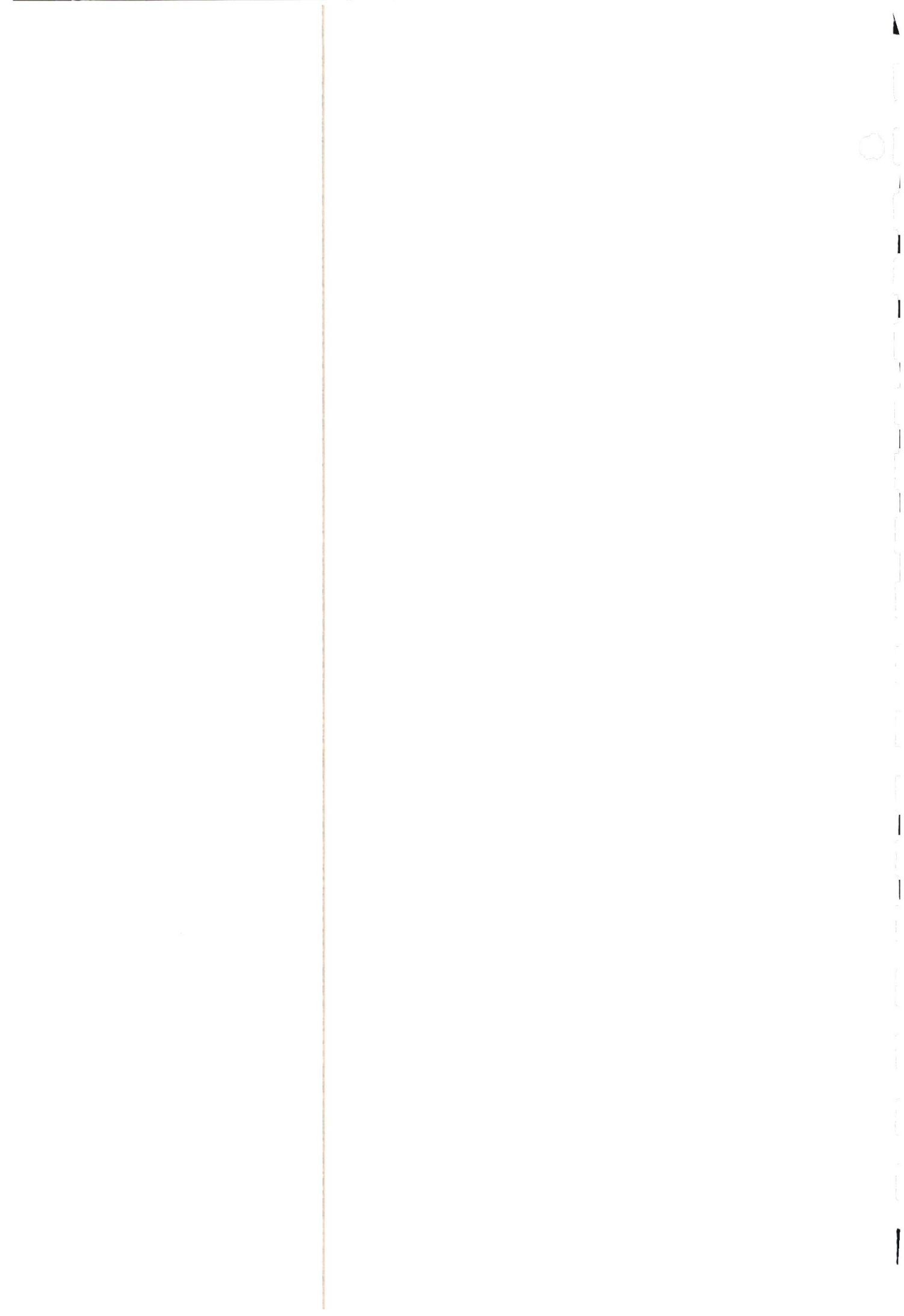
**STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2013**

	NOTES	2013 KSHS	2012 KSHS
NON CURRENT ASSETS			
Property, Plant & Equipment	2	14,385,572	15,776,625
CURRENT ASSETS			
Cash and Bank Balances	10	236,726	2,510,535
Other Current Assets	11	16,967,374	3,550,322
		17,204,100	6,060,857
CURRENT LIABILITIES			
Creditors & Accruals	12	22,853,570	8,093,331
		22,853,570	8,093,331
NET CURRENT ASSETS		(5,649,470)	(2,032,474)
NET ASSETS		8,736,102	13,744,151
REPRESENTED BY:			
ACCUMULATED FUND	13	8,736,102	13,744,151

Notes attached hereto form part of these accounts
 These accounts were approved on the 31/8/2013
 on behalf of the Party by:

National Chairman 

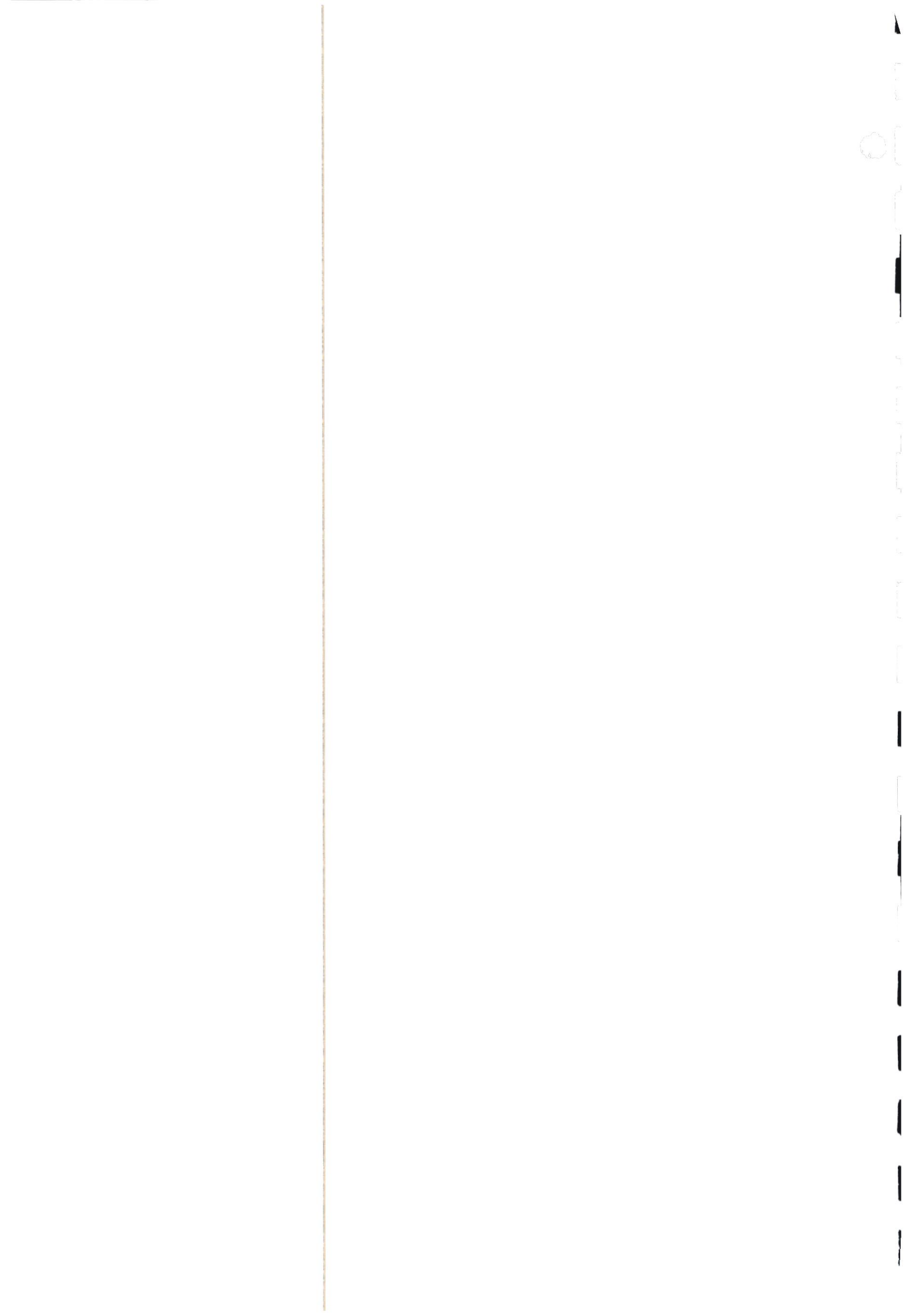
Secretary General 



ORANGE DEMOCRATIC MOVEMENT

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE 2013

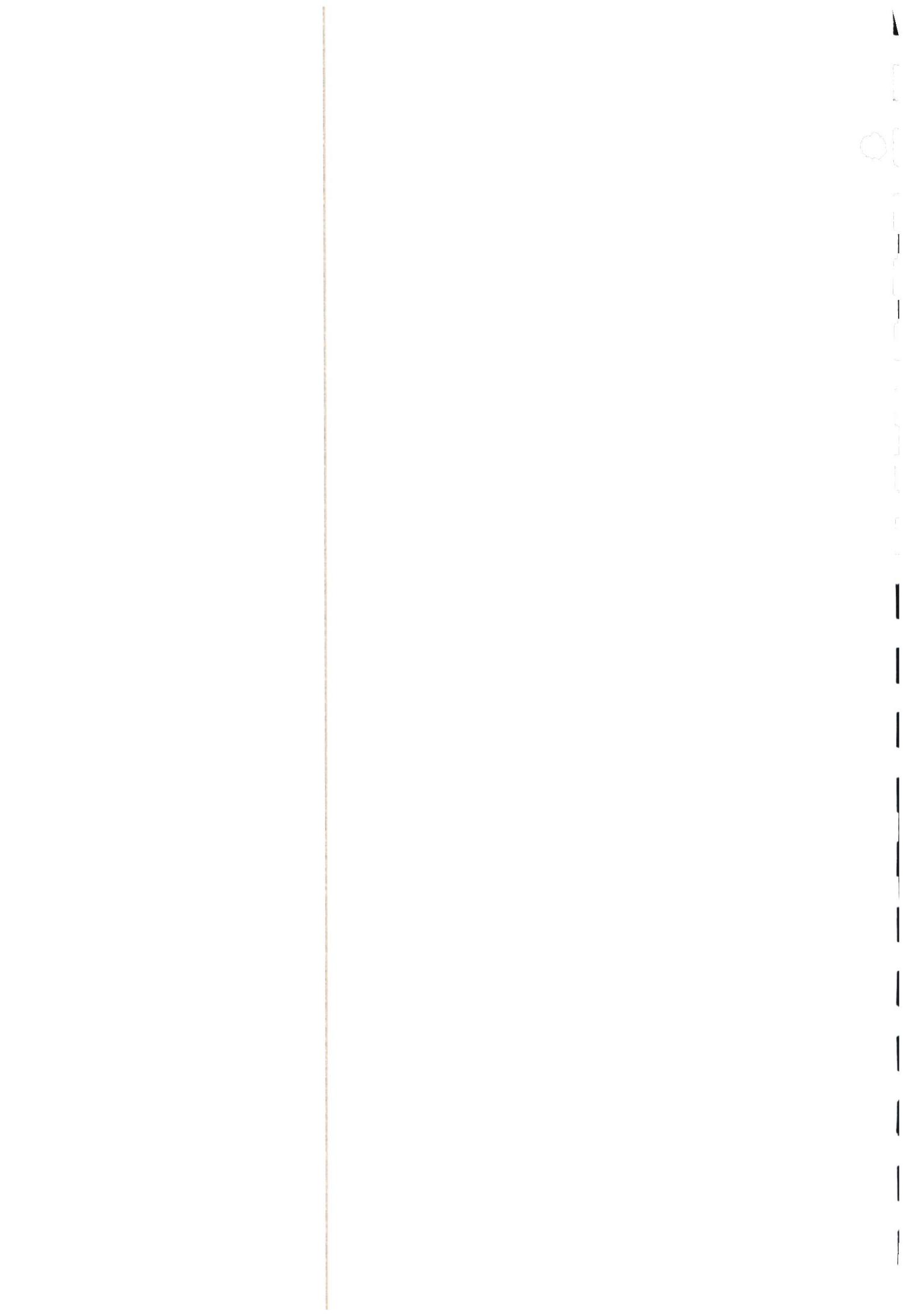
	2013 Kshs.	2012 Kshs.
Cash flows from Operating Activities		
Net Surplus/ (Loss)	(5,008,049)	84,478
Adjustments for:		
Depreciation	3,627,738	2,654,220
Operating profit before changes in working capital	<u>(1,380,311)</u>	<u>2,738,698</u>
Analysis of changes in working capital		
Increase/ (Decrease) in creditors & accruals	14,760,239	248,978
(Increase)/ Decrease in other current assets	<u>(13,417,052)</u>	<u>2,717,182</u>
Net Changes in Working Capital	1,343,187	2,966,160
Net cash flows from operating activities	<u>(37,124)</u>	<u>5,704,858</u>
Cash Flows from Investing Activities		
Purchase of Assets	<u>(2,236,685)</u>	(5,949,250)
Net Cash flow from Investing activities	<u>(2,236,685)</u>	<u>(5,949,250)</u>
Net change in cash and cash equivalent	(2,273,809)	(244,392)
Cash & Cash equivalents as at 1st July, 2012	2,510,535	2,754,927
Cash & Cash equivalents as at 30th, June 2013	<u><u>236,726</u></u>	<u><u>2,510,535</u></u>



ORANGE DEMOCRATIC MOVEMENT

STATEMENT OF CHANGES IN RESERVES FOR THE YEAR ENDED 30TH JUNE 2013

	Reserves <u>Kshs</u>	Accummulated Fund <u>Kshs</u>	Net Surplus/(Deficit) <u>Kshs</u>	Total <u>Kshs</u>
As at 01/7/2012	2,356,176	(3,638,482)	15,026,458	13,744,151
Net Surplus/(Deficit) for the yr			(5,008,049)	(5,008,049)
Year Ended 30/6/2013	<u>2,356,176</u>	<u>(3,638,482)</u>	<u>10,018,409</u>	<u>8,736,102</u>



ORANGE DEMOCRATIC MOVEMENT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th JUNE 2013

NOTE 1 (a) SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these accounts are set below:

(i) Basis of preparation

The final statements of the Party have been prepared in accordance and comply with the standards issued by the International Financial Standards (IFRS) under the Historical cost convention.

(ii) Depreciation

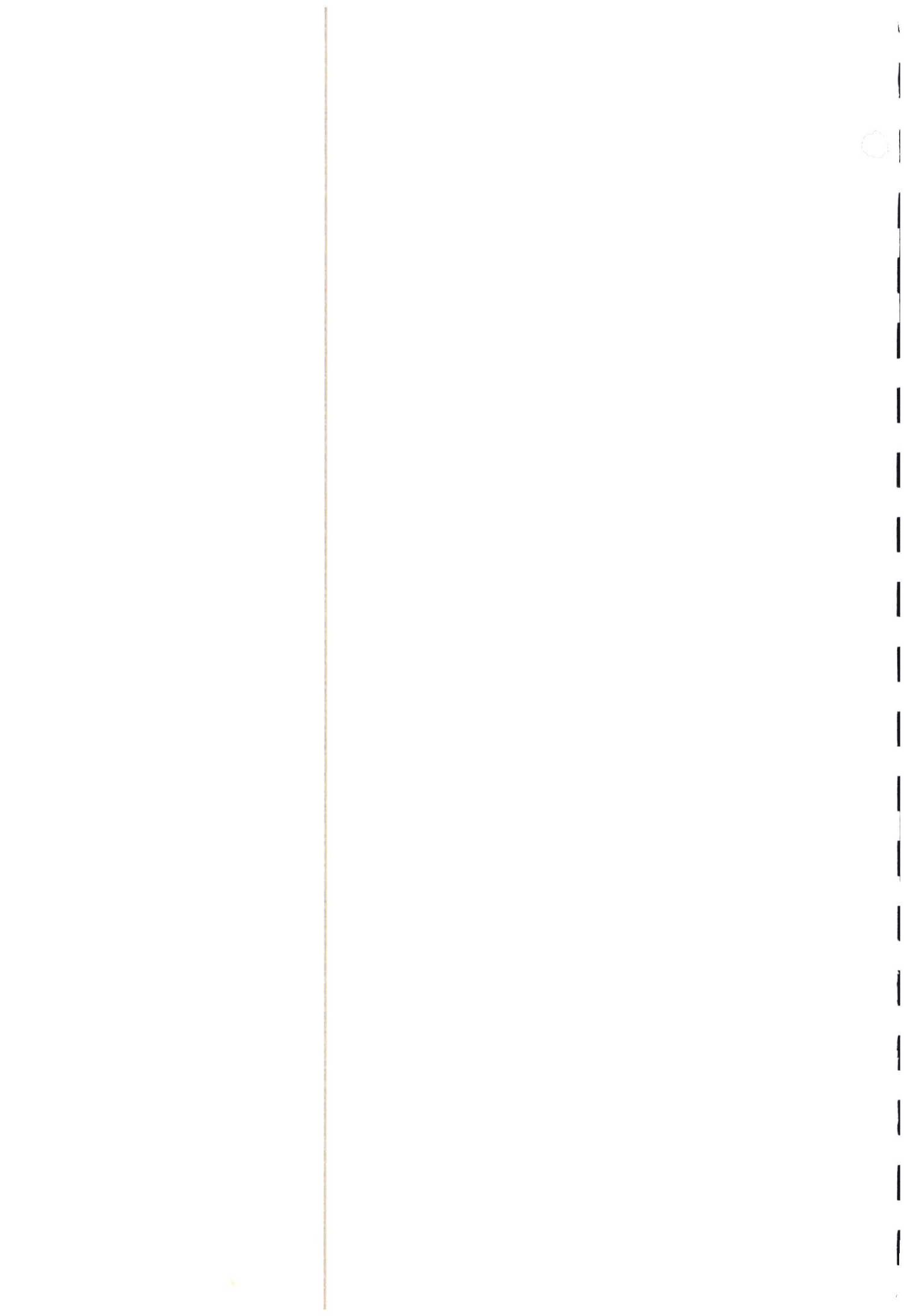
Depreciation is provided for on fixed assets using the reducing balance method.

The following are the rates used :

- Lease Hold Structure 10%
- Office Furniture and Fittings 12.5%
- Office Equipment 12.5%
- Computers and Printers 30%
- Motor Vehicles 25%

NOTE 2

	Leasehold Structure Kshs.	Computer and Printers Kshs.	Motor Vehicles Kshs.	Office Furniture Kshs.	Office Equipment Kshs.	TOTAL Kshs.
Cost at 01.07 2012	1,379,506	2,727,248	11,425,690	5,134,005	3,699,870	24,366,319
Additions	-	1,806,690	-	64,995	365,000	2,236,685
At 30.06.2013	<u>1,379,506</u>	<u>4,533,938</u>	<u>11,425,690</u>	<u>5,199,000</u>	<u>4,064,870</u>	<u>26,603,004</u>
Accum. Depr	492,516	943,344	5,266,529	1,480,280	407,025	8,589,694
Charge for the yr	<u>88,699</u>	<u>1,077,178</u>	<u>1,539,790</u>	<u>464,840</u>	<u>457,231</u>	<u>3,6627,738</u>
At 30.06.2013	<u>581,215</u>	<u>2,020,522</u>	<u>6,806,319</u>	<u>1,945,120</u>	<u>864,256</u>	<u>12,217,432</u>
Net Book Value						
At 30.06.2013	<u>798,291</u>	<u>2,513,416</u>	<u>4,619,371</u>	<u>3,253,880</u>	<u>3,200,614</u>	<u>14,385,572</u>
At 30:06:2012	<u>886,990</u>	<u>1,783,904</u>	<u>6,159,161</u>	<u>3,653,725</u>	<u>3,292,845</u>	<u>15,776,626</u>



ORANGE DEMOCRATIC MOVEMENT

NOTE 3

ADMINISTRATIVE EXPENSES

	2013 KSHS.	2012 KSHS.
Salary & Wages	20,441,298	19,528,205
Cleaning Services	104,000	9,130
Communication and Internet	1,020,039	1,091,536
Office Stationary	473,685	452,283
Transportation and Motor Expenses	4,123,160	2,202,926
Postage and Delivery	232,838	86,938
Newspapers and Publications	413,458	79,415
Subscriptions - CMD	100,000	50,000
Staff Welfare	1,205,066	
Depreciation Expense	3,627,738	2,654,220
Professional Fee	20,000	1,100,000
Rent and Premise Maintenance	1,680,000	2,112,710
Repairs and Maintenance	342,935	168,140
Telephone and Airtime	275,399	113,700
Travel & Accommodation	608,085	
Utilities	148,285	707,865
Leasehold Repairs	651,685	
Office Security	727,565	
Printing and Reproduction	940,323	137,352
TOTAL	37,135,559	30,555,220

NOTE 4

FINANCIAL EXPENSES

Bank Charges	400,835	167,862
Audit Fees	70,000	60,800
TOTAL	470,835	167,862

NOTE 5

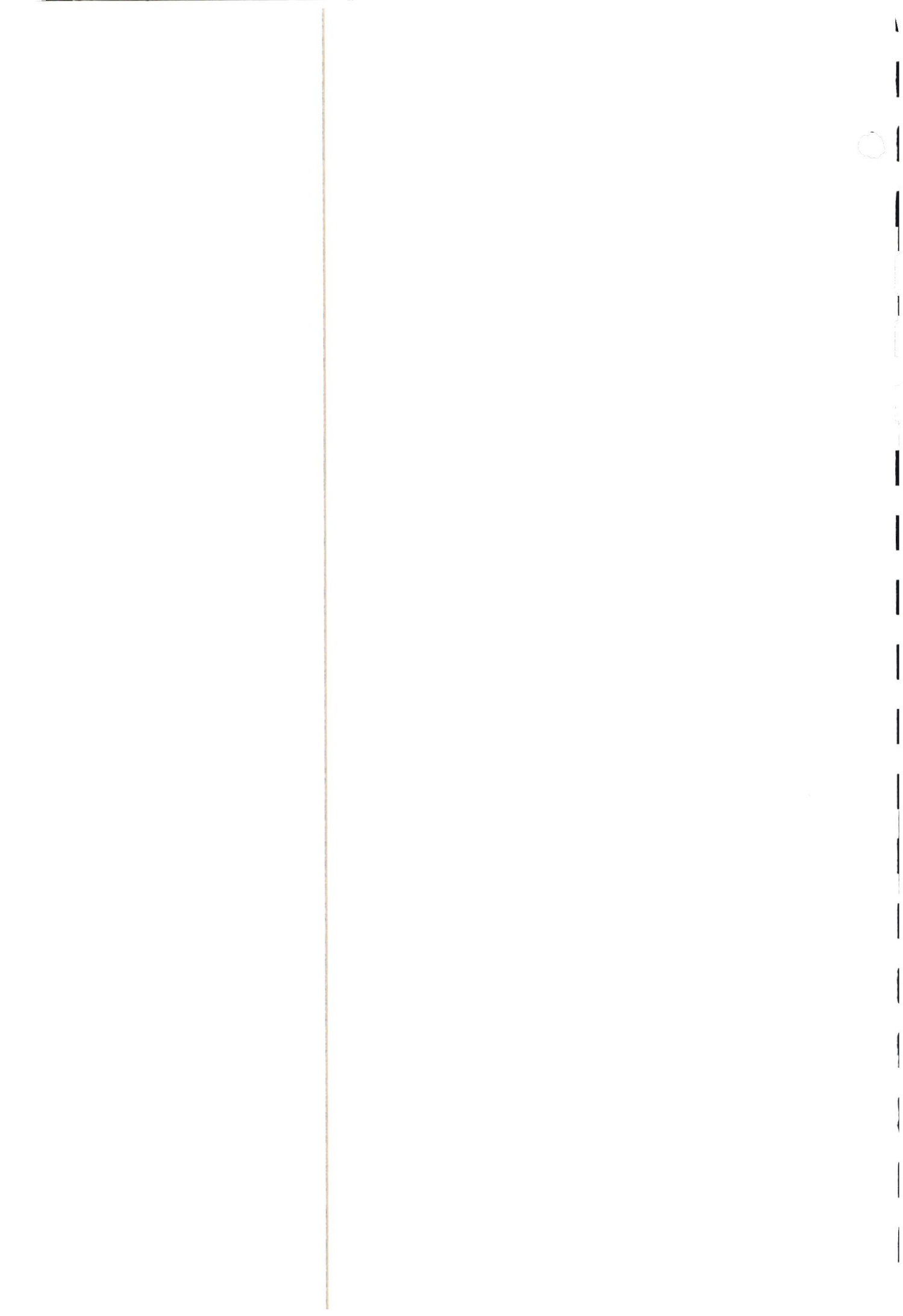
BRANCH EXPENSES

Regional Coordination	5,072,633	425,000
Branch Office Establishment	4,900,000	1,195,905
Branch Training & Registration	4,391,799	1,146,530
TOTAL	14,364,432	2,767,435

NOTE 6

CAMPAIGN EXPENSES

Election Material & Personnel	64,316,313	13,978,006
Post-Election Expenses (by-elections)	8,524,729	107,315
Transportation & Logistics	11,269,835	3,897,830
Campaign and Rally Expenses	27,962,416	8,265,470
Coordinators Expenses	7,232,818	2,620,000
Promotional Items	13,007,140	3,245,346
TOTAL	132,313,251	32,113,967



ORANGE DEMOCRATIC MOVEMENT

NOTE 7

CIVIC EDUCATION EXPENSES	2013 KSHS.	2012 KSHS.
Branch Civic Education		2,920,450
Training of Trainers	1,545,000	
Party to Party Co-operation		
Conferences & Bookings	1,739,930	1,000,000
Retreat, Workshops & Meetings	327,000	1,133,000
Standing Committee Meetings		335,000
	3,611,930	5,388,450

NOTE 8

REGIONAL CONFERENCES		
NEC /PG Meetings Expenses	828,463	1,034,759
Travel and Entertainment		92,000
Ad hoc Committee Meetings	933,340	647,780
Party NDC & NGC Meetings	38,225,034	
Venue Branding & Booking Costs		679,384
National Leaders /Regional Meetings	1,832,600	23,469,241
International Meetings		5,506,100
OYDL/OWDL Meetings	12,746,984	4,230,000
TOTAL	54,566,422	35,659,264

NOTE 9

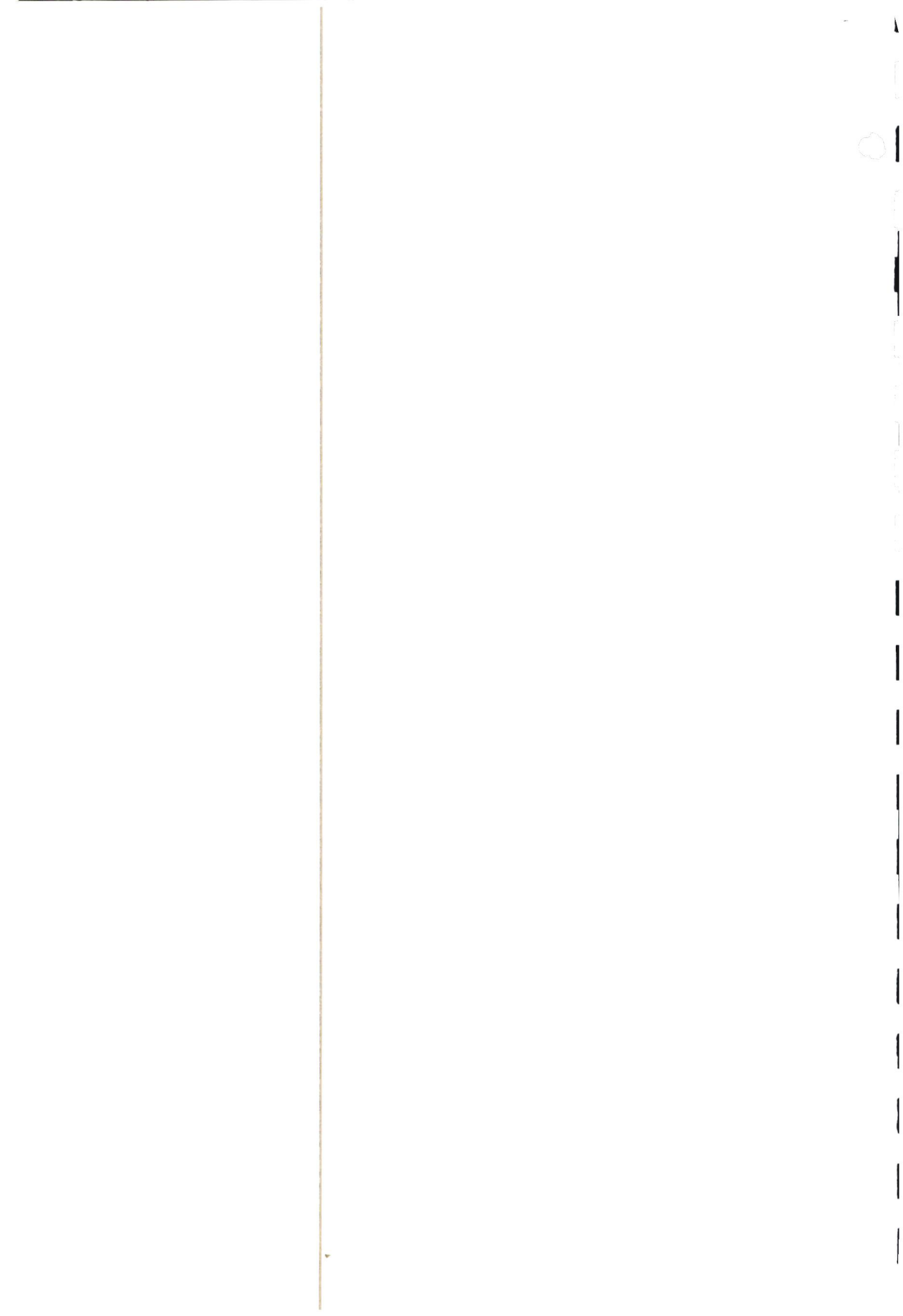
PARTY POLICY AND ADV.		
Media and Public Relations		324,908
Strategy & Policy	2,652,180	712,500
Publicity and Advertisement	993,780	3,014,361
Coalition Expenses	3,291,000	
Opinion Poll survey		40,000
TOTAL	6,936,960	4,091,769

NOTE 10

CASH AND BANK		
COOP BANK MAIN ACCOUNT	125,950	1,517,151
COOP BANK- FUNDRAISING	29,990	339,673
COOP BANK-DOLLAR ACCOUNT	11,840	11,840
COOP BANK OF KENYA - PFA	68,946	(15,342)
Cash in Hand		657,214
TOTAL	236,726	2,510,535

NOTE 11

OTHER CURRENT ASSETS		
Prepaid Insurance		-
VAT Receivable	3,011,439	2,773,595
Stocks	13,955,935	776,727
TOTAL	16,967,374	3,550,322



ORANGE DEMOCRATIC MOVEMENT

NOTE 12

CREDITORS & ACCRUALS	2013 KSHS.	2012 KSHS.
7 th Sense Communication		950,000
Akamai Holdings	797,160 ✓	
Amiken Ltd	1,680,000	1,680,000
Auditor General	70,000	60,800
Bekison Enterprises	193,500 ✓	
Born Designs	1,136,260	526,129
Branch Accounts Payable	<u>1,410,000</u>	
Dansamo Enterprises	1,050,000 ✓	
Gilly's Security	200,000	40,000
Green Park Golf	899,930 ✓	
KCB - Training Center		604,450
Kenafric Diaries	1,080,000	
Lavingtone Security	304,000 ✓	
Learning Resources	135,000 ✓	
Membership Loans Payable	3,996,210 ✓	4,067,773
N.H.I.F	9,280	13,760
N.S.S.F	28,800	102,000
Nairobi Water Company		8,419
Oraro & Co. Advocates	123,500 ✓	
Printfast Kenya Limited	920,000	
Rachier & Company Advocates	4,660,000	
Scangraphics	1,700,000 ✓	40,000
Staff Payrol	1,129,930	
Value Digital	1,000,000 ✓	
Veteran General Merchants	330,000 ✓	
TOTAL	<u>22,853,570</u>	<u>8,093,331</u>

NOTE 13

ACCUMULATED FUND

	2013 KSHS.	2012 KSHS.
Reserves	2,356,176	2,356,176
Accumulated Fund	11,387,976	11,303,498
Surplus/(Deficit)	<u>(5,008,049)</u>	<u>84,478</u>
TOTAL	<u>8,736,102</u>	<u>13,744,151</u>

