





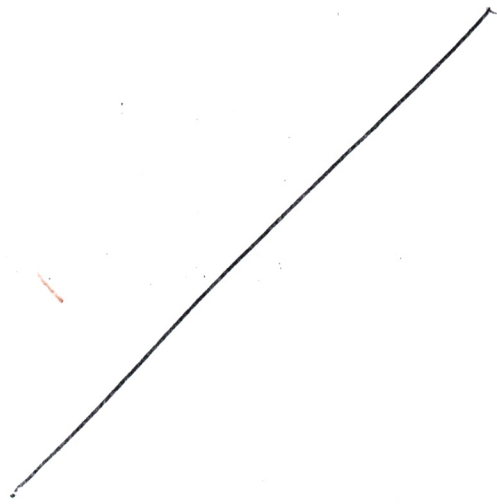
18 NOV 2016

**FORUM FOR THE RESTORATION OF  
DEMOCRACY - KENYA (FORD-KENYA)**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2016**

OFFICE OF THE AUDITOR GENERAL  
P. O. Box 30084 - 00100, NAIROBI  
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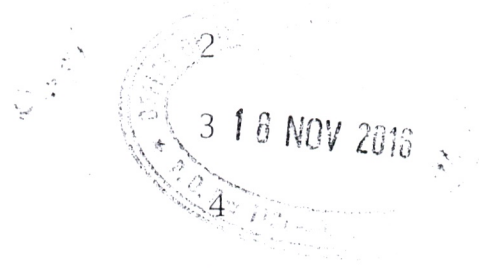


FORUM FOR THE RESTORATION OF DEMOCRACY - KENYA (FORD - KENYA)  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016

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FORUM FOR THE RESTORATION OF DEMOCRACY - KENYA (FORD - KENYA)  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30-JUNE 2016

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**PARTY'S INFORMATION**

*REGISTERED OFFICE*  
Nyeri rd, Kileleshwa.

*PARTY OFFICIALS*

|                          |                      |
|--------------------------|----------------------|
| Hon. Moses Wetangula     | Party Leader         |
| Hon (Dr.) David Eseli    | Secretary General    |
| Hon. Nasri Sahal Ibrahim | National treasurer   |
| Chrisopher Mandu         | Organising Secretary |
| Stephen Namsyule         | Executive Director   |



**BANKERS**

COOPERATIVE BANK  
PARLIAMENT ROAD

STANDARD CHARTERED BANK  
HARAMBEE AVENUE BRANCH

**AUDITORS**

AUDITOR GENERAL  
ANNIVERSARY TOWERS, UNIVERSITY WAY  
P.O. Box 30084-00100  
NAIROBI

Corporate Governance is the process by which organizations are directed and controlled and held accountable in order to achieve long term value to all stakeholders.

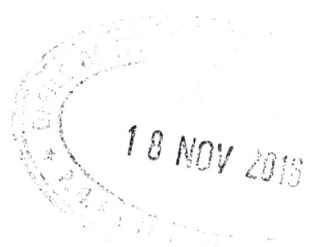
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The National Executive Committee of FORUM FOR THE RESTORATION OF DEMOCRACY - KENYA (FORD - KENYA) is responsible for the Governance of the party and is accountable to the members for ensuring that the party complies with the law and the highest standards of business ethics and corporate Governance. Accordingly, the party officials attaches very high importance to the Generally accepted corporate governance practice.

The party has defined procedures and financial controls to ensure the reporting and accurate accounting information. These covers systems for obtaining authority for all transactions and for ensuring compliance with the laws and regulations that have significant financial implications.

The Party will continue to focus its attention on maintaining the highest standards of Corporate Governance and business ethics in its operations.

FORUM FOR THE RESTORATION OF DEMOCRACY - KENYA (FORD - KENYA)  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016



CHAIRMAN'S STATEMENT

I am delighted to present the financial report for FORUM FOR THE RESTORATION OF DEMOCRACY - KENYA (FORD - KENYA) for the year ended 30 June 2016.

I would like to congratulate the members of FORUM FOR THE RESTORATION OF DEMOCRACY - KENYA (FORD - KENYA) without whom it would not have been possible for us to achieve the results for the year under view

As the Chairman, I appreciate the support accorded to me by my fellow party officials and I thank them for their invaluable advice and support. I would also like to thank the Government and the Registrar of Political Parties for their support.

Thank you.

A handwritten signature in black ink, appearing to be "J. A. Muli".

CHAIRMAN,

30 SEPTEMBER 2016.

FORUM FOR THE RESTORATION OF DEMOCRACY - KENYA (FORD - KENYA)  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016

ACCOUNTING OFFICER'S STATEMENT

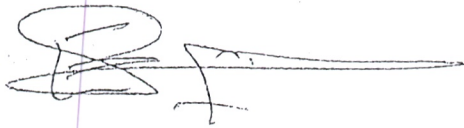
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Its with great honour that we present the financial report for FORUM FOR THE RESTORATION OF DEMOCRACY - KENYA (FORD - KENYA) for the year ended 30 June 2016.

I would like to congratulate the members of FORUM FOR THE RESTORATION OF DEMOCRACY - KENYA (FORD - KENYA) without whom it would not have been possible for us to achieve the results for the year under review.

I would like to appreciate the support accorded to me by my fellow party officials' and I thank them for their invaluable advice and support. I would also like to thank the Government and the Registrar of Political Parties for their support.

Thank you.



SECRETARY GENERAL / ACCOUNTING OFFICER

September 30, 2016.

FORUM FOR THE RESTORATION OF DEMOCRACY - KENYA (FORD - KENYA)  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016

REPORT OF THE PARTY OFFICIALS'

RESULTS

The results are set out in pages 8 to 13

PARTY OFFICIALS

The list of party officials whi served during the year is set out in page 2.

AUDITORS

The auditor General is responsible for the statutory audit of the party's books of Accounts in accordance with the Political Party's Act, 2011.

BY ORDER OF THE NATIONAL EXECUTIVE COMMITTEE.



SECRETARY GENERAL.

30 SEPTEMBER 2016.



FORUM FOR THE RESTORATION OF DEMOCRACY - KENYA (FORD - KENYA)  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016

18 NOV 2016

STATEMENT OF PARTY OFFICIALS' RESPONSIBILITIES

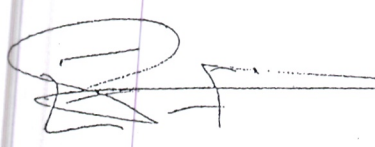
The Political Parties Act, 2011 requires the Party officials to prepare financial statements which give a true and fair view of the state of affairs of the Party as at the end of the financial year and of the results for that year. The Party officials are also required to ensure that the Party maintains proper accounting records which disclose with reasonable accuracy the financial position of the Party. The Party officials are also responsible for safeguarding the assets of the Party.

The Party officials accept the responsibility for the financial statements which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, consistent with the internal financial reporting standards.

The Party officials are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Party as at 30 June 2016 and of the operating results for the year then ended. The Party officials further confirms the accuracy and completeness of the accounting records maintained by the Party which have been relied upon in the preparation of the financial statements, as well as on the adequacy of the systems of internal financial controls.

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

Approved by the Party officials and signed on their behalf on \_\_\_\_\_ 2016



SECRETARY GENERAL



# REPUBLIC OF KENYA

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Fax: +254-20-311482  
E-mail: [oag@oagkenya.go.ke](mailto:oag@oagkenya.go.ke)  
Website: [www.kenao.go.ke](http://www.kenao.go.ke)



P.O. Box 30084-00100  
NAIROBI

## OFFICE OF THE AUDITOR-GENERAL

### REPORT OF THE AUDITOR-GENERAL ON FORUM FOR THE RESTORATION OF DEMOCRACY-KENYA (FORD-KENYA) FOR THE YEAR ENDED 30 JUNE 2016

---

#### REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of the Forum for the Restoration of Democracy-Kenya (Ford-Kenya) set out on pages 8 to 14 which comprise the statement of financial position as at 30 June 2016, and the statement of comprehensive income, statement of cash flows and statement of changes in equity 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.

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

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 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 47 of the Public Audit Act, 2015.

#### **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 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. The audit was conducted in accordance with International Standards of Supreme Audit Institutions. Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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*Report of the Auditor-General on the Financial Statements of the Forum for the Restoration of Democracy-  
(Ford-Kenya) for the year ended 30 June 2016*

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 qualified audit opinion.

### **Basis for Qualified Opinion**

#### **1. Late Submission of Financial Statements**

The Ford-Kenya Party did not submit its financial statements for the year 2015/2016 for audit by 30 September 2016, as required by law. The financial statements were submitted on 11 November 2016. Consequently, the Party breached the Law and caused delay in completion of the audit.

#### **2. Accuracy and Presentation of the Financial Statements**

- a) The statement of comprehensive income reflects total income amounting to Kshs.17, 586,838 which includes a balance of Kshs.4,693,838 brought forward from the previous year which is essentially not an income but a balance sheet item from the previous year.
- b) The monthly National Social Security Fund (NSSF) contribution of Kshs.17,280 is made up of employee's contribution of Kshs.5,760 per month and employer's contribution of Kshs.11,520 per month.

The Party has arrived at the NSSF cost of Kshs.212,360 by aggregating the employers plus employees' contribution. Therefore total NSSF costs have been overstated by the employee's contribution of Kshs.69,120.

- c) Salaries expenditure includes Kshs.52,000 relating to the employee contribution to the insurance fund that covers medical requirements of the employees and their families. However, the financial statements reflect expenditure of initial amount thus resulting in double counting of the expenditure.
- d) The statement of financial position reflects a cash and bank balance of Kshs. 3,326,135. However, a cash analysis reflects a balance of Kshs.3,543,114 raising a difference of Kshs.216,979 which has not been explained or reconciled. As a result, the accuracy of the cash balance cannot be confirmed.
- e) By the end of the financial year on 30 June 2016, the party had prepaid expenses totalling to Kshs.433, 642 but which expense has not been reflected as a current asset in the statement of financial position. In addition, a sum of Kshs.368,000 has erroneously been expensed as administrative expenses.

- f) The financial statements are not prepared in accordance with the template provided by Public Sector Accounting Standards Board as there are no notes explaining the actions taken to resolve audit issues raised in the previous year's audit report.
- g) The financial statements do not include statement of comparative budget and actual basis as required by the Public Sector Accounting Standards Board. No reasons have been given for the omission.
- h) Several comparative balances from the previous year were incorrectly brought forward as shown below. As a result the accuracy of the financial statements cannot be confirmed:

| <b>Account</b>           | <b>Balances 2014/2015<br/>Amounts (Kshs)</b> | <b>Balances 2015/2016<br/>Amounts (Kshs)</b> |
|--------------------------|--|--|
| Debtors MCAs             | 3,353,000                                    | Nil  |
| Trade and other payables | 90,173                                       | Nil  |
| Accumulated fund         | 8,926,505                                    | 5,663,677                                    |
| <b>Surplus</b>           | <b>5,122,839</b>                             | <b>4,693,838</b>                             |

In the circumstances, the accuracy and presentation of the financial statements for the year ended 30 June 2016 cannot be confirmed.

### 3. Unsupported Expenditure

- a) During the financial year, the party made withdrawals from its bank account at Standard Chartered Bank for salaries and office expenses. Withdrawals for office expenditure totalled Kshs.816,746. However no evidence was provided to show how the amount was used and as a result it has not been possible to confirm the propriety of the expenditure.
- b) In order to popularize the Party, three meetings were held in Turkana, Bungoma and Nairobi Counties. During these meetings the Party incurred expenditure on hire of venues, provision of snacks and transport for members who attended the meetings. However, the party management did not present evidence to support expenditure totalling Kshs.2,046,000 incurred on provision of snacks and transport for members. Therefore, the expenditure was not accounted for and cannot be confirmed to have been a valid charge on public funds.

#### **4. Unresolved previous year issues**

The Party has not resolved issues raised in the 2014/2015 financial year.

#### **Qualified Opinion**

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Forum for the Restoration of Democracy-Kenya (Ford-Kenya) as at 30 June 2016, and its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Political Parties Act, 2011.



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

**Nairobi**

**11 April 2017**

FORUM FOR THE RESTORATION OF DEMOCRACY KENYA(FORD-KENYA)  
 STATEMENT OF COMPREHENSIVE INCOME  
 FOR THE YEAR ENDED 30 JUNE 2016

| INCOME   | NOTES | 2016<br>KSHS      | 2015<br>KSHS      |
|--|-------|-------------------|-------------------|
| Balance B/F  |       | 4,693,838         |                   |
| Political Parties Fund                                     |       | 7,800,000         | 13,458,683        |
| Parliamentary Group & senate<br>Members of County Assembly |       | 4,450,000         | 5,690,000         |
| Nomination Contribution                                    |       | 273,000           | 260,000           |
| Membership Cards   |       | -                 | 10,000            |
| Others(Life Membership Certificates)                       |       | 320,000           | 23,000            |
|  |       | 50,000            | 788,805           |
| <b>TOTAL</b>   |       | <b>17,586,838</b> | <b>20,230,488</b> |
| <b>LESS EXPENDITURE:</b>                                   |       |                   |                   |
| Administrative Expenses                                    | 5     | 6,582,028         | 7,690,150         |
| Workshops,Conferences & Meetings                           |       | 4,276,925         | 1,420,500         |
| Recruitment & Mobilization                                 |       | 1,092,500         | 1,161,000         |
| Advertising , Publicity & Rallies                          |       | 1,634,250         | 2,265,000         |
| Party Campaign   |       | 500,000           | 1,670,000         |
| General council(preparation)                               |       | 175,000           | 1,330,000         |
| <b>TOTAL EXPENDITURE</b>                                   |       | <b>14,260,703</b> | <b>15,536,650</b> |
| <b>SURPLUS (DEFICIT) for the year</b>                      |       | <b>3,326,135</b>  | <b>4,693,838</b>  |

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FORUM FOR THE RESTORATION OF DEMOCRACY-KENYA(FORD-KENYA)  
 STATEMENT OF FINANCIAL POSITION  
 AS AT 30TH JUNE 2016

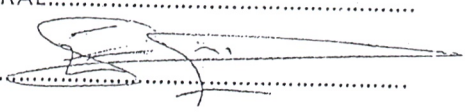
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| NON-CURRENT ASSETS            | NOTES | 2016<br>KSHS     | 2015<br>KSH      |
|-------------------------------|-------|------------------|------------------|
| Properties, Plant & Equipment | 2     | 697,014          | 969,839          |
| <br>                          |       |                  |                  |
| <b>CURRENT ASSETS</b>         |       |                  |                  |
| Cash and Bank Balances        |       | 3,326,135        | 4,693,838        |
| <br>                          |       |                  |                  |
| <b>CURRENT LIABILITIES</b>    |       |                  |                  |
| Creditors and Accruals        |       | -                | -                |
| <b>NET CURRENT ASSETS</b>     |       | <u>4,023,149</u> | <u>4,693,838</u> |
| <br>                          |       |                  |                  |
| <b>TOTAL ASSETS</b>           |       | <u>4,023,149</u> | <u>5,663,677</u> |
| <br>                          |       |                  |                  |
| <b>REPRESENTED BY:</b>        |       |                  |                  |
| Accumulated Fund              |       | <u>4,023,149</u> | <u>5,663,677</u> |

These Financial Statements were approved by NEC and signed on its behalf by:

SECRETARY GENERAL.....

SIGNATURE:.....




FORUM FOR THE RESTORATION OF DEMOCRACY-KENYA  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED 30 JUNE 20116

|  | 2016               | 2015             |
|--|--------------------|------------------|
|  | KSH                | KSH              |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>      |                    |                  |
| Surplus (Deficit) for the year                   | 3,326,135          | 4,693,838        |
| Adjustment for Non-cash Movements                | 272,825            | 386,052          |
| Add: Depreciation                                | <u>3,598,960</u>   | <u>5,079,890</u> |
| Increase/(Decrease) in Creditors and Acruals     |                    |                  |
| Net cash flows from operating activities         | <u>3,598,960</u>   | <u>5,079,890</u> |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>      |                    |                  |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>      |                    |                  |
| Purchase of Plant, Property & Equipments         | (149,703)          | (280,337)        |
| Salary Advance                                   | (418,000)          |                  |
| Membership cards                                 | <u>(800,000)</u>   |                  |
| <b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b> | <u>(1,367,703)</u> | <u>1,107,066</u> |
| Cash and Cash Equivalents at 1 July              | 4,693,838          | 1,573,719        |
| Cash and Cash Equivalents at 30 June             | 3,326,135          | 4,693,838        |

18 NOV 2016

FORUM FOR THE RESTORATION OF DEMOCRACY-KENYA(FORD-KENYA)  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30TH JUNE 2016

1.(a)ACCOUNTING POLICIES

The financial statements are prepared in accordance with International Financial Reporting Standards.

(b)BASIS OF ACCOUNTING

Ford.kenya prepares its financial statements on accrual basis using Historical Cost Convention.

(c)DEPRECIATION OF FIXED ASSETS

The party's policy is to provide no depreciation in the year of acquisition and full depreciation in the year of disposal at the following rate;

|                           |        |
|---------------------------|--------|
| Computers and Accessories | 30%    |
| Equipments                | 12.50% |
| Furniture & Fittings      | 12.50% |

2.PROPERTY,PLANT & EQUIPMENT

|                                 | COMPUTER & ACCESSORY | FURNITURE & FITTING | OFFICE EQUIPMENT | TOTAL   |
|---------------------------------|----------------------|---------------------|------------------|---------|
| COST                            |                      |                     |                  |         |
| AS AT 01.07.2015                | 866,258              | 33,072              | 70,509           | 969,839 |
| ADDITIONS DURING YEAR           | -                    | -                   | -                | -       |
| TOTAL                           | 866,258              | 33,072              | 70,509           | 969,839 |
| DEPRECIATION DURING THE YEAR    | 259,877              | 4,134               | 8,814            | 272,825 |
| NET BOOK VALUE AS AT 30.06.2016 | 606,381              | 28,938              | 61,695           | 697,014 |

FORUM FOR THE RESTORATION OF DEMOCRACY-KENYA  
CONTINUATION OF NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016

18 NOV 2016

|                                     | 2016                    | 2,015                   |
|-------------------------------------|-------------------------|-------------------------|
|                                     | KSHS                    | KSHS                    |
| <b>3. Cash and Cash Equivalents</b> |                         |                         |
| Co-op Bank 1 a/c                    | 2,176,108               | 495,537                 |
| Co-op Bank 2 a/c                    | 488,299                 | 251,309                 |
| Standard Chatered Bank              | 661,728                 | 3,946,992               |
| <b>TOTAL</b>                        | <u><u>3,326,135</u></u> | <u><u>4,693,838</u></u> |
| <br>                                |                         |                         |
| <b>4. Pre-Paid Expense</b>          |                         |                         |
| Staff Salary Advance                | 433,642                 |                         |
| <b>Total</b>                        | <u><u>433,642</u></u>   |                         |

FORUM FOR THE RESTORATION OF DEMOCRACY - KENYA  
 NOTES TO FINANCIAL STATEMENTS CONTINUED  
 FOR THE YEAR ENDED 30 JUNE 2016

18 NOV 2016

|                                   | 2016             | 2015             |
|-----------------------------------|------------------|------------------|
|                                   | KSH              | KSH              |
| <b>5. ADMINISTRATIVE EXPENSES</b> |                  |                  |
| Rent Headquarters                 | 2,308,000        | 2,910,000        |
| Office Stationary                 | 49,200           | 212,050          |
| General Office Expenses           | 274,356          | 252,612          |
| Audit Fee                         | 160,000          |                  |
| Subscriptions (CMD)               | 60,000           | 50,000           |
| Contribution (In support of CORD) | 100,000          |                  |
| Telephone and Internet            | 80,400           | 133,000          |
| Staff Salaries                    | 2,565,047        | 2,668,010        |
| Electricity and Water             | 41,000           | 29,000           |
| Transport and Fuel                | -                | 193,700          |
| Depreciation                      | 272,825          | 386,052          |
| Salary Advance                    | 368,000          | 414,000          |
| National Security Fund            | 212,360          | 211,368          |
| Staff Medical & NHIF              | 52,000           | 146,480          |
| Bank Charges                      | 38,840           | 33,878           |
| <b>TOTAL</b>                      | <b>6,582,028</b> | <b>7,690,150</b> |

**ACTIVITIES**

|                                   |                  |                  |
|-----------------------------------|------------------|------------------|
| Workshops, Conferences & Meetings | 3,376,925        | 1,420,500        |
| Recruitment & Mobilization        | 1,092,500        | 1,161,000        |
| Advertising, Publicity & Rallies  | 2,234,250        | 2,265,000        |
| Party Campaign                    | 800,000          | 1,670,000        |
| General council (preparation)     | 175,000          | 1,330,000        |
| <b>TOTAL</b>                      | <b>7,678,675</b> | <b>7,846,500</b> |