

REPUBLIC OF KENYA



Enhancing Accountability



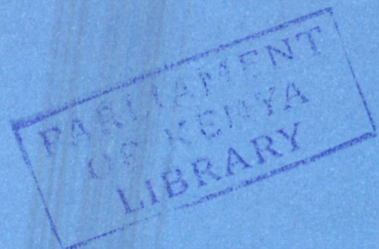
REPORT

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 14 FEB 2024

DAY: WED

OF



TABLED

Deputy Leader Majority Party
Hon. Owen Baya, MP

WORK-AT
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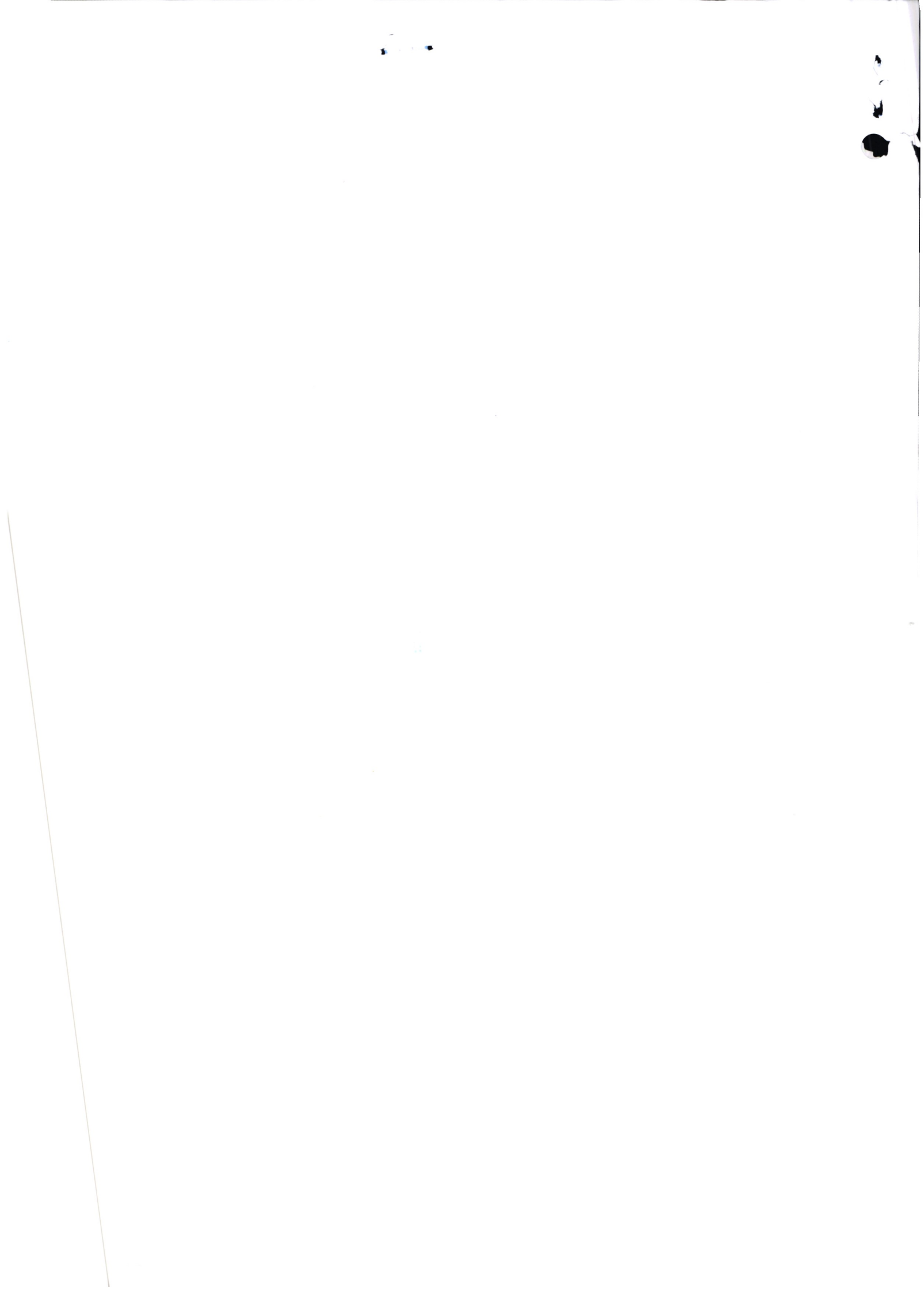
Miriam Wendo

THE AUDITOR-GENERAL

ON

**OFFICE OF THE REGISTRAR OF
POLITICAL PARTIES**

**FOR THE YEAR ENDED
30 JUNE, 2023**





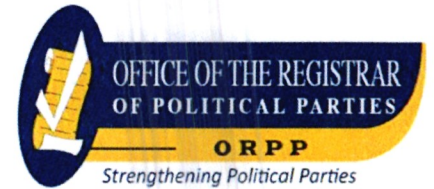
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Sarit Centre, Nairobi.

**OFFICE OF THE REGISTRAR OF
POLITICAL PARTIES**

**ANNUAL REPORT AND FINANCIAL
STATEMENTS - RECURRENT**

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2023

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

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1. ACRONYMS AND GLOSSARY TERMS

AIE	Authority to Incur Expenditure
CFO	Chief Finance Officer
HAU	Head of Accounting Unit
IPSAS	International Public Sector Accounting Standards
OCOB	Office of the Controller of Budget
OAG	Office of the Auditor General
ORPP	Office of the Registrar of Political Parties
PFM	Public Finance Management
MTP	Medium Term Plan

2. OFFICE OF THE REGISTRAR OF POLITICAL PARTIES 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 of Kenya.

The Act provides that the ORPP shall be a body corporate with perpetual succession and a seal and capable of suing and being sued in its corporate name. Further, it provides that the Office shall be headed by the Registrar and deputized by three (3) Assistant Registrars.

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 political pillar of Vision 2030.

The mandate of the Office is to register, regulate as well as administer the Political Parties Fund. The strategic direction of the Office is guided by the ORPP Strategic Plan 2020/2025 which identified five (5) Key Result Areas for effective and efficient execution of its mandate. They are Registration and Documentation; Regulation of Political Parties; Institutional Capacity; Stakeholder Partnerships and Collaboration and; Political Parties Participation in Elections.

This accompanying report constitutes the financial statements for the Office of the Registrar of Political Parties for the Financial Year 2022/2023.

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

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 adopt 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: -

- (i) Register, regulate, monitor, investigate and supervise political parties to ensure compliance with the Political Parties Act;
- (ii) Administer the Political Parties Fund;
- (iii) Ensure publication of audited annual accounts of political parties;
- (iv) Verify and make publicly available the list of all members of political parties;
- (v) Keep and maintain a register of members of registered political parties;
- (vi) Maintain a register of political parties and the symbols of the political parties;
- (vii) Ensure and verify that no person is a member of more than one political party and notify the Commission of the findings;
- (viii) Certify that an independent candidate in an election is not a member of any registered political party;
- (ix) Certify that the symbol intended to be used by an independent candidate in an election does not resemble the symbol of a registered political party;
- (x) Certify that the names appearing in a party list are the names of members of the political party presenting the party list;
- (xi) Train political parties' elections agents upon request and financing by the political party
- (xii) Investigate complaints received under the Political Parties Act; and
- (xiii) 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 2023 and who had direct fiduciary responsibility were:

No.	Designation	Names
1.	Registrar of Political Parties/CEO	Ann N. Nderitu, CBS
2.	Assistant Registrar of Political Parties	Ali Abdullahi Surraw
3.	Assistant Registrar of Political Parties	CPA Florence Biryra
4.	Director Compliance	Daniel Kinuthia
5.	Assistant Director, Registration	Locha Erukudi
6.	Senior Chief Finance Officer	Joshua Kimulu
7.	Principal Accountant	Douglas Wanzala
8.	Assistant Director, Internal Audit	Veronicah Muasya
9.	Senior Economist	Joseph Kariuki
10.	Senior Compliance Officer (Political Parties Capacity Building)	Anastacia Kaberere
11.	Senior Information Communication and Technology Officer	Robert Waithaka
12.	Senior Communication Officer	Mutethia Mberia
13.	Principal Human Resource Management Officer	Jacqueline Kosgei
14.	Senior Administration Officer	Jane Kamau
15.	Senior Supply Chain Management Officer	Esther Kiarie
16.	Legal Officer	Wafula Wakoko
17.	Senior Partnership and Linkages Officer	Beatrice Nderi
18.	Senior Field Services Officer	Joshua Ngala

(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 department and units with the Registrar as the chairperson.

Terms of Reference were: -

- (i) Review policies, Reports and guidelines developed by departments
- (ii) Receive and review recommendations from various committees
- (iii) Review departmental budgets;
- (iv) Review operational and financial performance of the organization to ensure sustainability
- (v) Review financial statements before submission to the Office of the Auditor General

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.

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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

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.04/2022, 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/CEO	Chairperson
2.	Joshua Kimulu	Senior Chief Finance Officer	Alternate Chairperson
3.	Jacqueline Kosgei	Principal HR Officer	Member
4.	Daniel Kinuthia	Director Compliance	Member
5.	Joseph Kanja	Senior Economist	Member
6.	Esther Kiarie	Senior Supply Chain Management Officer	Member

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7.	Wafula Wakoko	Legal Officer	Member
8.	Locha Erukudi	Assistant Director, Registration	Member
9.	Joshua Ngala	Senior Field Services Officer	Member
10.	Jane Kamau	Senior Administration Officer	Member
11.	Douglas Wanzala	Principal Accountant	Secretary
12.	Abdirahman Hussein	Planning Officer	Secretariat
13.	Yatich Kelvin	Finance Officer	Secretariat

The functions of the committee are to:

- (i) 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) Review the utilization of cash limits and consider any changes as may be required;
- (iii) Review the utilization of donor funds voted for ORPP;
- (iv) Advise the Accounting Officer on any challenges related to the budget implementation;
- (v) Review and recommend reallocation of expenditures;
- (vi) 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) Participate in sector Working Groups in budget preparation processes; and
- (viii) Prepare budget for ORPP in consultation with Heads of Departments.

5. Human Resource and Administration Committee

The Human Resource and Administration 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	Senior Chief Finance Officer	Member
3.	Jane Kamau	Senior Administration Officer	Member
4.	Mutethia Mberia	Senior Communication Officer	Member
5.	Locha Erukudi	Assistant Director, Registration	Member
6.	Judy Gathoni	Registration Officer	Member
7.	Jacqueline Kosgei	Principal HR Officer	Secretary

The terms of reference were to: -

- (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.	Joshua Ngala	Senior Field Services 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.	Beatrice Adera	Librarian	Member
7.	Robert Waithaka	Senior ICT Officer	Secretary

The terms of reference were to: -

- (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.	Beatrice Nderi	Senior Partnership and Linkages Officer	Chairperson
2.	John Mwaura	Registration Officer	Member
3.	Marjorie Okeyo	Senior Research Officer	Member
4.	Lucy Kemunto	Communication Officer	Member
5.	Beatrice Amollo	Librarian	Member
6.	Hope Nandwa	Registration Officer	Member
7.	Mutethia Mberia	Senior Communication Officer	Secretary

The terms of reference were to: -

- (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
- (ix) 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.	Daniel Kinuthia	Director Compliance	Chairperson
2.	Joy Onyango	Compliance Officer	Member
3.	Lodupo Tukei	Liaison Officer	Member
4.	Locha Erukudi	Assistant Director, Registration	Member
5.	Sylvia Makanga	Compliance Officer	Member
6.	Elizabeth Ndwiga	Registration Officer	Member
7.	Judy Gathoni	Registration Officer	Member
8.	Wafula Wakoko	Legal Officer	Secretary

The terms of reference were to: -

- (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.	Joshua Kimulu	Senior Chief Finance Officer	Chairperson
2.	Joseph Kanja	Senior Economist	Member
3.	Abdiaziz Mohamed	HRMO	Member
4.	Beatrice Nderi	Senior Partnership and Linkages Officer	Member
5.	Joshua Ngala	Senior Officer Field Services	Member
6.	Ezekiel Obonyo	Senior County Coordinator	Member
7.	Anastacia Kaberere	Senior Compliance Officer (Political Parties Capacity Building)	Secretary

The Terms of Reference were to: -

- (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	Senior Chief Finance Officer	Chairperson
2.	Anastacia Kaberere	Senior Compliance Officer (Political Parties Capacity Building)	Member
3.	Douglas Wanzala	Principal Accountant	Member
4.	Geraldine Mukele	Senior County Coordinator	Member
5.	Lenard Rotich	Senior Assistant ICT Officer	Member
6.	Jane Kamau	Senior Administration Officer	Member
7.	Jacqueline Kosgei	Principal Human Resource Management Officer (PHRMO)	Secretary
Alternate Members			
1.	Loserian Tukei	Compliance Officer	Alternate to Senior County Coordinator
2.	Mary Kavindu	Human Resource Management Officer	Alternate to PHRMO

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	Secretariat		
1.	Abdiaziz Mohammed	Human Resource Management Officer	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 including coalition political parties 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	Assistant Director, Registration	Chairperson
2.	Judy Gathoni	Registration Officer	Member
3.	Wafula Wakoko	Legal Officer	Member
4.	Anastacia Kaberere	Senior Compliance Officer (Political Parties Capacity Building)	Member
5.	Miriam Wambui	Registration Officer	Member
6.	Kazungu Saquib	Records Management Officer	Member
7.	Josephat Nyongesa	ICT Officer	Secretary

The Terms of Reference were to;

- (i) 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;
- (ii) 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
- (iii) Implement strategies and policies for registration of political parties.
- (iv) Develop procedures for verification and scrutiny of changes to constitutive documents and particulars of political parties.
- (v) Prepare all statutory documents on registration for publishing in the Kenya Gazette and in the newspapers as provided for in law.
- (vi) Prepare correspondences on the registration of political parties;
- (vii) Develop guidelines for verification and scrutiny of mergers, coalitions and coalition political parties' documents;
- (viii) 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);
- (ix) 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: -

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.	Abdirahman Hussein	Planning Officer	Member
5.	Elizabeth Wakesho	Office administrator	Member
6.	Kelvin Yatich	Finance Officer	Member
7.	Esther Kiarie	Senior Supply Chain Management Officer	Secretary

The functions of Assets Disposal Committee are to:

- i. Verify and process of all disposal recommendations in liaison with the head of procurement function as prescribed;
- ii. Recommend the best method of disposing of unserviceable, obsolete or surplus stores or equipment;
- iii. Draft a technical report, and
- iv. Recommend to the Registrar the best method of disposing of the stores/equipment.

(e) Office Headquarters

P.O. Box 1131 – 00606,
Lion Place 1st and 4th 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 3 rd floor Wing B Oginga Odinga Road Kisumu	ii. Mombasa Palli House, 5 th Floor Nyerere Avenue, Mombasa	iii. Uasin-Gishu Kerio Valley Development Authority (KVDA) Plaza 7 th 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 Advocates Plaza, Baden Powell Road Nyeri	viii. Bungoma Daima Plaza Bungoma – Mumias Road Bungoma	ix. Malindi Malindi Complex Mall Malindi – Garsen Road Malindi Town
x. Nyahururu GF Plaza Kenyatta Avenue Nyahururu	xi. Garissa 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

Rec: Registrar of Political Parties	1000181206
CBK 165:	1000182806

- ii. Cooperative Bank of Kenya
Westlands Branch
P.O Box 48231 - 00100
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

3. STATEMENT OF GOVERNANCE

3.1 Key Leadership Structure

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) who form the ORPP Plenary. The Plenary is complemented by competent staff for the proper functioning and effective discharge of its mandate.

In its operations, ORPP adheres to the Constitution, PPA with its attendant subsidiary legislations, and other relevant laws as an embodiment of values and principles of public service.

The ORPP Plenary comprises of 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 regular meetings as convened by the Registrar. During the period under review the plenary held five meetings as indicated in table 1:-

Table 1: Plenary Meetings

S/No.	Date of Meeting	Membership	Percentage
1.	6 th – 11 th February 2023	3/3	100%
2.	12th June 2023	3/3	100%
3.	18th May 2023	3/3	100%
4.	4th May 2023	3/3	100%
5.	3 rd October 2023	3/3	100%
6.	17th Oct 2022	3/3	100%
7.	22nd Aug 2022	3/3	100%

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.

3.2 Management Committee and Roles

The Management Committee comprises of the Registrar, Assistant Registrars, Heads of Department and Units. The committee holds biquarterly meetings where recommendations are made to the Plenary. In the year under review, the management committee held nine (9) meetings as indicated in table 2 below;

Table 2: Management Meetings

S/No.	Date of Meeting	Membership	Percentage
1.	25/08/2022	16/18	89%
2.	12/09/2022	17/18	94%
3.	12/11/2022	14/18	78%
4.	12/01/ 2023	14/18	78%
5.	20/01/2023	10/18	56%
6.	03/03/2023	17/18	94%
7.	06/04/2023	14/18	78%
8.	05/05/2023	11/18	61%
9.	26/05/2023	12/18	67%

The roles of the Management Committee were; -

- a. Review policies, Reports and guidelines developed by departments
- b. Receive and review recommendations from various committees
- c. Review departmental budgets;
- d. Review operational and financial performance of the organization to ensure sustainability
- e. Review financial statements before submission to the Office of the Auditor General

3.3 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 whose members server for a term of three (3) years renewable once. The Registrar vide letters' Ref: RPP/CMT/13 vol. IV (18-23) dated 4th January 2021, appointed the following as members of ORPP Audit Committee effective 1st February 2021 for a period of 3 years.

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The Committee comprises of Chairperson, four members, National Treasury representative and a secretary who is the head of internal Audit. During the year under review, the committee held four (4) meetings and undertook the following activities as indicated in the table 3 below:

Table 3: Audit Committee Meetings

S/No.	Meeting No.	Meeting Date	Activity/Deliberations
1.	7th	16/09/2022	Audit Committee and Internal Audit Committee Charter
2.	8th	26/09/2022	Pending bills for the year ended 30th June, 2022 Review of the ORPP Recurrent, Political Parties Fund and Mortgage and Car financial statements for the financial year ended 30th June, 2022.
3.	9th	08/05/2023	Approved Internal Audit Workplan for the FY 2021/2022
4.	10th	15/06/2023	Internal Audit reports ORPP Audit Committee Strategic Plan 2022-2025

3.4 Risk Management, Compliance and Conflict of Interest

(i) Risk Management

The Public Financial Management Regulation, 2015, require that every public entity develop a Risk Management Strategy, comprising of fraud prevention mechanism, system of risk management and internal control.

The Office of the Registrar of Political Parties (ORPP) is subject to certain risks that affect its ability to achieve objectives. These include risks to employees, stakeholders and to property.

The ORPP's Institutional Risk Management Policy Framework (IRMPF) describes the risk management policies, structures, processes and standards for controlling and mitigating risks.

The Registrar of Political Parties (RPP) is responsible and accountable for directing and monitoring the ORPP risk management activities and related performance in a structured framework.

The Audit Committee is responsible for oversight of the ORPP's Risk Management strategy and for providing corporate assurance on the adequacy of risk management procedures within the operations of the entity. The Committee promotes compliance with statutory and regulatory requirements and make recommendations to the RPP on risk management.

The management assume overall ownership of risk management and identifies risks sets mitigation strategies within their departments and units. The Internal Audit provides objective assurance on the effectiveness of ORPP's risk management activities to ensure that key risks are being managed appropriately and that the system of internal control is operating effectively.

Some of the key risks facing ORPP include:

- (i) Strategic Risks: Strategic risks are those risks that affect the ability to carry out the goals and objectives as articulated in the Office mandate, legislation and policies. The understaffing and non-filing of key positions has constrained the office in achieving its objectives.
- (ii) Political Risks/Reputational Risks: The risk of significant negative public opinion and or perception that results in a critical loss of confidence in the Office. Such risks stem from negative perception by a section of the political class and members of the public resulting from misinformation about the ORPP processes.
- (iii) Financial Risks: The risk of financial loss that may include ineffectiveness of internal controls, financial and procurement processes and systems, budgeting and fiscal stewardship as well as the monitoring of full financial and performance reporting. ORPP has continued to integrate the risk management framework with the financial and procurement process to mitigate the associated risks of financial loss, inadequate funding, liquidity challenges and delayed procurements.
- (iv) Technological Risks: Technological risks refer to the possibility of the technology adopted by ORPP not responding to the tasks, either through intentional or non-intentional failures. The risks may include malfunctioning of IPPMS, over-reliance on vendors/for support and maintenance, cyber security threats and rapid obsolescence of existing technologies.

- (v) security threats and rapid obsolescence of existing technologies.
- (vi) Operational Risks: The risk of direct or indirect loss or inability to provide core services, especially to stakeholders, resulting from inadequate resources (including human resources), and systems. The risk associated with limited presence in some counties which affect service delivery. Requirement that MDAs devolve their services to the counties is not met because ORPP has presence in only eleven (11) counties.

(ii) Compliance

The ORPP is a regulator of political parties and is bestowed 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 carried out compliance audit of political parties to ensure compliance with the PPA and the attendant Regulations.

(iii) Conflict of Interest

A conflict of interest register was maintained to which any member with conflicting affiliation in a matter(s) under discussion was obliged to declare.

3.5 Trainings and Development in Governance

To enhance its management capacity, the Office build staff capacity through short trainings on Management courses among other respective members' trainings as provided in the ORPP training plan, as tabulated in table 4 below.

Table 4: Trainings

S/No.	Courses	Number of staff trained	Male	Female
1.	Various Individual short courses	49	24	25
2.	Individual long course	1	-	1
3.	Group training	8	2	6
	Total	58	26	32

3.6 Public Participation

During the year under review, the Office developed the following documents: political parties finance and procurement manual, schedule on the distribution of Political Parties' Fund, post-election evaluation report and media engagement guidelines. The documents were subjected to public participation.

3.7 Compliance with Laws and Regulations

The Office complied with the Constitution, various applicable laws and Regulations. Audit and governance checks were undertaken by designated offices such as the Office of the Auditor General, Public Service Commission and relevant Committees of the National Assembly. The Office periodically submits reports to the relevant agencies in accordance with reporting requirements and within stipulated timelines. The Office also made submissions to Parliament on various issues in relation to its mandate.

4. STATEMENT BY THE REGISTRAR OF POLITICAL PARTIES

4.1 Introduction

The mandate of the Office of the Registrar of Political Parties is to register and regulate political parties as well as administer the Political Parties' Fund (PPF). The Office implements one programme; Registration, Regulation and Funding of political parties which comprises three sub-programmes namely; Registration and Regulation of political parties; Funding of Political Parties, and Political Parties Liaison Committee.

4.1.1 Summary of budget performance for the year ended 30th June 2023

The Office was allocated Kenya shillings two billion, one hundred twenty-six million eight hundred and fifty thousand shillings (Kshs.2,126,850,000) in the printed estimates of FY2022/23. Through supplementary budget estimates No. 1 of FY2022/2023, the budget was reduced by Kenya shillings five hundred and seventy-five million eight hundred and thirty-four thousand, eight hundred and thirty-one shillings (Kshs.575,834,831) resulting to a revised budget of Kenya shillings one billion five hundred fifty-one million, fifteen thousand one hundred and sixty-nine shillings (Kshs. 1,551,015,169).

During supplementary estimates No. 2, the allocation was further reduced by Kenya shillings twenty million seven hundred and forty-six thousand nine hundred and twenty-two shillings (Kshs. 20,746,922) resulting to an approved budget of Kenya shillings one billion five hundred and thirty million two hundred and sixty-eight thousand two hundred and forty-seven shillings (Kshs.1,530,268,247). During the FY2022/2023, the Office spent a total of one billion four hundred and fifty-five million three hundred forty-five thousand one hundred and sixty-seven shillings (Kshs. 1,455,345,167). Table 5 below indicates the budget allocation Vs the budget utilization by sub-programmes during the FY2022/2023.

Table 5: Budget Allocation Vs Budget Expenditure by Sub-Programmes (Kshs)

S/no.	Sub-Programme	Printed Estimates	Budget Allocation	Budget Utilization
1.	Registration and Regulation of political parties	634,359,000	630,378,247	555,593,766
2.	Funding of Political Parties	1,475,000,000	884,354,000	884,354,000
3.	Political Parties Liaison Committee	17,491,000	15,536,000	15,397,401
Total Expenditure		2,126,850,000	1,530,268,247	1,455,345,167

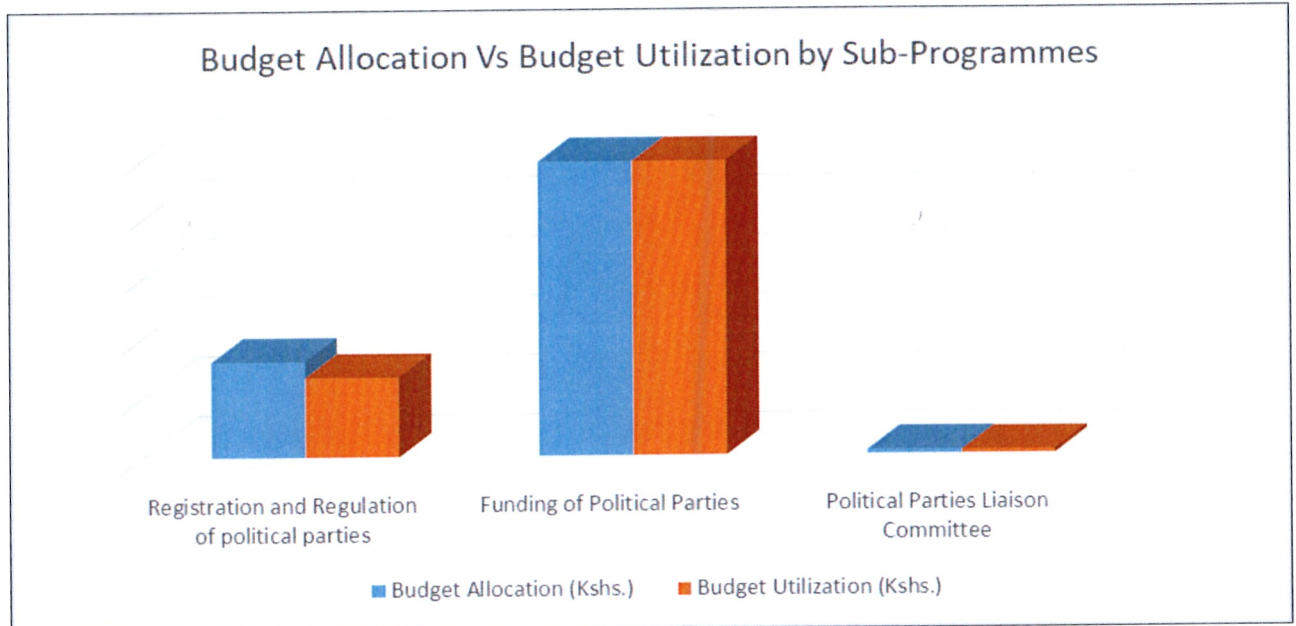


Fig.1: The bar graph below illustrates Budget Allocation Vs Budget Utilization by Sub-Programmes

The absorption rate was 95.10%. The absorption rate was not 100% due to nonresponse of suppliers to the IFMIS. The Office complied with the Public Finance Management Act, 2012; Public Procurement and Asset Disposal Act, 2015; Political Parties Act, 2011 and other laws that govern Public finances while executing the budget.

4.1.2 Key Achievements for ORPP

During the year under review the Office undertook the following; upgraded the Integrated Political Parties Management System (IPPMS) by onboarding three (3) services namely, membership registration (Self Registration as a member of a political party), resignation from political parties, and checking of political parties' membership status on the eCitizen platform. Further, the Office rolled out mobile platform which included bulk SMS, short code and USSD (*509#) services. The Office also spearheaded the enactment of the Political Parties (Amendment) Act, 2022 and the Political Parties (Membership) Regulations, 2021. In addition, the ORPP certified membership registers of eighty-four (84) political parties; certified membership status and symbols of six thousand, nine hundred and forty-four (6,944) independent candidates; and trained one thousand seven hundred and thirty-five (1,735) county and national political party chief agents.



Fig. 2: Participants during a party county chief agent training

As at 30th June 2023, the Office received six hundred and ninety-two (692) political parties name search applications. Out of these, seventy (70) names were reserved for use while six hundred and twenty-two (622) were rejected for non-compliance. The number of fully registered political parties was ninety (90), and there were two coalitions namely; Kenya Kwanza Alliance and Taifa Democratic Coalition, and one coalition political party namely Azimio La Umoja One Coalition.

To enhance effective discharge of the mandate and functions of ORPP, the office developed the following policy documents; Finance and Accounts Policy and Procedure Manual, Post-Election and Evaluation Report, Annual Report for 2021/22, Media Engagement Guidelines, Records Management Policy, Resource Centre Management Policy, Registration Policy; Compliance Standard Operating Procedures (SOPs); Transport Management Policy; and also automated leave management system for efficient leave application and approval.

The Office employed the following interventions to create awareness of its mandate and improve its corporate image; produced twelve (12) editions of internal bulletins to enhance internal communication engagement, participated in three (3) Trade Fairs and outreach initiatives.

During the year under review, the Office adopted a long-term CSR project on which it adopted to sponsor a bright and needy boy through his secondary education (presently in Form 1 in Kiambu High School). The Office through staff voluntary contributions conducted visits to Gatina primary in Kawangware, Nairobi and Kiriri in Ndeiya Kiambu county primary schools during which it donated food stuff, offered career talks and shared games and sporting activities with the pupils and school fraternity. The Office also visited and made donation to Newlife Home Trust, a children's home in Kisumu. The donations included food stuffs, clothing and toiletries.



Fig. 3: CSR engagement visit where ORPP made career a talk and donated food items to Kiriri primary school, Ndeiya-Limuru sub-county

4.1.3 Emerging Issues

The Issue of the Global Warming that is affecting the climate and therefore cost of living has a negative impact to operations of political parties' in terms of compliance with PPA, high rate of technological advancements, Cyber Security, Data Protection and negative perception.

4.1.4 Key Risk Management Strategies

The Office of the Registrar of Political Parties (ORPP) is subject to certain risks that affect its ability to achieve objectives. These include risks to employees, stakeholders and to property.

The ORPP's Institutional Risk Management Policy Framework (IRMPPF) describes the risk management policies, structures, processes and standards for controlling and mitigating risks. The Registrar of Political Parties (RPP) is responsible and accountable for directing and monitoring the ORPP risk management activities and related performance in a structured framework.

The Audit Committee is responsible for oversight of the ORPP's Risk Management strategy and for providing corporate assurance on the adequacy of risk management procedures within the operations of the entity. The Committee promotes compliance with statutory and regulatory requirements and make recommendations to the RPP on risk management.

The management assume overall ownership of risk management and identifies risks sets mitigation strategies within their departments and units. The Internal Audit provides objective assurance on the effectiveness of ORPP's risk management activities to ensure that key risks are being managed appropriately and that the system of internal control is operating effectively.

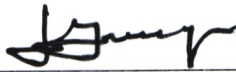
4.1.5 Challenges, Recommendations and Way forward

In implementing its mandate, the Office faced various challenges key among them: late amendment to the PPA which posed a challenge in planning and implementation of activities; legal issues emanating from coalitions and coalition political parties including signing of the agreements and exit clauses and high number of candidates vying as independent candidates emanating from party nominations. There were also high number of litigations emanating from Party nomination, administrative decisions and allocation and distribution of Political Parties Fund. In addition, the Office experienced inadequate budgetary allocations and delay in exchequer release.

To mitigate these challenges, the ORPP recommends the following; legal reforms on political and electoral laws to be carried out two years before a general election, continuous sensitization and capacity building of political parties. In addition, Parliament and the National Treasury should allocate adequate resources to the Office and the National Treasury to release exchequer in a predictable and timely manner to enable the Office to accomplish its mandate.

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The Office will continue working closely with Parliament, The National Treasury and other relevant stakeholders to leverage on the financial and technical support in the execution of its mandate.



Ann N. Nderitu, CBS
Registrar of Political Parties/CEO

5. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR FY2022/23

The Strategic Objective of ORPP as per the 2020-2025 Strategic Plan is to promote competitive and issue based political parties. The Office has one programme; Registration, Regulation and Funding of Political Parties. The Programme has three sub programmes; Registration and Regulation of Political Parties; Administration of Political Parties Fund and Political Parties Liaison Committee.

7.1 Introduction

In line with Public Finance Management Act, 2012 Section 81 (2) (f) and in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board, ORPPs performance against predetermined objectives are as tabulated in table 6 below:

Table 6: ORPPs performance against predetermined objectives

Program	Strategic Objective	Outcome	Indicator	Performance	Comments
Registration, Regulation and Funding of Political Parties	To promote competitive and issue based political parties	Competitive and Issue Based Political Parties	Percentage of applications for provisional registration processed	100	Out of the thirty-six (36) applicants for provisional registration, twenty-five (25) met the threshold and were provisionally registered.
			Percentage of provisional registered political parties applications for full registration processed	100	Out of the twenty-seven (27) applicants for full registration, seventeen (17) met the threshold and were fully registered.

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Program	Strategic Objective	Outcome	Indicator	Performance	Comments
			No. of Political Parties supervised to ensure compliance with the Political Parties Act, 2011	90	The Political parties that had not complied were notified on the areas of non-compliance and requested to rectify the breaches within the statutory period of 90 days.
			Percentage of applications for clearance of membership status and proposed symbols of independent candidates processed	100	During the period under review the Office certified membership status and proposed symbols of nine (9) independent candidates cleared for purposes of participating in the by-elections for Bungoma & Elgeyo Marakwet senate and Kandara & Garissa Township constituencies.

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Program	Strategic Objective	Outcome	Indicator	Performance	Comments
			No. of political party's secretary generals trained on compliance status, election timelines and political parties' membership	89	Only one secretary General of a political party who did not attend the training.
			No. of county sensitization and feedback forums to enhance participation of CSOs/FBOs and SIGs in electoral and political processes held	8	Sensitization forums were held targeting CSOs/FBOs, county political parties' officials, Women, Youth and Persons with Disabilities (PWDs) in 8 regions covering the whole country

6. MANAGEMENT DISCUSSION AND ANALYSIS

The Office of the Registrar of Political Parties implements the **Registration, Regulation and Funding of Political Parties** programme whose strategic objective is to promote competitive and issue based political parties.

The programme comprises the following three sub-programs:

- i) Registration and Regulation of political parties;
- ii) Funding of Political Parties; and
- iii) Political Parties Liaison Committee.

The table below indicates the approved budget versus the actual expenditure of the Office for the last three Financial Years i.e. FY2020/21, FY2021/22 and FY2022/23 analysis by category of programme and sub-programmes.

TABLE 7: ANALYSIS BY CATEGORY OF EXPENDITURE: PROGRAMMES (KSHS. MILLION)

	Approved Budget			Actual Expenditure		
	2020/21	2021/22	2022/23	2020/21	2021/22	2022/23
Programme : Registration, Regulation and Funding of Political Parties						
Sub-Programme 1: Registration and Regulation of Political Parties	302.10	805.35	630.38	290.87	668.58	555.60
Sub-Programme 2: Funding of Political Parties	995.24	2,475.26	884.35	995.24	2,475.26	884.35
Sub-Programme 3: Political Parties Liaison Committee	8.78	34.11	15.54	8.68	30.01	15.40
Total Programme	1,306.12	3,314.72	1530.27	1,294.79	3,173.85	1,455.35
Total Vote	1,306.12	3,314.72	1530.27	1,294.79	3,173.85	1,455.35

The sub-programme on Registration and Regulation of Political Parties during the FY2020/21, 2021/22 and 2022/23 achieved absorption rates of 96.28%, 83.02% and 95.10% respectively. The sub-programme on Funding of Political Parties achieved 100% absorption rate. The absorption rate for the PPLC subprogram was 98.86%, 87.98% and 99.10% respectively.

6.1 ANALYSIS BY CATEGORY OF EXPENDITURE: ECONOMIC CLASSIFICATION (KSHS. MILLION)

The table below indicates the budgetary allocation and the actual expenditure by economic classification

Table 8: ANALYSIS BY ECONOMIC CLASSIFICATION (KSHS. MILLION)

Economic Classification	Approved Budget			Actual Expenditure		
	2020/21	2021/22	2022/23	2020/21	2021/22	2022/23
PROGRAMME 1: Registration, Regulation and Funding of Political Parties						
Current Expenditure	1,306.12	3,314.72	1,530.27	1,294.79	3,173.85	1,460.97
Compensation of Employees	159.66	234.04	257.60	155.98	229.62	257.16
Use of Goods and Services	103.55	544.30	344.24	97.57	431.40	279.63
Grants and Other Transfers	995.24	2,475.26	884.35	995.24	2,475.26	884.35
Other Recurrent	47.67	61.12	44.08	46.00	37.57	34.21
TOTAL PROGRAMME	1,306.12	3,314.72	1,530.27	1,294.79	3,173.85	1,455.35
TOTAL VOTE	1,306.12	3,314.72	1,530.27	1,294.79	3,173.85	1,455.35

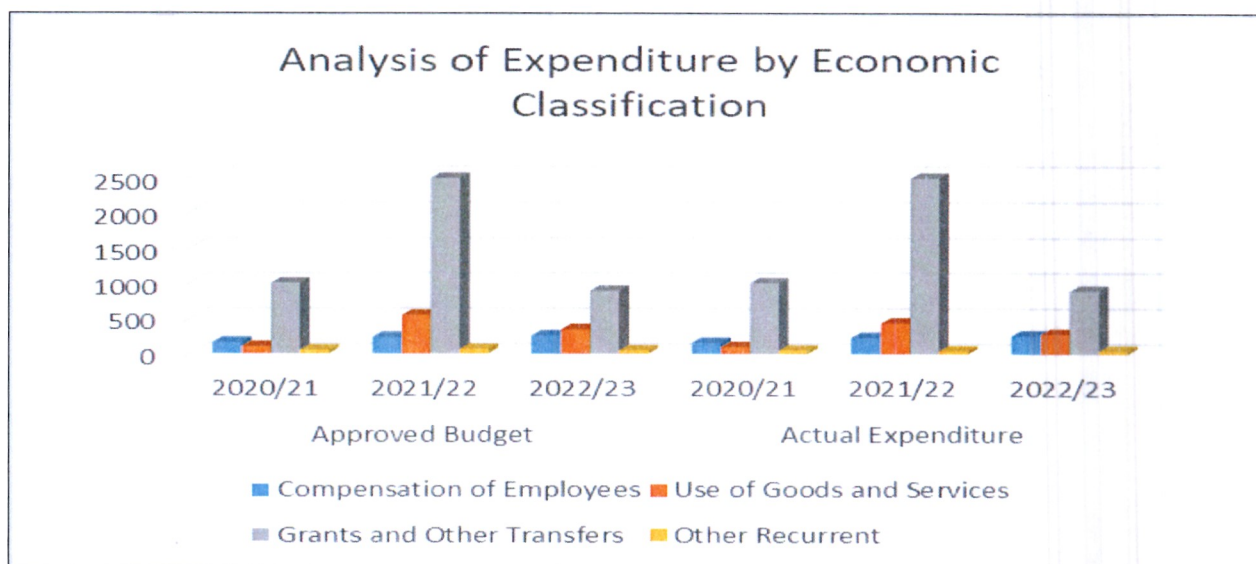


Fig. 4: Expenditure by Economic Classification

6.2 PENDING BILLS

The Office of the Registrar of Political Parties had pending bills amounting to KShs. 1.41 million as at 30th June 2021, Kshs. 39.15 million as at 30th June 2022 and Kshs 1.46 million as at 30th June 2023. The pending bills were due to lack of exchequer and a few nonresponsive suppliers. All historical pending bills were cleared.

The table below indicates the pending bills over the last three financial years indicating the nature of the pending bill and the reason the pending bill arose.

TABLE 9: SUMMARY OF PENDING BILLS (KSHS. MILLIONS)

Type/Nature	Due to Lack of Exchequer			Due to Lack of Provision		
	2020/21	2021/22	2022/23	2020/21	2021/22	2022/23
1. Recurrent	1.41	39.15	1.46	0	0	0
Compensation to Employees	0	0	0	0	0	0
Use of goods and services e.g. utilities, domestic travel or foreign travel etc	1.41	39.15	1.46	0	0	0
Social Benefits e.g. NSSF, NHIF	-	-	-	-	-	-
Other Expense	-	-	-	-	-	-
Total Pending Bills	1.41	39.15	1.46	0	0	0

7. ENVIRONMENTAL AND SUSTAINABILITY

7.1 Sustainability Strategy and Profile

The Office of the Registrar of Political Parties (ORPP) in its governance, policy and operational framework is committed to instituting sustainable measures. These measures pertain and 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 digital government requirements. The Office has also set up operational knowledge and learning portal on its Resource Centre where information resources on relevant areas are organised, availed and accessed by staff; institutional information repository is maintained and leaning, experience sessions are shared among existing and exiting staff members.

Further, the Office has in place policies to anchor operations and sustainable initiatives. In the period, over five policies, Standard Operating Procedures and Guidelines were developed. This Included Registration Policy; Records Management Policy; Compliance Standard Operating Procedures; Media Engagement Guidelines among others. Other areas guided by corresponding policies pertain to; human capital succession management plan, recovery and continuity plans on its Information & Communication Technology (ICT) infrastructure. These policies and guidelines are drafted and reviewed from time to time to be in line with emerging trends, best practices, and public sector guidelines and align to the ORPP strategic direction.

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

7.2 Environmental Performance/ Climate Change/Mitigation of Natural Disasters

Cognizant of the important need to conserve the environment, ORPP in the period under review 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 and dissemination of documents to minimize paper usage, printers and related accessories, therefore efficiently handling the business at hand with reduced cost. Essential printing was done using controlled pool printers to avoid wastage.

The Office and utility spaces are designed to allow necessary ventilation and natural lighting to effectively utilize power. Staff members are encouraged to conserve water and electricity while at their work stations. In its procurement of various goods, particular interest is put to ensure eco-friendly products and assets are procured. The disposal of waste in the period under review was undertaken in line with relevant waste disposal guidelines.

7.3 Employee Welfare

The ORPP has developed various HR Policy documents to ensure objectivity, fairness and parity of treatment in the management of its employees. The ORPP Authorized Establishment indicates the optimal staffing levels in each grade. This is therefore the key document of reference while identifying and prioritizing critical vacant positions by the Office. In developing the indent for advertisement, the Office is guided by the Career Progression Guidelines which stipulates the minimum academic qualifications, competencies and skills set required for optimal performance at each level of the organizations structure. Adherence to the Career Progression Guidelines has ensured qualified personnel are appointed, promoted and retained to deliver the office mandate while ensuring that objectivity and fairness is observed.

In all its appointments and promotions the office ensures that the 2/3 gender principle, ethnic balance and Persons with Disability (PWD) is adhered to as espoused by the Constitution. As currently established, the Office has met the 2/3 gender rule and the ethnic representation across various levels/grades in the organization including at the management. As regard to persons with disability the Office is at 2% and is progressively working towards the statutory requirement of 5%.

Once the officers are on-boarded, the Office takes deliberate steps to further enhance their skills and capacity by sponsoring Officers for trainings aimed at improving their work performance and facilitating their career progression. In addition, the Office has a robust performance management system which helps to not only improve employee performance but identify performance gaps which may be mitigated through training. The Office has automated the performance appraisal system to make it efficient and effective and maintain a documented history of staff performance from one financial year to the other.

The Policies guiding recruitment, appointment, maintenance and development of staff are reviewed after every five years or on a need basis to ensure they are in tandem with the Constitution, relevant labour laws and emerging trends and best practices in management of Human Resource. Development and review of HR Policies are usually consultative and incorporate participants from key institutions mandated with management of Human Resource in the Public Service including Public Service Commission, State Department for Public Service and Salaries and Remuneration Commission (SRC). The documents are then subjected to review by management and staff of ORPP prior to approval and publishing.

To ensure health and safety of staff at work the office adheres with the provision of the Occupational Safety and Health Act, (OSHA), 2007 including provision of clean drinking water, Hand washing facilities, first Aid Kits, fire extinguishers, proper lighting and ensuring no hazardous chemicals are kept at the work place. Further, the Office organizes sensitization of staff on various provisions of health and safety including training of fire marshals.

7.4 Operational Practices/ Market Place Practices

i. Responsible Competition Practice

The Office has continued to adhere to the requirements of the Public Procurement and Asset Disposal Act, 2015 and Public Procurement and Asset Disposal Regulation 2020. In its procurement process ORPP comply with the 30% provision for Special Interest Groups (SIG) as per the law.

The Office initiates processes and awards for works, goods and services in conformity with the law. The ORPP in all its procurement uses the list of registered suppliers, appointed relevant committees in appropriate stages of procurement, utilizes acceptable systems, avails relevant procurement information

for public knowledge and scrutiny; and undertakes timely reporting of procurement matters to the Public Procurement Regulatory Authority (PPRA). The Office maintains a register of legally binding agreements/contracts/ leases that guide applicable engagement. The suppliers are continually guided on a need basis on matters pertaining to the processes, procedures, obligations that underpin procurement. The Office honors contractual obligations with suppliers and pays promptly.

7.5 Community Engagements

Corporate Social Responsibility (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 thematic areas in the policy include education and mentorship; environmental conservation and protection; sports among others.

During the year under review, the Office adopted a long-term CSR project on which it adopted to sponsor a bright and needy boy through his secondary education (presently in Form 1 in Kiambu High School). The Office through staff voluntary contributions conducted visits to Gatina primary in Kawangware, Nairobi and Kiriri in Ndeiya Kiambu county primary schools during which it donated food stuff, offered career talks and shared games and sporting activities with the pupils and school fraternity. The Office also visited and made donation to Newlife Home Trust, a children's home in Kisumu. The donations included food stuffs, clothing and toiletries.

The foregoing initiatives, demonstrates ORPP's commitment and efforts to operate and serve within jurisdiction of its mandate, mindful of its responsiveness to its environment as enshrined in sustainable development protocols, applicable laws and its belief of a community and a better world for the current and coming generations.

8.0 STATEMENT OF REGISTRAR OF POLITICAL PARTIES 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 (Registrar) to prepare financial statements, which give a true and fair view of the state of affairs of the Office at the end of the financial year. The Registrar ensures that the Office keeps proper accounting records, which disclose with reasonable accuracy the financial position of the Office. The Registrar is also responsible for safeguarding the assets of the Office.

The Registrar 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, 2023. These responsibilities include:

- (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 accepts responsibility for the 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.

The Registrar of Political Parties is of the opinion that the financial statements give a true and fair view of the state of office's transactions during the financial year ended June 30, 2023, and of the financial position as at that date.

9.0 STATEMENT OF MANAGEMENT RESPONSIBILITIES

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

The Registrar 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 the financial year ended on June 30th, 2023. 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 entity;
- (v) selecting and applying appropriate accounting policies
- (vi) making accounting estimates that are reasonable in the circumstances.

The Registrar accepts responsibility for the financial statements which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Registrar is of the opinion that the office's financial statements give a true and fair view of the state of office's transactions for the financial year ended June 30, 2023, 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.

Office of the Registrar of Political Parties
Annual Report and Financial Statements for the year ended 30th June 2023

The Registrar confirms that the Office has complied fully with applicable laws and regulations and that the office's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for.

Further the Accounting Officer confirms that the entity's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

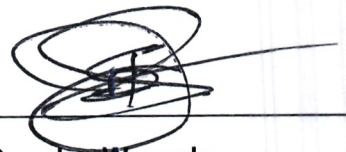
The Office's financial statements were approved and signed by the Accounting Officer on

30/6/ 2023.



Ann N. Nderitu, CBS

Registrar of Political Parties / CEO



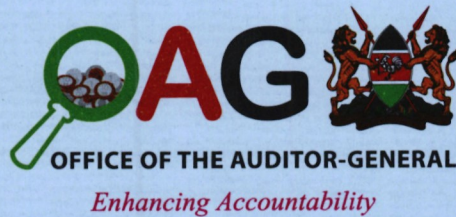
Douglas Wanzala

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 OFFICE OF THE REGISTRAR OF POLITICAL PARTIES FOR THE YEAR ENDED 30 JUNE, 2023

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 Office of the Registrar of Political Parties set out on pages 1 to 19, which comprise the statement of financial assets and liabilities as at 30 June, 2023, and the statement of receipts and payments, 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

Report of the Auditor-General on Office of the Registrar of Political Parties for the year ended 30 June, 2023

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 the Office of the Registrar of Political Parties as at 30 June, 2023, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the 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 Office of the Registrar of Political Parties 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, except for the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my

report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

1. Lack of Updated Disaster Recovery Plan

During the year under review, the Office did not have a current Disaster Recovery Plan (DRP) and the one in place is not dated. This is despite changes in the key recovery personnel who are central in communication under incidences management hierarchy.

In the circumstances, the effectiveness of business continuity plans in place could not be confirmed and may negatively impact on business recovery in the event of disruptions.

2. Failure to Fill Vacancies as Per Staff Establishment

Review of the staff establishment revealed that the Office is structured into three directorates of registration and field services coordination, regulation and compliance; and planning, strategy and administrative support directorate and provides for one hundred and twenty-four (124) staff. However, the Office has only forty-four (44) staff resulting to a shortfall of eighty (80) positions or 65%, which have not been filled.

In view of the huge number of vacant positions, this may hinder effective service delivery of the Office.

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 (Cash 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 governance.

In preparing the financial statements, Management is responsible for assessing the Office's ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the Management is aware of the intention to terminate the Office 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 Office's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the 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 Office's ability to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Office to cease to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Office to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


 FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

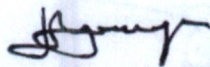
22 December, 2023

11.0 STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH JUNE 2023

Description	Note	2022-2023	2021-2022
		Kshs.	Kshs.
Receipts			
Exchequer Releases	1	1,460,967,044	3,174,482,192
Other Receipts	2	240,710	12,897,135
Total Receipts		1,461,207,754	3,187,379,327
Payments			
Compensation of Employees	3	257,160,675	229,616,532
Use of Goods and Services	4	280,095,186	420,311,702
Transfers to other Government Entities	5	884,354,000	2,475,260,000
Acquisition of Assets	6	33,494,597	48,658,239
AIA Transferred to the National Treasury	2	240,710	12,897,135
Total Payments		1,455,345,168	3,186,743,608
Surplus/Deficit		5,862,585	635,721

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

30/6/2023 2023 and signed by:



Ann N. Nderitu, CBS
Registrar of Political Parties/CEO

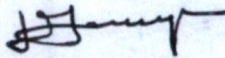


Douglas Wanzala
Principal Accountant
ICPAK M/ No: 10692

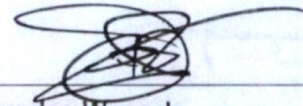
11.0 STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT 30TH JUNE
2023

Description	Note	2022-2023	2021-2022
		Kshs	Kshs
Financial assets			
Cash and cash equivalents			
Bank balances	7A	5,378,018	514,823
Cash balances	7B	484,567	120,898
Total cash and cash equivalent		5,862,585	635,721
Total Financial Assets		5,862,585	635,721
Less : Financial liabilities			
Accounts Payables – Deposits	8		
Net financial assets		5,862,585	635,721
Represented by			
Fund balance b/fwd.	9	635,721	333,425
Prior year adjustment	10	(635,721)	(333,425)
Surplus/Deficit for the year		5,862,585	635,721
Net financial position		5,862,585	635,721

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 30/6/2023 and signed by:



Ann N. Nderitu, CBS
Registrar of Political Parties/CEO



Douglas Wanzala
Principal Accountant
ICPAK M/ No: 10692

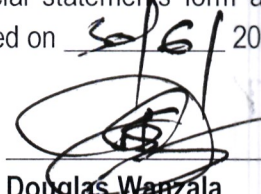
12.0 STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE 2023

Description	Notes	2022-2023	2021-2022
		Kshs	Kshs
Receipts for Operating Income		1,461,207,754	3,187,379,327
Exchequer releases	1	1,460,967,044	3,174,482,192
Other receipts	2	240,710	12,897,135
Payments for Operating Expenses		1,421,380,571	3,138,085,369
Compensation of employees	3	257,160,675	229,616,532
Use of goods and services	4	280,095,186	420,311,702
Transfers to other government units	5	884,354,000	2,488,157,135
AIA Transferred to National Treasury	2	240,710	
Adjusted For:			
Adjustments during the year			
Prior year adjustments	10	(635,721)	(333,425)
Decrease / (Increase) in Accounts receivable : (Outstanding imprests)		-	-
Increase / (Decrease) in Accounts payable : (Deposits and retention)		-	-
Net Cash Flow from Operating Activities		39,191,462	48,960,533
Cash flow From Investing Activities			
Acquisition of assets	6	33,494,597	48,658,239
Net Cash Flows from Investing Activities		33,494,597	48,658,239
Cash flow From Borrowing Activities			
Proceeds from domestic borrowings			
Net cash flow from financing activities			
Net increase in cash and cash equivalent		5,226,865	302,296
Cash & Cash Equivalent at Start of The Year		635,721	333,425
Cash & Cash Equivalent at End of The Year		5,862,585	635,721

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 5/6/2023 and signed by:



Ann N. Nderitu, CBS
Registrar of Political Parties/CEO



Douglas Wanzala
Principal Accountant
ICPAK M/ No: 10692

13.0 STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR FY2022/23

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
Exchequer releases	2,126,850,000	(596,581,753)	1,530,268,247	1,460,967,044	69,301,203	95.47%
Other receipts (AIA)	-	-	-	240,710	(240,710)	-
Total Receipts	2,126,850,000	(596,581,753)	1,530,268,247	1,461,207,754	69,060,493	95.47%
Payments						
Compensation of employees	283,350,000	(25,746,922)	257,603,078	257,160,674	442,404	99.83%
Use of goods and services	347,073,250	(2,850,311)	344,222,939	280,095,186	64,597,753	81.23%
Transfers to other government entities	1,475,000,000	(590,646,000)	884,354,000	884,354,000	-	100.00%
Transfer of AIA to The National Treasury	-	-	-	240,710	(240,710)	-
Acquisition of assets	21,426,750	22,661,480	44,088,230	33,494,597	10,123,633	77.04%
Total Payments	2,126,850,000	(596,581,753)	1,530,268,247	1,455,345,167	74,923,080	95.10%
Surplus/ Deficit	-	-	-	5,862,586	(5,862,586)	

Budget notes

- i. There was under expenditure on the use of goods and services, and on Acquisition of assets due to lack of exchequer and the late release of supplementary budget.
- ii. The changes between the original and final budget was a result of additional funding for election related activities and Political Parties Fund

The entity financial statements were approved on 30/6/2023 and signed by:



Ann N. Nderitu, CBS
Registrar of Political Parties/CEO



Douglas Wanzala
Principal Accountant
ICPAK M/ No: 10692

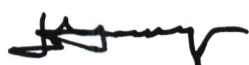
13 (a) Summary of Comparison of Budget and Actual Amounts: Recurrent for FY2022/23

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
Receipts						
Exchequer releases	2,126,850,000	(596,581,753)	1,530,268,247	1,460,967,044	69,301,203	95.47%
Other receipts	-	-	-	240,710	(240,710)	-
Total Receipts	2,126,850,000	(596,581,753)	1,530,268,247	1,461,207,754	69,060,494	95.47%
Payments						
Compensation of employees	283,350,000	(25,746,922)	257,603,078	257,160,674	442,404	99.83%
Use of goods and services	347,073,250	(2,850,311)	344,222,939	280,095,186	64,597,753	81.23%
Transfers to other Government entities	1,475,000,000	(590,646,000)	884,354,000	884,354,000	-	100.00%
Transfer of AIA to The National Treasury	-	-	-	240,710	(240,710)	-
Acquisition of assets	21,426,750	22,661,480	44,088,230	33,494,597	10,123,633	77.04%
Grand Total	2,126,850,000	(596,581,753)	1,530,268,247	1,455,345,167	74,923,080	95.10%
Surplus/Deficit	-	-	-	5,862,586	(5,862,586)	

Budget notes

- i. There was under expenditure on the use of goods and services, and on Acquisition of assets due to lack of exchequer and the late release of supplementary budget.
- ii. The changes between the original and final budget was a result of additional funding for election related activities and Political Parties Fund

The entity financial statements were approved on 30/6/2023 and signed by:



Ann N. Nderitu, CBS
Registrar of Political Parties/CEO



Douglas Wanzala
Principal Accountant
ICPAK M/ No: 10692

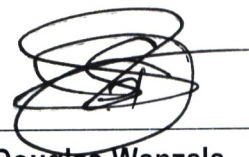
Budget notes

- (a) Variance analysis
- (b) Reallocations within the year

The entity financial statements were approved on 27/6 2023 and signed by:



Ann N. Nderitu, CBS
Registrar of Political Parties/CEO



Douglas Wanzala
Principal Accountant
ICPAK M/ No: 10692

13 (b) Budget Execution by Programmes and Sub-Programmes for FY2022/23

Programme/Sub-programme	Final Budget	Indicators	Outcomes	Actual on comparable basis	Budget utilization difference
	2022/23			2022/23	
	Kshs			Kshs	Kshs
Registration, Regulation and Funding of Political Parties.					
Sub-programme 1 - Registration and Regulation of political parties	630,378,247	No. of Political Parties Registered with that Year No. of Political Parties Compliant with the PPA No. of Members of Political Parties registered using USSD code No. of people who resigned from Political Parties registered using USSD code	Competitive and issue based political parties	555,593,766	74,784,481
Sub-programme 2 - Funding of political parties	884,354,000	No. of Political parties Compliant with Public Finance Management Act Amount of funds disbursed to		884,354,000	-

Programme/Sub-programme	Final Budget	Indicators	Outcomes	Actual on comparable basis	Budget utilization difference
	2022/23			2022/23	
		political parties			
Sub-programme 3 - Political Parties Liaison Committee	15,536,000	No. of Peace meeting held		15,397,401	138,599
Total	1,530,268,247			1,455,345,167	74,923,080

14.0 NOTES TO THE FINANCIAL STATEMENT

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

1. Statement of Compliance and Basis of Preparation

The financial statements have been prepared in accordance with the Cash-basis International Public Sector Accounting Standards (IPSAS) as prescribed by the Public Sector Accounting Standards Board (PSASB) and set out in the accounting policy note below. This cash basis of accounting has been supplemented with accounting for;

- a. Receivables that include imprests and salary advances and
- b. Payables that include deposits and retentions.

The financial statements comply with and conform to the form of presentation prescribed by the PSASB. The accounting policies adopted have been consistently applied to all the years presented.

2. Reporting Entity

The financial statements are for the Office of the Registrar of Political parties. . The financial statements encompass the reporting entity as specified under Section 81 of the PFM Act 2012.

3. Reporting Currency

The financial statements are presented in Kenya Shillings (Kshs), which is the functional and reporting currency of the Government and all values are rounded to the nearest Kenya Shilling.

4. Significant Accounting Policies

The accounting policies set out in this section have been consistently applied by Office of the Registrar of Political parties for all the years presented.

a) Recognition of Receipts

The Office recognises all receipts from the various sources when the event occurs, and the related cash has been received by the Office.

(i) Transfers from the Exchequer

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

(ii) External Assistance

(iii) Miscellaneous receipts

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

b) Recognition of payments

The Office recognises all payments when the event occurs, and the related cash has been paid out by the office.

i) Compensation of Employees

Salaries and wages, allowances, statutory contribution for employees are recognized in the period when the compensation is paid.

ii) Use of Goods and Services

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

iii) Interest on Borrowing

iv) Principal on Borrowing

v) Acquisition of Fixed Assets

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

A fixed asset register is maintained and a summary provided for purposes of consolidation. This summary is disclosed as an annexure 2 to the financial statements.

vi) In-kind contributions

In-kind contributions are donations that are made to the Entity in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the *Entity* includes such value in the statement of receipts and

payments both as receipts and as payments in equal and opposite amounts; otherwise, the contribution is not recorded.

vii) Third Party Payments

Included in the receipts and payments, are payments made on its behalf to third parties in form of loans and grants. These payments do not constitute cash receipts and payments and are disclosed in the payment to third parties in the statement of receipts and payments as proceeds from foreign borrowings.

c) 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.

A bank account register is maintained and a summary provided for purposes of consolidation.

d) Imprests and Advances

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

e) Third Party Deposits and Retention

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized on an accrual basis (as accounts payables).

This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted for National Government Ministries and Agencies.

Other liabilities including pending bills are disclosed in the financial statements.

f) Pending Bills

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they recorded as 'memorandum' or 'off-balance' items. When the pending bills are finally settled, such payments are included in the Statement of Receipts and Payments in the year in which the payments are made.

g) Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits and retentions, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament in June 2021 for the period 1st July 2021 to 30th June 2022 as required by Law and there were two (2) of supplementary adjustments to the original budget during the year.

A comparison of the actual performance against the comparable budget for the financial year under review has been included in the financial statements.

h) Comparative Figures

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

i) Subsequent Events

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

j) Prior Period Adjustment

During the year, errors that have been corrected are disclosed under note 26 explaining the nature and amounts.

k) Related Party Transactions

Related party means parties are related if one party has the ability to:

- a) Control the other party or
- b) Exercise significant influence over the other party in making financial and operational decisions, or if the related party entity and another entity are subject to common control.

Related party transaction is a transfer of resources or obligations between related parties regardless of whether a price is charged.

l) Contingent Liabilities

A contingent liability is:

- a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- b) A present obligation that arises from past events but is not recognised because:
 - i) It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
 - ii) The amount of the obligation cannot be measured with sufficient reliability.

Some of contingent liabilities may arise from: litigation in progress, guarantees, indemnities. Letters of comfort/ support, insurance, Public Private Partnerships, The office does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

Notes to the Financial Statements

1 Exchequer Releases

Description	2022-2023	2021-2022
	Kshs	Kshs
Total Exchequer releases for quarter 1	131,891,339	827,629,136
Total Exchequer releases for quarter 2	96,579,477	350,794,605
Total Exchequer releases for quarter 3	800,829,690	326,459,012
Total Exchequer releases for quarter 4	431,666,538	1,669,599,439
Total	1,460,967,044	3,174,482,192

(The difference between the prior year budget allocation and the year under review was a result of budget allocation for election related activities and increased Political Parties Fund)

2 Miscellaneous Receipts

Description	2022-2023	2021-2022
	Kshs	Kshs
Receipts from Administrative Fees and Charges – AIA	240,710	12,897,135
Total	240,710	12,897,135

(The difference between the prior year Miscellaneous receipts and the year under review was a result of revenue from election related activities which includes registration of new political parties, clearance of independent candidates, increased searches among others)

3 Compensation to Employees

Description	2022-2023	2021-2022
	Kshs	Kshs
Basic salaries of permanent employees	109,431,475	104,316,837
Basic wages of temporary employees	69,120,000	51,501,918
Personal allowances paid as part of salary	67,551,378	62,757,332
Employer contributions to compulsory national social security schemes	11,057,822	11,040,445
Total	257,160,675	229,616,532

4 Use of Goods and Services

Description	2022-2023	2021-2022
	Kshs	Kshs
Utilities, supplies and services	2,814,947	1,542,734
Communication, supplies and services	7,829,026	8,243,579
Domestic travel and subsistence	61,607,670	87,781,527
Foreign travel and subsistence	6,513,855	12,835,241
Printing, advertising and information supplies & services	6,787,929	33,472,666
Rentals of produced assets	51,685,979	65,760,036
Training expenses	61,765,533	95,851,289
Hospitality supplies and services	16,392,932	28,624,738
Insurance costs	22,899,143	23,861,514
Specialized materials and services	1,762,916	2,772,507
Office and general supplies and services	4,293,421	14,449,716
Fuel Oil and Lubricants	3,548,023	18,414,955
Other operating expenses	22,270,694	22,940,176
Routine maintenance – vehicles and other transport equipment	2,404,350	3,179,831
Routine maintenance – other assets	7,518,768	581,193
Total	280,095,186	420,311,702

(Explain significant changes from prior period)

5 Grants and Transfers to other Government Entities

Description	2022-2023	2021-2022
	Kshs	Kshs
Transfers to Political Parties Fund		
Current transfers grants and subsidies	884,354,000	2,475,260,000
Transfer of AIA to The Kenya National Treasury	240,710	12,897,135
Total	884,594,710	2,488,157,135

5 : Transfers to self – Reporting Entities in the Year

The above transfers were made to the following self-reporting entities in the year:

Description	Recurrent Kshs.	2022-2023 Kshs.
Transfers to Political Parties	884,354,000	884,354,000
Total	884,354,000	884,354,000

We have confirmed these amounts with the recipient entities and attached these confirmations as an Appendix to this financial statement. Include this list as an annex if it goes beyond one page. (Explain significant changes from prior period)

6. Acquisition of Assets

Non -Financial Assets	2022-2023 Kshs	2021-2022 Kshs
Refurbishment of Buildings	18,841,157	-
Purchase of Vehicles and other Transport Equipment	12,075,000	-
Purchase of Office Furniture and General Equipment	1,894,400	19,522,140
Purchase of Specialized Plant, Equipment and Machinery	684,040	29,136,099
Purchase of ICT Equipment, Software and other ICT Assets		-
Sub-total	33,494,597	48,658,239
Financial Assets		
Domestic Public Non-Financial Enterprises	-	-
Sub-total	-	-
Total	33,494,597	48,658,239

(Where Financial Assets are purchased, explanation should be given as to the nature of the assets purchased and the institutions where such investments are made. Explain significant changes from prior period)

7. Cash and Bank Accounts

7A: Bank Accounts

Name of Bank, Account No. & currency	Amount in bank account currency	Indicate whether recurrent, Development, deposit etc.	Exc rate (if in foreign currency)	2022-2023	2021-2022
				Kshs	Kshs
<i>Registrar of Political Parties – 1000181206</i>	KES	Recurrent	-	5,378,018	514,823
Total				5,378,018	514,823

7B: Cash on hand

Description	2022-2023	2021-2022
	Kshs	Kshs
Cash in hand – Held in domestic currency	484,567	120,898
Total	484,567	120,898

8. Accounts Payables

Description	2022-2023	2021-2022
	Kshs	Kshs
Deposits	-	-
Retention	-	-
<i>Total</i>	-	-

9. Fund Balance Brought Forward

Description	2022-2023
	Kshs
Bank Accounts	514,823
Cash in hand	120,898
Total	635,721

This is the balance brought forward from the Financial Year 2021-2022

10. Prior Year Adjustments

	Balance b/f FY 2021/2022 as per audited financial statements	Adjustments during the year relating to prior periods	Adjusted ** Balance b/f FY 2021/2022
Description of the error	Kshs	Kshs	Kshs
Bank Account Balances	514,823	-	514,823
Cash In Hand	120,898	-	120,898
	635,721	-	635,721

(The adjusted balances are not carried down on the face of the financial statement. Entity to provide disclosure on the adjusted amounts)(Explain whether the prior year relates to errors noted in prior year, changes in estimates or accounting policy. Provide explanations for the prior year adjustments made their nature and effect on the fund balance of the entity).

11. Changes in Receivables

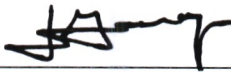
Description	2022/2023 Kshs	2021/2022 Kshs
Receivables as at 1 st July 2022	-	-
Receivables as at 30 th June 2023	-	-
(Increase)/ Decrease in Receivables (C=(B-A))	-	-

12. Progress on follow up of Prior Years Auditor-General's Recommendations


The following is the summary of issues raised by the Auditor-General during the prior year and management comments that were provided.

Office of the Registrar of Political Parties
Annual Report and Financial Statements for the year ended 30th June 2023

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)



Ann N. Nderitu, CBS
Registrar of Political Parties/CEO



Douglas Wanzala
Principal Accountant
ICPAK M/ No: 10692

13. ANNEXES

Annex 1 - Analysis of Pending Accounts Payable

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2022/23	Outstanding Balance 2022/23	Comments
	A	B	C	d=a-c		
Supply of goods						
1. Lanmerc Enterprise	159,600					Lack of exchequer
2. Infobip Kenya Ltd	383,097					Lack of exchequer
Sub total	542,697			542,697	542,697	
Supply of services						
3. Panari Resort	154,800					Lack of exchequer
4. Comfort Hotel & Lodging Ltd	129,500					Lack of exchequer
5. Sarova Imperial	227,500					Lack of exchequer
6. Maghonyi Guest House	106,720					Lack of exchequer
7. Zuri Hotel	122,500					Lack of exchequer
8. Aberdare Safari Hotel	128,000					
9. Rentokil Intial	49,752					
10. Kerio Valley Development Authority (KVDA)	1,182,114					
Sub Total	2,100,886			2,100,886	2,100,886	
Grand Total				2,643,583	2,643,583	