

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

*Enhancing Accountability*



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<b>REPORT</b>	09 APR 2025
TABLED BY:	Hon. Naomi Wago, MP Deputy Majority Party Whip
CLERK-AT-THE-TABLE:	Halima Ahmed
	DAY: Wednesday

**THE AUDITOR-GENERAL**

**ON**

**KENYA SOCIAL CONGRESS**

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



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

19 DEC 2024

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***KENYA SOCIAL CONGRESS (KSC)***

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**

**30<sup>TH</sup> JUNE 2024**

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

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***KENYA SOCIAL CONGRESS(KSC)***  
**Annual Report and Financial Statements**  
**for the year ended June 30, 2024**

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## **1. Acronyms, Abbreviations and Glossary of Terms**

### **A: Acronyms and Abbreviations**

CEB	Central Executive Bureau
CL	Congress Leader
EO	Executive Officer
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
KSC	Kenya Social Congress
NC	National Congress
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
PPE	Property Plant & Equipment
PSASB	Public Sector Accounting Standards Board
PWD	Persons With Disability
SG	Secretary General
SIG	Special Interest Group
WC	Women Caucus
YC	Youth Congress

### **B: Glossary of Terms**

**Fiduciary Management-** Members of Management directly entrusted with the responsibility of financial resources of the organisation

**Comparative Year-** Means the prior period.

**2. Key Entity Information and Management**

**(a) Background information**

The Kenya Social Congress was incorporated/ established under the Political Parties Act on 18<sup>th</sup> April 2012. The Entity is domiciled in Kenya and has branches in Kajiado, Kisii, Nyamira, Mombasa, Nyeri, Kilifi, Kitui, Machakos, Busia, West Pokot, Nandi, Migori, Nakuru, Kiambu, Mandera, Kisumu, Vihiga, Isiolo, Homa Bay, Nairobi, Narok, Uasin Gishu, Garisa, Elgeyo Marakwet, Meru, Murang'a, Embu and Siaya.

**(b) Principal Activities**

The principal activity/mission/ mandate of the Entity is to ...

1. This is a political party that engages in the democratic and political activities in Kenya.

This includes:

- a) Political education to our members
- b) Membership recruitment
- c) Participation in political activities in Kenya

**(c) Key Management**

The Kenya Social Congress party day-to-day management is under the following key organs:

1.	Central Executive Bureau (CEB)	<b>1. Samson Kengere Atati</b> <b>2. Alex Ndirangu</b> <b>3. Nelson Onduko</b>
2.	Accounting officer	<b>Alex Ndirangu</b>
3.	Executive Officer	<b>Brian Getuba</b>

**(d) Fiduciary Management**

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

1.	CEB	<b>1. Samson Kengere Atati</b> <b>2. Alex Ndirangu</b> <b>3. Nelson Onduko</b>
----	-----	--------------------------------------------------------------------------------------

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No.	Designation	Name
2.	Head of Finance	<b>Nelson Onduko</b>
3.	Head of Procurement	<b>Edna Barongo</b>

**Key Entity Information and Management (continued)**

**(e) Fiduciary Oversight Arrangements**

- Audit and Risk Committee;
  - o John Onyiego
  - o Zablon Gimaino
  - o Jane Rono
- Finance committee:
  - o Ombaka Ontese
  - o Fartuna Alio
  - o James Ogutu
- Parliamentary Oversight Committees:
  - o Timothy Ogugu
  - o Ibrahim Mose

**(f) Entity Headquarters**

P.O. Box 9211-00200  
Venture Building  
Benedicta Utawala Road  
Utawala

**(g) Entity Contacts**

Telephone: (254) 722 851 628/ 722 315 939  
E-mail: [kscparty2@gmail.com](mailto:kscparty2@gmail.com)  
Website: [kscparty.or.ke](http://kscparty.or.ke)

**Key Entity Information and Management (continued)**

**(h) Entity Bankers**

Equity Bank

**KENYA SOCIAL CONGRESS (KSC)**  
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**for the year ended June 30, 2024**

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Moi Avenue

Acc: 0470192631005

: 0470297632921

NAIROBI, KENYA

**(i) Independent Auditor**

Auditor-General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084 GPO 00100

Nairobi, Kenya

**(j) Principal Legal Adviser**

Ochoki & Company Advocates

Royal Towers, 3<sup>rd</sup> Floor

Above I & M Bank

Hospital Road

**KENYA SOCIAL CONGRESS (KSC)  
Annual Report and Financial Statements  
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**3. CEB Responsibilities**

The CEB is required to prepare financial statements which give a true fair view of the state of financial affairs of the organization as at the financial year and of its statement of income.

The CEB is required to ensure that the organization keeps proper accounting records that disclose with reasonable accuracy, the financial position of the organization. The CEB is responsible for safeguarding the assets of the foundation.

The CEB accepts responsibility of the financial statements which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with international reporting standards.

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

During this financial year the party also participated in the General Election.

Approved by the CEB on the 9<sup>th</sup> July 2024 and signed on behalf by:

SECRETARY GENERAL	<u>ALEX NDIRANKU</u>	CONGRESS LEADER	<u>Atah Kengere</u>
SIGN	<u>[Signature]</u>	SIGN	<u>[Signature]</u>
Date	<u>19/12/24</u>	Date	<u>19/12/24</u>

**4. Report of the Executive Officer**

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

- i. Developing strategies for and realizing financial resource mobilization for the Party.
- ii. Ensuring that the books of the Party are prepared according to the law.
- iii. Participation in the preparation of the NGC & NDC.
- iv. Continuing to develop principles of stewardship, financial discipline, ethics and best practices to guide the Party in matters of Fiscal Planning and management.
- v. Ensured that the books of accounts for the year ended June 30th 2024 are prepared in time and presented to the Auditor General.

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

[Signature]  
.....  
Executive Officer: Brian Gituba

**5. Corporate Governance Statement.**

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

**KENYA SOCIAL CONGRESS (KSC)**  
**Annual Report and Financial Statements**  
**for the year ended June 30, 2024**

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**6. Report of The Central Executive Bureau**

The Central Executive Bureau submit their report together with the audited financial statement for the year ended June 30, 2024 which show the state of the Kenya Social Congress party affairs

**Principal activities**

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

**Results**

The results of the entity of the year ended June 30, 2024 are set out on page 1-17


**Directors**

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

**Auditors**

The Auditors General is responsible for the statutory audit of the Kenya Social Congress Party in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 to carry out the audit of the Kenya Social Congress for the year ended June 30, 2024.

By Order of CEB.

.....  


Secretary General

Date 19/12/24

### **7. Statement of Directors Responsibilities**

Section 81 of the Public Finance Management Act, 2012 and section 14 of the State Corporations Act, require the Directors to prepare financial statements in respect of that Entity, which give a true and fair view of the state of affairs of the Entity at the end of the financial year/period and the operating results of the Entity for that year/period. The Directors are also required to ensure that the Entity keeps proper accounting records which disclose with reasonable accuracy the financial position of the Entity. The Directors are also responsible for safeguarding the assets of the Entity.

The Directors are responsible for the preparation and presentation of the Entity's financial statements, which give a true and fair view of the state of affairs of the Entity for and as at the end of the financial year ended on June 30, 2024.

This responsibility includes:

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

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

**KENYA SOCIAL CONGRESS (KSC)**  
**Annual Report and Financial Statements**  
**for the year ended June 30, 2024**

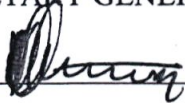
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In preparing the financial statements, nothing has come to the attention of the Directors to indicate that the Entity will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements The Entity's financial statements were approved by the Board on 9<sup>th</sup> July 2024 2024 and signed on its behalf by:

SECRETARY GENERAL Alex Ndirangu

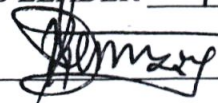
SIGN



CONGRESS LEADER

Atali Kengere

SIGN



# REPUBLIC OF KENYA

Telephone: +254-(20) 3214000  
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OFFICE OF THE AUDITOR-GENERAL

*Enhancing Accountability*

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

## REPORT OF THE AUDITOR-GENERAL ON KENYA SOCIAL CONGRESS FOR THE YEAR ENDED 30 JUNE, 2024

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### PREAMBLE

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

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

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of Kenya Social Congress set out on pages 1 to 10, which comprise the statement of financial position as at 30 June, 2024 and the statement of performance, statement of changes in net assets,

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Kenya Social Congress as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Political Parties Act, 2011 and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Incomplete Financial Statements**

The financial statements presented omitted the statement of changes in net assets and statement of comparison of budget and actual amounts. No explanation was provided for the omission.

In the circumstances, the accuracy and completeness of the financial statements could not be confirmed.

#### **2. Unsupported Cash and Cash Equivalent**

The statement of financial position and as disclosed in Note 8 to the financial statements reflects cash and cash equivalents balance of Kshs.776. The balance was in respect of current account whose bank reconciliation statements were not provided for audit. Further, the cash book was not provided for audit.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance could not be confirmed.

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

### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the effect of the matters described in the Basis for Qualified Opinion section of my report, I have determined that there are no other key audit matters to communicate in my report.

## **Other Matter**

### **Unresolved Prior Year Issues**

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in the Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, the issues remained unresolved as at 30 June, 2024.

### **Other Information**

Management is responsible for the other information set out on page iv to x which comprise of Key entity Information and Management, Central Executive Bureau, Report of the Executive officer, Corporate Governance, Report of the Central Executive Bureau and Statement of Directors Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES**

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effects of the matter described in the Basis for Conclusion on the Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

### **Basis for Conclusion**

#### **Non-Compliance with the Public Sector Accounting Standards Board Reporting Requirements**

Review of the financial statements revealed Management did not include the statement of performance against predetermined objectives and how various objectives in its Constitution were performed as required in the reporting template. Further, Management did not include the Party performance against the strategic objectives of the organization, an outline of the strategic pillars, activities towards their achievement, outputs under each strategic pillar; and a brief outline of how achievements have tied to performance contracts. No explanation was provided for not complying with the revised Public Sector Accounting Standards Board (PSASB) reporting template of 30 June, 2024.

In the circumstances, Management was not compliant with the PSASB reporting template.

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

## REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

### **Conclusion**

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

### **Basis for Conclusion**

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

### **Responsibilities of the Management and those Charged with Governance**

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

In preparing the financial statements, Management is responsible for assessing the Party's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

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

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

### **Auditor-General's Responsibilities for the Audit**

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

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

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

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

  
FCPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**

**Nairobi**

**30 December, 2024**

**KENYA SOCIAL CONGRESS (KSC)**  
**Annual Report and Financial Statements**  
**for the year ended June 30, 2024**

**9. Statement of Financial Performance for the year ended 30 June 2024**

	Notes	2024 Kshs	2023 Kshs
<b>Revenue from non-exchange transactions</b>			
Transfers from other governments entities	3	621,870	608,954
Public contributions and donations	4	476,300	114,640
<b>Revenue from exchange transactions</b>			
<b>Total revenue</b>		<b>1,098,170</b>	<b>723,594</b>
<b>Expenses</b>			
Use of goods and services	5	221,140	449,840
Employee costs	6	90,000	30,000
Board Expenses	7	786,254.00	243,678.00
<b>Total expenses</b>		<b>1,097,394.00</b>	<b>723,518.00</b>
<b>Surplus/ (deficit) before tax</b>		<b>776.00</b>	<b>76.00</b>
<b>Net Surplus for the year</b>		<b>776.00</b>	<b>76.00</b>

The notes set out on pages 4 to 6 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 2 were signed on behalf of the CEB by:

.....  
 Name: *Alex Ndirangu*  
 Accounting Officer

Date *19/12/24*



.....  
 Name: *Alah Kengere*  
 Congress Leader

Date *19/12/24*

**KENYA SOCIAL CONGRESS (KSC)**  
**Annual Report and Financial Statements**  
**for the year ended June 30, 2024**

**10. Statement of Financial Position as at 30 June 204**

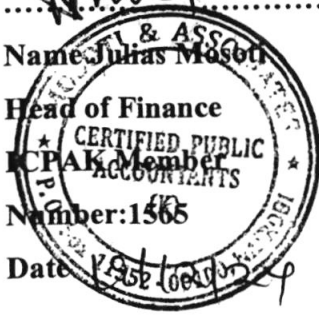
	Notes	2024 KShs	2023 KShs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash equivalents	9	776.00	76.00
<b>Total Current Assets</b>		<b>776.00</b>	<b>76.00</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	10		
<b>Total Non- Current Assets</b>			
<b>Total Assets</b>		<b>776.00</b>	<b>76.00</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables			
<b>Total Current Liabilities</b>			
<b>Non-Current Liabilities</b>			
<b>Total Liabilities</b>			
<b>Net Assets</b>			
Reserves			
Accumulated Surplus		776.00	76.00
Capital Fund			
<b>Total Net Assets</b>			
<b>Total Net Assets and Liabilities</b>		<b>776.00</b>	<b>76.00</b>

The financial statements set out on pages 1 to 2 were signed on behalf of the CEB by:

.....  
 Name **Alex Ndiragu**  
 Accounting Officer

Date **19/12/24**

.....  
 Name **Julius Moseki**  
 Head of Finance  
 CPAK Member  
 Number: 1565  
 Date **19/12/24**



.....  
 Name **Stacy Kenyer**  
 Congress Leader

Date **19/12/24**

*Kenya Social Congress*  
**Annual Report and Financial Statements**  
**for the year ended June 30, 2024.**

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

	Notes	2024	2023
		Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from other governments entities	3	621,870	608,954
Levies, fines, and penalties			
Public contributions and donations	4	476,300	114,640
<b>Total receipts</b>		<b>1,098,170</b>	<b>723,594</b>
<b>Payments</b>			
Use of goods and services	5	221,140	449,840
Employee costs	6	90,000	30,000
Board Expenses	7	786,254.00	243,678.00
<b>Total payments</b>		<b>1,097,394.00</b>	<b>723,518.00</b>
<b>Net cash flows from/(used in) operating activities</b>		<b>776.00</b>	<b>76.00</b>
<b>Cash flows from financing activities</b>			
<b>Net cash flows from financing Activities</b>		<b>0.00</b>	<b>0.00</b>
<b>Net increase/(decrease) in cash &amp; Cash equivalents</b>			
Cash and cash equivalents at 1 July		776.00	76.00
<b>Cash and cash equivalents at 30 June</b>		<b>776.00</b>	<b>76.00</b>

## **12. Notes to the Financial Statements**

### **1. General Information**

Kenya Social Congress is established by and derives its authority and accountability from political parties Act. The Entity is wholly owned by the members and is domiciled in Kenya. The Entity's principal activity is political activities.

### **2. Statement of Compliance and Basis of Preparation**

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

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

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**3. Transfers from Other Government entities**

Description	2024	2023
	KShs	KShs
<b>Unconditional Grants</b>		
Operational Grant	621,870.00	608,954.00
Other Grants	0.00	0.00
<b>Total Government Grants And Subsidies</b>	<b>621,870.00</b>	<b>608,954.00</b>

*(Explain the purpose of funding)*

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

Sending the Grant	Recognized		Not Recognized		Total	
	Recognized	Not Recognized	Recognized	Not Recognized	Recognized	Not Recognized
	KShs	KShs	KShs	KShs	KShs	KShs
Office of the Registrar of Political Parties	621,870.00	0.00	0.00	0.00	621,870.00	0.00
<b>Total</b>	<b>621,870.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>621,870.00</b>	<b>0.00</b>

**4. Public Contributions and Donations**

Description	2024	2023
Members Certificates		4,000
Donations		10,000
Members Contribution MCAs	476,300	100,640
<b>Total Transfers and Sponsorships</b>	<b>476,300</b>	<b>110,640</b>

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**5. Use of Goods and Services**

Description	2024	2023
	Kshs	Kshs
Electricity	24,000	24,000
Branding		38,600
Advertising	4,250	11,675
Internet	24,000	18,000
Audit Fees	20,000	20,000
Consumables	2,060	3,600
Legal Expenses	30,000	150,000
Web Design		73,800
Postage		2,000
Printing and Stationery	15,985	7,600
Rent expenses	96,000	96,000
Bank charges	4,845	4,565
<b>Total</b>	<b>221,140</b>	<b>449,840</b>

**6. Employee Costs**

Salaries and wages	80,010	26,670
Employer contribution to health insurance schemes	6,750	2,250
Employer contribution to pension schemes	3,240	1,080
<b>Employee costs</b>	<b>90,000</b>	<b>30,000</b>

**7. Board Expenses**

Travel and Accommodation	786,254.00	243,678.00
<b>Total</b>	<b>786,254.00</b>	<b>343,678.00</b>

**8. Cash and Cash Equivalents**

Description		
Current Account	776.00	76.00
<b>Total Cash And Cash Equivalentents</b>	<b>776.00</b>	<b>76.00</b>

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		Kshs	Kshs
<b>a) Current Account</b>			
Kenya Commercial Bank			
Equity Bank,	0470297632921	181.35	76.00
Equity Bank	0470192631005	594.25	
Cash In Hand			
<b>Sub- Total</b>			
<b>Grand Total</b>		<b>776.00</b>	<b>76.00</b>

**9. Property, Plant and Equipment**

<b>As At 1 July 2023</b>				<b>0</b>			<b>0</b>
Additions							
Disposals							
Transfers/Adjustments							
<b>As at 30<sup>th</sup> June 2024</b>				<b>0</b>			
Additions							
Disposals							
Transfer/Adjustments							
<b>As at 30<sup>th</sup> June 2024</b>				<b>0</b>			<b>0</b>
<b>Depreciation And Impairment</b>							
<b>At 1 July 2023</b>				<b>0</b>			<b>0</b>
Depreciation							
Impairment							
Transfers/ Adjustments							
<b>As At 30<sup>th</sup> 2024</b>				<b>0</b>			<b>0</b>
Depreciation							
Disposals							
Impairment							
Transfer/Adjustment							
<b>As at 30<sup>th</sup> June 2024</b>							
<b>Net Book Values</b>							
<b>As at 30<sup>th</sup> June 2023</b>				<b>0</b>			<b>0</b>
<b>As at 30<sup>th</sup> June 2024</b>				<b>0</b>			<b>0</b>

Notes to the Financial Statements (Continued)

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**9 (b) Property, Plant and Equipment at Cost**

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

Property plant and Equipment includes the following assets that are fully depreciated:

Description	Cost or valuation	Normal annual depreciation charge
Office Equipment, Furniture and Fittings		
<b>Total</b>		

**10. Trade and Other Payables**

Trade payables		397,644
Payments received in advance		
Employee payables		
Third-party payments		
Other payables		
<b>Total trade and other payables</b>		<b>397,644</b>

**11. Cash Generated from Operations**

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Description	2024	2023
	Kshs	Kshs
<b>Surplus for the year before tax</b>	<b>776.00</b>	<b>76.00</b>
<b>Adjusted for:</b>		
Depreciation	-	0.00
Non-cash grants received		
Contributed assets		
Impairment		
Gains and losses on disposal of assets		
Contribution to provisions		
Contribution to impairment allowance		
<b>Working capital adjustments</b>		
Increase in inventory		
Increase in receivables		
Increase in deferred income		
Increase in payables		
Increase in payments received in advance		
<b>Net cash flow from operating activities</b>	<b>776.00</b>	<b>76.00</b>

**12. Currency**

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

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**20. Appendices**


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

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

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

**Guidance Notes:**

- (i) Use the same reference numbers as contained in the external audit report;
- (ii) Obtain the "Issue/Observation" and "management comments", required above, from final external audit report that is signed by Management;
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your Entity responsible for implementation of each issue;
- (iv) Indicate the status of "Resolved" or "Not Resolved" by the date of submitting this report to National Treasury.

  
 .....  
 Secretary General  
 Date: 19/12/24 .....

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## ANNEX 1

### Bank Reconciliation Statement as at 30<sup>Th</sup> June 2024

	ksh
Beginning Balance (Both accounts)	1,050
Ending Balance as per Bank Statement	775
Deposits not yet reflected in Bank Statement:	
Deposit	0
Outstanding Checks:	
Check	0
Adjusted Bank Balance	<b>775</b>
Company's Cash Balance	4,070
Adjustments:	
Interest Earned	0
Bank Fees	4,845
Balance as per bank statement	<b>775</b>

## ANNEX 2

### Budget and Budgetary Performance

#### 8.1 Revenue

The Party had budgeted for revenue totaling ksh 1,636,514 but actual realized amount to ksh 1,098,170 resulting to a shortfall of ksh 538,344 or 33% as tabulated below

Revenue	Budgeted ksh	Actual ksh	Exces/(shortfall) ksh	Variance %
Government Grants and Subsidies	1,216,514	621,870	(594,644)	49
Members Contributions	420,000	476,300	56,300	13
<b>Total</b>	<b>1,636,514</b>	<b>1,098,170</b>	<b>538,344</b>	<b>33</b>

The short fall was largely attributed to failure to receive the expected Government funding

#### 8.2 Expenditure

The Party had budgeted to spend ksh 1,143,200 but actual expenditure amounted to ksh 1,097,394 resulting to under expenditure of ksh 45,806 or 4% as below

Payments	Budgeted ksh	Actual ksh	Over/(Under) ksh	Variance %
Goods and services	373,314	221,140	(152,174)	41
Employee cost	120,000	90,000	( 30,000)	25
Board Expenses	1,143,200	786,254.40	(356,945.6)	31
<b>Total</b>	<b>1,636,514</b>	<b>1,097,394.4</b>	<b>538,119.6</b>	<b>33</b>

The under expenditure impacts negatively on the achievement of planned annual goals and objectives