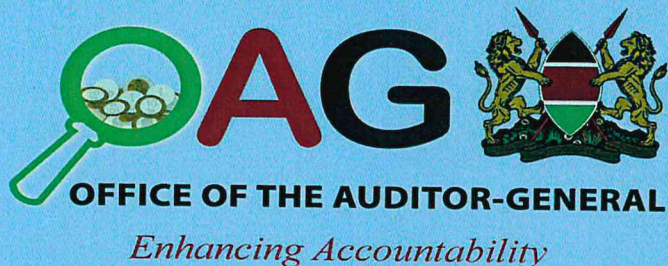


REPUBLIC OF KENYA



REPORT


OF

THE AUDITOR-GENERAL

ON

POLITICAL PARTIES FUND

**FOR THE YEAR ENDED
30 JUNE, 2021**

	
NATIONAL ASSEMBLY PAPERS LAID	
DATE: 05 APR 2022	DAY: Tuesday
TABLED BY: Lom	
CLERK-AT-THE-TABLE: M. WANGIKHAI	





POLITICAL PARTIES FUND

REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

JUNE 30, 2021

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

**Political Parties Fund
Reports and Financial Statements
For the year ended June 30, 2021.**

Table of Contents	Page
I. KEY ENTITY INFORMATION AND MANAGEMENT	ii
I. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES	xxiii
1. CORPORATE GOVERNANCE STATEMENT	xxiv
2. MANAGEMENT DISCUSSION AND ANALYSIS	xxvii
3. ENVIROMENTAL AND SUSTAINABILITY REPORTING	xxx
4. FORWARD BY THE ATTORNEY GENERAL	xxxiv
5. STATEMENT OF REGISTRAR'S RESPONSIBILITIES	xxxviii
6. REPORT OF THE AUDITOR GENERAL FOR THE FINANCIAL STATEMENTS OF OFFICE OF THE REGISTRAR OF POLITICAL PARTIES FOR THE PERIOD ENDING JUNE 30 2021	xxxix
7. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2021	1
8. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021	2
9. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2021	3
10. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021	4
11. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2021	5
12. NOTES TO THE FINANCIAL STATEMENTS	6

I. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The Office of the Registrar of Political Parties (ORPP) is established under the Political Parties Act 2011 as a State Office within the meaning of Article 260 of the Constitution of Kenya. The Act further provides that ORPP shall be a body corporate with perpetual succession, with a common seal and capable of suing and being sued in its corporate name.

The Act is the primary legal reference for management of political parties pursuant to Articles 38, 91 and 92 of the Constitution of Kenya 2010, which envisages well-governed political parties that respect internal democracy and their constitutional status in the Kenyan political system. The office promotes a democratic political system that is issue-based, people-centred, result-oriented and accountable to the public as outlined in the Third Medium Term Plan (MTP III) of Vision 2030, ORPP Strategic Plan and, Agenda Four.

The Office of Registrar of Political Parties is headed by the Registrar who is responsible for the general policy and strategic direction.

The accompanying report constitutes the financial statements for the Office of the Registrar of Political Parties for the Financial Year 2020/ 2021

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.

**Political Parties Fund
Reports and Financial Statements
For the year ended June 30, 2021.**

Respect for the rule of law: the office shall adhere to the applicable laws, rules and regulations.

Innovativeness: the Office shall adapt creative processes aided by modern technologies.

Impartiality: The Office shall 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 Core Functions

The mandate of the ORPP is to register, regulate and administer the Political Parties Fund. The statutory functions of the office are as outlined below: -

- (a) Register, regulate, monitor, investigate and supervise political parties to ensure compliance with the Political Parties Act;
- (b) Administer the Political Parties Fund;
- (c) Ensure publication of audited annual accounts of political parties;
- (d) Verify and make publicly available the list of all members of political parties;
- (e) Maintain a register of political parties and the symbols of the political parties;
- (f) Ensure and verify that no person is a member of more than one political party and notify the Independent Electoral and Boundaries Commission of the findings;
- (g) Investigate complaints received under the Political Parties Act; and
- (h) Perform such other functions as may be conferred by the Political Parties Act or any other written law.

(b) Key Management

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

- 1. Registration and County Coordination
- 2. Compliance and Regulation; and
- 3. Corporate Services.

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2020 and who had direct fiduciary responsibility were:

No.	Designation	Names
1.	Registrar of Political Parties	Ann N. Nderitu MBS
2.	Assistant Registrar of Political Parties	Ali Abdulahi Surraw

**Political Parties Fund
Reports and Financial Statements
For the year ended June 30, 2021.**

3.	Assistant Registrar of Political Parties	CPA Florence Biryia
4.	Assistant Director, Records Management	Joel Terer
5.	Assistant Director, Compliance	Juliet Murimi
6.	Chief Finance Officer	Joshua Kimulu
7.	Assistant Accountant General	John Macharia
8.	Assistant Director Internal Auditor	Veronicah Muasya
9.	Senior Economist	Joseph Kariuki
10.	Senior Supply Chain Management Officer	Kelvin Mung'asio
11.	Senior Training and Development Officer	Anastacia Kaberere
12.	Senior Information Communication and Technology Officer	Robert Waithaka
13.	Senior Communication Officer	Mutethia Mberia
14.	Principal Human Resource Management Officer.	Jacqueline Kosgei
15.	Senior County Monitor	Boniface Olwal

(d) Fiduciary Oversight Arrangements

1. Plenary

The ORPP Plenary shall comprise the Registrar of Political Parties (RPP) and the (3) three Assistant Registrars Political Parties (ARPPs), With the Registrar as the Chairperson.

The responsibilities of Plenary shall be;

- i. To oversee the execution of the mandate of the Office.
- ii. To approve and provide policy and strategy directions of the Office 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. ORPP Management Committee

The Committee Members: Registrar and All Heads of Departments

Terms of Reference (ToR's)

The office has a management committee constituted of all Heads of Departments. The Terms of reference for the Management Committee include to: -

- i. Implement strategic decisions of the office
- ii. Implement guidelines, reviews and approval of office internal policies

Political Parties Fund
Reports and Financial Statements
For the year ended June 30, 2021.

- iii. Receive, deliberate and approve recommendations from various committees
- iv. Approve the implementation of the budgets and operational plans;
- v. Manage and review operational and financial performance of the organization
- vi. Monitor the organization's performance and ensure sustainability
- vii. Enhance the corporate image of the organization
- viii. Ensure effective engagement with all the organization's stakeholders
- ix. Ensure adherence to government guidelines, policies and regulations

3. Audit Committee

The Public Finance Management Act, 2012 section 73(5) and paragraph 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 three (3) years

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

The functions of the Audit Committee include:

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

**Political Parties Fund
Reports and Financial Statements
For the year ended June 30, 2021.**

4. Budget Implementation Committee

In line with The National Treasury Circular no. 12/2020, the Registrar constituted a Budget Implementation Committee (BIC) with the following members: Accounting Officer is the substantive chair.

S/No	Name	Designation	Appointment
1.	Joshua Kimulu	CFO	Chairperson
2.	Jacqueline Kosgei	Senior HR Officer	Member
3.	Juliet Murimi	Ag. D/Compliance	Member
4.	Joseph Kanja	Senior Economist	Member
5.	Kelvin Mung'asio	Snr Supply Chain Mgt	Member
6.	Anastacia Kaberere	STDO	Member
7.	Joshua Ngala	Senior County Monitor	Member
8.	John Macharia	AAG	Secretary

The functions of the committee include to:

- Review and consider the cash flow plans – this shall involve a regular review of ORPP cash plan and approval of any changes to the initial cash flow plan to be communicated to National Treasury;
- Review the utilization of cash limits and consider any changes as may be required;
- Advise the Accounting Officer on any challenges related to the budget implementation;
- Review and recommend reallocation of expenditures;
- Review and approve the submission of expenditure returns, IPPD, pending bills and A-I-A returns for ORPP and recommend actions to be taken;
- Participate in sector Working Groups in budget preparation processes; and
- Prepare budget for ORPP in consultation with Heads of Departments.

5. Human Resource and Administrative Committee

The Human Resource and Administrative Committee is responsible for effective implementation of the Human Resource Policy.

S/No	Name	Designation	Appointment
1.	Joel Terer	Asst. DRM	Chairperson
2.	Joshua Kimulu	CFO	Member
3.	Boniface Olwal	Senior Legal Officer	Member
4.	Joseph Kanja	Senior Economist	Member
5.	Samson Walela	Senior County Monitor	Member
6.	John Mutethia Mberia	Snr Communication Officer	Member
7.	Jacqueline Kosgei	Senior HR Officer	Secretary

Political Parties Fund
Reports and Financial Statements
For the year ended June 30, 2021.

The terms of reference are:-

- a) Recommend recruitments and appointments of staff to fill vacant positions
- b) Deliberate and make recommendations to the Management Committee on all requests for promotions and re-designations
- c) Handle employee discipline cases and make appropriate recommendations to the Management Committee
- d) Deliberate and make recommendations to the Management Committee on all requests of acting allowance and special duty allowance
- e) Handle staff performance management
- f) Management of internship and requests for industrial attachment and
- g) 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 are:

S/No	Name	Appointment
1.	Kelvin Mung'asio	Chairperson
2.	Jacqueline Kosgei	Member
3.	Josephat Nyongesa	Member
4.	Gladys Morara	Member
5.	Lenard Rotich	Member
6.	Robert Waithaka	Secretary

Terms of Reference

- a) Deliberate and make recommendations on matters related to effective and efficient management of IT resources.
- b) Ensure that ICT policies are aligned with the strategic objectives of ORPP.
- c) To ensure that the ICT projects are delivered within the agreed budget and timeframe.
- d) 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.
- e) Assess the quality and value of ICT project proposals and provide advice and recommendations to the office on the merits of those proposals.
- f) Review and approve ICT project implementation plans and project management documents.
- g) Provide the office with regular progress reports on the implementation of the ICT plans.
- h) Oversee development, approval and implementation of ICT Strategic objectives

**Political Parties Fund
Reports and Financial Statements
For the year ended June 30, 2021.**

7. Communication and Resource Centre Committee

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

Members to the Committee are:

S/No	Name	Designation	Appointment
1.	Joseph Kanja	Senior Economist	Chairperson
2.	Joshua Ngala	Senior County Monitor	Member
3.	Kazungu Saqib	Records Mgt. Officer	Member
4.	Judy Gathoni	Registration Officer	Member
5.	Marjorie Okeyo	Senior Research Officer	Member
6.	Lucy Kemunto	Communication Officer	Member
7.	Lenard Rotich	ICT Assistant	Member
8.	Hope Nandwa	Assistant Records Management Officer	Member
9.	Mutethia Mberia	Senior Communication Officer	Secretary

Terms of Reference (ToRs)

- a. Develop appropriate policies and monitor implementation of existing policies and strategies relevant to the Committee scope;
- b. Periodic review of corporate communication and information resources
- c. Edit ORPP publications and IEC materials;
- d. Identify, undertake and coordinate communication-related research;
- e. Oversee implementation of ORPP Corporate Social Responsibility activities;
- f. Identify and periodically appraise Management with appropriate measures pertaining to the Committee scope;
- g. Provide input into organization, participation or hosting of corporate events;
- h. Review establishment of the communication department, Resource Centre
- i. Continuously carry out needs assessment to ascertain the current and the projected needs Resource Center users;
- j. Implement ORPP Resource Centre Management policy and develop relevant manuals and procedures;
- k. Identify and coordinate sourcing of appropriate infrastructure (software, systems, hardware) in line with the Resource Centre objectives;
- l. Identify and oversee acquisition of relevant up to date information resources, researches and avail to users through Resource Centre platforms;
- m. Periodically collect and collate information resources for stocking in the Resource Centre on behalf of the assigned functional areas;

**Political Parties Fund
Reports and Financial Statements
For the year ended June 30, 2021.**

- n. Act as focal point between ORPP & stakeholders on matters relevant to 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 are:

S/No	Name	Designation	Appointment
1.	Juliet Murimi	Assistant Director, Compliance	Chairperson
2.	Joseph Kanja	Senior Economist	Member
3.	Joy Onyango	Compliance Officer	Member
4.	LodupoTukei	Liaison Officer	Member
5.	Judy Gathoni	Registration Officer	Member
6.	Kazungu Saqib	Records Mgt Officer	Member
7.	Robert Waithaka	Senior ICT officer	Member
8.	Bonface Olwal	Senior County Monitor	Secretary

ToR's of the committee include:

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

9. Training and Development Committee

Members of the committee are:

S/No	Name	Designation	Appointment
1.	Joshua Kimulu	Chief Finance Officer	Chairperson
2.	Jacqueline Kosgei	Principal Human Resource Management Officer	Member
3.	Bonface Olwal	Senior County Monitor	Member
4.	Beatrice Nderi	Senior County Monitor	Member
5.	LodupoTukei	Liaison Officer	Member
6.	Kelvin Mung'asio	Senior Supply Chain Management Officer	Member
7.	Anastacia Kaberere	Senior Training and Development Officer	Secretary

Terms of Reference (ToR's) for the training committee are:

- a. Identify and analyse ORPP staff Training needs
- b. Prioritizing training needs and ensuring equitable distribution of resources
- c. Recommendation of the ORPP's staff training plans and development strategies
- d. Assessment of available scholarship awards and optimum utilization of training resources
- e. Deliberate and make recommendations on training matters for management approval
- f. Development of training guidelines
- g. Conduct training impact assessment
- h. Develop mentorship and coaching programmes

10. ORPP Staff Mortgage and Car Loan Scheme Advisory Committee

The Committee is responsible for overseeing the implementation and administration of the 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 M. Kimulu	Chief Finance Officer	Chairperson
2.	Joel K. Terer	Assistant Director, Records	Member
3.	John M. Macharia	Assistant Accountant General	Member
4.	Anastacia N. Kaberere	Senior Training and Development Officer	Member
5.	Geraldine F. Mukele	Senior County Monitor	Member
6.	Kelvin Mung'asio	Senior Supply Chain Management Officer	Member
7.	Lenard Rotich	Assistant ICT Officer	Member
8.	Jacqueline Kosgei	Principal Human Resource Management Officer	Member
9.	Alice Gichaga	Senior Office Administrator	Secretariat
10	Elizabeth Wakesho	Office Administrator	Secretariat

The functions are:-

- a) Select competitively the Service Provider for the administration of the Scheme on behalf of the Office
- b) Liaise with the Service Provider to set up a revolving fund for the disbursement of loans
- c) Supervise the day-to-day running of the Scheme
- d) Forward the successful applications with recommendations to the Service Provider for approval

Political Parties Fund
Reports and Financial Statements
For the year ended June 30, 2021.

- e) Process applications for loans in accordance with the existing terms and conditions of borrowing
- f) Identify and credit valuation firms for the purpose of rendering valuation and services
- g) Identify and credit law firms for the purpose of rendering legal services

11. Name Search and Registration Committee

Members to the Committee

S/No	Name	Designation	Appointment
1.	Robert Waithaka	Senior ICT Officer	Chairperson
2.	Juliet Murimi	Assistant Director, Compliance	Member
3.	Joel Terer	Asst. DRM	Member
4.	Alice Gichaga	Senior Office Administrator	Member
5.	LodupoTukei	Compliance Officer	Member
6.	Judy Gathoni	Registration Officer	Member
7.	Josephat Nyongesa	ICT Officer	Secretary

Terms of Reference

The committee provides guidance on the review of applications on name and symbols searches.

Terms of Reference (TORs) will include;

- a) Review applications for names and symbols
- b) Advise the Registrar on reservation of names and symbols
- c) Review applications for change of names by fully registered political parties
- d) Set specifications for soft copies for the symbols and advise applicants on the same

**Political Parties Fund
Reports and Financial Statements
For the year ended June 30, 2021.**

(e) Office Headquarters

P.O. Box 1131 – 00606,
Lion Place 1st Floor,
Karuna Close, Off Waiyaki Way,
Westlands, Nairobi, Kenya

(f) Entity Contacts

Telephone: (254) (020) 4022000
E-mail: registrar@orpp.or.ke
Website: www.orpp.or.ke.

Office of the Registrar of Political Parties Regional offices

- i. Kisumu**
Re-insurance Plaza, 3rd floor Wing B
Oginga Odinga Road
Kisumu
- ii. Mombasa**
Palli House, 5th Floor
Nkrumah road
Mombasa
- iii. Uasin Gishu**
Kerio Valley Development Authority (KVDA) Plaza 7th floor
Along Oloo street
Eldoret
- iv. Isiolo**
County Estate, Isiolo Township
Plot No. LR7918/164
Isiolo
- v. Kitui**
Mamelondi House
JICA/KEFRI road
Nxet to Main Prisons
Kitui
- vi. Nakuru**
Assumption Center, 4th Floor
Moi road
Nakuru.

Political Parties Fund
Reports and Financial Statements
For the year ended June 30, 2021.

vii. **Nyeri**
Advocates Plaza,
Lower Ground
Kamakwa Road
Nyeri

(g) Entity Bankers

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

Accounts Maintained

DEP: Registrar of Political Parties 1000181842

(h) Independent Auditors

Auditor General
Kenya National Audit Office
Anniversary Towers, University Way
P.O. Box 30084
GOP 00100
Nairobi, Kenya

(i) Principal Legal Adviser

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

MANAGEMENT TEAM



Ann N. Nderitu, MBS
Registrar of Political Parties

Ann Nderitu is currently the Registrar of Political Parties. Her office is responsible for, registration, regulation, monitoring and supervision of political parties to ensure compliance with the Political Parties Act, 2011; In addition, the office is in charge of Administration of the Political Parties Fund among other things. As the Registrar, she is also the CEO of the Institution and gives strategic direction to the political system in Kenya by formulating policies and implementation of the Law.

Before her appointment as Registrar of Political Parties, Ann was the immediate Head of Electoral Training at the Independent Electoral and Boundaries Commission (IEBC), where she designed and implemented all the Electoral Training Programmes for all electoral officials and key stakeholders. She also worked as the Manager in charge of Partnerships and also as Ag Director Voter Education and Partnership where she coordinated all stakeholders working with the Commission, worked with Donors on Resource Mobilization for the Commission, designed and implemented National Voter Education Curriculum and programmes among other things. Before joining the Commission, Ann worked as an Education Administrator in the Ministry of Education in various positions, the last post being District Education Officer.

Ann Nderitu holds a Master's Degree in Linguistics, Bachelor of Education (Eng./Lit), Diploma on Public Administration (Israel) Diploma in Project Management, Human Resource Management and Early Childhood Education respectively, among other qualifications.

She is a Certified BRIDGE Accrediting Facilitator; which puts her among the few Election Management and Training Experts in African Region. She has customized the BRIDGE curriculum for TtF, Voter Education Module, Gender and Election Module, Post-Election Module for Kenya, Media and Elections and Election Contestants Module for Kenyan context and

**Political Parties Fund
Reports and Financial Statements
For the year ended June 30, 2021.**

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




**Political Parties Fund
Reports and Financial Statements
For the year ended June 30, 2021.**

	<p>County Managers' Association-America (ICMA). He previously worked as a manager with National Social Security Fund and later with Independent Electoral and Boundaries Commission as an Elections Coordinator. Thereafter he worked as a County Executive Committee Member for Finance and Economic Planning in Isiolo County Government. Mr Ali also served as the Executive Director for Devolution Research and Policy Centre, an organization that is involved in improving public policy making for realization of national development goals by Developing capacities in public policy research as well as providing advisory and technical services on public policy issues.</p> <p>SHORT PERSONAL STATEMENT</p> <p>My focus is on improving the credibility, effectiveness and delivery capacity of political parties. I commit to guide political parties to improve their internal operations so as to build public trust in them as a vehicle for representation and governance. Only by having the capacity to look ahead and anticipate developments can political parties prepare themselves adequately for new societal demands and democratic changes. While reforming parties may be a slow and laborious process I believe that it is possible for political parties to reinvent themselves and be sustainable. In order for parties to be successful in a constantly changing political environment, focus, determination and adaptive institutional capacity are required.</p>
	<p>CPA Florence Biryia is presently the Assistant Registrar charged with the Registration, Field Services and Coordination of Elections Directorate. She is a qualified Accountant and a Management professional with vast experience in various functional and policy areas in the public sector. She holds a Master in Business Administration Finance Major and Bachelor's Degree Finance Major from the University of Nairobi. She is a Certified Public Accountant of Kenya - CPA (K), a member of the Institute of Certified</p>

**Political Parties Fund
Reports and Financial Statements
For the year ended June 30, 2021.**

<p>CPA Florence Birya Assistant Registrar of Political Parties</p>	<p>Public Accountants Kenya (ICPAK) and is currently the ICPAK Coast Branch Chairperson and a member of the Devolution Committee of the ICPAK Council. She has held various senior management positions in the Kenya Public Sector including Finance & Administration Director, County Director of Treasury, Finance Manager, Grants Manager and Senior Accountant among others. She is an abridged trained trainer and passionately participates a lot in civic education, women empowerment, youth mentorship and church ministry. She has attained numerous outstanding achievements both in employment, professional appointments and community probona services.</p>
 <p>Juliet W. Murimi Assistant Director, Compliance</p>	<p>Juliet Murimi is currently serving in the Office of the Registrar as an Acting Director Compliance and is responsible for strategic direction and formulation of strategies, standards and procedures for effective and efficient regulation of political parties to ensure compliance with the Political Parties. She is an accomplished professional in the Legal, Democracy, Governance and Leadership areas. She is an Advocate of the High Court of Kenya in good standing and a member of the Law Society of Kenya and the Common Wealth Association of Legislative Council. She holds a Bachelor's Degree in Law (LLB) from the University of Nairobi; a Post Graduate Diploma in law from Kenya School of Law (KSL); a Master's Degree in Business Administration, (Strategic Management option) from Jomo Kenyatta University of Agriculture and Technology and is currently pursuing her Doctoral Studies in Leadership & Governance. She has undertaken a Certificate course in Strategic Leadership Development Programme (SLDP) and Senior Management Course (SMC) from Kenya School of Government. She is an Advocate of the High Court of Kenya and active. She is an accredited BridgeTtF Facilitator. Cumulatively she has nineteen years' progressive experience in legal practice; electoral and political administration matters; Political</p>

**Political Parties Fund
Reports and Financial Statements
For the year ended June 30, 2021.**

	negotiations; Election management and Legislative drafting skills has served the public service for fifteen years.
 <p>Joshua M. Kimulu Chief Finance Officer</p>	<p>Mr. Joshua Kimulu is responsible for effective implementation of prudent financial management strategies, policies, standards and procedures in budget planning and preparation, and resource mobilisation. He holds a Master of Science Degree in International Economics and Business from University of Groningen, the Netherlands, a Bachelor of Arts Degree in Economics from Moi University. He holds a certificate of Certified Public Accountants Part III (CPA K), Strategic Leadership and Senior Management from Kenya School of Government. He also holds a Professional Certificate in International Trade from the University of Adelaide, Australia.</p>
 <p>Joel K. Terer Assistant Director, Records Management</p>	<p>Mr. Terer is responsible for implementing policies, guidelines and procedure on records management of the Office. He holds Masters in Arts, in Economics and Cooperation from BKD University (India) and Bachelor of Arts-Economics and Sociology from Agra University (India). He has a certificate in Records management from ESAMI, Strategic Leadership development Programme (SLDP) and Senior Management Course (SMC) from Kenya School of Government.</p>
 <p>John M. Macharia Assistant Accountant General</p>	<p>John Macharia is responsible for implementing prudent financial management policies, strategies, standards, procedures in accounting in line with Public Financial Management Act (PFM) and other Treasury Circulars. He holds a Bachelor Degree of Commerce in Finance from Masinde Muliro University of Science and Technology. He is a CPA (K) and has a certificate in Strategic Leadership development Programme (SLDP) and Senior Management Course (SMC) from Kenya School of Government. John is a member of ICPAK</p>


**Political Parties Fund
Reports and Financial Statements
For the year ended June 30, 2021.**

	and in good standing.
 <p>Veronicah N. Muasya Assistant Director Internal Audit</p>	<p>Veronicah Muasya is responsible for internal audit and Risk Management of the Institution as per Public Financial Management Act and Auditing Standards. She holds an MBA from the Management University of Africa (Kenya), a Diploma in Auditing from Institute of Internal Audit (IIA), Kenya, a CPA (K) holder, a Certificate in Certified Fraud Examiner (CFE) from Association of Certified Fraud Examiner, a Strategic Leadership development Programme (SLDP) and Senior Management Course (SMC) from Kenya School of Government. She is a member of the following professional bodies: Association of Certified Fraud Examiner (CFE), Institute of Internal Audit and ICPAK.</p>
 <p>Robert G. Waithaka Senior ICT Officer</p>	<p>Robert Waithaka is responsible for strategic direction on ICT services including security, networks, policy, training and the website. He holds a Masters degree in IT, in Systems Security and Audit from Strathmore University and a Bachelor's degree in IT from Jomo Kenyatta University of Agriculture and Technology (JKUAT). He has the following certifications: Enterasys Certified Specialist (ECS), Enterasys Certified Network Associate (ECNA), Cisco Certified Network Associate (CCNA) and Microsoft Certified Technology Specialists (MCTS).</p>
 <p>Joseph K. Kanja Senior Economist</p>	<p>Joseph Kanja is responsible for the formulation of policies on monitoring and evaluation of the overall performance of the institution and political parties. He holds a Bachelor of Science degree in Mathematics and Economics from Moi University. He has a certificate in Project Management from GIZ (Kenya), Certificate in Monitoring and Evaluation from GIZ (Kenya) and a certificate in Senior Management Course (SMC) from Kenya School of Government. He is a member of Evaluation Society of Kenya (ESK)</p>

**Political Parties Fund
Reports and Financial Statements
For the year ended June 30, 2021.**

 <p>Anastacia N. Kaberere Senior Training and Development Officer</p>	<p>Anastacia Kaberere is responsible for planning, coordinating and implementing training and development strategies in line with Training Policy. She holds a Masters degree in Business Administration, Project Management, from Kenyatta University, a Bachelors Degree in Business Administration, Human Resource Management from Kenya Methodist University and a Diploma in Business Management from Kenya Institute of Management (KIM). She has a certificate in Senior Management Course (SMC) from Kenya School of Government, a certificate in Training of Trainers (ToT) from Commonwealth Secretariat and a certificate in Supervisory Skills Management from Kenya School of Government.</p>
 <p>Kelvin Mung'asio Senior Supply Chain Management Officer</p>	<p>Mr. Kelvin Kasaine Mung'asio holds a Professional Diploma in Procurement and Supply from the Chartered Institute of Procurement and Supply (CIPS), Bachelor of Commerce and a Masters (MSc.) in Procurement and Logistics from Jomo Kenyatta University of Agriculture and Technology (JKUAT). He is a licenced procurement practitioner and a member of the Kenya Institute of Supplies Management (KISM) and a member of the Chartered Institute of Procurement and Supply (MCIPS).</p> <p>He is the head of the Supply Chain Department and oversees all the procurement and disposal of assets in accordance to the Public Procurement Act and Regulations. He also ensures effective implementation of supply chain management policies, guidelines and procedures.</p>
 <p>Jacqueline Kosgei Principal Human Resource Management Officer</p>	<p>Jacqueline Kosgei is a seasoned Human Resource professional with over 15 years' experience in management of Human capital in various government Ministries and Agencies Jacqueline has extensive knowledge and skills in end to end recruitment, employee performance management, job evaluation and reward management, training and development, organizational development and formulation of HR policies, procedures and strategies While at the State Department for Public Service, Jacqueline provided</p>

**Political Parties Fund
Reports and Financial Statements
For the year ended June 30, 2021.**

	<p>extensive technical support to many government institutions in the development and review of their Human Resource Policies, Procedures and strategies. Her other skills, include development and implementation of Quality Management System based on ISO.</p> <p>Jacqueline holds a Bachelor' of Arts degree in, Government and Public Administration, Higher National Diploma in HRM, Master of Business Administration (Strategic Management) and has attended various leadership and management courses at the Kenya School of Government. She is a full and active member of the Institute of Human Resource Management (IHMRM)</p>
 <p>Mutethia Mberia Senior Communication Officer</p>	<p>Mberia is currently the team leader of the Corporate Communication Unit. The unit is charged with responsibility of providing a framework for developing and sustaining effective communication thrust through policy, definitive strategies, multi-content creation and dissemination as well as corporate communication advisory for a favourable standpoint between ORPP and its mapped out stakeholders.</p> <p>He is a holder of a Master degree of Arts degree in Communication Studies (Public Relations concentration) from The University of Nairobi (UoN), a single subject professional certification in Public Relations, Customer Service, Advertising, International Business Communication and Marketing from Institute of Commercial Management-UK and Bachelor of Education Arts degree in English and Literature from Kenyatta University. He is a certified internal auditor in Quality Management System (QMS) and Information Security Management System (ISMS). Additionally, he is trained in corporate risk, quality assurance, performance contracting, access to information and resolution of public complaints among others. He has organized and participated in various national and international fora and served in various taskforces. He has also other interests such as commentary in mainstream media on progressive topical issues,</p>

**Political Parties Fund
Reports and Financial Statements
For the year ended June 30, 2021.**

	<p>advocacy for use of Swahili language in corporate settings, theatre, corporate events moderation and poetry. Mberia is a member with good standing of the Public Relations Society of Kenya (PRSK), at which he has contributed to the PRSK's varied sub-committees programmes.</p>
 <p>Bonface Olwal Senior Legal Officer</p>	<p>Olwal is an advocate of High Court of Kenya, currently working at the office of Registrar of Political Parties as the head of Legal Department. He has eight years' experience in law practice and litigation specialised in Judicial Review, Constitutional Petitions and Governance. Holds Bachelors' degree in Law (LLB) from Moi University and Diploma in Law from Kenya Schools of Law and currently pursuing master degree in Law (LLM) at University of Nairobi. Olwal is Positive and keen to succeed.</p>

II. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES

The Office of the Registrar of Political Parties is established under the Political Parties Act, 2011 with the mandate to register and regulate political parties and to administer the Political Parties Fund.

The key strategic objective of the Office of Registrar of Political Parties is to promote competitive and issue based political parties.

This report summarizes the ORPP performance during the 2020/2021 financial year.

Table 11: Performance versus predetermined objectives

ORPP Programme	Objective	Outcome	Indicator	Performance	Remarks
SP.2 Administration of Political Parties Fund	To promote competitive and issue based political parties	Competitive and Issue Based Political Parties	Amount of Money disbursed to political parties (Kshs. Million)	995.24	Budgeted funds were disbursed qualifying political parties
			No. of Political Parties that complied with funding regulations	73	The target was met
			No. of political parties' fund managers sensitized on Public Finance Management Act	75	The office had targeted 150. The target was not met due to Covid 19 related budget cuts and guidelines

III. CORPORATE GOVERNANCE STATEMENT

The Office operates within the confines of the Political Parties Act, 2011 and resultant Regulations under which it is established. In the year under review, the Office continued to actualize the aspirations of Article 91 and 92 of the Constitution by ensuring implementation of Political Parties Act (PPA), 2011. In its undertaking, legal gaps that may have hampered its operations. (in compliance with regulations 18 of PFM act regulations).

The Office had functional onsite and off-site back-up plans to safeguard critical data held by the Office. Such included appropriate controls access and maintenance of restricted areas for systems security installation. ICT policy document that directs existence and application of ICT systems has been developed and continue to be implemented.

In the period, members of Management were sensitized on risk identification within their respective areas that informed developed of draft risk corporate profile. This and other risk-related framework that the Office continues to instate has been pivotal in actualizing the risk-based governance that the Office espouses. The risk-based approach was referenced in regulating political parties and the Office role as part of the duty bearer in political stability of the country.

Reflected in its organogram, ORRP has put 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. During the period under review, the Registrar and the Assistant Registrars positions were substantively filled as provided for in Section 37 of the PPA. The Registrar and the Assistant Registrars constitute the plenary which is the apex organ of the organization.

Management Committee comprises of the Registrar, Assistant Registrars and Heads of Departments. The Committee held 6 meetings during which varied matters and resolutions were made. A conflict of interest register was maintained to which any member with conflicting affiliation in a matter(s) under discussion was obliged to record such. The Management also deliberated on multifold policy issues to chart strategic direction of the Office. To enhance its Management capacity, the Office build its capacity through short trainings on Management courses, risk management among other respective member's trainings as encapsulated in the ORPP training plan.

Management meetings for FY 2020/21

S/No	Date of the meeting	Members Present	Attendance (%)
1.	9 th July 2020	13/13	100
2.	17 th July 2020	12/13	92
3.	29 th July 2020	13/13	100

Political Parties Fund
Reports and Financial Statements
For the year ended June 30, 2021.

4.	6 th August 2020	12/13	92
5.	1 st Sept 2020	11/13	85
6.	14 th Dec 2020	15/15	100
7.	25 th May 2021	12/15	80

In the year under review, a governance Charter was developed, discussed and adopted. The Charter guides the relationships and responsibilities of different governance organs of ORPP. Recognized in the Charter are; Registrar, Plenary, Management and varied standing and ad hoc committees.

The roles of the Management Committee are as follows;

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

Considering that ORPP is a regulator of political parties, the Office is bestowed to oversee the country's political interests. This necessitates continual review of ORPP's governance structure, internal systems and operations to align to the emerging trends and stakeholder requirements. In such reviews, internal publics are involved prior, during and at the implementation of system/process review that has yielded projected results in establishing and maintaining the ORPP overall control of financial, operational and government compliance requirements.

The Office is subject to governance accountability requirements in line with the Constitution. Audit and governance checks are undertaken by designated offices such as the Office of the Auditor General and relevant Committees of the National Assembly. The Office periodically reports for scrutiny in accordance with reporting requirements and within stipulated timelines. It is also required on need basis, to appear before various National Assembly's Committees to deliberate on their budgetary and other resource requirements, clarify on issues or present status reports/ positional papers for their consideration in furtherance of its mandate.

**Political Parties Fund
Reports and Financial Statements
For the year ended June 30, 2021.**

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

Conduct of business/charter

During the period under review, the Management Committee ran on a one-year tenure upon appointment in line with Office Committees appointment procedures. It operated within the precincts of the laid down procedures. As such, its meetings were procedurally convened, minutes and other records of management deliberations were appropriately authenticated and maintained. The conflict of interest register for the Committee is maintained, with its members' accordingly declaring and recording conflict of interest where applicable.

Induction and training

The Committee members through the Office training and development programme, were periodically trained in short courses, attended professional seminars and workshops to enhance their skills.

Governance and oversight

In line with the Office monitoring and evaluation framework, the Committee generated various statutory and administrative reports including the annual and quarterly expenditure performance reports, procurement reports for onward submission to the relevant authorities.

The Committee provided strategic direction in the development of corporate risk register and appointment of risk champions as part of institutionalizing the risk framework. It also continually laid structures that underpinned the Office quality management systems.

The Office acknowledges the continued support and commitment received in the period under review from Ministries, Departments and Agencies that offered guidance and oversight. It is ORPP's commitment to continue running its affairs within the confines of good governance practices.

IV. MANAGEMENT DISCUSSION AND ANALYSIS

During the financial year 2020/2021, ORPP was allocated a budget of Kenya shillings nine hundred and ninety-five million, two hundred and forty thousand (Kshs. 995,240,000) for Political Parties Fund (PPF). This Fund is established under section 23 of the Political Parties Act (PPA) and administered by the Registrar of Political Parties. The main sources of the fund are:

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

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

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

The purpose for which the PPF is utilized is to:

- a) Promote the representation in Parliament and in county assemblies of women, persons with disabilities, youth, ethnic and other minorities and marginalized communities provided that not less than 25% of the moneys allocated to a political party under section 25 shall be used for the purposes referred to in sub section (1a);
- b) Carry out civic education in democracy and other electoral processes by political parties;
- c) Cover election expenses of the political parties;
- d) Bring the political parties' influence to bear on the shaping of public opinion; and
- e) Cover Administrative and staff expenses of the political parties' (should not exceed 30% of the monies allocated).

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

- a) paying directly or indirectly remuneration, fees, rewards, allowances or any other benefit to a member or supporter of the political party, other than a member of staff;
- b) to finance or as a contribution to any matter, cause, event or occasion directly or indirectly in contravention of any code of ethics binding on public officers;

**Political Parties Fund
Reports and Financial Statements
For the year ended June 30, 2021.**

- c) directly or indirectly for the purposes of establishing any business or acquiring or maintaining any right or financial interest whatsoever in any business or in any immovable property; and
- d) for any other purpose incompatible with the promotion of a multiparty democracy and the electoral processes, or with the Constitution.

2.1 Summary of budget performance for the year ended 30th June 2021

The Office has a Deposit Vote DEP 1311. In the printed Estimates of FY2020/21, the office had an allocation of Kenya shillings nine hundred and ninety five million, two hundred and forty thousand (Kshs. 995,240,000). The National assembly through letter ref NA.2/4/2019/ (347) dated 9th October 2020 advised the office that Kshs two hundred million (Kshs. 200,000,000) was set aside for payment of court awards. The award arose from the judgement of the high court in the judicial review No 483 of 2016 (Orange Democratic Party Versus the National Treasury and others).

This therefore, indicates that the money that was available for distribution to the two qualifying political parties was Kshs. seven hundred and ninety five million, two hundred and forty thousand (Kshs. 795,240,000) that was available for distribution using the criteria provided for under section twenty-four (24) of the PPA, 2011.

Table 1: Overall Budget

Printed Estimates Kshs.(m)	Supplementary budget Kshs. (m)	Revised Budget Kshs.(m)
995.24	-	995.24

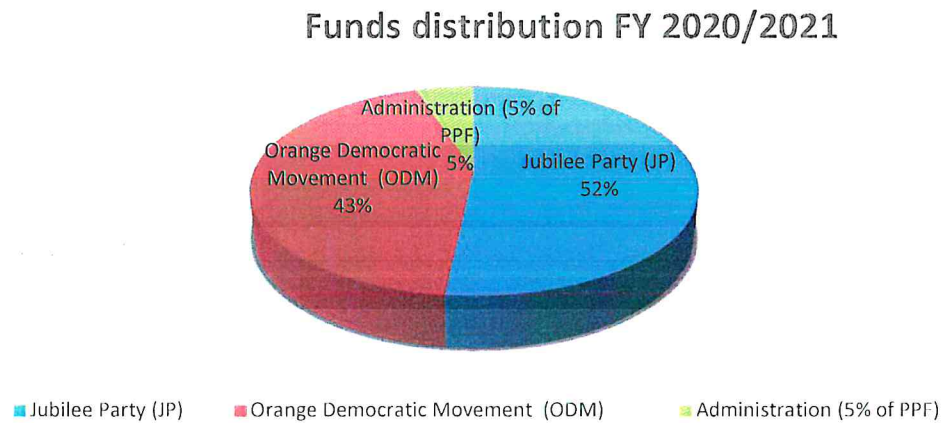
2.2 Distribution of the Fund

As illustrated above, the Fund was then distributed as indicated in the table 2 below;

Table 2: Distribution of Political Parties Fund

S/No.	Budget	Revised amount Kshs. (M)	Court award	Actual distributed Kshs. (M)
1.	Jubilee Party (JP)	514,980,477		514,980,477
2.	Orange Democratic Movement (ODM)	430,497,522		430,497,522
3.	Administration (5% of PPF)	49,620,000		33,272,850
Total		995,097,999		978,750,849

Figure 1:

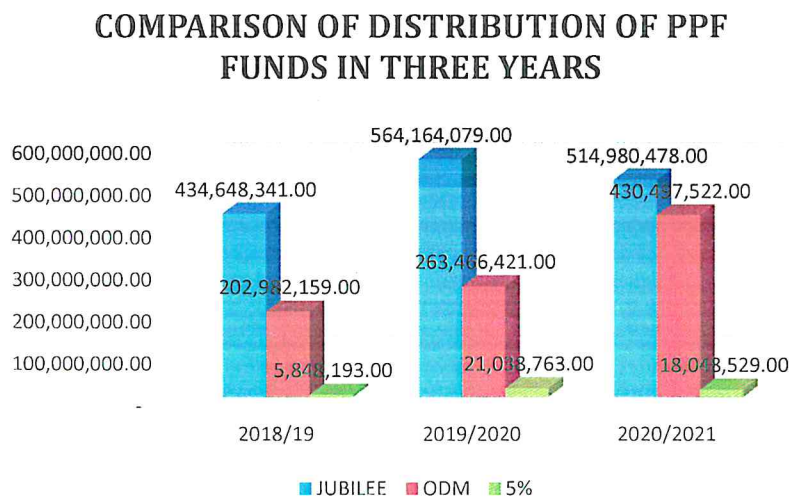


2.3 Comparison of financial performance of the Political parties fund

The office continually received funding through the budget to finance the qualifying Political Parties as stipulated in the PPA, 2011.

In Figure 2 below shows the distribution of funds to the two political parties that qualified for funding as set out in the criteria for the last three (3) years. It further shows the growth of the PPF over the years which is towards achieving the zero point three percent as stipulated in the Act.

Figure 2



**Political Parties Fund
Reports and Financial Statements
For the year ended June 30, 2021.**

Funds allocated to the political parties was fully disbursed to the qualifying political parties whereas the 5% administration component was not fully utilized due to the COVID- 19 Pandemic.

V. ENVIROMENTAL AND SUSTAINABILITY REPORTING

The Office of Registrar of Political Parties (ORPP) is an entity that espouses the tenets of corporate citizenship that live beyond its statutory mandate. This is attained through elaborate strategic outlook with appropriate strategic planning, policy and strategy interventions the Office has put in place. The Office has adopted an integrated CSR approach.

This has proven effective and has set ORPP apart as one of the progressive corporates, mindful of its current and future roadmap for social business endeavor.

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



i. Environmental Performance

The Office is cognizant of climate change and the impact it has caused to the environment. ORPP has embraced strategies and best practices in order to minimize pollution and reduce waste through encouraging recycling and reuse of products.

The world continues to lose her biodiversity due to habitat destruction, overgrazing, deforestation, pollution, unsustainable harvesting of natural resources to this end the Office has engaged with stakeholders' especially engaging suppliers who are approved by the National Management Environmental Authority (NEMA) and other government agencies. The Office has also fully enforced duplex printing in all its publications and printing as an effort to address deforestation.

The Office conducts all disposal of obsolete assets in compliance with the Public Procurement and Asset Disposal Act, 2015 in consultation with the Environmental Management and Coordination Act, 1999 on toxic and hazardous substances.

ORPP will endeavour to have an environmental policy in place to guide the Office in sustainable management, use of the environment and natural resources.

ii. Employee welfare

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

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

iii. The ORPP Welfare Association

The ORPP has a staff Welfare association which is a functional home-grown voluntary welfare. The objectives of the Association are to; offer financial support to members towards bereavement, medical (In patient expenses beyond the medical cover) and retirement; foster and encourage welfare activities among its members; solicit for assistance from the employer or any other benefactor in cash or in kind for the welfare of the members of the association; establish and maintain funds by means of

**Political Parties Fund
Reports and Financial Statements
For the year ended June 30, 2021.**

voluntary contributions and subscriptions and ; acquire either by purchase, lease or otherwise any property movable or immovable or other assets and sell, let, mortgage, charge or otherwise deal with or disposed off, for interest of members.

iv. Market place practices

The Office has continued to strictly adhere to the requirements of the Public Procurement and Asset Disposal Act, 2015. The Office initiates processes and awards for works, goods and services in conformity with the law. The ORPP in all its procurement, has appropriately registered list of suppliers, continually appointed relevant committees in appropriate stages of procurement, utilizes acceptable systems, avails relevant procurement information for public knowledge and scrutiny; undertakes timely reporting of procurement matters to relevant bodies. The Office maintains a register of legally binding agreements/contracts/ leases that guide applicable engagement. The suppliers are continually guided on matters pertaining the processes, procedures, obligations that underpin procurement.

v. Community Engagements-

The reason of selecting the group political violence

The Office visited Reli women group in Mukuru Kwa Njenga which is a resident community-based organisations, local village leaders and on-ground government officials. The visit presented a rare opportunity for ORPP to share contextualised life skills talks, experiences as well as presenting assorted dry food items bought from the proceedings of staff voluntary contributions. Specific areas of focus of the talks centred on resource-pooling mechanisms to set up sustainable income-generating small scale ventures as well as guidance for the women to actively participate in political processes and general leadership roles.

Home with elderly people who do not participate in political affiliations

Donated old newspapers to encourage create art work that depict political and peaceful coexistence



ORPP staff posing for a photo during the CSR visit to Reli women self help group

**Political Parties Fund
Reports and Financial Statements
For the year ended June 30, 2021.**

Media Engagement

As part of access to information and customer experience endeavor ORPP has continued to engage and educate the general public on its Mandate. The engagements were through print and electronic mass media; regular update of information on social media and website; coordination and presentations; participation with targeted stakeholder for collaboration with state and non-state actors among others.

VI. FORWARD BY THE ATTORNEY GENERAL

1 Introduction

The Republic of Kenya is a multi-party democratic state founded on the national values and principles of governance (Article 4). The people of Kenya are free to exercise their political and democratic rights through free, fair and credible electoral process. The Constitution provides that every person is equal before the law and has a right to make political choices, which include the right to belong and campaign for a political party of their choice (Article 38).

Article 91 of the Constitution of Kenya provides for enactment of a legislation to provide for establishment and management of a Political Parties Fund.

To implement Article 91, the Political Parties Act, 2011 was enacted and established the Office of the Registrar of Political Parties with the Mandate to register and regulate political parties, and to administer the Political Parties Fund. The purpose of the Fund is to;

- i. Promote the representation in Parliament and in county assemblies of women, persons with disabilities, youth, ethnic and other minorities and marginalized communities provided that not less than 25% of the moneys allocated to a political party under section 25 shall be used for the purposes referred to in sub section (1a);
- ii. promote active participation by individual citizens in political life;
- iii. cover the election expenses of the political party and the broadcasting of the policies of the political party;
- iv. organize civic education in democracy and other electoral processes;
- v. bring the political party's influence to bear on the shaping of public opinion; and
- vi. cater for administrative and staff expenses of the political party.

a. Summary of budget performance for the year ended 30th June 2021

The Office has a Deposit Vote DEP 1311. In the printed Estimates of FY2019/20, the office had an allocation of Kenya shillings ninety five million, two hundred and forty thousand (Kshs.995,240,000).

**Political Parties Fund
Reports and Financial Statements
For the year ended June 30, 2021.**

The Office complied with the PFMA, PPADA, PPA Act and other laws that govern Public finances while executing the budget.

Table 1 below shows the printed estimates Vis a Vis the approved budget.

Table 1: Overall Budget

Printed Estimates Kshs.(m)	Supplementary budget Kshs. (m)	Revised Budget Kshs.(m)
995,240,000	-	995,240,000

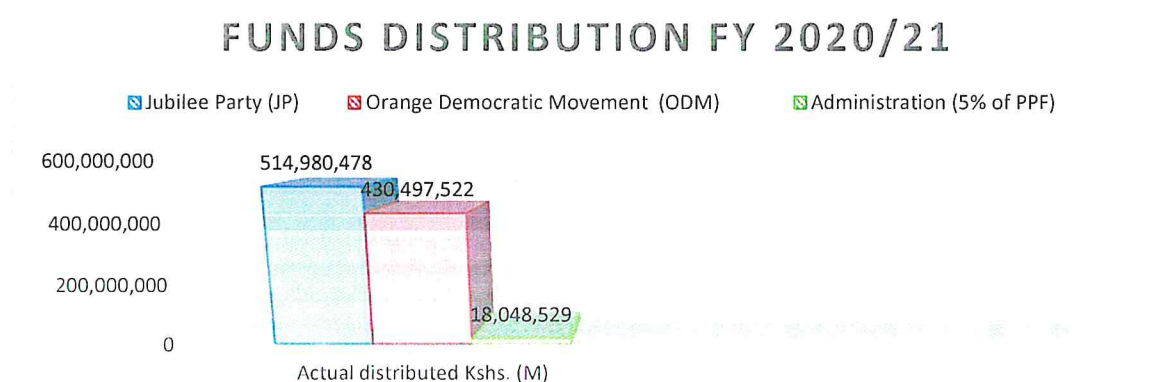
Distribution of the Fund

As per the criteria stipulated above, the Fund was distributed as shown in the table below;

Table 1: Distribution of Political Parties Fund

S/No.	Budget	Approved amount Kshs. (M)	Actual distributed Kshs. (M)
1.	Jubilee Party (JP)	514,980,478	514,980,478
2.	Orange Democratic Movement (ODM)	430,497,522	430,497,522
3.	Administration (5% of PPF)	49,620,000	33,272,850

Figure 1: The bar graph below shows Political Parties Fund overall budget



The Fund allocation to the political parties was fully disbursed to the qualifying political parties whereas the administration component was not fully utilized due to the COVID- 19 Pandemic.

The fund was distributed in accordance with section 25 of the Political Parties Act where 95% went to political parties and 5% to fund administration expenses.

b. Key achievements of the political parties fund.

- i. Political Parties (Funding) Regulations, 2019 developed;
The political parties' regulations were developed and published and they are now operational and facilitating the office to monitor compliance effectively.
- ii. The sensitization of the public on the Political and electoral processes to enhance democracy.(Number of meetings and purpose)
- iii. Capacity building of political parties Fund Managers and Officials.
Trained Political party officials on the Integrated Political Parties Management System (IPPMS): The Office trained one hundred and fourteen (114) data entry officials drawn from thirty-six (36) different political parties. Out of this, forty-eight (48) were female and sixty-six (66) were male. The training equipped political parties with the necessary skills to access the IPPMS and perform various functions and continuously provide user support training.

c. Emerging issues

- i. COVID 19 Pandemic
- ii. Wrangles in coalitions
- iii. Review of distribution criteria

d. Challenges


- i. The Political Parties coalition disputes
The office of the registrar was enjoined in disputes arising from the sharing of funds by the National supper Alliance (NASA) partners. A lot of time and resources were expended in addressing the disputes.
- ii. Disruption of programme implementation due to COVID 19 Pandemic
- iii. Section 24 of the Political Parties Act, 2011 stipulates that the Political Parties Fund shall receive "such funds not less than zero point three per cent of the revenue collected by the national government as may be provided by the Parliament". In the 2020/21 financial year, the Fund was allocated Kenya shillings nine hundred and ninety-five million two hundred and forty thousand (Kshs 995.24) which was way below the stipulated 0.3% of the revenue collected by the national government. Only two Political Parties were eligible for funding.

**Political Parties Fund
Reports and Financial Statements
For the year ended June 30, 2021.**

- iv. The high turnover of Political Parties Fund managers pose a challenge to the management of the fund and the office has to continuously sensitize them on the Public Finance Management.
- v. The stringent funding criteria. The office is currently funding only two political parties out of the 73 fully registered political parties thereby creating un-even playing ground.

e. Recommendations

- i. Review provisions of the Political Parties Act pertaining to funding criteria of political parties to ensure all political parties share the Fund.
- ii. The Office to continuously sensitize political parties fund managers/officials on public finance management.
- iii. The Office will continuously engage all stakeholders to ensure that; there is timely disbursement of funds, reporting and prudent utilization of resources.
- iv. The National Treasury and Parliament should allocate the Fund as stipulated under the Act. This will save the government from unnecessary litigations as a result of non compliance.
- v. Amendment of the law to specify the role of the Registrar on coalition engagements and criteria for distribution of the Fund to parties under coalition


Justice (B/D) Paul Kihara Kariuki, CBS
Attorney General

Date 8th November

**Political Parties Fund
Reports and Financial Statements
For the year ended June 30, 2021.**

VII. STATEMENT OF REGISTRAR'S RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and section 32 (2) of the Political Parties Act 2011, require the Registrar to prepare financial statements in respect of that office, which give a true and fair view of the state of affairs of the office at the end of the financial year. The Registrar is also required to ensure 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 as at the end of the financial year June 30, 2021. This responsibility includes: (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) Safeguarding the assets of the office; (v) Selecting and applying appropriate accounting policies; and (vi) Making accounting estimates that are reasonable in the circumstances.


The Registrar accept responsibility for the office's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the Political Parties Act 2011. 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 during the financial year ended June 30, 2021, and of the office's financial position as at that date.

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

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

Approval of the financial statements

The office's financial statements were signed on 30.9.2021 by:



Ann N. Nderitu, MBS
Registrar of Political Parties



John Macharia
Assistant Accountant General
ICPAK M/ No: 5474



REPUBLIC OF KENYA

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

REPORT OF THE AUDITOR-GENERAL ON POLITICAL PARTIES FUND FOR THE YEAR ENDED 30 JUNE, 2021

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 the Political Parties Fund set out on pages 1 to 14, which comprise the statement of financial position as at

Report of the Auditor-General on Political Parties Fund for the year ended 30 June, 2021

30 June, 2021, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Political Parties Fund as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management aware of the intention to abolish the Fund or to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness of internal controls, risk management and 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 Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Political Parties Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal 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 to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

07 March, 2022



**Political Parties Fund
Reports and Financial Statements
For the year ended June 30, 2021.**

**IX. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE
2021**

	Notes	2020-2021	2019-2020
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from Recurrent Account (ORPP)	5	995,240,000	871,190,000
Other Receipts			
		995,240,000	871,190,000
Revenue from exchange transactions			
Other income	-	-	-
Total revenue		995,240,000	871,190,000
Expenses			
Use of goods and services	7	18,051,065	16,084,363
Depreciation and amortization expense	8	2,829,224	1,079,638
Disbursement to Political Parties	9	945,478,000	827,630,500
Total expenses		966,358,289	844,794,501
Net Surplus for the year		28,881,711	26,395,499

The notes set out on pages 6 to 13 form an integral part of these Financial Statements.

The Financial Statements set out on pages 1 to 5 were signed by the Registrar:



Ann N. Nderitu, MBS
Registrar of Political Parties



John Macharia
Assistant Accountant General
ICPAK M/ No: 5474

**Political Parties Fund
Reports and Financial Statements
For the year ended June 30, 2021.**

X. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	Notes	2020-2021	2019-2020
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	10	118,340,061	99,782,266
Receivables from non-exchange transactions	6	-	200,000
Current Assets		118,340,061	99,982,266
Non-Current Assets			
Property, plant and equipment	12	19,201,746	7,557,452
Non- Current Assets		19,201,746	7,557,452
Liabilities			
Payables	11	1,120,378	
Total Liabilities		1,120,378	-
Net financial assets		136,421,429	107,539,718
Represented by			
Fund balance b/fwd.	10	107,539,718	81,144,219
Surplus for the year		28,881,711	26,395,499
Net financial position		136,421,429	107,539,718

The Financial Statements set out on pages 1 to 5 were signed by the Registrar:


Ann N. Nderitu, MBS
 Registrar of Political Parties


John Macharia
 Assistant Accountant General
 ICPAK M/ No: 5474

Political Parties Fund
Reports and Financial Statements
For the year ended June 30, 2021.

XI. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2021

	notes	Ordinary share capital	Total
Balance as at July 1, 2019		81,144,219	81,144,219
Earnings for the year		26,395,499	26,395,499
Balance as at June 30, 2020		107,539,718	107,539,718
Balance as at July 1, 2020		107,539,718	107,539,718
Surplus/ deficit for the year		28,881,711	28,881,711
Balance as at June 30, 2021		136,421,429	136,421,429

**Political Parties Fund
Reports and Financial Statements
For the year ended June 30, 2021.**

XII. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

		2020-2021	2019-2020
	Notes	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Surplus for the year		28,881,711	26,395,499
Non Cash Adjustment			
Depreciation and amortization expense	8	2,829,224	1,079,638
Cash flows from operating activities		31,710,935	27,475,137
Cash flows from working capital changes			
Decrease /increase in payables from non-exchange transactions.		1,320,637	(199,523)
Net cash flows from operating activities		33,030,836	27,275,614
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets ¹²		(14,473,777)	(4,420,712)
Net cash flows from/(used in) investing activities		(14,473,777)	(4,420,712)
Cash flows from financing activities			
Net cash flows from /(used in) financing activities			-
Net increase/(decrease) in cash and cash equivalents		18,557,059	22,854,902
Cash and cash equivalents at 1 July 2020	10	99,782,266	76,927,364
Cash and cash equivalents at 30 June 2021	10	118,340,061	99,782,266

The Financial Statements set out on pages 1 to 5 were signed by Registrar:



Ann N. Nderitu, MBS
Registrar of Political Parties



John Macharia
Assistant Accountant General
ICPAK M/ No: 5474

Political Parties Fund
Reports and Financial Statements
For the year ended June 30, 2021.

XIII. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2021

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilisation
	Kshs	Kshs	Kshs	Kshs	Kshs	f=d/c
	a	b	c=(a+b)	d	e=(c-d)	
Revenue						
Transfers from other governments entities	995,240,000	-	995,240,000	995,240,000	-	100
Total income	995,240,000	-	995,240,000	995,240,000	-	-
Expenses						
Use of goods and services	49,762,000	-	49,762,000	32,481,842	17,280,158	67
Depreciation and amortization expense		-		2,829,224	-	100
Grants and subsidies	945,478,000	-	945,478,000	945,478,000	-	100
Total expenditure	995,240,000	-	995,240,000	980,789,066	17,280,158	98.5

Budget notes

It's noted that there was under expenditure on the use of goods and services which was occasioned by cancellation of office planned activities due to COVID – 19.

XIV. NOTES TO THE FINANCIAL STATEMENTS

1. General Information

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

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the entity'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.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the office of the Registrar of Political Parties

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

Political Parties Fund
Reports and Financial Statements
For the year ended June 30, 2021.

- i. **New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2021.**

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	Applicable: 1st January 2023: <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
IPSAS 42: Social Benefits	Applicable: 1st January 2023 <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general purpose financial reports assess:</p> <ul style="list-style-type: none"> (a) The nature of such social benefits provided by the entity; (b) The key features of the operation of those social benefit schemes; and

Political Parties Fund
Reports and Financial Statements
For the year ended June 30, 2021.

Standard	Effective date and impact:
	(c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows.
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	<p>Applicable: 1st January 2023:</p> <p>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</p> <p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>

ii. Early adoption of standards

The office of the Registrar of Political Parties did not adopt any early new or amended standards in year 2020/2021.

3. Summary of Significant Accounting Policies

a) Revenue recognition

Transfers from Recurrent Account.

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

Political Parties Fund
Reports and Financial Statements
For the year ended June 30, 2021.

b) Budget information

The original budget for FY 2020-2021 was approved by the National Assembly on June 2020. There were no subsequent revisions or additional appropriations made to the approved budget.

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

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

c) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value. It is the policy of the office to depreciate land and building, furniture and fittings and computers at 12.5%, 12.5% and 30% respectively.

d) Related parties

The office regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the office, or vice versa. Members of key management are regarded as related parties and comprise the Registrar, Assistant Registrars, Deputy Directors and senior managers.

e) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known

**Political Parties Fund
Reports and Financial Statements
For the year ended June 30, 2021.**

amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

f) Comparative figures

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

g) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2021.

4. Significant Judgments and Sources of Estimation Uncertainty

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

**Political Parties Fund
Reports and Financial Statements
For the year ended June 30, 2021.**

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

Name of the Entity sending the grant	Amount recognized to Statement of Financial performance Kshs	Amount deferred under deferred income Kshs	Amount recognised in capital fund. Kshs	Total transfers 2020/21 Kshs	Prior year 2019/2020 Kshs
Office of the Registrar of Political Parties				995,240,000	871,190,000
Total	-	-	-	995,240,000	871,190,000

The above indicated amount has been correctly been captured as transfers in the recurrent ledger and cashbook.

6. Receivables

Description	2020-2021 KShs	2019-2020 KShs
Retention money	-	200,000
Total	-	200,000

7. Use of Goods and Services

Description	2020-2021 KShs	2019-2020 KShs
Domestic travel	15,011,198	6,142,126
Training	-	1,598,023
Foreign travel	-	2,316,085
Hospitality supplies and services	1,158,389	1,530,504
Printing and stationery	98,793	645,460
Telecommunication	436,275	1,498,565
General expenses	1,346,410	2,353,600
Total	18,051,065	16,084,363

8. Depreciation and Amortization Expense

Description	2020-2021 KShs	2019-2020 KShs
Property, plant and equipment	2,829,224	1,079,636
Total depreciation and amortization	2,829,224	1,079,636

**Political Parties Fund
Reports and Financial Statements
For the year ended June 30, 2021.**

9. Disbursement to Political Parties

Description	2020-2021	2019-2020
	KShs	KShs
Jubilee Party (JP)	514,980,478	564,164,080
Orange Democratic Movement (ODM)	430,497,522	263,466,420
Total grants and subsidies	945,478,000	827,630,500

Disbursement was made to the two Political Parties that qualified for funding as provided for by the political parties Act 2011. The two Political Parties acknowledged receipt of the funds and they are individually audited by the Auditor general.

10. Detailed Analysis of the Cash and Cash Equivalents

		2020-2021	2019-2020
Financial institution	Account number	KShs	KShs
Central Bank of Kenya	1000181842	118,340,061	99,782,266
Grand total		118,340,061	99,782,266

11. Payables

Description	2020-2021	2019-2020
	KShs	KShs
Retention money	1,120,378	-
Total	1,120,378	-

Payables relate to money that was held on behalf of the contractors who partitioned the office

Political Parties Fund
Reports and Financial Statements
For the year ended June 30, 2021.

12. Property, Plant and Equipment

	Land and Buildings	Furniture and fittings	Computers	Total
Cost	Shs	Shs	Shs	Shs
As at 1 July 2019	3,322,749	1,710,300	-	5,033,049
Additions	4,420,712	-	-	4,420,712
Disposals	-	-	-	-
As at 30th June 2020	7,743,461	1,710,300	-	9,453,761
Additions	14,043,377	-	430,400	14,473,777
Disposals	-	-	-	-
As at 30th June 2021	21,786,838	1,710,300	430,400	23,927,538
Depreciation and impairment				
At 1 July 2019	415,344	401,327	-	
Depreciation	916,275	163,622	-	-
Impairment	-	-	-	-
As at 30 June 2020	1,331,619	564,949	-	1,896,568
Depreciation	2,556,935	143,169	129,120	2,829,224
Disposals	-	-	-	-
Impairment	-	-	-	-
As at 30th June 2021	3,888,554	708,118	129,120	4,725,792
Net book values				
As at 30th June 2021	17,898,284	1,002,182	301,280	19,201,746
As at 30th June 2020	6,412,101	1,145,351	-	7,557,452

**Political Parties Fund
Reports and Financial Statements
For the year ended June 30, 2021.**

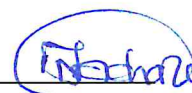
APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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)	Timeframe:
2	Inadequate staffing, the Registrar was on acting capacity and the three deputies were	Through Public Service Commission, the Office advertised the positions of Registrar of Political Parties and the three assistant registrars. The Office further sought authority from The National Treasury (TNT) to fill the vacant positions. TNT through letter Ref. RES.1311/19/01/A/ (22) dated 3 rd February 2020 gave approval of availability of funds. The Head of Public Service through letter Ref: OP/CAB/4/24A dated 2 nd March 2020 gave authority to recruit the additional members of staff.	Director of Human Resource	Resolved



Ann N. Nderitu, MBS
Registrar of Political Parties



John Macharia
Assistant Accountant General
ICPAK M/ No: 5474