

REPUBLIC OF KENYA



Enhancing Accountability

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 21 MAR 2023	DAY: TUESDAY
TABLED BY:	HON. SILVANUS SHIRO
CLERK-AT THE-TABLE:	MAJORITY PARTY WHIP INZOFU

REPORT

OF

THE AUDITOR-GENERAL

ON

**OFFICE OF THE REGISTRAR OF
POLITICAL PARTIES**

**FOR THE YEAR
ENDED 30 JUNE, 2022**



REPUBLIC OF KENYA

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ORPP

RECURRENT FINANCIAL
STATEMENTS

FOR THE FINANCIAL YEAR
ENDED

JUNE 30, 2022

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

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1. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The Office of the Registrar of Political Parties (ORPP) is established under Section 33 of the Political Parties Act, 2011 as a State Office within the meaning of Article 260 of the Constitution. The Act provides for the Registrar who shall be deputized by three Assistant Registrars. The Act provides that ORPP is 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 which envisage well-governed political parties that respect internal democracy and uphold constitutional values. The office promotes a democratic political system that is issue-based, people-centred, result-oriented and accountable to the public as outlined in the Third Medium Term Plan (MTP III) of Vision 2030, ORPP Strategic Plan.

The Office of the Registrar of Political Parties is headed by the Registrar who is responsible for the performance of the functions as outlined under Section 34 of the Political Parties Act, 2011. The broad mandate of the Office is to register, regulate as well as administer the Political Parties Fund.

The accompanying report constitutes the financial statements for the Office of the Registrar of Political Parties for the Financial Year 2021/2022.

Vision

A model regulator of political parties for a credible democratic multi-party system.

Mission

To promote the realization of political rights through registration and regulation of political parties in Kenya

Core Values

The Office is bound by the national values and principles of governance, leadership and integrity as stipulated in the Constitution. The specific core values are:

- **Professionalism** - The Office will inculcate competence and skills in order to efficiently, effectively and transparently serve internal and external clients.
- **Integrity** - The Office will uphold high moral standards and honesty in the provision of services.

- **Respect for the rule of law**- The Office shall adhere to the applicable laws, rules and regulations.
- **Innovativeness** – The Office will adapt creative processes aided by modern technology
- **Impartiality** – The Office will observe political neutrality and offer equal treatment in the provision of services
- **Inclusivity** –The office will provide equal access to opportunities and resources for all people including special interest and marginalized groups.

Mandate and Functions

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

- 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) Keep and maintain a register of members of registered political parties;
- f) Maintain a register of political parties and the symbols of the political parties;
- g) Ensure and verify that no person is a member of more than one political party and notify the Commission of the findings;
- h) Certify that an independent candidate in an election is not a member of any registered political party;
- i) Certify that the symbol intended to be used by an independent candidate in an election does not resemble the symbol of a registered political party;
- j) Certify that the names appearing in a party list are the names of members of the political party presenting the party list;
- l) Investigate complaints received under the Political Parties Act; and
- m) Perform such other functions as may be conferred by the PPA or any other written law.

(b) Key Management

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

1. Registration and Field Services Coordination
2. Regulation and Compliance; and
3. Strategy, Planning and Administrative Support.

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2022 and who had direct fiduciary responsibility were:

No.	Designation	Names
1.	Registrar of Political Parties	Ann N. Nderitu, CBS
2.	Assistant Registrar of Political Parties	Ali Abdullahi Surraw
3.	Assistant Registrar of Political Parties	CPA Florence Biryia
4.	Director Compliance	Daniel Kinuthia
5.	Assistant Director, Records Management	Joel Terer
6.	Assistant Director Registration	Locha Erukudi
7.	Chief Finance Officer	Joshua Kimulu
8.	Assistant Accountant General	John Macharia
9.	Assistant Director Internal Auditor	Veronicah Muasya
10.	Senior Economist	Joseph Kariuki
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 Legal Officer	Boniface Olwal
16.	Senior Administrative Officer	Jane Kamau
17.	Assistant Director Compliance	Juliet Murimi
18.	Supply Chain Management Officer	Esther Kiarie
19.	Legal Officer	Wafula Wakoko

(d) Fiduciary Oversight Arrangements

1. Plenary

The ORPP Plenary comprises the Registrar of Political Parties (RPP) and the Assistant Registrars of Political Parties (ARPPs) with the Registrar as the Chairperson.

Terms of Reference were;

- i. To oversee the execution of the mandate of the Office;
- ii. To approve and provide policy and strategy directions to the ORPP in line with the statutory mandate; and
- iii. To approve, ratify resolutions/recommendations, and adopt reports/decisions made by the directorates and or management on policy issues as the case may require.

2. Management Committee

The ORPP has a management committee which comprises the Registrar, Assistant Registrars, heads of departments and units with the Registrar as the chairperson.

Terms of Reference were:-

- i. Provide strategic direction of the office
- ii. Develop of policy guidelines, reviews and approval of office internal policies
- iii. Receive, deliberate and make recommendations on recommendations from various committees
- iv. Approve implementation of the budgets and operational plans;
- v. Review of operational and financial performance of the organization
- vi. Manage and regularly review operational and financial performance of the organization
- vii. Monitor the organizations performance and ensure sustainability
- viii. Enhance the corporate image of the organization
- ix. Ensure effective engagement with all the organization's stakeholders

3. Audit Committee

The Public Finance Management Act, 2012 under Section 73(5) and Regulation 174 of the Public Finance Management Regulations, 2015 provides for the establishment of the Audit Committee for a term of three (3) years. The Registrar through letters' Ref: RPP/CMT/13 vol. IV (18-23) dated 4th January 2021, appointed the following as members of ORPP Audit Committee. Appointment was effective from 1st February 2021 for a period of 3 years.

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S/No.	Name	Appointment
1.	Maryann Njau-Kimani, EBS	Chairperson
2.	Pariken Ole Sankei	Member
3.	Kyalo Mwengi	Member
4.	Osman Ibrahim	Member
5.	Elizabeth Kiano	Member
6.	Joseph Welimo	The National Treasury Representative
7.	Veronicah Muasya	Secretary

The functions of the Audit committee are to:

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

4. Budget Implementation Committee

In line with The National Treasury Circular No.7/2021, the Registrar constituted a Budget Implementation Committee (BIC) with the following members:-

S/No	Name	Designation	Appointment
1.	Ann Nderitu, CBS	Registrar of Political Parties	Chairperson
2.	Joshua Kimulu	Chief Finance Officer	Alternate Chairperson
3.	Jacqueline Kosgei	Principal HR Officer	Member
4.	Juliet Murimi	Ag. Director Compliance	Member
5.	Joseph Kanja	Senior Economist	Member
6.	Esther Kiarie	Supply Chain Management Officer	Member
7.	Bonface Olwal	Senior Legal Officer	Member
8.	Locha Erukudi	Assistant Director, Registration	Member

9.	Joshua Ngala	Senior County Monitor	Member
10.	Jane Kamau	Senior Administration Officer	Member
11.	Daniel Kinuthia	Director Compliance	Member
12.	John Macharia	Assistant Accountant General	Secretary

The functions of the committee are:

- i. 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;
- ii. To review the utilization of cash limits and consider any changes as may be required;
- iii. To review the utilization of donor funds voted for ORPP;
- iv. To advise the Accounting Officer on any challenges related to the budget implementation;
- v. To review and recommend reallocation of expenditures;
- vi. To review and approve the submission of expenditure returns, IPPD, pending bills and A-I-A returns for ORPP and recommend actions to be taken;
- vii. To participate in sector Working Groups in budget preparation processes; and
- viii. To 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. Members of the committee were:-

S/No	Name	Designation	Appointment
1.	Joseph Kanja	Senior Economist	Chairperson
2.	Joshua Kimulu	Chief Finance Officer	Member
3.	Jane Kamau	Senior Administration Officer	Member
4.	John Macharia	Assistant Accountant General	Member
5.	Locha Erukudi	Assistant Director, Registration	Member
6.	Geraldine Mukele	Senior County Monitor	Member
7.	Jacqueline Kosgei	Senior HR Officer	Secretary

The terms of reference were: -

- i. Recommend recruitments and appointments of staff to fill vacant positions;
- ii. Deliberate and make recommendations to the Management Committee on all requests for promotions and re-designations;
- iii. Handle employee discipline cases and make appropriate recommendations to the Management Committee;
- iv. Deliberate and make recommendations to the Management Committee on all requests of acting allowance and special duty allowance;
- v. Handle staff performance management;
- vi. Management of internship and requests for industrial attachment; and
- vii. Co-ordinate review of organizational structure and other human resource policies.

6. Information, Communication and Technology (ICT) Steering Committee

The Office constituted the above committee to provide guidance on matters relating to effective and efficient management of ICT resources in ORPP. Members of the committee were:

S/No	Name	Designation	Appointment
1.	Bonface Olwal	Senior Legal Officer	Chairperson
2.	Josephat Nyongesa	ICT Officer	Member
3.	Saqib Kazungu	Records Management Officer	Member
4.	Lenard Rotich	Senior ICT Assistant	Member
5.	Josephat Kombo	Senior Accountant	Member
6.	Adiaziz Issack	HR Officer	Member
7.	Robert Waithaka	Senior ICT Officer	Secretary

The terms of reference were: -

- i. Deliberate and make recommendations on matters related to effective and efficient management of IT resources.
- ii. Ensure that ICT policies are aligned with the strategic objectives of ORPP.
- iii. Take action to ensure that the ICT projects are delivered within the agreed budget and timeframe.
- iv. Monitor and report on the implementation of ICT projects against approved project plans, with particular emphasis on quality, risk management, benefits realization and change management.

- v. Assess the quality and value of ICT project proposals and provide advice and recommendations to the office on the merits of those proposals.
- vi. Review and approve ICT project implementation plans and project management documents such as systems disaster recovery management, information security and policies.
- vii. Provide the office with regular progress reports on the implementation of the ICT plans.
- viii. Oversee development, approval and implementation of ICT Strategic objective
- ix. Make recommendations on ICT related projects

7. Communication, CSR and Resource Centre Committee

The Committee is responsible for all facets pertaining to ORPP communication and resource centre. Members of the committee were:-

S/No.	Name	Designation	Appointment
1.	Robert Waithaka	Senior ICT Officer	Chairperson
2.	Wafula Wakoko	Legal Officer	Member
3.	Marjorie Okeyo	Senior Research Officer	Member
4.	Lucy Kemunto	Communication Officer	Member
5.	Beatrice Amollo	Librarian	Member
6.	Hope Nandwa	Assistant Records Management Officer	Member
7.	Mutethia Mberia	Senior Communication Officer	Secretary

The terms of reference were: -

- i. Monitor implementation of communication-related policies and strategies
- ii. Identify and coordinate sourcing of appropriate infrastructure (software, systems, hardware) in line with the Resource Centre objectives;
- iii. Collate and Collect information periodically for stocking information at the Resource Centre on behalf of the assigned functional areas;
- iv. Periodic review of corporate communication gaps and recommend appropriate interventions
- v. Oversee implementation of ORPP Corporate Social Responsibility activities;
- vi. Identify and periodically appraise Management with appropriate measures on statutory, regulatory and policy requirements/developments on matters pertaining to the Committee mandate;
- vii. Provide input into organization, participation or hosting of corporate events;
- viii. Formulate the ORPP acquisition policy and relevant manuals and procedures that will guide the running of the Resource Centre

8. Legal Standards Committee

The legal standards committee is responsible for effective implementation of the Act and advisory on registration and regulation processes. Members of the committee were:-

S/No.	Name	Designation	Appointment
1.	Juliet Murimi	Ag. Director Compliance	Chairperson
2.	Joy Onyango	Compliance Officer	Member
3.	Lodupo Tukei	Liaison Officer	Member
4.	Locha Erukudi	Assistant Director, Registration	Member
5.	Wafula Wakoko	Legal Officer	Member
6.	Abdirahman Hussein	Planning Officer	Member
7.	Bonface Olwal	Senior Legal Officer	Secretary

The terms of reference were: -

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

9. Capacity Building, Partnerships and Stakeholders Engagement Committee

The Capacity Building, Partnerships and Stakeholders Engagement Committee is responsible for development ORPP framework for capacity building programmes and mechanisms for forging strategic partnership with stakeholders. Members of the committee were:-

S/No.	Name	Designation	Appointment
1.	John Mberia	Senior Communication Officer	Chairperson
2.	Joseph Kanja	Senior Economist	Member
3.	Judy Gathoni	Registration Officer	Member
4.	Beatrice Nderi	Senior County Monitor	Member
5.	Alice Gichaga	Senior Office Administrator	Member
6.	Mary Kavindu	Human Resource Management Officer	Member
7.	Anastacia Kaberere	Senior Compliance Officer – Capacity Building	Secretary

The Terms of Reference were: -

- i. Develop institutional procedures for capacity building, partnership and stakeholder engagement;
- ii. Identify and recommend thematic focus areas in line with Office needs on capacity building, partnership and stakeholder engagement and recommend for implementation;
- iii. Develop institutional guidelines and monitoring & reporting framework on capacity building, partnership and stakeholder engagement;
- iv. Develop and review materials for capacity building;
- v. Mobilize resources for the advancement of Office mandate
- vi. Recommend research areas and repository of information pertaining capacity building, partnership and stakeholder engagement programmes;
- vii. Periodically report on its capacity building capacity building, partnership and stakeholder engagement initiatives;
- viii. Advice Management on capacity building capacity building, partnership and stakeholder engagement.

10. ORPP Staff Mortgage and Car Loan Scheme Advisory Committee

The Committee is responsible for overseeing the implementation and administration of the ORPP Staff Mortgage and Car Loan Scheme pursuant to paragraph 7 of Political Parties (Staff Mortgage and Car Loan Scheme) Regulations, 2017. Members of the committee are:-

S/No	Name	Designation	Appointment
1.	Joshua Kimulu	Chief Finance Officer	Chairperson
2.	Anastacia Kaberere	Senior Compliance Officer – Capacity Building	Member
3.	John Macharia	Assistant Accountant General	Member
4.	Geraldine Mukele	Senior County Monitor	Member
5.	Lenard Rotich	ICT Officer	Member
6.	Jane Kamau	Senior Administration Officer	Member
7.	Jacqueline Kosgei	Principal HR Officer	Secretary
	Alternate Members		
1.	Douglas Wanzala	Senior Accountant	Alternate to Assistant Accountant General
2.	Loserian Tukei	Compliance Officer	Alternate to Senior County Coordinator
3.	Mary Kavindu	Human Resource Management Officer	Alternate to Principal Human Resource Management Officer

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	Secretariat		
1.	Alice Gichaga	Senior Office Administrator	Secretariat
2.	Elizabeth Wakesho	Office Administrator	Secretariat

The functions of the committee are to:-

- i. Select competitively the Service Provider for the administration of the Scheme on behalf of the Office
- ii. Liaise with the Service Provider to set up a revolving fund for the disbursement of loans
- iii. Supervise the day-to-day running of the Scheme
- iv. Forward the successful applications with recommendations to the Service Provider for approval
- v. Process applications for loans in accordance with the existing terms and conditions of borrowing
- vi. Identify and credit valuation firms for the purpose of rendering valuation and services
- vii. Identify and credit law firms for the purpose of rendering legal services

11. Name Search and Registration Committee

The Committee advises the Office on the registration of political parties, mergers, coalitions in pursuance to section 6, 7 and 10 of the Political Parties Act, 2011 as read together with regulations 3,4 and 21 of the Political Parties (Registration) Regulations, 2019. Members of the committee were:-

S/No.	Name	Designation	Appointment
1.	Locha Erukudi	Manager Registration	Chairperson
2.	Judy Gathoni	Registration Officer	Member
3.	Wafula Wakoko	Legal Officer	Member
4.	Joyce Onyango	Compliance Officer	Member
5.	Miriam Wambui	Registration Officer	Member
6.	Kazungu Saquib	Records Management Officer	Member
7.	Josephat Nyongesa	ICT Officer	Secretary

The Terms of Reference were to;

- a) Advise on the registration of political parties, coalitions, coalitions political parties and mergers, together with all their particulars including names, symbols, slogans, colours, officials, members and offices;
- b) Develop and implement manuals, guidelines, checklists and statutory forms for verification and scrutiny of provisional and full registration application documents in line with the Political Parties Act, 2011

- c) Implement strategies and policies for registration of political parties.
- d) Develop procedures for verification and scrutiny of changes to constitutive documents and particulars of political parties.
- e) Prepare all statutory documents on registration for publishing in the Kenya Gazette and in the newspapers as provided for in law.
- f) Prepare correspondences on the registration of political parties;
- g) Develop guidelines for verification and scrutiny of mergers, coalitions and coalition political parties' documents;
- h) Develop and implement manuals, guidelines and statutory forms for receipt, review and scrutiny of documents for political parties' coalitions, coalitions political parties and mergers in line with the Political Parties Act (Act);
- i) Develop guidelines and implementing strategies and policies for winding up of deregistered political parties.

12. Assets Disposal Committee

In line with Section 163 Public Procurement and Asset Disposal Act, 2015, the Registrar constituted an Assets Disposal Committee. The members of the committee were:-

S/No	Name	Designation	Appointment
1.	Jane Kamau	Senior Administration Officer	Chairperson
2.	Lenard Rotich	Senior ICT Assistant	Member
3.	Gladys Morara	Senior Accountant	Member
4.	Judy Gathoni	Registration Officer	Member
5.	Douglas Wanzala	Senior Accountant	Member
6.	Kelvin Yatich	Finance Officer	Member
7.	Esther Kiarie	Supply Chain Management Officer	Secretary

The functions of Assets Disposal Committee are to:

- a) verify and process of all disposal recommendations in liaison with the head of procurement function as prescribed
- b) recommend the best method of disposing of unserviceable, obsolete or surplus stores or equipment
- c) Draft a technical report, and
- d) Recommend to the Registrar the best method of disposing of the stores/equipment.

(e) Office Headquarters

P.O. Box 1131 – 00606,
Lion Place 1st Floor,
Karuna Close, Off Waiyaki Way,
Westlands, Nairobi, Kenya
Telephone: (254) (020) 4022000
E-mail: info@orpp.or.ke
Website: www.orpp.or.ke.

Office of the Registrar of Political Parties – Regional Offices

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



- vi. **Nakuru**
Assumption Centre, 4th Floor
Moi road
Nakuru

- vii. **Nyeri**
Advocates Plaza,
Baden Powell Road
Nyeri

- viii. **Bungoma office**
Daima Plaza:
Bungoma – Mumias Road,
Bungoma

- ix. **Malindi Office**
Malindi Complex Mall:
Malindi – Garsen Road
Malindi Town

- x. **Nyahururu Office**
GF Plaza
Kenyatta Avenue
Nyahururu

- xi. **Garissa Office**
Office of the Auditor General,
Second Floor
Garissa

(f) Entity Bankers

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

Accounts Maintained

Rec: Registrar of Political Parties 1000181206
CBK 165: 1000182806

- ii. Cooperative Bank of Kenya
Westlands Branch
P.O Box
Nairobi, Kenya

Account Maintained

Office of the Registrar of Political Parties 01141588919600

(g) Independent Auditors

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

(h) Principal Legal Adviser

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

13. STATEMENT BY THE ATTORNEY GENERAL

Kenya is a multi-party democratic state in line with Article 4 of the Constitution. The Constitution guarantees political rights for the people of Kenya who are free to exercise their political and democratic rights through a free, fair and credible electoral process. In line with the national values and principles of governance, 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 as stipulated under Article 38 of the Constitution.

The Constitution under Articles 91 and 92 envisages well-governed and managed political parties as important governance institutions in the promotion of democracy. The Political Parties Act, 2011 (PPA) was enacted to operationalize these two Articles. The Act establishes the Office of the Registrar of Political Parties (ORPP) as an independent State Office within the meaning of Article 260 of the Constitution.

The Office has in place its 2020-2025 Strategic Plan which is aligned to the National Development Agenda and the third Medium Term Plan and also incorporates changing circumstances in the political and electoral environment. In addition, the Office is fundamental to the achievement of the Political Pillar of the Kenya Vision 2030 which envisions a democratic political system that is issue based, people-centred, result-oriented and accountable to the public. This has gone a long way in facilitating institutionalization of political parties as important bodies in the promotion of democracy as recognized under Articles 91 and 92 of the Constitution.

In execution of its work, the Office identified and implemented programmes and activities aligned to its five (5) Key Result Areas (KRAs) that are aligned to its mandate. The thematic areas are: Registration and Documentation of Political Parties; Regulation of Political Parties; Strategic Partnerships and Collaboration; Institutional Capacity and Political Parties Participation in Elections.

During the FY2021/2022, the Office had an approved budget allocation of Kshs. 3,314,720,850 (three billion three hundred fourteen million seven hundred twenty thousand eight hundred fifty shillings) out of which it spent Kshs. 3,173,846,476 (three billion one hundred seventy-three million eight hundred forty-six thousand four hundred seventy-six shillings) to execute its mandate. The absorption rate was 95.75%. The Office complied with the Public Finance Management Act, 2012 Public Procurement and Asset Disposal Act, 2015 Political Parties Act and other laws that govern Public finances while executing the budget.

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Despite the Office achieving a lot of milestones, it continues to face some challenges such as inadequate budgetary allocation, delay in exchequer release, inadequate staffing levels, inadequate representation at County level, and litigation. The Office will continue to partner with key stakeholders including State and Non- State actors to mitigate the identified challenges.


Justice (RTD) Paul Kihara Kariuki, EGH
Attorney General

Date: 30th September
2022

14. STATEMENT BY THE REGISTRAR OF POLITICAL PARTIES

3.1 Introduction

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

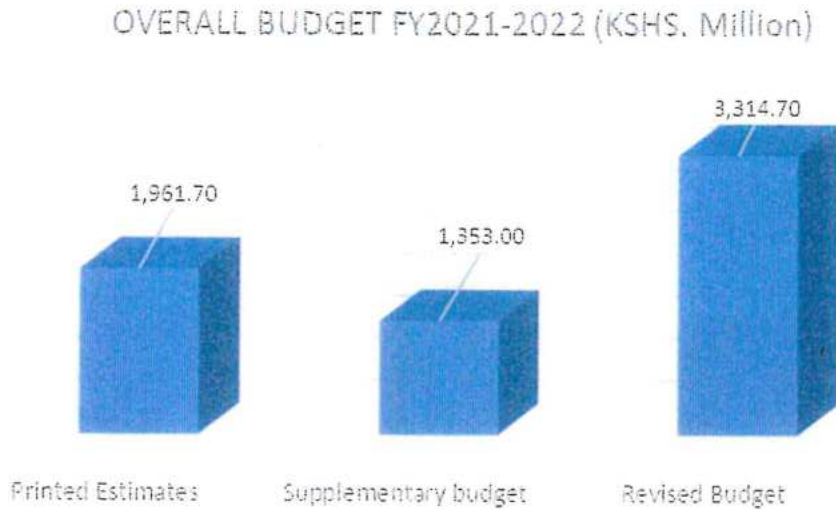
3.1.1 Summary of budget performance for the year ended 30th June 2022

The Office was allocated Kenya shillings one billion nine hundred sixty one million six hundred ninety six thousand seven hundred and fifty shillings (Kshs.1, 961, 696,750) in the printed estimated during the FY2021/22. Through supplementary budget estimates No. 1 of FY2021/2022, the budget was increased by Kenya shillings three hundred eighty-four million twenty-four thousand one hundred shillings (Kshs. 384,024,100). Resulting to a revised budget of Kenya shillings two billion three hundred forty-five million seven hundred twenty thousand eight hundred fifty (Kshs. 2,345,720,850) During supplementary estimates No. 2, the allocation was further increased by Kenya shillings nine hundred sixty-nine million shillings (Kshs. 969,000,000) resulting to an approved budget of Kenya shillings three billion three hundred fourteen million seven hundred twenty thousand eight hundred fifty shillings (Kshs. 3,314,720,850). Table 1 below indicates the overall budget performance for ORPP.

Table 1: Overall Budget

Printed Estimates Kshs.(M)	Supplementary budget Kshs. (M)	Revised Budget Kshs.(M)
1,961.70	1,353.00	3,314.70

Figure 1: The bar graph below illustrates the overall budget



During the FY2021/2022 and in execution of its mandate, the Office spend a total of Kshs. 3,173,846,476 (three billion one hundred seventy-three million eight hundred forty-six thousand four hundred seventy-six shillings). Table 1 below indicates the budget allocation Vs the budget utilization by sub-programmes during the FY2021/2022.

Table 1: Budget Allocation Vs Budget Expenditure by Sub-Programmes

S/no.	Sub-Programme	Budget Allocation (Kshs.)	Budget Utilization (Kshs.)
1.	Registration and Regulation of political parties	805,348,060	668,580,631
2.	Funding of Political Parties	2,475,260,000	2,475,260,000
3.	Political Parties Liaison Committee	34,112,790	30,005,845
Total Expenditure		3,314,720,850	3,173,846,476



Fig.2: The bar graph below illustrates Budget Allocation Vs Budget Utilization by Sub-Programmes

Budget Allocation Vs Budget Utilization by Sub-Programmes

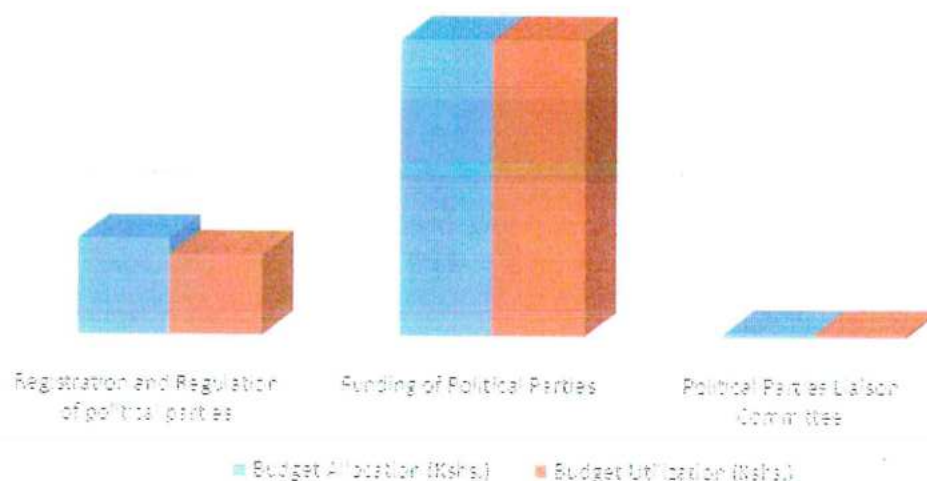
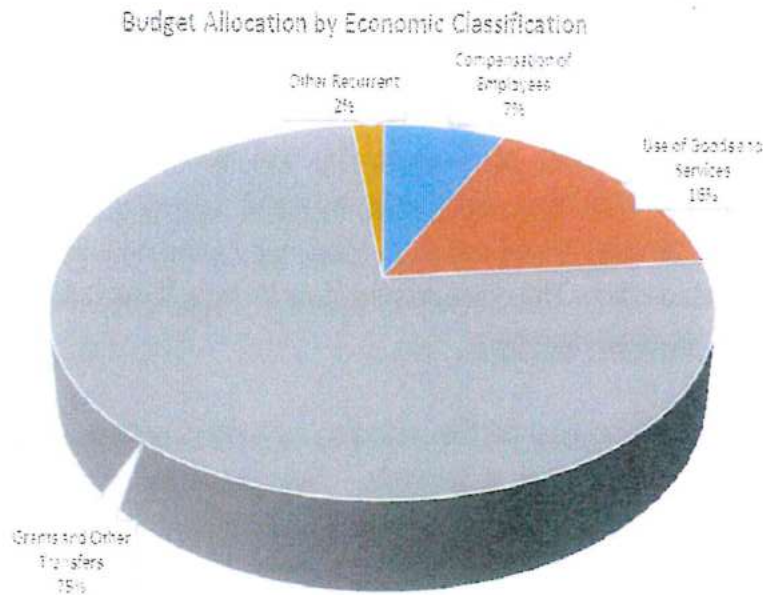


Table 2 below indicates the budget allocation Vs the budget utilization by economic classification during the FY2021/2022.

Table 2: Budget Allocation Vs Budget Expenditure by Economic Classification

S/No.	Economic Classification	Budget Allocation (Kshs.)	Budget Utilization (Kshs.)
1.	Compensation of Employees	234,040,000	229,616,532
2.	Use of Goods and Services	544,269,310	431,399,838
3.	Grants and Other Transfers	2,475,260,000	2,475,260,000
4.	Other Recurrent	61,151,540	37,570,106
Total Expenditure		3,314,720,850	3,173,846,476

Fig.3: The bar graph below illustrates Budget Allocation by Economic Classification



3.2 key achievements

In execution of its mandate, the Office achieved a number of milestones as indicated below:-

3.2.1 Registration and documentation of political parties

Registration of political parties is a key function of the Office which involves provisional and full registration. The registration process entails scrutinizing of applications for both provisional and full registration in line with the Political Parties Act, 2011.

a) Provisional Registration

Section 5 of the Political Parties Act, 2011 specifies that an association of persons or organization may apply to the Registrar for provisional registration. The party shall be issued with a certificate of provisional registration within thirty days of fulfilling all the prescribed conditions. A political party that has been provisionally registered shall, not later than one hundred and eighty days from the date of provisional registrations, apply for full registration.

As at 30th June, 2022, four political parties were provisionally registered; Chama Changamko Kenya, Kenya Liberal Alliance, Vitendo na Sera Party, and The We Alliance Party.

b) Full Registration of Political Parties

i. Full Registration of Political Parties

Section 7 of the Political parties' Act, 2011 enumerates the conditions to be met before full registration. These include recruitment of at least twenty four thousand registered voter from at least twenty four counties as members, at least 24 offices in at least half of the counties in addition to having a physical address of the head office. The office has the duty to inspect the offices and confirm the voter registration status of the recruited members.

In the period under review, sixteen (16) political parties including a coalition political party, were fully registered upon meeting the conditions for full registration. This brings the total number of fully registered Political Parties to ninety (90)

ii. Development of mergers, coalitions and coalition political parties' checklists for registration

In accordance with section 10 of the Political Parties Act, 2011, two or more political parties may form a coalition or a coalition political party before or after the general election and shall deposit the agreement with the Registrar. A coalition agreement shall set out the matters as stipulated in the third schedule of the Act.

In line with the above provisions, the office developed checklists and sensitised various political party organs on mergers, coalitions, and coalition political parties.

iii. Development of Registration Policy and attendant Standard Operating Procedures (SOPs).

Section 34 (a) of the Political Parties Act, 2011 mandates the Registrar of Political Parties to register, regulate, monitor, supervise and investigate political parties to ensure strict compliance with the act. To effectively implement the above provision, the office developed the registration policy and Standard Operating Procedures.

iv. Coalitions

The Office received and reviewed four (4) applications for formation of pre-election coalitions in line with Section 10 of the Political Parties Act, 2011 (PPA) as read together with Regulation 21 of the Political Parties (Registration) Regulations, 2019. The applications were for confirmation of The National Eagles Alliance (TENA), Ukombozi wa Majimbo (Ukombozi), Badilisha Coalition (Badilisha), Kenya Kwanza Alliance (KKA). Only the Kenya Kwanza Alliance (KKA) was successfully confirmed as a pre-election coalition.

v. Coalition Political Party

The Office received two (2) applications for the formation of a Coalition Political Party. The Office reviewed the submitted agreements and the documents thereto in line with Section 10 of the Political Parties Act, 2011 (PPA) and Regulation 21 of the Political Parties (Registration) Regulations, 2019. The applications were for registration of Azimio la Umoja-One Kenya Alliance (Azimio) and Badilisha Coalition (Badilisha); the application for registration of Azimio la Umoja-One Kenya Alliance (Azimio) was successful.

c) On-boarding Services on e-Citizen platform

The Office on-boarded office services on the eCitizen platform and the system was launched in December 2021. This was aimed at making it possible for members of the public to check their status, register as members of political party of choice and resign from political parties.

During the period under review a total of two hundred and thirty eight thousand, seven hundred and sixty seven (238,767) members of political parties used the eCitizen platform to resign.



ICT CS Joe Mucheru and Registrar of Political Parties Ann Nderitu witness the Launching of ORPP e-Citizens service platform

d) Upgraded Integrated Political Parties Management Information System (IPPMS)

The following upgrades were undertaken on IPPMS:-

- i. Developed Application Programming Interface (API) to facilitate integration with Integrated Population Registration System (IPRS), e-Citizen, and Mobile Network Operators(MNOs);
- ii. Developed self-service features to enable users to access services including confirming party membership status, resignation from parties, and registration to join political parties. As at 30th June 2022, a total of twenty three thousand nine hundred and ninety nine (23,999) users had registered in the IPPMS.
- iii. Configured the membership system to improve the validation mechanism of IPPMS including ensuring that ID numbers and names of recruited members are legitimate or genuine.
- iv. Developed an SMS Short Code (23499) to ensure that persons recruited by political parties give their consent before their registration in political parties is confirmed.

- v. Developed an Unstructured Supplementary Service Data (USSD) to enable members of public to access their party membership registration status and resign from a party using a USSD code (*509#). The total number of users who registered to use the service was one million three hundred seventy five thousand six hundred and fourteen (1,375,614) and the total number of hits recorded as at 30th June 2022 was six million one hundred thirty six thousand, six hundred and thirty one (6,136,631).
- vi. Developed an Independent Candidate Management Module for making applications for confirmation of party membership status and proposed symbols for use by persons intending to contest elections as independent candidates. A total of 4, 515 applications were processed.

e) Developed a party list verification and Certification Solution

A Party list verification and certification solution was developed to ensure that only confirmed members of a political party are contained in the certified party list in line with Section 35A of the Elections Act, 2011 as read with Section 34 of the Political Parties Act, 2011. A total of eighty-one (81) political parties' lists were verified and certified.

f) Verification and certification of party membership registers

In line with Section 28A of the Elections Act, 2011, the Office verified and certified party membership registers of eighty two (82) political parties.

3.2.2 Regulation of political parties

a) Enactment of the Political Parties (Amendment) Act, 2022

The Act provides for among others registration of coalition political parties, review of the criteria of the Political Parties Fund, and management of party nominations including methods of conducting nominations, the establishment of structures by the political parties for the conduct of nominations, and the participation of registered members of a political party in its nominations.

b) Compliance audit

The Office conducted an audit of the eighty-three (83) political parties to ensure compliance with the Political Parties Act and all other relevant laws. The audit involved undertaking review of political parties' documents in the Office's possession including constitutions, membership requirements; governing body requirements; financial reporting; statutory national Delegates Congress/national governing Council meetings and parties' elections reports.

A compliance audit workshop was held with Secretaries General of fully registered political parties that had not complied on various aspects. These parties were sensitized and guided on how to remedy the breaches within stipulated timelines.

c) Development of the Political Parties (Membership) Regulations, 2021

The Regulations are key in management of political parties' records and data including addressing fraudulent recruitment of Kenyans into parties and clean-up of party registers. The same were approved by Parliament in 2021 to enable operationalisation of the Political Parties Act, 2011 with respect to party membership data and records.

3.2.3 Institutional Capacity

a) Established a VPN Connectivity for County/Regional Offices

A VPN Connectivity for County/Regional Offices was established to facilitate sharing of resources such as IP Phones and enhance collaboration amongst regional offices and the headquarter office.

b) Opened additional County Offices

In order to enhance the capacity of the Office to fulfil its mandate effectively, the Office increased its presence in four additional counties Bungoma; Nyahururu; Garissa and Malindi. This brings the County Offices to eleven (11).

c) Development of Records Management Policy

ORPP has grown tremendously from its inception in 2011 as an independent office. The growth is reflected in its staff establishment, presence in eleven counties and the number of registered political parties. In tandem with this growth, the Office as the custodian of political parties' records, has accumulated a substantial volume of records relating to its mandate of registration, regulation and administration of the Political Parties Fund. The Office developed a Records Management Policy which is intended to:

- (i) Establish how records are created, received, used, stored and disposed of;
- (ii) Clarify responsibilities for records and archives management to enhance consistency in the approve procedures; and
- (iii) Provide a basis for accountability by ensuring relevant, evidential information and documentation is maintained in a secure environment, retrievable and readable format.

d) Newsletter

The Office developed, designed and disseminated twelve (12) newsletters that highlighted key Office activities undertaken in the period under review to enhance internal and external publics' access to information.

e) Staff Level

During the period under review, four (4) pensionable positions were filled and two officers were engaged on contractual terms. The current ORPP staffing level is as summarized below:

Particulars	Total Number of Employees	Male	Female	Persons with Disability
Pensionable Employees	74	38	36	1
Contractual Employees	10	4	6	0
Total	84	42	42	

One of the 42 female members is a person with disability.

f) Staff Development

The Office identified staff training capacity needs and implemented the following training programs aimed at retaining qualified and competent staff.

Program and number of staff trained

S/No.	Program	No. of Staff	Male	Female
1.	Senior Management Course	4	0	4
2.	Professional Mediation Training	1	0	1
3.	Certified Human Resource Professionals Course	1	0	1
4.	Induction for newly appointed Officers	17	10	7
5.	IPPD Training	4	1	3
6.	Competency Profiling in Organizations	2	0	2
Total		29	11	18

3.2.4 Strategic partnerships and collaboration

a) Signing of Memorandum of Understanding

The Office signed a Memorandum of Understanding with the Kenya Editors Guild and the Kenya Union of Journalist on the 12th May 2022 with an objective of drawing a pool of trainers from the partner institutions and undertaking joint capacity building initiatives to grass-root journalists.



Registrar of Political Parties Ann Nderitu, Secretary General Kenya Union of Journalists Erick Oduor and President Kenya Editors Guild Churchill Otieno display the copy of the MOU signed amongst them.

b) Political Parties Liaison Committee

The Political Parties Liaison Committee (PPLC) is established under Section 38 of the Political Parties Act, 2011. The function of PPLC is to provide a platform for dialogue between the Registrar, Independent Electoral and Boundaries Commission, and political parties. During the FY2021/2022, the Office engaged PPLC on various critical areas including legal reforms, preparedness for general elections, and conducting of peace caravans.



Registrar of Political Parties addressing the Participants during the PPLC Plenary forum at Great Rift Valley Lodge, Nakuru County

3.2.5 Political parties participation in elections

a) ORPP Action Plan for 2022 General Election

The office developed and implemented the ORPP Action Plan for the 2022 General Election. The plan identified priority areas by the office to enhance the credibility of the 2022 General Election. The plan included an implementation matrix providing outputs, performance targets and timelines in readiness for the 2022 General Election.

b) Development of Key Documents

The Office developed, sensitised, and disseminated the following key documents;

- (i) Kenya's Political Education Source 2022;
- (ii) Election Agents Training Manual, revised, 2022;
- (iii) Quick Guide for Party/Candidates Agents; and
- (iv) Election Party/Candidates Agents Checklist

c) Stakeholder's Engagement Forums

The Office organized and participated in the inter- party county stakeholders Forums, and stakeholder's engagement of the Special interest groups (SIGs) in the political process (Youth, Women, & PWDS). With the seven regional field offices, the Office participated in a total of 30 forums across counties. The forums aimed at providing an enabling environment for a more open dialogue on drivers, contributors, and instigators of electoral violence among the key stakeholders. The emerging gender issues in electoral process and peace were equally discussed. The forums also served as an opportunity to create awareness on the functions of ORPP, political parties and the democratic rights of SIGs.

d) Monitoring the Compliance of Political Parties during election

The office contracted 345 election monitors for a period of six months. The contracted staff were deployed to monitor the electoral cycle. They underwent training and sensitization on election-related issues. The monitoring information was gathered from 47 Counties mapped out with a view to monitoring the compliance of political parties with the Constitution of Kenya, the Political Parties Act, 2011 and the Political Parties Code of Conduct.

e) Training in preparation for election

The Office trained various demographics on diverse themes on electoral processes as indicated below;

No.	Demographic	Number
1.	Aspirants	3, 200
2.	Chief Agents	1, 100
3.	Persons With Disability	59
4.	Youth caucus	70
5.	Election boards	70
6.	IDRM boards	70
7.	Women caucus	90
8.	Media practitioners	350
9.	Political parties' communication officers	65
10.	Political parties' ICT officers	130

f) Developed a campaigns and elections monitoring tool

The Office developed a manual tool and a mobile application as campaigns and elections monitoring tools for efficient reporting of activities by county and constituency monitors;

3.3 Emerging issues

The Office faced the following emerging issues:-

- (i) Political formations and re-alignments especially in pre-election coalitions-Registration procedures and implications of legal recognition of a coalition political party
- (ii) Implication of amendments to the Political Parties Act, 2011- On criteria, disbursement of Political Parties Fund, and verification of membership register
- (iii) Impact of the process of regulation of political parties nominations and court pronouncements thereof; use of verified membership register
- (iv) Proliferation of independent candidates towards the tail-end of the legal clearance deadline
- (v) Increased use of technology in delivery of services
- (vi) Covid-19 impact on registration and regulation of political parties

3.4 Key Risks and Management strategies

During the reporting period, the Office identified the following risks and put in place the following management strategies

S/No.	Risk	Management strategy
1.	Political violence and uncertainty	Stakeholders' engagements
		Liaison with other state organs to enforce law and order
2.	Delay in amendment of law	Lobbying of relevant state organs for the enactment of laws
3.	Political party wrangles	Capacity building of political parties' internal dispute resolution mechanism.
		Encouragement of out of court settlement of internal political parties disputes.
4.	Reputation risk to the office	Stakeholder's engagement on the mandate of the office
		Education of citizens on important ORPP policies through the media.
5.	Cybercrime against the ICT system	Continuous upgrades of the security systems and putting in place effective controls.
6.	Fraudulent	Drafting of membership regulations

	Registration	Interfacing of the IPPMS with Integrated Population, Registration System (IPPRS), mobile Network gateways and enlisting of e-services on e-Citizen Platforms
7.	Rapid increase in the number of independent candidates	Amendment of the legal Framework to provide for independent candidates who are not covered in the PPA, 2011. Development of an independent Candidate clearance management system

3.5 Challenges

In implementation of its mandate, the Office faced the following challenges:-

- i) Inadequate staffing level. The Office has a staff in-post of 84 staff which is way below the authorised establishment of 235 staff;
- ii) Limited presence of the Office at the County level. Currently the Office has 11 Offices against 47 counties;
- iii) Thirty Seven (37) legal suits including a challenge to the Political Parties (Amendment) Act, 2022; and
- iv) Proliferation of independent candidates towards the tail-end of the legal clearance deadline.

3.6 Recommendations

- a) Legal reforms on electoral timelines and related electoral areas.
- b) Continuous engagement of the National Treasury and Head of Public Service to approve recruitment of additional staff.
- c) Provision of adequate funding to establish additional county offices.
- d) Strengthen alternative dispute resolution mechanism for political parties.
- e) Engagement with development partners for technical support.



Ann N. Nderitu, CBS
Registrar of Political Parties

4. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR FY2021/22

The Strategic objective of ORPP as per the Programme and Strategic Plan is to promote competitive and issue based political parties.

Introduction

Section 81 (2) (f) of the Public Finance Management Act, 2012 requires that at the end of each financial year, the accounting officer when preparing financial statements of each National Government entity in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the national government entity's performance against predetermined objectives.

Progress on the attainment of Strategic Objectives through Performance Contracting

For purposes of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified for reasons of tracking progress and performance measurement.

Below is the progress on attaining the stated objectives:

Program	Strategic Objective	Outcome	Indicator	Performance	Comments
To Register, Regulate and Administer Political Parties Fund	To promote competitive and issue based political parties	Competitive and Issue Based Political Parties	Number of Political Parties Compliant with the Political Parties Act	In FY 21/22 all registered political parties complied with the Parties Act, 2011	There were 90 Registered political parties
			Percentage of applications for provisional registration processed	100	The office processed all (7) the applications for provisional registration as stipulated in the Political Parties Act

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Program	Strategic Objective	Outcome	Indicator	Performance	Comments
			Percentage of applications for full registration processed	100	The office processed all (18) the applications for full registration as stipulated in the Political Parties Act of which 15 were successful
			Percentage. of political parties that complied with funding regulations	100	The office monitors compliance with funding regulations for all political parties (those who receive funds from exchequer and those who do not)
			No. of Political Parties officials sensitized on Public Finance Management Act,2012	204	The office sensitises Finance/Accounts officers on prudent financial management
			No. of Consultative dialogue forums Held at the National Level	8	The Consultative dialogue forums are composed of all registered political parties, Registrar of Political Parties and IEBC

5. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

The Office of the Registrar of Political Parties (ORPP) has put in place sustainable institutional measures. These efforts are embedded in the governance, operational and administrative processes. They include ICT developed secured systems and solutions. Some of the ICT gains in place are; Integrated Political Parties Management System (IPPMS); functional website and authenticated official social media platforms; various mobile applications and web-based/online portals; human resources management systems, adoption and full utilization of relevant modules in the of Integrated Personnel and Payroll Database; (IPPD); Integrated Financial Management Information System (IFMIS)), enlisting of e-services on e-Citizen platforms.

Further, the Office human capital succession management plan, recovery and continuity plans on its Information & Communication Technology (ICT) infrastructure are in place and anchored on corresponding policy documents. These measures are reviewed from time to time to be in tune with emerging trends, best practices, and public sector guidelines and aligned to the ORPP strategic direction.

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

Every effort has been put in place to conserve the environment in which ORPP operates or impacts on. In the period under review, the Office continued to donate to recycling and paper producing companies its waste papers as a waste disposal mechanism. A policy direction to minimize hard copies documents, adopting soft copy use in creation and dissemination of documents to minimize paper usage, printers and related accessories thus efficiently handling the business at hand with reduced cost was adhered to.

Staff members were encouraged to conserve water and electricity while at their work-stations. The Office has shared utilities such as kitchenettes, washrooms, waste disposal areas to conserve water and energy. In its procurement of various goods, particular priority is given to eco-friendly products and assets. The disposal of electronic waste in the period under review was undertaken in line with such waste disposal guidelines.

In the Human Resources management spectrum- planning, recruitment, selection, placement and promotion at ORPP is practiced in line with principles of public service, public service HR policy guidelines and ORPP *Human Resources Policy and Procedure Manual, 2017* already in place and due for review in FY 2022/23.

In the year under review, the Office competitively recruited the Director Compliance and made public vacancy announcements through newspaper advertisements contained in MyGov for 7 positions in February, 2022. A functional online staff Appraisal System was implemented in the period on which individual staff targets were developed and appraisals anchored on at the end of the financial year.

Stakeholder engagements, both external and internal remained cardinal practice within ORPP in its processes.

In the year under review, enactment of amendments to the Political Parties Act (PPA), 2011 was finalized and the development of Political Parties (Membership) Regulations, 2021 completed. These key legal instruments, now operational, were borne of years of stakeholder engagements and consultations.

Procurement of goods, works and services for the reporting period was undertaken in line with Public Procurement, and Asset Disposal (PPAD), Act 2015 and Attendant Regulations 2016. The procurement process which entails:- prequalification of suppliers, user requisitions and specifications, sourcing for quotations/ expression of interest, tender opening, evaluation, inspection and acceptance were done in line with relevant provisions of public procurement law.

Corporate Social Responsibility (CSR) was undertaken under the ORPP's *Corporate Social Policy and Strategy, 2019* which is seen as a means to; enhance corporate image and identity; enhance strategic stakeholder partnerships and engagement as well as act as an internal institutionalized mechanism to foster internal publics' engagement and involvement in view of instating a verifiable Corporate Social Investment (CSI).

During the year under review, ORPP undertook both direct and indirect activities as interventions towards its CSR import. These included support to the 10th edition of All Kenya Moot Court competition held at Kenyatta University School of Law from 21st to 25th March 2022. The Office offered support in terms of judging the competition and making a presentation on the role of the youth and political parties in promoting democracy.

a) Sustainability strategy and profile

The Office of Registrar of Political Parties (ORPP) is a body corporate with perpetual succession with governance structures in place including Plenary comprising the Registrar and Assistant Registrar of Political Parties. The structures determine policies, procedures, and standing operating procedures of the Office. The policies include the strategic plan, and the human resource policy and procedure manuals which guide on succession management.

b) Environmental performance

The Office is equipped with good quality bins which facilitate ease of disposal of waste. Further, the Office has put in place water dispensers, reusable water bottles, reuse of packing envelopes. Additionally, the Office has digitized its processes including Human Resources Information system that cuts down on use of paper. These efforts contribute to conserving the environment.

c) 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 staff were 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 that articulates relevant Human Capital Management principles. The Office has a staff medical cover and a car and mortgage facility which enable staff to acquire property either movable or immovable.

The ORPP has a functional home-grown voluntary staff welfare association. The Association offers financial support to members towards bereavement, medical (In patient expenses beyond the medical cover) and retirement; fosters and encourages welfare activities among its members; solicits for assistance from the employer or any other benefactor in cash or in kind for the welfare of the members; establishes and maintains funds by means of voluntary contributions and subscriptions.

d) Operational Practices

Market place practices

i. Responsible competition practice

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 uses the appropriately registered list of suppliers, appointed relevant committees in appropriate stages of procurement, utilizes acceptable systems, avails relevant procurement information for public knowledge and scrutiny; and undertakes timely reporting of procurement matters to 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.

ii. **Responsible Supply chain and supplier relations-**

The Office undertakes this function in conformity with the procurement laws including adhering to specifications in tender documents and contracts. To ensure consumer protection, the Office adheres to Article 46 of the Constitution on consumer protection. Further, it adheres to the principles of public finance as stipulated under Article 201 of the Constitution.

6. STATEMENT OF MANAGEMENT RESPONSIBILITIES

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

The Registrar is responsible for the preparation and presentation of the office's financial statements, which give a true and fair view of the state of affairs of the office for the financial year ended on June 30th, 2022. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the entity, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The Registrar accepts responsibility for the office's financial statements which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Registrar is of the opinion that the office's financial statements give a true and fair view of the state of office's transactions for the financial year ended June 30, 2022, and of the office's financial position as at that date. The Registrar of Political Parties further confirms the completeness of the accounting records maintained for the office, which have been relied upon in the preparation of the office's financial statements as well as the adequacy of the systems of internal financial control.

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The Registrar confirms that the office has complied fully with applicable laws and regulations and that the office's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the entity's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The Office's financial statements were approved and signed by the Accounting Officer on 30/06/ 2022.



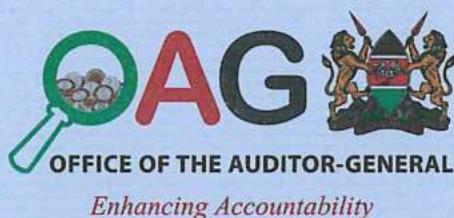
Ann N. Nderitu, CBS
Registrar of Political Parties



Douglas Wanzala
Principal Accountant
ICPAK M/ No: 10692

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REPORT OF THE AUDITOR-GENERAL ON OFFICE OF THE REGISTRAR OF POLITICAL PARTIES FOR THE YEAR ENDED 30 JUNE, 2022

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 Office of the Registrar of Political Parties set out on pages 1 to 16, which comprise the statement of assets and liabilities as at 30 June, 2022, and the statement of receipts and payments, statement of

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

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Office of the Registrar of Political Parties as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the Political Parties Act, 2011.

Basis for Opinion

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

Key Audit Matters

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

Other Matter

Pending Bills

As disclosed in Note 11 and Annex 1 to the financial statements, the Office of the Registrar of Political Parties had pending bills totalling Kshs.39,151,275 as at 30 June, 2022, which were not settled in 2021/2022 financial year but were instead carried forward to the 2022/2023 financial year.

Failure to settle bills during the year to which they relate adversely affects the budgetary provisions of the subsequent year to which they are charged.

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 controls, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal 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 controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the Office of the Registrar of Political Parties' ability to sustain services, disclosing, as applicable,

matters related to sustainability of services and using the applicable basis of accounting unless the Management is aware of the intention to terminate the Office or to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of

the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

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

14 February, 2023

7. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH JUNE 2022

Description	Note	2021-2022	2020-2021
		Kshs	Kshs
Receipts			
Exchequer Releases	1	3,174,482,192	1,295,102,125
Other Receipts - AIA	2	12,897,135	-
Total Receipts		3,187,379,327	1,295,102,125
Payments			
Compensation Of Employees	3	229,616,532	155,978,747
Use Of Goods and Services	4	420,311,702	97,485,246
Transfers To Other Government Entities	5	2,475,260,000	995,240,000
Acquisition Of Assets	6	48,658,239	46,046,707
AIA Transferred to The National Treasury	2	12,897,135	
Total Payments		3,186,743,608	1,294,768,700
Surplus/Deficit		635,721	333,425

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

30/06/2022 2022 and signed by:



Ann N. Nderitu, CBS
Registrar of Political Parties



Douglas Wanzala
Principal Accountant
ICPAK M/ No: 10692

8. STATEMENT OF ASSETS AND LIABILITIES AS AT 30TH JUNE 2022

Description	Note	2021-2022	2020-2021
		Kshs	Kshs
Financial assets			
Cash and cash equivalents			
Bank balances	7A	514,823	237,552
Cash balances	7B	120,898	95,873
Total cash and cash equivalent		635,721	333,425
Net financial assets		635,721	333,425
Represented by			
Fund balance b/fwd.	9	333,425	4,819,456
Prior year adjustment	10	-333,425	-4,819,456
Surplus/Deficit for the year		635,721	333,425
Net financial position		635,721	333,425

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 30/06/2022 and signed by:



Ann N. Nderitu, CBS
Registrar of Political Parties



Douglas Wanzala
Principal Accountant
ICPAK M/ No: 10692

9. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE 2022

Description	Notes	2021-2022	2020 -2021
		Kshs	Kshs
Receipts for Operating Income		3,187,379,327	1,295,102,125
Exchequer releases	1	3,174,482,192	1,295,102,125
Other receipts - AIA	2	12,897,135	-
Payments For Operating Expenses		3,138,085,369	1,248,703,993
Compensation of employees	3	229,616,532	155,978,747
Use of goods and services	4	420,311,702	97,485,246
Transfers to other government units	5	2,488,157,135	995,240,000
Adjusted For:			
Adjustments during the year			
Prior year adjustments	10	(333,425)	(4,819,456)
Net Cash Flow from Operating Activities		48,960,533	41,578,676
Cash flow From Investing Activities			
Acquisition of assets	6	48,658,239	46,046,707
Net Cash Flows from Investing Activities		48,658,239	46,046,707
Cash flow From Borrowing Activities			
Proceeds from domestic borrowings	5	-	-
Net cash flow from financing activities		-	-
Net increase in cash and cash equivalent		302,296	-4,486,031
Cash & Cash Equivalent at Start of The Year		333,425	4,819,456
Cash & Cash Equivalent at End of The Year		635,721	333,425

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 30/06/2022 and signed by:


Ann N. Nderitu, CBS
Registrar of Political Parties


Douglas Wanzala
Principal Accountant
ICPAK M/ No: 10692

10. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR FY2021/22

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d	% of Utilization f=d/c %
Exchequer releases	1,961,696,750	1,353,024,100	3,314,720,850	3,174,482,192	140,694,141	96
AIA	-	-	-	12,897,135	-	-
Total Receipts				3,187,379,327		
Payments						
Compensation of employees	213,740,000	20,300,000	234,040,000	229,796,532	4,243,468	98
Use of goods and services	245,270,000	298,999,310	544,269,310	420,311,702	123,957,608	77
Transfers to other government entities	1,475,260,000	1,000,000,000	2,475,260,000	2,475,260,000	-	100
Acquisition of assets	27,426,750	33,724,790	61,151,540	48,658,239	12,493,301	80
Transfer of AIA to National Treasury	-	-	-	12,897,135	-	-
Total Payments	1,961,696,750	1,353,024,100	3,314,720,850	3,186,743,608	140,694,141	85
Surplus/ Deficit				635,721		

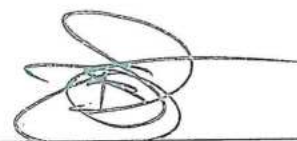
Budget notes

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

The entity financial statements were approved on 30/06 2022 and signed by:



Ann N. Nderitu, CBS
Registrar of Political Parties



Douglas Wanzala
Principal Accountant
ICPAK M/ No: 10692

Office of the Registrar of Political parties
Annual Report and Financial Statements for the year ended 30th June 2022

10 (a) Summary Statement of Appropriation: Recurrent For Fy2021/22

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
Receipts						
Exchequer releases	1,961,696,750	1,353,024,100	3,314,720,850	3,174,482,192	140,694,141	96
AIA	-	-	-	12,897,135	-	-
Total Receipts				3,187,379,327		
Payments						
Compensation of employees	213,740,000	20,300,000	234,040,000	229,796,532	4,243,468	98
Use of goods and services	245,270,000	298,999,310	544,269,310	420,311,702	123,957,608	77
Transfers to other Government entities	1,475,260,000	1,000,000,000	2,475,260,000	2,475,260,000	-	100
Acquisition of assets	27,426,750	33,724,790	61,151,540	48,658,239	12,493,301	80
Transfer of AIA to National Treasury	-	-	-	12,897,135		
Total Payments	1,961,696,750	1,353,024,100	3,314,720,850	3,186,743,608	140,694,141	85
Surplus/Deficit				635,721		

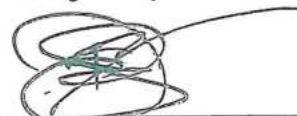
Budget notes

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

The entity financial statements were approved on 30/06/ 2022 and signed by:



Ann N. Nderitu, CBS
Registrar of Political Parties



Douglas Wanzala
Principal Accountant
ICPAK M/ No: 10692

10 (b) Budget Execution by Programmes and Sub-Programmes for FY2021/22

Programme/Sub-programme	Final Budget 2022 Kshs	Indicators	Outcomes	Actual on comparable basis 2022 Kshs	Budget utilization difference Kshs
Registration, Regulation and Funding of Political Parties.					
Sub-programme 1 - Registration and Regulation of political parties	805,348,060	No. of Political Parties Registered with that Year No. of Political Parties Compliant with the PPA No. of Members of Political Parties registered using USSD code No. of people who resigned from Political Parties registered using USSD code	Competitive and issue based political parties	668,760,866	136,587,196
Sub-programme 2 - Funding of political parties	2,475,260,000	No. of Political parties Compliant with Public		2,475,260,000	-

Programme/Sub-programme	Final Budget	Indicators	Outcomes	Actual on comparable basis	Budget utilization difference
	2022			2022	
		Finance Management Act Amount of funds disbursed to political parties			
Sub-programme 3 - Political Parties Liaison Committee	34,112,790	No. of Peace meeting held		30,005,845	4,106,945
Total	3,314,720,850			3,174,026,711	140,694,141

11. NOTES TO THE FINANCIAL STATEMENT

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

1. Statement of Compliance and Basis of Preparation

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

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

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

2. Reporting Entity

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

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

(i) Transfers from the Exchequer

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

(ii) Other receipts

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

b) Recognition of payments

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

i) Compensation of Employees

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

ii) Use of Goods and Services

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

iii) Acquisition of Fixed Assets

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

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

iv) In-kind contributions

In-kind contributions are donations that are made to the Entity in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the *Entity* includes such value in the statement of receipts and payments both as receipts and as payments in equal and opposite amounts; otherwise, the contribution is not recorded.

v) Third Party Payments

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

c) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year.

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



d) Imprests and advances

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

e) Third party deposits and retention

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized on an accrual basis (as accounts payables). This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted for National Government Ministries and Agencies.

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

f) Pending Bills

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

g) Budget

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

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

h) Comparative Figures

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

i) Subsequent Events

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

j) Prior Period Adjustment

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

k) Related Party Transactions

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

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

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

l) Contingent Liabilities

A contingent liability is:

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

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

Notes to the Financial Statements

1 Exchequer releases

Description	2021-2022	2020-2021
	Kshs	Kshs
Total Exchequer releases for quarter 1	827,629,136	316,900,092
Total Exchequer releases for quarter 2	350,794,605	552,203,335
Total Exchequer releases for quarter 3	326,459,012	61,146,518
Total Exchequer releases for quarter 4	1,669,599,439	364,852,180
Total	3,174,482,192	1,295,102,125

(Provide explanations relating to budgeted exchequer versus received exchequer and explain significant change from prior period)

2 Other Receipts

Description	2021-2022	2020-2021
	Kshs	Kshs
Receipts from Administrative Fees and Charges - AIA	12,897,135	-
Total	12,897,135	-

(Total amount of AIA collected was transferred to The National Treasury as per the requirement, it was not budgeted for)

3 Compensation to Employees

Description	2021-2022	2020-2021
	Kshs	Kshs
Basic salaries of permanent employees	104,316,837	87,862,788
Basic wages of temporary employees	51,501,918	2,904,784
Personal allowances paid as part of salary	62,757,332	54,067,093
Employer contributions to compulsory national social security schemes	11,040,445	11,144,083
Total	229,616,532	155,978,747

4 Use of Goods and Services

Description	2021-2022	2020-2021
	Kshs	Kshs
Utilities, supplies and services	1,542,734	1,452,114
Communication, supplies and services	8,243,579	3,766,168
Domestic travel and subsistence	87,781,527	14,965,359
Foreign travel and subsistence	12,835,241	322,673
Printing, advertising and information supplies & services	33,472,666	1,553,550
Rentals of produced assets	65,760,036	34,836,961

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Description	2021-2022	2020-2021
	Kshs	Kshs
Training expenses	95,851,289	1,327,141
Hospitality supplies and services	28,624,738	8,627,697
Insurance costs	23,861,514	17,840,365
Specialized materials and services	2,772,507	410,534
Office and general supplies and services	14,449,716	3,608,279
Fuel Oil and Lubricants	18,414,955	749,074
Other operating expenses	22,940,176	5,956,861
Routine maintenance – vehicles and other transport equipment	3,179,831	1,518,334
Routine maintenance – other assets	581,193	550,136
Total	420,311,702	97,485,246

(Explain significant changes from prior period)

5 Grants and Transfers to other Government Entities

Description	2021-2022	2020-2021
	Kshs	Kshs
Transfers to Political Parties Fund		
Current transfers grants and subsidies	2,475,260,000	995,240,000
Transfer of AIA to The Kenya National Treasury	12,897,135	
Total	2,488,157,135	995,240,000

5 b: Transfers to self – reporting entities in the year

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

Description	Recurrent	2021-2022
	Kshs	Kshs
Transfers to Political Parties		
Orange Democratic Movement	1,331,392,193	1,331,392,193
Jubilee Party of Kenya	1,020,104,807	1,020,104,807
Total	2,351,497,000	2,351,497,000

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

6 Acquisition of Assets

Non -Financial Assets	2021-2022	2020-2021
	Kshs	Kshs
Refurbishment of Buildings	-	6,643,367
Purchase of Vehicles and other Transport Equipment	-	25,030,000
Purchase of Office Furniture and General Equipment	19,522,140	3,516,340
Purchase of Specialized Plant, Equipment and Machinery	29,136,099	-
Purchase of ICT Equipment, Software and other ICT Assets	-	-
Sub-total	48,658,239	35,189,707
Financial Assets		
Domestic Public Non-Financial Enterprises	-	10,875,000
Sub-total	-	10,875,000
Total	48,658,239	46,064,707

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

7 Cash and Bank Accounts

7A: Bank Accounts

Name of Bank, Account No. & currency	Amount in bank account currency	Indicate whether recurrent, Development, deposit etc.	Exc rate (if in foreign currency)	2021-2022	2020-2021
				Kshs	Kshs
Registrar of Political Parties – 1000181206	KES	Recurrent	-	514,823	237,551
Total				514,823	237,551

7B: Cash on hand

Description	2021-2022	2020-2021
	Kshs	Kshs
Cash in hand – Held in domestic currency	120,898	95,873
Total	120,898	95,873

8. Imprests and Advances

Description	2021-2022	2020-2021
	Kshs	Kshs
Government Imprests	-	-
Salary advances	-	-
District suspense	-	-
Clearance accounts	-	-
Total	-	-

9. Fund Balance Brought Forward

Description	2020-2021
	Kshs
Bank Accounts	237,552
Cash in hand	95,873
Total	333,425

This is the balance brought forward from the Financial Year 2020-2021

10 Prior Year Adjustments

	Balance b/f FY 2020/2021 as per audited financial statements	Adjustments during the year relating to prior periods	Adjusted ** Balance b/f FY 2020/2021
Description of the error	Kshs	Kshs	Kshs
Bank Account Balances	237,552	-	237,552
Cash In Hand	95,873	-	95,873
	333,425	-	333,425

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

11. Pending Accounts Payable (See Annex 1)

Description	Balance b/f FY 2020/2021 Kshs	Additions for the period Kshs	Paid during the year Kshs	Balance c/f FY 2021/2022 Kshs
Construction of Buildings	-	-	-	-
Construction of Civil Works	-	-	-	-
Supply of Goods	-	18,250,784	-	18,250,784
Supply of Services	-	20,900,491	-	20,900,491
Total	-	39,151,275	-	39,151,275

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

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

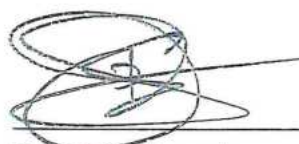
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)

Guidance Notes:

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



Ann N. Nderitu, CBS
Registrar of Political Parties



Douglas Wanzala
Principal Accountant
ICPAK M/ No: 10692

13. Annexes

Annex 1 - Analysis of Pending Accounts Payable

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2021/22	Outstanding Balance 2020/21	Comments
	A	B	C	d=a-c		
Supply of goods						
1. Encomia Enterprise	1,209,750		-		-	Lack of exchequer
2. Top Mark	17,041,034					Lack of exchequer
Sub total	18,250,784			18,250,784	-	
Supply of services						
3. Maanzoni Lodge	72,700					Lack of exchequer
4. Tourist Hotel Bungoma	1,191,000					Lack of exchequer
5. Tana Gardens Hotel	34,000					Lack of exchequer
6. Alps Hotel	1,589,000					Lack of exchequer
7. Pride Inn Azure	1,987,780					Lack of exchequer
8. The White Rhino Hotel	1,425,920					Lack of exchequer
9. Eastmark Hotel	229,000					Lack of exchequer
10. FK Resort Ltd	486,605					Lack of exchequer
11. Jacaranda Hotel	480,000					Lack of exchequer
12. Pride Inn Paradise	2,636,000					Lack of exchequer
13. Pride Inn Azure	508,500					Lack of exchequer
14. Ndupawa Prestige	243,200					Lack of exchequer
15. Ndupawa Prestige	981,000					Lack of exchequer
16. Avriana Enterprise	290,000					Lack of exchequer
17. Panari Resort Nyahururu	402,800					Lack of exchequer
18. Aturukan Hotel	122,500					Lack of exchequer
19. Tana Garden	881,000					Lack of exchequer

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Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2021/22	Outstanding Balance 2020/21	Comments
20. Lake OL Bolosat Resort	77,500					Lack of exchequer
21. Aturukan Hotel	309,000					Lack of exchequer
22. Farm View Hotel Ltd	73,500					Lack of exchequer
23. Eland Safari Hotel	1,137,500					Lack of exchequer
24. Legend Hotel	110,960					Lack of exchequer
25. Airport Hotel 67	39,000					Lack of exchequer
26. Sideways Tours and Car Hire	41,760					Lack of exchequer
27. Sideways Tours and Car Hire	37,120					Lack of exchequer
28. Cedars Travel and Tours	34,210					Lack of exchequer
29. Primate Tours	37,120					Lack of exchequer
30. Ngurumah Tours And Travel	51,040					Lack of exchequer
31. Ngurumah Tours And Travel	51,040					Lack of exchequer
32. Lifestyle Adventures	2,041,600					Lack of exchequer
33. Ngurumah Tours And Travel	34,800					Lack of exchequer
34. Dinto Travel Agencies	116,500					Lack of exchequer
35. Premier Safaris	40,655					Lack of exchequer
36. Longrock Tours	110,235					Lack of exchequer
37. Kenya Libraries	290,000					Lack of exchequer
38. Attic Tours and Travel LTD	45,000					Lack of exchequer
39. Infobip	133,993					Lack of exchequer
40. The Copycat Ltd	31,900					Lack of exchequer
41. The Copycat Ltd	108,379					Lack of exchequer
42. Mercy Boteck Business	127,000					Lack of exchequer
43. St James Optical	274,760					Lack of exchequer

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Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2021/22	Outstanding Balance 2020/21	Comments
44. Office of the Auditor General	150,336					Lack of exchequer
45. Knight Frank	105,258					Lack of exchequer
46. Mukele Moni and Co.Advocates	320,000					Lack of exchequer
47. Mustaqbal Holdings	139,200					Lack of exchequer
48. Kenya Web	34,800					Lack of exchequer
49.Nation Media	183,250					Lack of exchequer
50.The Star	169,360					Lack of exchequer
49. Sub-Total	20,900,491			20,900,491	-	
Grand Total	39,151,275			39,151,275	-	

Annex 2 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs) 2020/2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Transfers in/(out) during the year	Historical Cost c/f (Kshs) 2021/22
Buildings and structures	22,678,447				22,678,447
Transport equipment	48,466,000				48,466,000
Office equipment, furniture and fittings	16,674,812	24,580,140			41,254,952
ICT Equipment	1,002,000				1,002,000
Machinery and Equipment	2,805,986	24,078,099			26,884,085
Intangible assets	2,314,950				2,314,950
Total	93,942,195	48,658,239			142,600,434

(NB: The balance as at the end of the year is the cumulative cost of all assets bought and inherited by the Ministry, Department or Agency. Additions during the year should tie to note 18 on acquisition of assets during the year. Ensure this section is complete and covers all the entity's assets. Ensure the complete fixed asset register is separately prepared as per circular number 5/2020 and follow up reminder of circular No.23/2020 of The National Treasury)

Annex 3- Reports Generated from IFMIS

The following financial reports generated from IFMIS should be attached as appendices to these financial statements.

- i. GOK IFMIS Comparison Trial Balance
- ii. FO30 (Bank reconciliations) for all bank accounts
- iii. GOK IFMIS Receipts and Payments Statement
- iv. GOK IFMIS Statement of Financial Position
- v. GOK IFMIS Statement of Cash Flows
- vi. GOK IFMIS Notes to the Financial Statements
- vii. GOK IFMIS Statement of Budget Execution
- viii. GOK IFMIS Statement of Deposits
- ix. GOK IFMIS Budget Execution by Programme and Economic Classification
- x. GOK IFMIS Budget Execution by Heads and Programmes
- xi. GOK IFMIS Budget Execution by Programmes and Sub-programmes

