

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

THE NATIONAL ASSEMBLY
PAPERS I AID

DATE: 18 SEP 2024

DAY.

Wednesday

OF

TABLED
BY:

Hon. Owen Baya, MP
Deputy Majority Leader

CLERK AT
THE TABLE:

Finlay Muniuki

THE AUDITOR-GENERAL

ON

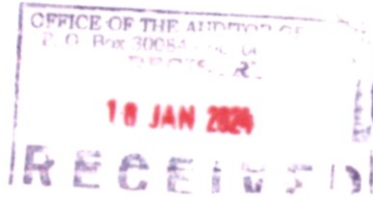
FEDERAL PARTY OF KENYA

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



FEDERAL PARTY OF KENYA

Annex House, Ground Floor, Limuru Road
P.O. Box 34463 - 00100 Nairobi
Tel: 0722 302368 / 0733 20743
Email: federalpartyofkenya07@gmail.com



18th January, 2024

OFFICE OF THE REGISTRAR
OF POLITICAL PARTIES
P.O. BOX 1131-00606 NAIROBI
Dear Sir,



RE: FINANCIAL STATEMENTS FOR THE YEAR 2022/2023

As per your letter dated 12th January 2024, REF:
AG/GJL/FPK/POLITICALPARTY/2022-2023(1), please find copy of our financial
statement for the year 2022/2023

Yours faithfully,

Kennedy Okello Oluoch
Secretary General

CC:
Auditor General





FEDERAL PARTY OF KENYA

Annex House, Ground Floor, Limuru Road
P.O. Box 34463 - 00100 Nairobi
Tel: 0722 302368 / 0733 207433
Email: federalpartyofkenya07@gmail.com

18th January, 2024

Auditor General
P.O. Box 30084-00100 Nairobi
Nairobi.



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RE: FINANCIAL STATEMENTS FOR THE YEAR 2022/2023

As per your letter dated 12th January 2024, REF:
AG/GJL/FPK/POLITICALPARTY/2022-2023(1), please find copy of our financial
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Yours faithfully,

Kennedy Okello Oluoch
Secretary General

CC: Registrar of Political parties





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<http://federalpartykenya.com/>



FINANCIAL STATEMENTS

FOR THE 2022/2023

FINANCIAL YEAR

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FEDERAL PARTY OF KENYA



The National Executive Committee (NEC) submits their report and the audited financial statements for the financial year ended 30th June 2023.

1. Results for the Year

The Financial results for the ended on 30th June 2023 are set out on page 6

2. Directorate

The current National Executive Committee is set out on page 3

3. Sources of Funding

The party activities are mainly funded through donations from individuals and local organizations.

4. Auditors

The Auditors **Charles Kibii Cheruyot (P/1330)** has expressed their willingness to continue in office in accordance with Section 159(2) of the Kenya Companies Act.

By Order of the National Executive Committee

Date _____2023



NATIONAL EXECUTIVE COMMITTEE (NEC) MEMBERS

S/NO.	DESIGNATION	NAME
1	Party Leader	Francis Angueyah Ominde
2	Deputy Party Leader	Abdow Bishar Maalim
3	National Chairperson	Nahum Okwiya
4	First Deputy National Chairperson	Simon Liani
5	Second Deputy National Chairperson	Pamela Caro Owen
6	Secretary General	Kennedy Okello Oluoch
7	Deputy Secretary General	Philip Kimunyu Nyamu
8	National Treasurer	Kenneth Alex Mwangi
9	Deputy Treasurer	Evelyn Anyango Onyango
10	National Organizing Secretary	Joel Otuoma Wanga
11	Deputy National Organizing Secretary	Monica Mwangi
12	Secretary for Information and Publicity	Maurice Odede
13	National Women League Leader	Judy Ngure
14	National Youth League Leader	Robert Chore
15	Secretary for Disability Affairs	Ibrahim Mohammed
16	Devolution Secretary	Caroline Lukalo
17	Secretary for Workers	Gibson Mbari
18	Director of Elections	Lukas Waititwa
19	Deputy Director of Elections	Mohammed Okumu
20	Executive Director	Collins Wesley Ondigo

Report of the Independent Auditors

We have audited the accompanying financial statements of **Federal Party of Kenya** as at 31st June 2023 and the related statements of income for the period then ended. These financial statements are the responsibility of the management. Our responsibility is to express an opinion on the financial statements based on our Audit.

Respective responsibilities of National Executive Committee (NEC) and Independent Auditors as described on page 3, the management is responsible for the preparation of the financial statements. Our responsibility is to express an opinion on those financial statements based on our audit.

Basis of Opinion

We conducted our audit in accordance with the international standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatement.

An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by the National Executive Committee (NEC) as well as evaluating the final presentation. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, proper books of accounts have been kept and the financial statements give a true and fair view of the party's financial affairs as at 31st June 2023 and comply with the party's constitution.

The engagement partner responsible for the audit resulting in this independent auditors report is

CPA Charles Kibii Cheruyot (P/1330)

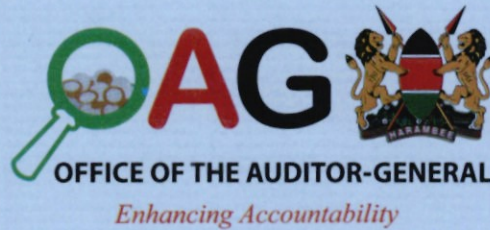
Charles & Co
Certified Public Accountant (K)
2ND Floor Rehema House
Standard Street
P. O. Box 1802-00100
Nairobi

Dated _____ 2023



REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
Email: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON FEDERAL PARTY OF KENYA FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for the 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

Disclaimer of Opinion

I have audited the accompanying financial statements of Federal Party of Kenya set out on pages 4 to 9, which comprise of the statement of financial position as at 30 June, 2023,

and the comprehensive statement of income and expenditure, statement of cash flows, 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 did not obtain all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

I do not express an opinion on the accompanying financial statements. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

1. Presentation and Disclosure of Financial Statements

Contrary to the guidelines and template prescribed by the Public Sector Accounting Standards Board, the Party's financial statements submitted for audit review did not comply with the template issued by Public Sector Accounting Standards Board. The statement of financial performance did not classify revenue into revenue from exchange and revenue from non-exchange transactions as per the template.

In addition, there were no details of NEC's National Chairman and National Treasurer Photos, their key profession/academic qualifications and concise descriptions of each member's date of birth, key qualifications, and work experience were not provided.

Other information lacking in the financial statements includes;

- (i) Lack of a signed report of Chief Executive Officer.
- (ii) Lack of statement of performance against predetermined goals for the financial year 2022/2023.
- (iii) Lack of Management Discussion and Analysis.
- (iv) Environmental and Sustainability report not included in the financial statements.
- (v) Statement of Directors/National Executive Committee responsibility not included in the financial statements.
- (vi) A blank page for the report of the Independent Auditor was missing.
- (vii) The Attorney General is not indicated as the Principal Legal Advisor.
- (viii) The pages for the annual report and financial statements presented for audit were not numbered as per the PSASB revised template.
- (ix) The statement of receipts and payments and financial position have not been signed by the Head of Finance.
- (x) The statement of receipts and payments was used instead of statement of financial performance.

- (xi) The financial statements start with comparative balances of 2021/2022 instead of balances for the year under review of 2022/2023.
- (xii) No statement of comparison of budget and actual amounts.
- (xiii) Statement of compliance and basis of preparation.
- (xiv) Adoption of new and revised standards.
- (xv) Summary of significant accounting policies.
- (xvi) The pages for the annual report and financial statements presented for audit the headers did not include the entities actual name and the words "Annual Report and Financial Statements for the year ended 30 June, 2023" as per the PSASB revised template.
- (xvii) Notes in the statements does correspond with Notes to the financial statements.

In the circumstances, Management was in breach of the law.

2. Unsupported Receipts and Payments

The statement of receipts and payments reflects receipts and payments totalling Kshs.1,659,107 and Kshs.1,294,492 respectively. However, receipts, payment vouchers, supporting ledger and schedules for both receipts and expenditure were not provided for audit review. In addition, the Management were not available for audit hence no entry and exit meetings were held.

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

3. Cash and Cash Equivalents

The statement of financial position reflects cash and cash equivalents totalling to Kshs.3,241. However, no cash books, monthly bank reconciliation statements and certificates of bank balances for the bank accounts were provided for audit review. Further, board of survey report was also not provided to support cash in hand.

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

4. Property, Plant and Equipment

The statement of financial position reflects Kshs.185,645 being balance for non-current assets. However, no asset register and other ownership documents were provided for audit. In addition, the Note 1 in the statement of financial position does not correspond with Note to the financial statements. Further property, plant and equipment schedule was not included in the Notes to the financial statement.

In the circumstances, accuracy, existence and ownership of the non-current assets held by the Party could not be confirmed.

5. Unsupported Accounts Payables

The statement of financial position and as disclosed in Note 3 to the financial statements reflects accounts payables balance of Kshs.518,573. However, no invoices, schedules, creditor ledgers and aging analysis were provided for audit. In addition, the Note 2 in the statement of financial position does not correspond with Notes to the financial statements

In the circumstances, the accuracy, existence and completeness of accounts payables balance in the financial statements could not be confirmed.

6. Failure to Establish Adequate Party Offices

During the year under review, thirty-eight counties (38) were visited to verify the existence of county offices as per the law. However, it was found that the Party has one (1) office which exclude offices in the nine (9) counties not visited. This is contrary to Section 7(2)(f)(ii), (iii) of the Political Parties Act, 2011 which state that a political party shall be qualified to be fully registered if it has submitted to the Registrar the location and addresses of the branch offices of the political party, which shall be in more than half of the counties.

In the circumstances, Management was in breach of the law.

7. Late Submission of Financial Statements

The Federal Party of Kenya financial statements for the year ended 30 June, 2023 were submitted for audit on 18 January, 2023 which was three and half months after the deadline of 30 September, 2023. This was contrary to Section 68 (2) (k) of the Public Finance Management Act, 2012 which requires Accounting Officers to prepare and submit the annual financial statements for each financial year to the Auditor-General within three months after the end of the financial year for audit.

In the circumstances, Management was in breach of the law.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

I do not express a conclusion on the lawfulness and effectiveness in the use of public resources as required by Article 229(6) of the Constitution. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for my audit conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

I do not express a conclusion on the effectiveness of internal controls, risk management and overall governance as required by Section 7(1)(a) of the Public Audit Act, 2015.

Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for my audit 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 Party's ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to dissolve the Party 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 Party's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with International Standards of Supreme Audit Institutions (ISSAIs) 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. However, because of the matters described in the Basis for Disclaimer of Opinion section of my report, I was not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

In addition, my responsibility is 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. I also consider internal control, risk management and governance processes and systems in order to give an assurance on the effectiveness of internal controls, risk management and governance 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. However, because of the matters described in the Basis for Disclaimer of Opinion section of my report, I was not able to obtain sufficient appropriate audit evidence to provide a basis for an audit conclusion on lawfulness and effectiveness in use of public resources, and on effectiveness of internal controls, risk management and overall governance.

I am independent of the Federal Party of Kenya 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.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

26 June, 2024

**Statement of Receipts and Payments
For the Year Ended 30th June 2023**

	NOTES	2021/22 Ksh	2022/23 Ksh
RECEIPTS			
Nomination Fee		300,000.00	-
PPF		-	1,068,107.25
Donations/Subscriptions		905,000.00	591,000.00
Total Receipts		1,205,000.00	1,659,107.25
PAYMENTS			
SIG Advocacy		214,500.00	315,000.00
Civic Education		173,900.00	214,000.00
Administrative Expenses		965,844.40	765,492.60
Total Payments		1,354,244.40	1,294,492.60
Excess of Receipts over Payment		(149,244.40)	364,614.65

FEDERAL PARTY OF

**Statement of Financial Position
As at 30th June 2023**

		2021/22	2022/23
		Ksh	Ksh
ASSETS	NOTES		
Non-Current Assets	1	172,802.60	185,645.50
		172,802.60	185,645.50
Current Assets			
Cash at Bank		6,196.50	2,741.00
Cash at Hand		1,200	500.00
		7,396.50	3,241.00
Total Assets		180,199.10	188,886.50
Equity and Liabilities			
Current Liabilities			
Accounts Payables	2	874,500.00	518,572.75
		874,500.00	518,572.00
Equity			
Accumulated Fund		(694,300.90)	(329,686.25)
		(694,300.90)	(329,686.25)
Total Equity and Liabilities		180,199.10	188,886.50

Statement of Changes in Equity
As at 30th June 2023

	2021/22	2022/23
Notes	Accumulated Fund Ksh	Accumulated Fund Ksh
Opening Balance	(545,056.50)	(694,300.90)
Excess of Receipts over Payments	(149,244.40)	364,614.65
At end of Year	(694,300.90)	(329,686.25)

FEDERAL PARTY OF KENYA

Statement of Cash Flows
As at 30th June 2023

	Notes	2021/22 Ksh	2022/23 Ksh
Operating Activities			
Cash Generated from Operations	3	206,682.85	8,687.40
Net Cash Generated from Operations		206,682.85	8,687.40
Investing Activities			
Purchase of Office Equipment	4	70,615.60	12,842.90
Net Cash used in Investing Activities		70,615.60	12,842.90
Financing Activities			
Net cash (used in)/generated from financing activities		0	0
Increase in cash and cash equivalents			
Cash and cash equivalents at start of year		136,067.25	(4,155.50)
Cash and cash equivalents at end of year		(128,670.75)	7,396.50
		7,396.50	3,241.00

The financial statements were approved on behalf of FPK Party and signed by:

Secretary General

Brighton Kennedy Okello

Brighton Kennedy Okello

.....
Date

Treasurer

Kenneth Alex Mwangi

Kenneth Alex Mwangi

.....
Date



FEDERAL PARTY OF KENYA

Notes to the Accounts for the year ended 30th June 2023

1. Summary of accounting policies

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

Basis of accounts Preparation

The financial statements are prepared in compliance with International Financial Reporting (IFRS) under the historical cost convention and presented in Kenya Shillings. The Preparation of the financial statements is in conformity with IFRS that requires the use of estimates and assumptions. It as well requires management to exercise its judgment in the process of applying the Party's accounting policies.

a. Depreciation

Depreciation is not provided.

b. Turnover

Income is mainly from own source and donations, and is recognized when received

c. Accounts Receivables

Receivables are carried at original amount less an allowance for any uncollected amounts. Specific provision is made for all known doubtful debts. Bad debts are written off when all reasonable steps to recover them have been undertaken without success.

d. Payables

Payables are stated at their nominal value

e. Currency

The financial statements are presented in Kenya Shillings

Notes to the Accounts for the year Ended 30th June 2023 (Cont)

2.) Non-Current Assets

	2021/22 Ksh	2022/23 Ksh
Office Equipment	91,720.00	91,720.00
Furniture and Fittings	81,802.60	94,645.50
	172,802.60	185,645.50

3.) Accounts Payables

Office Rent	654,000.00	285,972.00
Audit Fees	40,000.00	80,000.00
Salaries and Wages	180,500.00	152,600.00
	874,500.00	518,572.00

4.) Cash Generated from Operating Activities

Excess of Receipts over Payments	(149,244.40)	364,614.65
Add/Subtract: Inc/Dec in Payables	355,927.25	(355,927.25)
	206,682.85	8,687.40

5.) Net Cash (used in)/Generated from Investing Activities

Purchase of Office Equipment	40,500.00	-
Purchase of Furniture and Fittings	30,115.60	12,842.90
	70,615.60	12,842.90

