


REPUBLIC OF KENYA



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<b>CLERK-AT THE TABLE:</b>	VIVIATH WAMBUI

**REPORT**

**OF**

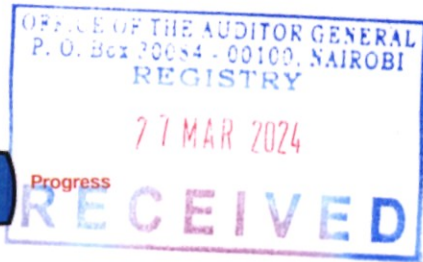
**THE AUDITOR-GENERAL**

**ON**

**PROGRESSIVE PARTY OF KENYA**

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





MWANGAZA

## PROGRESSIVE PARTY OF KENYA

P.O. Box 16923 GPO 00100, Nairobi-Kenya.

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### *Progressive Party of Kenya*

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED  
30<sup>TH</sup> JUNE 2023**

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

**SUBMITTED TO THE OFFICE OF THE  
AUDITOR GENERAL**

**AND**

**OFFICE OF THE REGISTRAR OF  
POLITICAL PARTIES**

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## **Statement of Management Committee Responsibilities**

The Kenyan law demands the Management Committee of the Progressive Party of Kenya to be responsible for the preparation and collection of financial statements in compliance with international and national financial reporting standards. The committee is also responsible for the collection of data necessary for the preparation of financial statements, as well as the review of financial statements for accuracy and completeness at the end of each fiscal year.

The committee shall develop and maintain the internal controls necessary to ensure the accuracy of the party's financial records. The committee shall also provide oversight and advice to the party's membership on all financial matters. The committee shall also be responsible for always safeguarding the assets of the political party. The committee is also responsible for developing appropriate investment strategies and ensuring that the finances of the party are managed in an effective and efficient manner.

The party official accepts responsibility for the annual financial statements that have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with international and national accounting standards and the requirements of the political party Act. The party officials are of the opinion that's the financial statement give a fair and true view of the state of the financial affairs of the party.

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

## **1. Key Entity Information and Management**

### **(a) Background information**

The *Entity* was incorporated/ established under the Political Party Act. The Entity is domiciled in Kenya and has branches in Nairobi and 24 other counties.

### **(b) Principal Activities**

*The focus of the party is to provide opportunities for the poor and weak in society including women, youth, the unemployed, and the physically challenged to be full participants in the political process an opportunity that they have been denied over years. The Progressive Party of Kenya, therefore, offers itself as the instrument of the people to sweep away old exploits in regard to representation.*

### **(c) Our Vision and Mission**

**Vision:** We aspire to establish a Progressive Government that focuses on economic, social, and political progress for our great nation, Kenya. We believe in a Kenya where every citizen has an opportunity to thrive and where the principles of transparency and accountability guide our governance.

**Mission:** Our mission is to provide a democratic government that enhances social and economic improvement. We are guided by five fundamental beliefs.

### **(d) Our Core Values**

- **Pluralistic Society:** We believe that Kenya is a pluralistic society with multiparty democracy founded on the principles of unity, justice, liberty, and equality for all.
- **Good Governance:** We advocate for good governance based on transparency and accountability to the people, seeing it as a fundamental prerequisite for economic, social, and political progress.
- **Fair and Just Leadership:** We are committed to leadership in Kenya that is free from corruption, bias, and all forms of discrimination, whether against individuals or groups.
- **Human Rights and Freedoms:** We work to safeguard and protect all fundamental human rights and freedoms as enshrined in the United Nations Charter and the Constitution of Kenya.
- **Regional Cooperation:** We promote regional and sub-regional cooperation and integration for the benefit of Kenya and the broader region.

### **(e) Key Management**

The *Entity's* day-to-day management is under the following key organs:



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**Annual Report and Financial Statements**  
**for the year ended June 30, 2023.**

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No.	Designation	Name
1.	National Chairman	<b>Evans Misati James</b>
2.	Secretary-General	<b>Clementine Osodo</b>
3.	Organising Secretary	<b>Susan Kieti</b>
4.	Executive Director	<b>Patrick Kiarie</b>

**(f) Fiduciary Management**

The key management personnel who held office during the financial year ended 30th June 2023 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	National Chairman	<b>Evans Misati James</b>
2.	Secretary-General	<b>Clementine Osodo</b>
3.	Organising Secretary	<b>Susan Kieti</b>
4.	Executive Director	<b>Patrick Kiarie</b>
6.	Internal Auditor	<b>Walter Nyauma</b>

**(g) Fiduciary Oversight Arrangements**

In the Progressive Party of Kenya, the key fiduciary oversight arrangements include the Audit and Risk Committee and Oversight Committees among others.

The Audit and Risk Committee is responsible for overseeing the financial management and reporting, internal controls, and risk management of PPOK. It is composed of qualified professionals and experts whom the party leader and National Chairperson appoints to provide independent and objective advice and assurance to the party's leadership. The committee reviews and monitors the party's financial statements, conducts internal audits, and makes recommendations for improvements in financial processes and procedures.

The Finance Committee is responsible for overseeing the party's budgeting, financial planning, and fundraising activities. It is composed of senior leaders and financial experts who work closely with the party's treasurer to ensure that financial resources are managed responsibly and transparently. The committee also monitors the party's expenditures and ensures that they are in line with the party's strategic objectives.

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These committees are responsible for scrutinizing and monitoring the use of public funds by political

parties and ensuring that they adhere to proper financial management and reporting practices.

**(h) Entity Headquarters**

Wu Yi Plaza- Wing 9A 5th Floor, Galana Road.  
P.O BOX 16923-00100 Nairobi, Kenya.

**(i) Entity Contacts**

P.O BOX 16923-00100 Nairobi, Kenya.

[progressivepartyofkenya@gmail.com](mailto:progressivepartyofkenya@gmail.com)

Tel: +254-722-75317

Website: [www.ppok.co.ke](http://www.ppok.co.ke)

**(j) Entity Bankers**

Co-operative Bank  
Parliament Road  
A/C No: 01148124103300

**(k) Principal Legal Advisor:**

Attorney General of Kenya  
Hon. Justin B. N. Muturi E.G.H



## **2. The Board of Directors/Executive Committee/National Executive Council**

<b>Ref</b>	<b>Directors</b>	<b>Details</b>
1.	Epainitous Moses Akaranga	Party Leader
2.	Evans Misati	National Chairman
3.	Clementine Osodo	Secretary-General
4.	Susan Kieti	Treasurer & Organising Secretary
5.	Joseph Momanyi Nyawaro	Director Of Elections
6.	Naomi Mandela Olume	Pwd & Women Leader
7.	Abel Mokua	Youth Leader
8.	Sarara Maggie	Chair Assembly Caucus
9.	Richard Bosire	NEC Member
10.	Ekiru Egialan	NEC Member
11.	Patrick Kiarie Koigi	Executive Director

## **3. The Key Management Team**

<b>Ref</b>	<b>Management Team</b>	<b>Details</b>
1.	Evans Misati	National Chairman
2.	Clementine Osodo	Secretary-General
3.	Susan Kieti	Treasurer & Organising Secretary
4.	Patrick Kiarie Koigi	Executive Director
5.	Joseph Momanyi Nyawaro	Director Of Elections
6.	Naomi Mandela Olume	PWD & Women Leader
7.	Abel Mokua	Youth Leader

## **4. Chairman Statement**

As the National Chairman of the Progressive Party of Kenya, I am thrilled to present the financial statements for the fiscal year ended 30th June 2023. The financial statements have been prepared in accordance with IPSAS Financial Reporting Standards and the statutory requirements of the Political Parties Act.

The year under review was a challenging one for the political landscape in Kenya. Despite the challenges faced, the party continued to grow and expand its membership base. We also focused on creating awareness among the public about our party's ideologies and values. As well, we are committed to promoting transparency and accountability in our financial management and reporting. To this end, we have put in place strong internal controls and regular monitoring processes to ensure the effective use of party funds.

The party also recognizes the crucial role played by its members, volunteers, and well-wishers in our activities. We are grateful for their unwavering support, and we pledge to continue improving our performance and serve the interests of our members and the public.

On behalf of the party's leadership, I would like to express my gratitude to our auditors, Walter Odenyo & Associates, for their professional and diligent work in examining our financial statements.

In a nutshell, I am confident that the Progressive Party of Kenya is on the right track towards achieving its objectives, and we look forward to a successful future ahead.

Signed by



**Evans Misati**  
**National Chairman**



## **5. Secretary General Statement**

I, Clementine Osodo, the Secretary-General of the Progressive Party of Kenya, hereby confirm that the financial statements presented are prepared under our direction and supervision.

The statements are compiled in compliance with the statutory requirements of the Political Parties Act and IPSAS Financial Reporting Standards.

The party's financial statements are a true reflection of our commitment to transparency and accountability in managing party funds. We have implemented robust financial controls and monitoring mechanisms to ensure that party funds are used for their intended purposes.

I would also like to thank the party's members, volunteers, and well-wishers for their continued support. We value your contributions, and we will strive to serve your interests and those of the public.

On behalf of the party's leadership, I extend our appreciation to our auditors, Walter Odenyo & Associates, for their impartial and thorough review of our financial statements.

I believe that with your continued efforts and dedication, the Progressive Party of Kenya will continue to make positive impact on our society.

Signed by



**Clementine Osodo**  
**Secretary-General**

## **6. Statement of Performance against predetermined objectives for the year 2022/2023.**

The Progressive Party of Kenya had set the following objectives for the fiscal year 2022/2023:

- i. To increase membership by 10% by the end of the fiscal year.
- ii. To promote gender equality and youth participation in politics.
- iii. To advocate for policies that promote social and economic inclusion and sustainable development.
- iv. To strengthen internal controls and promote transparency and accountability in financial management.
- v. To promote the party's ideologies and values to the public.

We are pleased to report that the Progressive Party of Kenya has achieved all the above objectives, and in some cases, surpassed them.

### **I. Membership:**

The party has seen a growth in membership of 15%, exceeding our target of 10%. This growth can be attributed to our strategic recruitment drives, as well as our efforts to engage and involve our members in party activities.

### **II. Gender equality and youth participation:**

The party has actively promoted gender equality and youth participation in politics through various initiatives. This includes promoting women and youth candidates in elections and advocating for policies that support their participation in politics. The party has also established mentorship programs to empower women and youth in leadership roles.

### **III. Social and economic inclusion:**

The party has actively advocated for policies that promote social and economic inclusion, including supporting marginalized and vulnerable communities. The party has also engaged in poverty alleviation initiatives and advocated for the protection of basic human rights for all individuals.

### **IV. Internal Controls and Transparency:**

The party has strengthened its internal controls and promoted transparency and accountability in financial management. This has been achieved through the implementation of robust financial processes and regular reporting to members and stakeholders on the party's financial performance.

### **V. Party ideologies and values:**

The party has successfully promoted its ideologies and values to the public through various campaigns and advocacy efforts. This has allowed the party to gain support and recognition among the public and promote its vision for a better Kenya.

## **7. Corporate Governance Statement.**

### Introduction:

The Progressive Party of Kenya is committed to maintaining the highest standards of corporate governance. The Management Committee is responsible for overseeing the party's corporate governance practices and ensuring compliance with all legal and regulatory requirements. This statement outlines the party's corporate governance principles and practices for the year ended 30th June 2023.

### Application:

The party is committed to adhering to the principles of transparency, accountability, responsibility, and fairness in all its activities. These principles are reflected in the party's policies and procedures, which are reviewed regularly to ensure their effectiveness and compliance with legal and regulatory requirements.

### Responsibilities and Authority:

The Management Committee is responsible for providing leadership, direction and oversight of the party's operations and affairs in accordance with its constitution and applicable laws. The Committee has established policies and procedures to guide the party's operations and to ensure that its activities are conducted in a prudent and responsible manner.

### The Management Committee is responsible for:

- Developing and implementing the party's strategic direction and objectives.
- Ensuring compliance with the party's constitution and all relevant laws and regulations.
- Developing and implementing policies and procedures to promote good corporate governance practices.
- Appointing and monitoring the performance of the Executive Director and other key management personnel.
- Ensuring effective internal controls are in place to safeguard party assets and promote efficient and effective use of resources.
- Reviewing and approving the party's financial statements and ensuring they are prepared in accordance with applicable laws and accounting standards.



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- Communicating regularly with party members, stakeholders, and the public to promote transparency and accountability.
- Ensuring that the party's activities and decision-making processes are ethical, legal, and in the best interest of the party and its members.
- Reviewing and updating the party's policies and procedures as needed to ensure they remain relevant and effective.

Internal Controls and Risk Management:

The party has established strong internal controls to safeguard its assets and prevent fraud and misuse of resources. The Management Committee regularly reviews and updates these controls to ensure their effectiveness. Risk assessments are also conducted regularly to identify and mitigate potential risks to the party's operations.

Reporting and Transparency:

The party is committed to maintaining transparency and accountability in all its activities. The Management Committee regularly reports to the party's members, stakeholders, and the public on its activities, financial performance, and compliance with relevant laws and regulations.

## **8. Management Discussion and Analysis.**

The financial statements of the Progressive Party of Kenya for the year ended 30th June 2023 have been prepared in accordance with International Financial Reporting Standards and the statutory requirements of the Political Parties Act.

a. Financial Performance:

The party's operating income for the year ended 30th June 2023 was Kshs. 1,581,768. More than 90% of 2023 income came from Political Party Fund, (PPF). This was due to the number of elected officials the party managed to garner in the 2022 general elections. The party also recorded a surplus of Kshs. (281,666), which was repaid after all the PPF disbursement was completed.

b. Financial Position:

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The party's total assets as of 30th June 2023 was Kshs. 1,534,119, which is a decrease from the previous year as a result to depreciation. The party's total liabilities were Kshs. 0.00, as the party did not borrow any funds and paid all its operating expenses as they fall due.

c. Expenditure:

The party's operating expenses was 1,863,434. This was generally due to higher costs of organizing events and trainers, the surplus expenses were paid by the funds brought forward from the previous year which was 350,000. However, the party maintained strict financial controls to ensure efficient and effective use of resources.

d. Outlook:

The Progressive Party of Kenya remains committed to its mission of promoting inclusive and accountable political leadership in Kenya. The party will continue to expand its membership and presence in additional counties, promote gender equality and youth participation in politics, and advocate for policies that promote social and economic inclusion and sustainable development.

The party will also continue to strengthen its internal controls and promote transparency and accountability in financial management. The party remains optimistic about its future and looks forward to achieving its objectives with the support of its members, volunteers, and well-wishers.

Signed by



**Patrick Kiarie Koigi**  
**Executive Director**

## **9. Environmental and Sustainability.**

The Progressive Party of Kenya is committed to promoting environmental sustainability and responsible resource management. The party acknowledges that the impacts of climate change and environmental degradation have far-reaching consequences on the well-being of individuals and communities.

The party supports and advocates for policies and initiatives that promote environmental conservation and sustainable development. This includes promoting renewable energy, sustainable agriculture practices, and responsible waste management. The party also considers climate change mitigation and adaptation in its policies and activities.

In line with our commitment to environmental sustainability, the party is in the process of implementing a Green Initiative Program. This program will involve the use of sustainable and eco-friendly materials in our party offices and events, promoting recycling and waste reduction, and advocating for environmentally friendly policies.

The party also recognizes the importance of promoting social and economic sustainability. As such, the party strives to promote inclusive economic growth and support marginalized and vulnerable communities. We also advocate for policies that promote gender equality, eradicate poverty, and ensure basic human rights for all individuals.

We believe that by working towards environmental and social sustainability, we can create a better future for all Kenyans and contribute to the global efforts towards a sustainable world.



## **10. Statement of Directors Responsibilities.**

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

The Directors are responsible for the preparation and presentation of the Entity's financial statements, which give a true and fair view of the state of affairs of the Entity for and as at the end of the financial year (period) ended on June 30, 2023. This responsibility includes:

- a) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- b) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Entity;
- c) 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;
- d) Safeguarding the assets of the Entity;
- e) Selecting and applying appropriate accounting policies; and
- f) Making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for the Entity's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and (the State Corporations Act) – entities should quote applicable legislation as indicated under which

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**Annual Report and Financial Statements**  
**for the year ended June 30, 2023.**

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they are regulated). The Directors are of the opinion that the Entity's financial statements give a true and fair view of the state of Entity's transactions during the financial year ended June 30, 2023, and of the Entity's financial position as at that date. The Directors further confirms the completeness of the accounting records maintained for the Entity, which have been relied upon in the preparation of the Entity's financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Directors have assessed the entity's ability to continue as a going concern (disclose, as applicable, matters relating to the use of going concern basis of preparation of the financial statements) OR

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

Approval of the financial statements

The Entity's financial statements were approved by the Board on 21/02/2024 and signed on its behalf by:



.....  
Name

**Chairperson of the Board/Council**

**Date: 12/02/24**



.....  
Name.

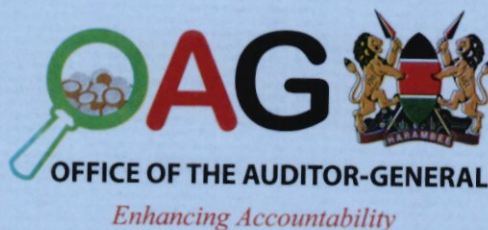
**Accounting Officer**

**Date: 12/02/24**



# REPUBLIC OF KENYA

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

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### **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 and the Public Audit Act, 2015. The three parts of the report, when read together constitute the report of the Auditor-General.

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Qualified Opinion**

I have audited the accompanying financial statements of Progressive Party of Kenya set out on pages 16 to 23, which comprise of the statement of financial position as at

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*Report of the Auditor-General on Progressive Party of Kenya for the year ended 30 June, 2023*



30 June, 2023, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Progressive Party of Kenya as at 30 June, 2023, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Political Parties Act, 2011 and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Errors in Presentation of Financial Statements**

The financial statements prepared and submitted for audit had the following errors:

- i. The annual report and financial statements omitted sections on acronyms, abbreviations & glossary of terms and report of the independent auditor.
- ii. The statement of changes in equity and the statement of comparison of budget and actual amounts are disclosed as Notes 8 and 9 to the financial statements instead of being part of the financial statements. Further, both statements are incomplete.
- iii. The financial statements did not disclose the statement of compliance and basis for preparation, adoption of new and revised standards, summary of significant accounting policies, detailed analysis of the cash and cash equivalents and appendices on project implementation and transfers from other Government agencies.
- iv. Note 2 on property and equipment and Note 6 on use of goods and services did not have comparative figures.

In the circumstances, the financial statements prepared and presented for audit do not comply with the reporting template disclosure requirements issued the Public Sector Accounting Standards Board.

#### **2. Inaccuracies in the Financial Statements**

The financial statements presented for audit had the following inaccuracies:

- i. The statement of financial performance reflects administrative expenses comparative year amounting to Kshs.8,400,000 while Note 4 reflects an amount of Kshs.2,415,000 resulting to an unexplained variance of Kshs.5,985,000;
- ii. The statement of financial performance reflects a Nil balance for comparative employee remuneration while Note 5 reflects a comparative amount of Kshs.5,700,000;



- iii. Note 2 on property and equipment reflects depreciation amount of Kshs.14,940 which was not disclosed in the statement of financial performance. Further, casting of the amount revealed Kshs.303,580 resulting to an unreconciled variance of Kshs.288,640;
- iv. The statement for financial position reflects net assets balance of Kshs.1,534,119 but the components in the statement which build-up to this amount reflected Nil balances.

In the circumstances, the accuracy and completeness of the above amounts and balances reflected in the financial statements could not be confirmed.

### **3. Unexplained Variance in Employee Remuneration**

The statement of financial performance reflects employee remuneration amount of Kshs.317,234 as detailed in Note 5 to the financial statements. However, the schedule provided for audit revealed an amount of Kshs.342,000 resulting to an unexplained variance of Kshs.24,766.

In the circumstances, the accuracy and completeness of the employee remuneration amount of Kshs.317,234 could not be confirmed.

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

### **Emphasis of Matter**

#### **1. Unaudited Comparative Balances**

I draw your attention to the fact that prior to 2022/2023 financial year, only the financial statements of political parties funded from public funds were being audited pursuant to Article 229(4)(f) of the Constitution of Kenya, which mandates the Auditor-General to audit political parties funded from public funds. Although the financial statements presented for audit reflects comparative balances for the year ended 30 June, 2022, 2022/2023 financial year is considered as the first year of audit and the audit procedures undertaken did not cover the prior year balances.

#### **2. Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects final income budget of Kshs.2,009,232 and actual on comparable basis amount of Kshs.1,581,768 resulting to underperformance of Kshs.427,464 or 22%. Similarly, the Party spent Kshs.1,863,434 against budgeted expenditure of Kshs.2,009,232 resulting to an under-expenditure of Kshs.145,798.

The under-performance in realization of revenue and under-expenditure may have affected the planned activities of the Party.

My opinion is not modified in respect of these matters.

### **Key Audit Matters**

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

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

### **Conclusion**

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

### **Basis of Conclusion**

#### **1. Administrative Expenses Exceeding Statutory Limit**

The statement of financial performance reflects administrative expenses amount of Kshs.566,000 and employee remuneration amount of Kshs.317,234 totalling Kshs.883,434, or 56% of the grant from the political party's fund of Kshs.1,576,768, which exceeded thirty percent of the allocation. This was contrary to Section 26 of the Political Parties Act, 2011 which states that moneys allocated to a registered political party from the fund shall be used for purposes compatible with democracy including administrative and staff expenses of the political party which shall not be more than thirty percent (30%) of the moneys allocated to the political party.

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

#### **2. Failure to Open Party Branch Offices**

During the audit for the year under review, it was observed that the Party had established only three (3) offices. This was contrary to Section 7(f)(iii) of the Political Parties Act, 2011 which requires a political party to be fully registered if it has submitted to the Registrar, the locations and addresses of its head office and its branches in more than half of the Counties.

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

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with the ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the



financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

### **Conclusion**

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

### **Basis of Conclusion**

#### **1. Lack of Internal Audit Function**

During the year under review, the party did not have an internal audit unit. This was contrary to Section 73(1) of the Public Finance Management Act, 2012 which requires that every National Government entity shall ensure that it complies with the Act by having appropriate arrangements in place for conducting internal audit according to the guidelines of the Accounting Standards Board.

In the circumstances, the effectiveness of internal controls on the Party's operations could not be confirmed.

#### **2. Lack of Human Resource Instruments**

Review of operations and human resource management revealed that the party did not have relevant human resources documents including payrolls, staff establishment and salary structure. In addition, no records were provided for audit to confirm that the party had engaged a qualified Human Resource Manager to ensure that human resource functions are managed by a certified human resource professional.

In the circumstances, the effectiveness of internal controls on Human Resource Management could not be confirmed.

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 (Accrual



Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and overall governance.

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

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

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness



of internal controls, risk management and overall 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 controls would not necessarily disclose all matters in the internal controls 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 controls 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 controls 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 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 Party's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Party 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 Party to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.



I communicate with 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.

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi


27 June, 2024


Progressive Party of Kenya  
Annual Report and Financial Statements  
for the year ended June 30, 2023.

11. Statement of Financial Performance for the year ended 30<sup>th</sup>  
June 2023.

	Notes	Current 2023 Kshs	Comparative 2022 Kshs
<b>Revenue from non-exchange transactions</b>			
Members Contribution		0.00	6,150,000.00
Donations	3	5,000.00	
Nomination Fees		0.00	4,600,000.00
Political Party Funds	3	1,576,768.00	
<b>Total revenue</b>		<b>1,581,768.00</b>	<b>10,750,000.00</b>
<b>Expenses</b>			
Administrative Expenses	4	566,200.00	8,400,000.00
Employees remuneration	5	317,234.00	
Use of goods and services (SIG Workshop)	6	980,000.00	1,600,000.00
Party promotion		0.00	250,000.00
Party policy and advocacy		0.00	
Party primaries		0.00	1,200,000.00
<b>Total expenses</b>		<b>1,863,434.00</b>	<b>11,450,000</b>
<b>Net Surplus for the year</b>	8	<b>(281,666.00)</b>	<b>(700,000.00)</b>

The financial statements set out on pages 15 to 18 were signed on behalf of the Board of Directors by:

  
.....  
Walter Ondeyo  
Accounting Officer  
ICPAK M/No: 27815

  
.....  
Clementine Osodo  
Secretary-General

  
.....  
Evans Misati James  
National Chairman

Date: 12/02/24


Date: 12/02/24


Date: 12/02/24

## 12. Statement of Financial Position as of 30<sup>th</sup> June 2023

	Notes	Insert Current 2023 Kshs	Insert Comparative 2022 Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash b/f	7	60,655.00	350,000.00
Bank b/f		0.00	0.00
Receivables (PPF)	7	312,464.00	0.00
<b>Total Current Assets</b>	7	<b>373,119.00</b>	<b>350,000.00</b>
<b>Non-Current Assets</b>			
Fixed assets	2a	1,161,000.00	1,405,437.10
<b>Total Non-Current Assets</b>		<b>1,161,000.00</b>	<b>1,405,437.10</b>
<b>Total Assets</b>		<b>1,534,119.00</b>	<b>1,755,437.00</b>
<b>Liabilities</b>			
Creditors		0.00	0.00
Payables		0.00	0.00
<b>Total Liabilities</b>		<b>0.00</b>	<b>0.00</b>
<b>Net Assets</b>		<b>1,534,119.00</b>	<b>1,755,437.00</b>
Accumulated Funds	8	(202,606.00)	79,000.00

The financial statements set out on pages 15 to 18 were signed on behalf of the Board of Directors by:

  
.....  
Walter Ondeyo  
Accounting Officer  
ICPAK M/No: 27815

  
.....  
Clementine Osodo  
Secretary-General

  
.....  
Evans Misati James  
National Chairman

Date: 12/02/24

Date: 12/02/24

Date: 12/02/24



Progressive Party of Kenya  
Annual Report and Financial Statements  
for the year ended June 30, 2023.

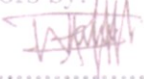
13. Statement of Cash Flows for the year ended 30<sup>th</sup> June 2023


	Notes	Insert Current 2023	Insert Comparative 2022
		Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Cash from Operating activities		0.00	0.00
Donations		5,000.00	6,150,000.00
Sale of Membership Cards and nomination fees		0.00	4,600,000.00
Political Party Funds		1,576,768.00	0.00
<b>Total receipts</b>		<b>1,581,768.00</b>	<b>10,750,000.00</b>
<b>Payments</b>			
Employee costs		317,234.00	5,700,000.00
Special Interest Groups (workshops)		980,000.00	1,600,000.00
Administration Expense		566,200.00	2,700,000.00
Primaries		0.00	1,200,000.00
Party Policy and Advocacy			250,000.00
<b>Total payments</b>		<b>1,863,434.00</b>	<b>11,450,000.00</b>
<b>Net cash flows from/(used in) operating activities</b>		<b>(281,666.00)</b>	<b>(700,000.00)</b>
<b>Cash flows from investing activities</b>			
Sale of investments		0.00	0.00
<b>Net cash flows from/(used in) investing activities</b>		<b>0.00</b>	<b>0.00</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		0.00	0.00
Repayment of borrowings		0.00	0.00
<b>Net cash flows from financing Activities</b>		<b>0.00</b>	<b>0.00</b>
<b>Net increase/(decrease) in cash &amp; Cash equivalents</b>		<b>(281,666.00)</b>	<b>(700,000.00)</b>
Opening Balance		350,000.00	150,000.00
<b>Cash and cash equivalents on 30 June</b>	7	<b>373,119.00</b>	<b>350,000.00</b>

*Progressive Party of Kenya*  
**Annual Report and Financial Statements**  
for the year ended June 30, 2023.

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The financial statements set out on pages 15 to 18 were signed on behalf of the Board of Directors by:

  
.....  
**Walter Ondeyo**  
Accounting Officer  
ICPAK M/No: 27815

  
.....  
**Clementine Osodo**  
Secretary-General

  
.....  
**Evans Misati James**  
National Chairman

Date: 12/02/24

Date: 12/02/24

Date: 12/02/24



## Notes to the Financial Statements

### 1. Accounting Policies

a) Basis of Accounting

The accounts are prepared under the historic cost convention.

b) Property, Plant & Equipment and Depreciation

Property & Equipment are stated at cost less accumulated depreciation.

Depreciation is charged at rates estimated to write off the cost of the assets over their estimated useful lives using the reducing balance method.

The rates applicable are:

Computer Equipment	-	30%
Loose tools	-	33%
Furniture & fittings	-	12.50%

### 2a. Property and Equipment

	Computer & Equipment Dep @ 30%	Loose Tools Kshs Dep @ 33%	Furniture & Fittings Kshs Dep @ 12.50%	Totals Kshs.
<b>COST</b>				
	598,000.00	26,865.67	780,571.43	1,405,437.10
As at 30/6/2023	<u>657,142.86</u>	<u>26,865.67</u>	<u>780,571.43</u>	<u>1,405,437.10</u>
<b>DEPRECIATION</b>				
Charge for the year	197,142.86	8,865.67	97,571.43	14,940.00
Dep As at 30/6/2023	197,142.86	8,865.67	97,571.43	14,940.00
<b>NET BOOK VALUE</b>				
As at 30/6/2023	<u>460,000.00</u>	<u>18,000.00</u>	<u>683,000.00</u>	<u>1,161,000.00</u>

## 2b. Statement of Fixed Assets

5 Desktop Computers:	200,000
2 Laptop Computers:	120,000
1 Carpet:	80,000
4 Furniture:	150,000
2 Photocopier:	140,000
11 Office Desk:	88,000
15 Office Chairs:	150,000
Utensils:	15,000
1 Electric Kettle:	3,000
1 Water Dispenser	25,000
2 Wooden Cabinets	40,000
3 Television:	150,000
	<b>1,161,000</b>

## 3. List of Donations/Contributions/Funding Ending June 30<sup>th</sup>, 2023

	Names	2023	2022
1.	Evans Misati	5,000.00	1,500,000.00
2.	Clementine Osodo		50,000.00
3.	Richard Bangura		950,000.00
4.	Ezekiel Angwinyi		1,500,000.00
5.	Risper Moraa		800,000.00
6.	Evans Ogega		700,000.00
7.	Wiclif Onyiego		700,000.00
8.	Political Party Fund	1,576,768.00	-
	<b>Total</b>	<b>1,581,768.00</b>	<b>6,150,000.00</b>



#### **4. Administration Expenses**

	Description	2023	2022
1.	Rent	557,310.00	1,200,000.00
2.	Wi-Fi (Paid in Cash)	6,500.00	10,000
3.	Electricity Bill (Paid in Cash)	2,390.00	15,000
4.	Stationeries		1,100,000.00
5.	Consultants		90,000.00
	<b>Total</b>	<b>566,200.00</b>	<b>2,415,000.00</b>

#### **5. Salary Expenses**

	Description	2023	2022
1.	Volunteer Allowances	317,234.00	5,700,000.00
2.			
	<b>Total</b>	<b>317,234.00</b>	<b>5,700,000.00</b>

## 6. Use of goods (SIG Workshop) Expenses

	Names	2023
1.	Hotel Booking	50,000.00
2.	Transport Reimbursement	175,000.00
3.	Professional fee	20,000.00
4.	Hotel (Booking)	50,000.00
5.	Stationeries	60,000.00
6.	Transport Reimbursement	120,000.00
7.	Hotel (Bal)	15,000.00
8.	Hotel (booking)	50,000.00
9.	Stationeries	60,000.00
10.	Transport Reimbursement	120,000.00
11.	Hotel (Bal)	15,000.00
12.	Hotel booking	50,000.00
13.	Stationeries	40,000.00
14.	Hotel (Booking)	20,000.00
15.	Professional fee	15,000.00
16.	Transport Reimbursement	120,000.00
	<b>Total</b>	<b>980,000.00</b>



## 7. Cash and bank balance.

Bank Reconciliations Statement		
Particular		
Bal as per Bank Balance Certificate		-
<b>Less:</b>		
Unpresented Cheques		-
Receipt in bank statement not recorded in Cash Book		
		-
<b>Add:</b>		
Payment in bank Statement not yet recorded in Cash Book		
	89.00	
Receipts in Cash Book Not reflected in Bank	312,464.00	
Balance as per cash book	60,566.00	
Balance as per cash book	<b>373,119.00</b>	<b>373,119.00</b>
		<b>373,119.00</b>

## 8. Statement of Change in Equity

Statement of Change in Equity As of 30 <sup>th</sup> June 2023,	2023
Opening Bal	79,000.10
Surplus/Deficit	(281,666.00)
<b>Closing Balance Equity</b>	<b>(202,606.00)</b>

## 9. Statement of Budget Comparison

	Original Budget	Actual Budget	Performance difference
<b>Income</b>	Kshs.	Kshs.	Kshs.
Expected inflows	2,009,232.00	1,581,768.00	427,464.00
<b>Expenditure</b>			
Administration Expenses	566,700.00	566,200.00	500.00
Salaries	342,000.00	317,234.00	24,766.00
Promoting SIGs	980,532.00	980,000.00	532.00
Promoting Participation by Citizens	120,000.00	0.00	120,000.00
Total Expenditure	2,009,232.00	1,863,434.00	145,798.00
Surplus		(281,666.00)	





# CO-OPERATIVE BANK

We are you

The Co-operative Bank of Kenya Limited  
Kilimani Branch  
P.O. Box 34904 - 00100 GPO Nairobi  
Mobile: 0708 223302, 0786 666052  
Mobile: 0701 826808, 0736 690303  
Email: kilimanibr@co-opbank.co.ke

30<sup>th</sup> January 2024

PROGRESSIVE PARTY OF KENYA  
P.O. Box 16923-00100  
Nairobi, Kenya

Dear Sir/Madam,

**RE: CERTIFICATE OF BANK ACCOUNT BALANCE**

We refer to your letter dated 30/01/2024 and provide the requested information as at 30/06/2023

1. Full titles of the accounts, account numbers and Balances as at 30/06/2023:

ACCOUNT NAME	ACCOUNT NUMBER	CURRENCY	ACCOUNT BALANCE AS AT 30/06/2023
PROGRESSIVE PARTY OF KENYA	0112012410330 0	KES	0.00 CR

2. Attached herein are certified bank statement from 1<sup>st</sup> July 2022 to June 2023.

Yours faithfully,

Maureen Koech  
Branch Manager  
Kilimani

## Bank Reconciliations

Bank Reconciliations Statement		
Particular		
Bal as per Bank Balance Certificate		-
<b>Less:</b>		
Unpresented Cheques		-
Receipt in bank statement not recorded in Cash Book		
		-
<b>Add:</b>		
Payment in bank Statement not yet recorded in Cash Book		
	89.00	
Receipts in Cash Book Not reflected in Bank	312,464.00	
Balance as per cash book	60,566.00	
Balance as per cash book	<b>373,119.00</b>	<b>373,119.00</b>
		<b>373,119.00</b>



