

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

*Enhancing Accountability*

THE NATIONAL ASSEMBLY  
PAPERS LAID

DATE: 19 SEP 2024

DAY:

THURSDAY

TABLED  
BY:

HON. ROBERT PUKOSE, MP

CLERK-AT  
THE-TABLE:

NIVIAN WAMBUI

REPORT

OF

THE AUDITOR-GENERAL

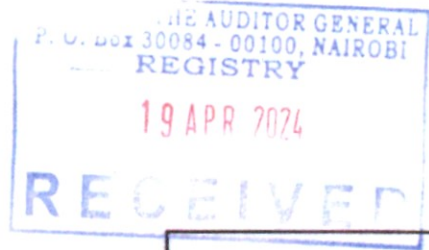
ON

PAMOJA AFRICAN  
ALLIANCE PARTY

FOR THE YEAR ENDED  
30 JUNE, 2023

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OF KENYA  
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**PAMOJA AFRICAN ALLIANCE**

**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)**

**Pamoja African Alliance**  
**Annual Report and Financial Statements For The Year Ended 30<sup>th</sup> June 2023**

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**Pamoja African Alliance**  
**Annual Report and Financial Statements**  
**for the year ended June 30, 2023**

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**1. Entity Information and Management**

(a) **Officials:** Mr. Ibrahim Khamis-National Chairman

:Mr.Lucas Maitha –Secretary General

:Ms.Sureya Roble –National Treasurer

**(b) Entity Headquarters**

P.O. Box 34040-80118

Epic Business Centre

Links Road-Nyali

MOMBASA, KENYA

**(c) Entity Banker**

Co-operative Bank of Kenya Limited

Nkrumah Road Branch

MOMBASA, KENYA

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

**(d) Independent Auditor**

Auditor-General  
Office of the Auditor General  
Anniversary Towers, University Way  
P.O. Box 30084  
GPO 00100  
Nairobi, Kenya

**(e) Principal Legal Adviser**

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

**Pamoja African Alliance  
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**2. The Management Committee**

<b>Ref</b>	<b>Directors</b>	<b>Details</b>
1.	National Chairman	MR. IBRAHIM KHAMIS.  MBA, STRATEGIC PLANNING
2.	Secretary General	MR. LUCAS MAITHA BA, PUBLIC ADMINISTRATION
3.	National Treasurer	MS. SUREYA ROBLE. MBA, PUBLIC POLICY

**3. Chairman's Statement**

**(One – two pages.)**

*(Under this section, the Chairman will give a brief highlight of the key activities during the year, successes consolidated, challenges being faced and the way forward or future outlook for the organisation). The report should be signed by the chairman of the governing body.*

Chairman's Report as Follows:-

Pamoja African Alliance (PAA), participated in the 2022 general election for the first time. We won Three Parliamentary seats and Seventeen County Assembly Seats Across Four Counties. As a young Party, Many lessons were learnt in this experiences, we set out programs to align our activities to reflet our manifestos.

We therefore organise meeting involving **PWD's, YOUTH & WOMEN** a constituent missing in the elected membership. We also called upon all elected & nominated members of the party to take them through party positions on various issues. But our party faced challenges, taking into consideration the party had been registration towards end of 2021, barely Eight Months before the general Election. Registration of new members. Compliance ORPP Strick election guidelines, party Nominations procedures and lack of knowledge on political management.

In December 2023, New leadership took over and there was no clear transitions from the previous management to the current one.

Final, we faced budget cuts by Treasury which greatly affected our programmes implementation

This has brought to the fore, the need for Pamoja African Alliance Party to fun rise and look alternative sources funding

This will ensure the future existence of this party.



**Chairman.**

**Mr. Ibrahim Khamis.**



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

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**Pamoja African Alliance  
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**Report of the Management Committee**

The Management Committee submit their report together with the audited financial statements for the year ended June 30, 2023, which show the state of the *Entity's* affairs.

**i) Principal activity**

The principal activity of the Entity is a Political Party promoting good governance and social democracy.

**ii) Results**

The results of the Entity for the year ended June 30, 2023 are set out on page 1

**iii) Management Committee**

The members of the Management Committee who served during the year are shown on page (V)

**iv) Auditors**

The Auditor-General is responsible for the statutory audit of the *Entity* in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 or XYZ Certified Public Accountants were nominated by the Auditor General to carry out the audit of the *Entity* for the year/period ended June 30, 2023, in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Management Committee

  
.....

**Mr. Lucas Maitha**

**Secretary General**

#### **4. Statement of Management Committee Responsibilities**

Section 81 of the Public Finance Management Act, 2012 and the Political Party Act require the Management Committee 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 Management Committee are also required to ensure that the *Entity* keeps proper accounting records which disclose with reasonable accuracy the financial position of the *Entity*. The Management Committee are also responsible for safeguarding the assets of the *Entity*.

The Management Committee 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: (i) Maintaining adequate financial management arrangement 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 Management Committee 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 Political Party Act. The Management Committee 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 Management Committee 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.

**Pamoja African Alliance  
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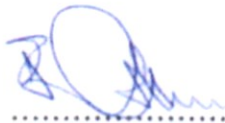
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In preparing the financial statements, the Management Committee have assessed the entity's ability to continue as a going concern.

Nothing has come to their attention to indicate that the party 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 Management committee on 30<sup>TH</sup> June 2023 and signed on its behalf by:



.....  
**Mr. Ibrahim Khamis**  
National Chairman

Date 30/6/23



.....  
**Mr. Lucas Maitha**  
Secretary General

Date 30/6/23



.....  
**Ms. Sureya Roble**  
National Treasurer

Date 30<sup>th</sup> June 2023

**5. Report of the Independent Auditor for the Financial Statements of pamoja African Alliance**

# REPUBLIC OF KENYA

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E-mail: 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 PAMOJA AFRICAN ALLIANCE PARTY 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 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 under 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**

#### **Adverse Opinion**

I have audited the accompanying financial statements of Pamoja African Alliance set out on pages 1 to 17, which comprise of the statement of financial position as at 30 June, 2023 and the statement of financial performance, statement of changes in net

assets, statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended and 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, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, the financial position of Pamoja African Alliance Party 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 do not comply with the Political Parties Act, 2011 and Public Finance Management Act, 2012.

### **Basis for Adverse Opinion**

#### **1. Failure to Prepare a Trial Balance and Ledgers**

The financial statements presented for audit were not supported by a trial balance and ledgers contrary to Paragraph 27 of IPSAS 1, which requires the accurate representation of the effects of transactions, other events, and conditions in accordance with the definitions and recognition criteria for assets, liabilities, revenue, and expenses set out in IPSAS.

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

#### **2. Unsupported Receivables**

The statement of financial position reflects receivables and prepayments balance of Kshs.1,188,887. However, Note 30(a) was not included in the financial statements and the balance was not supported by receivables register, description/breakdown of the receivables, aging analysis and supporting schedules.

In the circumstances, the accuracy, completeness and existence of receivables and prepayments balance of Kshs.1,188,887 could not be confirmed.

#### **3. Unsupported Salary and Wages**

The statement of financial performance reflects employee costs amount of Kshs.750,000 representing salaries and wages. However, the amount was not supported by schedules, payment vouchers, recruitment records, contracts, or employees' payroll.

In the circumstances, the accuracy and completeness of the employee costs amounting to Kshs.750,000 could not be confirmed.

#### **4. Unsupported Expenditure**

The statement of financial performance reflects total expenses of Kshs.6,341,400 which includes amount of Kshs.4,621,809 for the purchase of use of goods and services. However, the supporting documents such as invoices, contracts, invitation letters, meeting minutes, attendance registers, job cards, electronic tax register receipts as proof

of authenticity of payment and the payment mode for the goods and services were not provided for audit verification.

In the circumstances, the accuracy and completeness of the use of goods and services expenditure of Kshs.4,621,809 could not be confirmed.

#### **5. Unsupported Procurement of Goods and Services**

The statement of financial performance reflects use of goods and services amount of Kshs.4,621,809 and repairs and maintenance amount of Kshs.195,000. However, Management did not provide a procurement plan for audit verification. Further, the contracts for the services charged did not have supporting documents such as advertisement, bid documents, opening evaluation minutes and appointment letters, evaluation minutes and appointment letters, professional opinion, awarding and local purchase orders, or contracts. In addition, Management did not explain the procurement method used and how the suppliers were identified and contracts awarded.

In the circumstances, the accuracy, completeness and regularity of the use of goods and services expenditure of Kshs.4,621,809 and repairs and maintenance of Kshs.195,000 could not be confirmed.

#### **6. Unsupported Cash and Cash Equivalents**

The statement of financial position reflects cash and cash equivalents balance of Kshs.10,153. However, the cashbooks and bank balance certificates, bank reconciliation statements, board of survey reports and appointment letters to the board of survey were not provided for audit.

In the circumstances, the accuracy and completeness of cash and cash equivalents balance of Kshs.10,153 could not be confirmed.

#### **7. Unsupported Property, Plant and Equipment**

The statement of financial position reflects property, plant and equipment balance of Kshs.5,894,619. However, an asset register indicating the assets serial numbers, value of the assets, date of purchase, depreciation rate and number of assets, location and condition of the assets was not provided for audit. Further, the assets were not tagged for identification purposes.

In the circumstances, the accuracy, completeness and valuation of the property, plant and equipment balance of Kshs.5,894,619 could not be confirmed.

#### **8. Misstatement of Statement of Cash Flows**

The statement of cash flows erroneously reflects an increase in receivables balance of Kshs.180,000 (2022 - Kshs.221,113) under investing activities as well as prior year's decrease in payables balance of Kshs.74,670. This distorts the fair presentation of the statement of cash flows.

In the circumstances, the accuracy, presentation and completeness of the statement of cash flows could not be confirmed.



The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Pamoja African Alliance Party 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 adverse opinion.

### **Emphasis of Matter**

#### **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.

My opinion is not modified in respect of this matter.

### **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, because of the significance of the matters discussed in the Basis for Adverse Opinion and Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources sections of my report, based on the audit procedures performed, I confirm that public resources have not been applied lawfully and effectively.

### **Basis for Conclusion**

#### **1. Presentation and Disclosure of Financial Statements**

Review of financial statements prepared and presented for audit revealed the following anomalies:

- i. The revised financial statements submitted on 19 April, 2024 were approved on 30 June, 2023 whereas the first set of financial statements were signed in 21 September, 2023.
- ii. The footnotes on the statement of financial performance did not indicate the pages where notes to the financial statements are set out. Further, the footnotes in the

statement of financial position indicate that the financial statements are set out in pages 1 to 4 instead of pages 1 to 5.

- iii. Note numbers 16, 17, 19, 20, 29, 30(a), 34, 37 and 50 were not disclosed in the financial statements while Note 6 is provide details on use of goods and services not grants. In addition, Note number references in the statement of cash flows were omitted.
- iv. The statement of changes in net assets reflects opening balances as at 01 July, 2023 instead of 01 July, 2022.
- v. The statement of comparison of budget and actual amounts for the year was omitted in the financial statements.
- vi. The National Treasurer signed financial statements but did not indicate the ICPAK Number.
- vii. The annual report and financial statements lack sections on the statement of performance against predetermined objectives, corporate governance statement, management discussion and analysis, environmental, sustainability reporting, report of the Directors, statement of the Directors' responsibilities and the report of the Secretary-General and the Chief Executive Officer.
- viii. The significant accounting policies do not include depreciation rates for computers, furniture and fittings, motor vehicles and plant and equipment.
- ix. The statement of financial performance refers to Note 16 for use of goods and services and Note 17 for employee costs instead of Note 6 and 7 respectively.

In the circumstances, the financial statements presented for audit do not comply with the reporting template prescribed by the Public Sector Accounting Standards Board.

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

During the audit for the year under review, it was observed that the Party had established only one (1) office in Mombasa which is also its headquarters. This was contrary to Section 7(f)(ii) & (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 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, because of the significance of the matters discussed in the Basis for Adverse Opinion and Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, based on the audit procedures performed, I confirm that internal controls, risk management and governance were not effective.

## **Basis for Conclusion**

### **1. Lack of Payroll and Approved Management Policies**

During the year under review, the Party did not maintain payrolls for volunteer staff allowances. Further, the policies in respect of finance, human resource and information communication technology were not provided for audit.

In the circumstances, the effectiveness of internal controls on human resources and governance could not be confirmed.

### **2. Lack of an Audit Committee**

During the year under review, the Party did not have an audit committee contrary to Section 73(5) of the Public Finance Management Act, 2012 which requires that every National Government to establish an internal auditing committee whose composition and functions are to be prescribed by the regulations.

In the circumstances, the effectiveness of internal controls and risk management could not be confirmed.

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

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal 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 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 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 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 controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of 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 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 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 controls 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

24 June, 2024

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

**6. Statement of Financial Performance for the year ended 30 June 2023**

	Notes	2023	2022
		Kshs	Kshs
<b>Revenue from non-exchange transactions</b>			
Grants	6	5,750,650	14,062,975
<b>Total Revenue</b>		<b>5,750,650</b>	<b>14,062,975</b>
<b>Expenses</b>			
Use of goods and services	16	4,621,809	9,218,679
Employee costs	17	750,000	3,381,200
Depreciation and amortization expense	19	774,591	677,412
Repairs and maintenance	20	195,000	145,000
<b>Total expenses</b>		<b>6,341,400</b>	<b>13,422,291</b>
<b>(Deficit)/Surplus before tax</b>		<b>(590,750)</b>	<b>640,684</b>
<b>Net (Deficit)for the year</b>		<b>(570,750)</b>	<b>640,684</b>

The notes set out on pages to form an integral part of these Financial Statements. The Financial Statements set out on pages to were signed on behalf of the Management Committee by:



.....  
**Mr. Ibrahim Khamis**  
**National Chairman**

Date 30/6/2023



.....  
**Mr. Lucas Maitha**  
**Secretary General**

Date 30/6/23



.....  
**Ms. Sureya Roble**  
**National Treasurer**

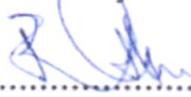
Date 30<sup>th</sup> JUNE 2023

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

**15 Statement of Financial Position as at 30 June 2023**

	Notes	2023 Kshs	2022 Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash equivalents	29	10,153	6,312
Receivables and Prepayments	30 (a)	1,188,887	1,008,887
<b>Total Current Assets</b>		<b>1,199,040</b>	<b>1,015,199</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	34	5,894,619	6,669,210
<b>Total Non- Current Assets</b>		<b>5,894,619</b>	<b>6,669,210</b>
<b>Total Assets</b>		<b>7,093,659</b>	<b>7,684,409</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Payables and Accruals	37	245,800	245,800
<b>Total Current Liabilities</b>		<b>245,800</b>	<b>245,800</b>
<b>Non-Current Liabilities</b>		-	-
<b>Total Liabilities</b>		<b>245,800</b>	<b>245,800</b>
<b>Net Assets</b>		<b>6,847,859</b>	<b>7,438,609</b>
<b>Reserve Fund</b>		<b>6,847,859</b>	<b>7,438,609</b>
<b>Total Net Assets and Liabilities</b>		<b>6,847,859</b>	<b>7,438,609</b>

The financial statements set out on pages 1 to 4 were signed on behalf of the the Management Committee by:

  
 .....

**Mr.Ibrahim Khamis**  
**National Chairman**

Date

30/6/23

  
 .....

**Mr.Lucas Maitha**  
**Secretary General**

Date

30/6/23

  
 .....

**Ms.Sureya Roble**  
**National Treasurer**

Date

20<sup>th</sup> JUNE 2023



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**Statement of Changes in Net Assets for the year ended 30 June 2023**

	Notes	Accumulated surplus	Reserves Total
		Kshs	Kshs
<b>Balance as at 1.01.2023</b>		<b>7,438,609</b>	<b>7,438,609</b>
Deficit for the period		(590,750)	(590,750)
<b>Balance as at 30.6.2023</b>		<b>6,847,859</b>	<b>6,847,859</b>

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**7. Statement of Cash Flows for the year ended 30 June 2023**

	Notes	2023	2022
		Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Grants		5,750,650	14,062,975
<b>Total receipts</b>		<b>5,750,650</b>	<b>14,062,975</b>
<b>Payments</b>			
Use of goods and services		4,621,809	9,218,679
Employee costs		750,000	3,381,200
Repairs and maintenance		195,000	145,000
<b>Total payments</b>		<b>5,566,809</b>	<b>12,744,879</b>
<b>Net cash flows from/(used in) operating activities</b>	50	<b>183,841</b>	<b>1,318,096</b>
<b>Cash flows from investing activities</b>			
Purchase of PPE and Intangible assets		-	(4,000,000)
Increase/Decrease in Receivables		180,000	221,113
Increase/Decrease in Payables		-	(74,670)
<b>Net cash flows from/(used in) investing activities</b>		<b>3,841</b>	<b>(2,535,461)</b>
<b>Cash flows from financing activities</b>			
		-	-
<b>Net increase/(decrease) in cash &amp; Cash equivalents</b>		<b>3,841</b>	<b>(2,535,461)</b>
Cash and cash equivalents at 1 July	29	6312	2,541,773
<b>Cash and cash equivalents at 30 June</b>	29	<b>10,153</b>	<b>6,312</b>

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**18. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2023**

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	Kshs a	Kshs b	Kshs C=(a+b)	Kshs d	Kshs e=(c-d)	f=d/c*100
<b>Revenue</b>						
Transfers from Other Governments entities	xxx	-	xxx	xxx	(xxx)	xxx
Levies, Fines and Penalties	xxx	(xxx)	xxx	xxx	(xxx)	xxx
Public Contributions and Donations	xxx	(xxx)	xxx	xxx	(xxx)	xxx
Property Taxes Revenue	xxx	-	xxx	xxx	xxx	xxx
Licenses and permits	xxx	-	xxx	xxx	xxx	xxx
Rendering of Services	xxx	(xxx)	xxx	xxx	(xxx)	xxx
Sale of Goods	xxx	-	xxx	xxx	(xxx)	xxx
Rental Revenue from Facilities and Equipment	xxx	-	xxx	xxx	xxx	xxx
Finance Income	xxx	xxx	xxx	xxx	(xxx)	xxx
Agency Income	xxx	xxx	xxx	xxx	(xxx)	xxx
Other Income	xxx	xxx	xxx	xxx	(xxx)	xxx
<b>Total Income</b>	<b>xxx</b>	<b>(xxx)</b>	<b>xxx</b>	<b>xxx</b>	<b>(xxx)</b>	<b>xxx</b>
<b>Expenses</b>						
Use of Goods and Services	xxx	-	xxx	xxx	(xxx)	xxx
Employee costs	xxx	(xxx)	xxx	xxx	(xxx)	xxx
Remuneration of Directors	xxx	(xxx)	xxx	xxx	(xxx)	xxx
Repairs and Maintenance	xxx	xxx	xxx	xxx	xxx	xxx
Contracted Services	xxx	-	xxx	xxx	(xxx)	xxx
Grants and Subsidies	xxx	-	xxx	xxx	-	xxx
<b>Total Expenditure</b>	<b>xxx</b>	<b>(xxx)</b>	<b>xxx</b>	<b>xxx</b>	<b>(xxx)</b>	<b>xxx</b>
<b>Surplus for the period</b>	<b>xxx</b>	<b>xxx</b>	<b>xxx</b>	<b>xxx</b>	<b>xxx</b>	<b>xxx</b>
<b>Capital Expenditure</b>	<b>xxx</b>	<b>xxx</b>	<b>xxx</b>	<b>xxx</b>	<b>xxx</b>	<b>xxx</b>

1. Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization (IPSAS 24.14)
2. Provide an explanation of changes between original and final budget indicating whether the difference is due to reallocations or other causes. (IPSAS 24.29)
3. Where the total of actual on comparable basis does not tie to the statement of financial performance totals due to differences in accounting basis (budget is cash basis, statement of financial performance is accrual) provide a reconciliation.

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

### **1. General Information**

Pamoja African Alliance is a political party established by and derives its authority and accountability from Political Party Act. The Party is domiciled in Kenya. The principal activity is to promoting good governance and social democracy.

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

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

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the *Entity*. The financial statements have been prepared in accordance with the PFM Act, the Statute Corporations Act (*include any other applicable legislation*), and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

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**Notes to the Financial Statements (Continued)**

**3. Adoption of New and Revised Standards**

- i. *New and amended standards and interpretations in issue effective in the year ended 30 June 2023.*

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

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Standard	Effective date and impact:
	<p>(b) The key features of the operation of those social benefit schemes; and</p> <p>(c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows.</p>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p><b>Applicable: 1st January 2023:</b></p> <p>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</p> <p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guaranteed contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>d) Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>
<p>Other improvements to IPSAS</p>	<p><b>Applicable 1<sup>st</sup> January 2023</b></p> <ul style="list-style-type: none"> <li>• <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> Amendments to refer to the latest System of National Accounts (SNA 2008).</li> <li>• <i>IPSAS 39: Employee Benefits.</i> Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</li> <li>• <b>IPSAS 29: Financial instruments: Recognition and Measurement.</b> Standard no longer included in the 2023 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1<sup>st</sup> January 2023.</li> </ul>

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ii. *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2023.*

Standard	Effective date and impact:
IPSAS 43	<p><i>Applicable 1<sup>st</sup> January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1<sup>st</sup> January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>

iii. *Early adoption of standards*

The Entity did not early – adopt any new or amended standards in the financial year or *the entity adopted the following standards early (state the standards, reason for early adoption and impact on entity's financial statements.)*



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**Notes to the financial statements (continued)**

**4. Summary of Significant Accounting Policies**

**a) Revenue recognition**

The *Entity* recognizes revenues inform of grants from the Political Party Fund.

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**Notes to the Financial Statements (Continued)**

**Summary of Significant Accounting Policies (Continued)**

**b) Budget information**

The original budget for the Current FY was approved by the National Assembly on xxx. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Entity recorded additional appropriations of xxx on the 20xx budget following the governing body's approval.

**Notes to the Financial Statements (Continue 1)**

**Summary of Significant Accounting Policies (Continued)**

**Budget information (continued)**

The *Entity's* budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section xxx of these financial statements.

**Notes to the Financial Statements (Continued)**

**Summary of Significant Accounting Policies (Continued)**

**c) Property, plant and equipment**

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

**Trade and other receivables**

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at t

**d) Nature and purpose of reserves**

The Entity creates and maintains reserves in terms of specific requirements. The reserve is a representation of the net assets.

**e) Changes in accounting policies and estimates**

The Entity recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

**f) Borrowing costs**

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

**g) Related parties**

The Entity regards a related party as a person or an Entity with the ability to exert control individually or jointly, or to exercise significant influence over the Entity, or vice versa. Members of key management are regarded as related parties and comprise *the Management committee, National Chairman, National Treasurer and Secretary General*

**h) Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and cash at bank.

**i) Comparative figures**

Comparative figures for the previous financial year conform to the required changes in presentation.

**j) Subsequent events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2023.

**Summary of Significant Accounting Policies (Continued)**

**5. Significant Judgments and Sources of Estimation Uncertainty**

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

**Estimates and assumptions.**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Entity based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

**Useful lives and residual value**

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- a) The condition of the asset based on the assessment of experts employed by the Entity.
- b) The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- c) The nature of the processes in which the asset is deployed.
- d) Availability of funding to replace the asset.
- e) Changes in the market in relation to the asset

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**Notes to the Financial Statements (Continued)**

**6. Use of Goods and Services**

Description	2023	2022
	Kshs	Kshs
Postage ,Telephone & Internet	-	50,440
Nomination expenses	-	1,900,000
Printing & stationery	-	1,081,750
Transport ,travelling & accommodation	3,718,000	1,242,034
Branding & advertisement	395,000	900,000
Professional fees	325,000	-
Motor Vehicle running expense	-	540,000
Accountancy fees	-	100,000
Recruitment expenses	-	433,020
Electricity & water	-	60,440
Rent expenses	180,000	2,900,000
Bank charges	3,809	10,995,
<b>Total</b>	<b>4,621,809</b>	<b>9,218,679</b>

**7. Employee Costs**

Description	2023	2022
	Kshs	Kshs
Salaries and wages	750,000	3,381,200
<b>Employee costs</b>	<b>750,000</b>	<b>3,381,200</b>

**8. Property, Plant and Equipment**

Cost	Motor vehicles	Furniture and fittings	Computers	Total
	Kshs	Kshs	Kshs	Kshs
As At 1 <sup>st</sup> Jan 2023	7,000,000	1,213,670	50,000	8,263,670
<b>Depreciation</b>				
As At 1 <sup>st</sup> Jan 2023	1,312,500	258,210	23,750	1,594,460
Depreciation charge for the period	710,937	59,716	3,938	774,591
As At 30 <sup>th</sup> June 2023	2,023,437	317,926	27,688	2,369,051
<b>Net Book Values</b>				
As at 30 <sup>th</sup> June 2023	4,976,563	895,744	22,312	5,894,619
As at 30 <sup>th</sup> June 2022	5,687,500	955,460	26,250	6,669,210

