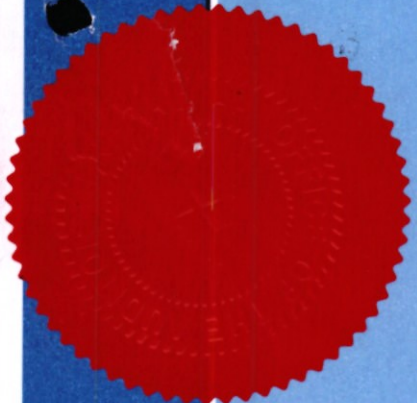
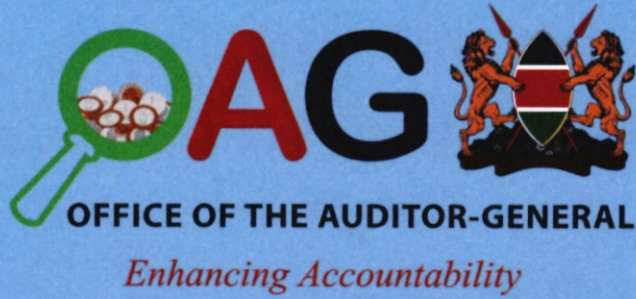


REPUBLIC OF KENYA



REPORT



OF

THE AUDITOR-GENERAL

ON

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 14 SEP 2024	DAY: Wednesday
TABLED BY:	Hon. Owen Baya, mp Deputy Majority Party
CLERK-AT THE TABLE:	Finlay Muriuki

WIPER DEMOCRATIC MOVEMENT

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



WIPER DEMOCRATIC MOVEMENT

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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

**Wiper Democratic Movement
Annual Report and Financial Statements
For the year ended June 30, 2023**

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**Wiper Democratic Movement
Annual Report and Financial Statements
For the year ended June 30, 2023**

1.0 Acronyms, Abbreviations and Glossary of Terms

A: Acronyms and Abbreviations

CEO	Chief Executive Officer
DG	Director General
CBK	Central Bank of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
MD	Managing Director
NT	National Treasury
OCOB	Office of the Controller of Budget
OAG	Office of the Auditor General
OSHA	Occupational Safety and Health Act of 2007
PFM	Public Finance Management
PPE	Property Plant & Equipment
PSASB	Public Sector Accounting Standards Board
SAGAs	Semi-Autonomous Government Agencies
SC	State Corporations
WB	World Bank
WDM	Wiper Democratic Movement

B: Glossary of Terms

Fiduciary Management- Members of Management directly entrusted with the responsibility of financial resources of the organization

Comparative Year- Means the prior period

**Wiper Democratic Movement
Annual Report and Financial Statements
For the year ended June 30, 2023**

2.0 KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The Wiper Democratic Movement was founded in 2006 by Kenyans whose vision was to change the entrenched socio-economic inequalities, bad governance, corruption, negative ethnicity and to tackle the growing poverty and marginalization of communities and disadvantaged groups.

(b) Principal Activities

The principal activity/mission of the WDM is to promote a united social democratic party that seeks to develop a fundamentally united Kenya through the ideals and principles of democracy that promotes equality, justice, peace, freedom and equitable distribution of resources.

(c) Key Management

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

No.	Designation	Name
1.	Chairperson	-
2.	Vice Chairperson	Gov. Mutula Kilonzo Mrs Anne Kanyi Mr. Victor Ogeto Hon. Andrew Sunkuli
3.	Secretary General	Sen. Shakila Abdalla
4.	Treasurer	Hon. Gideon Mulyungi
5.	Executive Director	Eng. Justus Wambutura

**Wiper Democratic Movement
Annual Report and Financial Statements
For the year ended June 30, 2023**

(d) 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.	Chairperson	-
2.	Vice Chairperson	Gov. Mutula Kilonzo Mrs. Anne Kanyi Mr. Victor Ogeto
3.	Secretary General	Sen. Shakila Abdalla
4.	Treasurer	Hon. Gideon Mulyungi
5.	Executive Director	-

KEY ENTITY INFORMATION AND MANAGEMENT (Continued)

(e) Entity Headquarters

Wiper House
P.O. Box 403-00100
Kufuga Road, Karen
Nairobi, Kenya

(f) Entity Contacts

Telephone: (254) 720513513
Email: info@wiper.co.ke
Website: www.wiper.co.ke

(g) Entity Bankers

Co-operative Bank of Kenya
Parliament Road Branch
P.O Box 11044-00100
Nairobi, Kenya

**Wiper Democratic Movement
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(h) Independent Auditors

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

i) Principal Legal Adviser

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

**Wiper Democratic Movement
Annual Report and Financial Statements
For the year ended June 30, 2023**

3.0 The Board of Directors/Council

1.	H.E Stephen Kalonzo Musyoka	<p>Stephen Kalonzo Musyoka (born 24 December 1953) is a Kenyan politician who was the tenth Vice-President of Kenya from 2008 to 2013. Musyoka served in the government under the late President Daniel arap Moi as the Secretary of Kenya African National Union party (1980-1988), Assistant Minister for Works (1986-1988), Deputy Speaker of the National Assembly (1988-1992), Minister for Foreign Affairs from 1993 until 1998, Minister of Education (1998-2001); and subsequently, under the late President Mwai Kibaki, he was Minister of Foreign Affairs again from 2003 to 2004, then Minister of the Environment from 2004 to 2005.^[2] He was an unsuccessful candidate in the 2007 presidential election, after which he was appointed vice-president by Kibaki in January 2008.</p> <p>Kalonzo Musyoka is the party leader of the Wiper Democratic Movement .</p>
2.	Sen. Shakila Abdalla	<p>Shakila Abdalla is the Secretary General of Wiper Democratic Movement and a special elect member of the Senate of Kenya.</p>
3.	Mrs. Anne Kanyi	<p>Mrs. Anne Kanyi is the Vice Chairperson of the Wiper Democratic Movement party.</p>
4.	Hon.Gideon Mulyungi	<p>Hon. Dr. Architect Gideon Mutemi Mulyungi is currently the MP for Mwingi Central Constituency and Chairman of Tectonics International, an architectural consulting firm of architects, which he founded in 2007. Prior to this, he was the Permanent Secretary, Ministry of Public Works from 2012 to 2013, where he was appointed by His Excellency the President of the Republic of Kenya, H.E. Hon. Mwai Kibaki, CGH, and MP.</p> <p>Hon. Mulyungi is the Party Treasurer of Wiper Democratic Movement.</p>

**Wiper Democratic Movement
Annual Report and Financial Statements
For the year ended June 30, 2023**

4.0 Key Management Team

1.	Eng. Justus Wambutura	Executive Director
2.	Ken Mutugi	Accountant
3.	Stephen Katumbu	Logistics & Recruitment Officer
4.	Mercy Mutheu	Secretary

**Wiper Democratic Movement
Annual Report and Financial Statements
For the year ended June 30, 2023**

5.0 CHAIRPERSON'S STATEMENT

I am delighted to present the financial report for **WIPER DEMOCRATIC MOVEMENT** for the year ended 30th June 2023.

I would like to congratulate the members of **WIPER DEMOCRATIC MOVEMENT** without whom it would not have been possible for us to achieve the results for the year under review.

As the Vice Chairperson, I appreciate the support accorded to me by my fellow party officials and I thank them for their invaluable advice and support. I would also like to thank the Government and the Registrar of Political Parties for their support.

Thank you.

**Mrs Anne Kanyi
Vice Chairperson**

**Wiper Democratic Movement
Annual Report and Financial Statements
For the year ended June 30, 2023**

6.0 Report of the Chief Executive Officer

Our party has demonstrated robust financial performance throughout the financial year, achieving significant milestones despite the challenging economic landscape which has been characterized by government budget cuts to the political party's fund.

We have diligently managed our cash flow, ensuring sufficient liquidity to support our operations, investments, and strategic initiatives.

Despite our successes, we encountered certain challenges during the fiscal year. However, we pro-actively implemented mitigation strategies to address these challenges and minimize their impact on our party operations and performance.

In conclusion, the financial year 2022-2023 has been a year of significant achievements and challenges. I am proud of what we have accomplished together as a team and confident in our ability to achieve much more in the financial year 2023/2024.

I extend my sincere gratitude to our NEC, NMC and employees for their unwavering support and dedication. Thank you.

Sincerely,

**Eng. Justus Wambutura
Executive Director**

CORPORATE GOVERNANCE STATEMENT

Corporate Governance is the process by which organizations are directed and controlled and held accountable in order to achieve long term value to all stake holders

The National Executive Committee of **WIPER DEMOCRATIC MOVEMENT** is responsible for the Governance of the party and is accountable to the members for ensuring that the party complies with the law and the highest standards of business ethics and corporate Governance. Accordingly, the party officials attach very high importance to the generally accepted corporate governance practice.

The party has defined procedures and financial controls to ensure the reporting and accurate accounting information. These covers systems for obtaining authority for all transactions and for ensuring compliance with the laws and regulations that have significant financial implications.

The Party will continue to focus its attention on maintaining the highest standards of Corporate Governance and business ethics in its operations.

Signed on behalf of Wiper Democratic Movement.

Sen. Shakila Abdalla
Secretary General



Date.....

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
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 WIPER DEMOCRATIC MOVEMENT FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment and the internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution 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 the Wiper Democratic Movement set out on pages 1 to 14, which comprise of the statement of financial position as at 30 June, 2023, and statement of financial of performance, statement of changes in net assets and statement of cash flows for the year then ended, and a summary of significant

accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I 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, 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 Wiper Democratic Movement as at 30 June, 2023, and its financial performance and its cash flows for the year then ended, in accordance with Public Sector Accounting Standards (Accrual Basis) and comply with the Political Parties Act, 2011(Revised 2016) and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Revenue from non-exchange transactions

The statement of financial performance reflects Kshs.62,050,008 as total revenue from non-exchange transactions. Review of the balance indicates the following.

1.1. Understatement of Political Party Fund

The balance includes an amount of Kshs.36,055,008 relating to funds received from the Political Parties Fund as disclosed in Note 4 to the financial statements. However, review of the documents provided revealed that an amount of Kshs.43,271,747 was disbursed to the party during the year under review, resulting in a variance of Kshs.7,216,739 which was received in July 2023 after the cut-off period. No explanation was given why Management did not recognise the full amount of Kshs.43,271,747 received from the Political Parties Fund as per the IPSAS accrual basis of accounting.

1.2. Unsupported Revenue from Non-Exchange Transactions

Further, the balance includes an amount of Kshs.22,325,000 whose official receipts and revenue ledgers were not provided for audit verification. There was no mechanism for follow-up of members' contributions, resulting in several members not paying their dues.

In the circumstances, the accuracy and completeness of the total revenue from non-exchange transactions of Kshs.62,050,008 could not be confirmed.

2. Unsupported General Expenses

The statement of financial performance reflects general expenses balance of Kshs.43,494,096 which, as disclosed in Note 9 to the financial statements includes an amount of Kshs.15,785,323. However, the balance was not supported with relevant documents.

In the circumstances, the accuracy of the general expenses of Kshs.43,494,096 could not be confirmed.

3. Unsupported Cash and Cash Equivalents

The statement of financial position reflects an amount of Kshs.14,036,621 in respect to cash and cash equivalents as disclosed in Note 10 to the financial statements. Included in the balance is Kshs.1,889,826 relating to the Membership Fund Account. However, review of the bank reconciliation statement for June, 2023 revealed a cash book balance of Kshs.845,589 resulting in the unexplained difference of Kshs.1,044,237. Further, the balance includes an amount of Kshs.78,469 relating to the National Election Board Account. However, review of the bank reconciliation for June, 2023 revealed a cash book balance of Kshs.76,269 resulting in an unexplained variance of Kshs.2,200.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.14,036,621 could not be confirmed.

4. Outstanding Receivables from Non-Exchange Transactions

The statement of financial position reflects receivables from non-exchange transactions balance of Kshs.49,542,776 as disclosed in Note 11 to the financial statements. Included in this amount is Kshs.48,726,223 relating to members arrears, out of which an amount of Kshs.47,387,115 relates to previous financial years. The recoverability of the arrears is doubtful and no evidence was provided to confirm the effort made to recover the same. In addition, there is no provision for doubtful debts provided in the financial statements.

In the circumstances, the accuracy and completeness of the receivables from non-exchange transactions balance of Kshs.49,542,776 could not be confirmed.

5. Property, Plant and Equipment

The statement of financial position reflects Kshs.1,463,490 in respect to property plant and equipment as disclosed in Note 12 to the financial statements. Included in this balance is Kshs.2,420 relating to a motor vehicle with an initial cost of Kshs.250,000. However, no logbook was provided for audit verification, and it was explained that the vehicle had been donated. Further, the motor vehicle was not recorded in the assets register.

In the circumstances, the ownership, accuracy and completeness property plant and equipment balance of Kshs.1,463,490 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Wiper Democratic Movement 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

Unaudited Comparative Balances

I draw your attention to the fact that prior to the 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 reflect comparative balances for the year ended 30 June, 2022, 2022/2023 financial year is considered as the first year of audit hence the audit procedures undertaken did not cover the prior year's balances.

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 for Conclusion

Failure to Establish Adequate Party Offices

During the year under review, thirty-eight (38) Counties were visited, however, it was revealed that the Party has fourteen (14) offices which excludes nine (9) Counties that were not visited. This is contrary to Section 7(f)(iii) of the Political Parties Act, 2011 which states that a political party qualifies to be fully registered if it has submitted to the Registrar the location and addresses of the branch offices of the political party, which shall be in more than half of the counties.

In the circumstances, the Party 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, based on the audit procedures performed, except for the matters 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 for Conclusion

1. Failure to Tag/Label Assets

The statement of financial position reflects property, plant and equipment balance of Kshs.1,463,490 as disclosed in Note 12 to the financial statements. However, review of procurement records revealed that the assets procured by the party had no identification or tag as provided in Section 77(7-9) of the Treasury Guidelines on Asset and Liability Management in the public sector.

In the circumstances, existence of an effective mechanism to safeguard the Party's party could not be ascertained.

2. Lack of Internal Control Function

Review of the Movement's records revealed that the Party lacked fundamental internal control structures such as internal audit, finance policies and procedures manual, risk management policy, human resource policies and procedures, the disaster recovery plan, IT strategic plan and approved IT security policy.

In the circumstances, a lack of internal controls may lead to misuse of funds and assets.

3. Lack of Segregation of Duties

Review of payment records revealed that payment vouchers were not being checked, authorised or stamped. There was no segregation of duties whereby the same officer prepared the memos requesting for funds, withdrawal of monies and disbursement of the same to various party activities.

In the circumstances, a lack of segregation of duties as a measure of internal control may result in errors and irregularities.

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

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Party's ability to sustain services, disclosing as applicable, matters related to the sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Party or 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 control 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 control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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


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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 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 concurred 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

13 June, 2024

**Wiper Democratic Movement
Annual Reports and Financial Statements
For the year ended June 30, 2023**


**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2023**

	Notes	2022-2023	2021-2022
		Kshs	Kshs
Revenue from non-exchange transactions			
Elected & Nominated Members Monthly Remittances	4	15,525,000	19,320,000
Life Membership Fees			10,392,000
Nomination Fees			39,882,150
Donations		10,470,000	20,283,000
Political Party Fund		36,055,008	7,350,000
Party List Fee			25,513,196
		62,050,008	122,740,346
Expenses			
Use of Goods and Services	5	1,223,650	3,013,924
Employee costs	6	6,852,498	10,812,431
Depreciation and amortization expense	7	287,832	94,001
Repairs and maintenance	8	145,000	72,650
General expenses	9	43,494,096	106,600,938
Total expenses		52,003,076	120,593,944
Surplus/Deficit For The Year		10,046,932	2,146,402


The notes set out on pages 7 to 14 form an integral part of these financial statements. The financial statements set out on pages 1 to 5 were signed on behalf of the National Executive Committee by:


.....
Accountant
Ken Mutugi

Date.....11/4/24


.....
Executive Director
Eng. Justus Wambutura

Date.....11/4/24


.....
Secretary General
Sen. Shakila Abdalla

Date.....11/4/24

**Wiper Democratic Movement
Annual Report and Financial Statements
For the year ended June 30, 2023**


**STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2023**

	Notes	2022-2023	2021-2022
		Kshs	Kshs
Assets			
Current assets			
Cash at Hand	10		312,774
Cash at Bank		14,036,621	5,507,599
Receivables from non-exchange transactions	11	49,542,776	47,937,115
		63,579,397	53,757,488
Non-current assets			
Property, plant and equipment	12	1,463,490	1,751,322
Total assets		65,042,887	55,508,810
Liabilities			
Current liabilities			
Creditors & Accruals	13	11,059,212	11,259,293
Net assets		53,983,675	44,249,517
Total net assets and liabilities		65,042,887	55,508,810


The financial statements set out on pages 1 to 5 were signed on behalf of the National Executive Committee by:


.....
Accountant
Ken Mutugi

Date 11/4/24


.....
Executive Director
Eng. Justus Wambutura

Date 11/4/24


.....
Secretary General
Sen. Shakila Abdalla

Date 11/4/24

Wiper Democratic Movement
Annual Report and Financial Statements For the year ended June 30, 2023

STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 30 JUNE 2023

	O.S.C	Revaluation reserve	Retained earnings Kshs.	Capital/ Development Grants/Fund	Total Kshs
					Restated
At July 1, 2016	-	-	-	-	26,099,729
Total comprehensive income	-	-	15,878,951	-	15,878,951
At June 30, 2017			15,878,951	-	41,978,680
At July 1, 2017	-	-	15,878,951	-	41,978,680
Total comprehensive income/deficit	-	-	(10,518,066)	-	(10,518,066)
Transfers from accumulated fund	-	-	-	-	686,415
At June 30, 2018	-	-	5,360,885	-	30,774,199
Total comprehensive income			4,682,075	-	4,682,075
Transfer from accumulated fund				-	950,003
At June 30, 2019					36,406,277
At July 1, 2019					36,406,277
Prior year errors					180
Total comprehensive income			4,315,425		4,315,425
At June 30, 2020					40,721,882
At July 1, 2020					40,721,882
Total comprehensive income			90,825		(90,825)
At June 30, 2021					40,631,057
At July 1, 2021					40,631,057
Prior Year Errors					1,472,058
Total comprehensive income					2,146,402
At June 30, 2022					44,249,517
At July 1, 2022					44,249,517
Total comprehensive income					10,046,932
Prior Year Errors					(312,774)
At June 30, 2023					53,983,675

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

		2022-2023	2021-2022
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Members Contributions & Donations	4	15,525,000	19,320,000
Life Membership Fees			10,392,000
Nomination Fees			39,882,150
Donations		10,470,000	20,283,000
Political Party Fund		36,055,008	7,350,000
Party List Fee			25,513,196
Total Receipts		62,050,008	122,740,346
Payments			
Goods and Services	5	1,223,650	3,013,924
Employee costs	6	6,852,498	10,812,431
Repairs & Maintenance	8	145,000	72,650
General Expenses	9	43,494,096	106,600,938
Total Payments		51,715,244	120,499,943
		10,334,764	2,240,403
Net cash flows from operating activities			
Cash flows from investing activities			
Net cash flows used in investing activities			
Adjusted for:			
Changes in receivables	11	(1,605,661)	(4,290,000)
Changes in payables	13	(200,081)	6,195,705
Net cash flows from investing activities			
Cash flows from financing activities			
Net cash flows used in financing activities			
Net increase/(decrease) in cash and cash equivalents			
		8,529,022	4,146,108
Cash and cash equivalents at 1 JULY		5,507,599	1,382,842
Cash and cash equivalents as at 30 JUNE		14,036,621	5,528,950

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STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
FOR THE YEAR ENDED 30 JUNE 2023

	Original budget	Actual on comparable basis	Performance difference	% Change of Budget
	2022-2023	2022-2023	2022-2023	
Revenue	Kshs	Kshs	Kshs	
Elected & Nominated Members Monthly Remittances	15,525,000	15,525,000	-	-
Donations	-	10,470,000	10,470,000	100
Political Party Fund	72,110,017	36,055,008	36,055,009	50
Total income	87,635,017	62,050,008		
Expenses				
Goods & Services	1,200,000	1,223,650	(23,650)	1.97
Employee Costs	9,771,000	6,852,498	2,918,502	29.87
Depreciation	300,000	287,832	12,168	4.06
Repairs & Maintenance	144,000	145,000	(1,000)	0.69
General Expenses	60,585,000	43,494,096	17,090,904	28.21
Total Expenses	72,000,000	52,003,076		
Deficit /Surplus for the period	15,635,017	11,930,789		

Notes

1. **Donations:** - The party did not anticipate to receive any donations in cash in the reported financial year. However, a group of well-wishers decided to support party candidates during the 2022 general elections. The cash donated was to help the candidates (MCAs, MPs & Governors) pay agents fees and meet other logistical expenses during the voting & tallying days.

2. **Political Party Fund:** - The 50% change was a result of austerity measures by the Government which slashed the allocation to the Political Party's Fund for the year 2022/2023. WDM allocation was reduced from Ksh 72, 110,017 to Ksh 43,271,747.

Secondly, National Treasury delayed in disbursing funds for the 4th quarter to the Registrar of Political Parties and subsequently the Registrar released the funds to us on 7th July, 2023 which was after the close of the financial year.

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3. **Employee Costs:** - The 29.87 % in employee costs was due to several staff positions falling vacant during the financial year and which were not filled as at the end of the financial year.

4. **General Expenses:** - The under-expenditure of 28.21% was occasioned by party programs not being implemented fully and on time. This was because the funds for the 1st, 2nd & 4th quarters were not remitted on time by the registrar of political parties. For instance

The funds for the 1st & 2nd quarters i.e. July – September 2022 & October – December 2022 were remitted on 3rd February, 2023.

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Wiper Democratic Movement is established by and derives its authority and accountability from Political Parties Act.

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 party's accounting policies. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the party.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue recognition

i) Fees and fines

The party recognizes revenues from fees, taxes and fines when the event occurs and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the party and the fair value of the asset can be measured reliably.

ii) Transfers from other government entities

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

b) Budget information

The party'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

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comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

c) Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the Entity operates and generates taxable income.

Current income tax relating to items recognized directly in net assets is recognized in net assets and not in the statement of financial performance. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

d) 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.

e) Inventories

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution.

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity.

f) Provisions

Provisions are recognized when the Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

i) Contingent liabilities

The Entity does not recognize a contingent liability, but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

ii) Contingent assets

The Entity does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

g) Cash and cash equivalents

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

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public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

h) Comparative figures

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

i) Subsequent events

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

NOTES TO THE FINANCIAL STATEMENTS (continuation)

4. MEMBERSHIP CONTRIBUTIONS

Membership Contributions	Number	Amount	Months	Total 2022/2023 Kshs	Total 2021/2022 Kshs.
Governors	3	50,000	9	1,350,000	720,000
Deputy Governors	3	30,000	9	810,000	720,000
Members of Parliament & EALA	31	30,000	9	8,370,000	10,080,000
Members of County Assemblies	111	5,000	9	4,995,000	7,800,000
Total Membership contributions(Earned)				15,525,000	19,320,000
Donations				10,470,000	20,283,000
Life Membership Fees				-	10,392,000
Political Party Fund				36,055,008	25,513,196
Nomination Fee				-	39,882,150
Party List Fees				-	7,350,000
Total Membership contribution- Statement of Financial Performance				62,050,008	122,740,346

5. USE OF GOODS AND SERVICES

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Description	2022-2023	2021-2022
	Kshs	Kshs
Utility Costs	275,930	334,760
Security	947,720	821,164
Professional services	-	1,858,000
Total good and services	1,223,650	3,013,924

6. EMPLOYEE COSTS

Description	2022-2023	2021-2022
	Kshs	Kshs
Staff Costs	6,392,498	10,612,431
Director Fees	460,000	200,000
Employee costs	6,852,498	10,812,431

7. DEPRECIATION AND AMORTIZATION EXPENSE

Description	2022-2023	2021-2022
	Kshs	Kshs
Property, plant and equipment	287,832	94,001
Total depreciation and amortization	287,832	94,001

8. REPAIRS AND MAINTENANCE

Description	2022-2023	2021-2022
	Kshs	Kshs
Office Equipment	145,000	72,650
Total repairs and maintenance	145,000	72,650

9. GENERAL EXPENSES

Description	2022-2023	2021-2022
	Kshs	Kshs
Publicity & Branding	10,306,000	23,172,980
Conferences and Meetings	7,506,806	8,564,766
Office Expenses	5,557,113	1,824,546
Transport & Accommodation	2,575,323	15,968,520
Rental	4,237,530	3,908,189
Bank Charges	85,872	262,812
Media Relations/Communication	471,145	3,872,702
Annual Subscriptions	70,000	70,000
Computer Software Expenses	45,750	6,911,004
Computer Hardware Expenses	-	536,3000

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Public Rallies & Campaign Expenses	12,253,557	16,968,036
Party Nomination Expenses	-	10,560,998
Membership Registration	260,000	4,155,750
NEB Stipends & Allowances	-	6,458,000
NEAB Stipends & Allowances	-	2,082,000
Committee Allowances	125,000	350,500
Furniture & Fittings	-	830,635
Training	-	103,200
Total general expenses	43,494,096	106,600,938

10. CASH & CASH EQUIVALENTS

CASH & BANK BALANCES	2022/2023	2021/2022
Cash in hand		312,774
Cash at Bank		
01120199325700	10,952,656	216,351
01120199325701	78,469	742,036
01120199325702	1,889,826	3,460,462
01120199325704	1,024,815	29,219
Mpesa Accounts	90,855	746,757
Cash & Cash Equivalents	14,036,621	5,507,599

11. RECEIVABLES

Description	2022-2023	2021-2022
	Kshs	Kshs
Members Arrears	48,726,223	47,387,115
Staff Debtors	275,000	275,000
Prepayments-Rent	541,553	275,000
Total Account Receivables	49,542,776	47,937,115

12. PROPERTY, PLANT AND EQUIPMENT

	Furniture and Fittings	Computers & Equipment	Motor vehicles	Total
Cost	Kshs	Kshs	Kshs	Kshs
At 1 July 2016	2,655,170	1,422,288	250,000	4,327,458
Additions	473,750	679,150		1,152,900
At 30th June 2017	3,128,920	2,101,438	250,000	5,480,358

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Additions	-	-	-	-
Disposals	-	-	-	-
At 30th June 2018	3,128,920	2,101,438	250,000	5,480,358
Additions	-	-	-	-
Disposals	-	-	-	-
At 30th June 2019	3,128,920	2,101,438	250,000	5,480,358
Additions	-	-	-	-
Disposals	-	-	-	-
At 30th June 2020	3,128,920	2,101,438	250,000	5,480,358
Additions	-	-	-	-
Disposals	-	-	-	-
At 30th June 2021	3,128,920	2,101,438	250,000	5,480,358
Additions	830,635	350,000	-	1,180,635
At 30th June 2022	3,959,555	2,451,438	250,000	6,660,993
Additions	-	-	-	-
At 30th June 2023	3,959,555	2,451,438	250,000	6,660,993
Depreciation and impairment				
	12.5 %	30%	25%	
At 1 July 2016	1,888,025	1,567,166	231,873	3,687,064
Depreciation	215,468	276,233	4,532	496,233
At 30 June 2017	2,103,493	1,843,399	236,405	4,183,297
Depreciation	128,178	85,152	3,398	216,728
At 30th June 2018	2,231,671	1,928,551	239,803	4,400,025
Depreciation	112,156	51,866	2,549	166,571
At 30th June 2019	2,343,827	1,980,417	242,352	4,566,596
Depreciation	98,137	36,306	1,912	136,355
At 30th June 2020	2,441,964	2,016,723	244,264	4,702,951
Depreciation	85,870	25,415	1,434	112,719
At 30th June 2021	2,527,834	2,042,138	245,698	4,815,670
Depreciation	75,136	17,790	1,076	94,001
At 30th June 2022	2,602,970	2,059,928	246,774	4,909,671
Depreciation	169,573	117,453	806	287,832
At 30th June 2023	2,772,543	2,177,381	247,580	5,197,503
Net book values				
At 30th June 2023	1,187,012	274,057	2,420	1,463,490
At 30th June 2022	1,356,585	391,510	3,227	1,751,322
At 30th June 2021	601,086	59,300	4,302	664,688
At 30th June 2020	686,956	84,715	5,736	777,407
At 30th June 2019	785,093	121,021	7,648	913,762
At 30th June 2018	897,249	172,887	10,198	1,080,333
At 30th June 2017	1,025,427	258,039	13,596	1,297,062

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13. CREDITORS & ACCRUALS

Description	2022-2023	2021-2022
	Kshs	Kshs
Salaries	191,500	
Security Services	81,200	107,880
Wild Elegance(Branding)	2,050,000	
Bliss International(Branding)	2,968,000	
Daja Company Ltd (Branding)	3,300,000	9,300,000
Rent Deposit Balance	450,000	450,000
Audit Fee	50,000	50,000
Gratuity	1,968,512	1,351,413
Total	11,059,212	11,259,293