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CLERK-AT THE TABLE:	A. Shikuku

REPORT

OF

THE AUDITOR-GENERAL

ON

DEVOLUTION EMPOWERMENT PARTY

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

Revised 30th June 2023



OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
REGISTRY

11 APR 2024

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DEVOLUTION EMPOWERMENT PARTY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2023

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

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

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1. Acronyms, Abbreviations and Glossary of Terms

A: Acronyms and Abbreviations

ORPP	Office of Registrar of Political Parties
PPF	Political Parties' Fund
IEBC	Independent Electoral and Boundaries' Commission
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
ED	Executive Director
NT	National Treasury
OCOB	Office of the Controller of Budget
OAG	Office of the Auditor General
NEC	National Executive Committee
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
DEP	Devolution Empowerment Party

B: Glossary of Terms

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

Comparative Year- Means the prior period.

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2. Key Devolution Empowerment Party Information and Management

(a) Background information

Devolution Empowerment Party (DEP) was established under the Political Parties' Act on 3rd February 2022. The Party is domiciled in Kenya and has branches in Nairobi, Embu, Meru, Isiolo, Tharaka Nithi, Wajir, Mandera, Laikipia, Kisumu, Bungoma, Busia, Homabay, Garrisa, Kakamega, Kericho, Kiambu, Kilifi, Kirinyaga, Kisii, Kitui, Kwale, Machakos, Makeni, Mombasa, Murang'a, Nandi and Narok.

(b) Principal Activities of Devolution Empowerment Party.

The principal activity of the Party is political activities such as campaigns, civic education, training and other member empowerment activities aimed at achieving pluralistic democracy within the rule of law.

Key Management

Devolution empowerment Party's day-to-day management is under the following key organs:

No.	Designation	Name
1.	Natitional Executive Committee (NEC)	NEC
2.	National Chairman	Hon. Lenny Kivuti
3.	Ag Secretary General	Eng. Alfred K. Baariu
4.	National Treasurer	Hon. Eunice Karema

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Key Devolution Empowerment Party Information and Management (continued)

(c) Devolution Empowerment Party Headquarters

P.O. Box 45519 00100 NAIROBI
Meru Makutano
Meru-Nanyuki Road
Meru, KENYA

(d) Devolution Empowerment Party Contacts

Telephone: (254) 723454064
E-mail: sg@dep-party.co.ke
Website: www.dep-party.co.ke

(e) Devolution Empowerment Party Bankers

1. Cooperative Bank of Kenya
Kibra Branch
P.O. Box 30415 001000
GPO 00100
NAIROBI, KENYA

(f) Independent Auditor

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

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Devolution Empowerment Party's Key Information and Management (continued)

(g) Principal Legal Adviser

The Attorney General

State Law Office and Department of Justice

Harambee Avenue

P.O. Box 40112

City Square 00200


Nairobi, Kenya

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3. The National executive Committee (NEC)

Ref	Directors	Details
1.	<p>Hon Lenny Maxwell Kivuti</p> 	<p>DEP National Chairman was born at Embu County. He is a Geo-informational expert with great international repute.</p> <p>Having served as Senator for Embu, Chairman Board of Trustees Embu University, Hon Lenny brings in formidable strength in Devolution Empowerment Party.</p>
2.	<p>Hon. Eunice Karema</p> 	<p>DEP National Treasurer Hon Eunice Karema hails from Njia ward, Igembe Central Constituency in Meru County. She was first elected member of Meru County Assembly representing Njia ward in the year 2013. In 2022 she gunned up for Igembe Central Member of Parliament and though she didn't bag the seat, displayed great vigour and enthusiasm among female leaders inspired by her boldness. She is currently serving as the National Treasurer of Devolution Empowerment Party.</p>
3.	<p>Eng. Alfred Baariu</p> 	<p>Since the inception of Eng. Alfred K. Baariu as DEP Acting Secretary General, there has been an administrative renaissance in DEP Party Management. A trained civil Engineer in Real Estate Business, Eng Alfred has portrayed extraordinary strength, vigour and enthusiasm executing leadership in a very logical and smart way. Under his able guidance, DEP has complied with various regulatory requirements. The Party can now breath fresh since it's in</p>

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		good books with all regulatory bodies including ORPP.
4.	<p>Haron Abuana</p> 	Haron Abuana has passionately served as the Executive Director since the re-launch of the Party in 2021. A trained teacher who transitioned to Marketing, Diplomacy and International Relations, Haron has gone a long way as technical officer of the Party to ensure effective Recruitment, training, compliance and liaison with various bodies including IEBC, ORPP, CMD among others.

4. Key Management Team

	Management	Details
1.	Eng. Alfred K Baariu (photo)	Ag Secretary General supervises the Secretariat and directs its operations.
2.	Hon. Lenny Maxwell Kivuti	Oversees the general direction of the party activities.
3.	Hon Eunice Karema	Takes charge of all financial related issues of the party.
4.	Haron Abuana	Oversees day to day running of the Party
	<i>Note: The CEO and the Entity Secretary will feature both under the 'Board' and 'Management'.</i>	

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5. Chairman's Statement

Devolution Empowerment Party has portrayed a high level of resilience in the last Financial Year 2022/2023. The Party Secretariat working under supervision of the Ag. Secretary General has been able to work with great team spirit, prepare and present these financial reports within the stipulated time frame. As indicated in this report, Devolution Empowerment Party remains committed to continue nurturing a culture of prudent management of public funds. The National Executive Committee will continue providing its supervisory role to this end, in addition to its concerted effort to grow the Party to a vibrant organization advocating for social justice and democratic governance.

Devolution Empowerment Party succeeded to field candidates to run for various positions;

Governors, Senators, Members of Parliament, Women Representative and Members of County Assembly in various counties of our Republic. Today the Party boasts of 27 members of County Assembly (20 in Meru and 7 in Embu County).

Devolution Empowerment and democratic Governance, inclusion and empowerment of grassroots remains our key pillars of commitment as a party. We wish to engage like-minded in the above related agenda forthwith.

Our party has braved serious challenges throughout this financial year. Usually election years are characterized with many challenges but ours was exceptional because of the following;

- i. Going through various litigations that were raised by some former officials opposed to the stand taken by the Party.
- ii. Resource challenges to bankroll a robust campaign for the Party across the Nation.
- iii. Political dynamics and very fast changing political landscape. This saw a good number of our trusted peers quit for other parties.

Slashing of Political Parties Fund (PPF) has greatly affected our schedule of activities. We are finding it difficult to implement our plans as earlier scheduled. We hope the situation is soon reversed.



Hon Lenny Maxwell Kivuti
National Chairman

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6. Report of the Executive Director

It gives me great pleasure to present these Financial Statements for the year 2022/2023 for Devolution Empowerment Party. We are also providing a report making key highlights and challenges faced by our Party in the same year. It has been prepared in accordance with the International Public Sector Accounting Standards (IPSAS). It effectively captures our key mandate and responsibilities as a Party.

Despite the myriad of challenges in the Financial year 2022/2023, our Party effectively participated in 2022 General elections. Having to foot large bills of elections' expenditure; publicity and marketing costs, mobilization costs, personnel and campaign logistics, we have put our best foot forward to ensure we remain a vibrant and organized national party.

It is worth noting that out of the above stated effort, our party was able to make an impact. Fielding candidates across 31 counties of our nation, DEP also managed to bag 27 members of County Assembly (Embu and Meru) where our Party has the minority responsibility in the two counties.

Due to the culture of commitment and strong party loyalty, Devolution Empowerment Party has largely been run by donations from friends and members of the party. Consequently, the Party qualified for Political Parties' Fund (PPF) after the 2022 General election and that remain our primary source of funds up to date.

The slashing of Political Parties' Fund by the Government in September 2022 created financial challenges for our Party. It became practically impossible to implement all the activities we had listed in our workplan. Meeting our financial obligations became quite a challenge. This challenge cut across all parties in the country.

With great pleasure, I report that our Party weathered all the above challenges and has had a great year 2022/2023. Our various deliverables were achieved and the Party remains focused for the next challenge to participate in leadership and governance of our great Nation. In addition to other successes, our Party and her Officials were propelled to the National limelight and consequently participates in important national discourses, as we had strongly desired.

I would wish to extend my sincere gratitude to the Supreme Council (SC) National executive Committee (NEC) through Ag. Secretary General Eng. Alfred Baariu and the Secretariat. Their unwavering passion and commitment to achieve this end.

I strongly believe the future holds great things for Devolution Empowerment Party as we overcome challenges to achieve our objectives of becoming a formidable Party in this Country.



Haron Abuana
Executive Director

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7. Statement of Performance against Predetermined Objectives for FY 2022/2023

Devolution Empowerment Party has strategic issues and objectives within the current Strategic Plan for the FY 2022/2023. These strategic issues are as follows:

Issue 1:

Define and express the party's needs in a way that the public and political system can understand and make responses to. It involves creating grounds for compromise that averts chaos and help societies unite and remain united.

Issue 2:

Developing common ideas among a significant group in order to exert pressure upon the political system. The expression of conflicting viewpoints can actually help to create a better understanding of the issues and to identify solutions. When the political system functions, these exchanges can lead to the attainment of new insights or workable compromises essential to the existence of a democratic system. This simply means that it will produce tangible results.

In addition to these fundamental purposes, DEP party will undertake activities to nominate candidates, organize political competition, translate policy preferences into public policies, act as a training ground for political leaders who will eventually assume a role in governing a society and seek to win elections in order to manage government institutions.

Furthermore, when not in power the party will provide a constructive and critical opposition by presenting itself as the alternative government which voters may wish to choose thus pressuring the incumbents to be more accountable and responsive to the electorate's interests.

Devolution Empowerment Party develops its annual work plans based on the above issues. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. Devolution Empowerment Party achieved its performance targets set for the FY22/23 period for its strategic pillars, as indicated in the table below:

Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
Pillar/ theme/ issue 1:	Set Party ideology	Assessment of targets	Workshops & training	Member empowerment
Pillar/ theme/ issue 1:	Member recruitment	Measuring participation	Media advertising	Stronger party base

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8. Party Governance Statement

DEP party has held four board meetings during the 2022/2023 year attended by members of the National Executive Committee (NEC). It has a well-established Board Charter through which it has outlined party processes such as appointment, removal and succession of directors. The party is committed to operating in accordance with best practice in political integrity and ethics as well as ensuring adherence to the financial reporting standards. The party has reported that it has throughout the year, complied with the provisions set out in the Political Parties Act.

Our party governance under the guidance of NEC has gone a long way to define how DEP conducts its affairs in line with the objectives for which it was founded. It has given the party its structure, which contains all set of rules that governs the ethical operating procedures and processes of the party by ensuring that it conforms to the Kenyan Statutory requirements as set out by the Office of Registrar of Political Parties and the best practices in line the Political Parties Act 2011 in all its political activities. Additionally, it has ensured the best interests of the public and party members are protected with zeal. Responsibility for corporate governance is vested with the National Executive Committee of the DEP Party.

The party will continuously carry out training and capacity building through NDC and NEC workshops and training party officials such as Party Leaders, Secretary Generals, Women leaders and Youth leaders. Also, it will conduct Inter and intra party dialogue forums to institutionalize its structure. The party will provide a channel through which citizens exercise their democratic rights during elections. A vibrant political system is critical for citizenry participation in the political decision-making process. Therefore, the board will need to be strengthened further to ensure more inclusivity and empower women, youth and persons with disability participate fully in the political and electoral processes for sustainable development. Externally, strengthening the Political Parties Liaison Committee tripartite dialogue forum will ensure coexistence and harmony between the ORPP, IEBC and political parties.

It is our endeavour to continue to carry out capacity building activities whose purpose is among others, to promote the representation of women, persons with disabilities, youth, ethnic and other minorities, and marginalized communities in parliament and in the County Assemblies among others.

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9. Management Discussion and Analysis

The Political Parties Act 2011 requires our party to prepare annual financial statements in respect which present a true and fair view of the state of affairs of our Party including the operating results at the end of each fiscal year. The Public Finance Management Act 2012 at Section 81, Section 31 of the Political Parties Act 2011 requires the party to prepare these statements and present them to the offices of the Registrar of Political Parties and Auditor General respectively not later than September 30th every year.

In compliance to these obligations and exercising its mandate under the DEP Party Constitution, the National Executive Committee approved the work plan and annual budget for the financial year under review within the framework of our Strategic Plan.

Furthermore, we have submitted the report and accounts for the year ended June 30, 2023 to the Auditor General. Donations from DEP Members of County Assembly (MCAs) have strengthened the financial position of the Party.

I wish to thank members of the National Executive Committee for their stewardship as well as for prudent management of our resources.

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10. Environmental and Sustainability Reporting

i) Sustainability strategy and profile

DEP is keen to steadily establish a prosperous, industrialized and modern nation in which citizens enjoy social, economic and democratic rights, and live in dignity. We envisage that our people will exploit their full potential. The sporting concerts and events will ensure that there is a continuous link between the people and the party. This program arises from a desire to ensure our contribution to society goes beyond political campaigns.

ii) Environmental Performance

DEP has a duty to interact in a responsible way from a social and environmental perspective. The Party creates awareness on ways its activities improve living standards in the community in the long-term. When managed well this environmental responsibility can also facilitate achievement of strategically important goals for the party. Environmental factors include ecological and environmental aspects such as weather, climate, environmental offsets and climate change.

A broad Political, Economic, Social, Technological, Environmental and Legal (PESTEL) scan was undertaken with a view to describing the circumstances under which the party operates so as to appreciate the factors that will either support or impede the process of implementing their strategic plans.

Implementation of the Strategic Plan was affected by both internal and external factors. An analysis of these environments helped identify these factors and design strategies for managing them. The review allows organizations to make appropriate adjustments in their subsequent Strategic Plans;

- a) To align the party's operations with the changing environment
- b) To achieve gender equality and empower all women and girls in line with United Nations Sustainable Development Goal (SDG) goal number 5; and
- c) To promote peaceful, inclusive and cohesive societies coexistence for sustainable development with access to justice to all in line with SDG goal 16 (Peace, justice and strong institutions).

Political factors relate to how the government intervenes in the economy. Some of these factors including tax policy, labour law, environmental law, trade restrictions, tariffs and political stability.

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iii) Employee welfare

The Party has put in place policies to ensure that hiring, appraisal and reward practices are in line with the rule of law taking into account the following;

- Fair and competitive recruitment and placement of qualified staff whilst taking into account gender ratio
- Automate HR processes and operations
- Develop Human Resource Policies
- Establish wellness and HIV/AIDs Units in line with workplace regulations
- Retain qualified and competent staff
- Develop staff training policy
- Enhance workplace environment

iv) Market place policies

DEP has ensured that examining marketing processes offers a clear picture on how the Party carries out its activities to avoid fraudulent procurement, unfair competition through advertisement placement and respectable language as well as responsible interaction with the public especially during campaigns. The Party has noted that understanding of the marketing concept by NEC is a primary key indicator on how the Party makes decisions relating to supply chain, marketing and advertising activities significant in maintaining competitiveness.

v) Corporate Social Responsibility / Community Engagements

DEP envisages a good engagement with the community as a key activity to popularize the Party while making a positive impact in the same community. The Party's CSR emphasizes the need for the democratic governance public deliberation and contributing to self-regulation and public goods provision to fill the gaps left by unwilling or unable governments.

Key CSR activities involve the following:

- a. Involvement in project work that tackles real challenges in our communities through whose impact we can increase staff engagement, member's loyalty and pride.
- b. Through collaboration in projects, we can improve the dynamism of relationships with our members and competitors

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- c. As a consequence of positive outcomes from our Corporate social activity, we can enhance DEP's reputation among key stakeholders nationally

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11. Report of the Directors

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

i) Principal activities

The principal activities of the Party are campaigns, civic education and general participation in governance matters.

ii) Results

The results of the Entity for the year ended June 30, 2023, are set out on page 1 to 5.

iii) Directors

The members of the Board of Directors who served during the year are shown on page vii and viii.

iv) Surplus remission

In accordance with Regulation 219 (2) of the Public Financial Management (National Government) Regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year.

v) Auditors

The Auditor-General is responsible for the statutory audit of the Devolution Empowerment Party in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board



Name: Abuana Muturi

Corporation Secretary/Secretary to the Board

**Devolution Empowerment Party
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12. Statement of Directors Responsibilities

Section 81 of the Public Finance Management Act, 2012 require the Directors to prepare financial statements in respect of that Devolution Empowerment Party, which give a true and fair view of the state of affairs of the DEP party at the end of the financial year/period and the operating results of the party for that year/period. The Directors are also required to ensure that the party keeps proper accounting records which disclose with reasonable accuracy the financial position of the party. The Directors are also responsible for safeguarding the assets of the party.

The Directors are responsible for the preparation and presentation of the DEP's financial statements, which give a true and fair view of the state of affairs of the party for and as at the end of the financial year (period) ended on June 30, 2023. This responsibility includes: (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the party; (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 party; (v) Selecting and applying appropriate accounting policies; and (vi) Making accounting estimates that are reasonable in the circumstances.

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

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Nothing has come to the attention of the Directors 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

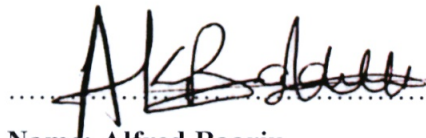
The DEP's financial statements were approved by the Board on July 12 2023 and signed on its behalf by:



.....

Name: Lenny Kivuti

Chairperson of the Board/Council



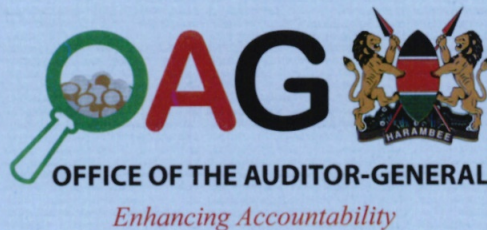
.....

Name: Alfred Baariu

Accounting Officer

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 DEVOLUTION EMPOWERMENT PARTY FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

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

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

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

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report, when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Devolution Empowerment Party set out on pages 1 to 23, 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 and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Devolution Empowerment Party 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 and the Public Finance Management Act, 2012.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Devolution Empowerment 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 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 hence 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, 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

1. Late Submission of Financial Statements

The financial statements were submitted for audit on 05 December, 2023, two (2) months after the statutory deadline of 30 September, 2023. This was contrary to Section 68(2)(k) of the Public Finance Management Act, 2012 and Section 47(1) of the Public Audit Act, 2015 which states that the financial statements should be submitted to the Auditor-General within three (3) months after the end of the fiscal year to which the accounts relate.

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

2. Failure to Open Branch Offices

Physical inspection in 38 Counties revealed that the Party had only four (4) County offices. This was contrary to Section 7(f)(iii) of the Political Parties Act, 2011 which states that a political party shall be qualified to be fully registered if it has submitted to the Registrar the location and addresses of the branch offices of the political party, which shall be in more than half of the Counties.

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

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether processes and systems of internal controls, risk management and overall governance were

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

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (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 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 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 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 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

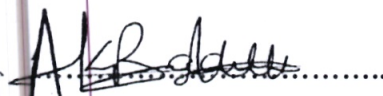
24 June, 2024

**Devolution Empowerment Party
Annual Report and Financial Statements
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14. Statement of Financial Performance for the year ended 30 June 2023

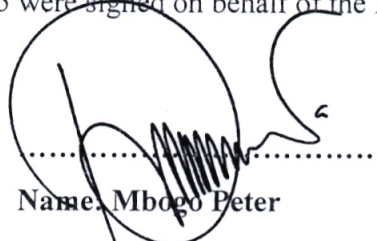
	Notes	2022/2023	2021/2022
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from other governments entities	6	8,256,157	1,515,100
Public contributions and donations	7	403,800	
Total revenue		8,659,957	1,515,100
Expenses			
Use of goods and services	8	3,087,970	56,331
Depreciation and amortization expense	9	103,106	
Finance costs	10	8,098	13,418.69
Total expenses		3,199,174	69,749.69
Surplus/ (deficit) before tax		5,460,783	1,445,350.31

The notes set out on pages 6 to 23 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 5 were signed on behalf of the Board of Directors by:



Name: Alfred Baariu
Accounting Officer

Date



Name: Mbogo Peter
Head of Finance
ICPAK M/No: P/1602

Date



Name: Lenny Kivuti
Chairman of the Board

Date

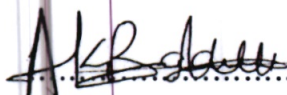
**Comparative year means prior year/ previous period*

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

15. Statement of Financial Position as at 30 June 2023

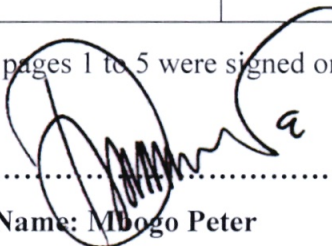
	Notes	2022/2023	2021/2022
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash equivalents	11	5,744,803.31	172,816.31
Receivables from Non-Exchange Transactions	12	1,365,237	1,429,765
Total Current Assets		7,110,040.31	1,602,581.31
Non-Current Assets			
Property, Plant and Equipment	13	488,614	591,720
Total Non- Current Assets		488,614	591,720
Total Assets		7,598,654.31	2,194,301.31
Liabilities			
Current Liabilities			
Trade and Other Payables	14	444,070	500,500
Total Current Liabilities		444,070	500,500
Non-Current Liabilities			
Total Non- Current Liabilities		0.00	0.00
Total Liabilities		444,070.00	500,500
Net Assets			
Reserves			
Accumulated Surplus		7,154,584.31	1,693,801.31
Capital Fund			
Total Net Assets		7,154,584.31	1,693,801.31
Total Net Assets and Liabilities		7,598,654.31	2,194,301.31

The financial statements set out on pages 1 to 5 were signed on behalf of the Board of Directors by:



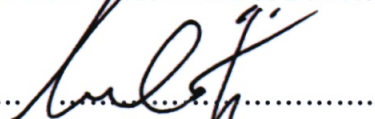
Name: Alfred Baariu
Accounting Officer

Date



Name: Mboyo Peter
Head of Finance
ICPAK Member
Number: P/1602

Date



Name: Lenny Kivuti
Chairman of the Board

Date

**Devolution Empowerment Party
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16. Statement of Changes in Net Assets for the year ended 30 June 2023

Description	Ordinary share capital	Revaluation reserve	Fair value adjustment reserve	Retained earnings	Proposed dividends	Capital/Development Grants/Fund	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
As at July 1, 2021				248,451.00			248,451.00
Surplus/ deficit for the year	-	-	-	1,445,350.31	-	-	1,445,350.31
As at June 30, 2022				1,693,801.31			1,693,801.31
As at July 1, 2022				1,693,801.31			1,693,801.31
Surplus/ (deficit) for the year	-			5,460,783	-	-	5,460,783
As at June 30, 2023				7,154,584.31			7,154,584.31

Note:

1. For items that are not common in the financial statements, the Entity should include a note on what they relate to – either on the face of the statement of changes in equity/net assets or among the notes to the financial statements.
2. Prior year adjustment should have an elaborate note describing what the amounts relate to. In such instances a restatement of the opening balances needs to be done.

**Devolution Empowerment Party
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17. Statement of Cash Flows for the year ended 30 June 2023

	Notes	2022/2023	2021/2022
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other governments entities	6	8,256,157	208,316.31
Public contributions and donations	7	403,800	
Total receipts		8,659,957	208,316.31
Payments			
Use of goods and services	8	3,087,970	56,331
Finance Costs	10	8,098	13,418.69
Total payments		3,096,068	69,749.69
Net cash flows from/(used in) operating activities		5,563,889	138,566.62
Cash flows from investing activities			
Net cash flows from/(used in) investing activities		0.00	0.00
Cash flows from financing activities			
Increase/Decrease in receivables	12	64,528	13,418.69
Increase/Decrease in payables	14	(56,430)	
Net cash flows from financing Activities		8,098	13,418.69
Net increase/(decrease) in cash & Cash equivalents		5,571,987	151,985.31
Cash and cash equivalents at 1 July 2023	11	172,816.31	20,831
Cash and cash equivalents at 30 June 2023	11	5,744,803.31	172,816.31

(PSASB has now prescribed the direct method of cashflow presentation for all entities under the IPSAS Accrual basis of accounting).

**Devolution Empowerment Party
Annual Report and Financial Statements
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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	Kshs	Kshs	Kshs	Kshs	
	a	b	C=(a+b)	d	e=(c-d)	f=d/c*100
Revenue						
Transfers from Other Governments entities	13,781,500		13,781,500	8,256,157	5,525,343	59.9%
Public Contributions and Donations	985,000		985,000	403,800	581,200	40.9%
Total Income	14,766,500		14,766,500	8,659,957	6,106,543	58.6%
Expenses						
Use of Goods and Services	14,766,500		14,766,500	3,087,970	11,678,530	20.9%
Total Expenditure	14,766,500		14,766,500	3,087,970	11,678,530	20.9%
Surplus for the period	0.00		0.00	5,571,987	(5,571,987)	

19. Notes to the Financial Statements

1. General Information

Devolution Empowerment Party is established by and derives its authority and accountability from Political Parties Act. The Party is domiciled in Kenya. The party's principal activity is political activities.

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 DEP'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 party. The financial statements have been prepared in accordance with the PFM Act and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

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>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1st January 2023:</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 a party'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"> • 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; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an party's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting party 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 party.</p>

**Devolution Empowerment Party
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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 DEP's financial performance, financial position and cash flows.</p>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2023:</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>Applicable 1st January 2023</p> <ul style="list-style-type: none"> • <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). • <i>IPSAS 39: Employee Benefits.</i> Now deletes the term composite social security benefits as it is no longer defined in IPSAS. • IPSAS 29: Financial instruments: Recognition and Measurement. Standard no longer included in the 2023 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.

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Annual Reports and Financial Statements
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Notes to the Financial Statements (Continued)

- 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 1st 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 cash flows of the party.</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 1st 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 party adopted Accrual Basis of Accounting Method under the International Public Sector Accounting Standards (IPSAS) revised on June 30, 2023.

Notes to the financial statements

4. Summary of Significant Accounting Policies

a) Revenue recognition

Revenue from non-exchange transactions

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 party and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that has been acquired using such funds.

b) Budget information

The original budget for the Current FY was approved by the Registrar of Political Parties. 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 party upon receiving the respective approvals in order to conclude the final budget.

Devolution Empowerment 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 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 18 of these financial statements.

**Devolution Empowerment Party
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Notes to the financial statements (continued)

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 party 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 party 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.

Property, plant and equipment are depreciated at the following rates:

Motor Vehicles at 25%

Furniture & Fittings at 12.5%

Computers and ICT Equipment at 30%

Subsequent measurement

Based on the business model and the cash flow characteristics, the party classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

**Devolution Empowerment Party
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Notes to the financial statements (continued)

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

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 the year end.

e) Changes in accounting policies and estimates

The DEP 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) 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 imprest and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

g) Comparative figures

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

**Devolution Empowerment Party
Annual Reports and Financial Statements
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Notes to the financial statements

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the party'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:

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

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 party 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 party. 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 party.
- 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

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 40. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

**Devolution Empowerment Party
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Notes to the Financial Statements

6. Transfers from Other Government entities

Description	2022/2023	2021/2022
	KShs	KShs
Registrar of Political Parties	8,256,157	1,515,100
Total Government Grants And Subsidies	8,256,157	1,515,100

7. Public Contributions and Donations

Description	2022/2023	2021/2022
	Kshs	Kshs
Other Public Donations (DEP Party MCAs County Assembly of Meru)	403,800	0.00
Total Transfers and Sponsorships	403,800	0.00
Reconciliation Of Public Contributions and Donations		
Balance Unspent at Beginning of The Year	403,800	0.00
Current Year Receipts	403,800	0.00
Conditions Met - Transferred to Revenue	403,800	0.00
Conditions To Be Met - Remain Liabilities	0.00	0.00

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Notes to the Financial Statements

8. Use of Goods and Services

Description	2022/2023	2021/2022
	Kshs	Kshs
Electricity	14,730	
Water	6,600	
Security	55,000	
Subscriptions	70,000	
Advertising	505,000	
Accountancy Fees	40,000	
Conferences and Delegations	1,479,820	
Licenses and Permits	12,500	
Postage	340	
Printing and Stationery	57,000	
Rent expenses	270,000	
Telecommunication	39,500	
Training	404,809	
Travel, Subsistence & Other Allowances*	132,671	
Other General Expenses		56,331
Total	3,087,970	56,331

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Notes to the Financial Statements

9. Depreciation and Amortization Expense

Description	2022/2023	2021/2022
	Kshs	Kshs
Property, plant and equipment	103,106	0.00
Total depreciation and amortization	103,106	0.00

10. Finance costs

Finance costs for the year 2022/2023 are made up of bank charges as shown in the table below:

Month	Description	2022/2023	2021/2022
		Kshs	Kshs
Jul	Maintenance fee	360.00	684.00
Aug	Cost of Cheque Books	2,050.00	0.00
Aug	Maintenance & Excise duty	486.00	1,565.00
Sep	Maintenance fee & excise duty	402.00	749.00
Oct	Maintenance fee & excise duty	402.00	2,278.69
Nov	Maintenance fee	360.00	760.00
Dec	Maintenance fee	360.00	360.00
Jan	Maintenance fee	360.00	1,990.00
Feb	Maintenance fee & excise duty	486.00	360.00
Mar	Maintenance fee & EFT charges & excise duty	894.00	2,585.00
Apr	Maintenance fee & EFT charges	684.00	750.00
May	Maintenance fee, EFT & excise duty	852.00	360.00
Jun	Maintenance fee	402.00	977.00
Total		8,098.00	13,418.69

**Devolution Empowerment Party
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Notes to the Financial Statements

11. Cash and Cash Equivalents

Description	2022/2023	2021/2022
	Kshs	Kshs
Current Account	5,740,303.31	172,816.31
Others(Cash)	4,500	
Total Cash And Cash Equivalents	5,744,803.31	172,816.31

Detailed Analysis of the Cash and Cash Equivalents

Financial Institution	Account number	2022/2023	2021/2022
		Kshs	Kshs
a) Current Account			
Cooperative Bank		5,740,303.31	172,816.31
b) Others(Specify)			
Cash In Hand		4,500	
Sub- Total			
Grand Total		5,744,803.31	172,816.31

Reconciliation for Impairment Allowance on Receivables from Non-Exchange Transactions

12. Receivables from Non-Exchange Transactions

Description	2022/2023		2021/2022	
	Kshs		Kshs	
Other debtors (non-exchange transactions)	1,365,237		1,429,765	
Total receivables from non- exchange transactions	1,365,237		1,429,765	
Ageing Analysis- Receivables from non-exchange transactions	2022/2023	% of the total	2021/2022	% of the total
Less than 1 year	1,365,237	100%	1,429,765	100%
Between 1-2 years	0.00			
Over 3 years	0.00			
Total	1,365,237	100%	1,429,765	100%

Description	2022/2023	2021/2022
	Kshs	Kshs
At the beginning of the year	1,429,765	364,100
Additional provisions during the year	1,365,237	1,429,765
Recovered during the year	1,429,765	364,100
At the end of the year	1,365,237	1,429,765

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Notes to the Financial Statements

13. Property, Plant and Equipment

Cost	Land	Buildings	Motor vehicles	Furniture and fittings	Computers	Other Assets (specify)	Capital Work in progress	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
As at 30th June 2022				425,200	166,520			591,720
Additions								
Disposals								
Transfer/Adjustments								
As at 30th June 2023				425,200	166,520			591,720
Depreciation And Impairment								
As At 30th June 2022								
Depreciation				53,150	49,956			103,106
Disposals								
Impairment								
Transfer/Adjustment								
As at 30th June 2023				53,150	49,956			103,106
Net Book Values								
As at 30th June 2022				425,200	166,520			591,720
As at 30th June 2023				372,050	116,564			488,614

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Notes to the Financial Statements (Continued)

Property, Plant and Equipment at Cost

If the freehold land, buildings and other assets were stated on the historical cost basis the amounts would be as follows:

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land			
Buildings			
Plant And Machinery			
Motor Vehicles, Including Motorcycles			
Computers And Related Equipment	166,520	49,956	116,564
Office Equipment, Furniture, And Fittings	425,200	53,150	372,050
Total	591,720	103,106	488,614

Property plant and Equipment includes the following assets that are fully depreciated:

Description	Cost or valuation	Normal annual depreciation charge
Plant and Machinery		
Motor Vehicles including Motorcycles		
Computers and Related Equipment	166,520	49,956
Office Equipment, Furniture and Fittings	425,200	53,150
Total	591,720	103,106

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Notes to the Financial Statements

14. Trade and Other Payables

Description	2022/2023		2021/2022	
	Kshs		Kshs	
Trade payables				
Other payables		444,070		500,500
Total trade and other payables		444,070		500,500
Ageing analysis: (Trade and other payables)	2022/2023	% of the Total	2021/2022	% of the Total
Under one year	444,070	100%	500,500	100%
1-2 years				
2-3 years				
Over 3 years				
Total (tie to above total)	444,070		500,500	

15. Cash Generated from Operations

Description	2022/2023		2021/2022	
	Kshs		Kshs	
Surplus for the year before tax		5,460,783		1,445,350.31
Adjusted for:				
Depreciation		103,106		0.00
Working capital adjustments				
Increase in receivables (decrease)		64,528		(1,793,865)
Increase in payables (decrease)		(56,430)		500,500
Cash generated from operations		5,571,987		151,985.31

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Notes to the Financial Statements

16. Financial Risk Management

The Party's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The DEP's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. DEP does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history. The party's financial risk management objectives and policies are detailed below:

i) Credit risk

The DEP has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, considering its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the party's management based on prior experience and their assessment of the current economic environment.

ii) Financial Risk Management

The carrying amount of financial assets recorded in the financial statements representing the party's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2023				
Receivables from non-exchange transactions	1,365,237	1,365,237	0.00	0.00
Bank balances	5,740,303.31	5,740,303.31	0.00	0.00
Total	7,105,540.31	7,105,540.31	0.00	0.00
As at 30 June 2022				
Receivables from non-exchange transactions	1,429,765	1,429,765	0.00	0.00
Bank balances	172,816.31	172,816.31	0.00	0.00
Total	1,602,581.31	1,602,581.31	0.00	0.00

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Notes to the Financial Statements (Continued)

Financial Risk Management (continued)

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the DEP has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The board of directors sets the party's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

iii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the DEP's directors, who have built an appropriate liquidity risk management framework for the management of the party's short, medium and long-term funding and liquidity management requirements. The party manages liquidity risk through continuous monitoring of forecasts and actual cash flows. The table below represents cash flows payable by the party under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2023				
Trade payables			444,070	444,070
Total			444,070	444,070
As at 30th June 2022				
Trade payables			500,500	500,500
Total			500,500	500,500

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Notes to the Financial Statements

17. Trial Balance

Item No.	Particulars	Debits	Credits
		Kshs	Kshs
	Cash & cash equivalents	5,744,803.31	
	Account receivables	1,365,237.00	
	Account payables		444,070.00
	Property, Plant & Equipment	591,720.00	
	Accumulated Depreciation		103,106.00
	Retained Earnings		1,693,801.31
	Revenue from Registrar of Political Parties		8,256,157.00
	Revenue from donations		403,800.00
	Electricity	14,730.00	
	Water	6,600.00	
	Security	55,000.00	
	Subscriptions	70,000.00	
	Advertisement	505,000.00	
	Audit fees	40,000.00	
	Conferences and Delegations	1,479,820.00	
	Licenses and Permits	12,500.00	
	Postage	340.00	
	Printing and Stationery	57,000.00	
	Rent expenses	270,000.00	
	Telecommunication	39,500.00	
	Training	404,809.00	
	Travel, Subsistence & Other Allowances*	132,671.00	
	Bank charges	8,098.00	
	Depreciation	103,106.00	
	TOTAL	10,900,934.31	10,900,934.31