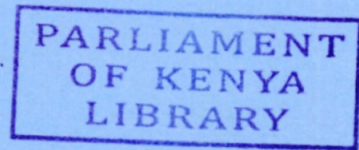


REPUBLIC OF KENYA



REPORT

OF



THE AUDITOR-GENERAL

ON

KENYA AFRICAN DEMOCRATIC UNION - ASILI (KADU - ASILI)

**FOR THE YEAR ENDED
30 JUNE, 2025**

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 11 MAR 2026	DAY: WED
TABLED BY:	DEPUTY SPEAKER PARTY WHIP
CLERK-AT THE-TABLE:	ORIEDO

OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
RECORDS OFFICE
29 AUG 2025
RECEIVED

OFFICE OF POLITICAL PARTIES
RECEIVED
29 AUG 2025
P.O. Box 1131 - 00606, NAIROBI
Closed for business 2025



KADU ASILI

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2025

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

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APPROVED

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APPROVED



1. Acronyms and Definition of Key Terms

A: Acronyms

SG	Secretary General
ED	Executive Director
CBK	Central Bank of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
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
PPA	Political Parties Act
ORPP	Office of Registrar of Political Parties
IDRM	Internal Dispute Resolution Mechanism
NEC	National Executive Council
NDC	National Delegates Council
NGC	National Governing Council
PPF	Political Parties Fund



B: Definition of Key Terms

Fiduciary Management- Members of management who are directly entrusted with the responsibility of managing the organization's financial resources.

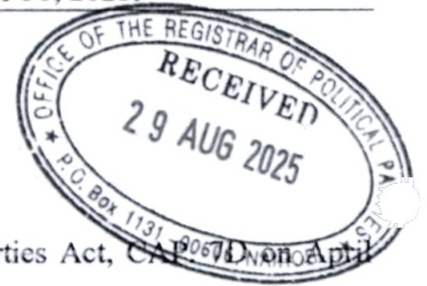
The Secretary-General is the accounting officer of the Political Party

Comparative Year- Means the prior period.

KADU ASILI
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 2025
ATTACHMENTS

- 1) BANK STATEMENTS
- 2) BANK CERTIFICATES
- 3) INCOME RECEPTS
- 4) RECEIVABLES
- 5) VOUCHER FOR VERIFICATION
- 6) TRIAL BALANCE AND LEDGER ACCOUNTS





2. Key Political Party Information and Management

(a) Background information

Kadu Asili Party was fully registered under the Political Parties Act, CAP 806 (1) on April 2012. The Party is domiciled in Kenya and has 25 branches.

(b) Principal Activities

The principal activity/mission/ mandate of the Party is to ...

- (a) Recruit and enlist members.
- (b) Nominate candidates for elections.
- (c) promote representation in Parliament and county assemblies of women, persons with disabilities, youth, ethnic and other minorities, and marginalized communities.
- (d) Sensitize the public on the functioning of the political and electoral system.
- (e) promote and enhance national unity.
- (f) mobilize citizens to participate in political decisions.
- (g) solicit and articulate public policy priorities as identified by its members; and
- (h) shape and influence public policy.

(c) Key Management

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

No.	Designation	Responsibility
1.	NDC/NGC;	To oversee party activities
2.	NEC	The decision making organ
3.	SG	C.E.O. of the Party
4.	Treasurer	Custodian books of Accounts

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2025 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Secretary General	JIMMY NGALA
2.	Head of Finance	HANNAH LYNET GWIYO
3.	National Organizing Secretary	SAID MWANYOHA
4.	National Chairman	JOSHUA KOMBORA
5.	Treasurer	HANNAH LYNET GWIYO

(e) Fiduciary Oversight Arrangements

- Registrar of Political Parties
- Governing Body/NEC
- Finance committee
- Audit and Risk Committee
- Parliamentary Oversight Committees
- Other oversight arrangements

(f) Party Headquarters

P.O. Box 83229 - 80100
 Dockworkers Union Building
 Kenyatta Avenue
 Mombasa, KENYA

**(g) Party Contacts**

Telephone: (254) 0729686106/0722829313
 E-mail: kaduasili@yahoo.com
 Website: www.kaduasili.o.ke

(h) Party Bankers

1. Co-operative Bank of Kenya,
Makupa Branch Mombasa,
P.O. Box 97976 – 8011,
Kenyatta Avenue,
A/C 01134392045303.

(i) Independent Auditor

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

(j) Principal Legal Adviser

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

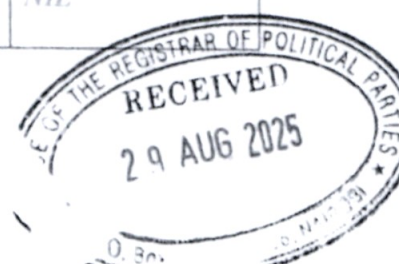


3. The National Executive Council/Committee

<i>Names</i>	<i>Designation</i>	<i>Gender</i>	<i>Date of Assumption of Office</i>	<i>Date of Exited Office</i>
<i>Daniel Nguma</i>	<i>Party Leader</i>	<i>M</i>	<i>5/2/2017</i>	<i>NIL</i>
<i>Joseph Obaga</i>	<i>1st Deputy Party Leader</i>	<i>M</i>	<i>12/7/2013</i>	<i>NIL</i>
<i>Joshua Kombora</i>	<i>National Chairperson</i>	<i>M</i>	<i>7/6/2006</i>	<i>NIL</i>
<i>Siprosa Mulama</i>	<i>1st Deputy Chairperson</i>	<i>F</i>	<i>10/8/2013</i>	<i>NIL</i>
<i>Ramadhani Karuni</i>	<i>2nd Deputy Chairperson</i>	<i>M</i>	<i>15/4/2015</i>	<i>NIL</i>
<i>Lorna Koitany</i>	<i>3rd Deputy Chairperson</i>	<i>F</i>	<i>14/3/2014</i>	<i>NIL</i>
<i>Jimmy Ngala</i>	<i>Secretary General</i>	<i>M</i>	<i>2/3/2006</i>	<i>NIL</i>
<i>Dr. Abeid Kombo</i>	<i>1st Deputy Secretary General</i>	<i>M</i>	<i>13/7/2013</i>	<i>NIL</i>
<i>Margaret Manasseh</i>	<i>2nd Deputy Secretary General</i>	<i>F</i>	<i>1/4/2016</i>	<i>NIL</i>
<i>Pauline Musyoka</i>	<i>2nd Deputy Treasurer</i>	<i>F</i>	<i>9/6/2015</i>	<i>NIL</i>
<i>Said Manyoha</i>	<i>National Organizing Secretary</i>	<i>M</i>	<i>5/6/2006</i>	
<i>Bisher Yahya Bisher</i>	<i>1st Deputy Organizing Secretary</i>	<i>M</i>	<i>10/10/2016</i>	
<i>Sophie Burns Chokwe</i>	<i>2nd Deputy Organizing Secretary</i>	<i>F</i>	<i>17/8/2016</i>	
<i>Fenny Galoleni</i>	<i>Secretary for Public Policy and Economic Affairs</i>	<i>F</i>	<i>8/7/2015</i>	<i>NIL</i>
<i>Karega Mohamed</i>	<i>Secretary for Legal and Constitution Affairs</i>	<i>M</i>	<i>5/6/2014</i>	<i>NIL</i>
<i>Wycliffe Chepkwony</i>	<i>Secretary for International</i>	<i>M</i>	<i>9/4/2012</i>	<i>NIL</i>



	<i>Affairs</i>			
Keziah Adhiambo	Secretary for Women Affairs/ (Women League Leader)	F	11/9/2018	NIL
Shaban Karisa	Secretary for Youth Affairs/ (Youth League Leader)	M	8/4/2016	NIL
Margaret Mulonzi	Secretary for Special Interest Groups	F	12/7/2014	NIL
Farida Wairimu	Secretary for Environment	F	13/7/2015	NIL
Alphonse Koi Disi	Secretary for Devolved Government	M	11/4/2018	NIL
Benson Kisaka	Secretary for Science and Technology	M	9/6/2012	NIL
Onesmus Gambo	Secretary for Special Programmes and Social Welfare	M	3/5/2012	NIL
Mmbetsa Beja	Secretary For Publicity and Information	M	2/8/2014	NIL
Oscar Wachiya	Secretary For Labour and Human Resources Development	M	15/7/2012	NIL
Namani Ohumela	Secretary For National Security	M	17/6/2012	NIL
Rose Athiambo	Secretary For Humanitarian and Disaster Management Affairs	F	16/5/2019	NIL
Kidanga Salimini Ndimiro	Secretary For Disability Affairs	M	1/3/2020	NIL
Philister Ayako	Secretary For Political Affairs	F	9/7/2012	NIL
Jacob Kazungu	Director Of Campaigns	M	13/4/2007	NIL



James Muchemi	Deputy Director Of Campaigns	M	9/8/2020	NIL
Maurice Anditi	Executive Director	M	3/4/2015	NIL
Hannah Lynet Gwiyo	National Treasurer	F	11/3/2016	NIL
Nuru Mseleum	1 st Deputy Treasurer	F	11/5/2015	NIL

4. Key Management/Secretariat Team

Name	Position	Responsibility
CEO Jimmy Ngala	Secretary General	Accounting Officer
Anditi Maurice	Executive Director	Overall conductor of the party activities
Hannah Lynet Gwiyo	Finance Manager	Heads Finance & Accounts
Said Mwanyoha	Head of Operations	Supervise party activities

5. Chairman's Statement

Union building along Kenyatta Avenue. The Party has an estimated total Membership amounting 97,534 during the 2024/2025 period across the country.

During the 2024/2025, we KADU-ASILI did not perform well because of very many challenges. The main challenges faced, amongst others, was the lack of resources (funds) to support our Party.

The main successes during the year were the increase in the number of youth/s and PWDs who registered as new members.

WAY FORWARD

The Party has deliberate intentions of pursuing Well-Wishers and/or Donors to assist in funding Party activities.

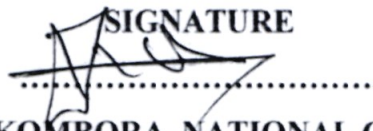
The Party has rolled out an extensive Membership recruitment drive to register many members who can boost the Party Funds, mostly the recruitment of more life members who pay more to the party kitty.



Try and have many more Candidates who will pay for their Nomination fees for the different positions that are open to contestation.

To enhance Civic Education to the Party members to enlighten them on the need for them to actively participate in Political Parties activities with emphasis on the women and youths.

Changes in the N.E.C. involved the resignation of the 1st Deputy Party Leader only.

SIGNATURE


JOSHUA KOMBORA, NATIONAL CHAIRMAN

6. Report of the Secretary-General

The year 2025 was not very busy but the Party mainly concentrated on Membership Recruitment.

PERFORMANCE 2025

I must admit that the Party's performance during the 2025 was minimal. The Party has been struggling to maintain the mandatory minimum number of Counties Offices required by law to remain compliant. The difficulty facing us is the issue of maintaining the minimum number of members required in each county, which is a minimum of 1000 members. Some members keep on defecting from one Party to another one every time and at any time.

The Party has been struggling to keep its operations up and running despite numerous challenges. The major challenges being the very limited resources (funds), which are mainly from Candidates and the Elected and/or Nominated representatives.

(PPF) POLITICAL PARTIES FUND

The Political Parties Fund (P.P.F) also assists the Party in funding most of its activities, although limited in its usage. We are hoping that these funds can be improved/increased to the parties so that Party activities and programmes can be further enhanced. If the Parties can get reasonable funding such that they don't remain hostage" to the high and might individuals that fund them, they can have proper equal playing fields. Individuals funding these Parties tend to dictate/determine terms to these Parties who easily fall at these individuals" mercy.



WAY FORWARD

The Party has rolled out a program towards trying to raise funds. This programme is headed by the Party Treasurer. This programme is aimed at reaching out to donors and well-wishers who may have the interest of KADU-ASILI at heart. The team has identified various institutions, individuals etc. who have been approached towards assisting the Party.

CHALLENGES

The party has been facing several challenges/shortcomings since inception. The challenges have been many but hight just a few, as fellow: -

RESOURCES:

The Party needs resources, mainly funds to ensure that it fulfils its mandate, as per the constitutional requirements. The Party has to maintain the Statutory number of offices required in the counties and hire a minimum staff required to run/manage these offices. The headquarters office urgently requires to hire an Executive Officer/Director to manage the day-to-day affairs of the Party. The county offices all require at least one person to manage the daily affairs.

The Party needs to acquire certain essential office equipment's for proper furnishing. At least some laptops, office desks and chairs for proper operations to be done as per the work plans.

The Party needs to do Civic Education to its members (and even the general public) about political activities and create awareness about their participation in the Party's activities. Sometimes the Party has to arrange public rallies to sensitize members and the general public about its existence. The main focus is on youth, women and special interest groups (S.I. G's).

The maintenance of the required mandatory 24 offices at least in every County.

SIGNATURE


JIMMY F.C. NGALA
SECRE



DANIEL NGUMA
Party Leader

JOSHUA KOMBORA
Deputy leader

JOSEPH OBAGA
National chairperson

SIPROSA MULAMA
1st deputy chair

RAMADHANI KARUNI
2nd deputy chair

LOARN KOITANY
3rd deputy chair

JIMMY NGALA
Secretary General

DR. ABEID KOMBO
1st dep sec. gen

MARGARET MANASSEH
2nd dep sec. gen

HANNAH LYNET GWINYO
National Treasurer

NURU MSELEM
1st Deputy treasurer

PAULINE MUSYOKA
2nd Deputy Treasurer

SAID MWANYOHA
National Organizing Secretary

BISHER YAHYA BISHER
1st Dep. Organising Sec

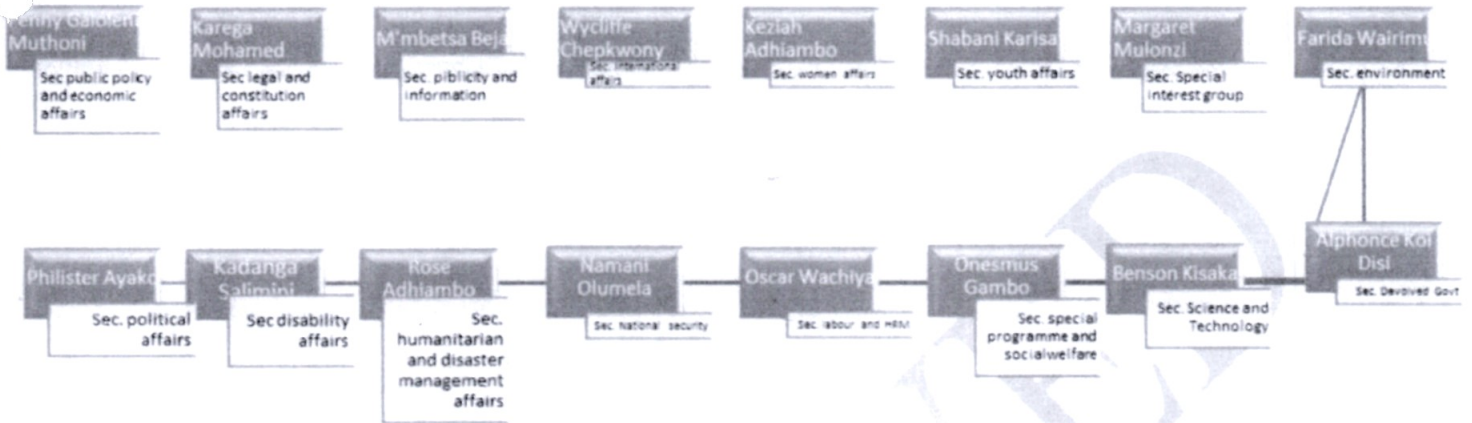
SOPHIE BURNS CHOKWE
2nd Dep. Organising Sec

Jacob Kazungu
Director of campaigns

James Muchemi
Dep. Director of campaigns

Maurice Anditi





7. Report of the National Executive Council/Committee

The Council/Committee submits their report together with the audited financial statements for the year ended June 30, 2025, which show the state of the Kadu Asili affairs.

i) Principal activities

The principal activities of the Party are reported on page (iii)

ii) Results

The results of the Entity for the year ended June 30, 2025, are set out on page ...xxx to xxx.

iii) Council Members

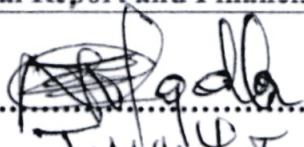
The members of the Governing body/NEC who served during the year are shown on page xxx. During the year xxx members retired/ resigned and xxx was appointed with effect from xxx date.

iv) Auditors

The Auditor-General is responsible for the statutory audit of the *Entity* in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015

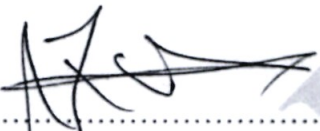
By Order of the Council/Committee





Name Frank F. C. Ngala
Secretary General

Approval of the financial statements

The Party's financial statements were approved by the Board on 22/08/25 2025 and signed on its behalf by:


Name Joshua Kombora Korodico
NEC Chairperson


Name Frank F. C. Ngala
Secretary General



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 KENYA AFRICAN DEMOCRATIC UNION - ASILI (KADU - ASILI) FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

- A. Report on 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 the 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 the Government achieves value for money and that such funds are applied for the intended purpose; and,
- 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, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An Adverse Opinion is issued when the Auditor-General determines that the financial statements are materially misstated and are not fairly presented in accordance with the applicable financial reporting framework. The Report on the Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

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

Adverse Opinion

I have audited the accompanying financial statements of Kenya African Democratic Union – Asili (KADU - Asili) set out on pages 4 to 19, which comprise of the statement of

financial position as at 30 June, 2025, and the statement of financial performance, statement of changes net assets, statement of cash flows and the 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, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, in all material respects, the financial position of Kenya Africa Democratic Union - Asili (KADU - Asili) as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards Accrual Basis and do not comply with the Political Parties Act, 2011, (Revised 2022) and the Public Finance Management Act, 2012.

Basis for Adverse Opinion

1. Inaccuracies in the Financial Statements

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

Description	Amount in Financial Statements (Kshs.)	Amount in the Notes to the Financial Statements (Kshs.)	Variance (Kshs.)
Transfers From Political Parties Fund-Note 5	65,022	-	65,022
Membership Fees - Note 6	25,000	130,551	(105,551)
Administrative Expenses - Note 7	330,150	341,311	(11,161)
Special Interest Group - Note 8	-	341,311	(341,311)

Further, the statement of comparison of budget and actual amounts reflects administrative expenses of Kshs.330,130, resulting to an unexplained variance of Kshs.11,161.

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

2. Unexplained Variance in Transfers from the Political Parties Fund

The statement of financial performance reflects transfers from Political Parties Fund amount of Kshs.65,022. However, the supporting schedules as well as records

maintained by the Political Parties Fund indicated disbursements totalling Kshs.399,327, resulting to an unexplained variance of Kshs.334,305.

In the circumstances, the accuracy and completeness of transfer from Political Parties Fund of Kshs.65,022 could not be confirmed.

3. Unsupported Trade and Other Payables

The statement of financial position reflects trade and other payables balance of Kshs.272,296 as disclosed in Note 12 to the financial statements relating to unpaid rent. However, the balance was not supported by any documentation such as invoices or lease agreements.

In the circumstances, the accuracy and completeness of the trade and other payables balance of Kshs.272,292 could not be confirmed.

4. Unsupported Receivables and Balance

The statement of financial position reflects total asset balance of Kshs.959,924. Included in this balance is investment of Kshs.98,649 and receivables of Kshs.810,276 which were not supported with relevant documentation.

In the circumstances, the accuracy and completeness of the total assets balance of Kshs.959,924 could not be confirmed.

5. Unsupported Expenditure

The statement of financial performance reflects total expenditure of Kshs.341,311. Included in this amount is a total of Kshs.66,161 relating to professional fees, traveling and Advocacy and electoral expenses which was not supported with payment vouchers, invoices and Imprest warrants. Further, the statements of comparison of budget and actual amounts does not include special interest group expenses and advocacy and electoral expenses amounts. In addition, provision for depreciation has been wrongly included in the budget as a payment, yet it does not involve cash outflow.

In the circumstances, the accuracy and completeness of the expenditure amounting to Kshs.66,161 could not be confirmed.

6. Inaccuracies in Depreciation Expense

The statements of financial position reflects Kshs.49,967 for property plant and equipment as disclosed in Note 9 to the financial statements. However, the depreciation rates applied were inconsistent with the rates prescribed in the depreciation guidelines on Assets and Liability Management in the Public Sector issued by The National Treasury in

March 2020. Analysis indicates that furniture and fittings, computers, other assets and printers were depreciated at 10%, 25% and 10% instead of the prescribed rates of 12.5%, 30% and 12,5% per annum, respectively.

In the circumstances, the accuracy and completeness of the property, plant and equipment of Kshs.49,967 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kenya African Democratic Union – Asili (KADU - Asili) 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 adverse opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the effect of the matters described in the Basis for Adverse Opinion, I have determined that there are no other key audit matters to communicate in my report.

Other Information

The Management is responsible for the Other Information set out on pages iii to iii, which comprise of Key Political Party Information and Management, The National Executive Council/Committee, Key Management/Secretariat Team, Chairman's Statement, Report of the Secretary General and Report of the National Executive Council/Committee. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Party's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. Based on the audit procedures performed, because of the significance of the matters described in my Basis for Adverse Opinion, I confirm that the Other Information is materially inconsistent with the financial statements.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, because of the significance of the matters discussed in the Basis for Adverse Opinion and the Basis for Conclusion on Lawfulness and Effectiveness in the Use of

Public Resources sections of my report, I confirm that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1.0 Presentation of the Annual Reports and the Financial Statements

1.1 Errors and Omissions

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

- i. The statement of financial performance for the year ended 30 June 2025 indicates the year end as 30 June 2024 instead of 30 June 2025;
- ii. There is no header in the statement of financial position, statement of cash flows and statement of comparison of budget and actual amounts for the year ended 30 June 2025;
- iii. Paragraph 2(e) under Key Political Party Information and Management, does not include high level description on the fiduciary oversight arrangement;
- iv. The annual report and financial statements exclude several key sections, including the Statement of Performance Against Predetermined Objectives, Governance Statement, Management Discussion and Analysis and Environmental and Sustainability Reporting and the Statement of the National Executive Council Responsibilities. Similarly, the statement of changes in net assets and Appendix 1 on Implementation Status of Auditor-General's Recommendations were not prepared.

1.2 Inconsistencies in Notes to the Financial Statements

Notes to the financial statements were found to be inconsistent with the financial statements as follows:

- i. The notes in the statement of financial performance, statement of financial position and statement of cash flows for the year ended 30 June 2025 do not correspond to the actual notes to the financial statements;
- ii. Note 5 to the financial statements is incomplete;
- iii. There is no corresponding Note to the financial statements for public contributions and donations as required by the template; and,
- iv. The statement of financial performance reflects advocacy and electoral expenses of Kshs.11,161 and investment balance of Kshs.98,649, disclosed in statement of financial performance and statement of financial position, respectively do not have corresponding explanatory notes in the financial statements.

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

2.0 Lack of an Approved Budget and Workplan

Management did not provide an approved budget and workplan for audit verification and therefore the basis and regularity of its spending could not be established. This was contrary to Regulation 31(1) of the Public Finance Management (National Government) Regulations, 2015 which requires an Accounting Officer to ensure that the draft estimates relating to his or her Department are prepared in accordance with the Constitution, the Act and the Regulations.

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

3.0 Non-Compliance with Climate Change Financing Requirements

Review of the annual work plans for the financial year 2024/2025 revealed that the Party did not integrate Climate Change considerations into its operational activities nor were any resources allocated in the budget for Climate Change initiatives. This was contrary to Regulations 6(1)(d) and 15(2)(a) of the Climate Change Regulations, 2021, which require all public entities at both the National and County levels to allocate funds for Climate Change initiatives. The regulations also require each entity to establish a dedicated unit with adequate staff and financial resources, and appoint a senior officer to oversee the integration of the Climate Change action plan and related statutory duties into sectoral strategies for implementation.

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

4.0 Non-Compliance with the Law on Establishment of Party Offices

During the year under review, the Party operated only one (1) Office located in Mombasa. No records were provided to verify that the Party had established Offices in at least twenty-four (24) Counties. This was contrary to Section 7(2)(f)(iii) of the Political Parties Act, 2011, which states that a registered 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.

5.0 Failure to Publish Sources of Funds

During the year under review, the Party did not disclose its sources of funds within the required ninety days after the end of the financial year. This was contrary to Section 29(1) and (2) of the Political Parties Act, 2011, which requires all Political Parties to publish their sources of funds in a newspaper with nationwide circulation as well as on the Party's official website.

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

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require 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 comply 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, because of the significance of the matters discussed in the Basis for Adverse Opinion and the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance sections of my report, I confirm that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Lack of an Internal Audit Function and Audit Committee

During the financial year under review, the Party had not established an Internal Audit Function. This was contrary to Section 73(1) (a) of the Public Finance Management Act, 2012, which requires every National Government entity to maintain an internal auditing arrangement that adheres to the guidelines issued by the Public Sector Accounting Standards Board. Further, the Party had not established an Audit Committee contrary to Section 73(5) of the Public Finance Management Act, 2012, which requires every National Government public entity to establish an Audit Committee whose composition and functions shall be as prescribed by the regulations.

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

2. Lack of Approved Risk Management Policy and Disaster Recovery Plan

During the financial year under review, the Party did not have a Risk Management Strategy in place, resulting to lack of approved processes and guidelines for mitigating operational, legal and financial risks. Further, the Party did not have a Disaster Recovery Plan or a Business Continuity Plan and therefore, crucial information may not be recoverable in the event of a disaster. This was contrary to Regulation 165(1)(a) and (b) of the Public Finance Management (National Government) Regulations, 2015, which requires Accounting Officers to ensure that every National Government entity develops risk management strategies, which include fraud prevention mechanisms and a system of risk management and internal controls that build robust business operations.

In the circumstances, Management may not be able to identify key risks, estimate the likelihood of occurrence and implement appropriate control measures.

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 effective processes and systems of internal controls, risk management and overall governance were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, the Management is responsible for assessing the Party's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions, and information reflected in the financial statements comply 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

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015, and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. 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 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 conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not, 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 addition, I consider the entity's control environment 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.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.



FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL




Nairobi

16 December, 2025

8. Statement of Financial Performance for the year ended 30 June 2024

	Notes	2025	2024
		Kshs	Kshs
Revenue			
Transfers from Political Parties Fund (PPF)	6	65,022	245,353
Membership Fees	7	25,000	
Public contributions and donations	8	105,551	
Total Revenue		195,573	245,353
Expenses			
Administrative Expenses	11	330,150	438,701
Special Interest Groups expenses	12		
Advocacy and Electoral expenses	13	11,161	12,401
Total expenses		341,311	451,102
Surplus/Deficit		(145,738)	(205,749)

The notes set out on pages 1 to 7 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 7 were signed on behalf of the NEC by:

 Name: Immanuel F. N. G. Njoroge Name: Hannah Lynet Name: Joshua Kombora

 Secretary General Head of Finance Chairman of the Party


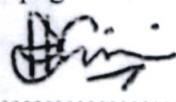
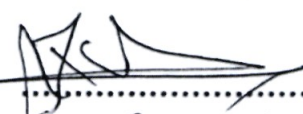
Date 26/08/2025 Date 26/08/2025 Date 26/8/2025



15 Statement of Financial Position as at 30 June 2025

	Notes	2025	2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash equivalents	19	1,032	6,409
Receivables and advances	20	810,276	810,276
Inventories	21		
Investments (current)	22		xxx
Total Current Assets		811,308	816,685
Non-Current Assets			
Investments	22	98,649	98,649
Property Plant and Equipment	23	49,967	61,128
Intangible Assets	24		xxx
Investment Property	25		xxx
Total Non- Current Assets		148,616	159,777
Total Assets (A)		959,924	976,462
Liabilities			
Current Liabilities			
Trade and Other Payables	26	272,396	143,196
Total Current Liabilities		272,396	143,196
Non-Current Liabilities			
Total Liabilities (B)		272,396	143,196
Net Assets (A-B)		687,528	833,266
Represented by:			
Revaluation Reserves		833,266	1,039,015
Accumulated Surplus/deficits		(145,738)	(205,749)
Net Assets		687,528	833,266

The financial statements set out on pages 1 to 7 were signed on behalf of the NEC by:

 Name: Imvut F. C. Ngala Name: Hannah Lynet Gurop Name: Joshua Kambona
 Secretary General Head of Finance Chairman of the Party

Date 26/08/2025

Date 26/08/2025

Date 26/8/2025



17. Statement of Cash Flows for the year ended 30 June 2025

	Notes	2025	2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from Political Parties Fund (PPF)		65,022	245,353
Membership Fees		25,000	NIL
Public contributions and donations		105,551	NIL
Total receipts		195,573	245,353
Payments			
Administrative Expenses		330,150	438,701
Advocacy and Electoral expenses		11,161	12,401
Total payments		341,311	451,102
Cash and cash equivalents at 1 July 2024	19	1,032	6,509
Cash and cash equivalents at 30 June 2025	19	1,032	6,509

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18. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2025

	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
Carry Overs from the Previous Period						
Receipts						
Transfers from Political Parties Fund (PPF)	65,022	NIL	65,022	65,022	NIL	100%
Membership Fees	25,000	NIL	25,000	25,000	NIL	100%
Public contributions and donations	105,551	NIL	105,551	105,551	NIL	100%
Investment Income						
Miscellaneous Revenue						
Total	195,573	NIL	195,573	195,573	NIL	100%
Payments						
Administrative Expenses	330,130	NIL	330,130	330,130	NIL	100%
Purchase of Intangible Assets						
Provision	11,161	NIL	11,161	11,161	NIL	100%
Total Expenditure						
Surplus for the period	34,1311	NIL	341,311	341,311	NIL	100%

19. Notes to the Financial Statements

1. General Information

KADU-ASILI party 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 *Entity's* accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5 of these financial statements.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the *Entity*. The financial statements have been prepared in accordance with the PFM Act, the State Corporations 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. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from The Political Parties Fund

Revenues transfers from the Political Parties Fund 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 upon meeting the set conditions.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

A) 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.

B) Comparative figures

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

Summary of Significant Accounting Policies (Continued)

4. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the *Kadu Asili* 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:

Useful lives and residual value

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

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

Notes to the Financial Statements (Continued)

5. Transfers from Political Parties Fund (PPF)

	2025	2025
	Kshs	Kshs

6. Membership Fees

Description	2025	2024
	Kshs	Kshs
Nomination fees		xxx
Subscription fees	25,000	NIL
Donations	105551	NIL
Total	130551	NIL

DONATIONS WERE RECEIVED FROM WELL WISHERS ON EMERGENCY CASES WHICH ARISED DURING THE YEAR.

7. Administrative Expenses

Description		2025	2024
	Note	Kshs	Kshs
Salaries and Wages	11(a)	180,000	180,000
Office Rent		79,200	79,200
Transport & Fuel			
Stationaries & printing		1,050	1,850
Media & publications			
Consumables			
Travel and accommodations		15,500	5,075
Utilities	11(b)	4,700	4,500
Professional Fees	11(c)	40,000	112,500
Security			
Communication Charges		8,750	25,000
Courier and Postage		950	3,376
Insurance			
Depreciation		11,161	12,401
Subscriptions to Professional bodies			
Bank charges			8,000
Repairs and main			
Total Administrative Expenses		341,311	431,902

11(a) Salaries and Wages

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Salaries and wages	180,000	180,000
Total Salaries and Wages	180,000	180,000

11(b) Utilities

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Water & Sewerage	2,700	NIL
Electricity	2,000	4,500
Total Utilities	4,700	4,500

11(c) Professional Fees

Description	2025	2025
	Kshs	Kshs
Audit	10,000	10,000
Accountancy	30,000	30,000
Professional services	NIL	72,500
Total Professional Fees	40,000	112,500

8. Special Interest Groups

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Transport	15500	5075
Conference Facility	NIL	19200
Stationery	1050	1850
Other Costs	324761	424977
Total	341311	451102

9. Cash and Cash Equivalents

Description	2025	2024
	Kshs	Kshs
Savings Account	1,032	6,409
Total Cash and Cash Equivalents	1032	6409

Detailed Analysis of the Cash and Cash Equivalents

Financial Institution	Account number	2025	2024
		Kshs	Kshs
a) Current Account			
Savings Account			
Cooperative Bank, etc.		1,032	6,409
Grand Total		1,032	6,409

10. Receivables and advances

	2025	2024
	Kshs	Kshs
Receivables		
Aspirants/Candidates	810,276	810,276
Total Current Receivables	810,276	810,276

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11. Property, Plant and Equipment

Cost	Furniture and fittings	Computers	Printers	Total
	10%	25%	10%	
	Kshs	Kshs	Kshs	Kshs
As At 1 July 2024	31,345	51,247	23,153	105,745
As at 30 th June 2025	31,345	51,247	23,153	105,745
Depreciation And Impairment				
At 1 July 2025	9,129	26,008	9,480	44,617
Depreciation	2,222	7,572	1,367	11,161
As At 30 th JUNE 2025	11,351	33,580	10,847	55,778
As at 30 th June 2025	19,994	17,667	12,306	49,967
As at 30 th June 2024	22,216	25,239	13,673	61,128

NO ASSETS PURCHASES DURING THE FINANCIAL YEAR

25 (b) 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
Computers And Related Equipment	74400	44427	29973
Office Equipment, Furniture, And Fittings	31,345	11,351	19,994
Total	105,745	55,778	49,967

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

Description	Cost or valuation	Normal annual depreciation charge
Computers and Related Equipment	74,400	44,427
Office Equipment, Furniture and Fittings	31,345	11,351
Total	105,745	55,778

Notes to the Financial Statements (Continued)

12. Trade and Other Payables

Description	2025		2024	
	Kshs		Kshs	
Other payables	272,396		143,196	
Total trade and other payables	272,396		143,196	
Ageing analysis: (Trade and other payables)	2025	% of the Total	2024	% of the Total
Under one year	214,200	78.63%	143,196	100%
1-2 years	58,196	23.37%	NIL	NIL
Total (tie to above total)	272,296	100%	143,196	100%

Notes To The Financial Statements (Continued)

13. Cash Generated from Operations

Description	2025	2024
	Kshs	Kshs
Deficit for the year	(145,738)	(205,749)
Adjusted for:		
Depreciation	11,161	12401
Working capital adjustments		
Increase in payables	129,200	124,700
Net cash flow from operating activities	5,377	68,648

20. Appendices

Appendix I: Implementation Status of Auditor-General's Recommendations

The following is the summary of issues raised by the external auditor and management comments that were provided to the auditor.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)

Guidance Notes:

- (i) Use the same reference numbers as contained in the external audit report.
- (ii) Obtain the "Issue/Observation" and "management comments", required above, from final external audit report that Management signs.
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your Entity responsible for the implementation of each issue.
- (iv) Indicate the status of "Resolved" or "Not Resolved" by the date of submitting this report to the National Treasury.



 Secretary General

Date: 28/08/2025

Appendix II: Transfers from Political Parties Fund

No	Source of Funds (Entity)	Amount	Date Received	Financial Year the funds relates to
<i>1</i>	<i>Political Parties Fund</i>	<i>65,022</i>	<i>08/07/2024</i>	<i>2024/25</i>

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