

REPUBLIC OF KENYA



THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 03 MAR 2026 DAY: Tuesday

TABLED BY: Hon. Naomi Wago, MP
Deputy Majority Whip

CLERK-AT-THE-TABLE: Mado Atabō

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REPORT

OF

THE AUDITOR-GENERAL

ON

MUUNGANO PARTY

FOR THE YEAR ENDED
30 JUNE, 2025



MUUNGANO PARTY (MP)

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)



Muongano Party (MP)

Annual Report and Financial Statements for the year ended June 30, 2025.

Table of Contents.....
Page	
1. Acronyms and Definition of Key Terms	ii
2. Key Political Party Information and Management	iii
3. The National Executive Council/Committee	vii
4. Key Management/Secretariat Team	viii
5. Chairman’s Statement	ix
6. Report of the Secretary-General	x
7. Statement of Performance against Predetermined Objectives for FY 2024/2025-1	xi
8. Governance Statement.....	xii
9. Management Discussion and Analysis.....	xv
10. Environmental and Sustainability Reporting	xvi
11. Report of the National Executive Council/Committee	xvii
12. Statement of the National Executive Council Responsibilities	xviii
13. Report of the Independent Auditor for the Financial Statements of Muungano Party(MP).....	xx
14. Statement of Financial Performance for the year ended 30 June 2025	1
15 Statement of Financial Position as at 30 June 2025.....	2
16. Statement of Changes in Net Assets for the year ended 30 June 2025	3
17. Statement of Cash Flows for the year ended 30 June 2025	4
18. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2025 .	5
19. Notes to the Financial Statements	7
20. Appendices.....	36

1. Acronyms and Definition of Key Terms

A: Acronyms

SG	Secretary General
MP	Muongano Party
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.

2. Key Political Party Information and Management

(a) Background information

The Muungano Party was incorporated/ established under the Political Parties Act, 2007 5th November, 2007. The Muungano Party is domiciled in Kenya and has branches in 25 counties.

(b) Principal Activities

MUUNGANO PARTY VISION

Muungano party is a party that is determined to see a united Kenya as its name depicts. As a party we are determined to develop the lifestyles of the ordinary Kenyan who has been undergoing rough times both economically and socially.

We will foster a Kenya that is a truly knit fabric of all the 42 tribes and the visitors within our borders.

MUUNGANO PARTY MISSION

Muungano Party envisions governing and executing services to Kenyans through a channel which is universally deemed to be democratic.

Our mission is to rid Kenya of all all that affect its citizenry, namely;

- Poor leadership
- Negative ethnicity
- Corruption and,
- Poverty

CORE VALUES

Muungano Party promises that all party activities will be based and guided by the following values.

- Commitment to democratic ideals
- Gender parity
- Commitment to patriotism
- Member appreciation
- Transparency and Accountability
- Integrity
- National Cohesion
- Zero tolerance to corruption and tribalism

Key Political Party Information and Management (continued)**Mission**

A MP Government shall strive to achieve and responsibility exercise accountable political Power in Kenya through participatory democracy (at all levels of governance) and promote social justice and equity.

(c) Key Management

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

No.	Designation	Responsibility
1.	NDC/NGC;	Endorsing key decisions
2.	NEC	Formulating policies
3.	SG	Chief accounting officer
4.	Treasurer	Financial manager

(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.	Chairperson	Tito Mutunga Muunda
2.	Secretary General	Jonathan Muoki Mwaniki
3.	Treasurer/Head of Finance	Charles Kihara
4.	Head of Procurement	James Gichuki

(e) Fiduciary Oversight Arrangements

- Registrar of Political Parties- Regulator and Administrator of Political Parties Fund.
- Governing Body/NEC: Implements key decisions and plans of the Party.
- Finance committee: Ensures there is enough budget to run party affairs.

Key Political Party Information and Management (continued)

- Audit and Risk Committee: Reviews if the party funds are utilised properly and forms opinion.
- Parliamentary Oversight Committees
- Other oversight arrangements

(f) Entity Headquarters

P.O. Box 19080-00101
Kenwan Building,
Kangundo Road
Nairobi.

(g) Party Contacts

Telephone: (254) 722823427
E-mail: muuganoparty@yahoo.com
Website: www.muuganoparty.com

(h) Muungano Party Bankers

1. Family Bank (*Account for the Political Parties Fund*)
Nakuru Market Branch
P.O Box 74145 – 00200
Nakuru.
A/c Number: 019000055271
2. Equity Bank
Corporate Branch
P.O box 75104 – 00200
Nairobi.
A/c Number: 0010192999774

Key Political Party Information and Management (continued)

(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




Party Legal Advisor

G.K. Kinoti Mbobua
P. O. Box 29871
Nairobi.

3. The National Executive Council/Committee

Ref	Directors	Details
1.		Hon. Tito Mutunga Muunda National Chairman
2.		Hon. Charles Kihara National Treasurer
3.		Hon. Jonathan Muoki Mwaniki Secretary General

4. Key Management/Secretariat Team

	Management	Details
1.		Hon. Tito Mutunga Muunda National Chairman
2.		Hon. Charles Kihara National Treasurer
3.		Hon. Jonathan Muoki Mwaniki Secretary General

5. Chairman's Statement

- ***Successes made by the party during the year***

The party managed to conduct special interests groups conventions for women and youth of the party in Kwale, Makeni, Kisii, Nyamira and Narok counties throughout the financial year. The party also held meetings with the persons living with Disabilities in Kajiado County.

- ***Challenges faced by the party during the year***

The party noted that there were so many activities to conduct but due to budgetary limitation, we couldn't carry all of the desired activities until resources were adequate to do so.

- ***Changes in the NEC***

There were no changes in the party's NEC

- ***Status on the implementation of the Party's strategic plan.***

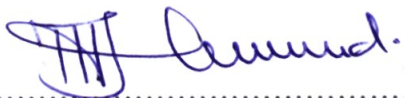
The party's five-year strategic plan is well on course, but the party needs a revamp of its resources to actualize the plan. In this regard, the party will conduct a serious resource mobilization geared towards amassing enough funds to run the strategic plan to its successful realisation.

- ***Stakeholders' engagements within the year***

The party participated in stakeholder's meetings including the Office of the Registrar of Political Parties (ORPP).

- ***Political direction of the Party***

The party is keen in participating fully in the upcoming 2027 elections with a view of forming government.



.....
Tito Mutunga Muunda

Chairman



6. Report of the Secretary-General



Operational Performance of the Party

The party received **Ksh 5,610,631** from the Political Parties Fund (PPF) for the current year and received **913,560** from the previous financial year to run its approved work plan for the year 2024/2025 financial year.

The party further netted **Ksh 100** from membership recruitment drives. It should be noted that since some of the members openly admitted that they did not have the requisite subscription fee, the party offered to waive the fee for some of the new members.

The party had contributions totalling to **Kshs. 1,046,701** received from its members of County Assemblies this financial year. This amount has greatly supported the affairs of the Party which the political Party Fund couldn't have fully supported. We as a Party sincerely thank everybody who donated.

Jonathan Muoki Mwaniki

Secretary General



7. Statement of Performance against Predetermined Objectives for FY 2024/2025-1

The Political Party has a strategic plan running from Year 2023 to Year 2028. The Strategic Plan is implemented in annual work plans.

The performance of the Party during the year is presented in the table below:

No	Program/Activity	Key Performance Indicator	Target	Achievement	Remarks
1.	Special Interest groups	Active Youths, Women and PWDs	1150	580	Half Target achieved
2.	Administration	Robust and Operational Headquarters	Smooth running of activities	Robust activities at Secretariat	Well run headquarters
3	Advocacy and Electoral	Regional Presence in Counties	36 Counties	14 Counties	Almost Half target achieved

8. Governance Statement

Governance by the MP NEC

The Muungano Party is led by a powerful committee known as the National Executive Committee (NEC). Meetings are held quarterly but can be called in special circumstances to execute important and very urgent party matters as need may be. This financial year we have had three (2) NEC meetings and the attendance averaged 95%.

Gender Equality and Succession

The National Executive Committee is committed to achieving its gender diversity target and is also actively prioritising the appointment of qualified female politicians in its ongoing renewal to complement the NEC's mix of skills and experience as part of its current ongoing Party growth and succession process.

Under the NEC Charter, there's no maximum tenure for a NEC member to stand for an additional term but we take into consideration factors such as new and fresh young minds joining the leadership in the Committee to facilitate smooth succession planning.

Roles and functions of NEC

The MP NEC's principal role is to govern and oversee the Party by ensuring that there is a proper governance framework in place to promote, champion and protect the Party's interests for the benefit of the entire membership of the Party and the country at large. NEC collectively oversees and appraises the strategies, performance, culture and policies of MP, having due regard to its purpose, its responsibilities to its ordinary party members and life members alike, the interests of its stakeholders and its role in the promotion of good governance and democracy.

Induction, training and career development

To ensure NEC officials receive ongoing professional development, NEC officials are provided a comprehensive program of ongoing education and training. The NEC Education Program (Program) is structured to align with the Party's strategic pillars. The Program comprises formal Political education sessions, electorate and party member's connection sessions, ground visits in the grassroots and other Party and supporter's engagement opportunities. As part of this Program, we also periodically assess the need for NEC members to undertake professional development to maintain the skills and knowledge required to perform their roles effectively.

Governance Statement (Continued)

NEC performance

The way we measure and reward performance is designed to promote our purpose-led culture. Formal performance appraisals are conducted at the end of every year.

Performance assessments were undertaken for the Secretary General and NEC Leadership Team during FY 2024-2025.

Areas of Conflict of interest

The National Executive Committee considers a NEC member to be independent if they are free from any interest, position or relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their independent judgement.

Conflicts of interest, including related party transactions, are a standing agenda item and are considered by the NEC and other NEC sub-committees at each Meeting and in each paper presented to the NEC or Sub-Committee. If a potential conflict is identified, the relevant official or the NEC may determine that they should not receive documents related to or take part in discussions or decisions in respect of that matter.

NEC remuneration, ethics and conduct

It suffices to say that NEC members or in that case any member holding a party position, except the Executive Director who heads the secretariat, is not entitled to a remuneration package but may be subject to receive an allowance in the service of the party from time to time.

Our Code of Ethics & Conduct (Code) sets out the behaviours expected of everyone at Muungano Party. The Code provides our people with principles and a framework to make informed party decisions. It also provides specific guidance on how to make the right decision and do the right thing. When our party supporters and other stakeholders interact with us, we want them to feel assured that we will act in a responsible and ethical way.

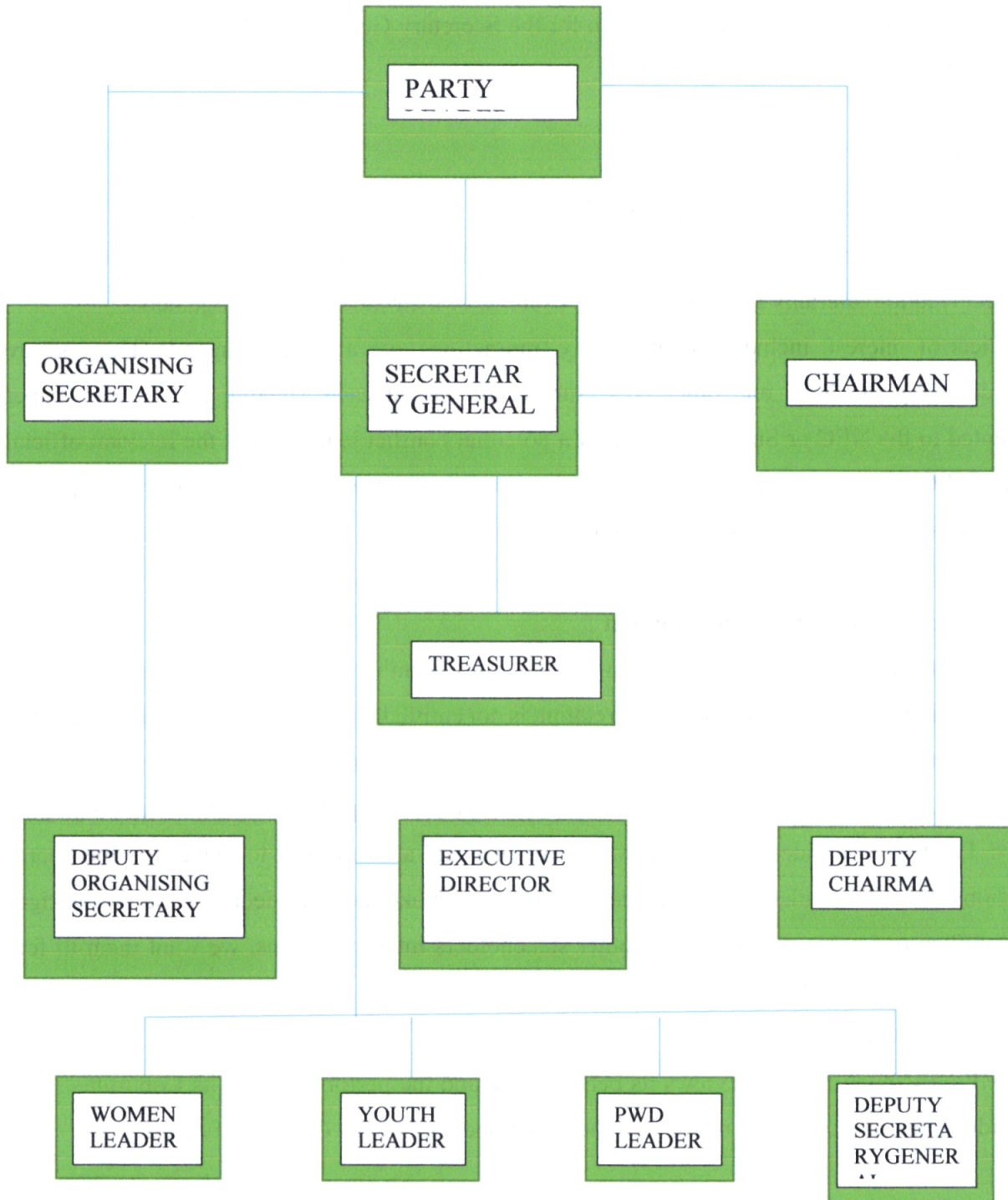
Governance Audit

The MP NEC continuously reviews its performance and the performance of its Committees and individual NEC officials, and recognises the importance of this to NEC effectiveness.

Governance Statement (Continued)

The annual NEC performance reviews are conducted either internally or with the assistance of an independent external consultant when resources are available.

The next audit is to take place in September 2026.



9. Management Discussion and Analysis

The accompanying unaudited interim financial statements of Muongano Party were presented by management in accordance with the International Financial Reporting Standards and generally accepted accounting principles.

Only changes in accounting policies have been disclosed in these unaudited interim financial statements.

Management acknowledges responsibility for the preparation and presentation of the unaudited interim financial statements; including responsibility for the significant accounting judgements and estimates and the choice of accounting principles and methods that are appropriate to the company's circumstances.

Management has established processes which are in place to provide then sufficient knowledge to support management representations that they have exercised reasonable diligence that (i) the unaudited interim financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the unaudited interim financial statements and (ii) the unaudited interim financial statements, which is as of 30th June 2025.

The National Executive Committee (NEC) is responsible for reviewing and approving the unaudited interim financial statements together with other financial information of the company and for ensuring that management fulfils its financial reporting responsibilities. The Party shall institute an audit committee which will assist NEC in fulfilling this responsibility. The Audit committee shall meet with the management to review the financial statements together with other financial information of the company.

Management recognizes its responsibility for conducting the company's affairs in compliance with established financial standards, and applicable laws and regulations and for maintaining proper standards of conduct for its activities.

10. Environmental and Sustainability Reporting

i) *Sustainability strategy and profile*

MP Party used biodegradable in production of flyers and party awareness materials. Three of our branches are reliable on solar panels to generate power. The Party also steered a campaign to plant over 30,000 trees as part of the plans to combat climate change.

ii) *Environmental performance*

The Party embarked on the plan of planting trees in collaboration with local NGOs. Indigenous trees were given priority in Kitui, Makueni and Taita Taveta Counties to start with.

iii) *Employee welfare*

MP party is an equal opportunity employer that is keen to ensure merit is rewarded and both genders are involved. The Party created green jobs in the three counties during the tree planting programmes spearheaded by the women and youth of the Party.

a) *Responsible Supply chain and supplier relations*

MP maintains a practice of prompt supply and payment plans, ensuring that the suppliers are always paid on time.

b) *Responsible marketing and advertising*

The party has put mechanisms for a responsible and robust marketing and advertising strategy that will be keen on maintaining the green agenda .

c) *Product stewardship*

In carrying out the party's mandate to the public and the entire membership, the Party will ensure that all party materials are well taken of and disposed without delay. Posters mounted are not to go beyond their intended timelines.

iv) *Corporate Social Responsibility / Community Engagements*

The Party builds trust with members and the public. It enhances social impact and reputation. The party also ensures ethical leadership which reflects in the community needs being addressed effectively.

The party has strengthened its legal compliance and advanced its sustainable Development Goals (SDG's)

11. 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 Party's affairs.

i) Principal activities

The principal activities of the Party are reported on page (iii) of these financial statements.

ii) Results

The results of the Muungano Party (MP) for the year ended June 30, 2025, are set out on page 1 to 6.

iii) Council Members

The members of the Governing body/NEC who served during the year are shown on page vii. During the year no members retired/ resigned.

iv) Auditors

The Auditor-General is responsible for the statutory audit of the Muungano Party (MP) in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015

By Order of the Council/Committee



.....
Jonathan Muoki Mwaniki
Secretary General



12. Statement of the National Executive Council Responsibilities

Section 31 of the Political Parties Act Cap 7D requires the NEC to prepare financial statements in respect of that Party, which give a true and fair view of the state of affairs of the Party at the end of the financial year and the operating results of the Party for that year. The NEC is also required to ensure that the Party keeps proper accounting records which disclose with reasonable accuracy the Party's financial position. NEC is also responsible for safeguarding the assets of the Party.

The NEC is responsible for the preparation and presentation of the Party'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, 2025. 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 NEC accepts 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 the Political Parties Act. The NEC is of the opinion that the Party's financial statements give a true and fair view of the state of the Party's transactions during the financial year ended June 30, 2025, and of the Party's financial position as at that date. The NEC further confirms the completeness of the accounting records maintained for the Party, which have been relied upon in the preparation of the Party's financial statements, as well as the adequacy of the systems of internal financial control.

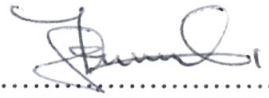
In preparing the financial statements, the NEC assessed the Party's ability to continue as a going concern. Nothing has come to the attention of the Directors to indicate that the Muungano Party (MP) will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Party's financial statements were approved by the NEC on November 26th, 2025 and signed on its behalf by:



.....
Tito Mutunga Muunda
NEC Chairperson



.....
Jonathan Muoki Mwaniki
Secretary General



REPUBLIC OF KENYA

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON MUUNGANO PARTY 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 Unmodified Opinion is issued when the Auditor-General concludes that the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on 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

Opinion

I have audited the accompanying financial statements of Muungano Party set out on pages 1 to 36, which comprise of the statement of financial position as at 30 June, 2025, and the statement of financial performance, statement of changes in net assets,

statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended and 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 Muungano Party 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 comply with the Political Parties Act, 2011, (Revised 2022) 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 Muungano Party 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 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. There were no key audit matters to report in the year under review.

Other Matter

Unresolved Prior Year Matters

In the prior year's audit report, an issue on failure to establish party offices in at least twenty-four (24) Counties was raised under the Report on Lawfulness and Effectiveness in Use of Public Resources. Review of the status during the audit of the Party in the financial year 2024/2025 revealed that the matter remained unresolved.

Other Information

The Management is responsible for the Other Information set out on pages iii to xix 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, Statement of Performance Against Predetermined Objectives, Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the National Executive Council/Committee and the Statement of National Executive Council Responsibilities. 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. I have nothing to report in this regard.

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, except for the effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the 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. Non-Compliance with the Public Sector Accounting Standards Board Reporting Requirements

Review of the financial statements prepared and submitted for audit revealed that Management Discussion and Analysis on page xv does not provide a trend analysis for the last three to five years on key metrics, such as Membership, annual budget, Revenue from Political Parties Fund, Members' Subscriptions, Contributions, Donations, Number of Elected Representatives, including Special Interest Groups and Party Branch Offices.

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

2. Non-Compliance with Climate Change Regulations

Review of documents provided for audit revealed that the Party had not designated a Department or Unit, allocated financial resources, or conducted staff training related to Climate Change during the year under review. Further, Climate Change initiatives were not included in the approved budget for the year. This was contrary to Section 15(2)(a) of the Climate Change Act, 2016, which requires each State Department and National Government public entity to designate a unit with adequate staff and financial resources and appoint a senior officer as Head of the Unit to coordinate the integration of the action plan and other statutory Climate Change functions into sectoral strategies.

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

3. Non-Compliance with the Law on Establishment of Party Offices

Audit review revealed that the Party operated only one Office in Nairobi and eleven (11) additional County Offices, which is less than the minimum requirement of offices in at least twenty-four (24) Counties. This was contrary to Section 7(f)(iii) of the Political Parties Act, 2011, which states that a provisionally 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.

4. Lack of a Procurement Function

During the audit, the Party had not established a procurement function contrary to Section 47(1) and (2) of the Public Procurement and Assets Disposal Act, 2015 which states that a procurement function shall be handled by procurement professionals whose qualifications are recognized in Kenya, and shall among other functions, be responsible for rendering procurement professional advice to the Accounting Officer.

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 THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

Lack of an Approved Strategic Plan and Human Resource Manual

During the year under review, the Party did not have an approved Strategic Plan and Human Resource Manual. This was contrary to Section B.2(1) of the Human Resource

Policies and Procedures Manual for the Public Service, 2016, which stipulates that every entity shall prepare Human Resource Plans to support achievement of goals and objectives in the Strategic Plan. Further, Section 17(1)(c) of the Political Parties Act, 2011, requires a political Party to maintain at its head office and at each of its County offices in the prescribed form, an accurate and authentic record of a copy of the policies and plans of the Political Party.

In the circumstances, the existence of effective internal controls and risk management of the Party could not be confirmed.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether 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 the 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, 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

10 December, 2025

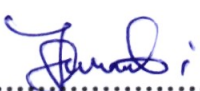

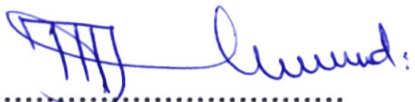
Muungano Party (MP)

Annual Report and Financial Statements for the year ended June 30, 2025.

14. Statement of Financial Performance for the year ended 30 June 2025

	Notes	2024-2025	2023-2024
		Kshs	Kshs
			Restated
Revenue			
Transfers from Political Parties Fund (PPF)	6	5,610,631	4,605,714*
Membership Fees	7	100	-
Public Contributions and Donations	8	1,046,701	1,248,000
Total Revenue		6,657,432	5,853,714*
Expenses			
Administrative Expenses	9	1,289,221	1,347,579
Special Interest Groups expenses	10	3,200,000	2,910,000
Advocacy and Electoral expenses	11	3,070,000	150,000
Provision for doubtful debts	13	304,176	-
Total expenses		7,863,397	4,407,579
Surplus/Deficit		(1,205,965)	1,446,135*




The notes set out on pages 7 to 37 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 6 were signed on behalf of the NEC by:

		
Name: Jonathan Muoki Mwaniki	Name: KHAMIS MABRUK	Name: Tito Mutunga Muunda
Secretary General	Head of Finance	Chairman of the Party
Date: 3/12/2025	ICPAK M/No: 10178 Date: 03/12/2025	Date: 3/12/2025

15. Statement of Financial Position as at 30 June 2025

	Notes	FY 2024-2025	FY 2023-2024
		Kshs	Kshs Restated
Assets			
Current Assets			
Cash and Cash equivalents	12	1,628	9,026
Receivables and advances	13	0	304,176
Total Current Assets		1,628	313,202
Non-Current Assets			
Property Plant and Equipment	14 (a)	56,623	73,894
Receivables from PPF	13	0	913,560*
Total Non- Current Assets		56,623	987,454
Total Assets (A)		58,251	1,300,656*
Liabilities			
Current Liabilities			
Trade and other payables	15	-	36,440
Total Current Liabilities		-	-
Non-Current Liabilities			
Total Non- Current Liabilities		-	36,440
Total Liabilities (B)		-	-
Net Assets (A-B)		58,251	1,264,216*
Represented by:			
Accumulated Surplus/deficits		58,251	1,264,216
Net Assets		58,251	1,264,216*

The financial statements set out on pages 1 to 6 were signed on behalf of the NEC by:

		
Name: Jonathan Muoki Mwaniki	Name: KHAMIS MASRUK	Name: Tito Mutunga Muunda
Secretary General	Head of Finance	Chairman of the Party
Date 3/12/2025	ICPAK M/No: 10178 Date 03/12/2025	Date 3/12/2025

16. Statement of Changes in Net Assets for the year ended 30 June 2025

Description	Revaluation reserve	Accumulated Surplus Restated	Total Restated
	Kshs	Kshs	Kshs
As at July 1, 2023		731,641*	731,641*
Surplus/ deficit for the year	-	532,575	532,575
As at June 30, 2024	-	1,264,216	1,264,216
As at July 1, 2024	-	1,264,216	1,264,216
Surplus/ (deficit) for the year	-	(1,205,965)	(1,205,965)
As at June 30, 2025	-	58,251	58,251

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

		2024-2025	2023-2024
	Notes	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from Political Parties Fund (PPF)	6	6,524,191	3,446,502
Public Contributions and Donations	8	1,046,801	943,824
Total receipts		7,570,992	4,390,326
Payments			
Administrative Expenses	9	1,271,950	1,324,654
Special Interest Groups expenses	10	3,200,000	2,910,000
Advocacy and Electoral expenses	11	3,070,000	150,000
Payment to Suppliers	15	36,440	-
Total payments		7,578,390	4,384,654
Net cash flows from/(used in) operating activities	16	(7,398)	5,672
Net increase/(decrease) in cash & Cash equivalents		(7,398)	5,672
Cash and cash equivalents at 1 July	12	9,026	3,354
Cash and cash equivalents at 30 June 2025	12	1,628	9,026

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)	6,524,191	-	6,524,191	6,524,191	-	100%
Membership Fees	10,000	-	10,000	-	10,000	0%
Public contributions and donations	1,056,000	-	1,056,000	1,046,801	9,199	99.1%
Investment Income	-	-	-	-	-	
Miscellaneous Revenue	-	-	-	-	-	
Total	7,590,191	-	7,590,191	7,570,992	(19,199)	99.7%
Payments						
Administrative Expenses	2,201,155	-	2,201,155	1,308,390	892,765	59.4%
Special Interest Groups expenses	3,500,000	-	3,500,000	3,200,000	300,000	91.4%
Advocacy and Electoral expenses	1,889,036	-	1,889,036	3,070,000	(1,180,964)	162.5%
Total Expenditure	7,590,191	-	7,590,191	7,578,390	11,801	99.8%S
Surplus for the period	-			(7,398)	(7,398)	

NB: Administrative Expenses allocation was re-allocated to Advocacy and Electoral expenses budget due to the surplus envisaged, hence the surpassing of 63% for the Advocacy and electoral expenses.

Budget Reconciliation

No	Description	Kshs
	Actual Surplus Amounts as per the statement of Budget	(7,398)
	Closing Cash and Cash Equivalent as per the statement of Cash flows	(7,398)

19. Notes to the Financial Statements

1. General Information

Muongano Party(MP) 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 Muungano Party (MP)'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 Muungano Party (MP). 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. Adoption of New and Revised Standards

i. New and amended standards and interpretations in issue effective in the year ended 30 June 2025.

There were no new and amended standards issued in the financial year.

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025

Standard	Effective date and impact:
IPSAS 43: Leases	<i>Applicable 1st January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Muungano Party (MP). The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<i>Applicable 1st January 2025</i> The Standard requires, 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: 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. There is no impact on the Muungano Party
IPSAS 45: Property Plant and Equipment	<i>Applicable 1st January 2025</i> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets,

Standard	Effective date and impact:
	<p>infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p>The standard has no impact on the Muungano Party as the Land and other heritage assets does not exist in the party.</p>
<p>IPSAS 46: Measurement</p>	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p>MP is not impacted by the standard.</p>
<p>IPSAS 47: Revenue</p>	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non-exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that Muungano Party (MP) shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>

Standard	Effective date and impact:
	MP will follow the standard as provided.
IPSAS 48: Transfer Expenses	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p>MP is not impacted by the standard.</p>
IPSAS 49: Retirement Benefit Plans	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p>MP is not impacted by the standard.</p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the Muungano Party (MP)'s financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized. <p>MP is not impacted by the standard.</p>

Standard	Effective date and impact:
IPSAS 43:	<i>Applicable 1st January 2025</i>

Muongano Party (MP)**Annual Report and Financial Statements for the year ended June 30, 2025.**

Leases	<p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of Muungano Party (MP).</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p>MP is keen to follow the standard on its lease on rent.</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> <p>MP is not impacted by the standard.</p>
IPSAS 45: Property Plant and Equipment	<p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard.</p> <p>IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p>
IPSAS 46: Measurement	<p><i>Applicable 1st January 2025</i></p>

	<p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> ii. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. iii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iv. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
<p>IPSAS 47: Revenue</p>	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that Muungano Party (MP) shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p>The standard will guide the follow the standard in giving information to users on how the revenue is collected and utilised.</p>
<p>IPSAS 48: Transfer Expenses</p>	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>
<p>IPSAS 49: Retirement Benefit Plans</p>	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector</p>

Muongano Party (MP)

Annual Report and Financial Statements for the year ended June 30, 2025.

	<p>employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p>MP is not impacted by the standard.</p>
<p>IPSAS 50: Exploration For & Evaluation of Mineral Resources</p>	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none">iv. Limited improvements to existing accounting practices for exploration and evaluation expenditures.v. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26.vi. Disclosures that identify and explain the amounts in the Muungano Party (MP)'s financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized. <p>MP is not impacted by the standard.</p>

iii. Early adoption of standards

The Muungano Party (MP) did not early – adopt any new or amended standards in the financial year.

Notes to the financial statements (continued)

4. 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.

ii) Revenue from exchange transactions

Rendering of services

The Muungano Party (MP) recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Notes to the financial statements (continued)

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably, and it is probable that the economic benefits or service potential associated with the transaction will flow to the party.

Interest income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

Dividends

Dividends or similar distributions must be recognized when the shareholder's or the Muungano Party (MP)'s right to receive payments is established.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

b) Budget information

The original budget for the Current FY was approved by the National Assembly on xxx. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the *Muongano Party (MP)* upon receiving the respective approvals in order to conclude the final budget. The *Muongano Party (MP)* did not record any additional appropriations on the 2025 budget.

Budget information (continued)

The *Muungano Party (MP)*'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 actual cash and cash equivalents from the statement of cash flows.

c) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

Notes to the financial statements (continued)

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 Muungano Party (MP) recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration, the asset is initially measured at its fair value.

e) Leases

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the Muungano Party (MP). Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Muungano Party (MP) also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Muungano Party (MP) will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Muungano Party (MP). Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

Notes to the financial statements (continued)

f) Intangible assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred. The useful life of the intangible assets is assessed as either finite or indefinite. Intangible assets with an indefinite useful life are assessed for impairment at each reporting date.

g) Research and development costs

The Muungano Party (MP) expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Muungano Party (MP) can demonstrate:

- i) The technical feasibility of completing the asset so that the asset will be available for use or sale.
- ii) Its intention to complete and its ability to use or sell the asset.
- iii) How the asset will generate future economic benefits or service potential
- iv) The availability of resources to complete the asset.
- v) The ability to measure reliably the expenditure during development.

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

Notes to the financial statements (continued)

h) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The Muungano Party (MP) does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. (amend as appropriate). A financial instrument is any contract that gives rise to a financial asset of one Muungano Party (MP) and a financial liability or equity instrument of another Muungano Party (MP). At initial recognition, the Muungano Party (MP) measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

a) Financial assets

Classification of financial assets

The Muungano Party (MP) classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the Muungano Party (MP)'s management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an Muungano Party (MP) has made irrevocable election at initial recognition for particular investments in equity instruments.

Notes to the financial statements (continued)

Subsequent measurement

Based on the business model and the cash flow characteristics, the Muungano Party (MP) 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.

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.

Fair value through net assets/ equity

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

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.

Notes to the financial statements (continued)

Fair value through surplus or deficit

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/equity are measured at fair value through surplus or deficit. A business model where the Muungano Party (MP) manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

Impairment

The Muungano Party (MP) assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The Muungano Party (MP) recognizes a loss allowance for such losses at each reporting date.

b) Financial liabilities

Classification

The Muungano Party (MP) classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

i) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition. After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Muungano Party (MP).

Notes to the financial statements (continued)

j) Provisions

Provisions are recognized when the Muungano Party (MP) has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Muungano Party (MP) expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

k) Contingent liabilities

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

l) Contingent assets

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

Notes to the financial statements (continued)

m) Nature and purpose of reserves

The Muungano Party (MP) creates and maintains reserves in terms of specific requirements.

n) Changes in accounting policies and estimates

The Muungano Party (MP) recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

o) Employee benefits

Retirement benefit plans

The Muungano Party (MP) provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which Muungano Party (MP) pays fixed contributions into a separate Muungano Party (MP) (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

p) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

q) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment.

Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

r) Related parties

The Muungano Party (MP) regards a related party as a person or an Muungano Party (MP) with the ability to exert control individually or jointly, or to exercise significant influence over the Muungano Party (MP), or vice versa. Members of key management are regarded as related parties and comprise NEC Members and other officials as per the Party's constitution and the Political Parties Act.

s) 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.

t) Comparative figures

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

u) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2025.

Summary of Significant Accounting Policies (Continued)

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Muungano Party (MP) 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 Muungano Party (MP). 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 Muungano Party (MP).
- 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.

Notes to the Financial Statements (Continued)**6. Transfers from Political Parties Fund (PPF)**

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Operational Grant	5,610,631	3,446,502
Other Grants	-	-
Total	5,610,631	3,446,502

The fund will support various party programmes as outlined by the work plan submitted to ORPP.

7. Membership Fees

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Subscription fees*	100	-
Total	100	-

*New member's fees

8. Public Contributions and Donations

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Party Fundraising events	-	-
MCA contributions	1,046,701	1,248,000
Total	1,046,701	1,248,000

Muongano Party (MP)
Annual Report and Financial Statements for the year ended June 30, 2025.

Notes to the financial statements (continued)

9. Administrative Expenses

Description		FY 2024/2025	FY 2023/2024
	Note	Kshs	Kshs
Salaries and Wages	9(a)	180,000	180,000
Office Rent		900,000	900,000
Stationaries & printing		88,300	165,139
Travel and accommodations		90,000	71,874
Utilities	9(b)	10,260	4,986
Depreciation		17,271	22,925
Bank charges		3,390	2,655
Total Administrative Expenses		1,289,221	1,347,579

Notes to the financial statements (continued)

9. (a) Salaries and Wages

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Salaries and wages	180,000	180,000
Total Salaries and Wages	180,000	180,000

9. (b) Utilities

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Electricity	10,260	4,986
Total Utilities	10,260	4,986

Notes to the Financial Statements (Continued)

10. Special Interest Groups

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Food and Refreshment	200,000	-
Stationery	500,000	-
Caps/ T-shirts	2,000,000	-
Women League Transport re-imburement	250,000	1,500,000
Youth League Transport re-imburement	200,000	1,000,000
PWD League Transport re-imburement	50,000	410,000
Total	3,200,000	2,910,000

11. Advocacy and Electoral Expenses

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
County Civic & political participation	800,000	-
Recruitment Caravans & drives	-	5,000
Party merchandise Printing Cost	2,270,000	145,000
Total	3,070,000	150,000

12. Cash and Cash Equivalents

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Current Account (Family Bank)	1,628	9,026
Total Cash and Cash Equivalents	1,628	9,026

12. (a) Detailed Analysis of the Cash and Cash Equivalents

Financial Institution	Account number	FY 2024/2025	FY 2023/2024
		Kshs	Kshs
a) Current Account			
Family Bank	019000055271	1,031	4,685
Equity Bank	0010192999774	597	4,341
Grand Total		1,628	9,026

13. Receivables and advances

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Receivables		
Political Parties Fund (PPF)	-	913,560
Public Contributions and Donations	-	304,176
Total Current Receivables	-	1,217,736

Muongano Party (MP)

Annual Report and Financial Statements for the year ended June 30, 2025.

14. (a) Property, Plant and Equipment

Cost	Furniture and fittings	Computers	Office Equipment	Capital Work in progress	Total
	20%	30%	20%		
	Kshs	Kshs	Kshs	Kshs	Kshs
As At 1 July 2023	9,637	24,928	39,329	-	73,894
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Transfers/Adjustments	-	-	-	-	-
Revaluation Adjustments	-	-	-	-	-
As at 30 th June 2024	9,637	24,928	39,329	-	73,894
1 st July 2025	7,710	17,450	31,463	-	56,623
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-
Revaluation adjustments	-	-	-	-	-
As at 30 th June 2025	7,710	17,450	31,463	-	34,179
Depreciation And Impairment					
At 1 July 2024	(2,409)	(10,684)	(9,832)	-	(6,959)
Depreciation	(1,927)	(7,478)	(7,866)	-	(5,544)
Impairment	-	-	-	-	-
Transfers/ Adjustments	-	-	-	-	-
As At 30 th 2025	(1,927)	(7,478)	(7,866)	-	(5,544)

Muongano Party (MP)
Annual Report and Financial Statements for the year ended June 30, 2025.

Cost	Furniture and fittings	Computers	Office Equipment	Capital Work in progress	Total
Depreciation Rate	20%	30%	20%		
	Kshs	Kshs	Kshs	Kshs	Kshs
1 st July 2024	9,637	24,928	39,329	-	73,894
Depreciation	(1,927)	(7,478)	(7,866)	-	(17,271)
Disposals	-	-	-	-	-
Impairment	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-
As at 30 th June 2025	7,710	17,450	31,463	-	56,623
Net Book Values					
As at 30 th June 2024	9,637	24,928	39,329	-	73,894
As at 30 th June 2025	7,710	17,450	31,463	-	56,623

Muungano Party (MP)**Annual Report and Financial Statements for the year ended June 30, 2025.****Notes to the Financial Statements (Continued)****Valuation**

Computers, Furniture and Fittings/ Equipment were valued professional valuers from the government in line with the National Assets and Liabilities Management Policy and Guidelines (issued 30th June 2020). These amounts were adopted by the Board on 30 with concurrence from the National Treasury.

14. (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
Land	-	-	-
Buildings	-	-	-
Plant And Machinery	-	-	-
Motor Vehicles, Including Motorcycles	-	-	-
Computers And Related Equipment	24,928	7,478	17,450
Office Equipment	39,329	7,866	31,463
Furniture, And Fittings	9,637	1,927	7,710
Total	73,894	17,271	56,623

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	-	-
Office Equipment, Furniture and Fittings	-	-
Total	-	-

Notes to The Financial Statements (Continued)

15. Accounts Payables

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Payables		
Stationeries and Printing	-	36,440
Total Account Payables	-	36,440

16. Cash Generated from Operations

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Surplus for the year	(1,205,965)	532,575
Adjusted for:		
Depreciation	17,271	22,925
Provision for bad debts	304,176	-
Working capital adjustments		
Decrease in receivables	913,560	667,908
Increase in receivables	-	(1,217,736)
Decrease in Payables	(36,440)	
Net cash flow from operating activities	(7,398)	5,672

Notes to the Financial Statements (Continued)

17. Related Party Disclosures

Nature of related party relationships

Entities and other parties related to the *Muongano Party (MP)* include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates and close family members.

Related parties include:

- i) Office of the Registrar of Political Parties
- ii) NEC Members
- iii) Secretary General
- iv) The Treasurer
- v) Executive Directors

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
a) Grants /transfers from the government		
Grants from Political Parties Fund	5,610,631	3,692,154
Other grants	-	-
	-	-
Total	5,610,631	3,692,154
b) Key management compensation		
Allowances to NEC Members	-	-
Compensation to key management	-	-
Total	-	-

18. Contingent Assets and Contingent Liabilities

There were no disclosures of any Contingent assets or liability held by the Party.

19. Events after the Reporting Period

There were no material adjusting and non-adjusting events after the reporting period.

Muongano Party (MP)
Annual Report and Financial Statements for the year ended June 30, 2025.

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)
1	Failure to establish county offices in at least 24 counties	The Party currently on course to fully establish the offices and will fully update the regulator upon completion of the exercise.	Not Resolved	April 2026

[Handwritten Signature]

Secretary General

Date: 3/12/2025



Muongano Party (MP)

Annual Report and Financial Statements for the year ended June 30, 2025.

Appendix II: Transfers from Political Parties Fund

No	Source of Funds (Muungano Party (MP))	Amount	Date Received	Financial Year the funds relates to
<i>1</i>	<i>Political Parties Fund</i>	<i>913,560.00</i>	<i>08 July 2024</i>	<i>FY 2023/24</i>
<i>2</i>	<i>Political Parties Fund</i>	<i>1,631,047.75</i>	<i>17 October 2024</i>	<i>FY 2024/25</i>
<i>3</i>	<i>Political Parties Fund</i>	<i>1,631,047.75</i>	<i>15 November 2024</i>	<i>FY 2024/25</i>
<i>4</i>	<i>Political Parties Fund</i>	<i>1,631,047.75</i>	<i>03 March 2025</i>	<i>FY 2024/25</i>
<i>5</i>	<i>Political Parties Fund</i>	<i>717,487.75</i>	<i>28 May 2025</i>	<i>FY 2024/25</i>
	TOTAL	6,524,191		