

REPUBLIC OF KENYA



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THE AUDITOR-GENERAL

ON

COUNTY ASSEMBLY OF EMBU

FOR THE YEAR ENDED 30 JUNE, 2025

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COUNTY ASSEMBLY OF EMBU
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30th JUNE, 2025

Transitional International Public Sector Accounting Standards; Financial Statements;

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1. Acronyms and Glossary of Terms

ADP	Annual Development Plan
AIE	Authority to Incur Expenditure
CA	County Assembly
CARA	County Allocation of Revenue Act
CECM	County Executive Committee Member
CE	County Executive
CG	County Government
CIDP	County Integrated Development Plan
CRA	Commission on Revenue Allocation
CRF	County Revenue Fund
CT	County Treasury
IPSAS	International Public Sector Accounting Standards
MCA	Member of County Assembly
OCOB	Office of the Controller of Budget
OAG	Office of the Auditor General
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
NT	National Treasury
WB	World Bank
Kshs	Kenya Shillings

a) Glossary of Terms

Comparative FY Means the financial year preceding the current financial year.

2. Key County Assembly of Embu Information and Management

a) Background information

The County Assembly of Embu is constituted as per Article 176 of the constitution of Kenya 2010 and is headed by the Speaker (as the Chairperson of the County Assembly Service Board) in line with Sec 12 (3) (a) of the County Government Act . He is responsible for the general policy and strategic direction of the Assembly. The County Assembly has 30 members who constitutes 20 Members of County Assembly (MCAs) elected to represent members of the public from their respective wards, 6 others appointed by Political parties according to their representation in the Assembly, 4 others appointed to represent youth, Minority, Marginalized and PWDs respectively. The MCA's are responsible for making any laws for effective performance of the County Government, approving plans and policies and playing the oversight role over the County Executive.

b) Key Management

The County Assembly of Embu day-to-day management is under the following key organs:

No	Designation	Name
1.	Speaker of the County Assembly	- Hon. Josiah M. Thiriku
2.	Clerk of the County Assembly	- Jim G. Kauma
3.	Deputy Clerk	- James M. Ileri
4.	Director - Financial and Accounting Services	- Josiah M. Karanja
5.	Director Litigation, Legal Compliance and Legislative Drafting	- Boniface M. Ileri
6.	Director Legislative Procedures and Committee Services	- David M. Githaga
7.	Director Human Resources Management	- Moses M. Karagirwa

c) Fiduciary Management

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

No.	Designation	Name
1.	Accounting Officer – Clerk	- Jim Gitonga Kauma
2.	Deputy Clerk	- James Munyi Ileri
3.	Director Financial and Accounting Services	- Josiah Muhia Karanja
4.	Principal Finance Officer	- Kamau Wachiuri
5.	Principal Accountant	- Bancy Wangari Thathi

d) Fiduciary Oversight Arrangements

During the year several organs undertook fiduciary oversight with the sole objective of ensuring proper and transparent application of the public funds. These organs included

- The County Assembly Service Board - Overall management of the Assembly Service
- Public Accounts Committee - Consideration of all reports from the Office of the Auditor General.
- Budget and Appropriation Committee - Consideration of the Budget for the County Assembly
- Audit Committee - Consideration of the Internal Audit reports
- Internal Audit Department

e) County Assembly of Embu Headquarters

County Assembly of Embu
 Along James Nyaga Crescent road
 Off Embu Meru Highway Opposite
 Faith House
 P. O. Box 140 – 60100 Embu

f) County Assembly of Embu Contacts

Telephone: (254) 068-2231208

Mobile: 0734867105

E-mail: info@embuaassembly.go.ke

countyassemblyofembu@gmail.com

Website: www.assembly.Embu.go.ke

g) Bankers

- i. Central Bank of Kenya
Haile Selassie Avenue
P. O. Box 60000-00200, Nairobi, Kenya
Tel/fax: +254-20-2860000/2861000/2863000
- ii. Family Bank of Kenya
Embu Branch
Embu
- iii. Co-operative Bank of Kenya
Embu Branch
Embu
- iv. Winas Sacco Society Ltd
Embu Branch

h) Independent Auditors

Auditor General

Office of the Auditor General

Anniversary Towers, University Way

P. O. Box 30084 – 00100

NAIROBI KENYA

i) Principal Legal Adviser

The Attorney General

State Law Office

Harambee Avenue

P. O. Box 40112

City Square 00200

Nairobi Kenya

j) County Assembly Attorney

Director - Litigation, Legal Compliance and Legislative Drafting

3. Governance statement

a) Background and roles

The County Assembly is constituted by the MCAs of Embu County Government. It is headed by the Speaker who is elected by the MCAs. The speaker is also the chairperson of the County Assembly Service Board while the County Assembly Clerk is the secretary.





Section 10 (4) of the county governments 2012 provides that a county assembly shall observe the following order of precedence.

- a) The speaker of the county assembly.
- b) The leader of the majority party; and
- c) The leader of the minority party.

The Roles of the county assembly are outlined in Section 8 of the County Governments Act 2012 and they include:

- a) Vet and approve nominees for appointment to county public office as may be provided for in this Act or any other law.
- b) Perform the roles set out under Article 185 of the Constitution.
- c) Approve the budget and expenditure of the county government in accordance with Article 207 of the Constitution, and the legislation contemplated in Article 220(2) of the Constitution, guided by Articles 201 and 203 of the Constitution.
- d) Approve the borrowing by the county government in accordance with Article 212 of the Constitution.
- e) Approve county development planning; and
- f) Perform any other role as may be set out under the Constitution or legislation.

b) Profiles

NAME	DETAILS OF QUALIFICATIONS AND EXPERIENCE
 <p>Josiah Mureiithi Thiriku</p>	<p>Speaker of the county Assembly DOB:- 5/12/1976 Masters in Strategic Management Chairperson:- 1.Powers and privilege 2. Assembly Rules & Business Committee 3. Appointment committee 4. County Assembly Service Board</p>
 <p>Hon. Peter Nyaga Muriithi.</p>	<p>MCA- Mbeti North Ward. Date of Birth: 1st January 1958 Leader of Majority Party Chairman Car loan and Mortgage fund. Vice Chairperson – County Assembly Service Board Chairperson Car Loan and Mortgage Committee</p>
 <p>Hon. Mbaka John Ngari</p>	<p>MCA – Mavuria Ward Date of Birth: 1st January 1970 Leader of Minority Party Member Car loan and Mortgage fund</p>
	<p>Name: Mr. Jim G. Gitonga. Date of Birth: 19th September 1981 Designation: County Assembly Clerk Qualification: Master's degree in Public Policy and Administration. Fund administrator.</p>

c) Sectoral Committees

County Assembly Select Committees

The mandate of the Select Committees is in respect to subject matter assigned by the Standing Orders and is exercised within the limits contemplated under Part 2 of the Fourth Schedule to the Constitution. The County Assembly has the following Select and Sectoral Committees.

- i. Finance & Economic Planning.
- ii. Administration, Devolution, Public Service, Governance and ICT
- iii. Agriculture, Blue Economy, Livestock & Cooperative Development
- iv. Health Services
- v. Water, Irrigation, Environment, Climate Change & Natural Resources
- vi. Land, Housing and Urban Planning
- vii. Energy, Roads, Transport And Public Works
- viii. Trade, Tourism And Industrial Development
- ix. Youth, Gender, Sports, Culture, Children and Social Services
- x. Education
- xi. Implementation
- xii. Delegated Legislation
- xiii. Public Accounts Committee
- xiv. Public Investment Committee
- xv. Public Participation
- xvi. Budget And Appropriations
- xvii. Justice and Legal Affairs
- xviii. Ward Equalization
- xix. Appointment
- xx. Cohesion and Intergovernmental Relations
- xxi. Ward Representation
- xxii. Members' Welfare
- xxiii. Liaison
- xxiv. Assembly Rules and Business Committee
- xxv. Powers and Privileges

- xxvi. Selection
- xxvii. Broadcasting and Library Services

d) Select Committees

i. Committee on Powers and Privileges

There shall be a select committee to be known as the Committee on Powers and Privileges consisting of the Speaker, majority whip, minority whip and five other Members under the chairmanship of the Speaker.

The Committee on Powers and Privileges shall either on its own Motion or as a result of a complaint made by any person inquire into the conduct of a Member whose conduct is alleged to constitute a breach of privilege in terms of the provisions of the County Assembly Powers and Privileges Act, 2016 or into any conduct of any Member of the Assembly within the precincts of the Assembly (other than the chamber) which is alleged to have been intended or likely to affect adversely on the dignity or integrity of the Assembly or the Member thereof, or to be contrary to the best interests of the Assembly or the Members thereof within fourteen days of receipt of a complaint.

In FY 2024/2025, the Committee held twenty six (26) meetings and its members were:

	Member	Designation	Ward
1)	Hon. Josiah Thiriku -	Chairperson	Hon. Speaker
2)	Terry C Wanja Mbuchi	Member	Kyeni North
3)	Agnes Wanjiru Gakungugu	Member	Nominated
4)	Hon. Augustine Njeru	Member	Nominated
5)	Hon. Ibrahim Swaleh	Member	Kirimari
6)	Hon. Ann Lilly Njiru	Member	Nominated
7)	Hon. John Mbaka	Member	Mavuria
8)	Hon. Peter Muriithi	Member	Mbeti North

ii) Public Accounts Committee

The **Public Accounts Committee** was formed to provide oversight on the County's finances. The committee held Sixty seven (67) sittings during the FY 2024/2025 and its membership was as follows:

	Member	Designation	Ward
1.	Hon. Paul Muchangi Njiru	Chairperson	Gaturi North
2.	Hon. Job Itumo Munyambu	Vice- Chairperson	Mwea
3.	Hon. Ibrahim Swaleh	Member	Kirimari
4.	Hon. Peter Muriithi Nyaga	Member	Mbeti North
5.	Hon. John Ngari Mbaka	Member	Mavuria
6.	Hon. Susan Mwende Muthoni	Member	Nominated (representing youth)
7.	Hon. Yvonne Mati Karambu	Member	Nominated (gender top up)
8.	Hon. Jane Karimi Njued	Member	Nominated (gender top up)
9.	Hon. James Njeru Augustine	Member	Nominated (people enabled differently)

iii) Budget and Appropriations Committee

The budget and appropriations committee provides guidance in the budgetary process. It is charged with the budget making process and ensuring that there is public participation in the budget process.

During the FY 2024/2025 the Committee held fifty nine (59) meetings and Committee members were:

	Member	Designation	Ward
1)	Hon. Edwin Njiru	Chairperson	Runyejes Central
2)	Hon. Murithi Kiura Njagi	V/Chairperson	Mbeti North
3)	Hon. Johnson Muchangi	Member	Kagaari North
4)	Hon. Mary Kavinda	Member	Nominated
5)	Hon. Samuel Githumbu	Member	Nthawa
6)	Hon. Terry Mbuchi	Member	Kyeni North

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7)	Hon. Swaleh Ibrahim	Member	Kirimari
8)	Hon. Peter Muriithi	Member	Mbeti North
9)	Hon. John Mbaka	Member	Mavuria
10)	Hon. Paul Muchangi	Member	Gaturi North
11)	Hon. Philip Nzangi	Member	Makima
12)	Hon. Ndwiga K. Newton	Member	Muminji
13)	Hon. Susan Mwendu	Member	Nominated
14)	Hon. Agnes Gakungugu	Member	Nominated
15)	Hon. Duncan Mbui	Member	Evurore
16)	Hon. Masters Mwaniki	Member	Kiambeere
17)	Hon. Susan Wairimu Nyaga	Member	Kagaari South
18)	Hon. Maurice Macharia	Member	Nginda
19)	Hon. Job Itumo Munyambo	Member	Mwea
20)	Hon. Barnabas Njama	Member	Kieni South
21)	Hon. Julius Karuri	Member	Kithimu
22)	Hon. Ann Lilly	Member	Nominated
23)	Hon. Yvonne Mati	Member	Nominated
24)	Hon. Fredrick Gatumu	Member	Gaturi South
25)	Hon. Harrison Muturi	Member	Ruguru/Ngandori
26)	Hon. Jimiah Jennifer	Member	Nominated
27)	Hon. Jane Njued	Member	Nominated

iv) The Assembly Rules and Business Committee

The Committee provides guidance on the Assembly rules and committee business.

The Committee held nineteen (19) meetings in FY 2024/2025 and the Committee members were:

	Member	Designation	Ward
1.	Hon. Hon. Josiah Thiriku	Chairperson	Hon. Speaker
2.	Hon. Peter Muriithi Nyaga	Member	Mbeti North

3.	Hon. John Mbaka	Member	Mavuria
4.	Hon. Swaleh Ibrahim	Member	Kirimari
5.	Hon. Duncan Mbui	Member	Evurore
6.	Hon. Susan Mwendu	Member	Nominated
7.	Hon. Newton Kariuki	Member	Muminji
8.	Hon. Susan Nyaga	Member	Kagaari South
9.	Hon. Phillip K. Nzangi	Member	Makima

v) Committee on Selection

There shall be a select committee, to be designated Selection Committee, consisting the Leader of the Majority party who shall be the chairperson, the Leader of the Minority party not less than seven and not more than nine Members, who shall be nominated by County Assembly parties and approved by the County Assembly

The Committee on Selection shall nominate Members to serve in Committees, save for the membership of the Assembly Rules and Business Committee, The Powers and Privileges Committee and Committee on Appointments.

The Committee held no meetings in the FY 2024/2025 due to the limited nature of its mandate. The membership consisted of the following members:

	Member	Designation	Ward
1.	Hon. Peter Muriithi Nyaga	Chairman	Mbeti North
2.	Hon. John Mbaka	Member	Mavuria
3.	Hon. Swaleh Ibrahim	Member	Kirimari
4.	Hon. Paul Muchangi Njiru	Member	Gaturi North
5.	Hon. Philip Nzangi	Member	Makima
6.	Hon. Samuel Githumbu	Member	Nthawa
7.	Hon. Maurice Macharia	Member	Nginda
8.	Hon. Susan Wairimu Nyaga	Member	Kagaari South
9.	Hon. Susan Mwendu Muthoni	Member	Nominated

vi) Committee on Appointments

There shall be a select committee to be designated the Committee on Appointments to be appointed by the County Assembly, consisting of the Speaker as a Chairperson, the Leader of the Majority Party, the Leader of the Minority party, five other Members nominated by the Assembly Rules and Business Committee.

The Committee on Appointments shall consider, for approval by the County Assembly, appointments under Article 179(2) (b) of the Constitution (Members of County Executive Committee).

The Committee held fourteen (14) meetings in FY 2024/2025.

The Committee members during the FY 2024/2025 were:

	Member	Designation	Ward
1.	Hon. Josiah Murithi Thiriku	Chairperson	Hon. Speaker
2.	Hon. Peter Muriithi Nyaga	Member	Mbeti North
3.	Hon. John Mbaka	Member	Mavuria
4.	Hon. Swaleh Ibrahim	Member	Kirimari
5.	Hon. Terry Mbuchi	Member	Kyeni North
6.	Hon. Philip Nzangi	Member	Makima
7.	Hon. Yvonne Mati	Member	Nominated
8.	Hon. Barnabas Njama	Member	Kyeni South

vii) Public Investments Committee

The mandate is similar to that of the PAC. The Committee was formed to provide oversight on the County's finances. The committee seventy three (73) sittings and the members who served in the committee during the year were:-

	Member	Designation	Ward
1.	Hon. Masters Leonard Mwaniki	Chairperson	Kiambere
2.	Hon. Philip Kinyutu Nzangi	V/Chairperson	Makima
3.	Hon. Mary Igoki Kavinda	Member	Nominated (gender top up)

4.	Hon. Daniel Githinji	Member	Nominated (youth)
5.	Hon. Augustine James Njeru	Member	Nominated (Representing
6.	Hon. Agnes Wanjiru Gakungugu	Member	Nominated (Gender top up)
7.	Hon. Fredrick Mugendi Gatumu	Member	Gaturi South

viii) Committee on Implementation

There shall be a select committee to be known as the Committee on Implementation.

The Committee shall scrutinize the resolutions of the County Assembly (including adopted committee reports), petitions and the undertakings given by the County Executive and examine –

(a) Whether or not such decisions and undertakings have been implemented and where implemented, the extent to which they have been implemented; and whether such implementation has taken place within the minimum time necessary; and

(b) Whether or not legislation passed by the County Assembly has been operationalized and where operationalized, the extent to which such operationalization has taken place within the minimum time necessary.

The Committee held forty-seven (47) meetings in FY 2024/2025 and the Committee members during the year were:

	Member	Designation	Ward
1)	Hon. Newton Kariuki	Chairperson	Muminji
2)	Hon. Jane Karimi Njued	V/Chairperson	Nominated
3)	Hon. Agnes Gakungugu	Member	Nominated
4)	Hon. Sammy Muturi	Member	Ruguru/Ngandori
5)	Hon. Daniel Githinji	Member	Nominated
6)	Hon. Edwin M. Njiru	Member	Runyenjes Central
7)	Hon. Philip Nzangi	Member	Makima

ix) Members' Welfare

There shall be a select committee to be designated the Committee on Members' Welfare.

The Committee shall be responsible for—

- (a) Receiving and considering views of Members on the services and facilities provided for their benefit and well-being; and
- (b) Advising and reporting on all matters connected to the services and facilities provided for Members.

The Committee shall consist of a Chairperson and not more than six other members who shall be approved by the Assembly at the commencement of every term.

The Committee held ten (10) meetings in FY 2024/2025 and the Committee members during the year were:

	Member	Designation	Ward
1)	Hon. Maureen K. Nyaga	Chairperson	Nominated
2)	Hon. Paul Muchangi	V/Chairperson	Gaturi North
3)	Hon. Terry Mbuchi	Member	Nominated
4)	Hon. Maurice Macharia	Member	Nginda
5)	Hon. Muriithi Kiura	Member	Mbeti South
6)	Hon. Duncan Mbui	Member	Evurore
7)	Hon. Job Itumo	Member	Mwea

x) Public Participation.

This committee provides guidance on all Public Participation activities as provided for in the Constitution of Kenya. The Committee held twenty four meetings in FY 2024/2025 and the Committee members were:

	Member	Designation	Ward
1)	Hon. Susan Mwendu	Chairperson	Nominated

2)	Hon. Muriithi Kiura	v/Chairperson	Mbeti South
3)	Hon. Julius Karuri	Member	Kithimu
4)	Hon. Maureen Kagendo	Member	Nominated
5)	Hon. Johnson Muchangi	Member	Kagaari North
6)	Hon. Susan Wairimu	Member	Kagaari South
7)	Hon. Newton Kariuki	Member	Muminji

xi) Justice and Legal Affairs

There shall be a select committee to be known as the Committee on Justice and Legal Affairs. The Committee provides guidance on all interpretation of laws and legal matters of the County

The Committee held thirty four (34) meetings in FY 2024/2025 and the Committee members were:

	Member	Designation	Ward
1)	Hon. Agnes Gakungugu	Chairperson	Nominated
2)	Hon. Muriithi Kiura	v/Chairperson	Mbeti South
3)	Hon. Newton Kariuki	Member	Muminji
4)	Hon. Edwin M. Njiru	Member	Runyenjes Central
5)	Hon. Julius Karuri	Member	Kithimu
6)	Hon. Anne Lily Njiru	Member	Nominated
7)	Hon. Barnabas Njama	Member	Kyeni South

xii) Ward Equalization Committee

The Committee offers Oversight the implementation of Ward Development Projects and at the same time investigate and inquire into all matters relating to ward Development Projects or Programmes as may be referred to it by the County Assembly.

The Committee held thirty five (35) meetings in FY 2024/2025 and the Committee members were:

	Member	Designation	Ward
1)	Hon. Fredrick Gatumu	Chairperson	Gaturi South
2)	Hon. Jimiah Jennifer	V/Chairperson	Nominated
3)	Hon. Duncan Mbui	Member	Evurore
4)	Hon. Ann Lilly Njiru	Member	Nominated
5)	Hon. Samuel Githumbu	Member	Nthawa
6)	Hon. Daniel Githinji	Member	Nominated
7)	Hon. Barnabas Njama	Member	Kyeni South

xiii) Committee on Cohesion and Intergovernmental Relations

This Committee Oversees matters concerning inter-governmental and inter-county relations and also monitor and promote measures relating to policy and program initiatives in pursuit of peace and national cohesion;

The Committee held Thirty one (31) meetings in FY 2024/2025 and the Committee members during the year were:

	Member	Designation	Ward
1)	Hon Muturi Sammy	Chairperson	Ruguru/Ngandori
2)	Hon Duncan Mbui	V/Chairperson	Evurore
3)	Hon Jane Karimi	Member	Nominated
4)	Hon Masters Leonard	Member	Kiambeere
5)	Hon Susan Mwendu	Member	Nominated
6)	Hon. Edwin Muriithi	Member	Runyenjes Central
7)	Hon Maurice Macharia	Member	Nginda

xiv) Committee on Broadcasting and Library Services

This Committee consider and report on all matters relating to broadcasting of the proceedings of the Assembly, advise the Assembly on matters related to media relations and make reports and recommendations to the Assembly, including proposed legislation on matters relating to broadcasting of County Assembly proceedings.

The Committee held twenty seven (27) meetings in FY 2024/2025 and the Committee members during the year were:

	Member	Designation	Ward
1.	Hon Daniel Githinji	Chairperson	Nominated
2.	Hon Jane Karimi	V/Chairperson	Nominated
3.	Hon. Muriithi Kiura	Member	Mbeti South
4.	Hon Njeru Augustine	Member	Nominated
5.	Hon Yvonne Mati	Member	Nominated
6.	Hon Duncan Mbui	Member	Evurore
7.	Hon Mary Kavinda	Member	Nominated

xv) Committee on Ward Representation

The Committee shall consist of all the members elected pursuant to Article 177 (1) (a)

The Committee shall normally monitors and promotes measures relating to policy and program initiatives in pursuit of ward representation. It also investigates, inquires into and report on all matters relating to ward representation initiatives and monitors and promotes measures designed to enhance the inclusion of ward specific needs in the county government programmes;

The Committee held fifteen (15) meetings in FY 2024/2025. The Committee members during the FY 2022/2023 were:

	Member	Designation	Ward
1)	Hon. Johnson Mucangi	Chairperson	Kagaari North
2)	Hon. Duncan Mbui	Member	Evurore
3)	Hon. Fredrick Gatumu	Member	Gaturi South
4)	Hon. Masters L. Mwaniki	Member	Kiambeere
5)	Hon. Philip Nzangi	Member	Makima
6)	Hon. Job Itumo	Member	Mwea

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7)	Hon. Julius Karuri	Member	Kithimu
8)	Hon. Swaleh Ibrahim	Member	Kirimari
9)	Hon. Terry Mbuchi	Member	Kyeni North
10)	Hon. Edwin Muriithi	Member	Runyenjes Central
11)	Hon. Maurice Macharia	Member	Nginda
12)	Hon. Harrison Muturi	Member	Ruguru Ngandori
13)	Hon. Samuel Njeru Githumbu	Member	Nthawa
14)	Hon. Susan Wairimu Nyaga	V/Chairperson	Kagaari South
15)	Hon. Paul Muchangi Njiru	Member	Gaturi North
16)	Hon. Peter Muriithi Nyaga	Member	Mbeti North
17)	Hon. John Mbaka	Member	Mavuria
18)	Hon. Barnabas Njama	Member	Kieni South
19)	Hon. Newton Kariuki	Member	Muminji
20)	Hon. Muriithi Kiura	Member	Mbeti South

xvi) Committee on Delegated County Legislation

The Committee shall considers any statutory instrument or legislation brought to the house and ensures that it complies with the provisions of the Constitution, the Act pursuant to which it is made or other relevant written law;

The Committee held eighteen (18) meetings in FY 2024/2025 and the Committee members during the year were:

	Member	Designation	Ward
1)	Hon. Yvonne Mati	Chairperson	Nominated
2)	Hon. Fredrick Gatumu	v/Chairperson	Gaturi South
3)	Hon. Augustine Njeru	Member	Nominated
4)	Hon. Sammy Muturi	Member	Ruguru/Ngandori
5)	Hon. Mary Kavinda	Member	Nominated
6)	Hon. Masters L. Mwaniki	Member	Kiambeere
7)	Hon. Johnson Muchangi	Member	Kagaari North

xvii) Liaison Committee

This Committee consists of the Deputy Speaker as the Chairperson and the chairpersons of all Committees of County Assembly. The Committee guides and co-ordinates the operations, policies and mandates of all Committees. It also considers reports of Committee that have not been deliberated by the County Assembly and shall report to the County Assembly on the consideration of such reports.

The Committee held fifty three (53) meetings in FY 2022/2023. The Committee members during the FY 2024/2025 were:

	Member	Designation	Ward
1)	Hon. Swaleh Ibrahim	Chairperson	Kirimari
2)	Hon. Peter Muriithi Nyaga	Member	Mbeti North
3)	Hon. Susan Wairimu Nyaga	Member	Kagaari South
4)	Hon. Philip Nzangi	Member	Makima
5)	Hon. Maurice Macharia	Member	Nginda
6)	Hon. Job Itumo Munyambo	Member	Mwea
7)	Hon. Samuel Njeru Githumbu	Member	Nthawa
8)	Hon. Barnabas Njama	Member	Kieni South
9)	Hon. Julius Karuri	Member	Kithimu
10)	Hon. Mary Kavinda	Member	Nominated
11)	Hon. Ann Lily Njiru	Member	Nominated
12)	Hon. Edwin Muriithi	Member	Runyenjes Central
13)	Hon. Newton Kariuki	Member	Muminji
14)	Hon. Yvonne Mati	Member	Nominated
15)	Hon. Paul Muchangi	Member	Gaturi North
16)	Hon. Fredrick Gatumu	Member	Gaturi South
17)	Hon. Maureen K. Nyaga	Member	Nominated
18)	Hon. Agnes Gakungugu	Member	Nominated
19)	Hon. Johnson Muchangi	Member	Kagaari North

20)	Hon. Susan Mwendu	Member	Nominated
21)	Hon. Daniel Githinji	Member	Nominated
22)	Hon. Duncan Mbui	Member	Evurore
23)	Hon. Masters Mwaniki	Member	Kiambeere
24)	Hon. Harrison Muturi Sammy	Member	Ruguru/Ngandori

SECTORAL COMMITTEES

a) Finance & Economic Planning

This Committee provides guidance on all business emanating from the Finance and Economic Planning. The Committee held seventy (70) meetings in FY 2024/2025 and the membership of the Committee comprised of the following members;

	Member	Designation	Ward
1)	Hon. Susan Wairimu Nyaga	Chairperson	Kagaari South
2)	Hon. Newton Kariuki	V/Chairperson	Muminji
3)	Hon. Johnson Muchangi	Member	Kagaari North
4)	Hon. Jimiah Jennifer	Member	Nominated
5)	Hon. Yvonne Karambu Mati	Member	Nominated
6)	Hon. Fredrick Gatumu	Member	Gaturi South
7)	Hon. Njama Barnabas	Member	Kyeni South

b) Administration, Devolution, Public Service, Governance and ICT

The Committee held forty ninety four (94) meetings in FY 2024/2025 and its members during the year comprised of the following;

	Member	Designation	Ward
1)	Hon. Philip Nzangi	Chairperson	Makima
2)	Hon. Daniel Githinji	v/Chairperson	Nominated
3)	Hon. Terry Mbuchi	Member	Kyeni North

4)	Hon. Johnson Muchangi	Member	Kagaari North
5)	Hon. Agnes Gakungugu	Member	Nominated
6)	Hon. Ibrahim Swaleh	Member	Kirimari
7)	Hon. Jane Njued	Member	Nominated

c) Agriculture, Blue Economy, Livestock & Cooperative Development

The Committee held fifty (50) meetings in FY 2024/2025 and the membership of the Committee comprised of the following:

	Member	Designation	Ward
1)	Hon. Maurice Macharia	Chairperson	Nginda
2)	Hon. Duncan Mbui	v/Chairperson	Evurore
3)	Hon. Peter Muriithi Nyaga	Member	Mbeti North
4)	Hon. Paul Muchangi	Member	Gaturi north
5)	Hon. Susan Wairimu	Member	Kagaari South
6)	Hon. Jimiah Jeniffer	Member	Nominated
7)	Hon. Maureen Kagendo	Member	Nominated

d) Health Services

The Committee held fifty one (51) meetings in FY 2024/2025 and the membership of the Committee during the year consisted of the following members;

	Member	Designation	Ward
1)	Hon. Job Itumo	Chairperson	Mwea
2)	Hon. Julius Karuri	V/Chairperson	Kithimu
3)	Hon. Ibrahim Swaleh	Member	Kirimari
4)	Hon. Jane Njued	Member	Nominated
5)	Hon. Paul Muchangi	Member	Gaturi North
6)	Hon. Agnes Gakungugu	Member	Nominated
7)	Hon. John Mbaka	Member	Mavuria

e) Water, Irrigation, Environment, Climate Change & Natural Resources

The Committee held forty (40) meetings in FY 2024/2025 and the membership of the committee consisted of the following members;

	Member	Designation	Ward
1)	Hon. Samuel N Githumbu	Chairperson	Nthawa
2)	Hon. Terry Mbuchi	V/Chairperson	Kyeni North
3)	Hon. Susan Mwende	Member	Nominated
4)	Hon. Masters Mwaniki-	Member	Kiambeere
5)	Hon. Harrison Muturi	Member	Ruguru/Ngandori
6)	Hon. Job Itumo	Member	Mwea
7)	Hon. John Mbaka	Member	Mavuria

f) Lands, Housing and Urban Planning

The Committee held fifty one (51) meetings in FY 2024/2025 and the membership of the Committee during the year consisted of the following;

	Member	Designation	Ward
1)	Hon. Barnabas Njama	Chairperson	Kyeni South
2)	Hon. Harrison Muturi	v/Chairperson	Ruguru/Ngandori
3)	Hon. Fredrick Gatumu	Member	Gaturi South
4)	Hon. Philip Nzangi	Member	Makima
5)	Hon. Jimiah Jennifer	Member	Nominated
6)	Hon. Augustine Njeru	Member	Nominated
7)	Hon. Susan Wairimu	Member	Kagaari South

g) Energy, Roads, Transport and Public Works

The Committee held twenty thirty five (35) meetings in FY 2024/2025 and the Committee membership in year consisted of the following members.

	Member	Designation	Ward
1)	Hon. Edwin Muriithi	Chairperson	Runyenjes Central

2)	Hon. John Mbaka	v/Chairperson	Mavuria
3)	Hon. Maurice Macharia	Member	Nginda
4)	Hon. Samuel Githumbu	Member	Nthawa
5)	Hon. Newton Kariuki	Member	Kiambeere
6)	Hon. Anne Lily Njiru	Member	Nominated
7)	Hon. Agnes Gakungugu	Member	Nominated

h) Trade, Tourism and Industrial Development

The Committee held seventy nine (79) meetings in FY 2024/2025 and the membership of the committee during the year consisted of the following members;

	Member	Designation	Ward
1)	Hon. Julius Karuri	Chairperson	Kithimu
2)	Hon. Masters L. Mwaniki	v/Chairperson	Kiambere
3)	Hon. Peter Muriithi	Member	Mbeti North
4)	Hon. Johnson Muchangi	Member	Kagaari North
5)	Hon. Mary Kavinda	Member	Nominated
6)	Hon. Edwin Muriithi	Member	Runyenjes Central
7)	Hon. Ann Lilly Njiru	Member	Nominated

i) Youth, Gender, Sports, Culture and Social Services

The Committee held sixty six (66) meetings in FY 2022/2023 and the membership of the Committee during the year consisted of the following membership.

	Member	Designation	Ward
1)	Hon. Mary Kavinda	Chairperson	Nominated
2)	Hon. Susan Mwendu	v/Chairperson	Nominated
3)	Hon. Maureen Kagendo	Member	Nominated
4)	Hon. Susan Wairimu	Member	Kagaari South
5)	Hon. Muriithi Kiura	Member	Mbeti South
6)	Hon. Yvonne Mati	Member	Nominated

7)	Hon. Duncan Mbui	Member	Evurore
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j) Education

The Committee held fifty seven (57) meetings in FY 2024/2025 and the membership of the committee during the year consisted of the following members.

	Member	Designation	Ward
1)	Hon. Ann Lily	Chairperson	Nominated
2)	Hon. Augustine Njeru	V/Chairperson	Nominated
3)	Hon. Muriithi Kiura	Member	Mbeti South
4)	Hon. Daniel Githinji	Member	Nominated
5)	Hon. Terry Mbuchi	Member	Kyeni North
6)	Hon. Samuel Githumbu	Member	Nthawa
7)	Hon. Maureen K. Nyaga	Member	Nominated

e) Communication with Stakeholders

The County Assembly is committed to ensuring that all its stakeholders are provided with full and timely information about its programmes and performance. There are also given an opportunity to give feedback.

In the FY 2024/2025, the County Assembly had a myriad of communications with most of her stakeholders. These included the NT, County Treasury, OCOB, OAG, KRA, EACC, PPRA, LapFund, LapTrust, NHIF, and NSSF.

The communication is usually made while the Assembly is making various returns to the mentioned institutions.

f) Risk Management

The establishment of the internal audit department at the inception of the county assembly and the subsequent audit committee 2021 has ensured that the Assembly is able to manage its risks and have checks to its internal control systems. It's also in the process of developing a risk

management policy in order to identify the risks, analyze, evaluating, treatment, monitor and reviewing risks facing the County Assembly.

g) Compliance

In compliance with relevant laws and regulations that govern the Assembly, the CA has complied with all pieces of legislation that governs it. These include Article 12 of CoK read together with PFMA Act 2012 and PFM Act regulations of 2015 on matters of management of public finance. Other pieces of legislation include Article 6 of the CoK, CG Act of 2012, CARA, COB Act 2016, Public Audit Act 2015, Income Tax Act Cap 470, Public Officers Ethics and Integrity Act 2017, CA Service Act, PPRA and all other circulars from NT, SRC, CRA, and EACC. Subsequently all reports from external bodies forwarded to the CA have been implemented and necessary recommendations adopted.

4. Foreword by the Clerk of the Assembly

The year under review was a post electioneering year and the Members of Assembly had already been inducted and sensitized on the Assembly business. There were more organized operations of the Assembly due to increase in processes awareness.

This ensured that there was increased efficiency and effectiveness.

There were increased activities emanating from orientation of the new members of the County Assembly. The performance of the County Assembly in the year under review was as follows;

(i) Budget Performance

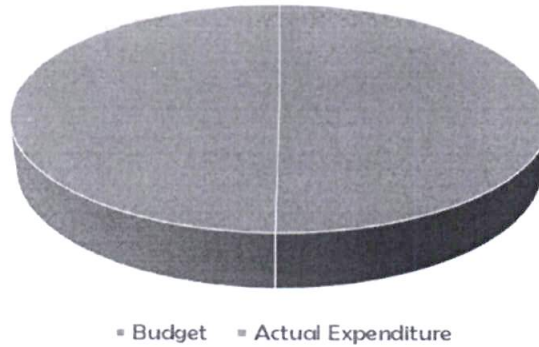
In the financial year 2024/2025 the County Assembly had a combined budget implementation rate of 99%. There were Delays in release of funds from the National Government though close to the end of the financial Year the National treasury was able to release multiple monthly releases thereby ensuring that the assembly was able to receive all its allocation for Recurrent expenditure but on Development the Assembly was only able to receive 62% of its budget allocation.

On Development Account the main County Assembly project is the Construction of the Office Complex and though the project is a multi-year project there was no pending Certificate as at 30th June 2025. It is also worth noting that the Construction of the Office Complex and Chambers contract price is Kshs. 349,707,101. Out of this Kshs 170,656,841 has already been paid with the remaining balance of Kshs. 179,050,260 set to be paid in the next 2 years.

Receipts

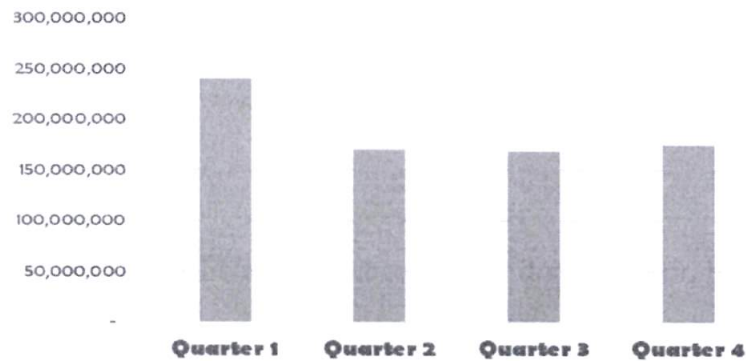
In overall the County Assembly received Kshs. 753,410,324 against a total budget of Kshs. 759,083,672 with a variance of Kshs. 5,501,220 that was in Development Expenditure.

Actual Expenditure and Budget



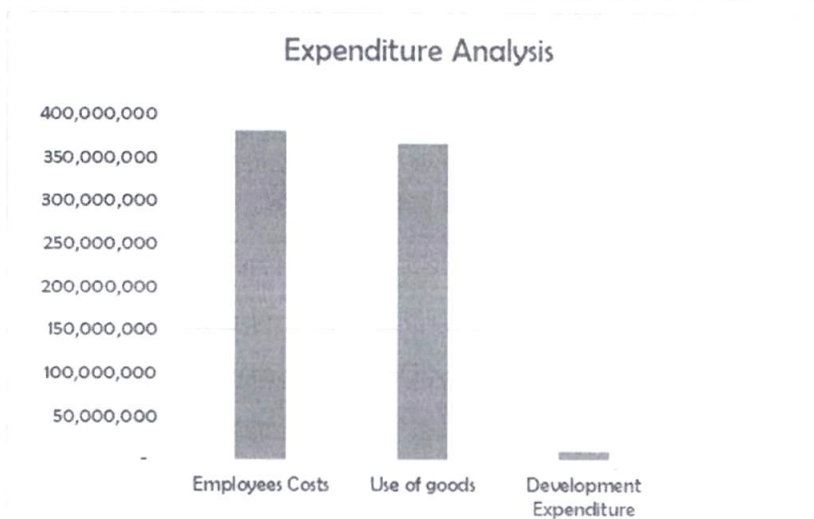
Receipts from exchequer were in four quarters. The first quarter the County Assembly received Kshs. 58,848,000/=. In the second quarter the Assembly received 154,769,463/=. In the third quarter the Assembly received 124,443,294/= and in the final quarter the County Assembly received 240,958,512/=.

Receipts



Expenses

On Employees Costs the County Assembly spent Kshs 379,791,038 against a budget of Kshs. 379,791,039 being 100%. On the Use of goods and services, the actual expenditure was Kshs. 364,620,406 against a budget of 364,792,533 which was 100 % budget utilization. In Development The county assembly spent Kshs 8,998,880 against a budget of 14,500,100 analyzed as follows



2.2 OPERATIONAL PERFORMANCE

During this financial year 2024/2025 different committees of the Assembly continued discharging their mandates as follows

COMMITTEE	REPORTS SUBMITTED AND ADOPTED
Public Participation	<ol style="list-style-type: none"> 1) Report of the Committee on Public Participation on the Considerations of the Views from the Embu County Public Participation in Governance Bill, 2023 tabled on 18th October, 2024. 2) Report on the public participation forums held to consider the four county bills 3) Report on the Public Participation Forums held to consider the Embu County Health Services Bill, 2024 adopted on 19th November, 2024.
Public Investments	<ol style="list-style-type: none"> 1) Report of the Public Investments Committee on the Report of the Auditor General on the Financial Statements of Ngagaka Water and Sanitation Company for the Period Ended 30th June, 2019 tabled on 1st October, 2024 and adopted on 9th October, 2024. 2) Report of the Public Investments Committee on the Report of

	<p>the Auditor General on the Financial Statements of Ngagaka Water and Sanitation Company for the Period Ended 30th June, 2020 tabled on 1st October, 2024 and adopted on 9th October, 2024.</p> <p>3) Report of the Public Investments Committee on the Report of the Auditor General on the Financial Statements of Ngagaka Water and Sanitation Company for the Period Ended 30th June, 2021 tabled on 5th December, 2024 and adopted on 6th December, 2024.</p> <p>4) Report of the Public Investments Committee on the Report of the Auditor General on the Financial Statements of Nginda Ngandori Water Association for the Period ended 30th June, 2023 tabled on 5th December, 2024 and adopted on 6th December, 2024.</p>
Public Accounts	<p>1) Report on examination of the report of the Auditor General on Embu County Emergency Fund for the year ended 30th June 2021 tabled on 14th August, 2024 and adopted on 17th September, 2024.</p> <p>2) Report on examination of the report of the Auditor General on Embu County Emergency Fund for the year ended 30th June 2022 tabled on 14th August, 2024 and adopted on 17th September, 2024.</p> <p>3) Report on examination of the report of the Auditor General on Embu County Emergency Fund for the year ended 30th June 2023 tabled on 14th August, 2024 and adopted on 17th September, 2024.</p> <p>4) Report on examination of the report of the Auditor General on Embu County Education Support Fund for the year ended 30th June 2019 tabled on 26th November, 2024 and adopted on 4th December, 2024.</p>

	<p>5) Report on examination of the report of the Auditor General on Embu County Education Support Fund for the year ended 30th June 2020 tabled on 26th November, 2024 and adopted on 4th December, 2024.</p> <p>6) Report on examination of the report of the Auditor General on Embu County Education Support Fund for the year ended 30th June 2021 tabled on 26th November, 2024 and adopted on 4th December, 2024.</p> <p>7) Report on examination of the report of the Auditor General on Embu County Education Support Fund for the year ended 30th June 2022 tabled on 26th November, 2024 and adopted on 27th November, 2024.</p> <p>8) Report on examination of the report of the Auditor General on Embu County Education Support Fund for the year ended 30th June 2023 tabled on 26th November, 2024 and adopted on 27th November, 2024.</p> <p>9) Report on examination of the report of the Auditor General on County Assembly of Embu Car Loan and Mortgage (Members) Scheme Fund for the year ended 30th June 2020 tabled on 26th November, 2024 and adopted on 27th November, 2024.</p> <p>10) Report on examination of the report of the Auditor General on County Assembly of Embu Car Loan and Mortgage (Members) Scheme Fund for the year ended 30th June 2021 tabled on 26th November, 2024 and adopted on 27th November, 2024.</p> <p>11) Report on examination of the report of the Auditor General on County Assembly of Embu Car Loan and Mortgage (Members) Scheme Fund for the year ended 30th June 2022 tabled on 26th November, 2024 and adopted on 27th November, 2024.</p>
<p>Budget and Appropriation</p>	<p>1) Report on the Embu County Government Budget Estimates FY 2024/2025 tabled and adopted on 3rd July, 2024.</p>

	<p>2) Report on County Fiscal Strategy Paper for FY 2025/2026 and the Medium Term Framework adopted on 2nd April, 2025.</p> <p>3) Report on Annual Development Plan for FY 2025/2026 Adopted on 26th February 2025.</p>
<p>Trade Tourism and Industrial Development</p>	<p>1) Report on Inspection of Sampled Markets in Embu County tabled on 1st October, 2024 and adopted on 8th November, 2024.</p> <p>2) Report on Budget Implementation Status for the Half Year ended 30th June, 2024.</p> <p>3) Report on County Aggregation Industrial Park as at June 2024 tabled on 19th November, 2024.</p> <p>4) Report on Benchmarking tour to KICOTEC and Makueni Fruit Processing Plant held from 10th to 12th October, 2024</p> <p>5) Report of the Committee on Trade on Mwea National Game Reserve Management Transition from the Kenya Wildlife Service to County Government and the Sustainable Conservation Plan tabled on 26th February 2025 adopted on 1st April, 2025.</p> <p>6) Report on Weights and Measures tabled on 3rd June 2025 adopted on 4th June 2025.</p>
<p>Agriculture, Co-operative development, Livestock and Blue-Economy</p>	<p>1) Report on the Governor's Memorandum on the County Abattoirs Management Bill, 2024</p> <p>2) Report on the Status of Budget Implementation of the Budget Estimates of the Financial Year 2023/2024 for Agriculture Department tabled on 24th September 2024.</p> <p>3) Report on Service Delivery of Agricultural Mechanization Service, Machang'a tabled on 2nd October, 2024 adopted on 8th October, 2024.</p>

<p>Committee on Education</p>	<ol style="list-style-type: none"> 1) Report on the EIDU Digital Learning Platform tabled on 2nd October 2024 and adopted on 6th November 2024. 2) Report on the Status of some sampled Vocational Training Centres in Embu County 3) Report on the Status of Budget Implementation of the Budget Estimates of the Financial Year 2023/2024 for Education department tabled on 1st October 2024 and adopted on 2nd October 2024.
<p>Water, Irrigation, Environment, Climate Change and Natural Resources</p>	<ol style="list-style-type: none"> 1) Report on the Status of Budget Implementation of the Budget Estimates of the Financial Year 2023/2024 for Water department 2) Report on Waste Management in Embu County tabled on 1st October 2024 and adopted on 2nd October 2024. 3) Report on Financial Statement of the Climate Change Fund for the Quarter ended 30th June 2024 tabled on 5th March 2025.
<p>Roads, Energy, Transport and Public Works</p>	<ol style="list-style-type: none"> 1) Report of the Committee on the status of graders in Embu County 2) Report on the Status of Budget Implementation of the Budget Estimates of the Financial Year 2023/2024 for Roads Department tabled on 1st October 2024 and adopted on 2nd October, 2024.
<p>Gender, Youth., Sports, Culture and Social Services</p>	<ol style="list-style-type: none"> 1) Report on Budget Implementation Status for the Half Year ended 30th June, 2024 for the Gender, Youth, Sports, Culture and Social Services department tabled on 24th September 2024 and adopted on 1st October 2025. 2) Report on a petition on Playgrounds tabled on 25th September, 2025. 3) Report on Selected Playgrounds tabled on 12th February 2025 adopted on 1st April 2025.

Health Services	<ol style="list-style-type: none"> 1) Report on the Status Of Budget Implementation of the Budget Estimates of the Financial Year 2023/2024 for the Period 1st January to 30th June 2024 for the Health Department. 2) Report on the Status of Budget Implementation of the Budget Estimates of the Financial Year 2023/2024 for the Period 1st January to 30th June 2024 for the Embu Level 5 Hospital.
Finance and Economic Planning	<ol style="list-style-type: none"> 1) Report on the Budget Implementation Status for Financial Year 2023/2024 for the Department for the period 1st January to 30th June, 2024 tabled on 12th February, 2025 adopted on 11th March, 2025. 2) Report on the Efficiency and Transparency of Sampled County Cess and Revenue Collection Points in Embu County tabled on 26th February, 2025 and adopted on 1st April, 2025.
Lands, physical Planning, Housing and Urban Planning	<ol style="list-style-type: none"> 1) Report on the Embu County Housing Units within the Embu Municipality adopted on 20th November, 2024. 2) Report of the Committee on Lands, Mining, Housing, Physical Planning and Urban Development on the Municipality of Embu Integrated Development Plan 2023-2027 tabled on 11th February, 2025. 3) Report of the Sectoral Committee on Lands, Mining, Housing, Physical Planning and Urban Development on the Vetting of the Embu Municipality Board Members tabled on 11th Feb, 2025. 4) Report on the Status of Budget Implementation of the Budget Estimates of the Financial Year 2023/2024 for the Period 1st January to 30th June 2024 for Lands Department tabled on 25th September 2024.
Administration,	<ol style="list-style-type: none"> 1) Report on the Status of Budget Implementation of the Budget

<p>Devolution, Public Service Devolution and ICT</p>	<p>Estimates of the Financial Year 2023/2024 for the Office of the Governor tabled on 25th September, 2024.</p> <p>2) Report on the Status of Budget Implementation of the Budget Estimates of the Financial Year 2023/2024 for the Administration Department 25th September, 2024.</p> <p>3) Report on the Status of Budget Implementation of the Budget Estimates of the Financial Year 2023/2024 for the County Public Service Board 25th September, 2024.</p> <p>4) Report on vetting of 2 nominees to the position of the ECPSB tabled on 2nd July 2024 and adopted on 3/7/2024.</p> <p>5) Report on Performance Contracting in Embu County Executive for the period July 2023 to June 2024 tabled on 12th February 2025 and adopted on 26th February 2025.</p> <p>6) Report on the Attendance and participation of the county executive at the First Biennial Devolution Conference held at Eldoret Sports Club, Uasin Gishu County from 15th to 19th August, 2023 tabled on 12th February 2025 and adopted on 11th March 2025.</p> <p>7) Report on Annual and Financial statements of the Embu County Emergency Fund for the period ended 30th June 2024 adopted on 10th June 2025.</p> <p>8) Report on Vetting of the Selection Panel for Selecting Suitable candidates for Appointment as members of CPSB adopted on 24th June, 2025.</p> <p>9) Report on Review of the performance of the information and Communications in the County Executive tabled on 3rd June 2025 and adopted on 4th June 2025.</p> <p>10) Report on Annual and Finance Statements of Embu County Emergency Fund for the period Ended 30th June 2024 adopted on 10th June 2025.</p>
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Ward Equalization	1) Report on status of Sampled Health Department Ward Development Projects in FY 2023-2024 tabled on 29 th April, 2025 adopted 3 rd June 2025.
Liaison	1) Report of the Liaison Committee on Select Committees' Sessional Reports for the Year Ended 31 st December, 2024 tabled on 3/6/2024 adopted on 10 th June 2024.
Justice and Legal Affairs	1) Report on the assessment of the Operational Status and Functionality of the Office of the County Attorney that was held from 7 th to 9 th November, 2024 and tabled in the County Assembly on 26 th November, 2024.
Broadcasting	1) Report on the study tour visit to Senate & Kenya Broadcasting Corporation on live streaming of assembly proceedings tabled on 2nd October 2024 and adopted on 6 th November, 2024.
Cohesion	1) Report of the Select Committee on Cohesion and Inter-Governmental Relations on Unbundling of the Pending Devolved Functions - Education Sector tabled on 12 th February, 2025. 2) Report of the Select Committee on Cohesion and Inter-Governmental Relations on Unbundling of the Pending Devolved Functions - Health Sector tabled on 12 th February 2025
Appointments	1) Report of the Vetting of Monicah Mwikali to the position of County Executive Committee Member into the position of 24 th June, 2025.
Powers	1) Report on Administration of Part IV of the Public Officers Ethics Act, (Procedures for Declaration of Income, Assets and Liabilities by Members of the County Assembly) tabled on 11 th February 2025.

(ii) Performance of Key Development Projects

During the financial year the County Assembly of Embu did not initiate any new development project but rather continued with funding and construction of the ongoing ones.

a) Construction of Office complex and Chambers-

This project was started on 2019 and up to date it's still under construction, under the management of Directorate of Public Works. The impact of this great project is not yet felt because it's still under construction .Its intended to provide office space to Members of County Assembly and Staff and save costs incurred annually on rent.

So far, out of the Kshs. 349,707,101. which was the contract price for this project, the County Assembly has spent/paid 170,656,841 to the Contractor and the remaining balance of Kshs. 179,050,260 is projected to be supplied in budget in the next 2 years. Other projects included in the CIDP but not yet started includes

b) Modern gate and Boundary wall

If the project is implemented it will improve the level of security in the Assembly comparing to the existing life fence. It will also improve the status of the institution.

c) Refurbishment of County Assembly Chambers Phase 11 – this will include extensions, Electrical enhancements, Air conditioning, Multimedia equipment's (Video and Audio).

d) Public toilet- This will cater for members of the public who visits the assembly and also members with disability.

(iii) Value for money Achievement

With implementation of the above projects the County Assembly has managed to achieve enough value in form of

a) Improved office image

b) Additional space in the public gallery for members of the public attending plenary sessions

c) Employment opportunities during the development stages of the project

Furthermore the County Assembly of Embu has always endeavored to initiate programmes and project that will have impact on the intended recipients and at the same achieve value

for the money invested in those projects.

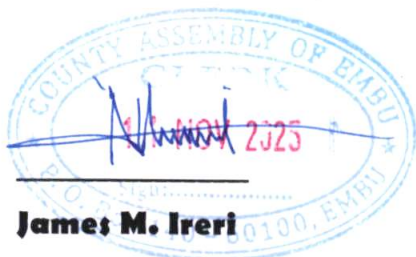
- a) With the Construction of the Office Complex and the Chambers it is expected that Members office and staff office currently being hosted at the rented town office will be accommodated in the New building thereby cutting the costs of rent paid for the Town offices.
There will also saving in time resources currently spent by Members and Officers while moving from the Headquarters to the Town offices and back.
- b) Renovations of the Assembly also ensured that Members and Officers are in a conducive environment while conducting the house businesses. This in the long run will increase their productivity thereby improving the overall performance of the County Assembly.

v) Challenges and Recommended Way Forward

In implementation of its capital projects the County Assembly was faced with myriad of challenges which has led to delayed delivery of these projects. These challenges includes

- a) Delayed disbursements of funds from the National Treasury
The single source of the County Assembly Finances is the National Treasury. The Financial year 2024/25 has been challenging to the Assembly.
- b) Constrained budget allocations e.g office complex
- c) Delayed approvals in the budget

Moving forward the County Assembly has laid in place strategies as stipulated in its strategic plan to ensure that the Assembly is able to deliver on its mandates and be able to achieve its vision as a model County Assembly in the region. This measures includes
Setting up the necessary Committees on Public participation, Members' Welfare, staff welfare
The Committees have the mandates to ensure that all needs and requirements in their areas of concern are put in place to ensure compliance.



James M. Ileri

For: Clerk of the County Assembly

5. Statement of Performance against County Assembly Predetermined Objectives

Strategic development objectives

The key mandate of the County Assembly of Embu is legislation, oversight, and representation. To achieve this, the Assembly's program was documented in terms of objective, key performance indicators, and output. Below is the performance of the Assembly in Fy 2024/2025.

The key mandate of the County Assembly of Embu is legislation, oversight, and representation. To achieve this, the assembly's program was document in terms of objective, key performance indicators, and output. Below were the expected outputs of the assembly in FY 2024/2025

Program 1	Strategic Objective as per CIDP	Targeted Outcome	Performance/ progress made up since inception from the latest CIDP	Remarks Performance
General Administration, Planning and Support Services	Enhanced professional development of MCAs – Provide ongoing professional development of MCAs	Increased ability of MCA in legislation	No of bills passed in the County Assembly	In FY 2024/2025 MCA's and some staff attended 22 different workshops and seminars

	Enhanced professional development of MCAs – Review standing orders	Review standing orders	% increase in efficient Assembly operation	6 standing orders were reviewed
	Provision of AIE support to other Departments	Improved performance of the Members in Conduction of the Assembly Business	Number of meetings held by the Committees	In the Financial year an accumulated 192 meetings were held by the Committees
	Enhance professionalism , build human resource capacity and provide effective services to the legislature to enable it meet its constitutional mandate	Prompt production of management reports	No. of reports generated	46 reports from various departments and directorates
P2 County Assembly Infrastructure Improvement	Provide conducive environment to all stakeholders in the Assembly to work in for effective service delivery	Increased performance by all stakeholders in delivery of services	Construction of New chamber and modern offices	Completion rate of the office complex and chamber moved from 40.4% to 48.8%
	Provide conducive environment to all stakeholders in the Assembly to	Increased performance	Completion of the Renovation works	Leadership offices

	work in for effective service delivery	by all stakeholders in delivery of services	on the Leadership Offices which included office of the Speaker, Deputy Speaker, Leader of Majority and Minority	completed and inhabitable now.
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6. Corporate Social Responsibility Statement/Sustainability Reporting

County Assembly of Embu exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on 4 pillars: putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a brief highlight of our achievements in each pillar

a) Sustainability Strategy and Profile

The county assembly has prepared a five year strategic plan that has captured all the key arrears affecting the sustainability strategy of the county assembly. The Strategic plan will be launched this year and has encompassed and taken into consideration the social political and economic trends which will affect the sustainability of the assembly and link them to the national goals of vision 2030 as well as the sustainable development goals.

This will capture the strategic direction of the assembly.

b) Environmental performance

The county assembly does not have any environmental policy guiding the institution. However all the environmental issues are guided by the National Environmental Management Authority (NEMA) Guidelines and in case of any need the services are sought from the NEMA offices.

c) Employee welfare

County Assembly hiring process is guided by various circulars and regulations from independent commissions. The Salaries and Remuneration Commission through various circulars advises on salaries and benefits. The Commission on Revenue Allocation provides the establishment for the Assembly through its circulars.

The County Assembly Service Board is guided by Parliamentary practices, principles and procedures while recruiting partisan staff. At the same time guided by Public Service Commission, Recruitment and Training Policy while recruiting permanent employees.

Through the County Assembly Service Board, the Assembly has improved the skills of its Members and Staff through undertaking various training and benchmarking. Committee training has been undertaken to improve on the service delivery on its mandates.

The organization is in the process of developing its Health and Safety policy. However, the assembly has been guided by the policies from the Ministry of Health, other relevant ministries to ensure the safety and compliance with the occupational safety in the work place.

d) Market place practices:

The procurement of goods and services within the county assembly is strictly governed by The Public Procurement and Asset Disposal Act 2015 and its subsequent Regulations.

All goods and services are completely sourced competitively in the market as per the Act and this ensures that corruption is eliminated in the supply chain.

To maintain better supplier relations, all procured goods and services in the assembly are immediately paid when suppliers deliver them and all the necessary documents are availed.

This has made the assembly to have steady and reliable suppliers throughout.

e) Community engagements:

During the year under review the County Assembly actively engaged the Embu community through public participation. The assembly conducted a minimum of two meetings in each ward and was able to receive feedback on the activities of assembly. This included Public participation on the Annual Budget and County Acts that were passed by the County Assembly.

This is one way of ensuring that the community actively participates in the activities of the assembly as one of the key partners.

7. Management Discussion and Analysis

a) County Assembly key Programs both completed and on going

For the last 3-5 years the County Assembly of Embu have had several Capital projects

Completed Projects

i. Refurbishment of County Assembly of Embu Chambers.

The phase 1 of this project started in 2020 with an approximate cost of Kshs. 19 million shillings and was Completed in 2024. Works included refurbishment and renovation of the Main Building including installation of modern leather folding seats, internal and external painting ,interior sound proofing and cladding, electrical overhaul and mechanical works

ii. Renovation of the Leadership Offices

This involved renovation of the offices of Hon. Speaker, Clerk of the Assembly, Majority Leader, Deputy Speaker, Minority Leader and Deputy Clerk. Works included padding, internal and external painting and installation of other amenities.

On-going projects.

i) County Assembly Complex and Chambers

This project was started in 2017 and up to date its still under construction. Management of this project is under the Directorate of Public Works. The impact of this great project is not felt yet because it's still under construction .Its intended to provide office space to Members of County Assembly and Staff and save costs incurred annually on rent.

b) Compliance with Statutory Requirements

In compliance with relevant laws and regulations that govern the Assembly, the CA has complied with all pieces of legislation that governs it. These include Article 12 of CoK read together with PFMA Act 2012 and

PFM Act regulations of 2015 on matters of management of public finance. Other pieces of legislation include Article 6 of the CoK, CG Act of 2012, CARA, COB Act 2016, Public Audit Act 2015, Income Tax Act Cap 470, Public Officers Ethics and Integrity Act 2017, CA Service Act, PPRA and all other circulars from NT, SRC, CRA, and EACC.

c) Major Risks facing the County Assembly

Several key risks threaten the effectiveness and accountability of the County Assembly.

These risks includes

- i. Lack of financial autonomy
 - ii. Financial constraints: Some County Assemblies face a financial crisis due to budget cuts. While the County Allocation of Revenue Bill, 2025, aims to improve fiscal discipline and give assemblies greater control over finances, financial instability remains a significant risk.
 - iii. Lack of proper physical infrastructures including offices spaces
 - iv. Political interference and conflicts: County Assemblies face constant interference from county executives and other political figures, undermining their autonomy and effectiveness.
 - v. Inadequate research capacity: A lack of county-specific data and research resources limits the ability of assemblies to make informed decisions.
- d) Material arrears in Statutory and other Financial Obligations

The county assembly has been able to clear all its statutory and other financial obligations. Statutory deductions for the Members of the County Assemblies and those of the members of the staff are deducted and remitted to the relevant institutions promptly .

e) Review of Economy and Sector

The County Governments Act and other relevant laws guide the operations of county assemblies. County assemblies are seen as crucial institutions for ensuring oversight and accountability at the county level. Oversight work is primarily conducted through committees, which review legislation, budgets, and executive activities.

County Assembly of Embu as one of the Assemblies in Kenya is a focal organization in the growth of Embu County economy through development of legislations and policies geared towards accelerated economic growth of this county.

However several factors affects the achievements of objective, these factors includes infrastructure and natural resources, human capital (education and skills), governance and political stability (including corruption), private and public sector investment (including foreign direct investment), and macroeconomic stability (like inflation and debt).

f) Future Development

The County Assembly in its strategic plan has earmarked several physical infrastructure.

These includes

- i. Phase of the Assembly Chambers renovations
- ii. Purchase of Modern Hansard Machine
- iii. Construction of Perimeter wall and modern gate
- iv. Construction of ward offices

8. Statement of Management Responsibilities

Sections 164 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting Officer of a County Government County Assembly of Embu to prepare financial statements in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The Clerk of the County Assembly is responsible for the preparation and presentation of the County Assembly's financial statements, which give a true and fair view of the state of affairs of the County Assembly for the year ended 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 County Assembly
- (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 County Assembly.
- (v)** Selecting and applying appropriate accounting policies and
- (vi)** Making accounting estimates that are reasonable in the circumstances.

The Clerk accepts responsibility for the County Assembly's financial statements, which have been prepared on the Accrual Basis Method of Financial Reporting, using appropriate accounting policies in accordance with transitional International Public Sector Accounting Standards (IPSAS). The Clerk is of the opinion that the County Assembly's financial statements give a true and fair view of the state of the County Assembly's transactions for the year ended June 30, 2025, and of its financial position as at that date. The Clerk further confirms the completeness of the accounting records maintained for the County Assembly which have been relied upon in the preparation of its financial statements as well as the adequacy of the systems of internal financial control.

The Clerk confirms that the County Assembly has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the

County Assembly's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for.

Further the Clerk confirms that the County Assembly's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements:

The County Assembly's financial statements were approved and signed by the Clerk of the County Assembly on 11/11/2025 2025

11 NOV 2025

James M. Ileri

For: Clerk of the County Assembly

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 COUNTY ASSEMBLY OF EMBU 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 transitional IPSAS financial statements of County Assembly of Embu set out on pages 1 to 30, 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 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

Report of the Auditor-General on County Assembly of Embu for the year ended 30 June, 2025

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 transitional IPSAS financial statements present fairly, in all material respects, the financial position of County Assembly of Embu 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 (including the transitional provisions permitted under IPSAS 33) and comply with the County Governments Act, 2012, the Public Finance Management Act, 2012 and The National Treasury and Economic Planning Circular No.3 of 14 April, 2025.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the County Assembly of Embu 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 years' audit reports, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Report on Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance, respectively. Review of the status during audit of the Assembly in 2024/2025 revealed that the following matters remained unresolved.

	Financial Year	Audit Issue
1	2023/2024	Unconfirmed Cash and Cash Equivalents
2	2023/2024	Unsupported Fuel, Oil and Lubricants
3	2023/2024	Non-Remittance of Provident Fund and Pension Scheme Deductions
4	2023/2024	Non-Compliance with the Law on Staff Ethnic Composition
5	2023/2024	Irregular Payment of Subscriptions
6	2023/2024	Lack of an Audit Committee
7	2023/2024	Lack of Disaster Recovery Plan
8	2023/2024	Lack of Risk Management Policy

Other Information

Management is responsible for the Other Information set out on page iii to xlix which comprise of Key County Assembly Information and Management, Governance Statement, Forward by the Clerk of the Assembly, Statement of Performance Against County Assembly Predetermined Objectives, Corporate Social Responsibility Statement/ Sustainability Reporting, Management Discussion and Analysis and Statement of Management. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the County Assembly'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. Wasteful Expenditure on Hire of Office Space for Members of County Assembly

The statement of financial performance reflects use of goods and services amount of Kshs.399,832,040 which includes rentals of produced assets amount of Kshs.32,203,391 as disclosed in Note 8 to the financial statements. This further includes hire of office space for Members of County Assembly amount of Kshs.17,620,319.

Review of supporting documents revealed that the County Assembly of Embu entered into a lease agreement with a lessor for lease of office space for use by Members of County Assembly vide an agreement dated 10 April, 2024.

However, the following observations were made;

- i. No explanation was provided why the County Assembly of Embu resulted to hiring of offices for the Members of County Assembly yet they also have Ward offices resulting to duplication contrary to Section 149 (1) of the Public Finance Management Act, 2012 which provides that an Accounting Officer is accountable to the County Assembly for ensuring that the resources of the entity for which the officer is designated are used in a way that is lawful and authorized, effective, efficient, economical and transparent.
- ii. Physical inspections of the leased offices in September, 2025 revealed that the offices had remained unutilized for an estimated period as evidenced by dusty floors and furniture that was disorganized this indicated imprudent use of public resources contrary to Article 201(d) of Constitution of Kenya, 2010 which states that public money shall be used in a prudent and responsible way.
- iii. The 4th floor of block B was donated to the County Executive of Embu however, the agreement between the County Assembly and the County Executive of Embu was not provided for audit review.

In the circumstances, value for money for the expenditure amount of Kshs.17,620,319 on hire of office space could not be confirmed.

2. Irregular Subscriptions to County Assembly Forum (CAF) and Society of Clerks at The Table (SOCATT)

As previously reported, the statement of financial performance reflects use of goods and services amount of Kshs.399,832,040 which includes other operating expenses amount of Kshs.59,546,409 as disclosed in Note 8 to the financial statements. This further includes membership fees, dues and subscriptions to professional and trade bodies amount of Kshs.4,900,000. The Kshs.4,900,000 includes Kshs.2,250,000 paid to County Assembly Forum (CAF) and Society of Clerks at The Table (SOCATT).

However, there is no legal framework that legitimizes these payments contrary to Section 38 (1) and (2) of the Intergovernmental Relations Act, 2012 which states that the Cabinet Secretary may, in consultation with the Summit, make regulations for the better carrying out of the provisions of this Act, and that without prejudice to the generality of subsection (1), the Regulations may provide the procedures for the transfer or delegation of functions to either level of Government and public participation under this Act, dispute resolution mechanisms under this Act, appointing the members of the Technical Committee under Section 11 and constituting intergovernmental forums.

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

3. Non-Compliance with Two-Third Gender Rule

As previously reported, review of payroll records for Staffs of the County Assembly in Senior Cadre revealed that Twelve (12) out of Seventeen (17) Staff representing 71% were of the same gender. This exceeded the legal threshold and therefore, contravened

the two-thirds gender rule. This was contrary to Section 36(3)(b) of the Public Service Commission Act, 2017 which states that no one gender constitutes more than two thirds of those appointed.

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

4. Non-Compliance With the Law on Staff Ethnic Composition

As previously reported, review of the staff bio data revealed that Embu County Assembly had a total of eighteen (18) employees on its payroll from senior cadre. However, nine (9) or 50% of employees were from one dominant community contrary to Section 7(2) of the National Cohesion and Integration Act, 2008 which stipulates that no public establishment shall have more than one third of its staff from the same ethnic community.

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

5. Non-Compliance with the Public Procurement Capacity Building Levy Order, 2023

Review of records revealed that the County Assembly entered into contracts but no documentary evidence was provided to confirm that the County Assembly complied with paragraph 3(1) of the Public Procurement Capacity Building Levy, Order 2023 which states that there shall be paid a levy by a supplier on all procurement contracts signed between the supplier and a procuring entity, at the rate of zero point zero three per centum (0.03%) of the value of the signed contract, exclusive of applicable taxes. In addition, the County Assembly did not adhere to the Public Procurement Regulatory Authority (PPRA) circular No. 01/2024 dated 30 August, 2024 which requires procurement entities to remit the levy to the Authority through the e-Citizen payment platform by the 20th day of the subsequent month and also file monthly returns.

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

6. Non-adherence to Data Protection Act, 2019

Interviews conducted revealed that the County Assembly had not registered with the Data Commissioner which poses a risk on the protection of sensitive information. The County Assembly of Embu was therefore in breach of the Section 18(1) the Data Protection Act, 2019 which provides that Subject to sub-section (2), no person shall act as a data controller or data processor unless registered with the Data Commissioner.

In the circumstances, the County Assembly may not comply with data privacy requirements.

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, except for the effect of the matters described in the Basis for Conclusion on 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

1. Lack of Audit Committee

As previously reported, the Management of Embu County assembly did not establish an Audit Committee contrary to Regulation 167(1) of the Public Finance Management (County Government) Regulations 2015 states that Subject to Paragraph (2) of this Regulation, each County Government entity shall establish an Audit Committee.

In the circumstances, the Assembly may not obtain assurance on existence and effectiveness of internal controls, risk management and governance in the Assembly.

2. Lack of Disaster Recovery Plan

As previously reported, the County Assembly did not have in place an approved disaster recovery plan to ensure that the County Assembly was able to respond to disasters or other emergencies affecting information systems.

Further, it was observed that the County Assembly did not have an approved ICT strategic plan, back up and retention strategy which could result in IT governance, as part of enterprise governance, not being adequate. In addition, no evidence was provided to show that the entity had in place a training program to build IT capacity.

In the circumstances, the County Assembly may not recover from unexpected disasters and may not derive maximum benefits from investments in IT infrastructure.

3. Lack of Risk Management Strategies

As reported previously, interviews conducted revealed that the County Assembly had not developed a risk management strategy for fraud prevention mechanism contrary to Regulation 158 of the Public Finance Management (County Government) Regulations, 2015.

In the circumstances, risks that may affect the operations of the County Assembly may not be identified and mitigated in a timely manner.

4. Use of Outdated Information and Communications Technology (ICT) Policy

Review of the Information and Communications Technology (ICT) policy provided for audit revealed that the Management was using a policy developed over four years ago (January 2021) and approved in 2022. However, the policy had not been updated since its implementation to reflect current technological, legal, and operational changes. This resulted in potential security gaps, outdated procedures, and missed opportunities to leverage new technologies.

In the circumstances, the Management continued to rely on an outdated policy that was inadequate in guiding the entity's response to emerging challenges and opportunities.

5. Lack of Human Resources Manual

As previously reported, audit review for human resource records, revealed that the County Assembly did not have Human Resource Policies and Procedures providing guidance on human resource matters, including but not limited to minimum qualification or experience criteria for recruiting skilled and competent staff, training and continuous development of employees and skills retention and monitoring of the competency.

In the absence of a Human Resources Manual, the Assembly may not be able to recruit, remunerate and retain competent staff needed to achieve the objectives of the Assembly.

7. Lack of Annual Work Plan

The statement of performance against County Assembly predetermined objectives reflects programmes, strategic objectives, targeted outcomes and progress made since inception from the latest CIDP. However, the County Assembly annual work plan for the year under review was not provided for audit review.

In the absence of annual work plan with clear parameters and annual targets for specific Departmental and Committee activities, Oversight Activities and Policy Development, accuracy of the Entity's Performance Information Against Predetermined Objectives could not be confirmed.

In the circumstances, the effectiveness of internal controls was in doubt.

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, Management is responsible for assessing the Assembly'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 County Assembly'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

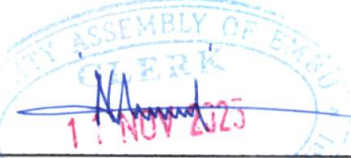
Nairobi

01 December, 2025

10. Statement of Financial Performance for the Period ended 30th June 2025

Description	Period Ended Jun 2025	
	Notes	Ksh
Revenue from non-exchange transactions		
Transfers from CRF	6	753,412,694
Total Revenue		753,412,694
Expenses		
Employee Costs	7	379,791,038
Use of Goods and Services	8	451,988,831
Total Expenses		831,779,869
Surplus/Deficit for the year		(78,367,175)


The Financial Statements set out on pages 1 to 14 were signed by:



11 NOV 2025

For: Clerk of the Assembly

Name: James M. Ireri



**DIRECTORATE OF FINANCE
& ACCOUNTS SERVICES
COUNTY ASSEMBLY OF EMBU
P.O. Box 140 60100, EMBU**

Date: Sign: 11/11/2025

Director - Financial and Accounting Services

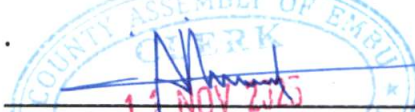
Name: Josiah M. Karanja


ICPAK Member Number: 8494

11. Statement of Financial Position as at 30th June 2025

Description	Notes	Period ended	Opening
		30 th June 2025	Statement 1 st July 2024
		Kshs	KShs
Assets			
Current Assets			
Cash and Cash Equivalents	10	22,470,870	25,025,510
Total Current Assets		22,470,870	25,025,510
Non-Current Assets			
Property, Plant and Equipment	11	8,998,880	-
Total Non-Current Assets		8,998,880	-
Total Assets (A)		31,469,750	25,025,510
Liabilities			
Current Liabilities			
Trade and other Payables	12	87,368,425	74,215,437
Refundable deposits and Prepayments	13	22,468,500	25,025,070
Total Current Liabilities		109,836,925	99,240,507
Total Non-Current Liabilities			
Total Liabilities (B)		109,836,925	99,240,507
Net Assets (A-B)		(78,367,176)	(74,214,997)
Represented By			
Accumulated Surplus		(78,367,175)	440
Net Assets		(78,367,175)	440

The financial statements set out on pages 1 to 14 were signed by:


 11 NOV 2025
For: Clerk of the Assembly
Name: James M. Ireri


Director - Financial and Accounting Services
Name: Josiah M. Karanja
ICPAK Member Number: 8494

**DIRECTORATE OF FINANCE
 & ACCOUNTS SERVICES
 COUNTY ASSEMBLY OF EMBU
 P. O. Box 140 60100, EMBU
 Date: 11/11/25 Sign:**

12. Statement of changes in Net Assets for the Period 30th June 2025

Description	Accumulated Surplus	Reserves	Capital Fund	Total
As at 30th June 2024 (cash basis)	440			440
Adjustments:				
Adjustment: PPE	-			-
As at July 1, 2024	440			440
Surplus/deficit for the period	(78,367,175)			(78,367,175)
Returns to CRF	(440)			(440)
Additions during the period	-			-
As at 30th June 2025	(78,367,175)			(78,367,175)

13. Statement of Cash Flow; for the period ended 30th June 2025

Description	Notes	Period ended
		June 2025
		Kshs
Cash flow; from operating activities		
Receipts		
Transfers from CRF	6	753,412,694
Other income (Retention current)		824,888
Total Receipts		754,237,582
Payments		
Employee Costs	7	379,791,038
Use of Goods and Services	8	364,620,406
Other Expenses (Retention Current)		3,381,458
Total Payments		747,792,902
Net cash flow; from/(used in) Operating Activities		6,444,680
Cash flow; from Investing Activities		-
Purchase from PPE	11	(8,998,880.00)
Net cash flow; from operating activities		(8,998,880.00)
Cash flow; from Financing Activities		
Returns to CRF		(440)
Net cash flow; from Financing Activities		(440)
Net increase/(decrease)in Cash & Cash Equivalent		(2,544,640)
Cash and cash equivalents as at Period Start	10	25,025,510
Cash and cash equivalent as at Period End	10	22,470,870

17 NOV 2025

For: Clerk of the Assembly
Name: James M. Ireri

Director - Financial and Accounting Services
Name: Josiah M. Karanja
ICPAK Member Number: 8494

DIRECTORATE OF FINANCE & ACCOUNTS SERVICES
 COUNTY ASSEMBLY OF EMBU
 P. O. Box 140 60100, EMBU
 Date: 11/11/2025 Sign: _____

15. Notes to the Financial Statements

1. General Information

County Assembly of Embu is established by and derives its authority and accountability from The Constitution of Kenya 2010.

The County Assembly of Embu is domiciled in Kenya and its principal activities are legislation, oversight and representation

2. Statement of Compliance and Basis of Preparation

Statement of compliance

The financial statements have been prepared in accordance with the Public Finance Management Act, 2012.

The County Assembly of Embu has taken advantage of the transitional provisions under IPSAS 33 and therefore this 1st year's financial statements are transitional financial statements and several elements of the financial statements have not been recognized as the County Assembly of Embu has taken advantage of the transition provisions outlined in IPSAS 33.

Items that have not been included includes fully valued Non-current assets, recognition of liabilities is done partly but within the next 3 years the assembly has put in place all measures to ensure that all requirements of the accrual method are complied with.

These financial statements were authorized for issue by the accounting officer on 25th August 2025

Basis of Preparation

These financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period. These financial statements have been prepared on an accrual basis unless otherwise specified (for example, the Statement of Cash Flows). Under an accrual basis, revenues are recognised when rights to assets are earned or levied rather than when cash is received, and expenses are recognised

14. Statement of Comparison of Budget & Actual Amounts: for the year ended 30th June 2025

Recurrent and Development Budgets Combined

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% Utilization difference
	a	b	c=a+b	d	e=c-d	f=d/c%
	KShs	KShs	KShs	KShs	KShs	
Budget Carry over:						
(Special Purpose A/c)	0	0	0	0	0	0
Receipts						
Transfers from the CRF	806,327,072	(47,243,400)	759,083,672	753,412,694	5,670,978	99
Total	806,327,072	(47,243,400)	759,083,672	753,412,694	5,670,978	99
Expenses						
Employees Costs	355,952,928	23,838,111	379,791,039	379,791,038	1	100
Use of goods and services	331,614,044	33,178,489	364,792,533	364,620,406	172,127	100
Total	687,566,972	57,016,600	744,583,572	744,583,572	172,128	100
Capital Items:						
Acquisition of PPE	118,760,100	(104,260,000)	14,500,100	8,998,880	5,501,220	62
Total	118,760,100	(104,260,000)	14,500,100	8,998,880	5,501,220	62
Total Expenses:	806,327,072	(47,243,400)	759,083,672	753,410,324	5,673,348	99
Surplus/deficit	-	-	-	2,370		

when obligations are incurred rather than when they are settled. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the County Assembly of Embu. The accounting policies adopted have been consistently applied to all the years presented.

Reporting period

The reporting period for these financial statements is for the period ended 30th June 2025.

Critical accounting judgments

IPSAS requires accounting judgments to be made in determining accounting policies that impact the presentation of these financial statements. The most critical of these judgments, and their impact, are:

Recognition of revenue

Revenue is an increase in the net financial position, other than increases arising from ownership contributions. Revenue is required to be measured when the event occurs and when recognition criteria (probable inflow of resources and ability to reliably measure their value) are met. Judgment is required to determine if these criteria are met, particularly where limited evidence is available at the time the revenue is earned.

Recognition of non-exchange expenses and liabilities

A liability is a present obligation of an County Assembly of Embu for an outflow of resources that results from a past event. Expenses (and other liabilities) are recognized when there is a present obligation (legal or constructive) as a result of a past event. An outflow of resources embodying economic benefits will probably be required to settle the obligation and a reliable estimate of the obligation can be made. Judgement is required in assessing each of these conditions, and therefore reporting if an expense and a present obligation should be reported.

The County Assembly of Embu pursues a number of policy targets and outcomes. However the commitment to these targets and outcomes, generally, do not of themselves constitute a

present obligation unless the County Assembly is clear on the cost it intends to incur, when payment will be made, and to whom and as a consequence has raised a valid expectation. As a consequence, liabilities are not reported for costs associated with the County Assembly policy objectives and targets. Where a policy choice gives rise to an obligation that exists independently of the County Assembly's future actions, expenses (and other related liabilities) are recognized for that policy.

Purpose and nature of financial instruments

Judgment is required in determining whether financial assets (including investment in securities and advances) and financial liabilities are held for trading or to provide a return through interest and principal transactions. Depending on that judgment, financial instruments will be reported at fair value or on an amortized cost basis.

Climate change obligations

Kenya's current National Determined Contribution (NDC) to deliver on the goals of the Paris Agreement sets a headline target of a 32 per cent emission reduction by 2030 relative to the business-as-usual scenario of 143 MtCO₂eq. The County Assembly's commitment to climate change action does not constitute a present obligation on the balance sheet but are disclosed separately.

Physical assets

An asset is a resource presently controlled by the County Assembly as a result of a past event. The primary reason for holding property, plant and equipment and other assets is for their service potential rather than their ability to generate cash flows. Because of the types of services provided, a significant proportion of assets used by public sector entities including roads, national parks, heritage buildings etc are specialized in nature. There may be a limited market for such assets and so judgement is required on measurement. Judgment is also required whether assets are held for commercial purposes or public benefit purposes.

3. Adoption of New and Revised Standards

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

Standard	Effective date and impact:
IPSAS 43	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Assembly. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p>For the period under review there were no leases that were recognized</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinue d Operations	<p><i>Applicable 1st January 2025</i></p> <p>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.</p> <p>For the period under review there were no Assets that were held for sale and discontinued operations.</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</p>

Standard	Effective date and impact:
	<p>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>PPE forms part of the Items in the County Assembly's Statement of Financial position and as such the provisions of this standards are complied with fully apart from Heritage assets which at the moment the assembly do not have.</p>
<p>IPSAS 46 Measurement</p>	<p>Applicable 1st January 2025</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>The County Assembly expects to comply with this standard once it is able to identify its actual assets and liabilities</p>

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 47- Revenue	<p>Applicable 1st January 2026</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 an County Assembly of Embu 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>
IPSAS 48- Transfer Expenses	<p>Applicable 1st January 2026</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>
IPSAS 49- Retirement Benefit Plans	<p>Applicable 1st January 2026</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</p>

Standard	Effective date and impact:
	financial statements that should be presented by a retirement benefit plan. Once again this standard will be very crucial to the County Assembly in determining the appropriate method of treating the retirement benefits
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p>Applicable 1st January 2027</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 County Assembly of Embu'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>At the moment the Assembly do not have any prospect of minerals and hence the standard will not be applicable</p>

iii) Early adoption of standards

The County Assembly of Embu 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 other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the County Assembly and can be measured reliably. Recurrent grants are recognized in the statement of financial performance. Development/Capital grants are recognized in the statement of financial performance after meeting revenue recognition criteria.

ii) Revenue from exchange transactions

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.

b) Budget information

The original budget for FY 2024/25 was approved by the County Assembly on 10th July 2024. 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 County Assembly upon receiving the respective approvals in order to conclude the final budget. The County Assembly'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 as per the statement of financial cash flows has been presented under page 3 of these financial statements.

c) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the County Assembly 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

Notes to the Financial Statements (Continued)

d) Right of use asset

The right-of-use assets comprises the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Whenever the County Assembly of Embu incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under IPSAS 21 or IPSAS 26. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories. Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the County Assembly of Embu expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease. The right-of-use assets are presented as a separate line in the statement of financial position.

Leases

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the County Assembly of Embu. 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 County Assembly of Embu 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 County Assembly of Embu 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.

e) 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.

i. Financial assets

Classification of financial assets

The County Assembly of Embu classifies its financial assets as subsequently measured at amortized cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the County Assembly of Embu'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 County Assembly of Embu has made irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

Based on the business model and the cash flow characteristics, the County Assembly of Embu 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.

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.

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 County Assembly of Embu 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.

ii. Financial liabilities

Classification

The County Assembly of Embu classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through surplus or deficit

f) 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. Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

- i) Raw materials: purchase cost using the weighted average cost method.
- ii) Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

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 County Assembly of Embu.

g) Provisions

Provisions are recognized when the County Assembly of Embu 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 County Assembly of Embu 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.

h) Contingent liabilities

The County Assembly of Embu 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.

i) Contingent assets

The County Assembly of Embu 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 County Assembly of Embu 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.

j) Nature and purpose of reserves

The County Assembly of Embu creates and maintains reserves in terms of specific requirements.

k) Changes in accounting policies and estimates

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

l) Employee benefits

Retirement benefit plans

The County Assembly of Embu provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an County Assembly of Embu pays fixed contributions into a separate County Assembly of Embu (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.

m) 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.

n) Related parties

The County Assembly of Embu regards a related party as a person or an County Assembly of Embu with the ability to exert control individually or jointly, or to exercise significant influence over the County Assembly of Embu, or vice versa. Members of key management are regarded as related parties and comprise the Governor, Deputy Governor, County Secretary, County Executive Committee Members and Chief Officers,

o) Service concession arrangements.

The County Assembly of Embu analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the County Assembly of Embu recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the County Assembly of Embu also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

p) 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.

q) Comparative figures

In preparing these financial statements the County Assembly of Embu has elected to apply paragraph 79 of IPSAS 33, which allows for the election by an County Assembly of Embu to present one statement of financial performance, one statement of cash flow, one statement of net assets and the statement of financial position and an opening statement of financial position as at the time of first time adoption of the accrual basis of accounting.

r) 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.

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the County Assembly of Embu'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.

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 County Assembly of Embu based its assumptions and estimates on parameters available when the 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 County Assembly of Embu. Such changes are reflected in the assumptions when they occur.

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 County Assembly of Embu.
- 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

Notes to the Financial Statements (continued)

6. Transfer from CRF

Nature of Transfer	Amount Recognized to Statement of	Amount deferred under	Total transfers for the Period ended 30th June Kshs.
Recurrent			745,163,814
Development			8,248,880
Special Purpose Transfers			-
Total			753,412,694

7. Employee Costs

Description	For the year ended 30th Kshs.
Basic Salaries to Permanent Employees	140,881,677
Basic Wages of Temporary Employees	29,000,363
Personal Allowances paid as part of Salary	156,132,717
Social Benefit Schemes	51,776,281
Other Personnel Costs	2,000,000
Employee Costs	379,791,038

8. Use of Goods And Services

Description	For the year ended 30th June Kshs.
Utilities Supplies and Services	1,895,614
Communication, supplies and services	2,342,917

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Domestic travel and subsistence	157,550,822
Foreign travel and subsistence	23,164,380
Printing, advertising and information supplies & services	9,416,545
Rentals of produced assets	32,203,391
Training expenses	4,695,318
Hospitality supplies and services	46,898,999
Insurance costs	34,821,540
Specialized materials and services	5,113,470
Other operating expenses including Bank Charges	59,546,409
Office and general supplies and services	9,173,846
Fuel Oil and Lubricants	3,248,048
Routine maintenance – vehicles and other transport equipment	6,703,798
Routine maintenance – other assets	3,056,945
Expenditure on Amount borrowed from Car Loan and Mortgage	52,156,790
Total	451,988,831

Use of Goods and Services; statement of Cash flow

Use of Goods and services; Statement of Performance	399,832,041
Changes in other Trade Payables	(35,211,635)

Use of Goods and Services; statement of Cash flow - **364,620,406**

N/B

Expenditure on Amounts borrowed from Car Loan and Mortgage is as follows

- Domestic Travel and Subsistence	24,823,750
- Foreign Travel and Subsistence	19,333,040
- Other operating Expenses	8,000,000

9. Social Benefits

Description	For the year ended 30 th June
	Kshs.
Government Pension and Retirement benefits	47,094,180
Social security benefits in cash and in kind	4,682,101
Employer Social Benefits in cash and in kind	-
Total	51,776,281

10. Cash and Cash Equivalents

Description	For the year ended 30 th June	Opening Statement 1 st July 2024
	Kshs.	Kshs
Recurrent Account	4,479	440
Development Account	-	-
Deposits Account	18,073,302	17,248,414
Special Purpose Accounts	-	-
Other Operating Commercial Accounts	-	-
Gratuity Account	4,234,569	7,616,027
Imprest Operations Account	158,519	160,629
Total	22,470,870	25,025,510

a) Detailed Analysis of the Cash and Cash Equivalents

Financial Institution	Account Number	For the year ended 30 th June 2025	Opening Statement 1 st July 2024
		Kshs	Kshs
Recurrent Account			
Central Bank of Kenya	1000195328	4479	440
Development Account			
Central Bank of Kenya	1000195339	-	-
Deposits Account			
Central Bank of Kenya	1000293942	18,073,302	17,248,414
Other operating Commercial Accounts			
Operations Imprest Account Co-op	01141408365000	158,519	160,629
Gratuity Account - Winas Sacco	51100012801	4,234,569	7,616,027
Total		22,470,869	25,025,511

N/B: The Balance in the Imprest Account has been adjusted with Bank charges amounting to Kshs. 2,110

11. Property, Plant, and Equipment

Description	Land	Buildings	Motor Vehicles	Infrastructure Assets	Furniture and fittings	Computers & ICT Equipment	Heritage assets	Work in Progress	Concession	Total
Depreciation Rate		2-10%	16.67%	2-20%	0.13%	0.33%	X%			
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Opening Bal as 1 st July 2024	-	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	750,000	-	8,248,880	-	8,998,880
Disposals	-	-	-	-	-	-	-	-	-	-
Transfers/Adjustments	-	-	-	-	-	-	-	-	-	-
As At 30th June 2025	-	-	-	-	-	750,000	-	8,248,880	-	8,998,880
Depreciation for the Period	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-
Net Book Value	-	-	-	-	-	750,000	-	8,248,880	-	8,998,880
Opening Bal as 1st July 2024	-	-	-	-	-	-	-	-	-	-
As at 30th June 2025	-	-	-	-	-	750,000	-	8,248,880	-	8,998,880

The statement does not contain comparatives, as the County Assembly of Embu has taken advantage of IPSAS 33 provisions on presentation for the first year of transition. No depreciation on the first year of purchase

12. Trade and Accounts Payable

Description	For the year ended 30 th June 2025	Opening Statement 1 st July 2024
	Kshs.	Kshs
Trade Payable	35,211,635	74,215,437
Car Loan and Mortgage (Members)	52,156,790	-
Total trade and other payables	87,368,425	74,215,437

13. Refundable Deposits and Prepayments

Description	For the year ended 30 th June 2025	Opening Statement 1 st July 2024
	Kshs.	Kshs
Customer Deposits - Retention	18,073,302	17,248,414
Imprest Account - Co-op Bank	160,629	160,629
Staff Gratuity - Winas Account	4,234,569	7,616,027
Total	22,468,500	25,025,070

14. Gratuity Account Analysis

Description	Amount	Amount
	Kshs	Kshs
Opening Balance 1 st July 2024		7,616,026
Receipts		6,175,196
Total Receipts		13,791,222
Payments for the year	9,553,017	
Bank Charges	3,635	
Total Expenses		9,556,653
Balance as at 30th June 2025		4,234,569

16. Progress on follow on Prior Year Auditor’s Recommendations

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Ref No.	Issue/Observation from the Auditor	Management Comments	Current status	Time Frame
1. Unconfirmed Cash and Cash Equivalents	Cash & equivalents Kshs. 25,025,510 in 6 bank accounts; 3 accounts (Kshs. 24,864,881) lacked disclosure → accuracy & completeness not confirmed.	Necessary changes made in amended financial statements.	Resolved	
2. Unsupported Fuel, Oil and Lubricants	Goods & services Kshs. 233,940,799 includes fuel Kshs. 2,418,330. Issues: (i) Kshs. 500,000 paid for generator fuel but no register; (ii) Fuel worth Kshs. 84,713 in registers not in vehicle work tickets → accuracy not confirmed.	1) Fuel register for standby generator was up to date. 2) Fuel was for both vehicles & generator. 3) Vehicles 14CG005A & 14CG052A consumed 469.39 litres; oversight in filling work tickets, verbal warning issued, anomaly rectified.	Resolved	
Emphasis of Matter – Budgetary Control	Budgeted receipts Kshs. 654,021,950 vs actual Kshs. 579,019,269 → underfunding Kshs. 75,002,681 (12%). Spending Kshs. 579,018,829 vs receipts Kshs. 579,019,269 → underutilization Kshs. 440. Delays may	Underfunding caused by delays in release of funds from National Treasury.	Resolved	

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	have affected service delivery.			
Other Matter – Unresolved Prior Year Audit Issues	Previous year audit issues remain unresolved; no evidence of resolution provided.	Auditor’s report not yet scrutinized by Senate County Public Accounts Committee.	Not yet Resolved	
1. Non-Remittance of Provident Fund & Pension	Social security Kshs. 39,393,477 includes Kshs. 35,729,560 pensions. Provident & pension benefits of Kshs. 11,864,777 remitted late, Kshs. 15,804,580 not remitted → breach of Retirement Benefits Act.	Delays due to late release of funds. Once funds are released, submissions are immediate. All pending pension amounts remitted with receipts.	Resolved	
2. Non-Compliance: Staff Ethnic Composition	39 out of 78 staff (50%) from one ethnic group → breach of Section 7(2), NCIC Act.	Issue inherited from 2013 recruitment. Low staff turnover limits correction. Commitment to improve diversity and compliance.	Not yet Resolved	
3. Irregular Payment of Subscriptions	Kshs. 750,000 paid to CAF & SOCATT; no law cited supporting regularity → breach of Intergovernmental Relations Act.	CAF & SOCATT registered under Societies Act Cap 108; deal with Assembly operations.	Not Resolved	
1. Lack of Audit Committee	No active Audit Committee; expired term not renewed. No audit charter, plan, reports, or follow-up on recommendations.	Committee expired; adverts placed but non-responsive. Assembly has Internal Audit Charter and approved work plan.	Not resolved	
2. Lack of Disaster	No disaster recovery plan, ICT strategy,	No formal plan but ICT policy exists	Not resolved	

Recovery Plan	backup/retention, or ICT capacity training. Risks of disaster recovery failure.	covering digitization, archival, storage & retrieval, SOPs for backup & online uploads.		
3. Lack of Risk Management Policy	No risk management policy or strategies → breach of PFM Regulations 2015.	Internal Audit Charter covers risk identification. Board initiating development of a risk policy. Internal Audit Dept & Committee notify board on risks.	Not Resolved	

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James M. Ileri

For: Clerk of the County Assembly

Date: