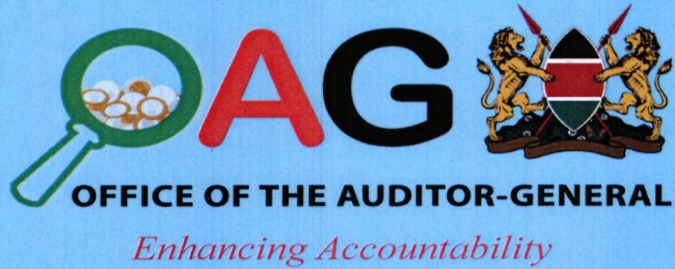


REPUBLIC OF KENYA



**REPORT**

PAPERS LAID	
DATE	KS/3/23
TABLED BY	
COMMITTEE	
CLERK AT THE TABLE	Abdirahman

PARLIAMENT  
OF KENYA  
LIBRARY

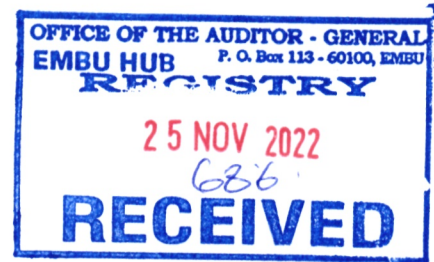
**OF**

**THE AUDITOR-GENERAL**

**ON**

**COUNTY ASSEMBLY OF EMBU**

**FOR THE YEAR ENDED  
30 JUNE, 2022**



---

**COUNTY ASSEMBLY OF EMBU ANNUAL REPORTS AND FINANCIAL  
STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30<sup>TH</sup> JUNE, 2022**

---

**Prepared in accordance with the Cash Basis of Accounting method under the International  
Public Sector Accounting Standards (IPSAS)**

*County Assembly of Embu*  
*Annual Reports and Financial Statements*  
*For the year ended June 30, 2022*

**Table Of Contents**

1. KEY ENTITY INFORMATION AND MANAGEMENT .....	ii
2. FOREWORD BY THE CLERK OF THE ASSEMBLY .....	v
3. STATEMENT OF PERFORMANCE AGAINST COUNTY ASSEMBLY PREDETERMINED OBJECTIVES .....	xviii
4. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING .....	xix
5. STATEMENT OF MANAGEMENT RESPONSIBILITIES .....	xxi
6. REPORT OF THE INDEPENDENT AUDITOR ON THE COUNTY ASSEMBLY OF EMBU .....	xxiii
7. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH JUNE 2022 .....	1
8. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES AS AT 30TH JUNE 2022 .....	2
9. STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30TH JUNE 2022 .....	3
10. STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: RECURRENT AND DEVELOPMENT COMBINED .....	4
11. STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: RECURRENT .....	5
12. STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: DEVELOPMENT .....	6
13. BUDGET EXECUTION BY PROGRAMMES AND SUB - PROGRAMMES .....	7
14. SIGNIFICANT ACCOUNTING POLICIES .....	8
15. NOTES TO THE FINANCIAL STATEMENTS .....	14
16. PROGRESS ON FOLLOW ON PRIOR YEAR AUDITOR'S RECOMMENDATIONS .....	18
17. ANNEXES .....	25
ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE .....	25
ANNEX 2: ANALYSIS OF PENDING STAFF PAYABLES .....	35
ANNEX 3 – SUMMARY OF FIXED ASSET REGISTER .....	36
ANNEX 4 – ANALYSIS OF THE GRATUITY ACCOUNT .....	36

## KEY ENTITY INFORMATION AND MANAGEMENT

### a) Background information

The County Assembly of Embu is constituted as per Article 176 of the constitution of Kenya 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 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	- 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 2022 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

**d) Fiduciary Oversight Arrangements**

- The County Assembly Service Board
- Public Accounts Committee
- Liaison Committee
- Budget Committee
- Audit Committee
- 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

E-mail: [info@embuaassembly.go.ke](mailto:info@embuaassembly.go.ke)

[countyassemblyofembu@gmail.com](mailto:countyassemblyofembu@gmail.com)

Website: [www.assembly.Embu.go.ke](http://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

**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

## **2. FOREWORD BY THE CLERK OF THE ASSEMBLY**

The performance of the County Assembly in the year under review was as follows;

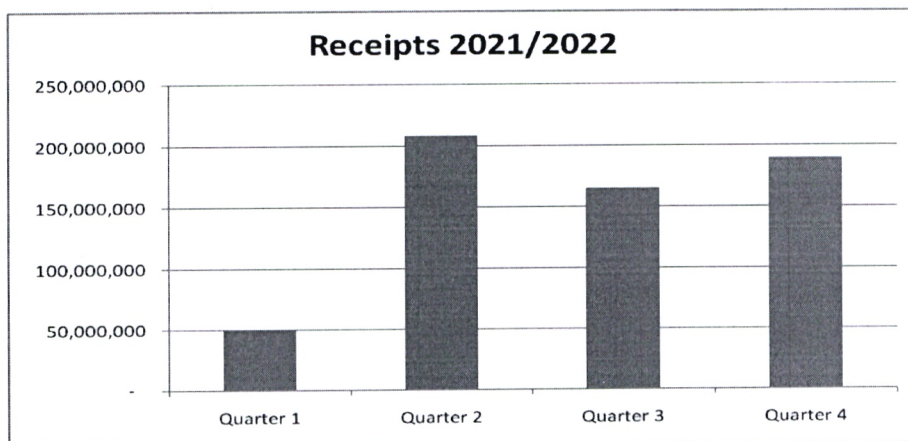
### **2.1 BUDGET PERFORMANCE**

In the financial year 2021/2022 the County Assembly had a combined budget implementation rate of 81%. This was an average of 85% on the Recurrent budget and 40% on the Development budget. The slow absorption rate of the budget was occasioned by the delays in release of funds from the National Government. By the end of the financial year Kshs. 93,873,634 on Recurrent had not been released despite the necessary fund requisitions being made. 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 30<sup>th</sup> June 2022. 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 102,609,069 has already been paid with the remaining balance of Kshs. 247,098,032 set to be paid in the next 2 years.

### **RECEIPTS**

In overall the County Assembly received Kshs. 613,862,001 against a total budget of Kshs. 757,069,773. The County Assembly received Kshs. 590,779,001 of its Recurrent Budget against total budgeted amount of Kshs. 699,069,773 meaning that the County Assembly was able to receive 85% of its recurrent Budget while in Development the Assembly received Kshs. 23,082,999 against a budget of Kshs. 58,000,000 which was 40% of the total budget amount. Kshs. 20,000,000 budgeted for the Staff Car Loan and Mortgage was not realised.

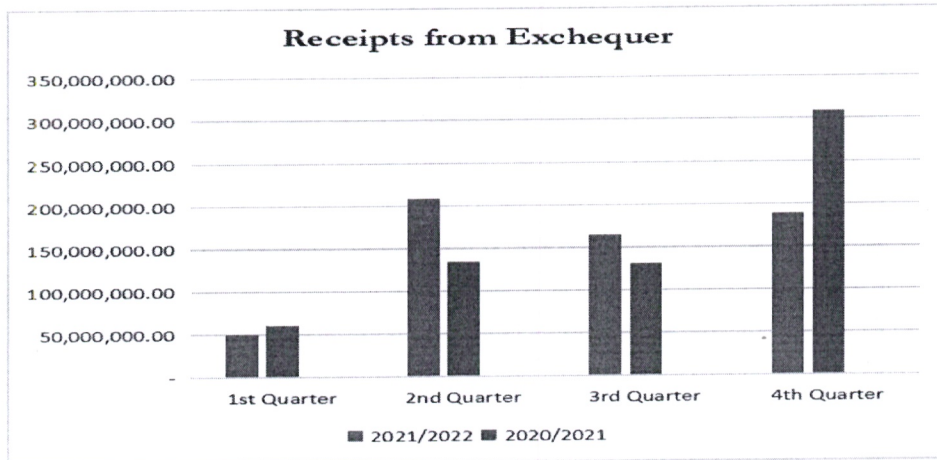
The receipts were received in 4 quarters as follows



**County Assembly of Embu  
Annual Reports and Financial Statements  
For the year ended June 30, 2022**

Receipts from exchequer were in four quarters. The first quarter the County Assembly received Kshs. 50,000,000/=. In the second quarter the Assembly received 208,862,001/=. In the third quarter the Assembly received 165,000,000/= and in the final quarter the County Assembly received 190,000,000.

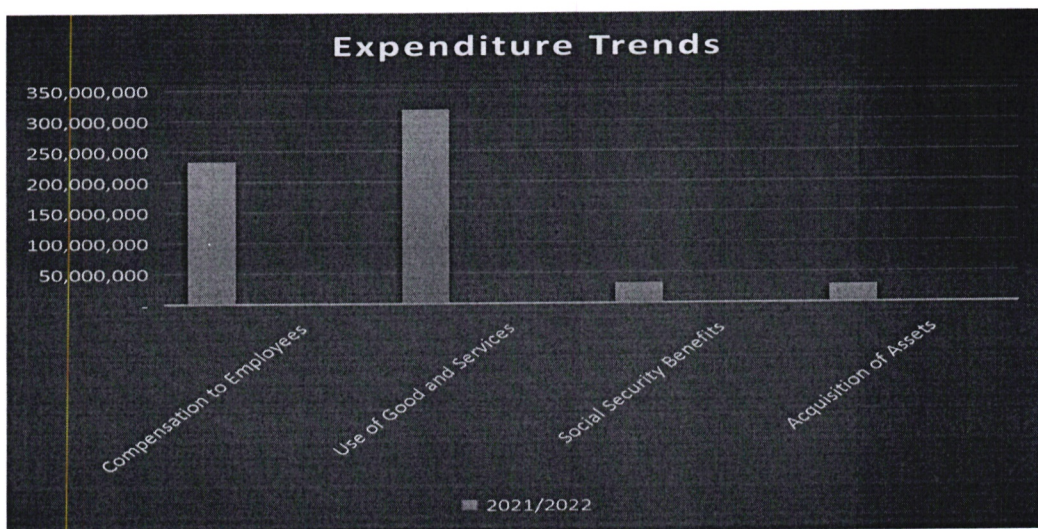
Compared with the financial year 2020/2021 the trends of receipts were as follows



**PAYMENTS**

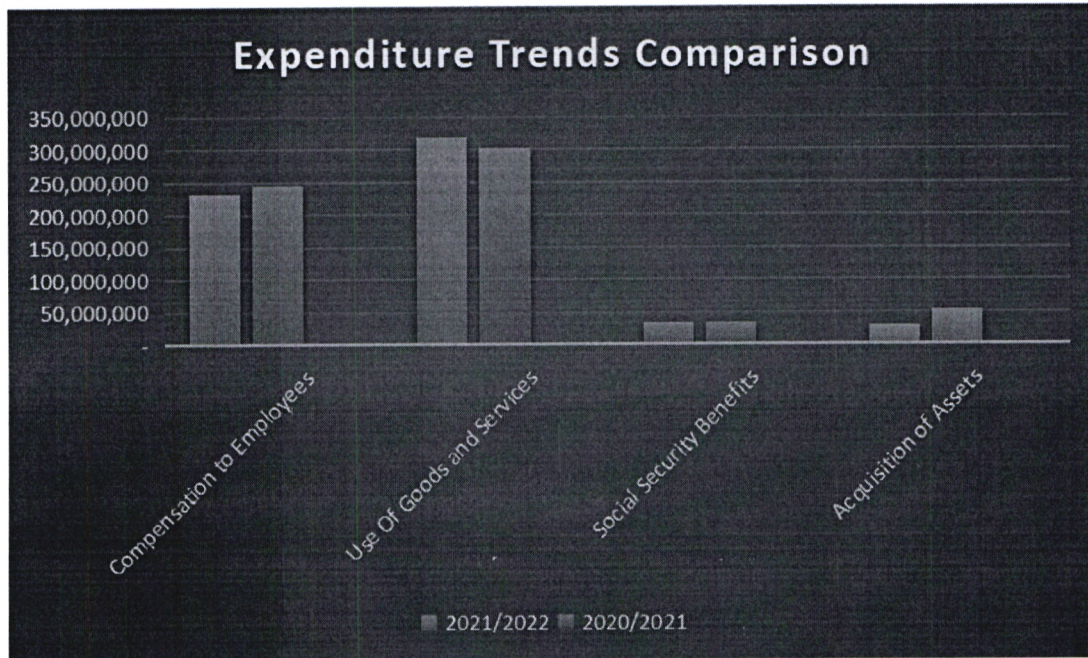
On Compensation to Employees the County Assembly spent Kshs 232,587,870 against a budget of Kshs. 251,299,055 being 93%. On the Use of goods and services, the actual expenditure was Kshs. 318,879,421 against a budget of 377,781,102 which was 84% budget utilization.

The County Assembly spent Kshs. 32,898,491 on Social Security Benefits against a budget of 41,849,793 This was also 79% of the budget. On acquisition of Assets the County Assembly spent Kshs. 29,476,438 against a budget of 66,139,823 which was a budget performance rate of 45%.



*County Assembly of Embu  
Annual Reports and Financial Statements  
For the year ended June 30, 2022*

In comparison with the financial year 2020/2021 the expenditure trends were as follows



## 2.2 OPERATIONAL PERFORMANCE

During this financial year 2021/2022 different committees of the Assembly continued discharging their mandates as follows

COMMITTEE	REPORTS SUBMITTED AND ADOPTED
1. Liaison committee	<p><b>I. REPORTS TABLED AND ADOPTED</b></p> <ul style="list-style-type: none"> <li>a. Report of the Liaison Committee on the Embu County Government Annual Development Plan for the FY 2021-2022 tabled on 9<sup>th</sup> February 2021</li> <li>b. Report of the Liaison Committee on the Select Committees Progress reports for the period 1/1/2020 to 30<sup>th</sup> June 2020 tabled on 23<sup>rd</sup> June 2021</li> <li>c. Report of the Liaison Committee on the Embu County Government First Supplementary Budget Estimates of Revenue and Expenditure for the Financial Year 2020/2021 tabled on 8<sup>th</sup> June 2021</li> <li>d. Report of the Liaison Committee on the County Government of Embu Budget Estimates for the Financial Year 2020/2021 tabled on</li> </ul>

**County Assembly of Embu**  
**Annual Reports and Financial Statements**  
**For the year ended June 30, 2022**

	<p style="text-align: center;">22<sup>nd</sup> July 2020.</p> <p style="text-align: center;"><b>II. BILLS</b></p> <p>I. The Embu County Government Appropriations Bill 2020</p>
<p>2. Trade, Tourism investment and Industrialization</p>	<p><b><u>REPORTS</u></b></p> <ul style="list-style-type: none"> <li>• Report on consideration and scrutiny of the Memorandum from the Governor on the reasons for referral in the matters of the Embu County Alcoholic Drinks Control Bill, 2019.</li> <li>• Report on consideration and scrutiny of the Embu County Trade Promotion, Development and Licensing Bill, 2020.</li> <li>• Report on consideration of the Report on the Public Petition to Request Re-Building of the Burnt Embu Municipal Covered Market (<i>Old Marigiti</i>) in Embu Town.</li> </ul> <p><b>REPORTS TABLED TO LIAISON</b></p> <ul style="list-style-type: none"> <li>• Report on Department proposals on the county fiscal strategy paper 2020/2021 tabled to Liaison committee.</li> <li>• Report Departmental consideration of the MTEF budget estimates 2020/2021 tabled to Liaison committee for consideration.</li> <li>• Report on Department proposals on the county fiscal strategy paper 2021/2022 tabled to Liaison committee.</li> <li>• Report Departmental consideration of the MTEF budget estimates 2021/2022 tabled to Liaison committee for consideration.</li> </ul>
<p>3. Lands and Urban and Development Water, Irrigation, Environment and Natural Resources</p>	<p><b>Reports tabled in the Assembly</b></p> <ol style="list-style-type: none"> <li>i. Report on the Embu County Climate Change Policy Framework tabled in the Assembly on 9<sup>th</sup> February, 2021.</li> <li>ii. Report on a Memorandum by Embe Transporters Sacco on Illegal Charging and Blocking of Trucks Ferrying Sand tabled on 8<sup>th</sup> June, 2021.</li> </ol> <p><b>Reports Submitted to the Liaison Committee</b></p> <ol style="list-style-type: none"> <li>i. Report on Consideration of the Budget Estimates for the Department of Lands, Physical Planning, Urban Development, Housing, Water,</li> </ol>

*County Assembly of Embu  
Annual Reports and Financial Statements  
For the year ended June 30, 2022*

	<p>Irrigation, Environment and Natural resources for the year 2020/2021</p> <p>ii. Report on Consideration of the County Fiscal Strategy Paper for the Department of Lands, Physical Planning, Urban Development, Housing, Water, Irrigation, Environment and Natural resources for the year 2021/2022.</p> <p>iii. Progress report for the period 1<sup>st</sup> July to 31<sup>st</sup> December, 2020</p> <p><b>Inspection tours undertaken</b></p> <p>Visit to various Community Based Organizations based in Mumunji, Kiambere, and Mavuria.</p>
<p>4. Agriculture, Livestock and Fisheries</p>	<p><b>Reports Tabled in the Assembly</b></p> <p>✓ Report of the Committee on Agriculture, Livestock, Fisheries and Cooperative Development on the Status of Implementation of Projects under the National Agricultural and Rural Inclusive Growth Project (NARIGP) as at October 2020.</p> <p><b>Reports submitted to Liaison Committee :</b></p> <ol style="list-style-type: none"> <li>1. The Committee Report on the sector's priorities in County Fiscal Strategy Paper 2020.</li> <li>2. Committee prepared and submitted a Sectoral report to the Liaison Committee on consideration of Budget Estimates for 2020/2021 which culminated into Embu County Appropriation Act, 2021</li> <li>3. Report of the Committee Progress for the period 1<sup>st</sup> July 2020 to December 2020.</li> <li>4. Report of the Committee Progress for the period 1<sup>st</sup> January 2021 to June 2021.</li> </ol> <p><b>Inspection tours and fact finding missions</b></p> <ol style="list-style-type: none"> <li>i. In February 2021, the Committee Requested the CECM to accompany members for an inspection tour of the projects implemented under NARIGP and ASDSP II-</li> <li>ii. In March 2021 the Committee undertook a fact finding/inspection tour of the Agricultural Mechanisation Service unit at Machang'a to check on</li> </ol>

*County Assembly of Embu  
Annual Reports and Financial Statements  
For the year ended June 30, 2022*

	<p>service delivery.</p> <p><b>Statements</b></p> <ul style="list-style-type: none"> <li>✓ The Committee successfully responded to a statement which had been sought in the Assembly on Trading in Hides and Skins in the County. <i>(responded in November 2020)</i></li> </ul>
<p>6. Education science and technology</p>	<p><b>Reports submitted to the Assembly</b></p> <ul style="list-style-type: none"> <li>✓ Report on the status of the ECDE centres in Embu County</li> <li>✓ The status of Vocational Training Centres in Embu County</li> </ul> <p><b>(2) Reports submitted to the Liaison Committee</b></p> <ul style="list-style-type: none"> <li>✓ Progress report for the period 1<sup>st</sup> July, 2020 to 31<sup>st</sup> December, 2021</li> <li>✓ Progress report for the period 1<sup>st</sup> January, 2021 to 30<sup>th</sup> June, 2021</li> <li>✓ Report of Budget Estimates for the Fiscal Year 2020/2021</li> <li>✓ Reports of the CFSP for the Education, Science and Technology portfolio</li> </ul>
<p>7. Public Accounts and Investments</p>	<p><b>Reports tabled in the County Assembly</b></p> <ol style="list-style-type: none"> <li>i. Report on the Auditor General’s Report on Financial Statements of the Embu County Executive for the period ended 30<sup>th</sup> June 2018 tabled on 3<sup>rd</sup> December, 2020</li> <li>ii. Report on the Auditor General’s Report on Financial Statements of the Embu Water and Sanitation Company for the period ended 30<sup>th</sup> June 2016.</li> <li>iii. Report on the Auditor General’s Report on Financial Statements of the Embu Water and Sanitation Company for the period ended 30<sup>th</sup> June 2017</li> <li>iv. Report on the Auditor General’s Report on Financial Statements of the Embu Water and Sanitation Company for the period ended 30<sup>th</sup> June 2018</li> <li>v. Report on the Auditor General’s Report on Financial Statements of the Ngagaka Water and Sanitation Company for the period ended 30<sup>th</sup> June 2018</li> </ol> <p><b>Report Submitted to the Liaison Committee</b></p> <ol style="list-style-type: none"> <li>i. Progress report for the period 1<sup>st</sup> July to 31<sup>st</sup> December, 2020</li> </ol>

*County Assembly of Embu  
Annual Reports and Financial Statements  
For the year ended June 30, 2022*

	<p><b>Field visits</b></p> <p>ii. Visit to EWASCO establishments to address issues cited in the Auditor General's Reports</p>
<p>8. Gender, children Culture and Social Services</p>	<p><b>Reports Tabled in the Assembly</b></p> <p>1. Report of the Committee on Gender, Culture, Children and Social Service on establishment of a Cultural Festival in Embu County.</p> <p><b>3. Reports submitted to Liaison Committee:</b></p> <p>i. Committee prepared and submitted a Sectoral report to the Liaison Committee on consideration of Budget Estimates for 2020/2021 which culminated into Embu County Appropriation Act, 2020</p> <p>ii. Committee prepared sectoral report on the departmental proposals on the County Fiscal Strategy paper, 2021.</p> <p>iii. Report of the Committee Progress for the period 1<sup>st</sup> July 2020 to December 2020.</p> <p>iv. Report of the Committee Progress for the period 1<sup>st</sup> January 2021 to June 2021.</p> <p><b>Inspection tours and fact finding missions</b></p> <p>Fact finding visit to Children Rescue Centre and Embu cultural Centre on 16<sup>th</sup> November, 2020.</p>
<p>9. Health</p>	<p><b>1)</b> Response on the Statement by Hon. Margaret Kariuki on Deaths in Level 5 Hospital.</p> <p><b>2)</b> Response on the Statement by Hon. Salesio Kimaru on Delayed Treatment of a Patient in Embu Level 5 Hospital.</p> <p><b>3)</b> Sectoral Report on County Fiscal Strategy Paper 2021 tabled to the Liaison Committee</p> <p><b>4)</b> Sectoral report on Budget Estimates for the FY 2020/21</p> <p><b>5)</b> Fact finding tour to Embu Level 5 Hospital to assess the status of the newly procured oxygen plant.</p> <p><b>6)</b> Fact finding tour to Embu Level 5 Hospital to assess Covid-19 donations to Embu County Government.</p> <p><b>7)</b> The committee made 4 no. invitations of the CEC Member Health to come and respond various accounts.</p>

*County Assembly of Embu  
Annual Reports and Financial Statements  
For the year ended June 30, 2022*

	<p>8) Progress report for the period 1<sup>st</sup> July, 2020 to 31<sup>st</sup> December, 2021 submitted to Liaison Committee</p> <p>9) Progress report for the period 1<sup>st</sup> January, 2021 to 30<sup>th</sup> June, 2021 submitted to Liaison Committee</p>
<p>10. Finance and Economic Planning</p>	<p><b>Reports tabled in the assembly</b></p> <p>i. Report on the Embu County finance amendment bill, 2020</p> <p>ii. Report on the consolidated fourth quarter financial statements for the financial year 2018/2019.</p> <p><b>Reports submitted to Liaison Committee</b></p> <p>1) Report on sectoral consideration on the Budget Estimates for F/Y 2020/2021.</p> <p>2) Report on sectorial consideration on the sectorial proposals on the CFSP FY 2021/2022 for the departments of Finance and Economic Planning and the Embu County Revenue Authority.</p> <p>3) Report on sectorial consideration on the Budget Estimates for F/Y 2020/2021 for the Embu County Revenue Authority.</p> <p>4) Progress report for the period 1<sup>st</sup> July, 2020 to 31<sup>st</sup> December, 2021</p> <p>5) Progress report for the period 1<sup>st</sup> January, 2021 to 30<sup>th</sup> June, 2021</p> <p><b>Bills enacted</b></p> <p>✓ Embu County finance amendment bill, 2020. (Enacted by the County Assembly on 17 September 2020)</p>
<p>11. Youth Empowerment and Sports</p>	<p>1. Tabled a report in response to statement sought on Umuu grounds on 14<sup>th</sup> November 2020</p> <p>2. Consideration of the quarterly reports on the financial statements of Embu County Youth Trust Fund.</p> <ul style="list-style-type: none"> <li>• Quarterly report on Financial statements of Embu County Youth trust fund for the quarter ended 30<sup>th</sup> March 2020</li> <li>• Quarterly report on Financial statements of Embu County Youth trust fund for the quarter ended 30<sup>th</sup> September 2020</li> <li>• Quarterly report on Financial statements of Embu County Youth trust fund for the quarter ended 31<sup>st</sup> December 2020</li> </ul>

*County Assembly of Embu  
Annual Reports and Financial Statements  
For the year ended June 30, 2022*

	<ul style="list-style-type: none"> <li>• Draft report on the financial statements of Embu County Youth Trust Fund for the quarter ended 30<sup>th</sup> March, 30<sup>th</sup> September and 31<sup>st</sup> December 2020.</li> </ul> <p><b>2. Consideration of the status of Youth Fund Disbursement in Embu County</b></p> <p><b>3. Reports submitted to the Liaison committee</b></p> <ul style="list-style-type: none"> <li>• Progress report for the period between 1<sup>st</sup> July to 30<sup>th</sup> December 2020</li> <li>• Report on Sectoral Budget Estimates FY 2020/2021</li> <li>• Progress report for the period between 1<sup>st</sup> January to 30<sup>th</sup> June 2021</li> <li>• Report on County Fiscal Strategy paper FY 2021/2021</li> </ul>
12. Public Participation	<p><b>Public hearing forums held.</b></p> <p>(i) Public Participation forums held to consider the Constitution of Kenya Amendment Bill, 2020</p> <p><b>Reports tabled in the assembly.</b></p> <p>(i) Report on the public participation forums held to consider the Punguza Mizigo (Constitution of Kenya Amendment) Bill, 2019. Tabled on 3<sup>rd</sup> March 2021.</p> <p>(ii) Report on the public participation forums held to consider Budget Estimates for the Financial Year 2019/2020. Tabled on 3<sup>rd</sup> March 2021.</p> <p>(iii) Report on the public participation forums held to consider the Embu County Finance Bill, 2019. Tabled on 17<sup>th</sup> March 2021.</p> <p>(iv) Report on the Memorandum of reasons for referral in the matter of the Embu County Public Participation in Governance Bill, 2019. Tabled on 17<sup>th</sup> March 2021.</p> <p><b>Reports submitted to Liaison Committee.</b></p> <p>i. Progress report for the period 1<sup>st</sup> July, 2020 to 31<sup>st</sup> December, 2020</p>
13. Infrastructure, Works, Housing and Energy	<p><b>Reports submitted to Liaison Committee</b></p> <p><b>1)</b> Report on sectorial consideration on the Budget Estimates for F/Y 2020/2021.</p> <p><b>2)</b> Report on sectorial consideration on the sectorial proposals on the CFSP FY</p>

*County Assembly of Embu  
Annual Reports and Financial Statements  
For the year ended June 30, 2022*

	2021/2022for the departments of Infrastructure, Public Works, Transport and Energy
15. Administration and Public Service	<ol style="list-style-type: none"> <li>1) Tabled the report on The Legal Compliance of the Workings and Undertakings of the Embu County Public Service Board</li> <li>2) Tabled Report on County Public Service Board Annual report for the year ended, 31<sup>st</sup> December 2019</li> <li>3) Invitation of the CEC concerning the Embu County Transport Policy</li> <li>4) Forwarded the Sectoral report of County Public Strategy Paper 2021 to the Liaison Committee</li> <li>5) Forwarded the Sectoral report of the Supplementary Budget to the Liaison Committee for the FY 2020/2021.</li> <li>6) Progress report for the period 1<sup>st</sup> July, 2020 to 31<sup>st</sup> December, 2021 submitted to Liaison Committee</li> <li>7) Progress report for the period 1<sup>st</sup> January, 2021 to 30<sup>th</sup> June, 2021 submitted to Liaison Committee</li> </ol>
16. Selection	<p><b><u>Reports Tabled and Adopted in the Assembly</u></b></p> <ol style="list-style-type: none"> <li>1) Report of the Select Committee on Selection on the recommendation of nominees for membership to Ad Hoc Committee to investigate the operations of Embu County Revenue Authority (ECRA)</li> <li>2) Report of the Committee on Selection on Comparative Study Visit to Various County Assemblies in Nyanza, Rift Valley and Western Regions of Kenya.</li> </ol> <p><b>Reports submitted to Liaison Committee.</b></p> <ul style="list-style-type: none"> <li>✓ Report of the Committee Progress for the period 1<sup>st</sup> July 2020 to December 2020</li> <li>✓ Report of the Committee Progress for the period 1<sup>st</sup> January to 30<sup>th</sup> June 2021</li> </ul>
17. Ad hoc Committees	1)Report investigating the Embu County Revenue Authority operations tabled on 22 <sup>nd</sup> December 2020.
Appointments	1. Report on Vetting of the CECM Lands, Water, Irrigation, Physical

*County Assembly of Embu  
Annual Reports and Financial Statements  
For the year ended June 30, 2022*

	<p>Planning, Housing, Urban Development, Environment and Natural resources n 1<sup>st</sup> March 2021</p> <p><b>2. Reports submitted to the Liaison committee</b></p> <p>✓ Progress report for the period between 1<sup>st</sup> July to 30<sup>th</sup> December 2020</p> <p>✓ Progress report for the period between 1<sup>st</sup> January to 30<sup>th</sup> June 2021</p>
Implementation	<p><b>Reports submitted to the Assembly</b></p> <p>i. Report on the implementation of the report of the Health Committee on Oxygen Generating Plant in Embu Level 5 Hospital</p> <p>ii. Report on the implementation of the report on stalled services of graders in Embu County</p> <p><b>Reports submitted to the Liaison Committee</b></p> <p>i. Progress report for the period 1st July, 2020 to 31st December, 2020</p>
Justice and Legal Affairs	<p>i) Tabled the Draft Constitution of Kenya (Amendment) Draft Bill 2020.</p> <p>ii) Tabled the report of the Constitution of Kenya (Amendment) Bill 2020.</p> <p>iii) Tabled report on Establishment of a County Legal Unit in the Department of Administration, Public Service and Devolution.</p> <p>iv) Tabled report on the Status of the Pending Cases in Embu County Executive.</p> <p>v) Conducted a Public Participation on Constitution of Kenya (Amendment) Bill 2020.</p> <p>vi) Submitted a Back to Office Report after the committee training by The Commission on Administrative Justice (Ombudsman).</p> <p>vii) Progress report for the period 1<sup>st</sup> July, 2020 to 31<sup>st</sup> December, 2021 submitted to Liaison Committee.</p> <p>viii) Progress report for the period 1st January, 2021 to 30th June, 2021 submitted to Liaison Committee</p>
	<p>✓ Undertook Field visit to inspect ward funded projects in the department of Health, Trade and Education</p> <p>✓ <b>Reports submitted to the Liaison committee</b></p> <p>A. Progress report for the period between 1<sup>st</sup> July to 30<sup>th</sup> December 2020</p>

### **2.3 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

#### **i. Office complex and Chambers-**

This project was started on 2017 and up to date its 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.

#### **ii. Refurbishment of County Assembly of Embu Chambers.**

The phase of this project started in 2020 with an approximate cost of Kshs. 19 million shillings . The building which was inherited from the County Council of Embu and which was partially refurbished in 2013 during the inception of County Government required major uplift to meet the standards of a modern Assembly. The Works continued in the year under consideration and by the end of the year approx 80% of the works were complete. The refurbishment underway captures the modern leather folding seats, internal and external painting ,interior sound proofing and cladding, electrical overhaul and mechanical works

#### **Proposed projects**

**Office complex and Chambers** – this is an ongoing project and when completed it will create ample working space for Members of County Assembly and staff, create more parking space at the basement level, has a provision for a cafeteria which will save staffs time they take when going outside the precincts to get meals and also provide good quality food within.

**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.

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

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

### **2.4 Value for money Achievement**

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.

**County Assembly of Embu  
Annual Reports and Financial Statements  
For the year ended June 30, 2022**

---

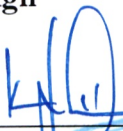
- a) With the Construction of the Office Complex and the Chambers it is expected that Members office and staff office currently being hosted at the rented town office will be accommodated in the New building thereby cutting the costs of rent paid for the Town offices.
- There will also saving in time resources currently spent by Members and Officers while moving from the Headquarters to the Town offices and back.
- b) Renovations of the Assembly will also ensure 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.

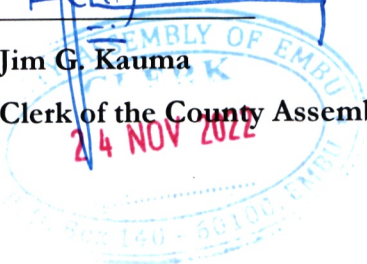
### **2.5 Challenges and Recommended Way Forward**

In implementation of its capital projects the County Assembly was faced with myriad of challenges which has led to delayed delivery of these projects. Theses 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 2021/22 has been challenging to the Assembly. Despite making the necessary fund requisitions on time the funds could not be released on time owing the financial challenges that the National Government was facing due to the effects of Covid 19 pandemic. These delays meant that County Assembly could not achieve its budget implementation targets. By the end of the financial year the projects were still on going with pending payments.
- b) Though the Covid 19 pandemic has subsidized the County Assembly continues to feel the effects of the pandemic.
- c) Construction of the Office Complex and Chambers was also greatly affected by the delays in disbursement of funds and at the same the fact that the 2<sup>nd</sup> Assembly was coming to an end there were so many uncertainties that greatly affected the implementation of this project.

**Sign**

  
**Jim G. Kauma**  
**Clerk of the County Assembly**



### **3. STATEMENT OF PERFORMANCE AGAINST COUNTY ASSEMBLY PREDETERMINED OBJECTIVES**

Section 164 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting officer when preparing financial statements of each County Government entity Government entities in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the county government entity's performance against predetermined objectives.

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 2021/2022

<b>Program 1</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>
<b>Legislation, oversight and representation</b>	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	<b>In FY 2021/2022 MCA's and some staff attended 6 different workshops and seminars</b>
	Enhanced professional development of MCAs – Review standing orders	Review standing orders	% increase in efficient Assembly operation	<b>4 standing orders were reviewed.</b>
<b>General Administration, Planning and Support Services</b>	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	<b>In the Financial year an accumulated 168 meetings were held by the Committees</b>
	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	<b>44 reports from various departments and directorates</b>

#### **4. 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

##### **1. Sustainability Strategy and Profile**

The county assembly has prepared a five year strategic plan that has captured all the key areas 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.

##### **2. 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.

##### **3. Employees 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 Controller of Revenue Allocation provides the establishment for the Assembly through its circulars.

The County Assembly Service Boarding 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 has improved the skills of its members and staff through undertaking various training and benchmarking. Committee trainings have 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.

#### **4. 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.

#### **5. 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 is one way of ensure ring that the community actively participates in the activities of the assembly as one of the key partners.

#### **6. Others**

The county assembly did not undertake any corporate social responsibilities activities during the year under review. This was due to budget constraints of the assembly budget.

## **5. STATEMENT OF MANAGEMENT RESPONSIBILITIES**

Section 164 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer for a Government entity shall prepare financial statements in respect of that entity. Section 164 (1) requires the financial statements so prepared to be in a form that complies with relevant accounting standards prescribed and published by the Accounting Standards Board from time to time.

The Clerk is in charge of the County Assembly of Embu and is responsible for the preparation and presentation of the Assembly's financial statements, which give a true and fair view of the state of affairs of the County Assembly as at the end of the financial year ending on 30<sup>th</sup> June 2022.

This responsibility includes:

- a) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period.
- b) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity.
- c) 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.
- d) Safeguarding the assets of the County Assembly of Embu
- e) Selecting and applying appropriate accounting policies; and
- f) Making accounting estimates that are reasonable in the circumstances.

The Clerk accepts responsibility for the Assembly's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Clerk is of the opinion that the Assembly's financial statements give a true and fair view of the state of Assembly's transactions during the financial year ended June 30, 2022, and of the Assembly's financial position as at that date.

The Clerk further confirms the completeness of the accounting records maintained for the Assembly which have been relied upon in the preparation of the Assembly financial statements as well as the adequacy of the systems of internal financial control.

*County Assembly of Embu  
Reports and Financial Statements  
For the year ended June 30, 2022*

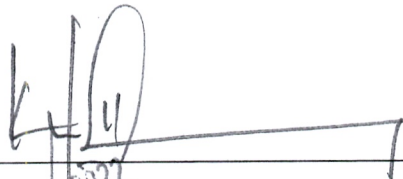
---

Clerk further confirms that the Assembly has complied fully with applicable Government Regulations and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for.

The Clerk confirms that the Assembly financial statements have been prepared in a form that complies with relevant accounting standards prescribed and published by the Accounting Standards Board.

**Approval of the financial statements**

The County Assembly's financial statements were approved and signed by the Clerk of the County Assembly on 24/11 2022

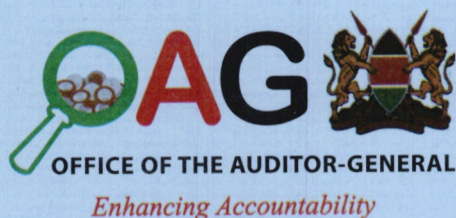


---

**Jim G. Kauma**  
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, 2022

---

### PREAMBLE

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

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

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of County Assembly of Embu set out on pages 1 to 24, which comprise of the statement of financial assets and liabilities as at 30 June, 2022, and the statement of receipts and payments, statement of cash flows

---

*Report of the Auditor-General on County Assembly of Embu for the year ended 30 June, 2022*

and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the County Assembly of Embu as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the County Governments Act, 2012.

## **Basis for Qualified Opinion**

### **1. Inaccuracies in the Financial Statements**

#### **1.1 Variances Between the Financial Statements and IFMIS Balances**

Comparison between the financial statements and IFMIS trial balance reflects an unexplained variances on various components as detailed below:

<b>Particulars</b>	<b>Financial Statements Balance (Kshs)</b>	<b>IFMIS Trial Balance (Kshs)</b>	<b>Variance (Kshs)</b>
CBK Deposit Bank	11,551,964	13,662,820	(2,110,856)
Recurrent Bank Accounts	4,979,778	1,785,364,510	(1,780,384,732)
Cash in Hand	-	101,338,202	(101,338,202)
Temporary Imprests	-	4,084,614	(4,084,614)
General Withholding Tax	-	383,635	(383,635)
Contractors Retention Fee	12,551,964	9,602,070	2,949,894
Other Debtors and Prepayments	-	6,807,163	(6,807,163)

Management has not explained or reconciled the variances in the two documents.

#### **1.2 Unsupported Suspense Accounts**

Examination of the IFMIS trial balance reflects an unsupported suspense account on various components as detailed below:-

<b>Component</b>	<b>Amounts (Kshs)</b>
General Suspense Credit	3,000,000
General Deposits Credit	3,679,907
Salary Control Account	226,234,003

<b>Component</b>	<b>Amounts (Kshs)</b>
AP Liabilities	42,435,487
Cash Clearing	1,105,321,306
Exchequer Releases Provisioning	3,428,775,447

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

## **2. Inaccuracies in the Cash and Cash Equivalents**

The statement of financial assets and liabilities reflects bank balance of Kshs.17,531,743 as disclosed in Note 6 to the financial statements which includes CBK Development Account balance of Kshs.1,000,001. However, the bank reconciliation statement for the month of June reflects a balance of Kshs.1,000,001 which differs with the cash book balance of Kshs.1 resulting to an unexplained variance of Kshs.1,000,000. Further, bank reconciliation statement for the CBK Deposit account with a balance of Kshs.11,551,964 was not provided for audit.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.17,531,743 could not be confirmed.

## **3. Unsupported Payment of Training Expenses**

The statement of receipts and payments reflects an amount of Kshs.318,879,421 in respect of use of goods and services as disclosed in Note 3 to the financial statements which includes an amount of Kshs.86,812,967 on other operating expenses. Included in the expenditure is an amount of Kshs.1,072,000 paid to staff members attending a training which took place in November, 2021. However, the expenditure was not supported with appropriate authority and documentation.

In the circumstances, the regularity, completeness and accuracy of the training expenditure amounting to Kshs.1,072,000 could not be confirmed.

## **4. Unexplained Variances Between the Fixed Asset Register and the Financial Statements**

Annex 3 to the financial statements reflects summary of fixed asset register historical cost balance of Kshs.189,998,406. However, the fixed asset register as at 30 June, 2022 reflects a balance of Kshs.190,373,338 resulting to an unexplained variance of Kshs.374,932. In addition, as reported in previous year the value of land was not reflected in Annex 3 to the financial statements and the County Assembly does not have land ownership records.

In the circumstances, the accuracy, completeness and ownership of the fixed assets balance of Kshs.189,998,406 could not be confirmed.

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 Code of Ethics. I have fulfilled other ethical responsibilities

in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

### **Other Matter**

#### **1. Budgetary Control and Performance**

The statement of comparison of budget and actual amounts: recurrent and development combined reflects final receipts budget and actual on a comparable basis of Kshs.757,069,773 and Kshs.613,862,001, respectively resulting in an underfunding of Kshs.143,207,772 (or 19%) of the budget. Similarly, the County Assembly spent Kshs.613,842,220 against an approved budget of Kshs.757,069,773 resulting to an under expenditure of Kshs.143,227,553 or 19% of the budget.

The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the public.

#### **2. Previous Year Audit Issues**

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, the Management had not resolved the issues nor given any explanation for the failure to implement the recommendations.

#### **3. Pending Accounts Payable**

According to Note 1 (other important disclosures) to the financial statements, the County Assembly had pending accounts payable totalling Kshs.110,766,765 (2021: Kshs.83,286,902) as at 30 June, 2022. Management has not explained why the bills were not settled during the year when they occurred. The County Assembly is at risk of incurring significant interest costs and penalties with their continued delay in payment.

Further, the pending accounts payable balance of Kshs.110,766,765 excludes an amount of Kshs.3,540,900 relating to construction and renovation of building. In addition, the following inaccuracies were noted;

- i. Annex 1 to the financial statements reflects a balance of Kshs.3,540,900 relating to construction and renovation of building. However, re-computation gives a negative balance of Kshs.9,542,099 resulting to a variance of Kshs.13,082,999.
- ii. In addition, Annex 1 reflects pending accounts payable balance of Kshs.70,097,127 in respect of supply of services which includes services totaling Kshs.6,326,116 that do not indicate dates contracted contrary to Annex 3 of the

Public Sector Accounting Standards Board template which requires dates contracted to be indicated.

- iii. Further, Annex 2 to the financial statements reflects pending staff payables balance of Kshs.40,669,636 which excludes a balance of Kshs.639,450 for the year under review.

Failure to settle bills during the year to which they relate to distorts the financial statements and adversely affects the budgetary provisions for the subsequent year as they form a first charge.

In the circumstances, the accuracy, completeness, presentation and disclosure of pending accounts payable balance of Kshs.110,766,765 could not be confirmed.

## REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

### Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

### Basis for Conclusion

#### 1. Irregularities in the Procurement Process

##### 1.1 Irregular Use of Temporary Imprests

The statement of assets and liabilities reflects cash and cash equivalents balance of Kshs.17,531,743 as disclosed in Note 6 to the financial statements. However, review of payment vouchers reflects cash purchases amounting to Kshs.1,015,000 instead of using request for quotations procurement method contrary to Regulation 93(3) of Public Finance Management (County Governments) Regulations, 2015.

##### 1.2 Irregular Payment of Subscriptions

The statement of receipts and payments reflects use of goods and services amount of Kshs.318,879,421 as disclosed in Note 3 to the financial statements which includes an amount of Kshs.86,812,967 in respect of other operating expenses. Included in the expenditure is an amount of Kshs.4,700,000 relating to subscriptions to County Assembly Forums (CAF) and Society of Clerks at the Table (SOCATT). However, there was no legislative framework to support the regularity of these payments. This is contrary to Section 38(1)(2) of 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; (2) Without prejudice to the generality of subsection (1), the regulations may provide the procedures for (a) the transfer or delegation of functions to either level of government (b) public participation under this Act (c) dispute resolution

mechanisms under this Act (d) appointing the members of the Technical Committee under Section 11 and (e) constituting intergovernmental forums.

### **1.3 Lack of Procurement Plans on Ward Office Expenses**

The statement of receipts and payments and as disclosed in Note 3 to the financial statements reflects an amount of Kshs.318,879,421 in respect of use of goods and services which includes an amount Kshs.86,812,967 on other operating expenses. Included in the expenditure is an amount of Kshs.7,200,000 incurred on ward offices expenses. However, procurement plans and supporting documents were not provided for audit. This is contrary to Section 44(2)(c) of Public Procurement and Asset Disposal Act, 2015 which states that in the performance of the responsibility under Subsection (1), an Accounting Officer shall ensure procurement plans are prepared in conformity with the medium term fiscal framework and fiscal policy objectives and, subject to subsection (3), submit them to The National Treasury.

### **1.4 Unsupported Completion of Strategic Plan**

The statement of receipts and payments reflects use of goods and services amount of Kshs.318,879,421 as disclosed in Note 3 to the financial statements which includes an amount of Kshs.86,812,967 in respect of other operating expenses. Included in the expenditure is an amount of Kshs.2,996,976 paid for development of a five (5) year (2022 - 2026) strategic plan document. However, the copy of the strategic plan provided was not supported with County Assembly Service Board minutes and inspection and acceptance committee reports contrary to Section 48(3)(a) of Public Procurement and Asset Disposal Act, 2015.

### **1.5 Unvalued Ward Offices and Lapsed Lease Agreements**

The statement of receipts and payments reflects an amount of Kshs.318,879,421 in respect of use of goods and services as disclosed in Note 3 to the financial statements which includes an amount of Kshs.8,269,895 on rentals of produced assets. Included in the expenditure is an amount of Kshs.4,858,398 incurred on payment of rent for nineteen (19) leased ward offices. However, the County Assembly has not done a valuation for the premises since the year 2013 even after the lapse of the five (5) years lease agreement. It was therefore not possible to ascertain whether the rates at which the premises were paid is the current prevailing market rates.

This is contrary to Regulation 139(3) of Public Procurement and Asset Disposal Regulations, 2020 which states that payments shall only be made after an invoice or fee note is accurately raised and submitted in accordance with the provisions of the contract.

### **1.6 Unsupported Insurance Premiums Payments**

The statement of receipts and payments reflects use of goods and services amount of Kshs.318,879,421 as disclosed in Note 3 to the financial statements which includes Kshs.25,958,494 in respect of insurance costs. Included in the expenditure is an amount of Kshs.575,408 spent on procurement of comprehensive insurance policy for vehicle registration numbers 14CG005A and 14CG052A. However, the insurer calculated premiums based on amounts of Kshs.7,700,000 and Kshs.7,500,000, respectively for the

two (2) motor vehicles instead of valuation reports values of Kshs.7,500,000 and Kshs.6,000,000, respectively resulting in over valuation of vehicles of Kshs.200,000 and Kshs.1,500,000, respectively. No justification was provided for using different rates from valuation report values.

### **1.7 Irregular Procurement of Insurance Services**

The statement of receipts and payments reflects use of goods and services amount of Kshs.318,879,421 and as disclosed in Note 3 to the financial statements which includes an amount of Kshs.25,958,494 in respect of insurance costs. Included in the expenditure is an amount of Kshs.4,800,000 paid for extension of a contract for provision of Group Medical Insurance Cover. However, the signed amended contract and insurance cover policy documents were not provided for audit. This is contrary to Section 139(1)(2) of Public Procurement and Asset Disposal Act, 2015 which states that an amendment or a variation to a contract resulting from a procurement proceeding is effective only if the variation or amendment has been approved in writing by the respective tender awarding authority within a procuring entity and that an Accounting Officer of a procuring entity, on the recommendation of an evaluation committee may approve the request for the contract variation.

### **1.8 Irregular Payment of Conference Facilities**

The statement of receipts and payments reflects an amount of Kshs.318,879,421 in respect of use of goods and services as disclosed in Note 3 to the financial statements which includes Kshs.15,195,904 on hospitality supplies and services. Included in the expenditure is an amount of Kshs.12,323,800 paid for conference facilities for committee sittings held outside the precincts of the County Assembly. This is contrary to Section 7 and Section 12 of The National Treasury Circular Number 20/2015.

### **1.9 Irregular Payment of Allowances**

The statement of receipts and payments reflects use of goods and services expenditure of Kshs.318,879,421 as disclosed in Note 3 to the financial statements which includes Kshs.118,906,988 in respect of domestic travel and subsistence. Included in the expenditure is an amount of Kshs.26,348,000 and Kshs.1,285,000 incurred on per diem allowances to Members of County Assembly attending committee meetings in Nairobi and payment of transport to members who travelled to Nairobi to attend committee meetings at a standard rate of Kshs.5,000 each. This is contrary to Section 7 and 12 of The National Treasury Circular Number 20/2015.

### **1.10 Delay in Construction of Speaker's Residence**

During the year, the County Assembly allocated Kshs.8,000,000 towards the purchase of land for construction of Speaker's residence. Review of the IFMIS development expenditure status report reflects that the allocated amount was not utilized. Management explained that when the County Assembly advertised for purchase of land, responsive bid was not obtained and the procurement was deferred to a later date. However, it was noted that although the County Assembly had made efforts to procure land for construction of Speaker's residence, there was no communication on retendering since

the deadline for paying Speakers rent had lapsed. This is contrary to Salaries and Remuneration Commission (SRC) circular Ref. NO. SRC/TS/CGOVT/3/61/VOL.V (52) dated 12 July, 2021 requiring the Counties to hasten the construction of the official residences by allocating funds and prioritizing the construction and that the option for paying rents or leasing houses for eligible state officers to cease as at 30 June, 2022 and SRC Circular Ref No. SRC/ADM/11 dated 27 June, 2022 advised that the option for County Governments paying rent/leasing official residential house for Governors, Deputy Governors and County Assembly Speaker shall cease on 30 June, 2022.

### **1.11 Delay in the Completion of Renovation of County Assembly Chambers**

The statement of receipts and payments reflects acquisition of assets amount of Kshs.29,476,438 as disclosed in Note 5 to the financial statements which includes Kshs.10,000,000 in respect of refurbishment of buildings. The County Assembly procured competitively the proposed renovation and alterations of County Assembly of Embu Chambers at a contract sum of Kshs. 18,999,790 being the lowest evaluated bidder. The project was to be implemented within twelve (12) weeks from the date of possession of site. The contractor commenced works on 18 October, 2020 with a projected completion date of 2 February, 2021.

However, five (5) contract extensions have been made so far with a revised completion date of 15 July, 2022. The project is 97% complete and an amount of Kshs.15,458,890 had been paid as at 30 June, 2022 contrary to Regulation 137(c) of Public Procurement and Asset Disposal Regulations, 2020 which states that in managing complex and specialized procurement contracts under Section 151 of the Act, contract implementation shall be as per the project implementation plan agreed upon by the contractor and the procuring entity.

In addition, the Contractor had carried out works totalling Kshs.13,919,890 which includes builders work of Kshs.13,169,890 against the bills of quantities value of Kshs.12,149,179 resulting to extra works amounting to Kshs.1,020,711 on the specified items as instructed by the Project Manager. However, no authority or approval was provided for the contract variations amounting Kshs.1,020,711. This is contrary to Section 139(1)(2) of Public Procurement and Asset Disposal Act, 2015. Further, the cost of the project may increase significantly due to delayed completion of the project and value for money on the project could be confirmed.

### **1.12 Delay in Completion of Office Complex**

The statement of receipts and payments reflects acquisition of assets amount of Kshs.29,476,438 as disclosed in Note 5 to the financial statements which includes Kshs.13,082,999 in respect of purchase of building relating to construction of office complex.

The County Assembly Office Complex project entailed construction of a seven storey office complex where project site was handed over on 23 June, 2015 and was intended to be a four-year multiyear project. The contract was awarded to a contractor on 4 July, 2019 at a Contract sum of Kshs.349,707,101 with commencement date of 17 June, 2019 for a period of one hundred and four (104) weeks. An extension of contract

was made for seventy eight (78) weeks after lapse of contract. As at 30 June, 2022 the project had been allocated Kshs.314,423,665 out of which an amount of Kshs.110,287,979 had been paid to the contractor being 32% payment for construction works. However, as at 30 June, 2022, the project completion was at 40% which was eight months to the expiry of the extended completion period. Delay in implementation of this project was evident and the project might not be completed by 17 February, 2023. This is contrary to Regulation 137 (c) of Public Procurement and Asset Disposal Regulations, 2020 which states that in managing complex and specialized procurement contracts under Section 151 of the Act, contract implementation shall be as per the project implementation plan agreed upon by the contractor and the procuring entity. No satisfactory explanation was provided for delay in implementation of this project since substantial funding had been allocated.

### **1.13 Lack of an Updated Fixed Assets Register and Tagging of Assets**

Annex 3 to the financial statements reflects summary of fixed asset register historical cost carried forward 2021/2022 balance of Kshs.189,998,406. However, the fixed assets were not tagged. This is contrary to Regulation 132(1)(a) of Public Finance Management (County Governments) Regulations, 2015 which states that the Accounting Officer of a County Government Entity shall take full responsibility and ensure that proper control systems exist for assets and that preventative mechanisms are in place to eliminate theft, security threats, losses, wastage and misuse. Further, the fixed asset register maintained did not include the breakdown of classes of the fixed assets and thus not updated.

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

## **2. Compensation of Employees and Human Resource Management**

### **2.1 Non-compliance with the One Third of Basic Pay**

The statement of receipts and payments reflects compensation of employee expenditure of Kshs.232,587,870 as disclosed in Note 2 to the financial statements. However, review of the monthly payroll records revealed that a number of officers earned less than a third of their basic pay in the year under review. This is contrary to Section 19(3) of Employment Act, 2007.

### **2.2 Irregular Staff Promotion**

The statement of receipts and payments reflects compensation of employees' expenditure of Kshs.232,587,870 as disclosed in Note 2 to the financial statements. Review of list of promotions during the year revealed the County Assembly promoted fourteen (14) employees. However, the basis for the promotion of the staff was not provided for audit contrary to Section 65(2) of County Governments Act, 2012.

### **2.3 Non-Compliance with Law on Ethnic Composition**

During the year under review, 49% of the ninety eight (98) County Assembly employees belong to the dominant ethnic community. This is contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which states that, "all public offices shall seek to represent the diversity of the people of Kenya in employment of staff and that no

public institution shall have more than one third of its staff establishment from the same ethnic community”.

#### **2.4 Penalties and Interest on Late Remittance of Statutory Deductions**

During the year under review, the Kenya Revenue Authority imposed penalties and interest amounting to Kshs.2,456,047 and Kshs.2,533,371 for late payment of Pay As You Earn (PAYE). The late remittance of statutory deductions contravenes Section 72D of Income Tax Act, 2012 which states that where any amount of tax remains unpaid after the due date a penalty of twenty percent shall immediately become due and payable and Section 94(1) of Income Tax Act, 2012 which states that in addition to the penalty payable under Section 72D, a late payment interest of two per cent per month or part thereof shall be charged on the amount of tax remaining unpaid for more than one month after the due date until the full amount is recovered. Further, it was also not possible to ascertain whether waiver had been granted by Kenya Revenue Authority on penalties and interest imposed or the amounts are still outstanding.

#### **2.5 Non-Compliance with Fiscal Responsibility Principles on Wage Bill**

The statements of receipts and payments reflects an expenditure of Kshs.232,587,870 on compensation of employees representing 38% of the total receipts of Kshs.613,862,001. This is contrary to Regulation 25 (1) (b) of the Public Finance Management (County Governments) Regulations, 2015 which states that in addition to the fiscal responsibility principles set out in Section 107 of the Act, the following fiscal responsibility principles shall apply in the management of public finances, the limit set under paragraph (a) above, shall not exceed thirty five (35) percent of the County Government's total revenue.

#### **1.6 Late Remittance of Statutory Deductions**

The statement of receipts and payments reflects compensation of employees amount of Kshs.232,587,870 as disclosed in Note 2 to the financial statements which includes Kshs.129,881,134 relating to basic salaries to permanent employees. Included in the expenditure is employee deductions to late remittance of Local Authority Provident Fund (LAPFUND) and Local Authority Pension Scheme (LAPTRUST) amounting to Kshs.24,708,853. This contravenes Section 53A(1) of the Retirement Benefits Act, 1997 Revised 2017 which states that where an employer, having, with the agreement of an employee who is a member of a scheme, made a deduction from the employee's emoluments for remittance to the scheme, fails to remit the deduction within fifteen days of the deduction, the scheme may, after giving such employer not less than seven days' notice, institute proceedings for the recovery of the deduction.

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

### **3. Operations of the County Assembly Service Board**

#### **3.1 Irregularities in the Appointment of Management Advisory Committee**

The County Assembly Service minutes dated 7 April, 2017 appointed a Management Advisory Committee. However, the following irregularities were noted in regard to the appointment,

- i. The functions delegated by County Assembly Service Board are the functions mandated the County Assembly Board. The County Assembly Service Board minutes for the meeting held on 7 April, 2017 quoted Section 12(7) of County Governments Act, 2012 which spells out the functions of County Assembly Service Board contrary to Section 28(1) of the County Assembly Service Act, 2017 which states that the Board to establish a committee known as the Management Committee which shall be responsible for advising the Board on matters relating to the functions and powers of the Board and Section 29 of the County Assembly Service Act, 2017 which states that the Board to establish a committee known as the Staff Advisory Committee which shall be responsible for advising the Board, through the Committee, on matters relating to staff.
- ii. The County Assembly Service Board formed one committee instead of two committees identified in County Assembly Services Act, 2017. The two committees are management committee for advising the Board on matters relating to the functions and powers of the Board and staff advisory committee which shall be responsible for advising the Board on matters relating to staffing.

In the circumstances, Management Advisory Committee appointed is not anchored on the law and might not therefore have legal capacity to discharge assigned duties.

### **3.2 Lack of Schemes of Service for the Staff**

The County Assembly Service Board has been in existence since 2017, However, a scheme of service has not been developed contrary to Section 25(1) of the County Assembly Service Act, 2017 which states that the Board shall formulate and disseminate to officers of the Service, schemes of service setting out the terms and conditions for the appointment of the officers and other staff.

In the circumstances, there was lack of clear human resource development guidelines and terms and conditions of service in the County Assembly.

### **3.3 Failure to Provide Documents and Information**

The Management did not provide documents, information and explanations on pension scheme, medical fund, annual operations report and other Funds established by the County Assembly Service Board to contrary to Section 26(a)(b)and(c) of the County Assembly Service Act, 2017 which states that the Board shall establish a contributory pension scheme for all its employees, determine the rates of contribution to the pension scheme and may establish or adopt a contributory optional superannuation, provident or medical fund or any other scheme for its employees and may grant pensions, gratuities, retiring allowances or sickness or injury benefits to any employee. Further, Section 34(1) of the County Assembly Service Act, 2017 states that there shall be an establishment of a County Assembly Fund for each County, Section 36(1) of the County Assembly Service Act, 2017 states that within three months after the end of each calendar year, the Board shall prepare and lay before the County Assembly, a report of its operations during that year.

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

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

## REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for 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 overall governance were not effective.

### **Basis for Conclusion**

#### **1. Lack of Internal Audit and Audit Committee Charter**

The County Assembly did not have an approved internal audit and audit committee charters as at 30 June, 2022 contrary to Regulation 155(2)(b) of the Public Finance Management (County Governments) Regulations, 2015 which states that the Accounting Officer shall ensure the Internal Auditor has sufficient authority to promote independence and to ensure broad internal audit coverage and adequate consideration of audit reports.

#### **2. Lack of Risk Management Policy**

As at the time of audit, County Assembly of Embu had not developed a risk management policy or documented strategies for identifying risks that may have potential effects on the operations of the County Assembly contrary to Regulation 158(1) of the Public Finance Management (County Governments) Regulations, 2015 which states that the role of Accounting Officer in risk management is to ensure that the County Government entity develops risk management strategies, which include fraud prevention mechanism and the county government entity develops a system of risk management and internal control that builds robust business operations. Therefore, risks affecting the operations have not been identified and recorded in a risk register.

#### **3. Inactive Audit Committee**

During the year under review, the existing audit committee did not have any sitting contrary to Section 5.2(a) of the Kenya Gazette Notice No. 2690 Vol. CXVIII dated 15 April, 2016 which states that the audit committee should meet at least quarterly and that the timing of meetings will depend on individual entity processes, audit reporting and financial statements preparation timeframes. Further, the audit committee did not carry out its roles, duties and responsibilities as required by the law. In addition, the scope of the audit committee, reports of internal and report of external audit were not covered hence the risks may not have been identified and mitigated.

In the circumstances, the work of internal audit was not reviewed and the County Assembly's financial information, its system of governance, risk and internal controls, and the legal and ethical conduct of Management and employee were not assessed.

#### **4. Lack of Information Communication Technology (ICT) and Disaster Recovery Plan**

Review of the County Assembly's ICT environment revealed that there were no formal approved ICT strategic plan, IT Continuity Plan, back up and retention strategy and disaster recovery plan in place as at 30 June, 2022 contrary to Section 149(2)(c) of the Public Finance Management Act, 2012 which states that a public entity should always ensure that all its records, financial or otherwise kept in electronic form are adequately protected and backed up.

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 (Cash Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the County Assembly's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to dissolve the County Assembly or 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 are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing County Assembly's financial reporting process, reviewing the effectiveness of how the Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation

to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

### **Auditor-General's Responsibilities for the Audit**

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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


- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from

fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the County Assembly's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the County Assembly to cease sustaining its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the County Assembly to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and where applicable, related safeguards.

  
**CPA Nancy Gathungu, CBS**  
**AUDITOR-GENERAL**

**Nairobi**


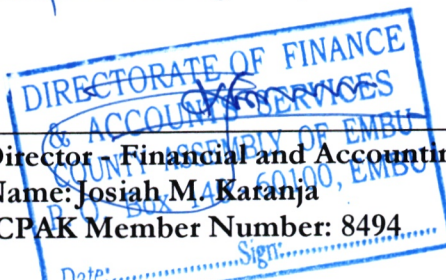
**20 February, 2023**

7. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED  
 30TH JUNE 2022

		2021/2022	2020/21
	Note	KShs	KShs
<b>RECEIPTS</b>			
Transfers from the County Treasury/Exchequer Releases	1	613,862,001	635,757,625
Proceeds from Sale of Assets			
Other Receipts			
<b>TOTAL RECEIPTS</b>		<b>613,862,001</b>	<b>635,757,625</b>
<b>PAYMENTS</b>			
Compensation of Employees	2	232,587,870	246,311,188
Use of goods and services	3	318,879,421	303,378,634
Subsidies			
Transfers to Other Government Entities			
Other grants and transfers			
Social Security Benefits	4	32,898,491	32,279,495
Acquisition of Assets	5	29,476,438	53,667,890
Other Payments			
<b>TOTAL PAYMENTS</b>		<b>613,842,220</b>	<b>635,637,207</b>
<b>SURPLUS/DEFICIT</b>		<b>19,781</b>	<b>120,418</b>

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 29/11 2022 and signed by:


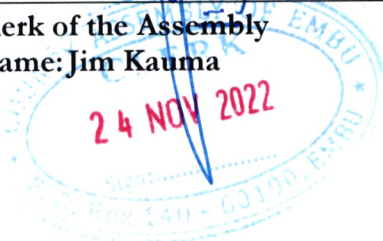
  
 Clerk of the Assembly  
 Name: Jim Kauma  

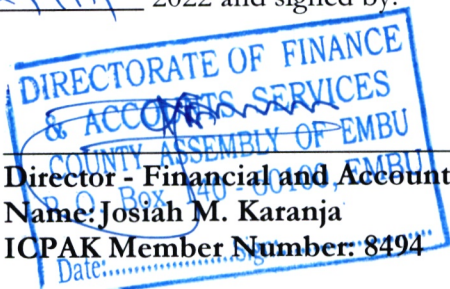

  
 Director - Financial and Accounting Services  
 Name: Josiah M. Karanja  
 ICPAK Member Number: 8494  


8. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES AS AT 30TH JUNE 2022

		2021/2022	2020/21
FINANCIAL ASSETS	Note	KShs	KShs
<b>Cash and Cash Equivalents</b>			
Bank Balances	6	17,531,743	13,453,860
Cash Balances			
<b>Total Cash and cash equivalents</b>		<b>17,531,743</b>	<b>13,453,860</b>
Accounts receivables - outstanding Imprests			
<b>TOTAL FINANCIAL ASSETS</b>		<b>17,531,743</b>	<b>13,453,860</b>
<b>FINANCIAL LIABILITIES</b>			
Accounts Payables – Deposits and Retentions	7	17,393,153	13,333,443
<b>NET FINANCIAL ASSETS</b>		<b>138,590</b>	<b>120,418</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd	8	120,418	127,620
Surplus/Deficit for the year		19,781	120,418
Refund of Unspent Balances	9	(1,609)	(127,620)
<b>NET FINANCIAL POSITION</b>		<b>138,589</b>	<b>120,418</b>

The explanatory notes to these financial statements form an integral part of the financial statements.  
 The financial statements were approved on 29/11/2022 2022 and signed by:

  
 Clerk of the Assembly  
 Name: Jim Kauma  


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

9. STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30TH JUNE 2022

	Note	2021/2022 KShs	2020/21 KShs
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts from operating income</b>			
Transfers from the County Treasury/Exchequer Releases	1	613,862,001	635,757,625
Other Receipts			
<b>Payments for operating expenses</b>			
Compensation of Employees	2	(232,587,870)	(246,311,188)
Use of goods and services	3	(318,879,421)	(303,378,634)
Social Security Benefits	4	(32,898,491)	(32,279,495)
<b>Adjusted for:</b>			
Returns to CRF - CBK Recurrent Account		(1,610)	(34)
CBK - Development Account			(1,647)
Co-op Bank Operations Account			(125,939)
Decrease/(Increase) in Accounts receivable:			
Increase/(Decrease) in Accounts Payable:	7	4,059,711	7,086,999
<b>Net cash flows from operating activities</b>		<b>33,554,321</b>	<b>60,747,687</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets			
Acquisition of Assets	5	(29,476,438)	(53,667,890)
<b>Net cash flows from investing activities</b>		<b>(29,476,438)</b>	<b>(53,667,890)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>4,077,883</b>	<b>7,079,797</b>
Cash and cash equivalent at BEGINNING of the year		13,453,860	6,374,064
Cash and cash equivalent at END of the year	6	17,531,743	13,453,861
<b>As per statement of Assets</b>		<b>17,531,743</b>	<b>13,453,860</b>

The explanatory notes to these financial statements form an integral part of the financial statements.

The financial statements were approved on 24/11/2022 2022 and signed by

Clerk of the Assembly  
Name: Jim Kauma

24 NOV 2022

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

**10. STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: RECURRENT AND DEVELOPMENT COMBINED**

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% Utilization difference
	KShs	KShs	c=a+b	e=d-c	KShs
<b>RECEIPTS</b>					
Transfers from the County Treasury/Exchequer Releases	799,069,773	42,000,000	757,069,773	613,862,001	81
<b>TOTAL</b>	<b>799,069,773</b>	<b>42,000,000</b>	<b>757,069,773</b>	<b>613,862,001</b>	<b>81</b>
<b>PAYMENTS</b>					
Compensation of Employees	257,433,155	(6,134,100)	251,299,055	232,587,870	93
Use of goods and services	372,637,202	5,143,900	377,781,102	318,879,421	84
Subsidies	-	-	-	-	-
Transfers to Other Government Entities	-	-	-	-	-
Other grants and transfers	0	0	0	-	0
Social Security Benefits	41,849,793	0	41,849,793	32,898,491	79
Acquisition of Assets	107,149,623	(41,009,800)	66,139,823	29,476,438	45
Finance Costs	-	-	-	-	-
Other Payments	20,000,000	-	20,000,000	-	0
<b>TOTAL</b>	<b>799,069,773</b>	<b>42,000,000</b>	<b>757,069,773</b>	<b>613,842,220</b>	<b>81</b>
<b>SURPLUS</b>				<b>19,781</b>	

The entity financial statements were approved on 24/11 2022 and signed by:

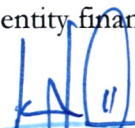

Clerk of the Assembly  
Name: Jim G. Kauma

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

**11. STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: RECURRENT**

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% Utilization difference
	KShs	KShs	c=a+b	e=d-c	KShs
<b>RECEIPTS</b>					
Transfers from the County Treasury/Exchequer Releases	699,069,773		699,069,773	590,779,001	85
Proceeds from Sale of Assets	-	-	-	-	-
<b>TOTAL</b>	<b>699,069,773</b>		<b>699,069,773</b>	<b>590,779,001</b>	<b>85</b>
<b>PAYMENTS</b>					
Compensation of Employees	257,433,155	6,134,100	251,299,055	232,587,870	93
Use of goods and services	372,637,202	(5,143,900)	377,781,102	318,879,421	84
Subsidies	-	-	-	-	-
Transfers to Other Government Entities	-	-	-	-	-
Other grants and transfers				-	
Social Security Benefits	41,849,793		41,849,793	32,898,491	79
Acquisition of Assets	7,149,623	990,200	8,139,823	6,393,439	79
Other Payments	20,000,000	-	20,000,000	-	-
<b>TOTAL</b>	<b>699,069,773</b>	<b>-</b>	<b>699,069,773</b>	<b>590,759,221</b>	<b>85</b>
<b>SURPLUS/ DEFICIT</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19,780</b>	<b>-</b>

The entity financial statements were approved on 24/11/2022 and signed by:

  
 Clerk of the Assembly  
 Name: Jim G. Kauma  


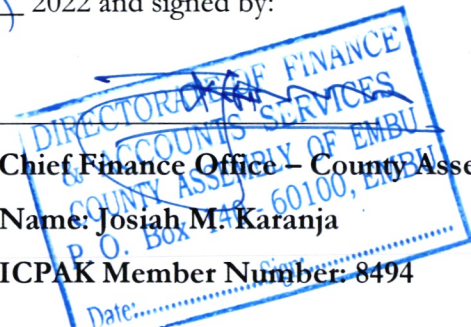
  
 Chief Finance Officer – County Assembly  
 Name: Josiah M. Karanja  
 ICPAK Member Number: 8494

**12. STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: DEVELOPMENT**

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% Utilization difference
	KShs	KShs	c=a+b	e=d-c	KShs
<b>RECEIPTS</b>					
Transfers from the County Treasury/Exchequer Releases	100,000,000	42,000,000	58,000,000	23,083,000	40
Proceeds from Sale of Assets	-	-	-	-	-
<b>TOTAL</b>	<b>100,000,000</b>	<b>42,000,000</b>	<b>58,000,000</b>	<b>23,083,000</b>	<b>40</b>
<b>PAYMENTS</b>					
Compensation of Employees	-	-	-	-	-
Use of goods and services	-	-	-	-	-
Subsidies	-	-	-	-	-
Transfers to Other Government Entities	-	-	-	-	-
Social Security Benefits	-	-	-	-	-
Acquisition of Assets	100,000,000	42,000,000	58,000,000	23,082,999	40
Finance Costs	-	-	-	-	-
<b>TOTAL</b>	<b>100,000,000</b>	<b>42,000,000</b>	<b>58,000,000</b>	<b>23,082,999</b>	<b>40</b>
<b>SURPLUS/ DEFICIT</b>	-	-	-	-	-

The entity financial statements were approved on 24/11 2022 and signed by:

  
Clerk of the Assembly  
Name: Jim G. Kauma  
24 NOV 2022

  
Chief Finance Office – County Assembly  
Name: Josiah M. Karanja  
ICPAK Member Number: 8494  
Date:.....

13. BUDGET EXECUTION BY PROGRAMMES AND SUB - PROGRAMMES

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	KShs	KShs	KShs	KShs	KShs
<b>Legislation , Representation and Legislative Oversight</b>	<b>479,488,375</b>		<b>479,488,375</b>	<b>405,536,750</b>	<b>73,951,625</b>
Legislation , Representation and Legislative Oversight	479,488,375		479,488,375	405,536,750	73,951,625
<b>General Administration, Planning and Support Services</b>	<b>319,581,398</b>	<b>42,000,000</b>	<b>277,581,398</b>	<b>208,305,471</b>	<b>69,275,927</b>
Recurrent Expenditure	219,581,398		219,581,398	185,222,471	34,358,927
Capital Expenditure	100,000,000	42,000,000	58,000,000	23,083,000	34,917,000
<b>Grand Total</b>	<b>799,069,773</b>	<b>42,000,000</b>	<b>757,069,773</b>	<b>613,842,221</b>	<b>143,227,552</b>

## **14. SIGNIFICANT ACCOUNTING POLICIES**

The principle accounting policies adopted in the preparation of these financial statements are set out below:

### **1. Statement of compliance and basis of preparation**

The financial statements have been prepared in accordance with Cash-Basis IPSAS financial reporting under the cash basis of Accounting, as prescribed by the PSASB and set out in the accounting policy notes below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include deposits and retentions. The statement of assets and liabilities, although not a requirement of the IPSAS Cash Standard, has been included to disclose information on receivables and payables.

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the entity all values are rounded to the nearest Kenya Shilling. The accounting policies adopted have been consistently applied to all the years presented.

The financial statements comply with and conform to the form of presentation prescribed by the PSASB.

### **2. Reporting entity**

The financial statements are for the Embu County Assembly. The financial statements encompass the reporting entity as specified in section 164 of PFM Act 2012.

### **3. Recognition of receipts and payments**

#### **a) Recognition of receipts**

The County Assembly recognises all receipts from the various sources when the event occurs, and the related cash has been received by the Assembly.

#### **i) Transfers from the Exchequer/ County Treasury**

Transfer from Exchequer is recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the receiving entity.

**SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**ii) Other Receipts**

Other receipts relate to receipts such as tender fees among others. These are recognised in the financial statements when the associated cash is received.

**b) Recognition of payments**

The entity recognises all expenses when the event occurs, and the related cash has actually been paid out by the entity.

**i) Compensation of employees**

Salaries and Wages, Allowances, Statutory Contribution for employees are recognized in the period when the compensation is paid.

**ii) Use of goods and services**

Goods and services are recognized as payments in the period when the goods/services are consumed and paid for. Such expenses, if not paid during the period where goods/services are consumed, shall be disclosed as pending bills.

**iii) Acquisition of fixed assets**

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment.

A fixed asset register is maintained by the County Assembly and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the consolidated financial statements.

**4. In-kind contributions**

In-kind contributions are donations that are made to the County Assembly of Embu in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be

reliably determined, the County Assembly of Embu includes such value in the statement of receipts and payments both as receipts and as an expense in equal and opposite amounts; otherwise, the contribution is not recorded.

**5. Third Party Payments**

This relates to payments done directly to supplier on behalf of the county governments such as; national government may fund the operation of health or education program, a donor may pay directly for construction of a given market etc. Details of payments by third parties on behalf of the county government is detailed in the notes to this financial statement.

**6. 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.

**7. Restriction on cash**

Restricted cash represents amounts that are limited /restricted from being used to settle a liability for at least twelve months after the reporting period. This cash is limited for direct use as required by stipulation. Amounts maintained in deposit bank accounts are restricted for use in refunding third party deposits. As at 30<sup>th</sup> June 2022, this amounted to KShs 12,551,964 compared to KShs 9,653,536 in prior period as indicated on note 6 to the financial statements.

**8. Imprests and Advances**

For the purposes of these financial statements, imprests and advances to authorized public officers and/or institutions which were not surrendered or accounted for at the end of the financial year is treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as payments when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

## **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **9. Third Party deposit**

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized as accounts payables. This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted and prescribed by the Public Sector Accounting Standards Board. Other liabilities including pending bills are disclosed in the financial statements.

### **10. Non-current assets**

Non-current assets are expensed at the time of acquisition while disposal proceeds are recognized as receipts at the time of disposal. However, the acquisitions and disposals are reflected in the entity fixed asset register a summary of which is provided as a memorandum to these financial statements.

### **11. Pending bills**

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they are recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the County Assembly of Embu at the end of the year. Pending bill form a first charge to the subsequent year budget and when they are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

### **12. Contingent Liabilities**

A contingent liability is:

- a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- b) A present obligation that arises from past events but is not recognised because:

- i) It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
- ii) The amount of the obligation cannot be measured with sufficient reliability.

Some of contingent liabilities may arise from: litigation in progress, guarantees, indemnities. Letters of comfort/ support, insurance, Public Private Partnerships. The Entity does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote. Annex 6 of this financial statement is a register of the contingent liabilities in the year.

Section 185 (2) (i) of the PFM Act requires the County Government to report on the payments made, or losses incurred, by the county government to meet contingent liabilities as a result of loans during the financial year, including payments made in respect of loan write-offs or waiver of interest on loans.

### **13. Contingent Assets**

The Entity does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements.

If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

### **14. Budget**

The budget is prepared on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The County Assembly budget was approved as required by Law. The original budget was approved by the County Assembly on 10<sup>th</sup> July 2021 for the period 1<sup>st</sup> July 2021 to 30 June 2022 as required by law. There was one Supplementary budget passed in the year. The supplementary budget was approved on 12<sup>th</sup> May 2022. A high-level assessment of the County Assembly

actual performance against the comparable budget for the financial year under review has been included in the Statement of Comparison between actual and budgeted amounts included in these financial statements.

**15. Comparative figures**

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

**16. Subsequent events**

Events after submission of the financial year end financial statements to County Treasury and other stakeholders with a significant impact on the financial statements may be adjusted with the concurrence of the County Treasury.

**17. Prior Period Adjustments**

During the year, errors that have been corrected are disclosed under note 29 explaining the nature and amounts

**18. Related party transactions**

Related party transactions involve cash and in-kind transactions with the National Government, National Government entities and County Government entities. Specific information with regards to related party transactions is included in the disclosure notes.

## 15. NOTES TO THE FINANCIAL STATEMENTS

### 1. EXCHEQUER RELEASES

	2021/22	2020/21
	KShs	KShs
Transfers from the County Treasury for Q1	50,000,000	60,700,000
Transfers from the County Treasury for Q2	208,862,001	135,000,000
Transfers from the County Treasury for Q3	165,000,000	130,999,999
Transfers from the County Treasury for Q4	190,000,000	309,057,626
<b>Cumulative Amount</b>	<b>613,862,001</b>	<b>635,757,625</b>

### 2. COMPENSATION OF EMPLOYEES

	2021/2022	2020/2021
	KShs	KShs
Basic salaries of permanent employees	129,881,134	111,442,794
Basic wages of temporary employees	0	21,874,464
Personal allowances paid as part of salary	102,627,151	112,544,370
Personal allowances paid as reimbursements	79,585	449,560
<b>Total</b>	<b>232,587,870</b>	<b>246,311,188</b>

### 3. USE OF GOODS AND SERVICES

	2021/2022	2020/21
	KShs	KShs
Utilities, supplies and services	944,798	1,086,789
Communication, supplies and services	1,402,731	1,078,867
Domestic travel and subsistence	118,906,988	123,061,555
Foreign travel and subsistence	43,545,680	12,632,339
Printing, advertising and information supplies & services	142,228	2,691,976
Rentals of produced assets	8,269,895	11,614,768
Training expenses	6,246,206	6,078,340
Hospitality supplies and services	15,195,904	11,577,944
Insurance costs	25,958,494	23,433,885
Specialized materials and services	0	1,200
Office and general supplies and services	5,597,859	5,956,333
Fuel Oil and Lubricants	107,609	1,986,000
Other operating expenses	86,812,967	100,541,275

*County Assembly of Embu  
Annual Reports and Financial Statements  
For the year ended June 30, 2022*

Routine maintenance – vehicles and other transport equipment	1,811,332	1,042,159
Routine maintenance – other assets	3,936,730	595,206
<b>Total</b>	<b>318,879,421</b>	<b>303,378,634</b>

**4. SOCIAL SECURITY BENEFITS**

	2021/22	2020/2021
	KShs	KShs
Government pension and retirement benefits	32,898,491	32,279,495
Social security benefits in cash and in kind	0	0
Employer Social Benefits in cash and in kind	0	0
<b>Total</b>	<b>32,898,491</b>	<b>32,279,495</b>

**5. ACQUISITION OF ASSETS**

<b>Non- Financial Assets</b>	2021/2022	2020/21
	KShs	KShs
Purchase of Buildings		
Construction of Buildings	13,082,999	41,100,000
Refurbishment of Buildings	10,000,000	5,458,890
Purchase of Vehicles and Other Transport Equipment	2,638,304	7,109,000
Overhaul of Vehicles and Other Transport Equipment		
Purchase of Office Furniture and Equipment	3,755,135	
Purchase of ICT Equipment		
Purchase of Specialised Plant, Equipment and Machinery		
<b>Total</b>	<b>29,476,438</b>	<b>53,667,890</b>

**6. CASH AND BANK BALANCES  
BANK BALANCES**

Name of Bank, Account No. & Currency	Indicated whether recurrent or development	2021/2022	2020/21
		KShs	KShs
CBK -	Recurrent Acc	409	110
CBK -	Deposits Acc	11,551,964	9,653,536
Family Bank, 001150079	Recurrent Acc (Gratuity)	4,841,190	3,679,907
Co-operative Bank - 01141408365000	Recurrent Account	138179	117,179
CBK	Development Acc	1,000,001	3,129
<b>Total</b>		<b>17,531,743</b>	<b>13,453,860</b>

*County Assembly of Embu  
Annual Reports and Financial Statements  
For the year ended June 30, 2022*

**7. ACCOUNTS PAYABLE**

Description	2021/2022	2020/21
	KShs	KShs
Deposits Co-op Bank		
Retention (Deposit and Development Account)	12,551,964	9,653,536
Accrued Gratuity	4,841,190	3,679,907
<b>Total</b>	<b>17,393,153</b>	<b>13,333,443</b>

**8. FUND BALANCE BROUGHT FORWARD**

Description	2021/2022	2020/21
	KShs	KShs
Bank accounts	120,418	127,620
Cash in hand		
Accounts Receivables		
Accounts Payables		
<b>Total</b>	<b>120,418</b>	<b>127,620</b>

**9. REFUNDS TO CRF**

Refers to the Bank Balances surrendered back to the CRF at the end of the Financial year as per provisions PFM act 2012 and regulations 2015

**OTHER DISCLOSURES**

**1. PENDING ACCOUNTS PAYABLE (See Annex 1 &2)**

Description	2021/2022	2020/21
	KShs	KShs
Construction of Buildings	-	-
Construction of civil works	-	-
Supply of goods		8,043,914
Supply of Goods and Services	70,097,129	50,445,312
Staff Payables	40,669,636	24,797,676
<b>Total</b>	<b>110,766,765</b>	<b>83,286,902</b>

*County Assembly of Embu  
Annual Reports and Financial Statements  
For the year ended June 30, 2022*

**2. RELATED PARTY DISCLOSURES**

Related party transactions:

	2021/2022	2020/21
	KShs	KShs
<b>Compensation to Key Management</b>		
Compensation to the Speaker, Deputy Speaker and the MCAs	196,237,602	188,734,488
Key Management Compensation (Clerk and Heads of departments)	66,400,240	62,400,240
<b>Total Compensation to Key Management</b>	<b>262,637,842</b>	<b>251,134,728</b>

## 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 / Observations from Auditor	Management comments	Status: Resolved/ Not Resolved	Time frame:
1.1	<b>Accuracy of Summary of Fixed Asset Register</b> - some of the assets of the County Assets has not been valued	The process of Division of Assets acquired from the defunct Local Authorities have not yet been completed and hence ownership and valuation of those assets could not be ascertained	Not resolved - Report not yet tabled to PAIC and Senate	Once the Report is tabled before PAIC and Senate
1.2	<b>Accuracy of Statement of Financial Assets and Liabilities - Inclusion of Kshs. 2,005,725</b> in respect to both fund balance and refund of unspent balances comparative balances for year 2019/2020 while the approved financial statements for that year did not include the amounts.	The amounts reflected the surplus for that year that was refunded back to CRF at the end of Financial year.	Not resolved - Report not yet tabled to PAIC and Senate	Once the Report is tabled before PAIC and Senate
1.3	<b>Anomalies in Presentation of the Financial Statements</b> i. The Public Sector Accounting Standards Board (PSASB) template issued in June, 2021 stipulates that the financial statements should include the progress on follow up of auditor recommendations showing status of audit issues raised and the date when the issues are expected to be resolved. However, the progress on follow up of auditor recommendations included in financial statements is blank.	By the time of doing the Financial statement the County assembly had not received the Audit report for the Financial year 2019/2020 The anomaly was corrected and report on prior issues raised by the Auditor included in the Financial Statements	Resolved	
	ii. Annexes in respect to analysis of reconciliation reports have been omitted from the financial statements contrary to PSASB reporting template issued in June, 2021. This renders the presentation of the financial statements inconsistent with PSASB reporting template.	Analysis on staff Payables were included in the submitted Financial statements as indicated on Page 49 of the Financial Statements. The assembly did not have any contingent liabilities while bank reconciliations were presented in a separate annex	Not Resolved	Once report is tabled to PAIC

Ref No.	Issue / Observations from Auditor	Management comments	Status: Resolved/ Not Resolved	Time frame:
2.	<p><b>Unsupported Expenditure - Pending Accounts Payable</b> Disclosure 1 of other disclosures reflects Kshs.83,286,902 in respect to pending accounts payable as at 30 June, 2021' which were not settled during the year to which they relate, which adversely affects service delivery. Further, supporting documents including payment vouchers, LPO and LSO in respect to pending bills totaling to Kshs.3,682,5916 were not provided for audit review.</p>	<p>Pending Bills were caused the fact bthat the Assembly did not receive all its Budgeted amount from County Treasury. On the second issue the documents are available for perusal by the Auditor General</p>	Not Resolved	Until the report is presented to PAIC
3.	<p><b>Unsupported and Uneconomical Payments for Conference Facilities</b> As disclosed in Note 3 the statement of receipts and payments reflects Kshs.303,378,634 in respect to use of goods and services which includes Kshs.11,577,944 in respect to hospitality. supplies and services out of which Kshs 4,730,529 was paid for conference facilities to various hotels in Mombasa and Nairobi. However, 'the registration forms showing members checking in, their names and signatures and the number of days they were booked into the hotel were not provided for audit review. Further, the choice of procuring conference facilities far away from the duty station was uneconomical, and contrary to Section 12 of The National Treasury circular Number 20/2015 of 4 November, 2015 which stipulates that in order to curtail expenditure on workshops and retreats, accounting officers are required to ensure that all workshops and retreats with majority of participants drawn from one duty station are held within the precincts of the duty station and also contrary to Article 201 (d) of the Constitution of Kenya 2010 which states that public money shall be used in a prudent and responsible way .</p>	<p>The documents showing all participants attendance to the conferences are available for scrutiny.</p> <p>The choice of conference facilities were based on nature of business to be transacted. Some businesses handled by sectoral committees were sensitive and required concentration by members in a venue away from their homes. Also to avoid distraction from citizens they represent the venue had to be away from the Assembly's precincts.</p>	Resolved	

*County Assembly of Embu  
Annual Reports and Financial Statements  
For the year ended June 30, 2022*

Ref No.	Issue / Observations from Auditor	Management comments	Status: Resolved/ Not Resolved	Time frame:
	<p><b>Budgetary Control and Performance</b> The statement of comparison of budget and actual amounts reflects a final receipts budget of Kshs.757,375,616, and an actual receipt of Kshs.635,637,207 respectively resulting to underfunding of Kshs.121,738,409 or 16% of the budget. Similarly, the County Assembly spent Kshs.635,637,207 against an approved budget of Kshs.737,375,616 resulting to an under-expenditure of Kshs.121,738,409 or 16% of the budget.</p>	<p><b>There has been delays in submission of funds from the National Treasury and the Assembly is in talks with County Executive to have all the funds for the assembly released</b></p>	<p>Not resolved - Report not yet tabled to PAIC and Senate</p>	<p>Once the Report is tabled before PAIC and Senate</p>
<b>REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES</b>				
1.	<p><b>Late Submission of the Financial Statements</b> The financial statements for the year ended 30 June, 2021 were submitted to the Auditor General on 22 October, 2021, approximately twenty two (22) days after the statutory deadline of 30 September, 2021 contrary to Section 47 (1) of the Public Audit Act, 2015 which stipulates that the financial statements required under the Constitution, the Public Finance Management Act, 2012 and any other legislation, shall be submitted to the Auditor-General within three months after the end of the fiscal year to which the accounts relate.</p>	<p>The main reason for delays in submission of the Financial Statements was that on 19<sup>th</sup> August 2021 the operations of the County Assembly were halted due to cases of Covid - 19 and resumed back on 7<sup>th</sup> October 2021. During the lock down it became very hard to coordinate the preparation of the Financial Statements</p>	<p>Resolved</p>	
2.	<p><b>Failure to Comply with Fiscal Responsibility Principles on Wage Bill</b> As disclosed in Note 2 to the financial statements for the year ended 30 June, 2021, the statement of receipts and payments reflects Kshs.246,311,188 in respect to compensation of employees. However, total revenue received in the year was Kshs.635,757,625. Therefore, the total wage bill of the County Assembly was thirty-nine (39%) of the total revenue, contrary to</p>	<p>With the regular staff pay increases by SRC sometimes it become hard for the Assembly to main the 35% but the Continous increase of the Assembly ceiling means that the Assembly will be able to maintain the 35% threshold as required by PFM Act of 2012</p>	<p>Not Resolved</p>	

Ref No.	Issue / Observations from Auditor	Management comments	Status: Resolved/ Not Resolved	Time frame:
	Section 25 (1)(b) of the Public Finance Management (County Governments) Regulations, 2015 which requires that wages and benefits for its public officers shall not exceed thirty-five (35) percent of total revenue.			
3.	<p><b>Uninsured County Assembly Assets</b></p> <p>Annex 3 of summary of fixed asset register reflects historical cost of assets of Kshs.160,521,968 as at 30 June, 2021 consisting of buildings and structures, transport equipment, office equipment, furniture and fittings, software and other IeT assets and other machinery and equipment. However out of this amount, only transport equipment amounting to Kshs.20,209,000 were insured leaving a balance of Kshs.140,312,968 in respect to other assets not insured contrary to Section 160(1) of the Public Procurement and Asset Disposal Act, 2015 which states that an accounting officer of a procuring entity shall manage its inventory. assets and stores for the purpose of preventing wastage and loss and continuing utilization of supplies.</p>	The uninsured assets are part of the assets whose ownership has never been ascertained due to lack of ownership documents. The management is doing everything possible to ensure that it is pursuing the completion of the Division of Assets and liabilities from the defunct local authorities	Resolved	
4.	<p><b>Legal Services Obtained through Single Sourcing</b></p> <p>As disclosed in Note 3 the statement of receipts and payments reflects Kshs.301 ,973,484 in respect to use of goods and services which includes Kshs.100,541 ,275 in respect to other operating expenses. This expenditure, includes Kshs.16,289,282 paid to a law firm, in respect to legal and advisory services sought from the Supreme Court following the impeachment of Embu County Governor by the Senate and subsequent petition in the High Court of Nairobi in 2015. However, supporting documents provided for audit review did not</p>	The legal services were offered in the year 2014 when the Public Procurement and Assets Disposal Act 2015 had not been enacted. The County Assembly relied on the list of pre-qualified panel of service providers and the available senior Counsel in the list. The prices for services were determined by the existing remuneration order as provided in law. Therefore, the firm that was contracted,	Resolved	

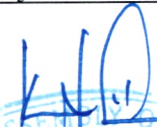
*County Assembly of Embu  
Annual Reports and Financial Statements  
For the year ended June 30, 2022*

Ref No.	Issue / Observations from Auditor	Management comments	Status: Resolved/ Not Resolved	Time frame:
	<p>reflect how the firm was sourced or identified as there were no quotations floated, contrary to Section 91(1) of the Public Procurement and Asset Disposal Act, 2015 which states that open tendering shall be the preferred procurement method for procurement of goods, works and services. In addition, although Management explained that there were legal framework contracts for legal services, the same was not provided for audit review. Further, no quotations were raised from the prequalified list of seventeen (17) legal firms as required by law, which could have provided competition in bidding for the services and subsequently price determination.</p>	<p>Prof. Tom Ojienda Associates , was in the pre-qualification list and also was the only senior counsel available in the list to provide legal advisory for the case in supreme court.</p>		
	<p><b>Delayed Completion of Renovations of the County Assembly Chamber</b> As disclosed in Note 5 the statement of receipts and payments reflects Kshs.55,073,040 in respect to acquisition of assets which includes Kshs.5,458,890 in respect to refurbishment of buildings paid as Certificate Number 1 to a contractor for the refurbishment of the County Assembly Chambers at a contract sum of Kshs.18,999,790. The contract was signed on 14 July, 2020 and the project duration was 12 weeks and therefore the completion date would have been 29 September, 2020. However, the contract was signed when the site was not available for immediate commencement of work, hence the duration of 12 weeks period from the date of signing the contract was not achievable. Further, review of records provided including payment vouchers, bill of quantities and project implementation committee minutes revealed that the Project Manager and the</p>	<p>The commencement of works after signing the contract was delayed when shifting of the chambers to the temporary location took long than expected. There were obstacles emanating from covid-19 related issues.</p> <p>The Project manager and the quantity surveyor were appointed when it was sure that the site was ready.</p> <p>The contract period was extended three times due to delay in completion of seats by the Kamiti Maximum Prison. The Prison had its own problems related to Covid-19 issues which were beyond our</p>	<p>Not Resolved</p>	<p>When the Report is presented to PAIC</p>

Ref No.	Issue / Observations from Auditor	Management comments	Status: Resolved/ Not Resolved	Time frame:
	<p>Quantity Surveyor were appointed on 24 August, 2020, which was 411 days after signing of the contract. Also, the site was handed over to the contractor on 2 September, 2020 which was 49 days later,</p> <p>In addition, the contract period has been extended three times since the signing of the contract agreement. A review of the minutes from the project implementation committee and the various correspondence letters from the contractor revealed slow approvals by the Project Manager and public works further delaying the commencement and progress of the renovation of the chambers.</p> <p>Further, interim certificate number 1 was paid after 109 days contrary to clause 23.3 which stipulates that after application and approval of the interim certificates, payment is made within 30 days.</p>	<p>control.</p> <p>Funds in the County Assembly are available on condition that the Exchequer has approved the release. In several occasions funds had been delayed and payment were done when funds were released.</p> <p>At the time of verification, some parts of the major works were pending for completion but payment and not been made on the same. However, the public gallery is so far complete .</p>		
	<p><b>Irregularities in Procurement of Insurance Services</b></p> <p>As disclosed in Note 3 the statement of receipts and payments reflects Kshs.301,973,484 in respect to use of goods and services which includes Kshs.23,433,885 incurred on. Insurance costs out of which Kshs.21,815,139 was paid to three insurance companies for provision of insurance services.</p> <p>However, a review of the evaluation committee report revealed that, at the technical "evaluation stage," each bidder was awarded the same scores by each of the five evaluation committee members casting doubt as to how five different scorers would end up with same scores.</p>	<p>The results depicted in the technical evaluation were a coincidence and no evidence exist that there was collusion. In technical evaluation criteria that was set had parameters that were measurable and there was a high degree of getting common results from all members of evaluation committee. Therefore, all members scored the same.</p>	Not Resolved	Once the report is tabled to PAIC

*County Assembly of Embu  
Annual Reports and Financial Statements  
For the year ended June 30, 2022*

Ref No.	Issue / Observations from Auditor	Management comments	Status: Resolved/ Not Resolved	Time frame:
<b>REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE</b>				
	<p><b>Lack of Risk Management Policy for Internal Audit and Reports</b>            County Assembly did not have a risk management policy contrary to Section 158(1) of the Public Finance Management (County Governments) Regulations, 2015            The County Assembly had not established an internal audit charter as at 30 June, 2021, as required by Section 155 (2)(b)</p>	<p>The Assembly is in the Process of drafting a Risk Management Policy and Management Advisory Committee has embarked on it.            The Internal Audit department has prepared its charter and only awaiting signing and launching</p>	Resolved	

  
 Clerk of the County Assembly  
 Date **24 NOV 2022**  


16. ANNEXES

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

CONSTRUCTION AND RENOVATION OF BUILDINGS

Supplier of Goods or Services	Date Contracted	Original Amount	Balance at the beginning of the year	Addition During the year	Amount paid During the year	Outstanding Balance
Office Complex and Chambers		349,707,101	-		13,082,999.	
Renovation of the County Assembly Chamber	14 <sup>th</sup> July 2020	18,999,790	13,540,900		10,000,000	3,540,900
<b>Sub-Total</b>		<b>368,706,891</b>	<b>13,540,900</b>	<b>0</b>	<b>23,082,999</b>	<b>3,540,900</b>
<b>SUPPLY OF GOODS</b>						
Supplier of Goods or Services	Date Contracted	Original Amount	Balance at the beginning of the year	Addition During the year	Amount paid During the year	Outstanding Balance
Ann Patience Enterprises		157,000	157,000		157,000	-
Brace Cloud Technologies		429,000	429,000		429,000	-
Braninah Investment Ltd		62,000	62,000		62,000	-
Carmar Contractors Ltd		795,500	795,500		795,500	-
Glajupat Investment Ltd		58,100	58,100		58,100	-
Jayton Enterprises Ltd		1,890,510	1,890,510		1,890,510	-
Masters Fabrication		469,916	469,916		469,916	-
Masters Fabrication		1,624,000	1,624,000		1,624,000	-
Masters Fabrication		544,388	544,388		544,388	-

*County Assembly of Embu  
Annual Reports and Financial Statements  
For the year ended June 30, 2022*

Mawanjab Co. Ltd		250,000	250,000		250,000	-
Nagel Ltd		14,000	14,000		14,000	-
Smart Linwan Enterprises		165,500	165,500		165,500	-
Tarino Enterprise Ltd		1,304,000	1,304,000		1,304,000	-
Virgo Waelle Enterprises		280,000	280,000		280,000	-
<b>Sub -total</b>		<b>8,043,914</b>	<b>8,043,914</b>	<b>0</b>	<b>8,043,914</b>	<b>0</b>
<b>SUPPLY OF SERVICES</b>						
<b>Supplier of Services</b>	<b>Date Contracted</b>	<b>Original Amount</b>	<b>Balance at the beginning of the year</b>	<b>Addition During the year</b>	<b>Amount paid During the year</b>	<b>Outstanding Balance</b>
Advancierge Africa Strategic		2,996,976		2,996,976	2,996,976	-
African Touch Safaris		292,650	292,650		292,650	-
African Touch Safaris Limited	25/01/2022	11,595		11,595		11,595
African Touch Safaris Limited	25/01/2022	<b>14,645</b>	<b>14,645</b>			14,645
African Touch Safaris Limited	25/01/2022	20,565		20,565		20,565
African Touch Safaris Limited	25/03/2022	24,130		24,130		24,130
African Touch Safaris Limited	25/01/2022	25,300		25,300		25,300
African Touch Safaris Limited	2022-10-03	29,890		29,890		29,890
African Touch Safaris Limited	25/01/2022	<b>30,080</b>	<b>30,080</b>			30,080
African Touch Safaris Limited	25/01/2022	36,200		36,200		36,200
African Touch Safaris Limited	25/01/2022	37,340		37,340		37,340
African Touch Safaris Limited	25/01/2022	45,000		45,000		45,000

*County Assembly of Embu  
Annual Reports and Financial Statements  
For the year ended June 30, 2022*

African Touch Safaris Limited	2022-10-03	45,800		45,800		45,800
African Touch Safaris Limited	25/01/2022	<b>52,280</b>	<b>52,280</b>			52,280
African Touch Safaris Limited	25/01/2022	62,800		62,800		62,800
African Touch Safaris Limited	25/01/2022	72,495		72,495		72,495
African Touch Safaris Limited	2021-01-11	93,060		93,060		93,060
African Touch Safaris Limited	11/02/2022	152,455		152,455		152,455
Apa Insurance Company		24,924	24,924		24,924	-
Aquatic Enterprises		900,000	900,000		900,000	-
Barclays Bank	08-Oct-21	73,040	73,040		73,040	-
Barclays Bank	17-Sep-21	507,360	507,360		507,360	-
Bernard Kandia Nyaga		270,186	270,186		270,186	-
Britam Life Assurance Company (Ken	2020-03-06	738,006	738,006			738,006
CIC Group		316,809	316,809		316,809	-
Clydnet Technologies		93,000	93,000		93,000	-
Co-operative Bank	08-Oct-21	578,820	578,820		578,820	-
Co-operative Bank	17-Sep-21	2,651,520	2,651,520		2,651,520	-
Co-operative Bank	08-Nov-21	1,384,600	1,384,600		1,384,600	-
Compass Coaching	13/06/2022	160,000		160,000		160,000
Compass Coaching	27/06/2022	75,000		75,000		75,000
Consolidated	08-Oct-21	36,520	36,520		36,520	-
Consolidated	17-Sep-21	178,680	178,680		178,680	-
Co-operative Bank	05-Nov-21	313,600	313,600		313,600	-
County Assemblies Forum	2019-07-01	1,900,000	1,900,000			1,900,000

*County Assembly of Embu  
Annual Reports and Financial Statements  
For the year ended June 30, 2022*

Curtis Technologies- Kaspestky	23/06/2022	115,020		115,020		115,020
Duncan Ileri Mbui		576,828	576,828		576,828	-
ESAMI	21/02/2022	126,500		126,500		126,500
ESAMI		154,500	154,500			154,500
ESAMI	21/02/2022	330,000		330,000		330,000
ESAMI		660,000	660,000			660,000
ESAMI	26/11/2021	5,186,500		5,186,500		5,186,500
ESAMI	21/02/2022	6,270,000		6,270,000		6,270,000
ESAMI	24/11/2020	495,000		495,000		495,000
Edith Wanjira Nyaga		270,186	270,186		270,186	-
Edith Wanjira Nyaga		270,186	270,186		270,186	-
Ednah Kanini Muisyo		134,416	134,416		134,416	-
Edwin Thangari Muchugu		46,000	46,000		46,000	-
Elizabeth Kibai Ndeleve		195,051	195,051		195,051	-
Equity Bank	05-Nov-21	616,000	616,000		616,000	-
Equity Bank	08-Oct-21	500,280	500,280		500,280	-
Equity Bank	17-Sep-21	2,914,560	2,914,560		2,914,560	-
Family Bank	08-Oct-21	489,060	489,060		489,060	-
Family Bank	17-Sep-21	3,201,540	3,201,540		3,201,540	-
Hotel La Mada	26/08/2019	56,000		56,000		56,000
Hotel La Mada		82,528		82,528		82,528
Hotel La Mada	16/09/2019	111,500		111,500		111,500
Hotel La Mada	30/05/2021	1,323,000	1,323,000			1,323,000

*County Assembly of Embu  
Annual Reports and Financial Statements  
For the year ended June 30, 2022*

La Mada Hotel		1,078,000	1,078,000		1,078,000	-
La Mada Hotel		157,500	157,500		157,500	-
La Mada Hotel	18/05/2021	224,000	224,000		224,000	-
La Mada Hotel	21/06/2021	245,000	245,000		245,000	-
La Mada Hotel		126,000	126,000		126,000	-
La Mada Hotel		280,000	280,000		280,000	-
La Mada Hotel		367,500	367,500		367,500	-
La Mada Hotel		224,000	224,000		224,000	-
ICPAK		195,000	195,000		195,000	-
ICPAK	14/10/2021	56,000		56,000		56,000
ICPAK	2022-01-02	59,000		59,000		59,000
ICPAK	13/03/2022	60,000		60,000		60,000
ICPAK	13/03/2020	130,000		130,000		130,000
ICPAK	13/03/2020	160,000		160,000		160,000
Institute Of Human Resource Management (IHRM)	2021-03-11	50,000		50,000		50,000
Institute Of Human Resource Management (IHRM)	24/045/2022	65,000		65,000		65,000
Institute Of Human Resource Management (IHRM)	06/04/2022	69,600		69,600		69,600
Institute Of Human Resource Management (IHRM)		58,000	58,000		58,000	-
Izaak Walton		330,000	330,000		330,000	-
John Ngari Mbaka		301,865	301,865		301,865	-
Joseki Engineering Works		91,800	91,800		91,800	-

*County Assembly of Embu  
Annual Reports and Financial Statements  
For the year ended June 30, 2022*

Jubilee Life Insurance Limited		700,130	700,130			700,130
Kasarani Sportsview Hotel	05-Nov-21	288,000	288,000		288,000	-
Kasarani Sportsview Hotel	05-Nov-21	268,800	268,800		268,800	-
Kasarani Sportsview Hotel	05-Nov-21	480,000	480,000		480,000	-
Kasarani Sportsview Hotel	05-Nov-21	128,000	128,000		128,000	-
Kasarani Sportsview Hotel Limited	2022-02-02	153,600		153,600		153,600
Kasarani Sportsview Hotel Limited	31/05/2022	153,600		153,600		153,600
Kasarani Sportsview Hotel Limited	26/05/2022	460,800		460,800		460,800
Kenya School of Government Embu	17/02/2022	74,240		74,240		74,240
Kenya School of Government Embu		72,960		72,960		72,960
Kenya School of Government Embu	14/04/2022	92,200		92,200		92,200
Kenya School of Government Nairobi	10/03/2022	92,200		92,200		92,200
Kenya School of Government Nairobi		918,140		918,140		918,140
Machakos University College	CAE/MAR22/173	125,000		125,000		125,000
Madison General Insurance	24/03/2022	345,183		345,183		345,183
Masters Leonard Muriuki		578,592	578,592		578,592	-
Mawanjap Company Limited		237,081		237,081		237,081
Mfi Document Solution	16/01/2020	321,518	321,518			321,518
Mfi Document Solutions Ltd	26/05/2020	79,800	79,800		79,800	-
Mountain Breeze		23,750	23,750			23,750
Mountain Breeze Hotel		280,000	280,000		280,000	-
Mountain Breeze Hotel	21/09/2021	112,000	112,000		112,000	-
Mountain Breeze Hotel		56,000	56,000		56,000	-

*County Assembly of Embu  
Annual Reports and Financial Statements  
For the year ended June 30, 2022*

Mountain Breeze Hotel		23,750	23,750		23,750	-
Mountain Breeze Hotel		23,750	23,750		23,750	-
Mountain Breeze Hotel Limited		39,310		39,310		39,310
Mountain Breeze Hotel Limited	14/06/2022	60,000		60,000		60,000
Mountain Breeze Hotel Limited		67,953		67,953		67,953
Muchoki Kang'ata		1,710,000	1,710,000		1,710,000	-
Muchoki Kang'ata		1,710,000	1,710,000		1,710,000	-
Muchoki Kang'ata		2,280,000	2,280,000		2,280,000	-
Muchoki Kang'ata		253,504		253,504		253,504
Murithi Kiura Kiura		241,080	241,080		241,080	-
Mutindwa Enterprises		119,169	119,169		119,169	-
Nation Media Group		125,280	125,280		125,280	-
Nation Media Group Limited	2021-01-11	73,080		73,080		73,080
Nation Media Group Limited	2021-02-11	88,160		88,160		88,160
Nation Media Group Limited	2021-02-11	88,160		88,160		88,160
Nation Media Group Limited	21/09/2021	125,280		125,280		125,280
Nation Media Group Limited	2022-09-05	142,680		142,680		142,680
Nation Media Group Limited	22/12/2021	142,680		142,680		142,680
Nation Media Group Limited	2022-09-03	142,680		142,680		142,680
Nation Media Group Limited	172840	172,840		172,840		172,840
Nation Media Group Limited		279,560		279,560		279,560
National Oil Corporation Of Kenya	21/07/2021	300,000		300,000		300,000
National Oil Corporation Of Kenya	21/07/2021	550,000		550,000		550,000

*County Assembly of Embu  
Annual Reports and Financial Statements  
For the year ended June 30, 2022*

Newton Kariuki Ndwiga		405,279	405,279		405,279	-
Njuguna & Njuguna Co. Advocates		3,250,000	3,250,000		3,250,000	-
Philip Kinyutu Nzangi		175,621	175,621		175,621	-
Prideinn Flamingo Beach Resort Limi	2022-04-11	206,500		206,500		206,500
Prideinn Flamingo Beach Resort Limi	26/5/2022	364,500		364,500		364,500
Quatic Enterprises		900,000		900,000		900,000
Quick Kobil Service Station	28/01/2022	295,650		295,650		295,650
Resolution Insurance Company Ltd	17/03/2020	342,700		342,700		342,700
Salesio Njeru Kimaru		192,864	192,864		192,864	-
Slopes Villa		10,000	10,000		10,000	-
Smart Linwan Enterprises	05-Nov-21					-
SOCATT		850,000	850,000		850,000	-
SOCATT	2021-04-11	950,000		950,000		950,000
Standard Group	21/02/2021	139,200	139,200			139,200
Sunstar Hotel	05-Nov-21	99,000	99,000		99,000	-
Sunstar Hotel	05-Nov-21	132,000	132,000		132,000	-
Sunstar Hotel	05-Nov-21	99,000	99,000		99,000	-
Sunstar Hotel	05-Nov-21	78,000	78,000		78,000	-
Sunstar Hotel	08-Oct-21	405,000	405,000		405,000	-
Sunstar Hotel		96,000	96,000		96,000	-
Sunstar Hotel		63,000	63,000		63,000	-
Sunstar Hotel		57,000	57,000		57,000	-
Sunstar Hotel		90,000	90,000		90,000	-

*County Assembly of Embu  
Annual Reports and Financial Statements  
For the year ended June 30, 2022*

Sunstar Hotel		54,000	54,000		54,000	-
Sunstar Hotel		39,000	39,000		39,000	-
Sunstar Hotel Ltd	2021-02-11	144,000		144,000		144,000
Sunstar Hotel Ltd	19/11/2021	690,000		690,000		690,000
Sunstar Hotel Ltd	2021-04-11	489,000		489,000		489,000
Sunstar Hotel Ltd	26/02/2021	318,000	318,000			318,000
Sunstar Hotel Ltd	16/10/2020	508,500	508,500			508,500
Sunstar Hotel Ltd	05/11/2020	180,000	180,000			180,000
Sunstar Hotel Ltd	28/01/2021	234,000		234,000		234,000
The Centre For Parliamentary Studies (CPST)	2022-10-05	35,000		35,000		35,000
The Centre For Parliamentary Studies (CPST)	27/9/2021	35,200		35,200		35,200
The Heritage Insurance Company Limited	13/06/2022	323,991		323,991		323,991
The Star	21/09/2021	169,360	169,360			169,360
The Star	28/09/2017	169,360	169,360			169,360
The Star	18/11/2019	169,360	169,360			169,360
The Star Publications Limited		169,360		169,360		169,360
Toyota Kenya	31/11/2021	79,481		79,481		79,481
Trident Insurance Company Limited	19/4/2022	4,511,698		4,511,698		4,511,698
Ward Operations	Monthly	6,000,000		6,000,000		6,000,000
Ward Rent Oct 2021 To June 2022	Monthly	1,770,754		1,770,754		1,770,754
Weston Hotel	25/03/2022	455,400		455,400		455,400
Weston Hotel	22/10/2021	501,600		501,600		501,600
Weston Hotel	17/03/2022	950,400		950,400		950,400

*County Assembly of Embu  
Annual Reports and Financial Statements  
For the year ended June 30, 2022*

Weston Hotel	20/02/2022	1,551,000		1,551,000		1,551,000
Weston Hotel	08-Oct-21	92,400	92,400		92,400	-
Weston Hotel	08-Oct-21	105,600	105,600		105,600	-
Weston Hotel		108,900	108,900		108,900	-
Weston Hotel		118,800	118,800		118,800	-
Winas Sacco	08-Oct-21	55,660	55,660		55,660	-
Winas Sacco	17-Sep-21	178,680	178,680		178,680	-
Yogesh Khantibhai Patel And Minal Y	16/06/2022	2,039,140	2,039,140			2,039,140
Yogesh Khantibhai Patel And Minal Y	18/01/2022	2,300,579	2,300,579			2,300,579
Yogesh Khantibhai Patel And Minal Y	2021-02-06	2,300,580	2,300,580			2,300,580
Yogesh Khantibhai Patel And Minal Y	06/02/2021	2,039,141		2,039,141		2,039,141
Yogesh Khantibhai Patel And Minal Y	16/6/2022	2,300,579	2,300,579			2,300,579
Yogesh Khantibhai Patel And Minal Y	16/6/2022	2,300,579		2,300,579		2,300,579
Yogesh Khantibhai Patel And Minal Y	2021-02-06	2,300,579		2,300,579		2,300,579
Yogesh Khantibhai Patel And Minal Y	16/6/2022	2,039,140		2,039,140		2,039,140
Yogesh Khantibhai Patel And Minal Y	06/02/2021	2,300,579		2,300,579		2,300,579
Yogesh Khantibhai Patel And Minal Y		2,039,141		2,039,141		2,039,141
Yogesh Khantibhai Patel And Minal Y		2,300,579		2,300,579	2,300,579	-
Yogesh Khantibhai Patel And Minal Y		2,300,579		2,300,579	2,300,579	-
		<b>113,469,769</b>	<b>52,287,073</b>	<b>61,182,696</b>	<b>43,372,640</b>	<b>70,097,129</b>

**ANNEX 2: ANALYSIS OF PENDING STAFF PAYABLES**

Supplier of Goods or Services	Date Contracted	Original Amount	Balance at the beginning of the year	Addition During the year	Amount paid During the year	Outstanding Balance
<b>Domestic Daily Subsistence Allowances</b>						
Senior management			240,000	-	240,000	0
Middle management			248,000		248,000	0
Unionisable employees			488,000		488,000	0
<b>Total</b>			<b>976,000</b>	<b>-</b>	<b>976,000</b>	<b>0</b>
<b>Foreign Subsistence Allowances</b>						0
Senior management			12,750,000		12,750,000	0
<b>Total</b>			<b>12,750,000</b>	<b>-</b>	<b>12,750,000</b>	0
<b>June 2022 staff Salary</b>			25,860,203			25,860,203
<b>Unremitted Gratuity - Family Bank</b>						0
Senior management			13,004,400			13,004,400
Middle management			0			0
Unionisable employees			0			0
<b>Total</b>			<b>13,004,400</b>	<b>-</b>	<b>-</b>	<b>13,004,400</b>
<b>Mileage Allowances</b>						0
Senior management			3,267,276	1,805,033	3,267,276	1,805,033
<b>Total</b>			<b>3,267,276</b>	<b>1,805,033</b>	<b>3,267,276</b>	<b>1,805,033</b>
<b>GRAND TOTAL</b>	<b>0</b>		<b>55,857,879</b>	<b>1,805,033</b>	<b>16,993,276</b>	<b>40,669,636</b>

**ANNEX 3 – SUMMARY OF FIXED ASSET REGISTER**

Asset class	Historical Cost b/f (KShs) 2020-2021	Additions during the year (KShs) 2021-2022	Disposals during the year (KShs) 2021-2022	Historical Cost c/f (KShs) 2021-2022
Land	-	-	-	-
Buildings and structures	102,609,069	23,082,999	-	125,692,068
Transport equipment	20,209,000	2,638,304	-	22,847,304
Office equipment, furniture and fittings	23,256,229	3,755,135	-	27,011,364
ICT Equipment, Software and Other ICT Assets	13,789,470	-	-	13,789,470
Other Machinery and Equipment	658,200	-	-	658,200
<b>Total</b>	<b>160,521,968</b>	<b>29,476,438</b>		<b>189,998,406</b>

**ANNEX 4 – ANALYSIS OF THE GRATUITY ACCOUNT**

	2021 - 2022
<b>Opening Balance as at 1st July 2021</b>	<b>3,679,906</b>
<b>RECEIPTS</b>	
Transfers from CBK Account	5,525,824
<b>Total</b>	<b>9,205,730</b>
<b>PAYMENTS</b>	
Gross Gratuity paid	3,725,091
Borrowings to the Recurrent expenditure	639,450
<b>Bank Charges</b>	-
<b>Totals</b>	<b>4,364,541</b>
<b>Balance as at 30th June 2022</b>	<b>,841,189</b>