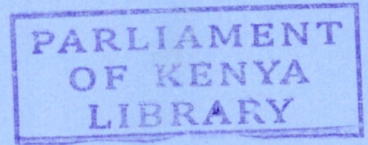
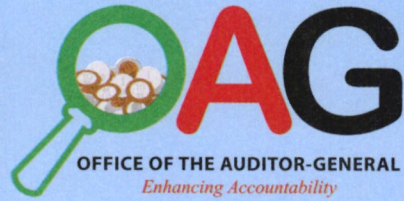


REPUBLIC OF KENYA



REPORT

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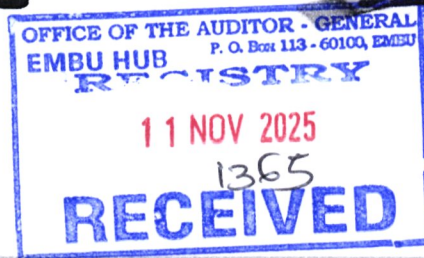
THE AUDITOR-GENERAL

ON

**COUNTY ASSEMBLY OF EMBU CAR LOAN
AND MORTGAGE (MEMBERS)
SCHEME FUND**

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

PAPERS LAID	
DATE	27/11/25
TABLED BY	SML
COMMITTEE	—
CLERK AT THE TABLE	Ms-Nabalayo



COUNTY ASSEMBLY OF EMBU CAR LOAN AND MORTGAGE (MEMBERS)

SCHEME FUND.

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL

YEAR ENDED JUNE 30, 2025

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

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County Assembly of Embu Car Loan and Mortgage (Members) Scheme Fund Annual Report and Financial Statements for the Year ended June30, 2025

1. Acronyms and Glossary of Terms

A)	Acronyms
BOM	Board of Management
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
Kshs	Kenya Shillings
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
CAE	County Assembly of Embu
CASBE	County Assembly Service Board of Embu
NT	National Treasury
EACC	Ethics and Anti-Corruption Commission
COB	Controller of Budget
PAC	Public Accounts Committee
PIA	Principal Internal Auditor
FA	Fund Administrator
CA	County Assembly
CoK	Constitution of Kenya 2010

B. Definition of Terms

Fiduciary Management: Members of management directly entrusted with the responsibility of financial resources.

Fund Administrator: The person responsible for financial management of the fund

2. Key Entity Information and Management

a) Background information

The County Assembly of Embu Car loan and Mortgage scheme fund is established pursuant to Section 116 of the PFM Act and supplemented with the Salaries and Remuneration Commission (SRC) circular number SRC/TS/WH/3/14 of 14th February 2014. The fund was established in 2014 as 2 funds i.e The County Assembly of Embu Car Loan (Members) scheme fund and County Assembly of Embu Mortgage (Members) Scheme fund and separate regulations for each fund were developed in 20th March 2014.

In 24th January 2019, under the advisory from SRC the 2 funds were consolidated into 1 fund and new regulations were developed accommodate the collapsing of these 2 funds into 1 fund. These regulations were renamed as County Assembly of Embu Car Loan and Mortgage (Members) Scheme Fund regulations 2019. In 10th November 2022 the regulations were repealed again to accommodate the dynamic changes in the fund hence renamed County Assembly of Embu Car Loan and Mortgage (Members) Scheme Fund regulations 2022 which are currently in force. The Fund is wholly owned by the County Assembly of Embu and is domiciled in Kenya. The objective of fund is to provide Car and Mortgage loans to MCAs to facilitate them in their roles as enshrined in the Constitution. The principal activity of the fund is to provide car loans and mortgage to Members of the County Assembly at affordable interest rates in order to facilitate them buy or construct individual residential houses and purchase cars for their use in order to serve their electorate efficiently.

Section 167 of the Public Finance Management (PFM) Act 2012 mandates the Administrator of public funds with the responsibility of the preparation of annual financial statements. For proper management of the fund and as advised by the SRC in the circular under the reference, the County Assembly of Embu adopted the PFM regulations 2014 to guide in the operationalization of the fund. As advised by the SRC and as provided for under regulation 16 of the said regulations, the County Service Board appointed a banking institution to manage the fund.

The SRC in its circular reference SRC/ADM/CIR/1/13 Vol. III (128) dated 17th December 2014 provided guidelines for access of car loan and mortgage benefits by state and public officers. Arising there from, the County Assembly Service Board approved and adopted.

b) Principal Activities

The mandate of the fund is to provide car loans and mortgage to Members of the County Assembly at affordable interest rates in order to facilitate them buy or construct individual residential houses and purchase cars for their use in order to serve their electorate efficiently. The loans are recovered from the member's salaries and allowances within their term of office.

County Assembly of Embu Car Loan and Mortgage (Members) Scheme Fund Annual Report and Financial Statements for the Year ended June 30, 2025

c) Board of Trustees/Fund Administration Committee

Ref	Name	Position
1	Hon. Nyaga Peter Mureithi	Chairman of the Committee
2	Hon. Njiru Paul Muchangi	Member
3.	Hon Nzangi Phillip Kinyutu	Member
4.	Hon. Mbaka John Ngari	Member
5.	Hon. Swaleh Ibrahim	Member
6.	Hon Fred Gatumu	Member
7.	Hon. Munyambu John Itumo	Member
8.	Hon. Githinji Daniel	Member
9.	Hon. Njued Jane Karimi	Member
10.	Hon. Sammy Muturi	Member
11.	Hon. Edwin N. Mureithi	Member
12	Jim G. Kauma	Fund Administrator

d) Key Management team

Ref	Position	Name
1	Fund Manager/ Administrator	Jim G. Kauma
2	Deputy/ Clerk	James Munyi Ileri
3	Fund Committee Clerk	David Githaga Mwangi
4	Director Finance & Accounts	Josiah Muhia Karanja
5	Director Human Resources Management	Moses Mucangi Karagirwa
6	Director Legal Services	Boniface Muthomi
7	Principal Finance Officer	Kamau Wachiuri

e) Fiduciary Oversight Arrangements

Ref	Position	Name
1	Principal Internal Auditor	CPA Stephen Kiso
2	CASBE	Hon. Josiah Thiriku (Chairperson)
3	PAC	Hon. Paul Muchangi (Chairperson)
4	Chairman of the Committee	Hon. Nyaga Peter Mureithi
5	Fund Administrator	Mr. Jim G. Kauma

The fiduciary activities undertaken during the year includes but not limited to the following, the Public Accounts Committee while playing their oversight role considered various reports by the Auditor General and presented their reports to the County Assembly.

The internal auditor provides his professional advice to the County Assembly of Embu Public

County Assembly of Embu Car Loan and Mortgage (Members) Scheme Fund Annual Report and Financial Statements for the Year ended June 30, 2025

Accounts Committee (PAC) on the various Auditor Generals reports on the CAE Car and Mortgage (members) Scheme Fund under the Committee consideration, the fund committee chairman and the fund administrator signs the financial reports.

f) Registered Offices

County Assembly of Embu Chambers

Spring Valley Area along James Nyaga Crescent road - Opposite Faith House

P O Box 140-60100

Embu, KENYA

g) Fund Contacts

Telephone: (254) 0682231208

E-mail: countyassemblyofembu@gmail.com

Website: www.embuassembly.go.ke

h) Fund Bankers

1. Family Bank Kenya - Embu Branch

2. Winas Sacco – EMBU

i) Independent Auditors

Auditor General - Office of the Auditor General

Anniversary Towers, University Way

P O Box 30084- GPO 00100

Nairobi, KENYA

j) Principal Legal Adviser

The Attorney General

State Law Office- Harambee Avenue

P.O. Box 40112 - City Square 00200

Nairobi, KENYA.

k) County Attorney

The Director, Litigation, Legal Compliance and Legislative Drafting,





County Assembly of Embu

County Assembly of Embu Car Loan and Mortgage (Members) Scheme Fund Annual Report and Financial Statements for the Year ended June30, 2025





3. The Board of Trustees/ Fund Administration Committee

NAME	DETAILS OF QUALIFICATIONS AND EXPERIENCE
 <p>Hon. Peter Nyaga Muriithi.</p>	<p>MCA- Mbeti North Ward. Date of Birth: 1st January 1958 Leader of Majority Party Chairman Car loan and Mortgage fund. Vice Chairperson – County Assembly Service Board Chairperson Car Loan and Mortgage Committee</p>
 <p>Hon. Swaleh Ibrahim</p>	<p>MCA- Kirimari Ward Date of Birth: 4th November 1973. Deputy Speaker Chairman Liaison Committee Member Mortgage and car loan fund</p>
 <p>Hon. Njiru Paul Muchangi</p>	<p>MCA – Gaturi North Date of Birth: 12th April 1981 Chairperson Public Accounts and Investment Committee Member Mortgage and car loan fund</p>
 <p>Hon. Mbaka John Ngari</p>	<p>MCA – Mavuria Ward Date of Birth: 1st January 1970 Leader of Minority Party Member Car loan and Mortgage fund</p>



County Assembly of Embu Car Loan and Mortgage (Members) Scheme Fund Annual Report and Financial Statements for the Year ended June 30, 2025

	<p>MCA – Gaturi South Date of Birth: 18th September 1983 Chairperson Ward Equalization Committee Member Car loan and Mortgage fund</p>
	<p>MCA – Makima Ward Date of Birth 12th December 1978 Chairperson - Administration Committee Member Speaker's Panel Member Mortgage and car loan fund</p>
	<p>MCA – Mwea Ward Date of Birth: 31st May 1972 Chairperson Health Committee Member Mortgage and car loan fund</p>
	<p>MCA – Nominated Date of Birth 9th December 1988 Member Mortgage and car loan fund</p>




County Assembly of Embu Car Loan and Mortgage (Members) Scheme Fund Annual Report and Financial Statements for the Year ended June 30, 2025

 <p>Hon. Edwin N. Mureithi</p>	<p>MCA - Runyenjes Ward Date Of Birth: 22nd July 1987 Chairperson Road, Transport and Public Works Member Car loan and Mortgage fund</p>
 <p>Hon. Njued Jane Karimi</p>	<p>Nominated MCA Date of Birth: 13th May 1978 Member Mortgage and car loan fund Member Car loan and Mortgage fund</p>
 <p>Hon. Harrison Muturi</p>	<p>MCA - Ruguru Ngandori Date of Birth 17th October 1982 Member Car loan and Mortgage fund</p>
 <p>Mr. Jim G. Kauma</p>	<p>County Assembly Clerk Date of birth: 19th September 1981 Master's degree in Public Policy and Administration Fund Administrator</p>

4. Management Team.

Name	Details of qualifications and experience
	<p>Name: Mr. Jim G. Gitonga. Date of Birth: 19th September 1981 Designation: County Assembly Clerk Qualification: Master's degree in Public Policy and Administration. Fund administrator.</p>
	<p>Name: Mr. James Munyi Ileri Date of Birth: 7th February 1980 Designation: County Assembly Deputy Clerk Qualification: Bachelor of science</p>
	<p>Name: CPA Josiah Muhia Karanja Date of Birth: 1st July 1975 Designation: Director financial and accounting services Qualification: B/Comm. CPA(K) CPS (K)</p>
	<p>Name: Mr. David Mwangi Githaga Date of Birth: 22nd June 1970 Designation: Director Legislative and Procedural and committee Services Qualification: Bachelors of Arts (BA) Fund Committee Clerk</p>

County Assembly of Embu Car Loan and Mortgage (Members) Scheme Fund Annual Report and Financial Statements for the Year ended June 30, 2025

	<p>Name: Mr. Boniface Muthomi Date of Birth: 10th May 1985 Designation: Director, Litigation, legal compliance and Legislative Drafting. Qualification: Bachelor of Laws.</p>
	<p>Name: Mr. Moses Mucangi Karagirwa Date of Birth: 21st August 1967 Designation: Director, Director Human Resource Management Qualification: MSC, Human Resource Management.</p>
	<p>Name: CPA. Kamau Wachiuri Date of Birth: 1st May 1972 Designation: Principal Finance Officer Qualification: MSc finance and accounting, CPA(K) Fund accountant.</p>

5. Board/Fund Committee Chairperson's Report

a) Changes in the Fund during the year (in terms of the board or key management team)

The board of trustees has continued to perform its distinct functions to achieve the objectives of the board. In the Financial year under review there were no changes in the management of the fund and also in the key management team.

b) Review of the Fund's performance

The fund performance has been vibrant in the year. All the 31 MCAs and 2 members of the County Assembly Service Board have already received the Car loans and Mortgage and are currently repaying their loans as scheduled.

c) Future outlook of the Fund

Previously, Family Bank limited Embu branch were the fund managers, later County assembly of Embu decided to run the fund internally in-order to achieve the following;

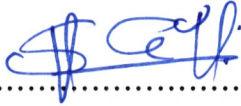
- i. Accurate and reliable financial reporting
- ii. Quick transparent disbursement of loan
- iii. Reduced costs of operational costs of the fund

The fund has a sound financial base and is expected to remain financially viable in future with ploughing back of the interests earned from the disbursed loans to members.

d) A conclusion

The fund has continued to exercise its mandate of ensuring that the MCAs get car and Mortgage loans at affordable interest rates to facilitate them in their legislative, oversight and representation roles. This facilitation has a positive motivation effect on MCAs who have been able to serve the citizen in an efficient way.

It is my hope that the fund we continue to exercise its mandate in future.

Name: Hon. Peter Nyaga Muriithi Signature.......... Date 10/11/2025.....

Chairman - Car Loan and Mortgage Committee

County Assembly of Embu Car Loan and Mortgage (Members) Scheme Fund Annual Report and Financial Statements for the Year ended June30, 2025

6. Report of the Fund Administrator

It is my pleasure to present the County Assembly of Embu Mortgage and Car loan Fund financial statements for the financial year ended 30th, June 2025. The financial statements present the financial performance of the fund over the past twelve months. It's worth noting that the fund started in FY 2013/2014 and has continued disbursing loans to the Members of the County Assembly at very low Annual interest rates of 3% to facilitate members buy cars and construct residential houses.

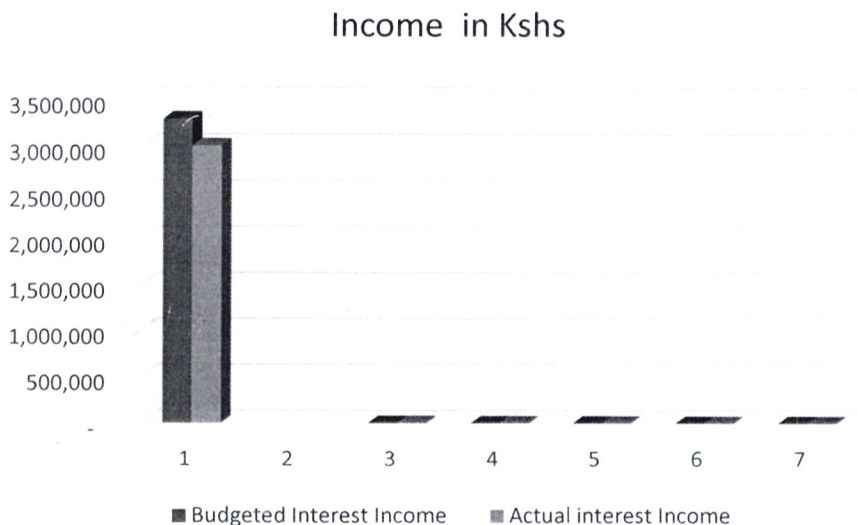
Budget performance against actual performance

The fund board of committee remained the same as it was last financial year and is expected to run until 2027. The Key management team also remained the same.

Physical progress based on actual output and impact since establishment.

The fund was established and started with an initial amount of Kshs **165,000,610** which was deposited at Family bank Embu Branch in 2014 and was later transferred to Winas Sacco Embu branch in the year 2022. The fund has issued loans to members who have acquired new and efficient cars that allows them to move promptly within the County, they have also built modern houses that has improved their status and motivated them to serve the public better.

The fund sole source of income is interest income, in the financial year 2024/2025 the fund realized an interest income of Kshs 3,015,220 compared to Kshs 3,300,000 that had been budgeted. This is due to reduced loan balances which are used to calculate the interest income.as members continued to repay the loan.



County Assembly of Embu Car Loan and Mortgage (Members) Scheme Fund Annual Report and Financial Statements for the Year ended June 30, 2025

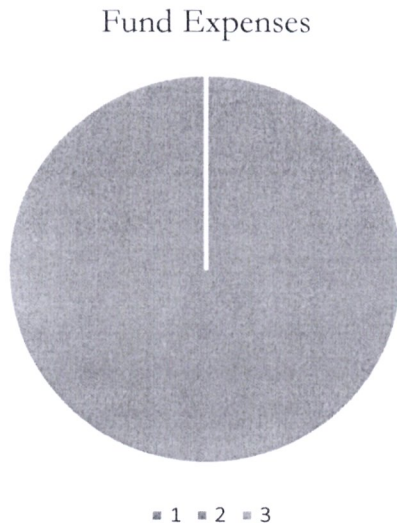
During the year the Fund had total expenses of Kshs. 3,322,646 which was made up of the following items;

-Committee Allowances - Kshs. 3,304,800.

The committee held various meetings during the financial year as it executed its mandate and also held a retreat to review the fund midterm performance and loan repayments among other issues. The committee allowances were paid to members of the committee and the based on SRC rates for the various meeting held in the financial year.

-Bank charges Kshs 17,846

The bank charges were charged by the bank based on the various transactions undertaken in the year under review. The expenses are represented by a pie chart as follows.



- Committee expenses - Kshs3,304,800

- Bank Charges - Kshs 17,846

During the period of twelve months ended 30th June 2025, the fund realized net Deficit of Kshs 307,426 in the Financial Year under review. The MCAs serviced their Mortgage Loans as scheduled.

The outputs and outcomes

By 30th June 2025, all the Members of the County Assembly of Embu (MCAs) had received their mortgages and continued to service the loans as was scheduled. The provision of these loan facilities

County Assembly of Embu Car Loan and Mortgage (Members) Scheme Fund Annual Report and Financial Statements for the Year ended June30, 2025

at a low interest rate has enabled MCAs to move efficiently within the County, live in constructed good homes and hence they are well motivated to effectively perform their roles.

The fund has managed to achieve value for money as members utilized the loans acquired for the intended purposes.

The value- for- money achievement.

The fund has gained value for money on loan issued to members as it has been utilized for the intended purposes that is buying of vehicles and building or improving the member's houses.

The implementation challenges.

The main challenge faced during implementation of repayment of MCAs mortgages during the period under review was the delayed release of funds by the National Treasury to the County Assembly of Embu which sometimes led to delay in repayment of members' mortgage loans by one or two installments which is eventually paid later.

In general, the period under review was successful and good progress was made and the momentum has been created to enable County Assembly of Embu Mortgage and Car loan fund continue on a trajectory into prosperity.

Risk Management Strategies

The Fund just like any other Institutions, faces a myriad of risks in its operations spanning from non-performing loans, death or incapacitation of members, recalling of individual Members by members of the public among others.

To mitigate on this, the fund has made sure that all loans are insured and ensured that all loans are secured either by collateral or guarantee from other members.

I take this opportunity to thank County Assembly of Embu mortgage and car loan fund committee for their support during the period under review and look forward to working with them in future.

7. Statement of Performance against County Entity’s Predetermined Objectives
Introduction

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 development objectives of the County Assembly of Embu Mortgage and Car Loan fund are to

- a) Provide Car loans to members to enable purchase of vehicles for to ease their movement at 3% per annum.
- b) Provide Mortgage loan to members at of 3% per annum.

Progress on attainment of Strategic development objectives

The County Assembly has achieved its strategic development objective to provide mortgage and car loans at 3% to all honorable members and the Honorable Speaker. The total amount disbursed initially was Kshs. 165,000,000. This has facilitated members in their Legislative representation and oversight roles as they can easily travel from their Wards to the County Assembly offices and other areas when necessary. This has also motivated the members of the County Assembly to work for improved service delivery to citizens

Below we provide the progress on attaining the stated objectives:

Program	Objective	Outcome	Indicator	Performance
Provision of Car Loans to all members of the County Assembly.	To facilitate Members of the County Assembly travel efficiently from the wards to County Assembly of Embu	Efficient movement of MCAs from the wards to Assembly chambers	100% of the members of the County Assembly have received the loans	In the Financial year 2024/2025 all members of the county assembly had accessed their loans, whoever they were later converted to car benefits.
Provision of Mortgages to all members of the County Assembly	To support members of the county assembly construct descent houses	Construction of descent houses for the members of the County Assembly	100% of MCAs have now constructed decent houses	All MCAs have utilized the loans as intended and constructed decent homes.

County Assembly of Embu Car Loan and Mortgage (Members) Scheme Fund Annual Report and Financial Statements for the Year ended June30, 2025

8. Corporate Governance Statement

The County Assembly of Embu Car & Mortgage Fund scheme is a revolving fund established pursuant to Section 116 of the PFM Act, and the Salaries and Remuneration Commission (SRC) circular number SRC/TS/WH/3/14 of 14th February 2014 and Section 167 of the Public Finance Management (PFM) Act 2012.

Its mandate is to provide mortgage and car loans to MCAs. The fund is committed to ensuring compliance with regulatory and supervisory corporate governance requirements as indicated below:

i. Appointment of Board members, Process of appointment and removal of directors, The size, diversity, and demographics of the Board, Existence of the board charter

The board members are appointed at the start of each 5 year and are elected as a committee from the elected and nominated members of the County Assembly.

The term of the Board members expires at the expiry of each term of an Assembly i.e. each five (5) year term.

The board drawn from all the members of the County Assembly to ensure it is diverse and representative of the whole County.

The fund has no board charter.

ii. Roles and functions of the board

The Board of trustee meet as and when necessary to deliberate on matters as necessary which includes:

- Considerations of application of loans by MCAs
- Ensuring that amounts deducted from members by the assembly are remitted to Winas Sacco Embu branch as required.
- To perform any other function as guided by the Fund regulations.

iii. Induction, training, and development

The Fund committee are usually inducted on their roles, duties and responsibilities at the start of their term in office. However, a continuous training will be necessary in future.

iv. Board and members' performance

The board has performed as is expected and achieved its goals of administering car loan and mortgages to members and ensuring monthly repayments of the loans.

v. Number of Board meetings held and the attendance to those meetings by members

The attendance of the meeting has been good and the Committee was able to hold 40 meetings as at the 30th June 2025. Almost every member attended the meetings when convened.

County Assembly of Embu Car Loan and Mortgage (Members) Scheme Fund Annual Report and Financial Statements for the Year ended June 30, 2025

vi. Succession plan

The board of trustee is appointed at the start of every term of new Assembly. The majority leader is an automatic member of Embu County Assembly Car loan & Mortgage (Members) Scheme while the rest of the board of trustee members are appointed from the MCAs. The key management of staff are drawn from the officers of the County Assembly of Embu who include the fund administrator, Director legislative, procedural and Committee Services, Director Finance and Accounting services and the fund Accountant. The current Board will hold office for the period 2022 to 2027 term of the Assembly.

vii. Policy to manage conflict of interest.

The fund has no policy to manage conflict of interest. However, Board of trustee members are advised to declare interest they may have and that could affect their performance in the board.

viii. Board remuneration

The fund administration Committee members are paid sitting allowances as per salaries and remuneration commission (SRC) approved rates.

ix. Ethics and Conduct

The fund conducts her affairs by following rules and procedures laid down under PFM Act 2012 and other financial regulations.

x. Governance audit

The fund has not conducted any governance audit.

xi. Communication policy

The fund has no communication policy and uses the commonly established communication channels.

xii. Terms of Reference of Committees.

The fund is managed and guided by the board as per the approved fund regulations.

xiii. Policy on related party transactions

Fund has no policy on related party transactions and utilizes the County Assembly of Embu inter-borrowing policy when allows inter borrowing across the various funds.

County Assembly of Embu Car Loan and Mortgage (Members) Scheme Fund Annual Report and Financial Statements for the Year ended June 30, 2025

9. Management Discussion and Analysis

a) Operational performance and financial performance

The Committee was able to conduct 11 meetings in the year 2024-2025

A summary of those meetings conducted in the financial year 2024-2025 was as follows'

Date	Main Agenda	Resolution/Remarks
2/07/024	End of year activities	Members reviewed the previous year's activities and also planned activities of the current year 2024/2025
9/07/2024	Loan Repayments	Members were taken through the loan repayment schedules and noted that the loans were as scheduled
30/07/024	Preparation of 2024/2025 budget.	Members were briefed on the 2024/2025 budget preparation progress.
06/08/024	Loan repayment and budget consideration.	Members were taken through the loan repayment schedules and noted that the loans were as scheduled. The fund Accountant presented the 2024/2025 which was considered and approved.
13/08/025	Approval of 2023/2024 financial statements	Members discussed and approved the 2023/2024 financial statements.
04/09/024	Inter borrowing	Members discussed and approved the borrowing
18/09/024	Loan Repayment	Members were taken through the loan repayment schedules and noted that the loans were as scheduled
24/09/024	Confirmation of previous minutes and Loan repayment	Members confirmed the previous minutes and were also taken through the loan repayment schedules and noted that the loans were as scheduled
01/10/024	Loan repayment and payment of sitting allowance	Members were taken through the loan repayment schedule and they also approved payment of sitting allowances.
06/11/024	Loan repayment and sitting allowances	Members were taken through the loan repayment schedules and noted that the loans were as scheduled and approved payment of allowances to members.
06/11/024	Confirmation of minutes	Members were taken through the previous minutes and thereafter confirmed.
27/11/024	Loan Repayment	Members were taken through the loan repayment schedules and noted that the loans were as scheduled
5/12/024	Confirmation of minutes	Members were taken through the previous minutes and thereafter confirmed.
11/12/024	Inter borrowing	Members discussed and approved the borrowing
10/01/025	Loan repayment	Members were taken through the payment schedule and noted the loan are paid in time and the right amounts.
27/01/025	Confirmation of the previous minutes	Members were taken through the previous minutes and thereafter confirmed.
11/02/025	Loan repayment	Members were taken through the payment schedule and noted the loan are paid in time and the right amounts.
26/02/025	Confirmation of minutes	Members were taken through the previous minutes, did the necessary corrections and were approved.

County Assembly of Embu Car Loan and Mortgage (Members) Scheme Fund Annual Report and Financial Statements for the Year ended June 30, 2025

04/03/2025	Loan repayment	Members were taken through the loan repayment schedules and noted that the loans were as scheduled
13/03/2025	Confirmation of minutes	Members were taken through the previous minutes and thereafter confirmed
07/04/2025	Loan repayment	Members were taken through the loan repayment schedules and noted that the loans were as scheduled
29/04/2025	Confirmation of minutes	Members were taken through the previous minutes, did the necessary corrections and were approved.
14/05/2025	Payment of allowances	Members discussed and agreed that allowances be paid as per SRC circular.
19/05/2025	Loan repayment	Members were taken through the loan repayment schedules and noted that the loans were as scheduled
20/05/2025	CAE car loan & Mortgage midterm review	Members were briefed on the functions and mandate of the fund
20/05/2024	CAE car loan & Mortgage midterm review	Members taken through the certain sections of the regulations
21/05/2025	CAE car loan & Mortgage midterm review	Members taken through an analysis of the total loan applied for.
21/05/2025	CAE car loan & Mortgage midterm review	Members review the total loan considered and approved over the midterm period
22/05/2025	CAE car loan & Mortgage midterm review	Members were taken through the loan repayment analysis for the midterm.
22/05/2025	CAE car loan & Mortgage midterm review	Members were taken through the loan repayment analysis for the midterm
23/05/2025	CAE car loan & Mortgage midterm review	Members analysed the loan repayment by the fund clients (members)
23/05/2025	CAE car loan & Mortgage midterm review	Members highlighted the Prompt issuance of loans and payment remittances to the bank and appreciated the cordial relationship with the fund management.
24/05/2025	CAE car loan & Mortgage midterm review	Members reviewed the inter-borrowing of funds between the County Assembly and the Fund
24/05/2025	CAE car loan & Mortgage midterm review	Members were taken through an analysis of amount loaned th County Assembly Recurrent account from the fund.
25/05/2025	CAE car loan & Mortgage midterm review	Members were taken through the auditor's report for the financial year 2023/2024.
25/05/2025	CAE car loan & Mortgage midterm review	Members Continued with the audit report 2023/2024
26/05/2025	CAE car loan & Mortgage midterm review	Members discussed the payment of members and secretariat allowances
26/05/2025	CAE car loan & Mortgage midterm review	Members analysed the interest earned over the period under review.
27/05/2025	CAE car loan & Mortgage midterm review	Members analysed the interest earned over the period under review
27/05/2025	CAE car loan & Mortgage midterm review	Recap of the issues discussed.

County Assembly of Embu Car Loan and Mortgage (Members) Scheme Fund Annual Report and Financial Statements for the Year ended June30, 2025

Entity's key projects or investments decision implemented or on-going-

The main activity of the fund is issuing loans to the members of the County Assembly and normally this is done at the start of the members' term. The fund has no any capital project for the time being nor has it made any investment decision on the same.

Fund's compliance with statutory requirements,

The fund has fully complied with all relevant statutes including PFM Act 2012, the County Assembly of Embu Car loan and Mortgage (Members) Scheme fund regulations and all circulars from SRC. All the statutory matters are dealt with by the Committee of the fund and in the year under consideration there were no material statutory arrears.

Major risks facing the fund

There is no major risk facing the fund, all MCAs have been given the loan and are repaying them as scheduled.

Material arrears in statutory and other financial obligations

The fund does not have any arrears in statutory deductions nor any financial obligation outstanding unpaid.

Any other information

No issues have arisen in the course of the management of the fund which have been brought to the attention of the management committee

10. Environmental and Sustainability Reporting

i. Sustainability strategy and profile

To ensure sustainability of the fund the board of trustees jointly with key management staff ensure the mortgage loans are timely issued, repaid and key governance responsibilities are adhered to. The fund is well funded and is utilized for the purpose intended for i.e. extend Car & mortgage to members.

ii. Environmental performance.

The fund has no environmental policy but uses the already existing environmental laws in her operations.

iii. Employee welfare

The fund utilizes the staff of the County Assembly for performance of its duties. The welfare, appraisals and rewards are undertaken by county Assembly Service Board (CASB).

iv Market place practices

The fund utilizes the facilities and resources of the County Assembly of Embu.

a) Responsible competition practice.

The County Assembly of Embu Car Loan mortgage Fund ensures responsible competition practices by ensuring any loan application is processed on a first come and first out basis to ensure every application is given fair preference. The election of Honorable members to the board of trustees is democratically done and involves all members of the County Assembly of Embu.

b) Responsible Supply chain and supplier relations

The fund relies on County Assembly of Embu for all her supply needs.

c) Responsible marketing and advertisement or responsible engagement with citizens

The fund relies on County Assembly of Embu for all its marketing and advertisement where necessary.

d) Product stewardship or awareness creation

The fund relies on the approved regulations to manage her operations where the member's rights and obligations are well spelt out.

V). Corporate Social Responsibility / Community Engagements.

Since the fund is still young in terms of the number of years in operation, it has not yet started community engagement.

County Assembly of Embu Car Loan and Mortgage (Members) Scheme Fund Annual Report and Financial Statements for the Year ended June 30, 2025

11. Report of the Trustees

The Trustees submit their report together with the Financial Statements for the year ended June 30, 2025, which show the state of the Fund affairs.

Principal activities

The principal activities of the Fund are to provide Car and Mortgage Loans to members of the County Assembly. The fund has continued to issue loans to members as per its mandate and members have been paying their loan diligently.

Results

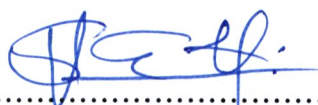
The performance of the Fund for the year ended June 30, 2025, are as set out on page 1 to 6 of this financial report and statements.

Trustees

There is no change in the membership of the trustees as indicated from page Roman vi to Roman viii. The present members of the committee will run the fund until the end of the current term of 5 years unless the committee on powers and privileges makes changes in the membership of the committee in future.

Auditors

The Auditor General is responsible for the statutory audit of the Fund in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015. For the year ended 30th June, 2025 the Office of the Auditor General will conduct the Audit of the reports and the financial statements of the fund



.....
HON. NYAGA PETER MURIITHI
CHAIR OF THE BOARD / FUND ADMINISTRATION COMMITTEE.

DATE: 10th Nov. 2025

2. Statement of Management's Responsibilities

Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a County Public Fund established pursuant to Section 116 of the Public Finance Management Act and supplemented by SRC Circular No. SRS/TS/WH/3/14 of 14th February 2014.

The Administrator who is the Clerk to the County Assembly is responsible for the preparation and presentation of the Fund's financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 2026. This responsibility includes:

- i. Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- ii. Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the fund;
- iii. Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud;
- iv. Safeguarding the assets of the fund;
- v. Selecting and applying appropriate accounting policies; and
- vi. Making accounting estimates that are reasonable in the circumstances.

The Administrator accepts responsibility for the Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgment and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and Section 167 of the Public Finance Management Act (PFMA) and supplemented by SRC Circular No. SRS/TS/WH/3/14 of 14th February 2014.

The Administrator of the Fund is of the opinion that the Fund's financial statements give a true and fair view of the state of Fund's transactions during the financial year ended June 30, 2025, and of the Fund's financial position as at that date.

The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control.

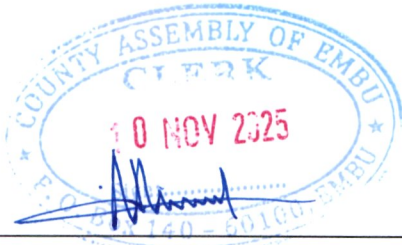
In preparing the financial statements, the Administrator of the County Public Fund has assessed the Fund's ability to continue as a going concern and disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements.

Nothing has come to the attention of the Administrator to indicate that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

County Assembly of Embu Car Loan and Mortgage (Members) Scheme Fund Annual Report and Financial Statements for the Year ended June 30, 2025

Approval of the financial statements

The Fund's financial statements were approved by the Board on... 10th Nov. 2025 and signed on its behalf by:



JAMES MUNYI IRERI
FOR: FUND ADMINISTRATOR
CAR LOAN AND MORTGAGE (MEMBERS) FUND

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
Email: 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 CAR LOAN AND MORTGAGE (MEMBERS) SCHEME FUND FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

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

An Unmodified Opinion is issued when the Auditor-General concludes that the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management, and Governance.

The three parts of the report aim to address the Auditor-General's statutory roles and responsibilities as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012, and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of County Assembly of Embu Car Loan and Mortgage (Members) Scheme Fund set out on pages 1 to 28, which comprise of the statement of financial position as at 30 June, 2025, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement

Report of the Auditor-General on County Assembly of Embu Car Loan and Mortgage (Members) Scheme Fund as at 30 June, 2025

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

In my opinion, the financial statements present fairly, in all material respects, the financial position of County Assembly of Embu Car Loan and Mortgage (Members) Scheme Fund as at 30 June, 2025, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis), and comply with the Public Finance Management (County Assembly of Embu) Car Loan and Mortgage (Members) Scheme Fund Regulations, 2020 and the Public Finance Management Act, 2012.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the County Assembly of Embu Car Loan and Mortgage (Members) Scheme Fund Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

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

Other Information

The Fund Committee is responsible for the Other Information set out on page ii to xxiv which comprise of Key Entity Information and Management, The Fund Administration Committee, Management Team, Chairperson's Report, Report of the Fund Administrator, Statement of Performance against County Entity's Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Trustees and Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Fund's, financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that nothing 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

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, 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 the Fund Committee

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related

to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements comply with the authorities which govern them and that public resources are applied in an effective way.

The Fund Committee is responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management and ensuring the adequacy and effectiveness of the control environment.


Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I also I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

20 November, 2025

*County Assembly of Embu Car Loan and Mortgage (Members) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025*

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

Description	Note	2024-2025	2023-2025
		Kshs	Kshs
Revenue from Non-Exchange Transactions			
Transfers from County Government	1	0	0
		0	0
Revenue From Exchange Transactions			
Interest Income	2	3,015,220	4,132,933
Total Revenue		3,015,220	4,132,933
Expense			
Use of Goods and Services	3	3,322,646	730,825
Total Expenses		3,322,646	730,825
Surplus/Deficit for the Period		(307,426)	3,402,108

(The notes set out on pages 7 to 21 form an integral part of this financial statements)

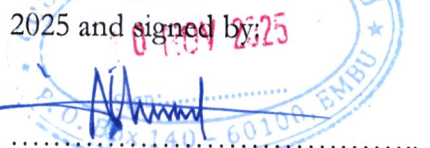
.....
James Munyi Ileri
For Administrator of the Fund


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Kamau Wachiuri
Fund Accountant
ICPAK M/No. 8192

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

Description	Note	2024-2025	2023-2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	4	50,277,393	34,708,115
Current Portion of receivables from exchange transactions	5	7,129,259	10,557,982
Current receivables from Related Parties	6	54,156,790	28,560,001
Total current assets		111,563,442	73,826,098
Non-current assets			
Long term receivables from exchange transactions	7	79,495,176	117,624,632
Total non-current assets		79,495,176	117,624,632
Total Assets		191,058,618	191,450,730
Liabilities			
Current Liabilities			
Accounts Payables – Deposits and Retention	8	0	225,222
Total Liabilities			252,222
Net Assets		191,058,618	191,225,508
Represented By:			
Revolving Fund	9	165,000,610	165,000,610
Accumulated Surplus/Deficit	10	26,058,008	26,224,898
Prior Year Adjustments	11	0	0
NET FINANCIAL POSITION		191,058,618	191,225,508

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on *10th Nov* 2025 and signed by:


James Munyi Ileri
For Administrator of the Fund


Kamau Wachiuri
Fund Accountant
ICPAK M/No. 8192

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

Description	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
	Kshs.	Kshs.	Kshs.	Kshs
Balance as at 1st July 2022	165,000,610		(69,602,028)	95,398,582
Prior year adjustments			3,335,765	3,335,765
Surplus/(deficit) for the period			89,089,053	89,089,053
Balance as at 30th June 2023	165,000,610		22,822,790	187,823,400
				-
Balance as at 1 st July 2023	165,000,610		22,822,790	187,823,400
Surplus for the Period			3,402,108	3,402,108
Balance as at 30 th June 2024	165,000,610	-	26,224,898	191,225,508
Balance as at 1 st July 2024	165,000,610	-	26,224,898	191,225,508
Prior year adjustment	.	.	140,536	
Surplus/(Deficit)	-	-	(307,426)	(307,426)
Balance as at 30 th June 2025	165,000,610	-	25,058,008	190,918,082

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

Description	Note	2024-2025	2023-2024
		Kshs	
Cash flow from operating activities			
Receipts			
Transfer from CRF	1	0	0
Interest Income	2	3,015,220	4,132,933
Other Income			
Total Receipts			4,132,933
Payments			
Use of Goods and Services	3	(3,322,646)	(730,825)
Total Payments		(3,322,646)	(730,825)
Cash flows from Operating activities		(307,426)	3,402,108
Adjusted for:			
Increase/decrease in Receivables		(22,409,352)	(29,579,974)
Increase/(Decrease) in Payables	8	(225,222)	(347,709)
Net Cash flows from operating Activities		(22,942,000)	(26,525,575)
Cash flow from investing activities			
Loans disbursement paid out			0
Proceeds from Loan Principal Repayments		38,129,456	37,011,743
Net cash flows from Investing Activities		38,129,456	37,011,743
Net Cash flows from financing activities		0	0
Net Increase (Decrease) in Cash and Cash Equivalent		15,569,279	10,486,168
Cash and cash equivalent at 1 July 2023		34,708,115	24,221,947
Cash and cash equivalent at 30th June 2024		50,277,393	34,708,115

(PSASB has prescribed the direct method of cash flow preparation/ presentation for all entities under the IPSAS accrual basis of accounting.)

18. Statement of Comparison of Budget and Actual Amounts for the period

Description	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Performance Difference	% Utilization difference
	2025	2025	2025	2025	2025	2025
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Revenue						
Interest Income	3,015,220	-	3,015,220	3,015,220	0	91%
Other Receipts (Funds in Bank)	0	-				
Total Income	3,015,220	-	3,015,220	3,015,220	0	91%
Expenditure						
Use of Goods	3,015,220		3,015,220	3,322,646	0	
Total Expenditure	3,015,220	-	3,015,220	3,322,646	0	101%
Surplus For the period	000	-	000	(307,424)	0	0%

County Assembly of Embu Car Loan and Mortgage (Members) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025

Budget Reconciliation

	Description particulars	Amount in Kshs
	Cash and cash equivalent beginning of the year	34,708,115
	Net cash flow from operating activities	(22,560,177)
	Net cash from investing activities	38,129,456
	Cash and cash equivalent at the end of the year	50,277,393
	There is no differences.	

19 Notes to Financial Statements

1. General Information

The county assembly of Embu car loan and mortgage scheme is established by and derives its authority and accountability from Section 116 of the PFM Act 2012 and the County Assembly of Embu Car Loan and Mortgage (Members) scheme Regulations. The scheme is wholly owned by the County Assembly of Embu and is domiciled in Kenya. The schemes principal activity is lending Car loans and Mortgages to members of the County Assembly of Embu to facilitate them deliver on their mandates.

2. Statement of compliance and basis of preparation

The Fund's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the Fund. The accounting policies have been consistently applied to all the years presented.

The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the direct method. The financial statements are prepared on accrual basis.

3. Adoption of new and revised standards

(i) Relevant new standards and amendments to published standards effective for the year ended 30 June 2025.

IPSASB deferred the application date of standards from 1st January 2022 owing to Covid 19. This was done to provide entities with time to effectively apply the standards. The deferral was set for 1st January 2023.

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

Standard	Effective date and impact
IPSAS 43 Leases	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>

Standard	Effective date and impact
IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations	<p>Applicable 1st January 2025</p> <p>The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>

(iii) Early adoption of standards

The entity did not adopt any new or amended standards in year 2025.

4. Summary of Significant Accounting Policies

a) Revenue recognition

i. Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably.

ii. Revenue from exchange transactions

Interest income

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

Dividends

Dividends or similar distributions must be recognized when the shareholder's or the Entity's right to receive payments is established.

Rental income

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

b) Budget information

The original budget for FY 2024 /2025 was approved by the County Assembly on subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Fund recorded additional appropriations of on the FY 2024 budget following the governing body's approval.

The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section xxx of these financial statements.

c) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

a) Intangible Assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized

development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred.

The useful life of the intangible assets is assessed as either finite or indefinite.

b) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. *Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over an year period or investment property is measured at fair value with gains and losses recognised through surplus or deficit. (entity to amend appropriately)* Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition.

c) Financial instruments

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

Financial assets

Classification of financial assets

The entity classifies its financial assets as subsequently measured at amortized cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the entity's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cash flows and

selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end.

Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in *notes*.

Financial liabilities

Classification

The entity classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

d) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

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

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

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity.

e) Provisions

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

f) Social Benefits

Social benefits are cash transfers provided to i) specific individuals and / or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The entity recognizes a social benefit as an expense for the social benefit scheme at the same time that it recognizes a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the entity will incur in fulfilling the present obligations represented by the liability.

g) Contingent liabilities

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.

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.

h) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements. *Entity to state the reserves maintained and appropriate policies adopted.*

i) Changes in accounting policies and estimates

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

j) Employee benefits – Retirement benefit plans

The Entity provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

k) Foreign currency transactions

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

l) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

m) Related parties

The Entity regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Entity, or vice versa. Members of key management are regarded as related parties and comprise the directors, the CEO and senior managers.

n) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorized public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

o) Comparative figures

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

5. Significant judgments and sources of estimation uncertainty

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

State all judgments, estimates and assumptions made e.g.

a) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Entity based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140.

b) Useful lives and residual values

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

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

c) Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Notes.

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

2. Notes to the Financial Statements

1. Transfer from County			
Description		2024-2025	2023-2024
		Kshs	Kshs
Fund opening Balance		0	0
Transfers from National		0	0
Total		0	0

2. Interest Income			
Description		2024-2025	2023-2024
		Kshs	Kshs
Jul	Interest Income	294,062	386,591
Aug	Interest Income	286,225	378,986
Sep	Interest Income	278,369	371,361
Oct	Interest Income	278,369	363,718
Nov	Interest Income	262,617	356,055
Dec	Interest Income	254,702	348,374
Jan	Interest Income	246,767	340,673
Feb	Interest Income	238,812	332,953
Mar	Interest Income	230,837	325,213
Apr	Interest Income	222,842	317,454
May	Interest Income	214,828	309,676
Jun	Interest Income	206,793	301,879
Total		3,015,220	4,132,933

3. Use of Goods and Services			
Description		2024-2025	2023-2024
		Kshs	Kshs
Committee Allowances		3,304,800	618,100
Bank Charges		17,846	112,725
Insurance cost		0	0
Total		3,322,646	730,825

4. Cash and Cash equivalent			
Description		2024-2025	2023-2024
		Kshs	Kshs
CAE Car loan & Mortgage Account		50,277,393	34,708,115
Total		50,277,393	34,708,115

Detailed Analysis of Cash and Cash equivalent

		2024-2025	2023-2024
Financial Institution	Account number	Kshs	Kshs
a. Current Account			
Winas Sacco	51100013001	50,171,411	34,602,133
Family Bank	075000028013		0
Family bank	075000042338	105,982	105,982
		50,277,393	34,708,115

5.	Receivables From Exchange	Transactio	2024-2025	2023-2024
	Description		Kshs	Kshs
	Current Receivables			
	1/07/2023 Interest receivables		0	804,498
	1/07/2023 Principal amount due		10,557,982,	6,491,825
	Amount due end of Year		41,144,676	3,261,259
	Amount received in the year		(44,573,399)	0
	Total		7,129,259	10,557,982
6	Related party Balances			
			2024-2025	2023-2024
			Kshs	Kshs
A	Description			
	Transfer from County Government		0	0
	Total		0	0
B	Due from Related parties			
	Description		2024-2025	2023-2024
	Due from Staff Car & Mortgage Fund		2,000,000	2,000,000
	Transfers to County Assembly Operations		52,156,790	26,318,715
	Management fees written off		0	241,286
	Total		54,156,790	28,560,001

County Assembly of Embu Car Loan and Mortgage (Members) Scheme Fund
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Outstanding Loans			
7.	Long Term Receivables		
A.	Outstanding loans		
	Description	2024-2025	2023-2024
		Kshs.	Kshs.
	Augustin James Njeru	2,071,022	2,427,094
	Gakungugu Agnes Wanjiru	2,069,449	3,425,578
	Gatumu Fredrick Mugendi	2,069,449	3,425,578
	Githinji Daniel Ng'ang'a	2,069,449	3,425,578
	Githumbu Samuel Njeru	2,069,449	3,425,578
	Jimiah Jennifer	2,069,449	3,690,807
	Josiah Mureithi Thiriku	13,422,168	18,212,290
	Kanyua Barbanas Njama	2,069,449	3,425,578
	Karuri Julius Njagi	2,069,449	3,425,578
	Kavinda Mary Igoki	2,069,449	3,425,578
	Kithinji Maurice Macharia	2,069,449	3,425,578
	Kiura Murithi Njagi	2,069,449	3,425,578
	Mati Yvone Karambu	2,069,449	3,425,578
	Mbaka John Ngari	2,069,449	3,425,578
	Mbuchi Terry C Wanja	2,069,449	3,425,578
	Mbui Duncan Ireri	2,069,449	3,425,578
	Munyambu Job Itumo	2,069,449	3,425,578
	Muriuki Masters Leonard Mwaniki	1,249,763	2,063,149
	Muthoni Susan Mwendu	2,069,449	3,425,578
	Muturi Harrison Sammy	2,069,449	3,425,578
	Ndwiga Newton Kariuki	1,660,953	3,425,578
	Njiru Anne Lily	2,069,449	3,425,578
	Njiru Edwin Muriithi	2,069,449	3,425,578
	Njiru Paul Muchangi	2,069,449	3,425,578
	Njue Jane Karimi	2,069,449	3,425,578
	Njuki Johnson Mucangi	2,069,449	3,425,578
	Nyaga Maureen Kagendo	2,069,449	3,425,578
	Nyaga Peter Muriithi	2,069,449	3,425,578
	Nyaga Susan Wairimu	2,069,449	3,425,578
	Nzangi Philip Kinyutu	2,069,449	3,425,578
	Swaleh Ibrahim	2,069,449	3,425,578
	Rose Wanjiru Gitari	2,608,075	4,021,489
	Samuel Musau Muema	2,608,075	4,021,489
		79,495,176	117,624,632

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8. Accounts Payables			
Description		2024-2025	2023-2024
	Accrued Committee Allowances	0	2,581
	CRF - Tablet Recovery	0	13,000
	Accrued Insurance	0	209,641
	Total	0	225,222

County Assembly of Embu Car Loan and Mortgage (Members) Scheme Fund
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9. Revolving Fund			
Description		2024-2025	2023-2024
		Kshs	Kshs
1 July	Bal b/d	165,000,610	165,000,610
30th June	Balance b/d	165,000,610	165,000,610

10. Accumulated Surplus			
Description		2024-2025	2023-2024
		Kshs	Kshs
30th June Accumulated Surplus/(Deficit) C/d		26,224,898	19,487,025
Surplus/deficit for the year		(307,426)	3,402,108
Prior year Adjustment		0	3,335,765
Payables written off		381,822	0
Management fees written off		241,286	
30th June		26,058,008	25,999,676

11. Prior Year Adjustment			
Description		2024-2025	2023-2024
		Kshs	Kshs.
30th June Suspense Account		0	0

12. CREDIT RISK

	Description	Total Amount	Fully performing	Past due	Impaired
		Kshs	Kshs	Kshs	Kshs
	At 30 June 2024				
	Receivables from Exchange transactions	86,624,435	86,624,435		0
	Receivables from non-exchange transactions	54,156,790	54,156,790		0
	Bank Balances	50,277,393	50,277,393		0
	TOTALS	191,058,618	191,058,618		0
	At 30 June 2023				
	Receivables from Exchange transactions	128,182,614	128,182,614		0
	Bank Balances	34,708,115	34,708,115		0
	TOTALS	162,890,729	162,890,729		0

20 Annexes

Annex 1. Progress on Follow up of the 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

Ref No. on the external Audit Report	Issue/Observation from The Auditor	Management Comments	Status (Resolved/Not resolved)	Time frame (Put date when you expect the issue to be solved)
1.	<p>Non-Submission of Financial Statements for Previous Years</p> <p>As reported in the previous year, the Fund commenced operations in June, 2014. During this period (2014 - 2018), the County Assembly of Embu Car Loan and Mortgage (Members) Scheme Fund operated as two distinct Funds namely 'Car Loan Fund' and 'Mortgage Scheme Fund' with each Fund having its distinct regulations both enacted in 2014. However, the financial statements of the two Funds for the financial years 2014/2015 to 2017/2018 were not submitted to the Auditor-General contrary to Section 47(1) of the Public Audit Act, 2015, which states that the financial statements required under the Constitution, the Public Finance Management</p>	<p>The Car loan and mortgage (Members) fund management committee plans to prepare and submit the pending financial statements as per the auditor's recommendation.</p>	Pending	-

County Assembly of Embu Car Loan and Mortgage (Members) Scheme Fund
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	<p>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>However, in the absence of the previous year's financial statements, the source and accuracy of the opening balances reflected in the financial statements for the year under review could not be confirmed.</p> <p>In the circumstances, it has not been possible to confirm the source and accuracy of the opening balances for the year under review. In addition, Management was in breach of the law.</p>			
2.	<p>Long Overdue Unremitted Deductions</p> <p>The statement of financial position and as disclosed in Note 5 to the financial statements reflects current portion of receivables from exchange transactions balance of Kshs.10, 557,982 which includes May and June, 2022 interest receivables and principal repayments of Kshs.804, 898 and Kshs.6, 491,825. However, the ledger reflects May and June, 2022 interest receivable and principal repayments of Kshs.796,804 and Kshs.6,145,846 resulting in a variance of Kshs.8,094 and Kshs.345,979</p>	<p>The variance of Kshs.8,094 and Kshs.345,979 respectively, which has been attributed to August, 2022 mortgage deduction totaling to Kshs 354,073 has been noted. The amounts relate to Hon Speaker Josiah Thiriku which was outstanding as at August 2022 the start of the 3rd term of the County Assembly and which had not been remitted to the bank.</p>	Resolved.	N/a

County Assembly of Embu Car Loan and Mortgage (Members) Scheme Fund
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	<p>respectively, which has been attributed to August, 2022 mortgage deductions which was long overdue and had taken too long to be remitted to the Fund accounts to date. Further, these balances have been wrongly classified under current portion of receivables from exchange transactions instead of long-term receivables from exchange transactions.</p> <p>This was contrary to Section 19(4) of the Employment Act 2007 which states that an employer who defaults an amount from an employee's remuneration in accordance with the Sub section 1 (a) (f), (g), and (h) shall pay the amount so deducted in accordance with the time period and other requirements specified in the law, agreement, court order or arbitration as the case may be.</p> <p>In the circumstances, the accuracy and completeness of the current portion of receivables from exchange transactions balance of Kshs.10, 557,982 could not be confirmed. In addition, Management is in breach of the law.</p> <p>The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the</p>	<p>This error has been noted and the payment of this loan balance is on -going. In last financial year 2024-2025, Kshs 250,000 and 5,612 was deposited to the Fund bank account on 19th September 2024.</p>		
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County Assembly of Embu Car Loan and Mortgage (Members) Scheme Fund
 Annual Report and Financial Statements for the year ended June 30, 2025

	<p>County Assembly of Embu Car Loan and Mortgage (Members) Scheme Fund 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 adverse opinion.</p>			
3.	<p>Other Matter Unresolved Prior Year Matters In the audit report of the previous year, several issues were raised under the Report on Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources. However, the Management has not provided an explanation of how the issues were resolved.</p>	<p>The County Assembly has continued to respond to the various issues previously raised the office of the Auditor General.</p>	<p>Some issues have been Resolved while others are on-going.</p>	

County Assembly of Embu Car Loan and Mortgage (Members) Scheme Fund
 Annual Report and Financial Statements for the year ended June 30, 2025

Annex 2: TRIAL BALANCE

COUNTY ASSEMBLY OF EMBU CAR & MORTGAGE (MEMBERS) SCHEME FUND		
TRIAL BALANCE AS AT 30TH JUNE, 2025		
Description	Kshs.	Kshs.
Non-Current Receivable Member Scheme – (Loan Balances)	79,495,176	-
Transfer to County Assembly Operations Account	52,156,790	-
Bank Balances	50,277,393	-
Management Fee	-	-
Current Portion of Receivables from Exchange Transaction	7,129,259	-
Car & Mortgage (Staff) Scheme Fund Loan	2,000,000	-
Bank Charges	17,846	-
Committee Allowances	3,304,800	-
Revolving Fund 30 th June 2024	-	165,000,610
Accumulated Surplus/Deficit	-	25,758,390
Accounts Payable	-	607,044
Prior Year Adjustment	-	-
Interest Income	-	3,015,220
	194,381,264	194,381,264

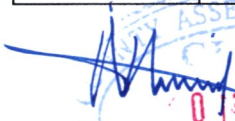

Annex 3: BUDGET ESTIMATES

COUNTY ASSEMBLY OF EMBU CAR & MORTGAGE (MEMBERS) SCHEME FUND			
BUDGET ESTIMATES			
FOR THE FINANCIAL YEAR 2024-2025			
DETAILS	Note	2024-2025	2023-2024
Receipts			
		Kshs.	Kshs.
Interest Income	1	3,015,220	4,250,000
Total Receipts		3,015,220	4,250,000
Expenses			
Use of Goods	2	3,322,646	820,000
Total Expenses		3,322,646	820,000
Net Income		(307,424)	3,430,000

County Assembly of Embu Car Loan and Mortgage (Members) Scheme Fund
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Annex 4: Budget Notes

1.	Interest Income		
			Kshs
	July 2024		319,062
	August 2024		274,065
	September 2024		268,169
	October 2024		265,545
	November 2024		236,617
	December 2024		243,272
	January 2025		218,767
	February 2025		216,601
	March 2025		252,545
	April 2025		232,842
	May 2025		222,828
	June 2025		267,907
			3,015,220
2.	USE OF GOODS		
	Committee Allowances		3,304,800
	Bank Charges		17,846
	Period		3,322,646



JAMES MUNYI IRERI.
FOR: FUND ADMINISTRATOR

