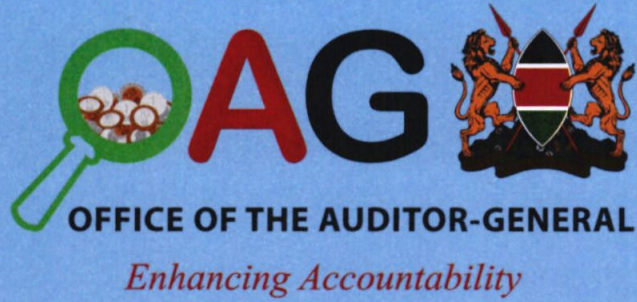


REPUBLIC OF KENYA



REPORT

OF

PARLIAMENT
OF KENYA
LIBRARY

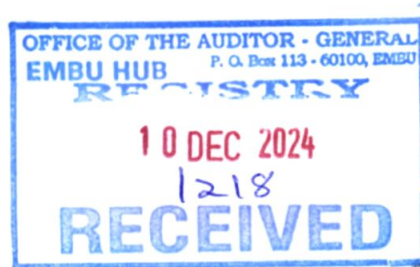
THE AUDITOR-GENERAL

ON

**COUNTY ASSEMBLY OF
EMBU**

**FOR THE YEAR ENDED
30 JUNE, 2024**

PAPERS LAID	
DATE	6/3/2025
TABLED BY	Dep May Whip
COMMITTEE	
CLERK AT THE TABLE	Maalim



COUNTY ASSEMBLY OF EMBU

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30th JUNE, 2024

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

Table of Contents

1. Acronyms and Glossary of Terms	ii
2. Key Entity Information and Management	iii
3. Governance statement	vi
4. Foreword by the Clerk of the Assembly	xxiv
5. Statement of Performance against County Assembly Predetermined Objectives	xxxiv
6. Corporate Social Responsibility Statement/Sustainability Reporting	xxxvi
7. Statement of Management Responsibilities	xxxviii
8. Report of the Independent Auditor on the County Assembly of Embu for the year ended 30 th June 2023	xl
9. Statement of Receipts and Payments for the year ended 30 th June 2023	1
10. Statement of Financial Assets and Liabilities as at 30 th June 2023	2
11. Statement of Cash Flows for the period ended 30 th June 2023	3
12. Statement of Comparison of Budget & Actual Amounts: Recurrent and Development for the year ended 30 th June 2023	4
12 A. Statement of Comparison of Budget & Actual Amounts: Recurrent for the year ended 30 th June 2023	5
12 B. Statement of Comparison of Budget & Actual Amounts: Development for the year ended 30 th June 2023	6
13. Budget Execution by Programmes and Sub - Programmes	7
14. Significant Accounting Policies	8
15. Notes to the Financial Statements	13
16. Progress on follow on Prior Year Auditor's Recommendations	19
17. ANNEXES	30

1. Acronyms and Glossary of Terms

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

a) Glossary of Terms

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

2. Key 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 has 30 members who constitutes 20 Members of County Assembly (MCAs) elected to represent members of the public from their respective wards, 6 others appointed by Political parties according to their representation in the Assembly, 4 others appointed to represent youth, Minority, Marginalized and PWDs respectively. The MCA’s are responsible for making any laws for effective performance of the County Government, approving plans and policies and playing the oversight role over the County Executive.

b) Key Management

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

No.	Designation	Name
1.	Speaker of the County Assembly	- Hon. Josiah M. Thiriku
2.	Clerk of the County Assembly	- Jim G. Kauma
3.	Deputy Clerk	- James M. Ileri
4.	Director - Financial and Accounting Services	- Josiah M. Karanja
5.	Director Litigation, Legal Compliance and Legislative	- 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 2024 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

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

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

e) County Assembly of Embu Headquarters

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

f) County Assembly of Embu Contacts

Telephone: (254) 068-2231208
Mobile : 0734867105
E-mail: info@embuaassembly.go.ke
countyassemblyofembu@gmail.com
Website: www.assembly.Embu.go.ke

g) Bankers

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

h) Independent Auditors

Auditor General

Office of the Auditor General

Anniversary Towers, University Way

P. O. Box 30084 – 00100

NAIROBI KENYA

i) Principal Legal Adviser

The Attorney General

State Law Office

Harambee Avenue

P. O. Box 40112

City Square 00200

Nairobi Kenya

j) County Assembly Attorney

Director - Litigation, Legal Compliance and Legislative Drafting

3. Governance statement

The County Assembly

The County Assembly is constituted by the MCAs of Embu County Government. It is headed by the Speaker who is elected by the MCAs. The speaker is also the chairperson of the county assembly service board while the County Assembly Clerk is the secretary.

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

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

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

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

The County Assembly Executes its mandate, through committees which are broadly classified into two.

a) Select Committees

Select Committees are generally responsible for overseeing the work of government departments and agencies.

b) Sectoral Committees

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

*County Government of Embu
County Assembly of Embu
Annual Report and Financial Statements for the year ended 30 June 2024*

The County Assembly has the following Select and Sectoral Committees.

- a) Finance & Economic Planning.
- b) Administration, Devolution, Public Service, Governance and ICT
- c) Agriculture, Blue Economy, Livestock & Cooperative Development
- d) Health Services
- e) Water, Irrigation, Environment, Climate Change & Natural Resources
- f) Land, Housing and Urban Planning
- g) Energy, Roads, Transport And Public Works
- h) Trade, Tourism And Industrial Development
- i) Youth, Gender, Sports, Culture And Social Services
- j) Education
- k) Implementation
- l) Delegated Legislation
- m) Public Accounts Committee
- n) Public Investment Committee
- o) Public Participation
- p) Budget And Appropriations
- q) Justice and Legal Affairs
- r) Members' Welfare
- s) Ward Equalization
- t) Liaison
- u) Assembly Rules and Business Committee
- v) Powers and Privileges
- w) Appointment
- x) Selection
- y) Cohesion and Intergovernmental Relations
- z) Broadcasting and Library Services
- aa) Ward Representation

a) Committee on Powers and Privileges

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

*County Government of Embu
County Assembly of Embu
Annual Report and Financial Statements for the year ended 30 June 2024*

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

In FY 2023/2024, the Committee held 10 meetings and its members were:

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

b) Audit Committee

The Audit Committee was constituted in January 2021. its mandate is to advise the County Assembly on institutional risk management and compliance. The committee held 4 meetings in the FY ending 2024. the committee members during FY 2024 were:

	Member	Designation
1.	CS Hellen K. Mungania	Chairperson
2.	CPA Paul M. Njue	Member
3.	CPA David Kithaka	Member
4.	Charles K. Mugo	Member
5.	Agnes Ndila	Member
6.	CPA Stephen Kisoi	Secretary

*County Government of Embu
County Assembly of Embu
Annual Report and Financial Statements for the year ended 30 June 2024*

c) Public Accounts Committee

The **Public Accounts Committee** was formed to provide oversight on the County's finances. The committee held thirty seven (37) sittings during the FY 2023/2024 and its membership was as follows:

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

d) Budget and Appropriations Committee

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

During the FY 2023/2024 the Committee held one hundred and ten (110) meetings and Committee members were:

	Member	Designation	Ward
1)	Hon. Johnson Muchangi	Chairperson	Kagaari North
2)	Hon. Maureen Nyaga	V/Chairperson	Nominated
3)	Hon. Mary Kavinda	Member	Nominated
4)	Hon. Samuel Githumbu	Member	Nthawa
5)	Hon. Terry Mbuchi	Member	Kyeni North
6)	Hon. Swaleh Ibrahim	Member	Kirimari
7)	Hon. Peter Muriithi	Member	Mbeti North
8)	Hon. John Mbaka	Member	Mavuria

*County Government of Embu
County Assembly of Embu
Annual Report and Financial Statements for the year ended 30 June 2024*

9)	Hon. Paul Muchangi	Member	Gaturi North
10)	Hon. Philip Nzangi	Member	Makima
11)	Hon. Ndwiga Kariuki Newton	Member	Muminji

e) The Assembly Rules and Business Committee

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

The Committee held 13 meetings in FY 2023/2024 and the Committee members were:

	Member	Designation	Ward
1.	Hon. Hon. Josiah Thiriku	Chairperson	Hon. Speaker
2.	Hon. Peter Muriithi Nyaga	Member	Mbeti North
3.	Hon. John Mbaka	Member	Mavuria
4.	Hon. Swaleh Ibrahim	Member	Kirimari
5.	Hon. Duncan Mbui	Member	Evurore
6.	Hon. Susan Mwendu	Member	Nominated
7.	Hon. Newton Kariuki	Member	Muminji
8.	Hon. Susan Nyaga	Member	Kagaari South
9.	Hon. Phillip Kinyutu Nzangi	Member	Makima

f) Committee on Selection

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

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

The Committee held three (10) meetings in the FY 2023/2024 and its membership consisted of the following members:

	Member	Designation	Ward
1.	Hon. Peter Muriithi Nyaga	Chairman	Mbeti North

County Government of Embu
County Assembly of Embu
Annual Report and Financial Statements for the year ended 30 June 2024

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

g) Committee on Appointments

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

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

The Committee held 6 meetings in FY 2023/2024.

The Committee members during the FY 2023/2024 were:

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

h) Public Investments Committee

The mandate is similar to that of the PAC. The Committee was formed to provide oversight on the County's finances. The committee held 47 sittings and the members who served in the committee during the year were:-

	Member	Designation	Ward
1.	Hon. Masters Leonard Mwaniki	Chairperson	Kiambere
2.	Hon. Philip Kinyutu Nzangi	Vice- Chairperson	Makima
3.	Hon. Mary Igoki Kavinda	Member	Nominated (gender top up)
4.	Hon. Daniel Githinji	Member	Nominated (youth)
5.	Hon. Augustine James Njeru	Member	Nominated (Representing PWD)
6.	Hon. Agnes Wanjiru Gakungugu	Member	Nominated (Gender top up)
7.	Hon. Fredrick Mugendi Gatumu	Member	Gaturi South

i) Committee on Implementation

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

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

- (a) Whether or not such decisions and undertakings have been implemented and where implemented, the extent to which they have been implemented; and whether such implementation has taken place within the minimum time necessary; and
- (b) Whether or not legislation passed by the County Assembly has been operationalised and where operationalised, the extent to which such operationalisation has taken place within the minimum time necessary.

The Committee held 19 meetings in FY 2023/2024 and the Committee members during the year were:

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

*County Government of Embu
County Assembly of Embu
Annual Report and Financial Statements for the year ended 30 June 2024*

j) Members' Welfare

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

The Committee shall be responsible for—

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

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

The Committee held 10 meetings in FY 2022/2023 and the Committee members during the year were:

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

k) Public Participation.

This committee provides guidance on all Public Participation activities as provided for in the Constitution of Kenya. The Committee held 39 meetings in FY 2023/2024 and the Committee members were:

	Member	Designation	Ward
1)	Hon. Susan Mwendu	Chairperson	Nominated
2)	Hon. Muriithi Kiura	v/Chairperson	Mbeti South
3)	Hon. Julius Karuri	Member	Kithimu
4)	Hon. Maureen Kagendo	Member	Nominated
5)	Hon. Johnson Muchangi	Member	Kagaari North

*County Government of Embu
County Assembly of Embu
Annual Report and Financial Statements for the year ended 30 June 2024*

6)	Hon. Susan Wairimu	Member	Kagaari South
7)	Hon. Newton Kariuki	Member	Muminji

l) Justice and Legal Affairs

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

The Committee held 14 meetings in FY 2023/2024 and the Committee members were:

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

m) Ward Equalization Committee

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

The Committee held 15 meetings in FY 2023/2024 and the Committee members were:

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

*County Government of Embu
County Assembly of Embu
Annual Report and Financial Statements for the year ended 30 June 2024*

n) Committee on Cohesion and Intergovernmental Relations

This Committee Oversees matters concerning inter-governmental and inter-county relations and also monitor and promote measures relating to policy and program initiatives in pursuit of peace and national cohesion; The Committee held 12 meetings in FY 2023/2024 and the Committee members during the year were:

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

o) Committee on Broadcasting and Library Services

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

The Committee held 20 meetings in FY 2023/2024 and the Committee members during the year were:

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

p) Committee on Ward Representation

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

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

The Committee held 10 meetings in FY 2023/2024. The Committee members during the FY 2022/2023 were:

	Member	Designation	Ward
1)	Hon. Duncan Mbui	Chairperson	Evurore
2)	Hon. Fredrick Gatumu	Member	Gaturi South
3)	Hon. Masters L. Mwaniki	Member	Kiambeere
4)	Hon. Philip Nzangi	Member	Makima
5)	Hon. Job Itumo	Member	Mwea
6)	Hon. Julius Karuri	Member	Kithimu
7)	Hon. Swaleh Ibrahim	Member	Kirimari
8)	Hon. Terry Mbuchi	Member	Kyeni North
9)	Hon. Edwin Muriithi	Member	Runyenjes Central
10)	Hon. Maurice Macharia	Member	Nginda
11)	Hon. Harrison Muturi	Member	Ruguru Ngandori
12)	Hon. Samuel Njeru Githumbu	Member	Nthawa
13)	Hon. Susan Wairimu Nyaga	V/Chairperson	Kagaari South
14)	Hon. Paul Muchangi Njiru	Member	Gaturi North
15)	Hon. Peter Muriithi Nyaga	Member	Mbeti North
16)	Hon. John Mbaka	Member	Mavuria
17)	Hon. Barnabas Njama	Member	Kieni South
18)	Hon. Newton Kariuki	Member	Muminji
19)	Hon. Johnson Mucangi	Member	Kagaari North
20)	Hon. Muriithi Kiura	Member	Mbeti South

*County Government of Embu
County Assembly of Embu
Annual Report and Financial Statements for the year ended 30 June 2024*

q) Committee on Delegated County Legislation

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

The Committee held 15 meetings in FY 2023/2024 and the Committee members during the year were:

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

r) Liaison Committee

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

The Committee held thirteen (13) meetings in FY 2022/2023. The Committee members during the FY 2022/2023 were:

	Member	Designation	Ward
1)	Hon. Swaleh Ibrahim	Chairperson	Kirimari
2)	Hon. Peter Muriithi Nyaga	Member	Mbeti North
3)	Hon. Susan Wairimu Nyaga	Member	Kagaari South
4)	Hon. Philip Nzangi	Member	Makima
5)	Hon. Maurice Macharia	Member	Nginda
6)	Hon. Job Itumo Munyambo	Member	Mwea
7)	Hon. Samuel Njeru Githumbu	Member	Nthawa
8)	Hon. Barnabas Njama	Member	Kieni South
9)	Hon. Julius Karuri	Member	Kithimu

County Government of Embu
County Assembly of Embu
Annual Report and Financial Statements for the year ended 30 June 2024

10)	Hon. Mary Kavinda	Member	Nominated
11)	Hon. Ann Lilly	Member	Nominated
12)	Hon. Edwin Muriithi	Member	Runyenjes Central
13)	Hon. Newton Kariuki	Member	Muminji
14)	Hon. Yvonne Mati	Member	Nominated
15)	Hon. Paul Muchangi	Member	Gaturi North
16)	Hon. Fredrick Gatumu	Member	Gaturi South
17)	Hon. Maureen K. Nyaga	Member	Nominated
18)	Hon. Agnes Gakungugu	Member	Nominated
19)	Hon. Johnson Muchangi	Member	Kagaari North
20)	Hon. Susan Mwendu	Member	Nominated
21)	Hon. Muriithi Kiura	Member	Mbeti South
22)	Hon. Duncan Mbui	Member	Evurore
23)	Hon. Masters Mwaniki	Member	Kiambeere

SECTORAL COMMITTEES

a) Finance & Economic Planning

This Committee provides guidance on all business emanating from the Finance and Economic Planning. The Committee held 53 meetings in FY 2023/2024 and the membership of the Committee comprised of the following members;

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

County Government of Embu
County Assembly of Embu
Annual Report and Financial Statements for the year ended 30 June 2024

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

The Committee held forty 74 meetings in FY 2023/2024 and its members during the year comprised of the following;

	Member	Designation	Ward
1)	Hon. Philip Nzangi	Chairperson	Makima
2)	Hon. Daniel Githinji	v/Chairperson	Nominated
3)	Hon. Terry Mbuchi	Member	Kyeni North
4)	Hon. Johnson Muchangi	Member	Kagaari North
5)	Hon. Agnes Gakungugu	Member	Nominated
6)	Hon. Ibrahim Swaleh	Member	Kirimari
7)	Hon. Jane Njued	Member	Nominated

c) Agriculture, Blue Economy, Livestock & Cooperative Development

The Committee held 57 meetings in FY 2023/2024 and the membership of the Committee comprised of the following;

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

d) Health Services

The Committee held 63 meetings in FY 2023/2024 and the membership of the Committee during the year consisted of the following members;

	Member	Designation	Ward
1)	Hon. Job Itumo	Chairperson	Mwea
2)	Hon. Julius Karuri	V/Chairperson	Kithimu
3)	Hon. Ibrahim Swaleh	Member	Kirimari

County Government of Embu
County Assembly of Embu
Annual Report and Financial Statements for the year ended 30 June 2024

4)	Hon. Jane Njued	Member	Nominated
5)	Hon. Paul Muchangi	Member	Gaturi North
6)	Hon. Agnes Gakungugu	Member	Nominated
7)	Hon. John Mbaka	Member	Mavuria

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

The Committee held 24 meetings in FY 2023/2024 and the membership of the committee consisted of the following members;

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

f) Lands, Housing and Urban Planning

The Committee held 35 meetings in FY 2023/2024 and the membership of the Committee during the year consisted of the following;

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

County Government of Embu
County Assembly of Embu
Annual Report and Financial Statements for the year ended 30 June 2024

g) Energy, Roads, Transport and Public Works

The Committee held twenty 36 meetings in FY 2023/2024 and the Committee membership in year consisted of the following members.

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

h) Trade, Tourism And Industrial Development

The Committee held thirty 69 meetings in FY 2023/2024 and the membership of the committee during the year consisted of the following members;

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

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

The Committee held 50 meetings in FY 2022/2023 and the membership of the Committee during the year consisted of the following membership.

	Member	Designation	Ward
1)	Hon. Mary Kavinda	Chairperson	Nominated
2)	Hon. Susan Mwendu	v/Chairperson	Nominated
3)	Hon. Maureen Kagendo	Member	Nominated

*County Government of Embu
County Assembly of Embu
Annual Report and Financial Statements for the year ended 30 June 2024*

4)	Hon. Susan Wairimu	Member	Kagaari South
5)	Hon. Muriithi Kiura	Member	Mbeti South
6)	Hon. Yvonne Mati	Member	Nominated
7)	Hon. Duncan Mbui	Member	Evurore

j) Education

The Committee held 48 meetings in FY 2023/2024 and the membership of the committee during the year consisted of the following members.

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

Communication with Stakeholders

The County Assembly is committed to ensuring that all its stakeholders are provided with full and timely information about its programmes and performance. There are also given an opportunity to give feedback. In the FY 2023/2024, the County Assembly had a myriad of communications with most of her stakeholders. These included the NT, County Treasury, OCOB, OAG, KRA, EACC, PPRA, LapFund, LapTrust, NHIF, and NSSF.

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

The County assembly engaged in approval of the CIDP 2023-2027 which was subjected to public participation on 19th June 2023.

Risk Management

The establishment of the internal audit department at the inception of the county assembly and the subsequent audit committee 2021 has ensured that the Assembly is able to manage its risks and have checks

to its internal control systems. Its also in the process of developing a risk management policy in order to identify the risks, analyze, evaluating, treatment, monitor and reviewing risks facing the County Assembly.

Compliance

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

Subsequently all reports from external bodies forwarded to the CA have been implemented and necessary recommendations adopted.

4. Foreword by the Clerk of the Assembly

The year under review was an electioneering year and the Assembly witnessed the coming to an end of the 2nd Assembly and installation of the 3rd Assembly. The Assembly operations were never affected by the transition though there were increased activities emanating from orientation of the new members of the County Assembly. The performance of the County Assembly in the year under review was as follows;

(i) Budget Performance

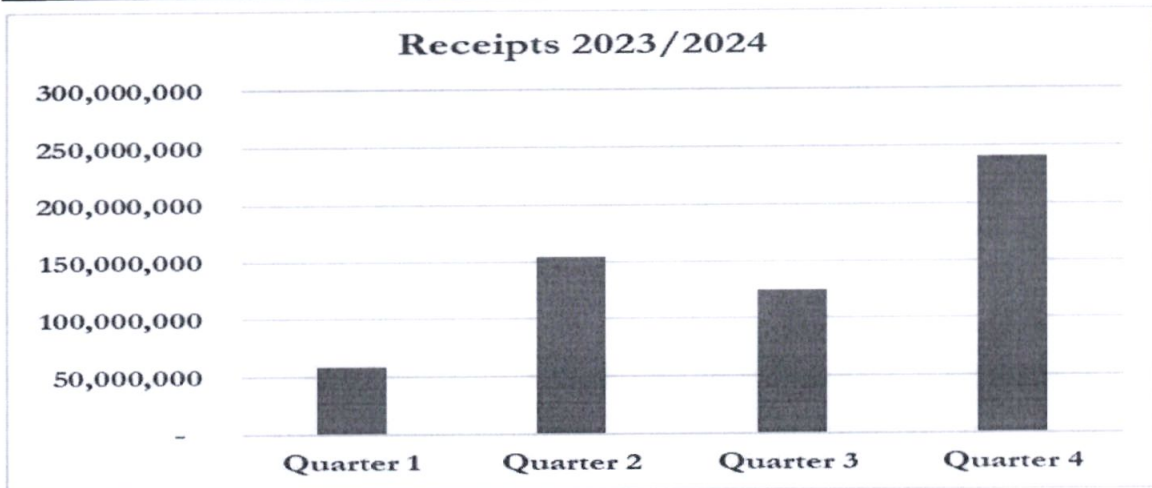
In the financial year 2023/2024 the County Assembly had a combined budget implementation rate of **89%**. This was an average of **88%** on the Recurrent budget and **97%** on the Development budget. Delays in release of funds from the National Government meant that **Kshs. 74,215,777** of the recurrent budget and **787,244** of the development budget had not been received by the end of the financial despite making the necessary requisition for the same.

On Development Account the main County Assembly project is the Construction of the Office Complex and though the project is a multi year project there was no pending Certificate as at 30th June 2024. It is also worth noting that the Construction of the Office Complex and Chambers contract price is Kshs. 349,707,101. Out of this Kshs 170,656,841 has already been paid with the remaining balance of Kshs. 179,050,260 set to be paid in the next 2 years.

Receipts

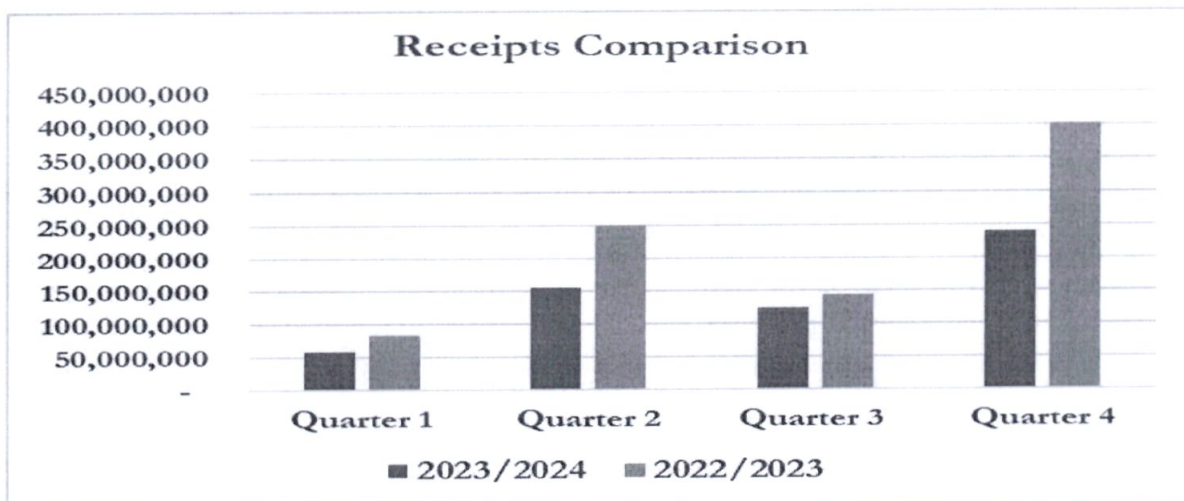
In overall the County Assembly received Kshs. 579,019,269 against a total budget of Kshs. 654,021,950. The County Assembly received Kshs. 549,806,513 of its Recurrent Budget against total budgeted amount of Kshs. 624,021,950 meaning that the County Assembly was able to receive **88%** of its recurrent Budget while in Development the Assembly received Kshs. 29,212,756 against a budget of Kshs. 30,000,000 which was 97% of the total budget amount.

The receipts were received in 4 quarters as follows



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

Compared with the financial year 2022/2023 the trends of receipts were as follows

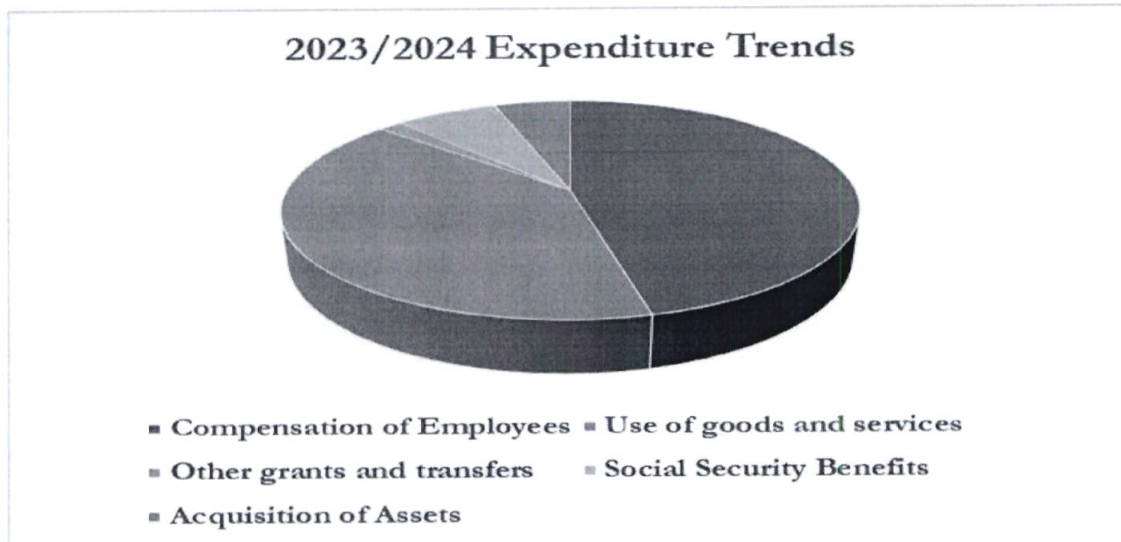


Payments

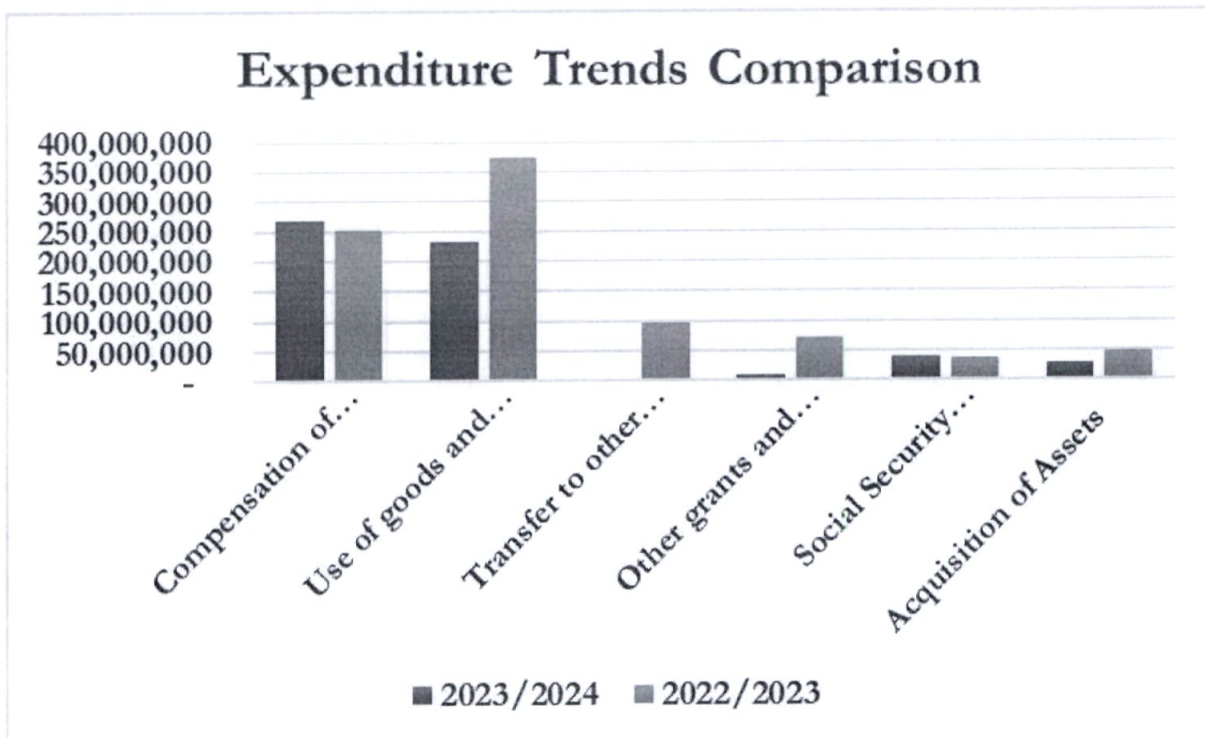
On Compensation to Employees the County Assembly spent Kshs 267,437,846 against a budget of Kshs. 298,291,258 being 90%. On the Use of goods and services, the actual expenditure was Kshs. 233,940,799 against a budget of 270,650,056 which was 86 % budget utilization.

Similarly, The County Assembly spent Kshs. 8,848,000 on other Grants and transfers against a budget of Kshs. 8,848,000 meaning there was 100% execution of budget under this vote.

The County Assembly spent Kshs. 39,393,477 on Social Security Benefits against a budget of 45,670,436. This was also 86 % of the budget. On acquisition of Assets the County Assembly spent Kshs. 29,398,706 against a budget of 30,562,100 which was a budget performance rate of 96%.



In comparison with the financial year 2022/2023 the expenditure trends were as follows



2.2 OPERATIONAL PERFORMANCE

During this financial year 2023/2024 different committees of the Assembly continued discharging their mandates as follows

COMMITTEE	REPORTS SUBMITTED AND ADOPTED
Public Participation	<p>i) Report of Public Participation for the Budget Estimates for the FY 2023/2024 tabled and adopted on 27th February 2024.</p> <p>ii) Report of Public Participation forums for the County Integrated Development Plan (CIDP) 2023-2-27 tabled and adopted on 27th February 2024.</p> <p>iii) Report of the Committee on Public Participation on the Considerations of the Views From The Embu County Public Participation in Governance Bill, 2023 tabled on 18th October 2024</p>
Public Investments	<p>(i) Report of the Public Investments Committee on the Report of the Auditor General on the Financial Statements of Embu Water and Sanitation Company for the Period Ended 30th June, 2019 tabled on 5th December, 2023 and adopted on 6th December, 2023.</p> <p>(ii) Report of the Public Investments Committee on the Report of the Auditor General on the Financial Statements of Embu Water and Sanitation Company for the Period Ended 30th June, 2020 tabled on 5th December, 2023 and adopted on 6th December, 2023.</p> <p>(iii) Report of the Public Investments Committee on the Report of the Auditor General on the Financial Statements of Embu Water and Sanitation Company for the Period Ended 30th June, 2021 tabled on 5th December, 2023 and adopted on 6th December, 2023</p>
Public Accounts	<p>1) Report on Auditor General's report on Financial Statements of the Embu County Executive Car Loan and Mortgage (Committee Members) for the years ended 30th June 2019, 30th June 2020 and 30th June 2021 tabled on 15th August 2023 and adopted on 26th September, 2023.</p> <p>2) Report on Auditor General's Report on Financial Statements of the County Executive of Embu for the year ended 30th June 2020 tabled on 8th November, 2023 and adopted on 21st November, 2023</p>

*County Government of Embu
County Assembly of Embu
Annual Report and Financial Statements for the year ended 30 June 2024*

	<p>3) Report on Auditor General’s Report on Financial Statements of the County Executive of Embu for the year ended 30th June 2021 tabled on 8th November, 2023 and adopted on 22nd November, 2023</p> <p>4) Report on Auditor General’s Report on Financial Statements of the County Executive of Embu for the year ended 30th June 2022 tabled on 8th November, 2023 and adopted on 28th November, 2023</p> <p>5) Report of the Public Accounts Committee on the OAG Report of the County Executive Members Car Loan Mortgage for the Years ended 30th June 2020 and 2021 tabled on 15th September 2023</p>
<p>Budget and Appropriation</p>	<p>1) Report of the Budget and Appropriations Committee on the Embu County Government Second Supplementary Budget Estimates of Revenue and Expenditure for The Financial Year 2022/2023.</p> <p>2) Report of the Budget and Appropriations Committee on the Embu County Government County Integrated Development Plan-2023-2027 adopted on 4th July 2023.</p> <p>3) Report of the Budget and Appropriations Committee on the Embu County Government Annual Development Plan Financial Year 2023/2024 tabled on 12th July 2023</p> <p>4) Report of the Budget and Appropriations Committee on the Embu County Government the Embu County Fiscal Strategy Paper FY-2023/2024 adopted 25th July 2023.</p> <p>5) Report of the Budget and Appropriations Committee on the Embu County Government Budget Estimates Financial Year 2023/2024 adopted 16th August 2023</p> <p>6) Report of the Budget and Appropriations Committee on the Embu County Government Annual Development Plan Financial Year 2024/2025 adopted on 6th December 2023</p> <p>7) Report of the Budget and Appropriations Committee on the Embu County Government First Supplementary Budget Estimates FY 2023/2024.</p> <p>8) Report of the Budget and Appropriations Committee on the Embu County</p>

*County Government of Embu
County Assembly of Embu
Annual Report and Financial Statements for the year ended 30 June 2024*

	Government Fiscal Strategy Paper FY-2023/2024 and the Medium-Term Framework
Trade Tourism and Industrial Development	<p>1) Report on the Dynamics of Sale, distribution, Brand Authenticity, and Liquor Licensing in Embu County tabled on 4th October and adopted on 7th November, 2023</p> <p>2) Report on the Implementation Status of the County Budget for the Financial Year 2023/2024 for the Quarter Ended 30th September 2023 adopted on 6th December 2023</p> <p>3) Report of the committee on Trade, Investment, Tourism, Industrial Development and Marketing on the public participation of the Embu County Alcoholic Drinks Control (amendment) Bill, 2023- Submitted to the County Assembly to inform debate during the 2nd reading</p>
Agriculture, Co-operative development, Livestock and Blue-Economy	<p>1) Report of the Committee on the Budget Implementation Status for the first quarter ended 30th September, 2023 tabled on 5th December, 2023 and adopted on 6th December, 2023</p> <p>2) Report on the Embu County Abattoirs Management Bill, 2024 for the memorandum of reasons from the Governor</p>
Committee on Education	<p>1) Report on the Annual Report on the Financial Statements of Embu County Education Support Fund for the Year Ended 30th June 2022 tabled on Tuesday 11th April, 2023 and adopted on 18th April 2023.</p> <p>2) Report on the Quarterly Report and Financial Statements of Embu County Education Support Fund for the Quarter Ended 31st December 2022 tabled on 4th October 2023.</p> <p>3) Report on the Appointment of the Embu County and Ward Education Support Fund Committees tabled on 4th October 2023.</p> <p>4) Report on the status of County Budget Implementation for the Quarter ended 30th September 2023 tabled on 5th December 2023(adopted on 6th December 2023.</p> <p>5) Report of the Committee on Education on the Quarterly Report and Financial Statements of Embu County Education Support Fund for the Quarter Ended 31st March 2023 tabled on 27th February 2024.</p> <p>6) Report of the Committee on Education on the Review and Findings of the Bursary</p>

County Government of Embu
County Assembly of Embu
Annual Report and Financial Statements for the year ended 30 June 2024

	Disbursement for the 2022/2023 Financial Year in Embu County tabled on 27 th February 2024
Water, Irrigation, Environment, Climate Change and Natural Resources	1) Report of the Committee on the implementation status of the Department's Budget for the 1 st Quarter ended 30 th September, 2023 tabled on 5 th December, 2023 and on 6 th December, 2023 2) Report of the Committee on Operations and Status of Water Companies in Embu County tabled on 27 th February 2024 and adopted 16 th April, 2024.
Roads, Energy, Transport and Public Works	Report of the Committee on the implementation status of the Department's budget for the 1 st Quarter ended 30 th September 2023 tabled on 5 th December 2023 and adopted on 6 th December 2023
Gender, Youth, Sports, Culture and Social Services	1) Report on the Implementation of the Budget for the First Quarter Ended 30 th June, 2023 tabled on 5 th December 2023 and Adopted on 6 th December 2023. 2) Committee Report on the Memorandum of Reasons on Embu County Sexual and Gender Based Violence Bill, 2023 from 22 nd to 25 th January 2024. 3) Committee Report on pre-publication scrutiny of the proposed Embu County Establishment of Rescue Centre Bill, 2023 from 25 th to 26 th March 2024.
Health Services	1) Report on the approval consideration of the nominees for the positions of County Chief Officers for the Health Services adopted on 21 st December 2022. 2) Report of the Committee on Health Services on Responses to Questions Sought Regarding Health Facilities in Muminji and Evurore Wards tabled in this Assembly on Wednesday 22 nd March, 2023. Budget Implementation Report for the Quarter ended 30 th September, 2023. The report was tabled on 5 th December, 2023 and adopted on 6 th December, 2023
Finance and Economic Planning	1) Budget Implementation Report for the Quarter ended 30 th September, 2023. The report was tabled on 5 th December, 2023 and adopted on 6 th December, 2023 2) Report of the Sectoral Committee on Finance and Economic Planning on Vetting of the Chairperson Embu County Revenue Authority tabled on 26 th January 2024
Lands, physical Planning, Housing and Urban Planning	1) Budget Implementation Report for the Quarter ended 30 th September, 2023. The report was tabled on 5 th December, 2023 and adopted on 6 th December, 2023

*County Government of Embu
County Assembly of Embu
Annual Report and Financial Statements for the year ended 30 June 2024*

Administration, Devolution, Public Service Devolution and ICT	<p>1) Report of the Selection Panel for the nominees for member of the County Public Service Board adopted on 26th January 2024.</p> <p>2) Report on the Embu County Laws Compliance and Enforcement Bill, 2024 adopted on 17th April 2024.</p> <p>3) Report on Consideration of views from members of Public on the Embu County Laws Compliance and Enforcement Bill, 2024 adopted on Wednesday, 17th April 2024.</p> <p>4) The Report of the Sectoral Committee on Administration, Devolution, Public Service, Governance and ICT on the vetting of two nominees to the positions of member of the Embu County Public Service Board adopted on Wednesday, 5th June 2024</p> <p>5) Report on the Annual County Public Service Board for the Year ended 31st December 2022 tabled on 25th April 2023 and adopted on 15th August 2023</p> <p>6) Report on County Staff Who Were sent on Compulsory Leave in 2022 tabled on 21st February 2023 and adopted on 6th March 2023.</p> <p>7) Report on Status of Public Officers who have since been appointed to positions of County Executive Committee Members and County Chief Officers tabled and adopted on 21st February 2023 and adopted on 6th March 2023.</p> <p>8) Report on the First Quarter Implementation of County Budget for the FY 2023/24 tabled and adopted in the Assembly on 5th December 2023.</p>
Implementation	<p>Report of the Standing Committee on Implementation on Implementation of the Resolutions Contained in the Report on Status of the Embu County Ambulances tabled in the County Assembly on 27th February 2024</p>
Liaison	<p>Report of the Liaison Committee on Select Committees' Progress Reports for the Half Year Ended 30th June, 2023, tabled on 8th November 2023</p> <p>Report of the Liaison Committee on Select Committees' Sessional Reports for the year ended 31st December, 2023 tabled on 30th April 2024.</p>

(ii) Performance of Key Development Projects

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

i. Construction of Office complex and Chambers-

This project was started on 2019 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.

So far, out of the Kshs. 349,707,101. which was the contract price for this project, the County Assembly has spent/paid 170,656,841 to the Contractor and the remaining balance of Kshs. 179,050,260 is projected to be supplied in budget in the next 2 years.

Other projects included in the CIDP but not yet started includes

ii. 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.

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

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

(iii) Value for money Achievement

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

- a) Improved office image
- b) Additional space in the public gallery for members of the public attending plenary sessions
- c) Employment opportunities during the development stages of the project

Furthermore the County Assembly of Embu has always endeavored to initiate programmes and project that will have impact on the intended recipients and at the same achieve value for the money invested in those projects.

- a) With the Construction of the Office Complex and the Chambers it is expected that Members office and staff office currently being hosted at the rented town office will be accommodated in the New building thereby cutting the costs of rent paid for the Town offices.

There will also saving in time resources currently spent by Members and Officers while moving from the Headquarters to the Town offices and back.

- b) Renovations of the Assembly also ensured that Members and Officers are in a conducive environment while conducting the house businesses. This in the long run will increase their productivity thereby improving the overall performance of the County Assembly.

v) Challenges and Recommended Way Forward

In implementation of its capital projects the County Assembly was faced with myriad of challenges which has led to delayed delivery of these projects. 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 2023/24 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.

- b) Constrained budget allocations e.g office complex
- c) Delayed approvals in the budget

Moving forward the County Assembly has laid in place strategies as stipulated in its strategic plan to ensure that the Assembly is able to deliver on its mandates and be able to achieve its vision as a model County Assembly in the region. This measures includes

Setting up the necessary Committees on Public participation, Members' Welfare, staff welfare etc

The Committees have the mandates to ensure that all needs and requirements in their areas of concern are put in place to ensure compliance.

Sign

Jim G. Kaunda
Clerk of the County Assembly

5. Statement of Performance against County Assembly Predetermined Objectives

Strategic development objectives

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

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 2023/2024

Program 1	Objective	Outcome	Indicator	Performance
General Administration, Planning and Support Services	Enhanced professional development of MCAs – Provide ongoing professional development of MCAs	Increased ability of MCA in legislation	No of bills passed in the County Assembly	In FY 2023/2024 MCA’s and some staff attended 22 different workshops and seminars
	Enhanced professional development of MCAs – Review standing orders	Review standing orders	% increase in efficient Assembly operation	6 standing orders were reviewed
	Provision of AIE support to other Departments	Improved performance of the Members in Conduction of the Assembly Business	Number of meetings held by the Committees	In the Financial year an accumulated 192 meetings were held by the Committees
	Enhance professionalism , build human resource capacity and provide effective services to the legislature to enable it	Prompt production of management reports	No. of reports generated	46 reports from various departments and directorates

*County Government of Embu
County Assembly of Embu
Annual Report and Financial Statements for the year ended 30 June 2024*

	meet its constitutional mandate			
P2 County Assembly Infrastructure Improvement	Provide conducive environment to all stakeholders in the Assembly to work in for effective service delivery	Increased performance by all stakeholders in delivery of services	Construction of New chamber and modern offices	Completion rate of the office complex and chamber moved from 40.4% to 48.8%
	Provide conducive environment to all stakeholders in the Assembly to work in for effective service delivery	Increased performance by all stakeholders in delivery of services	Completion of the Renovation works on the Leadership Offices which included office of the Speaker, Deputy Speaker, Leader of Majority and Minority	Leadership offices completed and inhabitable now.

6. Corporate Social Responsibility Statement/Sustainability Reporting

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

a) Sustainability Strategy and Profile

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

This will capture the strategic direction of the assembly.

b) Environmental performance

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

c) 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 Commission on Revenue Allocation provides the establishment for the Assembly through its circulars.

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

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

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

d) Market place practices

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

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

To maintain better supplier relations, all procured goods and services in the assembly are immediately paid when suppliers deliver them and all the necessary documents are availed. This has made the assembly to have steady and reliable suppliers throughout.

e) Community engagements

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

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

7. Statement of Management Responsibilities

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

The Clerk of the County Assembly is responsible for the preparation and presentation of the County Assembly's financial statements, which give a true and fair view of the state of affairs of the County Assembly for the year ended June 30, 2024. This responsibility includes:

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

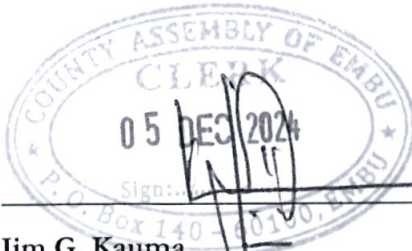
The Clerk accepts responsibility for the County Assembly's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Clerk is of the opinion that the County Assembly's financial statements give a true and fair view of the state of the County Assembly's transactions for the year ended June 30, 2024, and of its financial position as at that date. The Clerk further confirms the completeness of the accounting records maintained for the County Assembly which have been relied upon in the preparation of its financial statements as well as the adequacy of the systems of internal financial control.

The Clerk confirms that the County Assembly has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the County Assembly's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Clerk confirms that the County Assembly's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

*County Government of Embu
County Assembly of Embu
Annual Report and Financial Statements for the year ended 30 June 2024*

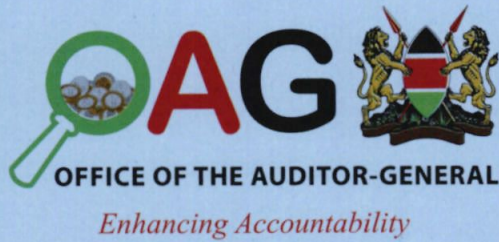
Approval of the financial statements

The County Assembly's financial statements were approved and signed by the Clerk of the County Assembly on 05/12/2024 2024



Jim G. Kauma
Clerk of the County Assembly

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 FOR THE YEAR ENDED 30 JUNE, 2024

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.
- 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.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of County Assembly of Embu set out on pages 1 to 29, which comprise the statement of financial assets and liabilities as

at 30 June, 2024 and the statement of receipts and payments, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 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 County Assembly of Embu as at 30 June, 2024 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 County Governments Act, 2012 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unconfirmed Cash and Cash Equivalents

The statement of financial assets and liabilities reflects cash and cash equivalents balance of Kshs.25,025,510 being bank balances held in six (6) bank accounts as disclosed in Note 8 to the financial statements. However, bank account numbers for three (3) bank accounts with balances totalling Kshs.24,864,881 were not disclosed.

In the circumstances, the accuracy and completeness of cash and cash equivalents balance of Kshs.25,025,510 could not be confirmed.

2. Unsupported Fuel, Oil and Lubricants

The statement of receipts and payments reflects use of goods and services amount of Kshs.233,940,799 which includes fuel, oil and lubricants amount of Kshs.2,418,330 as disclosed in Note 3 to the financial statements. Review of fuel records revealed that the County Assembly paid an amount of Kshs.500,000 to a fuel service station for supply and delivery of fuel meant for standby generator. However, fuel register reconciling the fuel drawn was not provided for audit review. Therefore, it was not possible to confirm the quantity of fuel drawn and utilized.

In addition, review of motor vehicle work tickets, delivery notes and fuel registers revealed that fuel valued at an amount of Kshs.84,713 was recorded in fuel registers but, not accounted for in motor vehicle work tickets.

In the circumstances, the accuracy and completeness of fuel, oil and lubricants amount of Kshs.2,418,330 could not be confirmed.

The audit was conducted in accordance with International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the County Assembly of Embu Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.654,021,950 and Kshs.579,019,269, respectively, resulting in an under-funding of Kshs.75,002,681 or 12% of the budget. Similarly, the County Assembly spent an amount of Kshs.579,018,829 against actual receipts of Kshs.579,019,269, resulting in an under-utilization of Kshs.440 of the budget.

The underfunding delayed the overall performance of the County Assembly and may have affected service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Audit Issues

In the report of the previous year, several issues were raised under Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Control, Risk Management and Governance. However, Management has not provided evidence of how the issues were resolved.

Other Information

The Management is responsible for the Other Information set out on page i to xxxix which comprise of Project Information and Overall Performance, Statement of Performance against the County Assembly's Predetermined Objectives, Environmental and Sustainability Reporting and Statement of County Assembly's Management responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit of the County Assembly of Embu 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 and I am required to report that fact. I have nothing to report in this regard.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Non-Remittance of Provident Fund and Pension Scheme Deductions

The statement of receipts and payments reflects social security benefits amount of Kshs.39,393,477 which includes Government Pension and retirement benefits amount of Kshs.35,729,560 as disclosed in Note 6 to the financial statements. However, review of retirement benefit records revealed that Local Authority Provident Fund and Local Authority Pension Trust Fund benefits amounting to Kshs.11,864,777 were remitted late while deductions for an amount of Kshs.15,804,580 had not been remitted. This was contrary to 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.

2. Non-Compliance with the Law on Staff Ethnic Composition

Review of payroll revealed that thirty-nine (39) or 50% out of the seventy-eight (78) County Assembly staff on Job groups J – T were from a dominant ethnic group in the County. This was contrary to section 7 (2) of the National Cohesion and Integration Act, 2008 which states that no public establishment shall have more than one third of its staff from the same ethnic community.

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

3. Irregular Payment of Subscriptions

Review of records provided revealed that an amount of Kshs.750,000 was paid to County Assembly Forum and Society of Clerks at the Table. However, there is no law which was provided to support the regularity of these payments contrary to Section 38(1) 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.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Lack of an Audit Committee

Review of records in respect to Internal Audit Department revealed that the Internal Audit Committee was not in place and Management has not made any effort to establish the same as part of governance and oversight activities. Although the Internal Audit Department was in existence, there were no approved Internal Audit Charter, Audit Plan and Audit Reports on areas reviewed by the internal audit during the year. Further, Management did not provide for audit any quarterly or annual internal audit reports and no follow-up on the implementation of the recommendations of internal and external auditors.

In the circumstances, reasonable assurance on the risk management, control and governance could not be confirmed.

2. Lack of Disaster Recovery Plan

The County Assembly did not have in place an approved Disaster Recovery Plan therefore, the Assembly might not be able to recover if a disaster occurs. Further, there was no approved Information Communication Technology (ICT) Strategic Plan, back up and retention strategy which could result in ICT governance, as part of enterprise governance, not being adequate. In addition, no evidence was provided to show that the entity has in place a training program to build ICT capacity which could result in ICT function failing to meet operations as well as creating reliance on key staff members.

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

3. Lack of Risk Management Policy

Review of policy documents of the County Assembly revealed that Management 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. This was contrary to Regulation 158 of the Public Finance Management (County Governments) Regulations, 2015 which states that the Accounting Officer shall ensure that the county government entity develops risk management strategies, which include fraud prevention mechanism; and (b) the county government entity develops a system of risk management and internal control that builds robust business operations.

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

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

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

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

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

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

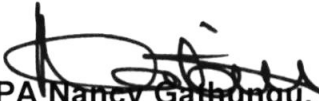
Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi


19 December, 2024

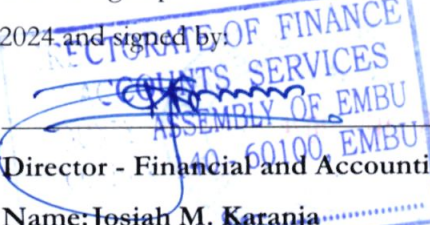
County Government of Embu
 County Assembly of Embu
 Annual Report and Financial Statements for the year ended 30 June 2024

9. Statement of Receipts and Payments for the year ended 30th June 2024

		2023/2024	2022/2023
	Note	Ksh	KShs
Receipts			
Transfers from CRF	1	579,019,269	880,026,980
Proceeds from Sale of Assets			
Other Receipts			
Total Receipts		579,019,269	880,026,980
Payments			
Compensation of Employees	2	267,437,846	252,112,264
Use of goods and services	3	233,940,799	373,437,011
Subsidies			
Transfers to Other Government Entities	4		97,000,000
Other grants and transfers	5	8,848,000	71,757,560
Social Security Benefits	6	39,393,477	36,617,347
Acquisition of Assets	7	29,398,706	47,728,000
Other Payments			
Total Payments		579,018,829	878,652,182
Surplus/Deficit		440	1,374,798

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 05/12 2024 and signed by:


 Clerk of the Assembly
 Name: Jim Kauma


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

County Government of Embu
 County Assembly of Embu
 Annual Report and Financial Statements for the year ended 30 June 2024

10. Statement of Financial Assets and Liabilities as at 30th June 2024

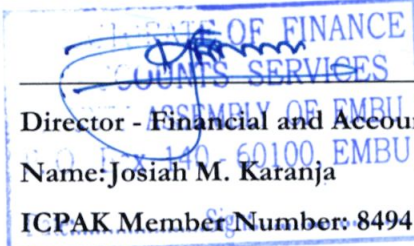
		2023/2024	2022/2023
		Kshs	KShs
Financial Assets	Note		
Cash and Cash Equivalents			
Bank Balances	8	25,025,510	21,732,393
Cash Balances			
Total Cash and cash equivalents		25,025,510	21,732,393
Accounts receivables - outstanding Imprests			
Total Financial Assets		25,025,510	21,732,393
Financial Liabilities			
Accounts Payables – Deposits and Retentions	9	25,025,070	20,219,415
Net Financial Assets		440	1,512,978
Represented by			
Fund balance b/fwd	10	1,512,978	138,589
Surplus/Deficit for the year		440	1,374,798
Refund of Unspent Balances	11	(1,512,978)	(409)
Net Financial Position		440	1,512,979

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

The financial statements were approved on 05/12/24 2024 and signed by:


 Clerk of the Assembly

Name: Jim Kauma


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

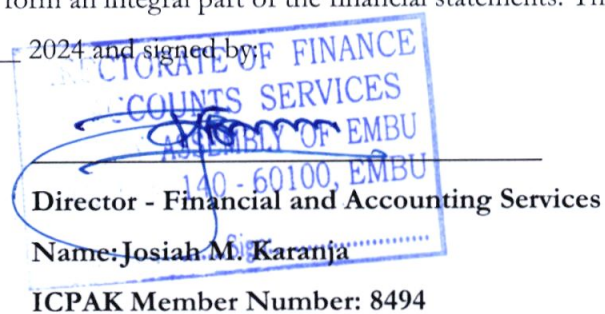
County Government of Embu
 County Assembly of Embu
 Annual Report and Financial Statements for the year ended 30 June 2024

11. Statement of Cash Flows for the period ended 30th June 2024

	Note	2023/2024 Kshs	2022/2023 KShs
Cashflows from operating activities			
Receipts from operating income			
Transfers from the County Treasury	1	579,019,269	880,026,980
Other Receipts			
Payments for operating expenses			
Compensation of Employees	2	(267,437,846)	(252,112,264)
Use of goods and services	3	(233,940,799)	(373,437,011)
Transfer to Other Government Entities	4		(97,000,000)
Other Grants and Transfers	5	(8,848,000)	(71,757,560)
Social Security Benefits	6	(39,393,477)	(36,617,347)
Adjusted for:			
Returns to CRF - CBK Recurrent Account		(1,512,978)	(409)
CBK - Development Account		-	0
Co-op Bank Operations Account			
Decrease/(Increase) in Accounts receivable:			
Increase/(Decrease) in Accounts Payable:		4,805,655	2,826,262
Net cash flows from operating activities		32,691,823	51,928,651
Cashflows from Investing Activities			
Proceeds from Sale of Assets			
Acquisition of Assets	7	(29,398,706)	(47,728,000)
Net cash flows from investing activities		(29,398,706)	(47,728,000)
Net increase in cash and cash equivalents		3,293,117	4,200,651
Cash and cash equivalent at the start of the year		21,732,393	17,531,743
Cash and cash equivalent at end of the year		25,025,510	21,732,393
As per statement of Assets		25,025,510	21,732,393

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 05/12/2024 and signed by:


 Clerk of the Assembly
 Name: Jim Kauma



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

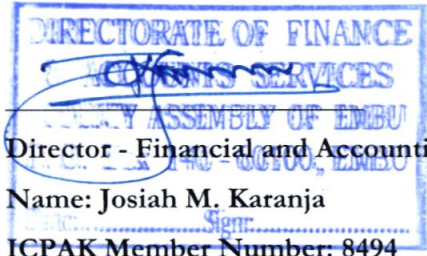
County Government of Embu
 County Assembly of Embu
 Annual Report and Financial Statements for the year ended 30 June 2024

12. Statement of Comparison of Budget & Actual Amounts: Recurrent and Development for the year ended 30th June 2024

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% Utilization difference
	a	b	c=a+b	d	e=c-d	f=d/c%
	KShs	KShs	Kshs	Kshs	Kshs	
Receipts						
Transfers from the CRF	654,021,950	-	654,021,950	579,019,269	75,002,681	89
Total	654,021,950	-	654,021,950	579,019,269	75,002,681	89
Payments						
Compensation of Employees	303,142,758	(4,851,500)	298,291,258	267,437,846	30,853,412	90
Use of goods and services	236,500,656	34,149,400	270,650,056	233,940,799	36,709,257	86
Subsidies						
Transfers to Other						
Other grants and transfers	18,848,000	(9,999,900)	8,848,100	8,848,000	0	100
Social Security Benefits	45,670,436	-	45,670,436	39,393,477	6,276,959	86
Acquisition of Assets	49,860,100	(19,298,000)	30,562,100	29,398,706	1,163,394	96
Total	654,021,950	-	654,021,950	579,018,829	75,003,021	89
Surplus/deficit	-	-	-	440	(340)	

The entity financial statements were approved on 05/12/2024 2024 and signed by:


 Clerk of the Assembly
 Name: Jim G. Kauma



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

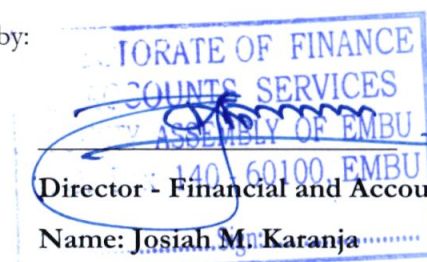
County Government of Embu
 County Assembly of Embu
 Annual Report and Financial Statements for the year ended 30 June 2024

12 A. Statement of Comparison of Budget & Actual Amounts: Recurrent for the year ended 30th June 2024

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% Utilization difference
	a	b	c=a+b	d	e=c-d	f=d/c%
	KShs	KShs	Kshs	Kshs	Kshs	
Receipts						
Transfers from the CRF	614,021,950	10,000,000	624,021,950	549,806,513	74,215,437	88
Total	614,021,950	10,000,000	624,021,950	549,806,513	74,215,437	88
Payments						
Compensation of Employees	303,142,758	(4,851,500)	298,291,258	267,437,846	30,853,412	90
Use of goods and services	236,500,656	34,149,400	270,650,056	233,940,799	36,709,257	86
Subsidies						
Transfers to Other Gove						
Other grants and transfers	18,848,000	(9,999,900)	8,848,100	8,848,000	0	100
Social Security Benefits	45,670,436		45,670,436	39,393,477	6,276,959	86
Acquisition of Assets	9,860,100	-9,298,000	562,100	185,950	376,150	33
Total	614,021,950	10,000,000	624,021,950	549,806,073	72,215,777	88
Surplus/deficit						

The entity financial statements were approved on 05/12/2024 2024 and signed by:


 Clerk of the Assembly
 Name: Jim G. Kauma


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

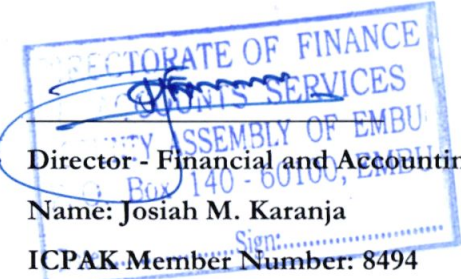
County Government of Embu
 County Assembly of Embu
 Annual Report and Financial Statements for the year ended 30 June 2024

12 B. Statement of Comparison of Budget & Actual Amounts: Development for the year ended 30th June 2024

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% Utilization difference
	a	b	c=a+b	d	e=c-d	f=d/c%
	KShs	KShs	Kshs	Kshs	Kshs	
Receipts						
Transfers from the CRF	40,000,000	(10,000,000)	30,000,000	29,212,756	787,244	
Total						
Payments	40,000,000		30,000,000	29,212,756	787,244	
Compensation of Employees						
Use of goods and services						
Subsidies						
Transfers to Other Government Entities						
Other grants and transfers						
Social Security Benefits						
Acquisition of Assets	40,000,000	(10,000,000)	30,000,000	29,212,756	787,244	
Total	40,000,000	(10,000,000)	30,000,000	29,212,756	787,244	
Surplus/deficit						

The entity financial statements were approved on 05/12 2024 and signed by:


 Clerk of the Assembly
 Name : Jim G. Kauma


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

13. Budget Execution by Programmes and Sub - Programmes

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference	% Budget Utilization
	2023/2024	2023/2024	2023/2024	2023/2024	2023/2024	2023/2024
	KShs	KShs	KShs	KShs	KShs	Kshs.
General Administration, Planning and Support Services	539,777,327	16,075,231	555,852,558	490,135,189	65,717,369	88
Compensation to employees	269,797,055	(4,317,835)	265,479,220	238,019,683	27,459,537	90
Use of goods	210,485,584	30,392,966	240,878,550	208,207,311	32,671,239	86
Transfers to other government entities						
Grants and other transfers	18,848,000	(9,999,900)	8,848,100	8,848,000	100	100
Social Security Benefits	40,646,688		40,646,688	35,060,195	5,586,493	86
County Assembly Infrastructure Improvement	114,244,623	(16,075,231)	98,169,392	88,883,639	9,285,753	91
Compensation to employees	33,345,703	(533,665)	32,812,038	29,418,163	3,393,875	90
Use of goods	26,015,072	3,756,434	29,771,506	25,733,488	4,038,018	86
Social Security Benefits	5,023,748		5,023,748	4,333,282	690,466	86
Capital Expenditure	49,860,100	(19,298,000)	30,562,100	29,398,706	1,163,394	96
Grand Total	654,021,950		654,021,950	579,018,829	75,003,121	89

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.

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 30th June 2024, this amounted to Kshs. 17,248,414 as compared to KShs 15,741,725 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.

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 fulfillment 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 28th July 2023 for the period 1st July 2023 to 30 June 2024 as required by law. There was two Supplementary budget passed in the year. The first supplementary budget was approved on 9th January 2024 while the second supplementary budget was approved on 29th May 2024. 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 3 Use of goods and services, Note 3 (2) Related Party Transactions under Other Disclosures and Annex 1 on Pending Accounts Payable explaining the nature and amounts

18. Related party transactions

Related party means parties are related if one party has the ability to:

- a) Control the other party or
- b) Exercise significant influence over the other party in making financial and operational decisions, or if the related party entity and another entity are subject to common control.

Related party transaction is a transfer of resources or obligations between related parties regardless of whether a price is charged.

*County Government of Embu
County Assembly of Embu
Annual Report and Financial Statements for the year ended 30 June 2024*

15. Notes to the Financial Statements

1. Transfer from CRF

	Current	Comparative
	For the year ended 30 th June 2024	2022/23
	Kshs.	Kshs
Transfers from the County Treasury for Q1	58,848,000	83,147,335
Transfers from the County Treasury for Q2	154,769,463	251,271,662
Transfers from the County Treasury for Q3	124,443,294	144,000,001
Transfers from the County Treasury for Q4	240,958,512	401,607,982
Cumulative Amount	579,019,269	880,026,980

2. Compensation Of Employees

	Current	Comparative
	For the year ended 30 th June 2024	2022/23
	Kshs.	Kshs
Basic Salaries to Permanent employees	119,782,979	119,189,830
Basic Salaries - Legislature	24,318,558	18,186,109
Personal allowances paid as part of salary	120,459,848	114,427,013
Personal allowances paid as reimbursements	2,876,41	309,312
Total	267,437,846	252,112,264

3. Use of Goods And Services

	Current	Comparative
	For the year ended 30 th June 2024	2022/23
	Kshs.	Kshs
Utilities Supplies and Services	1,255,599	1,420,407
Communication, supplies and services	1,218,457	1,264,638
Domestic travel and subsistence	113,130,693	119,816,421
Foreign travel and subsistence	12,945,010	32,279,566
Printing, advertising and information supplies &	2,099,670	4,707,032
Rentals of produced assets	6,997,732	29,048,399
Training expenses	109,720	23,448,665
Hospitality supplies and services	10,828,359	26,350,422

*County Government of Embu
County Assembly of Embu
Annual Report and Financial Statements for the year ended 30 June 2024*

Insurance costs	28,192,676	40,995,751
Office and general supplies and services	6,107,146	6,505,087
Fuel Oil and Lubricants	2,418,330	3,290,150
Other operating expenses	46,506,076	81,026,052
Routine maintenance – vehicles and other transport	1,752,854	1,076,772
Routine maintenance – other assets	378,477	2,207,649
Total	233,940,799	373,437,011

4. Transfer to Other Government Entities

	Current	Comparative
	For the year ended 30th June 2024	2022/23
	Kshs.	Kshs
Car Loan and Mortgage Scheme Fund (Members)	-	89,000,000
Car loan and Mortgage scheme fund (Staff)	-	8,000,000
Total	-	97,000,000

5. Other Grants and Transfers

	Current	Comparative
	For the year ended 30th June 2024	2022/23
	Kshs.	Kshs
Motor Vehicle Expenses Reimbursement (Members)	8,848,000	59,652,000
Membership fees, dues and subscriptions to		12,105,560
Total	8,848,000	71,757,560

6. Social Security Benefits

	Current	Comparative
	For the year ended 30th June 2024	2022/23
	Kshs.	Kshs
Government Pension and Retirement benefits	35,729,560	36,617,347
Social security benefits in cash and in kind	3,663,917	
Employer Social Benefits in cash and in kind	-	
Total	39,393,477	36,617,347

County Government of Embu
County Assembly of Embu
Annual Report and Financial Statements for the year ended 30 June 2024

7. Acquisition of Assets

	Current	Comparative
	For the year ended 30 th June 2024	2022/23
	Kshs.	Kshs
Purchase of Buildings	-	-
Construction of Buildings	29,212,756	34,312,078
Refurbishment of Buildings	-	7,085,192
Purchase of Office Furniture and Equipment	185,950	
Purchase of Computers, Printers and ICT	-	6,007,180
Purchase of Specialized Plant, Equipment and	-	323,550
Total	29,398,706	47,728,000

8. Cash and Bank Balances

Bank Balances

Name of Bank, Account No. & Currency		Current	Comparative
		For the year ended 30 th June 2024	2022/23
		Kshs	Kshs
CBK -	Recurrent Account	439.90	1,351,928
CBK -	Deposits Account	17,248,414.40	15,741,725
Family Bank - 001150079	Gratuity Account	0	1,094,362
Co-operative Bank - 01141408365000	Recurrent Account	160,629.02	458,049
CBK	Development Account	-	1
Winas Sacco Ltd	Gratuity Account	7,616,027	3,086,329
Total		25,025,510	21,732,393

9. Accounts Payable

	Current	Comparative
	For the year ended 30 th June 2024	2022/23
	Kshs.	Kshs
Deposits and Retentions	17,409,043	15,741,725

*County Government of Embu
County Assembly of Embu
Annual Report and Financial Statements for the year ended 30 June 2024*

Accrued Gratuity (Annex 4)	7,616,027	4,180,690
Accrued Insurance (Annex 5)		297,000
Total	25,025,070	20,219,415

10. Fund Balance Brought Forward

	Current	Comparative
	For the year ended 30th June 2024	2022/23
	Kshs.	Kshs
Bank Accounts	440	138,589
Cash in hand	-	
Accounts Receivables	-	
Accounts Payables	-	
Total	440	138,589

11. 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 (Annex 1)

	Current	Comparative
	For the year ended 30 th June 2024	2022/23
	Kshs.	Kshs
Construction of Buildings	0	5,926,462
Construction of civil works		-
Supply of Services	44,706,760	28,448,330
Total	44,706,760	34,374,792

2. Pending Staff Payables (Annex 2)

	Balance b/f 2022/23	Additions for the year	Paid during the year	Balance c/f 2023/2024
Description	Kshs	Kshs	Kshs	Kshs
Senior Management		11,127,320		11,127,320
Middle Management	-	-	-	-
Unionisable Employees	-	18,381,357	-	18,381,357
Others		0		0
Total		29,508,677		29,508,677

3. Related Party Transactions

	Current	Comparative
	For the year ended 30 th June 2024	2022/23
	Kshs.	Kshs
Compensation to the Speaker, Deputy Speaker and the MCAs	113,842,999	93,106,847
Key Management Compensation (Clerk and Heads of departments)	19,407,050	18,587,960
Total Compensation to Key Management	133,250,049	111,694,807
Transfers to related parties	0	

County Government of Embu
 County Assembly of Embu
 Annual Report and Financial Statements for the year ended 30 June 2024

Transfer to CAE Car Loan and Mortgage (Members) Fund	0	89,000,000
Transfer to CAE Car Loan and Mortgage (Staff) Fund	0	8,000,000
Total Transfers to related Parties	0	97,000,000
Transfers from related parties		
Transfers from CRF	0	880,026,980
Total transfers from related parties	0	880,026,980

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

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

Ref No.	Issue/Observation from the Auditor	Management Comments	Current status	Time Frame
1.1	Unaccounted for Other Receipts	The statement of receipts and payments reflects nil balance on other receipts. However, an amount of Kshs.38,000 was recovered from two (2) former external County Assembly Service Board members and two (2) former Members of County Assembly (MCAs) for unreturned tablets at the expiry of their term of office. .	The amount of ksh 187,500 was recovered through members of county assembly allowances through paying the members what they were owed less the amount for the tablet.	Reconciled 3 Months
1.2	Unsupported Domestic Travel Expenditure	The statement of receipts and payments reflects use of goods and services amount of Kshs.373,437,011 and as disclosed in Note 3 to the financial statements. The amount includes domestic travel and subsistence amount of Kshs.119,816,421 out of which is an amount of Kshs.3,801,000 was not supported with evidence of travel documents such as work tickets, bus tickets and daily sitting reports or	The amount of Kshs. 3,801,000 for domestic travel and subsistence was used to facilitate the MCAs and members of staff while on official duty outside the precincts of the assembly. The attendance registers and committee reports have since been attached to the payment vouchers for the amount of Kshs. 3,801,000	Addressed 3 months

County Government of Embu
County Assembly of Embu
Annual Report and Financial Statements for the year ended 30 June 2024

		minutes.			
2	Unresolved Prior Year Audit Issues	In the audit report of the previous year, several issues were raised under the Report on the 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.	The issues has been responded to but not yet presented to the Public Accounts Committee (PAC)	Not Resolved	3 months

*County Government of Embu
County Assembly of Embu
Annual Report and Financial Statements for the year ended 30 June 2024*

3	Late Remittance of Provident Fund and Pension Scheme Deductions	The statement of receipts and payments and as disclosed in Note 6 to the financial statements reflects social security benefits amount of Kshs.36,617,347 which includes Local Authority Provident Fund and Local Authority Pension Trust Fund deductions amounting to Kshs.25,566,485 which were remitted late. This was contrary to 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.	<p>The delay in remittance of Kshs. 25,566,485 to local authority pension trust fund and local authority provident fund was occasioned by delayed exchequer releases by the National Treasury where the management does not have control.</p> <p>Where the release was done on time,the management complied with section 53A(1) of the retirement benefits act,1997(revised 2017)</p> <ul style="list-style-type: none"> • 	Not addressed	3 months
4	Non-Compliance with Law on Ethnic Composition	During the year under review, forty-five (45) or 47% out of ninety-six (96) of the County Assembly employees belonged to the dominant ethnic community in the County. This was contrary to Section 7(1) and (2) of	As observed by the audit team, it is true that the Service Board appointed one committee instead of two as stipulated in the County Assembly Service Act, 2017. At the time when the Management Committee was established, the Assembly had a staff establishment of about	Not addressed	One year

*County Government of Embu
County Assembly of Embu
Annual Report and Financial Statements for the year ended 30 June 2024*

		National Cohesion and Integration Act, 2008 which states that all public offices shall seek to represent the diversity of people of Kenya in employment of staff and that no public establishment shall have more than one third of its staff from the same ethnic community.	seventy (70) members of staff and the Service Board felt that a single Committee would serve the interests of staff as envisaged in the County Assembly Service Act.		
Ref No.	Issue/Observation from the Auditor		Management Comments	Current status	Time Frame
1	Splitting of procurement s through use of temporary imprests.	The statement of financial assets and liabilities and as disclosed in Note 8 to the financial statements reflects cash and cash equivalents balance of Kshs.21,732,393. However, seven (7) and four (4) temporary imprests amounting to Kshs.348,000 and Kshs.154,800, respectively were taken to pay for bill boards advertisements and website repair which resulted to splitting of contracts to avoid the use of procurement procedure. This was contrary to Regulation 43(1) of Public Procurement and Asset Disposal Regulations,	The county assembly made the necessary requisition for the funds but were not availed by the County Treasury	Addressed	

County Government of Embu
County Assembly of Embu
Annual Report and Financial Statements for the year ended 30 June 2024

3	Irregular Payment of Subscriptions	The statement of receipts and payments and as disclosed in Note 5 to the financial statements reflects other grants and transfers amount of Kshs.71,757,560 which includes membership fees, dues and subscriptions to organizations amount of Kshs.12,105,560 out of which an amount of Kshs.10,194,000 was irregularly paid to County Assembly Forum and Society of Clerks at the Table. However, there was no legislative framework to support the payments. However, the two (2) bodies are private organization that does not draw its mandate from the Constitution of Kenya or an Act of Parliament.	The pending bills were occasioned by non - release of the County Assembly Budget Allocations from the National Treasury The Amount of 3,540,900 has been included in the list as pending bill.	addressed	
1.1	Unvalued Ward Offices and Lapsed Lease Agreements	The statement of receipts and payments and as disclosed in Note 3 to the financial statements reflects use of goods and services amount of Kshs.373,437,011 which includes rentals of produced assets of Kshs.29,048,399 out of which an amount of Kshs.2,817,154 was incurred on payment of rent for leased ward offices. Although Management has shown efforts of undertaking	As observed during the audit ,the ward offices rent valuation process was ongoing and the delay was due to the late response by the Ministry of Housing in giving the assembly the final report on the status and valuation of the offices in the twenty wards.	Not addressed	1 month

County Government of Embu
 County Assembly of Embu
 Annual Report and Financial Statements for the year ended 30 June 2024

		valuation processes, the County Assembly has not completed the new valuation for the ward offices and has continued paying rent based on old rates. It was therefore not possible to ascertain whether the rates at which the premises were paid for is the current prevailing market rates. Further, the lease agreements were not provided for audit. This was 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.			
1.2	Delay in Completion of Office Complex Project	The statement of receipts and payments and as disclosed in Note 7 to the financial statements reflects acquisition of assets amount of Kshs.47,728,000 which includes construction of buildings amount of Kshs.34,312,078 out of which an amount of Kshs.29,416,020 was for construction of the County Assembly Office Complex. Review of contract	The main contractor via a letter Ref: KBC/CAE/ONT/VOL.1/3 dated 17th August 2020 gave an early warning that completion of works would be delayed by 8 months. The delayed works were as a result of COVID -19 that led to the following challenges; i) Challenges in procurement of materials supplied from Nairobi due to reduced workmen by the suppliers. ii) Challenges in transportation of materials from suppliers mostly from Nairobi due to	Addressed	

County Government of Embu
 County Assembly of Embu
 Annual Report and Financial Statements for the year ended 30 June 2024

		documents revealed that the project entailed construction of a seven (7) storey office complex. The contractor was awarded the contract 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 the contract was later given for fifty-six (56) weeks after lapse of first contract but as at 30 June, 2023, the project had cumulatively incurred an amount of Kshs.144,600,757 representing 41.3% of the contract sum and the project completion was at 52% with nine (9) months remaining to the expiry of the extended completion period.	<p>cessation of movement.</p> <p>iii) Challenges in getting and organizing skilled personnel in the site for long since most of them were from different parts of the country.</p> <p>iv) Reduced daily working hours in the site as guided by ministry of health.</p> <p>v) Delay in exchequer release of fund.</p> <p>The updated work programme is attached to this report.</p>		
1.3	Delay in Construction of Speaker's Residence	Review of IFMIS development expenditure vote book status report reflects that the County Assembly allocated an amount of Kshs.10,000,000 in the original budget towards the purchase of land for construction of Speaker's residence which was later revised to Nil balance in the supplementary budget. The same project had been allocated an	The management is still committed in finishing up the construction of the speakers house	Not addressed	3 months

*County Government of Embu
County Assembly of Embu
Annual Report and Financial Statements for the year ended 30 June 2024*

		amount of Kshs.8,000,000 in the 2021/2022 financial year which was not utilized. Management provided a letter requesting the County Executive Committee Member for Lands, Physical Planning, Housing and Urban Development for suitable land but there was no evidence of further communication or follow up.			
1.4	Lack of an Assets Disposal Plan	<p>During the year under review, the County Assembly did not have an approved disposal plan of items declared as unserviceable, surplus, idle or obsolete contrary to Regulation 176(1) of Public Procurement and Asset Disposal Regulations, 2020 which states that an Accounting Officer of a procuring entity shall ensure that an annual assets disposal plan</p> <p>for items declared as unserviceable, surplus or obsolete, obsolescence stores, asset or equipment as set out under Section 53(4) of the Act.</p>	The Assembly has a strategic plan as was observed. The Board minutes are provided for your perusal	Issue addressed	
1.5	Failure to Provide	Management of the County Assembly did not provide County Assembly		Ward valuation as	6 months

County Government of Embu
County Assembly of Embu
Annual Report and Financial Statements for the year ended 30 June 2024

	Annual Operations Report for the County Assembly Service Board	Service Board annual operations report for 2022/2023 financial year contrary to Section 36(1) of the County Assembly Services Act, 2017 which 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.		been done waiting for valuation report	
1.6	Avoidable Expenditure on Penalties and Interests on Late Remittance of Statutory Deductions	The statement of receipts and payments and as disclosed in Note 2 to the financial statements reflects compensation of employees amount of Kshs.252,112,264 which includes Pay As You Earn Tax amount of Kshs.20,558,271 remitted late in 2022/2023 financial year. However, the Kenya Revenue Authority imposed penalties and interest amounting to Kshs.1,027,914 and Kshs.205,583, respectively, for late payments which could have been avoided had the deductions been remitted on time. The late remittance contravenes Section 72D of Income Tax Act, 2012.	The initial values of the vehicles were based on previous year's value. However, the actual valuation was carried out after tendering process and the values reduced slightly. However, the insurer has communicated to the County Assembly to provide bank details in order to pay premiums paid over the policy amounts. The refund will be done through a cheque drawn to the insured.	Not addressed	3 Months

County Government of Embu
County Assembly of Embu
Annual Report and Financial Statements for the year ended 30 June 2024

1.7	Irregular procurement of insurance services	Ksh 4,800,000 was paid for extension of a contract for provision of group medical insurance cover. whoever the signed amended contract and insurance cover policy documents were not availed for audit	The County Assembly had sent a management team to negotiate for the premiums which was in consistent with the previous terms and conditions. Therefore, the Assembly did not pay above the market rates.	Not addressed	6 months
1.8	Irregular payment of conference	The county assembly made payment of conference facilities amounting to ksh 12,323,800 contraly to section 7 and section 12 of the national treasury circular number 20/2015	The County Assembly holds sittings outside the precincts of the County Assembly premises depending on the sensitivity of businesses to be transacted by the committees. Some business require total concentrations and minimum distractions while transacting Committee proceedings and that is why conducive sitting environment is required.	Not addressed	6 months
1.9	Irregular payment of allowances	Members of the county assembly were paid each a standard rate of ksh 5,000 as transport allowance to attend a committee sitting in nairobi	The allowances paid was to facilitate the Members of County Assembly and staff to attend the meetings. The MCAs attended to ensure clear understanding of the matters discussed by the committee and build consensus. The staff provide professional and technical advice and support required during the discussions	Not addressed	6 months
1.10	Delay in construction of speakers residence	The county assembly as not constructed a speakers residence contraly to salaries and remuneration commission circular dated 12 th July 2021	The management is still committed in finishing up the construction of the speakers house	Not addressed	6 months



*County Government of Embu
County Assembly of Embu
Annual Report and Financial Statements for the year ended 30 June 2024*

1.11	Delay in completion of renovation of county assembly chambers	By the time of the audit the county assembly was yet to complete the renovation of the chambers	It is true that there was delay in completion in time for the renovation of the chambers however, the project is now complete and is currently in use as per annex 5.3	Issue addressed.	
1.12	Delay in completion of office complex	The project as delayed and might not be completed as per the plan		Issue addressed. Delay is due to release of funds to the assembly on time	



Jim G Kauma
Clerk of the County Assembly

Date:

County Government of Embu
 County Assembly of Embu
 Annual Report and Financial Statements for the year ended 30 June 2024

17. ANNEXES

Annex 1 - Analysis of Pending Accounts Payable

S/ No	Supplier/Contractor Name	Date of the LPO/LSO Contract No.	Details of Work Performed	Original Amount	Balance at the beginning of the year	Addition during the year	Amount paid during the year	LPO/LS O Contract No.	Outstandi ng Pending Bill Amount as of 30th June, 2023 (Kshs.)
1	Winas Mortgage A/C		Assembly operation			24,497,738			24,497,738
2	CFAO Motors Kenya Limited	13/09/2023	Motor vehicle repairs			79,481			79,481
3	County Assemblies Forum	2023-01-07	Subscriptions			3,900,000			3,900,000
4	Hotel La Mada	2024-09-02	Conference Facilities			539,000			539,000
5	Hotel La Mada	25/09/2023	Conference Facilities			546,000			546,000
6	Hotel La Mada	2024-09-02	Conference Facilities			644,000			644,000
7	ICPAK	2024-01-01	Training of staff			56,000			56,000
8	ICPAK	19/10/2023	Training of staff			59,000			59,000
9	IHRM	2023-08-11	Training of staff			71,920			71,920
10	Kenya Oriental Life	14/05/2024	Insurance services			1,424,560			1,424,560
11	Kasarani Sportview Hotel	14/02/2024	Conference Facilities			168,000			168,000

*County Government of Embu
County Assembly of Embu
Annual Report and Financial Statements for the year ended 30 June 2024*

12	KENASA	17/04/2024	Training			20,400			20,400
13	Lassonet Holdings Limited	2024-05-04				235,400			235,400
14	Madrid Power And Generator Service	14/02/2024	Repairs of Generator			101,280			101,280
15	Mombasa Continental Resort	13/09/2023	Conference Facilities			240,000			240,000
16	Mountain Breeze Hotel Limited	13/09/2023	Conference Facilities			40,000			40,000
17	Mountain Breeze Hotel Limited		Conference Facilities			150,000			150,000
18	Mutindwa Enterprises Limited	25/03/2024	Repair Of Motor Vehicles			20,102			20,102
19	Mutindwa Enterprises Limited	09/02/204	Repair Of Motor Vehicles			85,687			85,687
20	Mutindwa Enterprises Limited	2024-09-02	Repair Of Motor Vehicles			141,369			141,369
21	Mutindwa Enterprises Limited	2023-09-10	Repair Of Motor Vehicles			212,967			212,967
22	Nation Media Group	2023-09-10	Advertisements			142,680			142,680
23	Njiru Building Contractors	26/05/2023	Leadership offices			220,818			220,818
24	Oriental Raw Ventures	14/02/2024				72,000			72,000
25	Oriental Raw Ventures	2024-05-03				81,000			81,000
26	Prideinn Flamingo Bea	25/09/2023	Conference Facilities			2,160,000			2,160,000
27	Standard Group Ltd	2024-03-04	Advertisements			133,400			133,400
28	Standard Group Ltd	2024-11-03	Advertisements			133,400			133,400
29	Standard Group ltd	14/02/2024	Advertisements			187,920			187,920

*County Government of Embu
County Assembly of Embu
Annual Report and Financial Statements for the year ended 30 June 2024*

30	Standard Group Ltd		Advertisements			187,920			187,920
31	Sunstar Hotel Ltd	26/10/2023	Conference Facilities			54,000			54,000
32	Sunstar Hotel Ltd	2023-09-10	Conference Facilities			54,000			54,000
33	Sunstar Hotel Ltd	20/02/2024	Conference Facilities			108,000			108,000
34	Sunstar Hotel Ltd	20/02/2024	Conference Facilities			144,000			144,000
35	Sunstar Hotel Ltd	2024-09-02	Conference Facilities			189,000			189,000
36	Sunstar Hotel Ltd	14/02/2024	Conference Facilities			440,000			440,000
37	Weston Hotel	14/02/2024	Conference Facilities			826,000			826,000
38	Yogesh Khantibhai Patel	14/09/2023	Rent for town offices			2,039,140			2,039,140
39	Yogesh Khantibhai Patel	14/09/2023	Rent for town offices			2,300,579			2,300,579
40	African Touch Safaris	2023-12-06	Travel Cost Local		1,603,100		1,603,100		-
41	African Touch Safaris	23/06/2023	Travel Cost Local		451,640		451,640		-
42	Kaizen Group Auto	2023-06-06	Repair Of Motor Vehicles		266,684		266,684		-
43	Kaizen Group Auto	2023-11-05	Repair Of Motor Vehicles		105,512		105,512		-
44	Kaizen Group Auto	2023-06-06	Repair Of Motor Vehicles		94,366		94,366		-
45	Kaizen Group Auto	14/12/2023	Repair Of Motor Vehicles		437,668		437,668		-
46	Mountain Breeze Hotel	19/06/2023	Catering Services		200,000		200,000		-
47	Mountain Breeze Hotel	19/06/2023	Catering Services		40,000		40,000		-

*County Government of Embu
County Assembly of Embu
Annual Report and Financial Statements for the year ended 30 June 2024*

48	Muchoki Kang'Ata	24/01/2023	Legal Services		4,740,000		4,740,000		-
49	Rugaita & Co	2023-06-12	Legal Services		2,400,000		2,400,000		-
50	Hotel La Mada		Conference Facilities		229,000		229,000		-
51	Mombasa Continental	16/06/2023	Conference Facilities		270,000		270,000		-
52	Sweet Waters	16/06/2023	Photocopy Services		1,483,500		1,483,500		-
53	Ward Rent Oct 2021 To June 2022		Rents And Rates		900,000		900,000		-
54	Yogesh Khantibhai Patel	31/03/2022	Rents And Rates		2,039,141		2,039,141	OCT21-	-
55	Yogesh Khantibhai Patel	30/09/2022	Rents And Rates		2,039,140		2,039,140	CAE/JU	-
56	Yogesh Khantibhai Patel	0	Rents And Rates		2,300,579		2,300,579	APR22-S	-
57	Terry Wanja Mbuchi	30/06/2023	Car Reimbursement		2,212,000		2,212,000		-
58	Philip Kinyutu Nzangi	30/06/2023	Car Reimbursement		2,212,000		2,212,000		-
59	Newton Kariuki	30/06/2023	Car Reimbursement		2,212,000		2,212,000		-
60	Sammy Harrison Muturi	30/06/2023	Car Reimbursement		2,212,000		2,212,000		-
61	Kamuti Contractors		Construction Of Office Complex	349,707,101	4,739,462		4,739,462		-
62	Njiru Building Contractors	2023-12-04	Chambers Renovations Balance		978,182		978,182		-
	Total			349,707,101	34,374,792	44,706,760	34,374,792	-	44,706,760

Annex 2: Analysis of Pending Staff Payables

Analysis of Pending Staff Payables						
	Date Contracted	Original Amount	Balance At The Beginning Of The Year	Addition During The Year	Amount Paid During The Year	Outstanding Balance
Staff Salaries						-
Senior management	Jun-24			11,127,320		11,127,320
Middle management	Jun-24					-
Unionisable employees	Jun-24			14,710,791		14,710,791
Total		-	-	25,838,111	-	25,838,111
Domestic Daily Subsistence Allowances						-
Senior management				-	-	
Middle management			-			-
Unionisable employees	Jun-24		-	3,670,566		3,670,566
Total		-	-	3,670,566	-	3,670,566
GRAND TOTAL	0	-	-	29,508,677	-	29,508,677

County Government of Embu
 County Assembly of Embu
 Annual Report and Financial Statements for the year ended 30 June 2024

Annex 3 – Summary of Non-current Asset Register

Asset class	Historical Cost b/f (KShs) 2022-2023	Additions during the year (KShs) 2023-2024	Disposals during the year (KShs) 2023-2024	Historical Cost c/f (KShs) 2023-2024
Land	-	-	-	-
Buildings and structures	167,089,338	29,212,756	-	196,302,094
Transport equipment	22,847,304	-	-	22,847,304
Office equipment, furniture and fittings	33,018,544	185,950	-	33,204,494
ICT Equipment, Software and Other ICT Assets	13,789,470	-	-	13,789,470
Other Machinery and Equipment	981,750	-	-	981,750
Total	237,726,406	29,398,706	-	267,125,112

Annex 4 – Analysis of the Gratuity Account

	2023/2024	2022 - 2023
	Kshs	Kshs
Opening Balance as at 1st July	4,180,690	4,841,189
RECEIPTS		
Transfers from CBK Account - Family Bank		23,323,544
Transfers from CBK Account - Winas Sacco	6,468,384	7,310,033
Total Receipts	10,649,074	35,474,766

County Government of Embu
 County Assembly of Embu
 Annual Report and Financial Statements for the year ended 30 June 2024

PAYMENTS				
Gross Gratuity paid - Family Bank				27,070,372
Gross Gratuity paid - Winas Sacco			1,938,686	4,223,704
Transfer to Winas			1,094,361	
Bank Charges				
Totals Payments			3,033,047	31,294,076
Balance as at 30th June			7,616,027	4,180,690

Annex 5 - Accrued Insurance at Co-op Bank Account

			2023 - 2024	2022 - 2023
Accrued Insurance Costs			0	
Receipts from Insurance Companies				323,120
Less: Refund of Overpaid Insurance				(26,120)
Total Accrued Insurance Costs			0	297,000