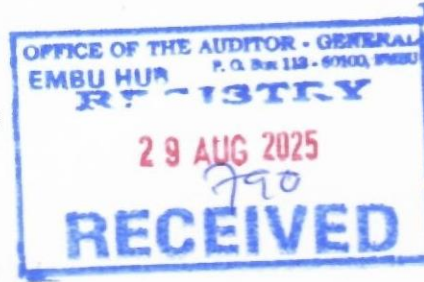
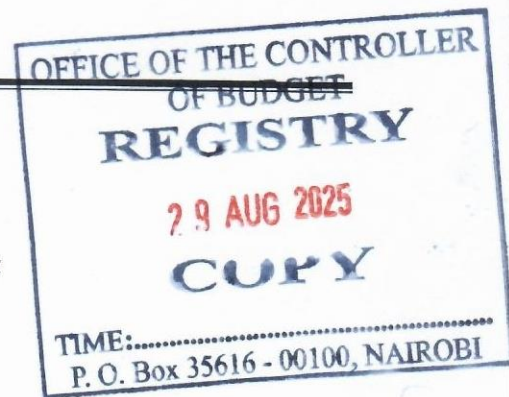


Revised 30<sup>th</sup> June 2025



---

**EMBU MUNICIPALITY**  
*County Government of Embu*



**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED**  
**30<sup>TH</sup> JUNE 2025.**

---

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



1. Acronyms and Definition of Key Terms .....	ii
2. Key Entity Information and Management.....	iii
3. Municipality Board .....	vi
4. Municipality Board Chairperson's Report.....	x
5. Report Of the Municipality Manager .....	xii
6. Statement of Performance Against Predetermined Objectives for the FY.....	xiv
7. Corporate Governance Statement .....	xvi
8. Management Discussion and Analysis .....	xviii
9. Environmental and Sustainability Reporting.....	xxi
10. Environmental And Sustainability Reporting.....	xxiii
11. Report of the Municipality Board Members .....	xxv
12. Statement of Management's Responsibilities .....	xxvi
13. Report of the Independent Auditor (Specify Entity) .....	xxviii
14. Statement of Financial Performance for The Year Ended 30 <sup>th</sup> June 2025.....	1
15. 0 .....	1
16. Statement of Financial Position as at 30 <sup>th</sup> June 2025. ....	2
17. Statement of Changes in Net Assets for the Year Ended 30 June 2025.....	4
18. Statement Of Cash Flows for The Year Ended 30 June 2025.....	5
19. Statement of Comparison of Budget & Actual Amounts for the Year ended 30 June 2025. ....	6
20. Notes to the Financial Statements .....	8
21. Appendices.....	44

## 1. Acronyms and Definition of Key Terms

### A. Acronyms

PSASB	Public Sector Accounting Standards Board
FY	Financial Year
OSHA	Occupational Safety & Health Act
KUSP	Kenya Urban Support Programme

### B. Definition of Key Terms

**Fiduciary Management** - Members of Management directly entrusted with the entity's financial resources.

**Comparative Year**- Means the prior period.

*(Entity to insert all the relevant acronyms and key terms used in the annual report and financial statements)*

## 2. Key Entity Information and Management

### a) Background information

Embu Municipality is established by and derives its authority and accountability from Urban Areas and Cities Act No. 13 of 2011 pursuant to Article 184 of the Constitution of Kenya 2010. This formed the criteria for classifying areas as urban areas and cities; establishing the principles of governance and management of urban areas and cities and provides for participation by residents in the governance of urban areas.

Embu Municipality is established by and derives its authority and accountability from Urban Areas and Cities Act No. 13 of 2011(amended 2019) and Cities and Municipal Charter on *(Insert date)*. The City/ Municipality is under the County Government of Embu and is domiciled in Kenya.

### b) Principal Activities

The principal activity Municipality is to develop and adopt policies, plans, strategies and programmes for provision of high-quality services harness opportunities, and promote sustainable development in Embu Municipality.

### c) Key Management

The *Municipality's* management is under the following key organs:

- County Department in charge of Cities/Municipalities
- Board of Management
- Accounting Officer/ Municipality Manager
- Management
- Others *(specify)*

**d) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2025 and who had direct fiduciary responsibility were:

Ref	Position	Name
1	Municipality Manager	Catherine Nyaga
2	Chief officer Urban development	Hellen Wanja
3	Director Urban Planning	Jacob Gititi
4	Deputy Director Physical Planning	Nahashon Mucheru
5	Human Resource Officer	Lucy Ruguru
6	Municipal Accountant	Sammy M. Gakobo
7	Finance Officer	Dennis Munene
8	Internal Audit	Dorcas Githaiga

**e) Fiduciary Oversight Arrangements**

- i) Audit and Risk Management Committee
- ii) County Assembly committees
- iii) Committees of the Senate

**f) Registered Offices**

P.O. Box 36-60100  
Ghansham Plaza  
SL Patel Road  
Embu, KENYA

**d) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2025 and who had direct fiduciary responsibility were:

Ref	Position	Name
1	Municipality Manager	Catherine Nyaga
2	Chief officer Urban development	Hellen Wanja
3	Director Urban Planning	Jacob Gititi
4	Deputy Director Physical Planning	Nahashon Mucheru
5	Human Resource Officer	Lucy Ruguru
6	Municipal Accountant	Sammy M. Gakobo
7	Finance Officer	Dennis Munene
8	Internal Audit	Dorcas Githaiga

**e) Fiduciary Oversight Arrangements**

- i) Audit and Risk Management Committee
- ii) County Assembly committees
- iii) Committees of the Senate

**f) Registered Offices**

P.O. Box 36-60100

Ghansham Plaza

SL Patel Road

Embu, KENYA

**g) Contacts**

Municipal Manager

Municipality of Embu

PO BOX 60100 - EMBU

Phone number: +254710193197

Email: [info@municipalityofembu.co.ke](mailto:info@municipalityofembu.co.ke)

**h) Bankers**

Commercial Banks

1. Equity Bank -Embu Municipality UDG account
2. Equity Bank -Embu Municipality UIG account
3. Equity Bank -Embu Municipality Deposit account

**i) Independent Auditor**

Auditor General

Office of The Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

**j) Principal Legal Adviser**

The Attorney General

State Law Office



Harambee Avenue




P.O. Box 40112




City Square 00200

Nairobi, Kenya



3. Municipality Board

Serial No.	Name	Details of qualifications and experience
1	<p>Board Chairperson</p>  <p>Eustace Mbogo Age 63 years</p>	<p><b>Academic Qualifications:</b></p> <ol style="list-style-type: none"> <li>1. A Bachelor's Degree in Biblical Counseling &amp; Psychology</li> <li>2. A Diploma in Education Management</li> <li>3. A Grade 6 Certificate from The Associated Board of the Royal Schools of Music, England</li> </ol> <p><b>Work Experience:</b></p> <ol style="list-style-type: none"> <li>1. Head teacher, Rukira and Nembure Primary Schools</li> <li>2. Deputy Head teacher, Gakinduriri Primary School</li> <li>3. Senior Teacher, Kirigi Primary School</li> <li>4. Assistant Teacher, Kiangima Primary School</li> <li>5. KNUT Embu Branch Treasurer and National Advisory Council</li> </ol> <p><b>Membership:</b> Board Chair</p>
2	<p>Board Member</p>  <p>Michael Kathuri Age: 65yrs</p>	<p><b>Academic Qualifications:</b></p> <ol style="list-style-type: none"> <li>1. A Diploma in Public Health Inspection</li> <li>2. A Diploma in Solid Waste</li> </ol> <p><b>Experience</b></p> <ol style="list-style-type: none"> <li>1. Management Divisional Public Health Officer 10 years</li> <li>2. District Public Health Officer for 20 years</li> <li>3. Medical Officer of Health for 5 years</li> </ol> <p><b>Membership</b> -Association of Public Health Officers of Kenya (APHOK)</p>

<p>3</p>	<p>Board Member</p>  <p><b>Membership:</b> Association-Business Community Welfare</p>	<p><b>Academic Qualifications:</b></p> <ol style="list-style-type: none"> <li>1. A Diploma in Business Management</li> <li>2. Certified Public Accountant, Part 1, Part 2, Section 3</li> </ol> <p><b>Work Experience:</b></p> <ol style="list-style-type: none"> <li>1. Accountant – Mugambi &amp; Company Tax &amp; Accountancy (2000 – 2016)</li> <li>2. Chief Accountant, Embu Hotels Izaak Walton (1993 – 2000)</li> </ol> <p><b>Membership:</b> Association-Business Community Welfare</p>
<p>4</p>	<p>Board Member</p>  <p><b>Milliam Wawira</b> Age: 47 yrs</p>	<p><b>Academic Qualifications:</b></p> <ol style="list-style-type: none"> <li>1. Holds a Bachelor of Education (Science)</li> <li>2. Diploma in Science Education</li> </ol> <p><b>Work Experience:</b></p> <ol style="list-style-type: none"> <li>1. High School Teacher for over 20 years</li> <li>2. KUPPET Gender Secretary</li> </ol>
	<p>Board Member</p>  <p><b>Doris Mwendu Mugendi</b> Age: 31</p>	<p><b>Academic Qualifications:</b></p> <ol style="list-style-type: none"> <li>1. Holds a Diploma in Business Management</li> </ol> <p><b>Work Experience:</b></p> <ol style="list-style-type: none"> <li>1. Village Based Advisor, Farm Africa 2020-Date</li> <li>2. Data Enumerator, Ministry of Agriculture 2023</li> <li>3. Administrative Assistant, NARIGP 2021-2023</li> <li>4. Front Officer Co-Coordinator, Upper Tana 2019-2022</li> </ol>

<p>6.</p>	<p>Board Member</p>  <p>Dr. Elikana Kathie Nyagah Age: 65yrs</p>	<p><b>Academic Qualifications:</b></p> <ol style="list-style-type: none"> <li>1. A PhD Leadership, Management &amp; Administration</li> <li>2. Master's in Education</li> <li>3. A Bachelors in Counselling</li> <li>4. A post graduate Diploma in Education</li> <li>5. A Diploma in Control and management of HIV/AIDS Teacher</li> </ol> <p><b>Work Experience:</b></p> <ol style="list-style-type: none"> <li>1. Deputy Chief Examiner</li> <li>2. Director of Education-Field Services</li> <li>3. Director at Kenya Literature Bureau</li> </ol>
<p>7.</p>	<p>Board Member</p>  <p>Amina Mwendendi Kigundu Age: 36</p>	<p><b>Academic Qualifications:</b></p> <ol style="list-style-type: none"> <li>1. Diploma in Clinical and Community Nutrition</li> </ol> <p><b>Work Experience:</b></p> <ol style="list-style-type: none"> <li>1. Nutritionist at Embu Level 5 Hospital for 5 years</li> <li>2. Volunteer at Embu Level 5 Hospital from 2015 to 2020</li> </ol> <p><b>Membership:</b> Association -Muslim Community of Githimu Trust</p>
<p>7.</p>	<p>Municipal Manager</p>  <p>Catherine Nyaga Age 49</p>	<p><b>Qualification:</b></p> <ol style="list-style-type: none"> <li>1. Business Administration (Masters)</li> <li>2. Bed Mathematics &amp; Economics (Degree)</li> </ol> <p><b>Work Experience:</b></p> <ol style="list-style-type: none"> <li>1. Municipal Manager (5 Yrs) – Embu County</li> <li>2. Principal Human Resource Officer – Embu County Gov't</li> <li>3. Deputy Principal (4Yrs)</li> </ol>

4. Key Management Team

S/ No	Name	Details of qualifications and experience
1.	<p>Board Chairperson</p>  <p>Eustace Mbogo Age 63 yrs</p>	<p><b>Academic Qualifications:</b></p> <ol style="list-style-type: none"> <li>1. Bachelor's Degree in Biblical Counseling &amp; Psychology</li> <li>2. Diploma in Education Management</li> <li>3. Grade 6 Certificate from The Associated Board of the Royal Schools of Music, England</li> </ol> <p><b>Work Experience:</b></p> <p>Head teacher, Rukira and Nembure Primary Schools Deputy Head teacher, Gakinduriri Primary School Senior Teacher, Kirigi Primary School Assistant Teacher, Kiangima Primary School KNUT Embu Branch Treasurer and National Advisory Council</p> <p><b>Membership:</b> Board Chair</p>
2.	<p>Municipal Manager</p>  <p>Catherine Nyaga Age-45 years</p>	<p><b>Qualification:</b></p> <ol style="list-style-type: none"> <li>1. Business Administration (Masters)</li> <li>2. Bed Mathematics &amp; Economics (Degree)</li> </ol> <p><b>Work Experience:</b></p> <ol style="list-style-type: none"> <li>1. Municipal Manager (5 Yrs) – Embu County</li> <li>2. Principal Human Resource Officer – Embu County Gov't</li> <li>3. Deputy Principal (4Yrs) – Secondary School.</li> </ol>
3.	<p>Manager 3</p>	

## **5. Municipality Board Chairperson's Report**

The board was appointed and gazetted on 12<sup>th</sup> February 2025 after the expiry of the term of the previous board. During the transition, the new board members was introduced to the various departments constituting the Municipality. The board also met the management staff of the Municipality and inquired the challenges facing the Municipality.

The Municipal manager also shared with the board members the achievements made by the Municipality which included key development projects undertaken in this financial year 2023/2024 include;

- Upgrading to bitumen standards of the first bus park, Embu- Runyenjes stage
- Upgrading of Embu- Runyenjes Bus park phase II with business stalls in Embu town
- Construction of market sheds for Embu traders' relocation site
- Construction and retaining wall and civil works for traders' relocation site
- Fascade in the Embu bus park

Induction of the newly recruitment board was done between 26<sup>th</sup> – 28<sup>th</sup> February 2025 in Nairobi and members were properly informed on their mandates. The members engaged the department's leadership in view of understanding what they ought to do in cases of overlapping functions. They cited revenue collection within the Municipality which was done by Embu County Revenue Authority. The CECM for Lands and Urban planning invited the idea to be discussed further by both the department and Municipality leadership in a view of preparing cabinet paper for the cabinet to pronounce itself on it.

The Municipality board was informed that the following functions had already been transferred to Municipality and the staff in those areas deployed to Municipality.

1. Waste Management
2. Physical Planning and Survey
3. Fire Services

The Municipal board requested for a forum with the County Assembly in order to lobby for budgetary allocation which is proportionate to the function stated in the Municipal Charter. This will assist in

future evaluation of Kenya Urban Support Program II which evaluates how far the Municipality is with transferring of functions as they are in the Municipal Charter.

Going through its functions, the board learnt that there were overlapping roles like collection of revenue where the County Government has another entity mandated to collect revenue by the name Embu County Revenue Authority. Since both entities are enacted by the same authority, there is need to understand the boundaries to avoid overreach and duplication of roles. The Municipality board resolved to engage the H.E Governor over the same and get advised.

Embu Municipality is eyeing four key strategic focus areas:

- Economic recovery and growth: The municipality's strategies align with broader national and county plans like Vision 2030, with a focus on implementing policies that stimulate economic recovery and inclusive growth.
- Urban planning: The conferment of municipal status allows for better planning of land use, zoning, and allocation of public facilities, which is crucial for managing rapid urban growth.
- Institutional capacity building: Efforts are ongoing to strengthen the institutional framework through governance reforms and training, with an emphasis on improving fiscal and project management.
- Public-private partnerships (PPPs): Embu is actively seeking PPPs to address infrastructure and service delivery needs, with initiatives like a new "Smart Container Market" in partnership with a Chinese company.

The Municipality have set strong governance structures, policies and plans that will steer the Municipality to higher level of accountability to its residents and improved service delivery. The interventions will improve the business climate, attract private sector investments and promote inclusive growth in the County.



.....  
**Name: Eustace Mbogo**  
**Chairperson of the Board**

## **6. Report Of the Municipality Manager**

### **Introduction**

Municipality of Embu was established under Article 184 of the Constitution of Kenya 2010, Section 9 of Urban Areas and Cities Act, 2011. Embu town was granted a Municipality status through Municipality Charter on 12<sup>th</sup> October 2018 and gazettelement of Municipal Charter done on 10<sup>th</sup> December, 2018. Subsequently, Municipality of Embu Board was formed and members appointed in June, 2019.

Municipality of Embu plays a key role in the implementation of County priority programmes and projects in order to improve the quality of lives of its residents and making the County more competitive. The Municipal Board has committed to deliver its mandate as stipulated in the UACA 2011 and the Municipality Charter.

During the year, the Municipality received donation from Japanese Embassy to support traders by improving their trading environment. This was done through smart container project at Kawanjara market. This project has improved business environment for the traders and there is growth in their business which is witnessed by increase in the number of customers visiting the market. Our fire department received a big boost after the Municipality was given two fire engines in United Kingdom. The Municipality only bore the cost of shipping and logistics from United Kingdom to Embu.

Key development projects undertaken by the Municipality over the years include;

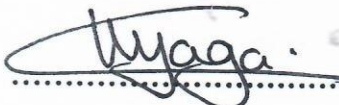
- Upgrading to bitumen standards of the first bus park, Embu- Runyenjes stage
- Upgrading of Embu- Runyenjes Buspark phase II with business stalls in Embu town
- Construction of market sheds for Embu traders' relocation site
- Construction and retaining wall and civil works for traders' relocation site
- Fascade in the Embu bus park
- Construction of Rudisho boundary wall
- Cabro paving of parking within Municipality
- Construction of smart containers in Kawanjara

The infrastructure projects have had immense benefits to the residents of the Municipality and the residents appreciate the developments done and are very active in the public forums. There is general public feeling that the County Government of Embu ought to increase funding to the Municipality in order to address their needs within the Municipality.

During the year the Municipality acquired two (2) fire engines to support the existing ones to improve response time in case of multiple fires. The residents have at times complained when they need the service of fire engine and the same has gone to support/serve within the County. The new fire engines will be used to support the County relieving pressure to the two serving in the Municipality.

Kenya Urban Support Programme phase II was to disburse funds earlier in the financial year, however, the funds were released 2 weeks to the close of financial year delaying most of the programmes. Delay in disbursement has affected service delivery since the Municipality rely on funds from County Treasury and donors whom at times get funds late.

Revenue collection within the Municipality has remained a function performed by Embu County Revenue Authority an entity of the County. This has been in contravention to the Municipal charter and was asked by the Senate in the previous appearance. Embu County Revenue Authority is the entity mandated to collect all the revenues within the County. Municipality board has initiated discussion within the County Government for a resolution to be taken.

  
.....  
**Name: Catherine Nyaga**  
**Municipality Manager**

## 7. Statement of Performance Against Predetermined Objectives for the FY

A Statement of Performance Against Predetermined Objectives is a report detailing an entity's achievements over a fiscal year compared to its planned strategic goals. It is a critical component of annual financial reporting, particularly in the public sector, and serves as a key accountability tool.

### Purpose of the statement

- **Demonstrate accountability:** Shows how the organization used its resources, including public funds, to meet its strategic goals.
- **Enhance transparency:** Provides stakeholders, such as citizens, legislators, and oversight bodies, with clear information on performance outcomes.
- **Assess effectiveness:** Helps evaluate the efficiency and effectiveness of the entity's programs and use of funds in delivering services and achieving its objectives.
- **Inform future planning:** Highlights successes, challenges, and opportunities, informing the budget allocation and strategic planning for the next financial year.

### Key components of the statement

- **Foreword:** An introduction from the head of the organization, such as an Accounting Officer, summarizing the key activities, successes, and challenges of the fiscal year.
- **Strategic objectives:** A clear list of the high-level goals from the entity's strategic plan or annual performance plan for the reporting period.
- **Performance report:** A detailed section that measures actual performance against the predetermined objectives using key performance indicators (KPIs). This is often presented in a table format with the following columns:
  - **Strategic objective:** A specific, predetermined goal.
  - **Performance indicator/measure:** A quantifiable or qualitative metric to track progress towards the objective.
  - **Annual target:** The specific level of performance the entity planned to achieve for the fiscal year.
  - **Actual performance:** The results achieved and a clear explanation of variances from the planned targets.
  - **Commentary:** A qualitative analysis explaining the results, including contributing factors and corrective actions.
- **Value-for-money achievements:** A section commenting on the entity's achievements in terms of economy, efficiency, and effectiveness.
- **Implementation challenges:** A review of the obstacles encountered during the year that affected the achievement of objectives, along with a description of the entity's risk management strategies.
- **Future outlook:** A forward-looking statement on the entity's prospects, including plans and resource allocation for the upcoming financial year.

Below we provide the progress on attaining the stated objectives:

County Government of Embu  
 Embu Municipality  
 Annual Report and Financial Statements for the year ended June 30, 2025

*(NB: Entities can prepare this performance information as per the table below or in a more relevant format suitable for the nature of its activities)*

Program	Objective	Outcome	Indicator	Performance
Urban planning	To control urban development	To create orderly development in urban areas	Number of developments conforming with rules and regulations governing urban development	In FY under review we increased Housing unit by xx%.
Program 2	-	-	-	-

## **8. Corporate Governance Statement**

The Embu Municipal board was appointed after the expiry of the previous board's term in December 2024. The Embu County Public Service Board advertised the positions of board members and invited the interested persons to apply for the positions of membership. Applications were received and shortlisted applicants interviewed. Successful candidates were appointed by Her excellency the Governor and sent to the County Assembly for vetting. All the appointees were cleared by the County Assembly and they were gazetted on 12<sup>th</sup> February 2025. After the gazettelement, they were sworn in and inducted in from 23<sup>rd</sup> to 25<sup>th</sup> February 2025.

The Board of the Municipality shall perform the following functions:

- (a) Oversee the affairs of the Municipality;
- (b) Develop or adopt policies, plans, strategies and programmes and set targets for service delivery;
- (c) Formulate and implement an integrated development plan;
- (d) Control land use, land sub-division, land development, and zoning by public and private sectors for any purpose, including industry, commerce, markets, shopping and other employment centres, residential areas, recreational areas, parks, entertainment, passenger transport, agriculture, and freight and transit stations within the framework of the spatial and master plans for the Municipality as delegated by the County Government of Embu;
- (e) Promoting and undertaking infrastructural development and services within Municipality as delegated by the County Government of Embu;
- (f) Developing and managing schemes, including site development in collaboration with the relevant national and county agencies
- (g) Maintaining a comprehensive database and information system of the administration;
- (h) Administering and regulating its internal affairs;
- (i) Implementing applicable national and county legislation;
- (j) Entering into contracts, partnerships or joint ventures as it may consider necessary or the discharge of its functions;
- (k) Monitoring and, where appropriate, regulating municipal services where those services are provided by service providers other than the Board of the Municipality;
- (l) Preparing and submitting its annual budget estimates to the County Treasury for consideration and submission to the County Assembly for approval as part of the annual County Appropriation Bill;

- (m) Collecting rates, taxes levies, duties, fees and surcharges on fees as delegated by the County Government of Embu;
- (n) Settling and implementing tariff, rates and tax and debt collection policies as delegated by the County Government of Embu;
- (o) Monitoring the impact and effectiveness of any services, policies, programs or plans;
- (p) Establishing, implementing and monitoring performance management systems;
- (q) Promoting a safe and healthy environment;
- (r) Facilitating and regulating public transport; and
- (s) Performing such other functions as delegated by the County Government of Embu or as may be provided by any other written law.

The Municipal board of Embu has established four committees which must include; -

- (a) Finance and Administration
- (b) Technical Committee
- (c) Audit, monitoring and evaluation Committee
- (d) Gender Committee

These Committees meet quarterly and at the end of their findings form agenda for the full board meeting for the Municipality where decisions on the operations and management of the Municipality. During the year, the Municipality board held 4 meetings, one by the previous board and three by the current board. The attendance to the board meetings was very encouraging as all the meetings had 100% attendanc

The succession plan of the Municipal board has had challenges of the term of all the board members commencing and ending the time. This has forced the board to rely on the induction, Municipal manager and previous board's minutes to have a view of the previous board's operations. However, the new board has benefited from the Municipal staff who have remained the same over the period.

## 9. Management Discussion and Analysis

The operations of the Embu Municipality have been outlined in these financial statements for the year ended 30<sup>th</sup> June 2025. The Municipality was able to undertake a project on Upgrading of Runyenjes – Meru Stage in Embu Municipality. Other notable achievements over the years include development of various Municipality documents and plans. These are Municipality Charter, Strategic Plan, Integrated Development Plan, Annual Investment Plans, Screening, Pre-feasibility and Feasibility Studies for KUSP projects, County Urban Integrated Development Strategy and Gazette Notice of Municipality functions.

Embu Municipality has complied to all the statutory requirements and fully constituted Municipality Board has been instrumental in achievement of this goal. The improved urban infrastructure has enabled residents to engage in diverse activities in safe and conducive spaces in what were hitherto quiet, uncompetitive areas. The interventions have improved the business climate, attracted private sector investments and promoted inclusive growth.

## FINANCIAL PERFORMANCE

### STATUS OF PROJECTS IMPLEMENTED SINCE 2018

PROGRAMME	ACTIVITY	FY	OUTCOME	BUDGET	STATUS
Construction of parking spaces and non-motorised transport	Parking Lots within Embu CBD	2018/19	Improved parking lots and revenue collection	500000	100%
Improvement of urban infrastructure	Tarmacking of kangaru-kairuri road and KSG-Kamiu road	2018/19	Opened access road Improved roads	60,000,000	100%

Upgrading of Roads	Tarmacking Roads (Rundisho-Mutunduri- Ngugi wa Iria road)	2019/20	Improved urban transport	69,892,100	100%
Improving parking spaces and non-motorized transport	Pavements and Parking spaces Embu town)	2019/20	Improved parking spaces and Non-motorized transport	50,000,000	100%
Upgrading of bus park	Upgrading To bitumen Standards of First Bus Parks Embu-Runyenjes Stage	2022/23	Improved bus park Improved revenue collection	44,000,000	100%
Maintenance of roads	Maintenance of various KUSP Roads	2022/23	Sustained projects	2,597,856	100%
Promoting public sanitation	Maintenance of Public Toilets	2022/23	Improved public sanitation	1,000,000	100%
Urban Institutional and Development Grants Unspent Funds Expenses	Urban Institutional and Development Grants Unspent Funds Expenses	2022/23	Balanced UIG and UDG accounts	1,414,834	100%

County Government of Embu  
 Embu Municipality  
 Annual Report and Financial Statements for the year ended June 30, 2025

Upgrading of markets	Construction of Smart container	2024/25	Improved revenue collection	2,699,251	100%
Purchase of fire Engines	Firefighting improved	2024/25	Fire response is improved within the County	13,707,759.50	100%
Purchase of utility vehicle	Utility vehicle	2024/25	Improving mobility within the County	8,019,431	100%
Preparation of IDEP document	Preparation of statutory document	2024/25	Preparation of statutory document	1,756,000	100%

## 10. Environmental and Sustainability Reporting

Embu Municipality ever endeavours to transform lives. It is its cardinal responsibility to the community. This is our purpose; the driving force behind everything we do. It is what propels us to deliver on our development plan(s); putting the customers / citizen first, delivering relevant goods and services, and improving operational excellence to ensure the County's sustainability.

### 1. Sustainability strategy and profile

Sustainability has three main pillars which the County Government strive to achieve. These are economic pillar, environmental pillar and social welfare. In other words what is popularly referred to as people, plant and profits.

The Executive officials ensure that economic and political matters do not affect sustainable priorities. They provide the best practices that are followed and identify critical failures and achievements.

### 2. Environment performance

The department of land has the management policies relating to water and sewerage services and wastewater treatment and disposal. Environment, Solid Waste Management, issuance of Noise License and Demolition permits, Licenses for refuse transportation, Environmental protection, and awareness campaigns, and to county forestry and other natural resources.

It is further mandated to undertake conservation, control, and protection of water catchment areas, water quality and pollution control, flood control and land reclamation, restoration of wetlands, preservation and protection and provision of county forestry services, safety and regulation of marine ecosystems, meteorological services and training, county environment management, restoration of strategic county water towers and coordination of climate change enabling activities. In summary, environmental conservation, investments in renewable energies, saving water and supporting sustainable mobility contribute to achieving this environmental sustainability on several fronts.

### 3. Employee welfare

The county government of Embu public service board has the mandate of hiring of County employees. They follow the hiring policy in that they ensure the gender rule and regional balance. They also uphold integrity throughout the hiring process. They select the best employee's matching the skills needed for a specific job. They motivate employees through career progression, training and workshops.

### 4. Market place practices

The county ensures that there is fair competition in the market. All investors are allowed in the market freely, provided they pay tax, and adhere to rules. There is no corruption in the market, and there is no political involvement.

The county ensures that tenders are advertised to all, and there are no inner interests whatsoever. When goods are supplied, they guarantee they pay in time to provide good customer interrelations.

There are free-market advertisements, and it's fair. Customer rights and privileges are observed. When customers complain, their issues are looked into and solved in good time.

#### 5. Community engagements

The community is involved in decision making. The public get platforms to give their views like during public participation as enshrined in the Constitution. The county government ensures that everyone has an opportunity. The youth are motivated to engage in sports to nurture their talents. They also engage in youth groups.

They promote health by ensuring all hospital facilities are available and increasing the number of health centres. They also provide clean water and sensitize the public on importance of maintain a clean environment through a conducive and reliable waste management system.

As a responsible organization, Embu County respect the interests of our stakeholders – customers, suppliers and the wider community and we actively seek opportunities both to improve the environment and to contribute to the well-being of the residents.

During the financial year 2023/2024, Embu County carried out its corporate social responsibility activities which included collaborating with the citizens in tree planting exercises in primary schools, along our streets, roads and river banks in Embu County Residents were also encouraged to participate in cleaning exercise, unclogging our drainage systems to prevent flooding and disease outbreak.

## 11. Environmental And Sustainability Reporting

Embu Municipality ever endeavours to transform lives. It is its cardinal responsibility to the community. This is our purpose; the driving force behind everything we do. It is what propels us to deliver on our development plan(s); putting the customers / citizen first, delivering relevant goods and services, and improving operational excellence to ensure the County's sustainability.

### 6. Sustainability strategy and profile

Sustainability has three main pillars which the County Government strive to achieve. These are economic pillar, environmental pillar and social welfare. In other words what is popularly referred to as people, plant and profits.

The Executive officials ensure that economic and political matters do not affect sustainable priorities. They provide the best practices that are followed and identify critical failures and achievements.

### 7. Environment performance

The department of land has the management policies relating to water and sewerage services and wastewater treatment and disposal. Environment, Solid Waste Management, issuance of Noise License and Demolition permits, Licenses for refuse transportation, Environmental protection, and awareness campaigns, and to county forestry and other natural resources.

It is further mandated to undertake conservation, control, and protection of water catchment areas, water quality and pollution control, flood control and land reclamation, restoration of wetlands, preservation and protection and provision of county forestry services, safety and regulation of marine ecosystems, meteorological services and training, county environment management, restoration of strategic county water towers and coordination of climate change enabling activities. In summary, environmental conservation, investments in renewable energies, saving water and supporting sustainable mobility contribute to achieving this environmental sustainability on several fronts.

### 8. Employee welfare

The county government of Embu public service board has the mandate of hiring of County employees. They follow the hiring policy in that they ensure the gender rule and regional balance. They also uphold integrity throughout the hiring process. They select the best employee's matching the skills needed for a specific job. They motivate employees through career progression, training and workshops.

### 9. Market place practices

The county ensures that there is fair competition in the market. All investors are allowed in the market freely, provided they pay tax, and adhere to rules. There is no corruption in the market, and there is no political involvement.

The county ensures that tenders are advertised to all, and there are no inner interests whatsoever. When goods are supplied, they guarantee they pay in time to provide good customer interrelations.

There are free-market advertisements, and it's fair. Customer rights and privileges are observed. When customers complain, their issues are looked into and solved in good time.

#### **10. Community engagements**

The community is involved in decision making. The public get platforms to give their views like during public participation as enshrined in the Constitution. The county government ensures that everyone has an opportunity. The youth are motivated to engage in sports to nurture their talents. They also engage in youth groups.

They promote health by ensuring all hospital facilities are available and increasing the number of health centres. They also provide clean water and sensitize the public on importance of maintain a clean environment through a conducive and reliable waste management system.

As a responsible organization, Embu Municipality respect the interests of our stakeholders – customers, suppliers and the wider community and we actively seek opportunities both to improve the environment and to contribute to the well-being of the residents.

During the financial year 2024/2025, Embu Municipality carried out its corporate social responsibility activities which included collaborating with the citizens in tree planting exercises in primary schools, along our streets, roads and river banks in Embu Municipality residents were also encouraged to participate in cleaning exercise, unclogging our drainage systems to prevent flooding and disease outbreak.

## 12. Report of the Municipality Board Members

The Board Members submit their report together with the audited financial statements for the year ended June 30, 2025 which show the state of the Municipality affairs.

### Principal activities

The principal activity Municipality is to develop and adopt policies, plans, strategies and programmes for provision of high-quality services harness opportunities, and promote sustainable development in Embu Municipality.

### Performance

The performance of the Municipality for the year ended June 30, 2025 are set out on page 1 to 7.

### Board Members

The members of the Board who served during the year are shown on page vii and ix. The changes in the Board during the financial year are as shown below:

### Auditors

The Auditor General is responsible for the statutory audit of the Municipality in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board



Name: CATHERINE NYAGA  
Secretary of the Board

### **13. Statement of Management's Responsibilities**

Section 180 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting Officer of the Municipality established by Urban Areas and Cities Act No. 13 of 2011 shall prepare financial statements in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The Municipality manager is responsible for the preparation and presentation of the Municipality's financial statements, which give a true and fair view of the state of affairs of the Municipality for and as at the end of the financial year ended on June 30, 2025. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Municipality, (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 Municipality, (v) Selecting and applying appropriate accounting policies, and (vi) Making accounting estimates that are reasonable in the circumstances.

The Municipality Manager accepts responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and *Urban Areas and Cities Act No. 13 of 2011*. The Municipality Manager is of the opinion that the financial statements give a true and fair view of the state of Municipality's transactions during the financial year ended June 30, 2025, and the financial position as at that date.

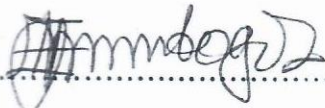
The Municipality Manager further confirms the completeness of the accounting records which have been relied upon in the preparation of financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Directors have assessed the Fund's ability to continue as a going concern (*disclosed, as applicable, matters relating to the use of going concern basis of*

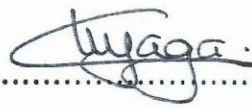
preparation of the financial statements). Nothing has come to the attention of the Municipality Manager to indicate that the Municipality will not remain a going concern for at least the next twelve months from the date of this statement.

**Approval of the financial statements**

The Municipal financial statements were approved by the Board on 25<sup>th</sup> August 2025 and signed on its behalf by:



Name: Eustace Mbogo  
Chairperson of the Board



Name: Catherine Nyaga  
Accounting officer of the Board

**14. Report of the Independent Auditor (Specify Entity)**

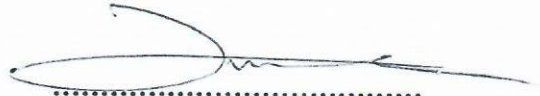
15. Statement of Financial Performance for The Year Ended 30<sup>th</sup> June 2025.

Description	Note	FY 2024/2025	FY 2023/2024
		Kshs.	Kshs.
<b>Revenue from non-exchange transactions</b>			
Transfers from the County Government	6	42,280,886	34,200,000
Public contributions and donations	7	2,700,000	500,000
Levies Fines and Penalties	8	0	0
Other revenues ( <i>Specify</i> )	9	0	0
		<b>44,980,886</b>	<b>34,700,000</b>
<b>Revenue from exchange transactions</b>			
Interest income	10	0	0
Miscellaneous Income	11	0	0
		<b>0</b>	<b>0</b>
<b>Total revenue</b>		<b>44,980,886</b>	<b>34,700,000</b>
<b>Expenditure</b>			
Use of goods and services	12	44,380,947	122,745,758
Staff costs	13	0	0
Board expenses	14	3,609,500	2,531,300
Finance costs	15	0	15,445
Depreciation and amortization	16	0	0
Repairs and maintenance	17	150,000	16. 0
<b>Total expenses</b>		<b>48,140,447</b>	<b>125,292,503</b>
<b>Other gains/losses</b>			
Gain/loss on disposal of assets	18	0	0
<b>Surplus/(deficit) for the period</b>		<b>(3,159,561)</b>	<b>(90,592,503)</b>

The notes set out on pages 1 to 7 form an integral part of these Financial Statements. The entity financial statements were approved on 25<sup>th</sup> August 2025 and signed by:



Name: Catherine Nyaga  
 Municipality Manager



Name: Sammy M. Gakobo  
 Head of Finance  
 ICPAK M/No 8734

17. Statement of Financial Position as at 30<sup>th</sup> June 2025.

Description	Note	FY 2024/2025	FY 2023/2024
		Kshs.	Kshs.
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	19	3,911,303	6,672,759
Receivables from exchange transactions	20	0	0
Receivables from non-exchange transactions	21	0	0
Prepayments	22	0	0
Inventories	23	0	0
<b>Total current assets</b>		<b>3,911,303</b>	<b>6,672,759</b>
<b>Non-current assets</b>			
Property, plant, and equipment	24	0	0
Intangible assets	25	0	0
Biological Assets	26	0	0
<b>Total Non-current Assets</b>		<b>0</b>	<b>0</b>
<b>Total assets (A)</b>		<b>3,911,303</b>	<b>6,672,759</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	27	0	0
Refundable deposits from customers	28	269,925	5,739,582
Provisions	29	0	0
Borrowings	30	0	0
Employee benefit obligations	31	0	0
Deferred Income	32	0	0
Social Benefits	33	0	0
<b>Total current liabilities</b>		<b>269,925</b>	<b>5,739,582</b>
<b>Non-current liabilities</b>			
Provisions	29	0	0
Borrowings	30	0	0
Non-current employee benefit obligation	31	0	0
Deferred Income	32	0	0
Social Benefits	33	0	0
<b>Total liabilities (B)</b>		<b>269,925</b>	<b>5,739,582</b>

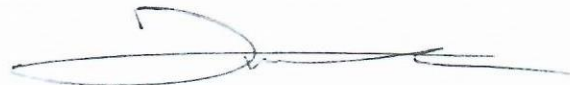
County Government of Embu  
 Embu Municipality  
 Annual Report and Financial Statements for the year ended June 30, 2025

Description	Note	FY 2024/2025	FY 2023/2024
		Kshs.	Kshs.
Net Assets (A-B)		3,641,378	933,177
Represented by:			
Capital/Development Grants Fund		6,672,759	91,525,680.22
Reserves		0	0
Accumulated surplus		(3,159,561)	(90,592,503)
Net Assets/Equity		3,513,198	933,177

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 25<sup>th</sup> August 2025 and signed by:



.....  
 Name: Catherine Nyaga  
 Municipality Manager  
 Date: 20/07/2025



.....  
 Name: Sammy M. Gakobo  
 Head of Finance  
 ICPAK M/No 8734  
 Date: 20/07/2025

18. Statement of Changes in Net Assets for the Year Ended 30 June 2025.

Description	Capital/ Development Grants/Fund	Revaluation Reserve	Accumulated Surplus	Total
		Kshs.	Kshs.	Kshs.
Bal as at 1 July 2023	xxx	Xxx	Xxx	xxx
Surplus/(deficit) for the year		-	Xxx	xxx
Funds received during the year	34,700,000	-	-	34,700,000
Revaluation gain/loss	-	0	-	0
<b>Bal as at 30 Jun 2024</b>	<b>91,525,680.22</b>	<b>0</b>	<b>(90,592,503)</b>	<b>933,177</b>
Bal as at 1 July 2024	91,525,680.22	0	(90,592,503)	933,177
Surplus/(deficit) for the year		-	(3,159,561)	(3,159,561)
Funds received during the year	44,980,886	-	-	44,980,886
Revaluation gain/loss	-	0	-	0
<b>Balance as at 30 June 2025</b>	<b>6,672,759</b>	<b>0</b>	<b>(3,159,561)</b>	<b>3,513,198</b>

(Provide details on the nature and purpose of reserves)

19. Statement Of Cash Flows for The Year Ended 30 June 2025.

Description	Note	FY 2024/2025	FY 2023/2024
		Kshs.	Kshs.
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from the County Government		42,280,886	34,200,000
Public contributions and donations		2,700,000	500,000
Interest received		0	0
Miscellaneous receipts <i>(Specify)</i>		0	0
<b>Total Receipts</b>		<b>44,980,886</b>	<b>34,700,000</b>
<b>Payments</b>			
Use of goods and services		44,280,947	122,745,753
Staff costs		0	0
Board expenses		3,609,500	2,531,300
Finance costs		0	15,445
Repairs		150,000	0
<b>Total Payments</b>		<b>48,040,447</b>	<b>125,292,503</b>
<b>Net cash flows from operating activities</b>	34	<b>(3,059,591)</b>	<b>(91,292,503)</b>
<b>Cash flows from investing activities</b>			
Purchase of PPE & intangible assets		(0)	(0)
Proceeds from sale of PPE		0	0
<b>Net cash flows used in investing activities</b>		<b>(0)</b>	<b>(0)</b>
<b>Cash flows from financing activities</b>			
Receipts from Capital grants		0	0
Proceeds from borrowings		0	0
Repayment of borrowings		(0)	(0)
<b>Net cash flows used in financing activities</b>		<b>(0)</b>	<b>(0)</b>
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>		<b>269,925</b>	<b>5,739,582</b>
Cash And Cash Equivalents At 1 July	19	<b>6,672,759</b>	91,525,680
<b>Cash And Cash Equivalents At 30 June</b>	19	<b>3,911,303</b>	<b>6,672,759</b>

*(PSASB has now prescribed the direct method of cashflow presentation for all entities under the IPSAS Accrual basis of accounting). Comparative FY refers to the financial year preceding the current year.*

**Embu Municipality  
County Government of Embu  
Annual Report and Financial Statements for the year ended June 30, 2025.**

**20. Statement of Comparison of Budget & Actual Amounts for the Year ended 30 June 2025.**

Description	Original budget Kshs. a	Adjustments Kshs. b	Final budget Kshs. c=(a+b)	Actual on comparable basis Kshs. D	Performance difference Kshs. e=(c-d)	% of utilisatio n f=d/c
<b>Budget carryovers from the previous year*</b>	-	xxx	xxx	xxx	xxx	xxx
<b>Receipts</b>						
Transfers from the County Government	42,280,886	(xxx)	42,280,886	xxx	(xxx)	%
Public contributions and donations	2,700,000	(xxx)	2,700,000	xxx	(xxx)	%
Interest income	0	(xxx)	0	xxx	(xxx)	%
Miscellaneous income ( <i>specify</i> )	0	(xxx)	0	xxx	(xxx)	%
<b>Total Receipts</b>	<b>44,980,886</b>	<b>xxx</b>	<b>44,980,886</b>	<b>xxx</b>	<b>xxx</b>	<b>%</b>
<b>Payments</b>						
Use of goods and services	44,280,947	(xxx)	44,280,947	xxx	(xxx)	%
Board expenses	0	(xxx)	0	xxx	(xxx)	%
Staff Costs	3,609,500	(xxx)	3,609,500	xxx	(xxx)	%
Repairs	150,000		150,000			
Finance costs	0	(xxx)	0	xxx	(xxx)	%
<b>Total expenditure Payments</b>	<b>48,040,447</b>	<b>(xxx)</b>	<b>48,040,447</b>	<b>xxx</b>	<b>(xxx)</b>	<b>%</b>
<b>Capital Expenditure Payments</b>	<b>21,261,361</b>	<b>xxx</b>	<b>21,261,361</b>	<b>xxx</b>	<b>xxx</b>	
<b>Surplus for the period</b>	<b>(3,159,561)</b>	<b>xxx</b>	<b>(3,159,561)</b>	<b>A</b>	<b>xxx</b>	

*(Budget carryovers\* This is for entities whose budget lapses at year-end, but the surpluses are not legally required to be remitted to the CRF. The funds need to be budgeted afresh. Budget carryovers should not include third-party funds such as contractors' retention.)*

19. Statement Of Cash Flows for The Year Ended 30 June 2025.

Description	Note	FY 2024/2025	FY 2023/2024
		Kshs.	Kshs.
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from the County Government		42,280,886	34,200,000
Public contributions and donations		2,700,000	500,000
Interest received		0	0
Miscellaneous receipts <i>(Specify)</i>		0	0
<b>Total Receipts</b>		<b>44,980,886</b>	<b>34,700,000</b>
<b>Payments</b>			
Use of goods and services		44,280,947	122,745,753
Staff costs		0	0
Board expenses		3,609,500	2,531,300
Finance costs		0	15,445
Repairs		150,000	0
<b>Total Payments</b>		<b>48,040,447</b>	<b>125,292,503</b>
<b>Net cash flows from operating activities</b>	34	<b>(3,059,591)</b>	<b>(91,292,503)</b>
<b>Cash flows from investing activities</b>			
Purchase of PPE & intangible assets		(0)	(0)
Proceeds from sale of PPE		0	0
<b>Net cash flows used in investing activities</b>		<b>(0)</b>	<b>(0)</b>
<b>Cash flows from financing activities</b>			
Receipts from Capital grants		0	0
Proceeds from borrowings		0	0
Repayment of borrowings		(0)	(0)
<b>Net cash flows used in financing activities</b>		<b>(0)</b>	<b>(0)</b>
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>		<b>269,925</b>	<b>5,739,582</b>
Cash And Cash Equivalents At 1 July	19	<b>6,672,759</b>	91,525,680
<b>Cash And Cash Equivalents At 30 June</b>	19	<b>3,911,303</b>	<b>6,672,759</b>

*(PSASB has now prescribed the direct method of cashflow presentation for all entities under the IPSAS Accrual basis of accounting). Comparative FY refers to the financial year preceding the current year.*

**County Government of Embu  
Embu Municipality**

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

*(Entities can present the Statement of Comparison of Budget & Actual amounts in a different format/categorization as approved by the governing body.)*

**Budget notes**

*[Provide an explanation of differences between actual and budgeted amounts (any over-utilisation and underutilisation of below 90%)]  
(Provide an explanation of changes between original and final budget indicating whether the difference is due to reallocations or other causes.*

**Budget Reconciliation**

Description of Particulars		Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	A
1	Reason for differences	XX
2	Reason for differences	XX
3	Reason for differences	XX
4	Reason for differences	XX
	Closing Cash and Cash Equivalent as per the statement of Cash flows	XXX

## 21. Notes to the Financial Statements

### 1. General Information

Embu Municipality is established by and derives its authority and accountability from Urban Area and Cities Act. The Municipality is under the Embu County Government and is domiciled in Kenya. The principal activity Municipality is to develop and adopt policies, plans, strategies and programmes for provision of high-quality services harness opportunities, and promote sustainable development in Embu Municipality.

### 2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts, and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgment in the process of applying the *entity's* accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5 of these financial statements.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the *entity*.

The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act (*include any other applicable legislation*), and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Application of New and revised standards (IPSAS)

(When an IPSAS becomes effective on 1<sup>st</sup> January 20xx, it is applicable in Kenya from 1<sup>st</sup> July 20xx)

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

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

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

Standard	Effective date and impact:
IPSAS 43: Leases	<i>Applicable 1<sup>st</sup> January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities. <i>State the expected impact of the standard to the Entity if relevant</i>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<i>Applicable 1<sup>st</sup> January 2025</i> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance. <i>State the expected impact of the standard to the Entity if relevant</i>
IPSAS 45: Property Plant and Equipment	<i>Applicable 1<sup>st</sup> January 2025</i> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.

	<i>State the expected impact of the standard to the Entity if relevant</i>
IPSAS 46: Measurement	<p><b>Applicable 1<sup>st</sup> January 2025</b></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS.</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ol> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 47: Revenue	<p><b>Applicable 1<sup>st</sup> January 2026</b></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non-exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 48: Transfer Expenses	<p><b>Applicable 1<sup>st</sup> January 2026</b></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 49: Retirement Benefit Plans	<p><b>Applicable 1<sup>st</sup> January 2026</b></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 50: Exploration For & Evaluation of	<p><b>Applicable 1<sup>st</sup> January 2027</b></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p>

Mineral Resources	<ul style="list-style-type: none"><li>i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</li><li>ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26.</li><li>iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.</li></ul>
-------------------	---

*State the expected impact of the standard to the Entity if relevant*

*iii. Early adoption of standards*

The Entity did not early – adopt any new or amended standards in the financial year or *the entity adopted the following standards early (state the standards, reason for early adoption and impact on entity's financial statements.)*

#### 4. Significant Accounting Policies

##### a) Revenue recognition

##### i) Revenue from non-exchange transactions

###### *Transfers from other government entities*

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services, and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the *Entity* and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that have been acquired using such funds.

##### ii) Revenue from exchange transactions

###### *Interest income*

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

##### b) Budget information

The original budget for FY 20XX/XX was approved by the County Assembly on xxx (Date). Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Municipality upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Municipality recorded additional appropriations of xxx (Amount) on xxx (Date) following the governing body's approval.

The City/Municipality's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on

accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of Cashflows has been presented under section xxx of these financial statements.

**c) Property, plant and equipment**

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

**d) Intangible assets**

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

**e) Biological Assets**

The entity recognizes biological assets when it controls the assets due to past events, it is probable that future economic benefits associated with the asset will flow to the entity, and when the fair value or cost of the asset can be measured reliably. Biological assets are initially and subsequently measured at fair value less costs to sell, except where fair value cannot be reliably determined. In such cases, the asset is measured at its cost less accumulated depreciation and any accumulated impairment losses. Changes in fair value less costs to sell are recognized in surplus/deficit in the period in which they occur.

**f) Financial instruments**

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. *The entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. (amend as appropriate).*

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

**Financial assets**

**Classification of financial assets**

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

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

#### **Subsequent measurement**

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

#### **Amortized cost**

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

#### **Fair value through net assets/ equity**

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

#### **Fair value through surplus or deficit**

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

### Trade and other receivables

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

### Impairment

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

### Financial liabilities

#### Classification

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

### g) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition. Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

Raw materials: purchase cost using the weighted average cost method

Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

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

or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Municipality.

**h) Provisions**

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

**i) Social Benefits**

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

**j) Contingent liabilities**

The Municipality 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.

**k) Contingent assets**

The Municipality 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 Municipality 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

**l) Nature and purpose of reserves**

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

**m) Changes in accounting policies and estimates**

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

**n) Employee benefits – Retirement benefit plans**

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

**o) Foreign currency transactions**

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. At each reporting date, foreign currency monetary items are translated using the closing rate. Non-monetary items measured in historical cost are translated using the exchange rate at the date of the transaction, and those measured at fair value are translated using the exchange rates at the date when the fair value was determined. Exchange differences arising from the settlement of monetary items or translation of monetary non-monetary items at rates different from those at which they were initially reported are recognized in surplus or deficit in the period.

**p) Borrowing costs**

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

**q) Related parties**

The Municipality regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Municipality, or vice versa. Members of key management are regarded as related parties and comprise the Board members, the Municipality Managers and Municipality Accountant.

**r) 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 various commercial banks at the end of the financial year.

**s) Comparative figures**

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

**t) Events after the reporting period**

Events after the reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorized for issue.

Two types of events can be identified:

(a) Those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and

(b) Those that are indicative of conditions that arose after the reporting date (*non-adjusting events after the reporting date*).

The Municipality should indicate whether there are material adjusting and non- adjusting events after the reporting period.

**u) Currency**

The financial statements are presented in Kenya Shillings (Kshs.) and the values rounded off to the nearest shilling.

## 5. Significant judgments and sources of estimation uncertainty

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

State all judgements, estimates and assumptions made.

### **Estimates and assumptions.**

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

### **Useful lives and residual values**

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

- i) The condition of the asset based on the assessment of experts employed by the Municipality.
- ii) The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- iii) The nature of the processes in which the asset is deployed.
- iv) Availability of funds to replace the asset.
- v) Changes in the market in relation to the asset.

## Notes to the Financial Statements

## 6. Transfers from the County Government

Description	FY 2024/2025	FY 2023/2024
	Kshs.	Kshs.
Transfers from County Govt. – Recurrent	42,280,856	34,200,000
Payments by County on behalf of the entity	0	0
Unconditional development grants	0	0
<b>Total</b>	<b>42,280,856</b>	<b>34,200,000</b>

(Provide brief explanation for this revenue)

## (a) Transfers from County Government entities (Categorized)

Name Of The Entity Sending The Grant	Amount recognized to Statement of financial performance* Kshs	Amount deferred under deferred income Kshs	Amount recognised in capital fund.	Total grant income during the year	Insert Comparative FY
			Kshs	Kshs	Kshs
xx State Department	xx	xx	xx	xx	Xx
XX Ministry	xx	xx	xx	xx	Xx
<b>Total</b>	<b>xx</b>	<b>xx</b>	<b>xx</b>	<b>xx</b>	<b>Xx</b>

(Ensure that the amount recorded above as having been received from the County fully reconciles to the amount recorded by the sending County office. An acknowledgement note/receipt should be raised in favour of the sending County office.) Amount recognised in the statement of financial performance should be the recurrent grant and the development grant to the extent that there are no conditions attached. Total of column 1 should tie to note 6. The details of the reconciliation have been included under appendix xxx

## 7. Public Contributions and Donations

Description	FY 2024/2025	FY 2023/2024
	Kshs.	Kshs.
Donation from development partners	2,700,000	500,000
Contributions from the public	0	0
<b>Total</b>	<b>2,700,000</b>	<b>500,000</b>

→ 42,309,300

County Government of Embu

Embu Municipality

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

8. Levies, Fines and penalties

Description	FY 2024/2025	FY 2023/2024
	Kshs.	Kshs.
Levies	0	0
Fines	0	0
Penalties	0	0
Others (indicate and specify)	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

9. Other Revenues

Description	FY 2024/2025	FY 2023/2024
	Kshs.	Kshs.
Transfers from other government entities	0	0
Others (indicate and specify)	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

(Provide a brief explanation for this revenue)

10. Interest income

Description	FY 2024/2025	FY 2023/2024
	Kshs.	Kshs.
Interest income from investments	0	0
Interest income on bank deposits	0	0
Others (Specify)	0	0
<b>Total interest income</b>	<b>0</b>	<b>0</b>

(Provide brief explanation for this revenue)

11. Miscellaneous income

Description	FY 2024/2025	FY 2023/2024
	Kshs.	Kshs.
Income from sale of tender documents	0	0
Others (specify)	0	0
<b>Total other income</b>	<b>0</b>	<b>0</b>

County Government of Embu  
 Embu Municipality  
 Annual Report and Financial Statements for the year ended June 30, 2025.

12. Use of Goods and Services

Description	FY 2024/2025	FY 2023/2024
	Kshs.	Kshs.
Utilities, supplies and services	36,776	7,102
Communication, supplies and services	0	104,600
Domestic travel and subsistence	10,585,500	5,376,100
Foreign travel and subsistence	0	0
Printing, advertising, supplies & services	353,120	479,875
Rent and rates	600,000	2,375,200
Training expenses	0	1,474,800
Hospitality supplies and services	740,000	499,550
Insurance costs	118,000	0
Website development	0	1,000,000
Office and general supplies and services	0	0
Fuel, oil and lubricants	0	0
Other operating expenses- Feasibility	0	359,600
Purchase of utility vehicles	8,019,431	0
Routine maintenance – other assets	0	86,908,750
Fire Engine acquisition	13,707,759.50	0
Development of policies- IDEP	1,756,000	16,769,000
Development projects	2,699,251	0
Bank Charges	21,697.50	0
Release of retention	5,743,412	0
<b>Total</b>	<b>44,380,947</b>	<b>122,745,758</b>

\*Social benefit schemes include benefits such as cash transfers for unemployment or elderly in line with IPSAS 42.

13. Staff costs

Description	FY 2024/2025	FY 2023/2024
	Kshs.	Kshs.
Salaries and wages	0	0
Staff gratuity	0	0
Social security contribution	0	0
Other staff costs (Specify)	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

14. Board expenses

Description	FY 2024/2025	FY 2023/2024
	Kshs.	Kshs.
Chairman Members' Honoraria	2,509,500	1,531,000
Sitting allowances	0	0
Medical Insurance	0	0
Induction and Training	1,100,000	1,000,000
Travel and accommodation	0	0
Conference Costs	0	0
Other allowances ( <i>Specify</i> )	0	0
<b>Total</b>	<b>3,609,500</b>	<b>2,531,300</b>

15. Finance costs

Description	FY 2024/2025	FY 2023/2024
	Kshs.	Kshs.
Interest on Bank overdrafts	0	0
Interest on loans from banks	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

16. Depreciation and amortization

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Property, plant and equipment	0	0
Intangible assets	0	0
Investment property carried at cost	0	0
<b>Total depreciation and amortization</b>	<b>0</b>	<b>0</b>

17. Repairs and Maintenance

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Property- Buildings	150,000	0
Office equipment	0	0
Furniture and fittings	0	0
Motor vehicle expenses	0	0
Maintenance of civil works	0	0
<b>Total repairs and maintenance</b>	<b>150,000</b>	<b>0</b>

18. Gain/(loss) on disposal of assets

Description	FY 2024/2025	FY 2023/2024
	Kshs.	Kshs.
Property, plant and equipment	0	0
Intangible assets	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

19. Cash and cash equivalents

Description	FY 2024/2025	FY 2023/2024
	Kshs.	Kshs.
Development account	1,426,512	0
On – call deposits	272,715	0
Current account	2,212,076	933,177
Others( <i>specify</i> )	0	5,739,582
<b>Total cash and cash equivalents</b>	<b>3,911,303</b>	<b>6,672,759</b>

(The amount should agree with the closing and opening balances as included in the statement of cash flows)

County Government of Embu  
Embu Municipality

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

Detailed analysis of the cash and cash equivalents are as follows:

Financial institution	Account number	FY 2024/2025	FY 2023/2024
		Kshs.	Kshs.
<b>a) Fixed deposits account</b>			
Kenya Commercial bank		xxx	xxx
Equity Bank, etc		xxx	xxx
<b>Sub- total</b>		<b>xxx</b>	<b>xxx</b>
<b>b) On - call deposits</b>			
Kenya Commercial bank		xxx	xxx
Equity Bank - etc		xxx	xxx
<b>Sub- total</b>		<b>xxx</b>	<b>xxx</b>
<b>c) Current account</b>			
Kenya Commercial bank		xxx	xxx
Equity Bank - etc		xxx	xxx
<b>Sub- total</b>		<b>xxx</b>	<b>xxx</b>
<b>d) Others(specify)</b>			
Cash in transit		xxx	xxx
Cash in hand		xxx	xxx
Mobile Money		xxx	xxx
<b>Sub- total</b>		<b>xxx</b>	<b>xxx</b>
<b>Grand total</b>		<b>xxx</b>	<b>xxx</b>

**20. Receivables from exchange transactions**

Description	FY 2024/2025	FY 2023/2024
	Kshs.	Kshs.
<b>Current Receivables</b>		
Service, water and electricity debtors	0	0
Other exchange debtors	0	0
Less: impairment allowance	(0)	(0)
<b>Total Current receivables (a)</b>	<b>0</b>	<b>0</b>
<b>Non-Current receivables</b>		
Service, water and electricity debtors	0	0
Other exchange debtors	0	0
Less: impairment allowance	(0)	(0)
<b>Total non-current receivables (b)</b>	<b>0</b>	<b>0</b>
<b>Total</b>	<b>0</b>	<b>0</b>

County Government of Embu

Embu Municipality

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

Ageing analysis for Receivables from exchange transactions

Description	FY 2024/2025		FY 2023/2024	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	0	%	0	%
Between 1- 2 years	0	%	0	%
Between 2-3 years	0	%	0	%
Over 3 years	0	%	0	%
<b>Total (a+b)</b>	<b>0</b>	<b>%</b>	<b>0</b>	<b>%</b>

21. Receivables from Non-Exchange transaction

Description	FY 2024/2025	FY 2023/2024
	Kshs.	Kshs.
Transfer from County Executive	0	0
Transfer from XXXX Fund	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

Ageing analysis for Receivables from non-exchange transactions

Description	FY 2024/2025		FY 2023/2024	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	0	%	0	%
Between 1- 2 years	0	%	0	%
Between 2-3 years	0	%	0	%
Over 3 years	0	%	0	%
<b>Total</b>	<b>0</b>	<b>%</b>	<b>0</b>	<b>%</b>

County Government of Embu

Embu Municipality

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

22. Prepayments

Description	FY 2024/2025	FY 2023/2024
	Kshs.	Kshs.
Insurance	0	0
Rent	0	0
Water	0	0
Internet	0	0
Other (specify)	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

23. Inventories

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Consumable stores	0	0
Medical supplies	0	0
Spare parts and meters	0	0
Water for distribution	0	0
Other goods held for resale	0	0
Catering	0	0
Less: allowance for impairment	0	0
<b>Total inventories at the lower of cost and net realizable value</b>	<b>0</b>	<b>0</b>

(Provide brief explanation on inventories)

Detailed Disclosure on Inventories

	FY 2024/2025	FY 2023/2024
<b>Opening balance</b>	<b>xxx</b>	<b>0</b>
Additional Inventory in the year	xxx	0
Inventory expensed in the year	xxx	0
Write-downs in the year	xxx	0
Others specify	xxx	0
<b>Closing balance</b>	<b>xxx</b>	<b>0</b>

24. Property, Plant and Equipment

Description	Land		Building		Motor vehicles		Furniture and fittings		Computers		Other Assets (specify)		Capital Work in progress		Total	
	Shs	X%	Shs	X%	Shs	X%	Shs	X%	Shs	X%	Shs	X%	Shs	X%	Shs	X%
<b>Depreciation Rate</b>																
As at 1 July 20XX (previous year)	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
Additions	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
Disposals	(xxx)	(xxx)	(xxx)	(xxx)	(xxx)	(xxx)	(xxx)	(xxx)	(xxx)	(xxx)	(xxx)	(xxx)	(xxx)	(xxx)	(xxx)	(xxx)
Transfers/adjustments	xxx	-	xxx	-	(xxx)	(xxx)	(xxx)	xxx	(xxx)	(xxx)	(xxx)	(xxx)	xxx	(xxx)	(xxx)	(xxx)
Revaluation Adjustment	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
<b>As at 30<sup>th</sup> June 20XX</b>	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
Additions for the year	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	-	xxx	xxx	xxx	xxx	xxx	xxx
Disposals for the year	(xxx)	(xxx)	(xxx)	(xxx)	(xxx)	(xxx)	(xxx)	(xxx)	(xxx)	(xxx)	(xxx)	(xxx)	(xxx)	(xxx)	(xxx)	(xxx)
Transfer/adjustments	(xxx)	-	(xxx)	-	xxx	xxx	xxx	xxx	(xxx)	(xxx)	(xxx)	(xxx)	xxx	(xxx)	(xxx)	(xxx)
Revaluation Adjustment	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
<b>As at 30<sup>th</sup> June 20XX (current year)</b>	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
<b>Depreciation and impairment</b>																
At 1 July 20XX (previous year)		xxx		xxx		xxx		xxx		xxx		xxx		xxx		xxx
Depreciation		xxx		xxx		xxx		xxx		xxx		xxx		-		xxx
Impairment		-		-		-		-		-		(xxx)		-		(xxx)

County Government of Embu  
Embu Municipality

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

Description	Land	Building	Motor vehicles	Furniture and fittings	Computers	Other Assets (specify)	Capital Work in progress	Total
	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs
Depreciation Rate		X%	X%	X%	X%	X%		
Transfers/ Adjustments		-	Xxx	xxx	(xxx)	(xxx)	xxx	(xxx)
As at 30 June 20XX		xxx	Xxx	xxx	xxx	xxx	xxx	xxx
Depreciation for the year		xxx	Xxx	xxx	xxx	xxx	-	xxx
Disposals for the year		(xxx)	(xxx)	(xxx)	-	(xxx)	(xxx)	(xxx)
Impairment for the year		-	(xxx)	-	-	(xxx)	-	(xxx)
Transfer/adjustment		-	(xxx)	(xxx)	xxx	(xxx)	(xxx)	xxx
As at 30 <sup>th</sup> June 20XX (current year)		xxx	Xxx	xxx	xxx	xxx	xxx	xxx
NBV as at 30 <sup>th</sup> Jun 20XX (previous year)	xxx	xxx	Xxx	xxx	xxx	xxx	xxx	xxx
NBV as at 30 <sup>th</sup> Jun 20XX (current year)	xxx	xxx	Xxx	xxx	xxx	xxx	xxx	xxx

(Include a brief description of WIP as a footer.)

County Government of Embu

Embu Municipality

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

25. Intangible assets

Description	FY 2024/2025	FY 2023/2024
	Kshs.	Kshs.
Cost		
At beginning of the year	0	0
Additions	0	0
At end of the year	0	0
Amortization and impairment		
At beginning of the year	0	0
Amortization	0	0
At end of the year	0	0
Impairment loss	0	0
At end of the year	0	0
NBV	0	0

26. Biological Assets

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Trees in a plantation forest	0	0
Animals: Dairy Cattle, Pigs, Sheep	0	0
Others specify	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

27. Trade and Other Payables

Description	FY 2024/2025		FY 2023/2024	
	Kshs.	% of the Total	Kshs.	% of the Total
Trade payables	0		0	
Retentions	0		0	
Accrued expenses	0		0	
Other payables (Specify)	0		0	
<b>Total trade and other payables</b>	<b>0</b>		<b>0</b>	
<b>Ageing analysis:</b>	<b>Current FY</b>	<b>% of the Total</b>	<b>Comparative FY</b>	<b>% of the Total</b>
Under one year	0	%	0	%
1-2 years	0	%	0	%
2-3 years	0	%	0	%
Over 3 years	0	%	0	%
<b>Total</b>	<b>0</b>	<b>%</b>	<b>0</b>	<b>%</b>

County Government of Embu

Embu Municipality

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

28. Refundable deposits and prepayments from customers

Description	FY 2024/2025		FY 2023/2024	
	Kshs		Kshs	
Rent deposits			0	
Prepayments			0	
Others- Retention Withheld			5,739,582	
<b>Total</b>			<b>5,739,582</b>	
<b>Ageing analysis:</b>	<b>Current FY</b>	<b>% of the Total</b>	<b>FY 2023/2024</b>	<b>% of the Total</b>
Under one year		%	5,739,582	%
1-2 years		%	0	%
2-3 years		%	0	%
Over 3 years		%	0	%
<b>Total</b>		<b>%</b>	<b>5,739,582</b>	<b>%</b>

29. Provisions

Description	FY 2024/2025		FY 2023/2024	
	Kshs.		Kshs.	
Balance at the beginning of the year	0		0	
Additional Provisions ( <i>Specify</i> )	0		0	
Provision utilised	(0)		(0)	
<b>Balance at the end of the year</b>	<b>0</b>		<b>0</b>	
Current Portion of provision	0		0	
Long term portion of provision	0		0	
<b>Total Provisions</b>	<b>0</b>		<b>0</b>	

30. Borrowings

The table below shows the classification of borrowings long-term and current borrowings:

Description	FY 2024/2025		FY 2023/2024	
	Kshs.		Kshs.	
Short term borrowings (current portion)	0		0	
Long term borrowings	0		0	
<b>Total</b>	<b>0</b>		<b>0</b>	

(NB: the total of this statement should tie to note 29 totals. Current portion of borrowings are those borrowings that are payable within one year or the next financial year. Additional disclosures on terms of borrowings, nature of borrowings, security, and interest rates should be disclosed)

County Government of Embu  
 Embu Municipality  
 Annual Report and Financial Statements for the year ended June 30, 2025.

Description	FY 2024/2025	FY 2023/2024
	Kshs.	Kshs.
Balance at beginning of the period	0	0
Borrowings during the year	0	0
Repayments of borrowings during the period	(0)	(0)
Balance at end of the period	0	0

The table below shows the Distribution of borrowings:

Description	FY 2024/2025	FY 2023/2024
	Kshs.	Kshs.
<b>Borrowings</b>		
Kenya Shilling loan from KCB	0	0
Kenya Shilling loan from Barclays Bank	0	0
Kenya Shilling loan from Consolidated Bank	0	0
Borrowings from other government institutions	0	0
<b>Total balance at end of the year</b>	<b>0</b>	<b>0</b>

### 31. Employee Benefit Obligations

Description	Defined benefit plan	Post-employment medical benefits	Other Provisions	Total
	Kshs.	Kshs.	Kshs.	Kshs.
Current benefit obligation	0	0	0	0
Non-current benefit obligation	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

County Government of Embu

Embu Municipality

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

32. Deferred Income

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
National/ County Government	0	0
International Funding Bodies	0	0
Public Contributions and Donations	0	0
<b>Total Deferred Income</b>	<b>0</b>	<b>0</b>

The deferred income movement is as follows:

Description	County government	International funders/ donors	Public contributions and donations	Total
	Kshs	Kshs	Kshs	Kshs
Balance brought forward	0	0	0	0
Additions during the year	0	0	0	0
Transfers to capital fund	(0)	(0)	(0)	(0)
Transfers to income statement	(0)	(0)	(0)	(0)
Other transfers	(0)	(0)	(0)	(0)
Balance carried forward	0	0	0	0

Include columns as needed for the various sources of income deferred

Analysed as:

Description	Amount
	Kshs
Current	0
Non- Current	0
<b>Total</b>	<b>0</b>

County Government of Embu  
 Embu Municipality  
 Annual Report and Financial Statements for the year ended June 30, 2025.

**33. Social Benefit Liabilities**

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Health social benefit scheme	0	0
Unemployment social benefit scheme	0	0
Orphaned and vulnerable benefit scheme	0	0
PWD benefit scheme		
Elderly social benefit scheme	0	0
<b>Total</b>	<b>0</b>	<b>0</b>
Current social benefits	0	0
Non- current social benefits	0	0
<b>Total (tie to totals above)</b>	<b>0</b>	<b>0</b>

*Social benefit schemes include benefits such as cash transfers for the unemployed or elderly in line with IPSAS 42. They are incurred to mitigate against a certain social risk e.g. poverty, age, unemployment among others.*

**34. Cash generated from operations**

Description	FY 2024/2025	FY 2023/2024
	Kshs.	Kshs.
<b>Surplus/ (deficit) for the year before tax</b>	<b>0</b>	<b>0</b>
<b>Adjusted for:</b>		
Depreciation	0	0
Amortisation	0	0
Gains/ losses on disposal of assets	(0)	(0)
<b>Working Capital adjustments</b>		
Increase in inventory	(0)	(0)
Increase in receivables	(0)	(0)
Increase in payables	0	0
<b>Net cash flow from operating activities</b>	<b>0</b>	<b>0</b>

*(The total of this statement should tie to the cash flow section on net cash flows from operating activities)*

**35. Related party balances**

**a) Nature of related party relationships**

Entities and other parties related to the Municipality include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates and close family members. The City/Municipality/scheme is related to the following entities:

- a) The County Government.
- b) The Parent County Government Ministry.
- c) County Assembly.
- d) Key management.
- e) Municipality Board; etc.

**b) Related party transactions**

Description	FY 2024/2025	FY 2023/2024
	Kshs.	Kshs.
Transfers from related parties'	0	0
Transfers to related parties	0	0

**c) Key management remuneration**

Description	FY 2024/2025	FY 2023/2024
	Kshs.	Kshs.
Board Members	0	0
Key Management Compensation	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**d) Due from related parties**

Description	FY 2024/2025	FY 2023/2024
	Kshs.	Kshs.
Due from parent Ministry	0	0
Due from County Government	0	0
Due from County Assembly	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

County Government of Embu  
 Embu Municipality  
 Annual Report and Financial Statements for the year ended June 30, 2025.

e) Due to related parties

Description	FY 2024/2025	FY 2023/2024
	Kshs.	Kshs.
Due to parent Ministry	0	0
Due to County Government	0	0
Due to Key management personnel	0	0
Due to County Assembly	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

36. Contingent liabilities

Contingent liabilities	FY 2024/2025	FY 2023/2024
	Kshs.	Kshs.
Court case xxx against the entity	0	0
Bank guarantees	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

(Give details)

37. Contingent Assets

Contingent liabilities	FY 2024/2025	FY 2023/2024
	Kshs.	Kshs.
Court case xxx against the entity	0	0
Others Specify	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

### 38. Financial risk management

The Municipality's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The City/Municipality's overall risk management programme focuses on the unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The Municipality does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

The Municipality's financial risk management objectives and policies are detailed below:

#### I. Credit risk

The Municipality has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience, and other factors. Individual risk limits are set based on internal or external assessments in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Municipality's management based on prior experience and their assessment of the current economic environment. The carrying amount of financial assets recorded in the financial statements representing the Municipality's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

Description	Total amount Kshs.	Fully performing Kshs.	Past due Kshs.	Impaired Kshs.
<b>At 30 June 2025</b>				
Receivables from exchange transactions	0	0	0	0
Receivables from non-exchange transactions	0	0	0	0
Bank balances	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>At 30 June 2024</b>				
Receivables from exchange transactions	0	0	0	0
Receivables from non-exchange transactions	0	0	0	0
Bank balances	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

(NB: The totals column should tie to the individual elements of credit risk disclosed in the entity's statement of financial position)

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for

*County Government of Embu  
Embu Municipality  
Annual Report and Financial Statements for the year ended June 30, 2025.*

uncollectible amounts that the Municipality has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Municipality has significant concentration of credit risk on amounts due from xxx.

The Municipality Board sets policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

**II. Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the Municipality Manager, who has built an appropriate liquidity risk management framework for the management of the City/Municipality's short, medium and long-term liquidity management requirements. The Municipality manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

The table below represents cash flows payable by the Municipality under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs.	Kshs.	Kshs.	Kshs.
<b>At 30 Jun 2025</b>				
Trade payables	0	0	0	0
Current portion of borrowings	0	0	0	0
Provisions	0	0	0	0
Employee benefit obligation	0	0	0	0
<b>Total</b>				
<b>At 30 Jun 2024</b>				
Trade payables	0	0	0	0
Current portion of borrowings	0	0	0	0
Provisions	0	0	0	0
Employee benefit obligation	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### III. Market risk

The Board has put in place an internal audit function to assist it in assessing the risk faced by the Municipality on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the Municipality's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee. The Municipality's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies. There has been no change to the Municipality's exposure to market risks or the manner in which it manages and measures the risk.

### IV. Foreign currency risk

The Municipality has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. The carrying amount of the Municipality's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Description	Other currencies		Total
	Kshs.	Kshs.	Kshs.
<b>At 30 June 2025 (current year)</b>			
Financial assets	0	0	0
Investments	0	0	0
Cash	0	0	0
Debtors/ receivables	0	0	0
<b>Liabilities</b>			
Trade and other payables	0	0	0
Borrowings	0	0	0
Net foreign currency asset/(liability)	0	0	0

*(The entity manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.)*

**Foreign currency sensitivity analysis**

The following table demonstrates the effect on the Fund's statement of financial performance on applying the sensitivity for a reasonable possible change in the exchange rate of the three main transaction currencies, with all other variables held constant. The reverse would also occur if the Kenya Shilling appreciated with all other variables held constant.

Description	Change in currency rate	Effect on surplus/ deficit	Effect on equity
	Kshs.	Kshs.	Kshs.
<b>FY 2024/2025</b>			
Euro	10%	0	0
USD	10%	0	0
<b>FY 2023/2024</b>			
Euro	10%	0	0
USD	10%	0	0

**V. Interest rate risk**

Interest rate risk is the risk that the entity's financial condition may be adversely affected as a result of changes in interest rate levels. The entity's interest rate risk arises from bank deposits. This exposes the Fund to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the Fund's deposits.

**Management of interest rate risk**

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates.

County Government of Embu

Embu Municipality

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

VI. Capital risk management.

The objective of the Municipality's capital risk management is to safeguard the Municipality's ability to continue as a going concern. The Municipality capital structure comprises of the following Municipality:

Description	FY 2024/2025	FY 2023/2024
	Kshs.	Kshs.
Revaluation reserve	0	0
Capital/Development Grants Municipality	0	0
Accumulated surplus	0	0
<b>Total Funds</b>	<b>0</b>	<b>0</b>
Total borrowings	0	0
Less: cash and bank balances	(0)	(0)
Net debt/(excess cash and cash equivalents)	0	0
<b>Gearing</b>	<b>%</b>	<b>%</b>

39. Program for Results (PforR) Disclosure

This disclosure note is for entities that are implementing Programs for Results (PforR). Implementing entities are required to make disclosures in accordance with their respective financing agreements. The disclosure should capture the program's goal and expenditures designated in the expenditure framework.

<b>Name of the PforR: xxxxxxxx</b>	
<b>Financing Partners: xxxxxxxxxxxx</b>	
<b>Purpose of the PforR: xxxxx</b>	
<b>Expenditure Details</b>	<b>Amount in Kshs</b>
Cumulative actual expenditures for the previous years	xxx
Actual expenditure in the current financial year.	
1. Employee Cost	xxx
2. Use of goods and Services	xxx
3. Grants and Subsidies	xxx
4. Building of ECDE facilities	xxx
5. Others (specify)	xxx
<b>Sub-total</b>	<b>xxx</b>
<b>Cumulative Actual Expenditures to date</b>	<b>xxx</b>

22. Appendices

Appendix 1. Progress on Follow up of Auditors Recommendations.

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)

**Guidance Notes:**

- a) Use the same reference numbers as contained in the external audit report.
- b) Obtain the “Issue/Observation” and “management comments”, required above, from final external audit report that is signed by Management.
- c) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for implementation of each issue.
- d) Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report to County Treasury.  
.....

**To be Signed by the Accounting officer of the Entity**

**County Government of Embu  
Embu Municipality  
Annual Report and Financial Statements for the year ended June 30, 2025.**

**Appendix 2: Inter-Entity Transfers**

<b>MUNICIPALITY NAME:</b>			
<b>Breakdown of Transfers from the County Executive of xxx County</b>			
<b>FY 20xx/20xx</b>	<b>Bank Statement Date</b>	<b>Amount (Kshs.)</b>	<b>Indicate the FY to which the amounts relate</b>
<b>a. Recurrent Grants</b>		Xx	
		Xx	
<b>Total</b>		<b>XXX</b>	
<b>b. Development Grants</b>	<b>Bank Statement Date</b>	<b>Amount (Kshs.)</b>	<b>Indicate the FY to which the amounts relate</b>
		xx	
		xx	
		xx	
<b>Total</b>		<b>XXX</b>	
<b>c. Direct Payments</b>	<b>Bank Statement Date</b>	<b>Amount (Kshs.)</b>	<b>Indicate the FY to which the amounts relate</b>
		xx	
		xx	
<b>Total</b>		<b>XXX</b>	

*(The above amounts have been communicated to and reconciled with the parent Department in the County.)*

.....

**Signed by the Head of Accounts of the Entity and the transferring Entities**

**Appendix 3: Reporting of Climate Relevant Expenditures**

Name of the Organization  
Telephone Number  
Email Address  
Name of CEO/MD/Head

Name and contact details of contact person (in case of any clarifications) .....

Project Name	Project Description	Project Objectives	Project Activities	Project				Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		

**County Government of Embu  
Embu Municipality  
Annual Report and Financial Statements for the year ended June 30, 2025.**

**Appendix 4: Disaster Expenditure Reporting Template**

Date:

Entity

Column I Programme	Column II Sub- programme	Column III Disaster Type	Column IV Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Column V Expenditure item.	Column VI Amount (Kshs.)	Column VII Comments