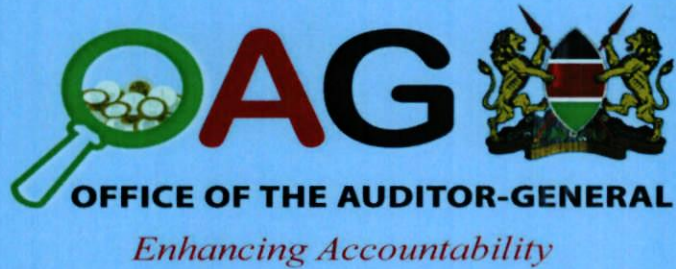


REPUBLIC OF KENYA

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REPORT

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ON

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

**FOR THE YEAR ENDED
30 JUNE, 2020**

PAPERS LAID	
DATE	02/03/2022
TABLED BY	SML
COMMITTEE	-
CLERK AT THE TABLE	CHANIA



REPUBLIC OF KENYA



EMBU COUNTY ASSEMBLY



COUNTY ASSEMBLY OF EMBU CAR LOAN AND MORTGAGE
(MEMBERS SCHEME) REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2020

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

*Embu County Assembly
Car Loan and Mortgage Scheme
Financial Statement and reports for year ended 30th June 2020*

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1. KEY ENTITY INFORMATION AND MANAGEMENT

a) Background information

The County Assembly of Embu Mortgage and Car loan scheme is a revolving fund established pursuant to Section 116 of the PFM Act and supplemented with the Salaries and Remuneration Commission (SRC) circular number SRC/TS/WH/3/14 of 14th February 2014. Section 167 of the Public Finance Management (PFM) Act 2012 mandates the Administrator of public funds with the responsibility of the preparation of annual financial statements. For proper management of the fund and as advised by the SRC in the circular under the reference, County adopted the PFM regulations 2014 to guide in the operationalization of the fund. As advised by the SRC and as provided for under regulation 16 of the said regulations, the County Service Board appointed a banking institution to manage the fund.

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

b) Principal Activities

The principal activity/mission/mandate of the fund are to provide car and mortgage loans to members of the County Assembly.

c) Board of trustee / Fund Administration Committee.

The committee consists of the following members;

1	Hon. Kariuki Michael Njeru	-	Chairman
2	Hon. Muriuki Masters Leonard Mwaniki	-	Member
3	Hon. Njiru Paul Muchangi	-	Member
4	Hon Ileri Robert Njeru	-	Member
5	Hon. Kimaru Salesio Njeru	-	Member

Embu County Assembly

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6	Hon Nzagngi Phillip Kinyutu	-	Member
7	Hon. Mbaka John Ngari	-	Member
8	Hon. Mwari Nathan Kariuki	-	Member
9	Hon. Njiru Paul Muchangi	-	Member
10	Hon. Gakungugu Agnes Wanjiru	-	Member
11	Hon. Mbugi Sicily Warue	-	Member
12	Hon. Edith Wanjira Nyaga	-	Member
13	Hon. Elizabeth Ndeleve Kibai	-	Member
14	J. G Kauma	-	Fund Administrator

d) Key Management

Hon. Micheal Njeru Kariuki -

MCA- Kithimu Ward. Leader of Majority Party

Vice Chairperson – County Assembly Service Board

Chairperson Selection, Appointments, Power and Privileges,
Assembly Rules and Business.

Jim Gitonga Kauma

County Assembly Clerk

Master's degree in Public Policy and Administration

David Mwangi Githaga

Director Legislative, Procedural and Committee Services

Bachelors of Art – Management Option

e) Registered Offices

Spring Valley Area

Along James Nyaga Crescent road

Opposite Faith House

***Embu County Assembly
Car Loan and Mortgage Scheme
Financial Statement and reports for year ended 30th June 2020***

P.O.Box140-60100

Embu, KENYA

e) Fund Bankers

Family Bank, Embu Branch

P. O. Box Kenya

f) Fund Contacts

Tel: 068-2231208

+254734867105

Email: info@embuassembly.go.ke

Website: www.embuassembly.go.ke

g) Independent Auditors

Auditor General

Office of the Auditor General

Anniversary Towers

P.O.Box30084-00100

Nairobi, Kenya

i) Principal Legal Adviser

The Attorney General,




State Law Office

Harambee Avenue



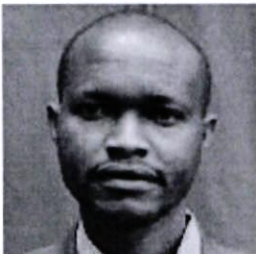

P. O. Box 401112 City Square 00200 Nairobi Kenya.

*Embu County Assembly
Car Loan and Mortgage Scheme
Financial Statement and reports for year ended 30th June 2020*





2. BOARD OF TRUSTEES

NAME	DETAILS OF QUALIFICATIONS AND EXPERIENCE
 <p>Hon. Kariuki Michael Njeru.</p>	<p>MCA- Kithimu Ward. Leader of Majority Party Vice Chairperson – County Assembly Service Board Date of Birth : 6th January 1969 Chairperson Selection, Appointments, Power and Privileges, Assembly Rules and Business.</p>
 <p>Hon. Muriuki Masters Leonard Mwaniki</p>	<p>MCA- Kiambere Ward Leader of Minority Party Date of Birth: 19thMay 1981 Chairperson Trade, Tourism Investment and Industrialization</p>
 <p>Hon. Njiru Paul Muchangi</p>	<p>MCA – Gaturi North Date Of Birth : 12thApril 1981 Vice Chairperson Lands Physical Planning, Urban Development And Environment</p>


*Embu County Assembly
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Financial Statement and reports for year ended 30th June 2020*

 <p>Hon. Robert Njiru Ileri</p>	<p>MCA – Kagaari South Ward Date of Birth: 6th August 1977 Vice Chairperson Budget and Appropriation</p>
 <p>Hon. Salesio Njeru Kimaru</p>	<p>MCA – Kyeni South Date of Birth : 14th November 1971</p>
 <p>Hon. Philip Kinyutu Nzangi</p>	<p>MCA – Makima Ward Date of Birth 12th December 1978 Member Speaker’s Panel Chairperson Public Accounts and Investment</p>
 <p>Hon. John Ngari Mbaka</p>	<p>MCA – Mavuria Ward Date of Birth : 1st January 1970 Chairperson Public Participation</p>

*Embu County Assembly
Car Loan and Mortgage Scheme
Financial Statement and reports for year ended 30th June 2020*

	<p>MCA – Nthawa Ward Date of Birth 16th February 1980 Chairperson Water and Irrigation</p>
	<p>Nominated MCA Date Of Birth : 5th April 1973 Chairperson Justice and Legal Affairs</p>
	<p>Nominated MCA Date of Birth: 23rd March 1978 Member of the Speaker's Panel</p>
	<p>Nominated MCA Date of Birth 17th October 1982 Vice Chair Public Accounts and Investment</p>

*Embu County Assembly
Car Loan and Mortgage Scheme
Financial Statement and reports for year ended 30th June 2020*

 <p>Hon. Elizabeth Ndeleve Kibai</p>	<p>Nominated MCA</p> <p>Date of Birth: 14th February 1979</p> <p>Chairperson Agriculture, Cooperatives, Fisheries and Livestock</p>
 <p>Mr Jim G. Kauma</p>	<p>County assembly clerk</p> <p>Date of birth: 19th September 1981</p> <p>Masters degree in Public Policy and Administration</p>

**3. STATEMENT OF PERFORMANCE AGAINST COUNTY ENTITYS
PREDETERMINED OBJECTIVES.**

The fund objectives are to give car loans and mortgages at a subsidised interest rate of 3 % to County Assembly of Embu Honorable Members (MCAs) to facilitate them to purchase cars and provide mortgages. The fund has achieved this objective and has given out an accumulative loan amounting to Kshs 188,500,000 to all the MCAs and which is recovered on monthly basis. This has as had positive impact on performance of MCAs as they are able to conveniently travel within their wards and to the head office as they execute their Mandates

4. MANAGEMENT TEAM

The Committee on Car loan and Mortgage scheme doubles up as the Board of Trustee and the Management team with assistance from officers from the Clerk department and the Finance and Accounting Directorate

Embu County Assembly

Car Loan and Mortgage Scheme

Financial Statement and reports for year ended 30th June 2020

5. BOARD/FUND CHAIRPERSON'S REPORT

It is my pleasure to present, on behalf of CASBE, the Mortgage and Car loan fund report of the County Assembly, fund financial statements for the ended 30th June 2020. The financial statements present the financial performance of the fund over the past 12 months.

a) Sustainability

The fund and its stakeholders are increasingly emphasizing on the need to ensure sustainability for both its investments and its resource mobilization and financing capabilities with an objective of ensuring that the fund's going concern is secured.

The fund has conducted a basic assessment of available options for feasible financing tools that would assure the fund of its long term sustainability. The fund has reviewed its current resource mobilization strategies and proposed feasible sustainability financing options.

b) Review of performance

Income

During the period of 12 months the fund earned interest of Kshs 3,219,610. The Interest was charged on the issued loans at a rate of 3%.

Expenditure

Chapter 12 of the Service Agreement between the Family Bank and County Assembly stipulates that 2% of the Interest should be apportioned to the Bank as Fund Management expenses therefore Kshs 2,146,406 was transferred to the Bank for the same. Kshs. 1,322,000 was paid to the Committee inform of sitting allowances. Bank ledger fees amounted to Kshs 95,040. The fund realized a deficit of Kshs 343,837

c) Future outlook.

The fund has a sound financial base and is expected to remain financially viable in future.

*Embu County Assembly
Car Loan and Mortgage Scheme
Financial Statement and reports for year ended 30th June 2020*

d) Appreciation

I take this opportunity to express my sincere gratitude and appreciation to the County Assembly of Embu for the establishment of these funds that has really improved the welfare of MCAs and motivated all Honorable members as they perform their duties. I look forward to your continued support in the year 2020/2021.



Hon. Michael Kariuki Njeru.

Chairman Mortgage and Car Loan Committee

Embu County Assembly
Car Loan and Mortgage Scheme
Financial Statement and reports for year ended 30th June 2020

6. REPORT OF THE FUND ADMINISTRATOR

It is my pleasure to present the County Assembly of Embu Mortgage and Car loan Fund financial statements for the 12 months ended 30th June 2020. The financial statements present the financial performance of the fund over the past 18 months.

a) Financial Performance

The fund was established and started with an initial amount of Kshs 165,000,000 which was deposited at Family bank Embu branch. The fund raised interest income of Kshs 6,667,830 for the eighteen months ended 30th June 2019. The total expenses were Kshs 5,837,300 leaving a surplus of Kshs 830,530.

In the year ending 30th June 2020 the fund performance dropped down as it realized a deficit of Kshs. 343,837. Interest earned dropped from to 3,219,610 while Total expenses also dropped to 3,563,446.

b) Loans

During the twelve months ended 30th June 2020, the fund disbursed an additional loan to the Hon. Speaker amounting to 3,500,000 bringing the total of all disbursed loans to Kshs. 188,500,000. Recovery of the loans have always been on schedule and as at 30th June 2020 the amount of outstanding loans was Kshs. 89,461,576.

c) Cash flows.

The fund had an opening bank balance of Kshs. 39,903,914 and as at 30th June 2020 the fund had a bank balance of Kshs. 76,165,791. Kshs. 43,185,818 was received from the County Assembly as loans repayments with Kshs. 40,102,740 going towards payment of the principal amount. Kshs. 2,101,939 was paid to the Family Bank as administrative expenses while Kshs. 1,322,000 was paid as committee allowances.



d) Conclusion

*Embu County Assembly
Car Loan and Mortgage Scheme
Financial Statement and reports for year ended 30th June 2020*

In general, the period under review was successful and good progress was made and the momentum has been created to enable County Assembly of Embu Mortgage and Car loan fund continue on a trajectory into prosperity. We have identified gaps and areas to improve on in the subsequent year. I take this opportunity to thank CASBE for their support. I would also want to thank all staff who we have worked hand in hand to ensure that of Embu Mortgage and Car loan fund achieves its objectives.

Signed:

Mr. Jim G. Kauma



Embu County Assembly

Car Loan and Mortgage Scheme

Financial Statement and reports for year ended 30th June 2020

7. CORPORATE GOVERNANCE STATEMENT

a) **The Fund Committee**

The County Assembly of Embu Car & Mortgage Fund scheme is a revolving fund established pursuant to Section 116 of the PFM Act and the Salaries and Remuneration Commission (SRC) circular number SRC/TS/WH/3/14 of 14th February 2014. Section 167 of the Public Finance Management (PFM) Act 2012. Its mandate is to provide car loans to members of staff. The fund is committed to ensuring compliance with regulatory and supervisory corporate governance requirements. Essential to the establishment of a corporate governance framework in the fund is a formal

b) **Committee Meeting.**

The committee meets as and when necessary to make various transactions as may be required.

c) **Audit**

The fund is subject to statutory audit by the office of auditor general in each financial or at any time when necessary to ensure compliance with the various statutory and regulatory requirements.

d) **Statement of Compliance**

The fund committee endeavors to ensure compliance with all statutory and regulatory requirements and that the fund has been managed in accordance with the principles of good corporate governance.

e) **Auditor.**

The fund is audited by the office of Auditor General.

*Embu County Assembly
Car Loan and Mortgage Scheme
Financial Statement and reports for year ended 30th June 2020*

8. MANAGEMENT DISCUSSION AND ANALYSIS

In the year 2019 - 2020 the fund witnessed a slow performance both in operational performance and financial performance compared with the previous year's performance.

a) OPERATIONAL PERFORMANCE

The Committee was able to conduct 18 meetings as compared to 24 in the year 2018 - 2019

A summary of those meetings conducted in the financial year 2019-2020 was as follows

Date	Main Agenda	Resolution/Remarks
01/08/2019	Audit of the Fund	Clerk to ensure the Audit team is given the necessary support and co-operation
29/08/2019	Monthly Reports	Report had not been presented by Family bank. Clerk to ensure its submitted
11 th September 2019	Monthly Report	Reports presented accordingly. Committee resolved to allow Clerk to make follow up on the recommendations
30 th September 2019	Confirmation of Previous meeting minutes	All matters arising from the previous meeting were dealt with and concluded
9 th October 2019	Monthly Report	Reports from Family Bank presented accordingly. Loan serviced properly
29 th October 2019	Monthly Report	Reports from Family Bank presented accordingly. Loan serviced properly
4 th November 2019	Monthly Report	Reports from Family Bank presented accordingly. Loan serviced properly
28 th November 2019	Mortgage for Staff members	It was reported that regulations to establish the staff car loan and mortgage is already in the draft stage
5 th December 2019	● Mortgage for staff members	It was reported that the regulations are not yet complete

Embu County Assembly
Car Loan and Mortgage Scheme
Financial Statement and reports for year ended 30th June 2020

	<ul style="list-style-type: none"> ● Christmas break ● Reports 	Committee not to hold any meeting until new year
24 th January 2020	Preparation of Half year report	Not tabled but committee directed that it be tabled in the next meeting
19 th February 2020	Loan Repayments	Reports from Family Bank presented accordingly. Loan serviced properly
9 th March 2020	Loan Application by Speaker	Committee recommended an amount of 3.5m for disbursement
21 st April 2020	Statement Review	Reports from Family Bank presented accordingly. Loan serviced properly
23 rd June 2020	Statement Review	Reports from Family Bank presented accordingly. Loan serviced properly

b) FINANCIAL PERFORMANCE

In the year under review the fund made a deficit of Kshs. 343,837 as compared to a surplus of Kshs. 830,531 made for the period of 18 months ending 30th June 2019.

9. CORPORATE SOCIAL RESPONSIBILITY STATEMENT

The fund being a very young one has not engaged on any Corporate Social responsibility activity. This is part of what the committee is considering in future when the performance improves.

10. REPORT OF THE COMMITTEE ON CAR LOAN AND MORTGAGE SCHEME

The committee of the fund expressed its satisfaction on running and management of loan as there has been no case of case of default on loan repayment.

11. STATEMENT OF MANAGEMENT RESPONSIBILITIES

***Embu County Assembly
Car Loan and Mortgage Scheme
Financial Statement and reports for year ended 30th June 2020***

Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a County Public Fund shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The Administrator of the County Public Fund is responsible for the preparation and presentation of the Fund's financial statements, which give a true and Fairview of the state of affairs of the Fund for twelve months ended on June 30, 2020. This responsibility includes:

- a) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- b) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Fund;
- c) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud;
- d) safeguarding the assets of the Fund;
- e) selecting and applying appropriate accounting policies; and
- f) making accounting estimates that are reasonable in the circumstances.

The Administrator of the County Public Fund accepts responsibility for the Fund's 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. The Administrator of the Fund is of the opinion that the Fund's financial statements give a true and Fair-view of the state of Fund's transactions during the period of 12 months ended June 30, 2020 and of the Fund's financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control.

Embu County Assembly
Car Loan and Mortgage Scheme
Financial Statement and reports for year ended 30th June 2020

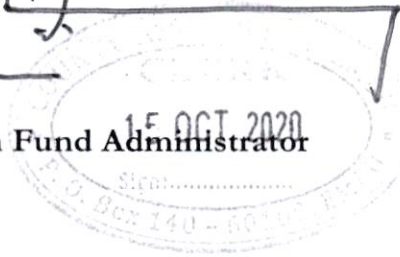
In preparing the financial statements, the Administrator of the County Public Fund has assessed the Fund's ability to continue as a going concern and disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements. Nothing has come to the attention of the Administrator to indicate that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Fund's financial statements were approved by the Board on..... 2020 and signed on its behalf by:

JS/10

Jim G. Kauma
Mortgage and Car Loan Fund Administrator

[Handwritten signature]


REPUBLIC OF KENYA

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HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON COUNTY ASSEMBLY OF EMBU CAR LOAN AND MORTGAGE (MEMBERS) SCHEME FUND FOR THE YEAR ENDED 30 JUNE, 2020

REPORT ON THE FINANCIAL STATEMENTS

Adverse Opinion

I have audited the accompanying financial statements of County Assembly of Embu Car Loan and Mortgage (Members) Scheme Fund set out on pages 21 to 34, which comprise the statement of financial position as at 30 June, 2020, statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, the financial position of the County Assembly of Embu Car Loan and Mortgage (Members) Scheme Fund as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards and do not comply with the Public Finance Management Act, 2012, County Government Act, 2012 and the Public Finance Management (County Assembly of Embu) Car Loan and Mortgage (Members) Scheme Fund Regulations, 2019.

Basis for Adverse Opinion

1.0 Presentation of the Financial Statements

The Fund's financial statements for the year ended 30 June, 2020 provided for audit review reflects the following anomalies;

- i) The Fund is known as County Assembly of Embu Car Loan and Mortgage (Members) Scheme Fund as per the Public Finance Management (County Assembly of Embu) Car Loan and Mortgage (Members) Scheme Fund Regulations, 2019. However, the cover page refers to the Fund as County Assembly of Embu Car Loan and Mortgage (Members Scheme) and the header to the financial statements refers the Fund as Embu County Assembly Car Loan and Mortgage Scheme.
- ii) The Fund's financial statements at page 13 reflects the report of the Fund administrator which include a financial performance report indicating that the interest

earned “dropped from to 3,219,610”. However, the report should have indicated that the interest earned dropped from Kshs.6,667,830 to Kshs.3,219,610.

- iii) The statement of comparison of budget and actual amounts is indicated to be for the period ended 30 June, 2020 instead of indicating that it is for the year ended 30 June, 2020.
- iv) The statement of changes in net assets is indicated to be as at 30 June, 2020 contrary to International Public Sector Accounting Standards (IPSAS) 1 which stipulates that the statement of changes in net assets should be for the year ended 30 June, 2020.
- v) The Public Sector Accounting Standard Board (PSASB) template issued in June, 2020 stipulate that the Fund’s financial statements should include details of the Management Team including their names, passport size photo, date of birth, key academic professional qualification and work experience. In addition, the financial statements should also include a statement on adoption of new and revised standards, significant judgments and sources of estimation uncertainty and a statement on financial risk management. However, the reports, statements and analysis are not included in the fund’s financial statements.
- vi) The PSASB template issued in June, 2020 stipulates that the financial standards should include the progress on follow up of auditor recommendations showing status of audit issues raised and the date when the issues are expected to be resolved. However, the progress on follow up of auditor recommendations was not included in the Fund financial statements.

In view of above, the Fund’s financial statements for the year ended 30 June, 2020 are not prepared in accordance with IPSAS and the PSASB prescribed format.

2.0 Accuracy of the Financial Statements

2.1 Non-Submission of Financial Statements for Previous Years

As reported in the previous years, the Fund commenced operations in June, 2014 during the term of the first County Assembly of Embu. During the initial years (2014-2018), the County Assembly of Embu Car Loan and Mortgage (Members) Scheme Fund operated as two distinct Funds namely ‘Car Loan Fund’ and ‘Mortgage Scheme Fund’ with each Fund having its own distinct regulations both enacted in 2014. However, the financial statements of the two Funds for the financial years 2014/2015 to 2017/2018 were not submitted to the Auditor-General contrary to Section 47(1) of the Public Audit Act, 2015 which states that “the financial statements required under the Constitution, the Public Finance Management Act, 2012 and any other legislation, shall be submitted to the Auditor-General within three months after the end of the fiscal year to which the accounts relate”.

Further, the financial statements for the year under review operates under regulations enacted in January, 2019 which combined the Mortgage Scheme Fund and Car Loan Fund as one Fund account whose financial statements are prepared in accordance with the accrual basis of accounting method under the International Public Sector Accounting Standards (IPSAS).

In the circumstances, the basis and accuracy of the opening balances for year under review could not be confirmed, and the Fund Management was in breach of the law.

2.2 Opening Balances

The Fund's financial statements for the year under review reflects comparative balances of eleven (11) items which are at variance with the closing balances in the 2018/2019 financial statements as shown below;

Statement of/ Note	Item	Comparative Balance 2019/2020 Financial Statements (Kshs.)	Closing Balance 2018/2019 Financial Statements (Kshs.)	Variance (Kshs.)
Financial Performance	Total Expenses	58,373,000	5,837,300	2,535,700
Financial Position	Net Assets and Liabilities	165,831,141	165,968,229	137,088
Changes in Net Assets	Accumulated Surplus	Nil	830,530	(830,530)
Changes in Net Assets	Revolving Fund	165,831,141	165,000,610	830,531
Cash Flows	Loan Disbursements Paid Out	185,000,000	Nil	185,000,000
Note 2	Fund Administration Expenses-Management Expenses	4,445,520	4,445,220	300

In the circumstances, the accuracy of the Fund's financial statements for year ended 30 June, 2020 could not be confirmed.

2.3 Committee Sitting Allowances

The statement of financial performance for the year ended 30 June, 2020 reflects Kshs.1,322,000 in respect of committee sitting allowances. However, the general ledger and supporting schedules reflects Kshs.859,300 resulting in an unexplained variance of Kshs.462,700.

In the circumstances, the accuracy of the Kshs.462,700 in respect of committee sitting allowances for the year ended 30 June, 2020 could not be confirmed.

2.4 Statement of Comparison of Budget and Actual Amounts

The statement of comparison of budget and actual amounts for the year under review reflects Kshs.36,258,904 in respect of both final budget and actual on comparable basis respectively, resulting in a nil balance in respect to performance difference. However, the same statement reflects Kshs.36,258,904 in the performance difference column resulting to an unexplained variance of a similar amount. In addition, the statement reflects Kshs.3,219,620 in respect of final budget and actual on comparable basis for interest income resulting 100% budget utilization and not the blank as reflected in the statement.

In the circumstances, the accuracy of the Fund's statement of comparison of budget and actual amounts for the year ended 30 June, 2020 could not be confirmed.

2.5 Irregular Advancement of Loans

Note 8 to the financial statements reflects Kshs.89,461,576 in respect of outstanding loan balances as at 30 June, 2020. However, no evidence was provided for audit review to confirm how loans advanced to members were utilized contrary to Section 12 of Public Finance Management (County Assembly of Embu) Car Loan and Mortgage (Members) Scheme Fund Regulations, 2019 which states that a loan obtained under these Regulations shall be utilized for purchase of a motor vehicle or development, purchase or renovation of property for use by the applicant or applicant's immediate family.

Further, all the logbooks for vehicles purchased using car loans were not jointly registered between the Board and the borrower, instead, they were only in the name of members contrary to Regulation 13(2) of Public Finance Management (County Assembly of Embu) Car Loan and Mortgage (Members) Scheme Fund Regulations, 2019. The Regulation provides that in case of car loan, the logbook of a vehicle subject to a loan from the Fund shall be issued jointly between the Board and the member of the Scheme and shall be kept in the custody of the Officer Administering the Fund until the loan is repaid in full by the member of the Scheme.

In addition, the Board did not have a charge registered on the properties acquired through issued mortgages contrary to Regulation 13(3) of the Public Finance Management (County Assembly of Embu) Car Loan and Mortgage (Members) Scheme Fund Regulations, 2019 which states that in case of a mortgage facility, the Board shall have a charge registered on the property financed through a loan granted under these Regulations and shall be entitled to have its name entered in all documents of title for such property.

Further, no valuation reports and search documents for vehicles and properties were availed for audit review.

In the circumstances, the validity and security of Kshs.89,461,576 outstanding loan balances as at 30 June, 2020 could not be confirmed, and the Fund Management was in breach of the law.

3.0 Family Bank Management Expenses

The statement of financial performance reflects Kshs.2,146,406 in respect of Fund administrative expenses paid to Family Bank, the appointed financial institution to administer the Fund for the year ended 30 June, 2020. According to Clause 3.3 (i) of Fund Management Agreement between Family Bank Limited and County Assembly Service Board of Embu, the appointed financial institution is required to submit to the Board a status update on a monthly basis and if and when need arises keep or cause to be kept such books, records and statements as may be necessary to give a complete record of the Fund Account movement both for the Fund and for borrowers.

However, as reported in the previous year, the Fund Management did not provide monthly update reports, books, records and Fund Account movement for borrowers from the appointed administrator.

In the circumstances, the validity, authenticity and value for money of the Kshs.2,146,406 expenditure on the appointed administrator could not be confirmed.

4.0 Irregular Committee Sitting Allowances

Note 3 to the financial statements reflects Kshs.1,322,000 in respect of committee expenses. Review of supporting documents for the expenditure revealed allowance payments to fifteen (15) Board members. However, Section (6)(2) of Public Finance Management (County Assembly of Embu) Car Loan and Mortgage (Members) Scheme Fund Regulations, 2019 provides for only ten (10) committee members. Consequently, Kshs.780,000 paid to five (5) extra members during the year under review was irregular.

In the circumstances, the legality and value for money for the Kshs.780,000 in respect to committee expenses for the year ended 30 June, 2020 could not be ascertained.

5.0 Prepayments

Note 7 to the financial statements reflects Kshs.238,490 in respect to prepayments of committee allowances for the year ended 30 June, 2020. However, supporting documents and expenditure analysis for the prepaid amounts were not provided for audit review.

In the circumstances, the accuracy and validity of the prepayments amounting to Kshs.238,490 for the year ended 30 June, 2020 could not be confirmed.

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

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, because of the significance of the matter discussed in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, based on the audit procedures performed, I confirm that, public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

Unutilized Cash at Bank

The statement of cash flows reflects Kshs.76,165,791 as at 30 June, 2020 (2019 - Kshs.39,903,914) respect to cash and cash equivalents balance, an increase of Kshs.36,261,878 during the year under review. However, the Fund Management did not provide evidence of cash management strategies to avoid accumulation of idle cash

contrary to Section 83(2)(c) of the Public Finance Management (County Governments) Regulations, 2015 which stipulates that sound cash management include avoiding accumulation of idle balances

In the circumstances, the Fund Management is in breach of the law.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, because of the significance of the matters discussed in the Basis for Conclusion on Adverse Opinion section of my report, based on the audit procedures performed, I confirm that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the Management is aware of the intention to terminate the Fund or to cease operations.

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are

in compliance with the authorities which govern them, and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

11 February, 2022

Embu County Assembly

Car Loan and Mortgage Scheme

Financial Statement and reports for year ended 30th June 2020

**13 STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED
30THJUNE 2020**

	Note	2019/2020	2018/2019
		KShs	KShs
Revenue from exchange transactions			
Interest income	1	3,219,610	6,667,830
Total revenue		3,219,610	6,667,830
Expenses			
Fund administration expenses(Family Bank)	2	2,146,406	4,445,220
Committee sitting allowances	3	1,322,000	1,255,900
Ledger fees	4	95,040	136,180
Total expenses		3,563,406	5,837,3000
Surplus/(deficit) for the period		(343,837)	830,530

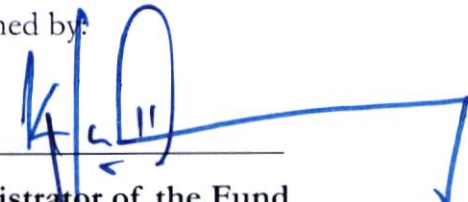
The notes set out on pages 24 to 29 form an integral part of these Financial Statements

*Embu County Assembly
Car Loan and Mortgage Scheme
Financial Statement and reports for year ended 30th June 2020*

14 STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	Note	2019/2020	2018/2019
		KShs	KShs
Assets			
Current assets			
Cash and cash equivalents (Bank Balances)	5	76,165,791	39,903,912
Current portion of long-term receivables from exchange transactions	6	223,652	-
Prepayments	7	238,490	-
Total Current Assets		76,627,933	39,903,912
Non-current assets			
Long term receivables from exchange transactions	8	89,461,576	126,064,316
Total assets		166,089,509	165,968,228
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	9	602,206	
Suspense Account		-	137,089
Total liabilities		602,206	137,089
Net assets		165,487,303	165,831,139
Revolving Fund	10	165,831,140	165,000,610
Reserves			
Accumulated surplus		(343,837)	830,531
Total net assets and liabilities		165,487,303	165,831,141

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 15/10 2020 and signed by:



Administrator of the Fund

Name: Jim G. Kauma





Fund Accountant

Name: Kamau Wachiuri

ICPAK Member No: 8192

*Embu County Assembly
Car Loan and Mortgage Scheme
Financial Statement and reports for year ended 30th June 2020*

15. STATEMENT OF CHANGES IN NET ASSETS AS AT 30 JUNE 2020

	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
		KShs	KShs	KShs
Balance as at 1 July 2018	165,000,610	-	-	165,000,610
Surplus/(deficit) for the period	-	-	830,531	830,531
Funds received during the year		-	-	
Revaluation gain	-		-	
Balance as at 30 June 2019	165,000,610		830,531	165,831,141
Balance as at 1 July 2019	165,831,141	-	-	165,831,141
Surplus/(deficit) for the period		-	(343,837)	(343,837)
Funds received during the year		-	-	
Revaluation gain	-			
Balance as at 30 June 2020	165,831,141	-	(343,837)	165,582,344

*Embu County Assembly
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16. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020

	Note	2019/2020	2018/2019
		KShs	KShs
Cash flows from operating activities			
Receipts			
Interest received	1	2,995,958	6,667,830
Receipts from other operating activities			
Total Receipts		2,995,958	6,667,830
Payments			
Fund administration expenses (Family Bank)	2	2,101,940	4,445,220
General expenses	3	1,322,000	1,255,900
Finance cost	4	-	136,180
Total Payments		3,423,940	5,837,300
Adjusted for:			
Decrease/(Increase) in Accounts receivable: (outstanding imprest)		(223,652)	-
Increase/(Decrease) in Accounts Payable: (deposits and retention)		602,206	-
Net cash flows from operating activities		(49,427)	830,530
Cash flows from investing activities			
Proceeds from loan principal repayments		40,102,740	58,935,684
Loan disbursements paid out		(3,500,000)	(185,000,000)
Net cash flows used in investing activities		36,602,740	(126,064,316)
Suspense			137,089
Prior year Adjustments		291,434	
Net increase/(decrease) in cash and cash equivalents		36,261,879	(125,096,696)
Cash and cash equivalents at 1 JULY		39,903,914	165,000,610
Cash and cash equivalents at 30 JUNE	5	76,165,791	39,903,914

*Embu County Assembly
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**17. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE PERIOD ENDED
30th JUNE 2020**

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% utilization
	2020	2020	2020	2020	2020	2020
	KShs	KShs	KShs	KShs	KShs	
Revenue						
Transfers from the County treasury/Exchequer Releases						
Proceeds from loans repayments	40,102,740.43		40,102,740.43	40,102,740.43	40,102,740.43	100%
Interest income	3,219,619.74	-	3,219,619.74	3,219,619.74	3,219,619.74	
Total income	43,322,350.74	-	43,322,350.74	43,322,350.74	43,322,350.74	100%
Expenses						
Loans Disbursed	3,500,000		3,500,000	3,500,000	3,500,000	100%
Fund administration expenses (Family Bank)	2,146,406.50	-	2,146,406.50	2,146,406.50	2,146,406.50	100%
General expenses	1,322,000		1,322,000	1,322,000	1,322,000	100%
Finance cost	95,040		95,040	95,040	95,040	100%
Total expenditure	7,063,446.50	-	7,063,446.50	7,063,446.50	7,063,446.50	100%
Surplus for the period	36,258,903.68	-	36,258,903.68	36,258,903.68	36,258,903.68	100%

18. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

18.1. Statement of compliance and basis of preparation

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

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

18.2 Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Interest income

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

18.3. Budget information

*Embu County Assembly
Car Loan and Mortgage Scheme*

Financial Statement and reports for year ended 30th June 2020

The original budget for FY 2019/2020 was approved by the County Assembly on June 2019. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. No recorded additional appropriations of on the FY 2019/2020 budget following the governing body's approval.

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

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

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

18.4 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.

18.5 Related parties

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

18.6 Cash and cash equivalents

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

18.7 Comparative figures

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

18.8 Events after the reporting period

There were no material adjusting and non- adjusting events after the reporting period.

18.9 Ultimate and Holding Entity

The entity is a County Public Fund established pursuant to section 16 of the PFM Act 2012 under the County Assembly of Embu. Its ultimate parent is the County Government of Embu.

18.10 Currency

The financial statements are presented in Kenya Shillings (KShs).

19. NOTES TO THE FINANCIAL STATEMENTS

1. Interest income

Description		2019/2020	2018/2019
		KShs	KShs
Date			
Jan	Interest Received		343,750
Feb	Interest Received		397,534
Mar	Interest Received		412,697
Apr	Interest Received		412,406
May	Interest Received		406,947
Jun	Interest Received		398,918
Jul	Interest Received	315,159	392,119
Aug	Interest Received	306,197	384,012
Sep	Interest Received	297,213	375,884
Oct	Interest Received	288,207	367,736
Nov	Interest Received	279,178	362,067
Dec	Interest Received	270,126	356,318
Jan	Interest Received	261,052	347,987
Feb	Interest Received	251,955	359,634
Mar	Interest Received	251,585	350,784
Apr	Interest Received	242,365	341,911
May	Interest Received	232,919	333,017
Jun	Interest Received	223,652	324,100
Total		3,219,610	6,667,830

*Embu County Assembly
Car Loan and Mortgage Scheme
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2. Fund administration expenses

Description		2019/2020	2018/2019
		KShs	KShs
Date	Details		Amount
Jan	Management Expenses		229,167
Feb	Management Expenses		265,023
Mar	Management Expenses		275,131
Apr	Management Expenses		274,937
May	Management Expenses		271,299
Jun	Management Expenses		265,946
Jul	Management Expenses	210,106	261,413
Aug	Management Expenses	204,132	256,008
Sep	Management Expenses	198,142	250,890
Oct	Management Expenses	192,138	245,158
Nov	Management Expenses	186,119	241,378
Dec	Management Expenses	180,084	237,546
Jan	Management Expenses	174,035	231,992
Feb	Management Expenses	167,970	239,757
Mar	Management Expenses	167,724	233,856
Apr	Management Expenses	161,577	227,941
May	Management Expenses	155,280	222,011
Jun	Management Expenses	149,101	216,067
Total		2,146,406	4,445,520

3. Committee Expenses

Description	2019/2020	2018/2019
	KShs	KShs
Committee expenses	661,000	816,200
Committee expenses	661,000	109,200
Committee expenses		330,500
Total	1,322,000	1,255,900

*Embu County Assembly
Car Loan and Mortgage Scheme
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4. Ledger Fees

	Description	2019/2020	2018/2019
		KShs	KShs
Jan	Ledger Fees		6,820
Feb	Ledger Fees		7,480
Mar	Ledger Fees		7,480
Apr	Ledger Fees		7,480
May	Ledger Fees		7,480
Jun	Ledger Fees		7,480
Jul	Ledger Fees	7,920	7,480
Aug	Ledger Fees	7,920	7,480
Sep	Ledger Fees	7,920	7,480
Oct	Ledger Fees	7,920	7,480
Nov	Ledger Fees	7,920	7,480
Dec	Ledger Fees	7,920	7,480
Jan	Ledger Fees	7,920	7,480
Feb	Ledger Fees	7,920	7,920
Mar	Ledger Fees	7,920	7,920
Apr	Ledger Fees	7,920	7,920
May	Ledger Fees	7,920	7,920
Jun	Ledger Fees	7,920	7,920
	Total	95,040	136,180

5. Cash and Bank Balance

Description	2019/2020	2018/2019
	KShs	KShs
Car and Mortgage Acc-075000028013	75,600,800	38,937,211
CAE Interest Acc-070000042338	564,991	966,701
Total	76,165,791	39,903,913

*Embu County Assembly
Car Loan and Mortgage Scheme
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6. Receivables

Description	2019/2020	2018/2019
	KShs	KShs
Interest Receivable	223,652	-
Total	223,652	

7. Prepayments

Description	2019/2020	2018/2019
	KShs	KShs
Committee Allowances	238,490	-
Total cash and cash equivalent	238,490	-

*Embu County Assembly
Car Loan and Mortgage Scheme
Financial Statement and reports for year ended 30th June 2020*

8. Outstanding Loan Balances

Description	2019/2020	Principal Paid	2018/2019
	KShs		KShs
Agnes Wanjiru Gakungu	2,285,146	1,052,979	3,338,124.36
Bernard Nyaga Kandia	2,285,146	1,052,979	3,338,124.36
Duncan Ileri Mbui	2,285,146	1,052,979	3,338,124.36
Ednah Kanini Muisyo	2,285,146	1,052,979	3,338,124.36
Fredrick Mugendi Gatumu	2,285,146	1,052,979	3,338,124.36
John Gochovi Gatuma	2,285,146	1,052,979	3,338,124.36
Jane Ann Muthini Murithi	2,285,146	1,052,979	3,338,124.36
Judy Mbuya Njue	2,285,146	1,052,979	3,338,124.36
Kisingu John Harrison	2,285,146	1,052,979	3,338,124.36
Margrate Lorna Kariuki	2,285,146	1,052,979	3,338,124.36
Michael Njeru Kariuki	2,285,146	1,052,979	3,338,124.36
Moris Muchiri Nyaga	2,285,146	1,052,979	3,338,124.36
Murithi Njagi Kiura	2,285,146	1,052,979	3,338,124.36
Patrick Njeru Mukavi	2,285,146	1,052,979	3,338,124.36
Patrick Rugendo Ileri	2,285,146	1,052,979	3,338,124.36
Paul Muchangi Njiru	2,285,146	1,052,979	3,338,124.36
Peter Muriithi Nyaga	2,285,146	1,052,979	3,338,124.36
Robert Njiru Ileri	2,285,146	1,052,979	3,338,124.36
Rose Ruguru Kinyua	2,285,105	1,053,001	3,338,106.18
Salesio Njeru Kimaru	2,285,146	1,052,979	3,338,124.36
Sisily Ruguru Njiru	2,285,146	1,052,979	3,338,124.36
Sicily Warue Mbugi	2,285,146	1,052,979	3,338,124.36
Steve Munene Mugendi	2,285,146	1,052,979	3,338,124.36

Embu County Assembly
Car Loan and Mortgage Scheme
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Elizabeth Ndeleve Kibai	2,193,347	1,123,965	3,317,311.58
Newton Kariuki Ndwiga	1,826,795	842,896	2,669,690.43
John Ngari Mbaka	1,912,437	913,908	2,826,344.78
Nathan Karuiki	2,385,940	1,136,639	3,522,579.02
Edith Wanjira Nyaga	2,306,725	1,113,795	3,420,520.34
Martin Mwangi Kimani	2,293,765	1,094,413	3,388,177.74
Philip Kinyutu Nzangi	2,293,765	1,094,413	3,388,177.74
Terry C Wanja Mbuchi	2,293,765	1,094,413	3,388,177.74
Masters Leonard Mwaniki	1,860,672	858,331	2,719,002.96
Harrison Sammy Muturi	2,327,470	1,072,259	3,399,729.32
Josiah Muriithi Thiriku	10,320,275	3,386,571	10,206,845.92
Polly Kagendo Njagi	2,444,154	1,076,304	3,520,458.28
Patrick Njeru Nyaga	2,444,154	1,076,304	3,520,458.28
Total receivables from non-exchange transactions	89,461,576	40,102,740	126,064,316.25

9. Payables

Description	2019/2020	2018/2019
	KShs	KShs
Accrued Management fees	139,506	-
Accrued Committee allowances	462,700	-
Total	602,206	-

COUNTY ASSEMBLY OF EMBU
Car and Mortgage Loan Scheme -

	Principal	Interest	Bank Charges	Total
July	3,584,655	315,159	7,920	3,907,734
August	3,593,617	306,197	7,920	3,907,734
September	3,602,601	297,213	7,920	3,907,734
October	3,611,607	288,207	7,920	3,907,734
November	3,620,636	279,178	7,920	3,907,734
December	3,629,688	270,126	7,920	3,907,734
January	3,638,762	261,052	7,920	3,907,734
February	3,647,859	251,955	7,920	3,907,734
March	3,688,229	251,585	7,920	3,947,734
April	3,778,193	242,365	7,920	4,028,478
May	3,706,895	232,919	7,920	3,947,734
June	3,796,906	223,652	7,920	4,028,478
TOTAL	43,899,646	3,219,610	95,040	47,214,296

COUNTY ASSEMBLY OF EMBU		
ANALYSIS OF LEDGER FEES		
	MONTH	AMOUNT
1	1-Jul-19	7,920.00
2	1-Aug-19	7,920.00
3	1-Sep-19	7,920.00
4	1-Oct-19	7,920.00
5	1-Nov-19	7,920.00
6	1-Dec-19	7,920.00
7	1-Jan-20	7,920.00
8	1-Feb-20	7,920.00
9	1-Mar-20	7,920.00
10	1-Apr-20	7,920.00
11	1-May-20	7,920.00
12	1-Jun-20	7,920.00
	TOTAL	95,040.00

COUNTY ASSEMBLY OF EMBU
Car and Mortgage Loan Scheme - Interest Analysis

Month	Total Interest	To Family Bank	To Assembly	TOTAL	Actual Interest received
July	315,159	210,106	105,053	315,159	315,159
August	306,197	204,132	102,066	306,197	306,197
September	297,213	198,142	99,071	297,213	297,213
October	288,207	192,138	96,069	288,207	288,207
November	279,178	186,119	93,059	279,178	279,178
December	270,126	180,084	90,042	270,126	270,126
January	261,052	174,035	87,017	261,052	261,052
February	251,955	167,970	83,985	251,955	251,955
March	251,585	167,724	83,862	251,585	251,585
April	242,365	161,577	80,788	242,365	242,365
May	232,919	155,280	77,640	232,919	232,919
June	223,652	149,101	74,551	223,652	
Total	3,219,610	2,146,406	1,073,203	3,219,610	2,995,958

8 OUTSTANDING LOAN BALANCES

	NAME	Outstanding Balance 2018/19	Top Ups Loans	Principal Repaid	Outstanding Balance 2019/20
1	Agnes Wanjiru Gakungu	3,338,124		1,052,979	2,285,146
2	Bernard Nyaga Kandia	3,338,124		1,052,979	2,285,146
3	Duncan Ileri Mbui	3,338,124		1,052,979	2,285,146
4	Ednah Kanini Muisyo	3,338,124		1,052,979	2,285,146
5	Fredrick Mugendi Gatumu	3,338,124		1,052,979	2,285,146
6	John Gichovi Gatumu	3,338,124		1,052,979	2,285,146
7	Jane Ann Muthoni Muriithi	3,338,124		1,052,979	2,285,146
8	Judy Mbuya Njue	3,338,124		1,052,979	2,285,146
9	Kisingu John Harrison	3,338,124		1,052,979	2,285,146
10	Margaret Lorna Kariuki	3,338,124		1,052,979	2,285,146
11	Michael Njeru Kariuki	3,338,124		1,052,979	2,285,146
12	Morris Muchiri Nyaga	3,338,124		1,052,979	2,285,146
13	Muriithi Njagi Kiura	3,338,124		1,052,979	2,285,146
14	Patrick Njeru Mukavi	3,338,124		1,052,979	2,285,146
15	Patrick Rugendo Ileri	3,338,124		1,052,979	2,285,146
16	Paul Muchangi Njiru	3,338,124		1,052,979	2,285,146
17	Peter Muriithi Nyaga	3,338,124		1,052,979	2,285,146
18	Robert Njiru Ileri	3,338,124		1,052,979	2,285,146
19	Rose Ruguru Kinyua	3,338,106		1,053,001	2,285,105
20	Salesio Njeru Kimaru	3,338,124		1,052,979	2,285,146
21	Sisily Ruguru Njiru	3,338,124		1,052,979	2,285,146
22	Sicily Warue Mbugi	3,338,124		1,052,979	2,285,146
23	Steve Munene Mugendi	3,338,124		1,052,979	2,285,146
24	Elizabeth Ndeleve Kibai	3,317,312		1,123,965	2,193,347
25	Newton Kariuki Ndwiga	2,669,690		842,896	1,826,795
26	John Ngari Mbaka	2,826,345		913,908	1,912,437
27	Nathan Kariuki	3,522,579		1,136,639	2,385,940
28	Edith Wanjira Nyaga	3,420,520		1,113,795	2,306,725
29	Marin Mwangi Kimani	3,388,178		1,094,413	2,293,765
30	Philip Kinyutu Nzangi	3,388,178		1,094,413	2,293,765
31	Terry C Wanja Mbuchi	3,388,178		1,094,413	2,293,765
32	Masters Leonard Mwaniki	2,719,003		858,331	1,860,672
33	Harrison Sammy Muturi	3,399,729		1,072,259	2,327,470
34	Josiah Muriithi Thiriku	10,206,846	3,500,000	3,386,571	10,320,275
35	Polly Kagendo Njagi	3,520,458		1,076,304	2,444,154
36	Patrick Njeru Nyaga	3,520,458		1,076,304	2,444,154
		126,064,316	3,500,000	40,102,740	89,461,576

OUTSTANDING COMMITTEE ALLOWANCES

	Names	Dates	No. of Meetings	Rate	TOTAL
1	Hon. Kariuki Michael Njeru	24th Jan to 23rd June 2020	7	6,500	45,500
2	Hon. Muriuki Masters Leonard Mwaniki	24th Jan to 23rd June 2020	7	5,000	35,000
3	Hon. Njiru Paul Muchangi	24th Jan to 23rd June 2020	7	3,900	27,300
4	Hon. Ileri Robert Njiru	24th Jan to 23rd June 2020	7	3,900	27,300
5	Hon. Kimaru Salesio Njeru	24th Jan to 23rd June 2020	7	3,900	27,300
6	Hon. Nzangi Philip Kinyutu	24th Jan to 23rd June 2020	7	3,900	27,300
7	Hon. Mbaka John Ngari	24th Jan to 23rd June 2020	7	3,900	27,300
8	Hon. Mwari Nathan Kariuki	24th Jan to 23rd June 2020	7	3,900	27,300
9	Hon. Gakungu Agnes Wanjiru	24th Jan to 23rd June 2020	7	3,900	27,300
10	Hon. Mbugi Sicily Warue	24th Jan to 23rd June 2020	7	3,900	27,300
11	Hon. Edith Wanjira Nyaga	24th Jan to 23rd June 2020	7	3,900	27,300
12	Hon. Elizabeth Ndeleve Kibai	24th Jan to 23rd June 2020	7	3,900	27,300
13	Hon. Josiah Murithi Thiriku	24th Jan to 23rd June 2020	7	3,900	27,300
14	Jim Kauma	24th Jan to 23rd June 2020	7	3,900	27,300
15	David Githaga	24th Jan to 23rd June 2020	7	3,900	27,300
16	Josiah Karanja	24th Jan to 23rd June 2020	7	3,900	27,300
	Total			66,100	462,700

CASHFLOWS ANALYSIS

Month	INTEREST RECEIVED		Bal c/d	MANAGEMENT FEES PAID			COMMITTEE ALLOWANCES			LEDGER FEES			
	Total Interest	Actual Interest received		Management fees accrued	Actual Paid	Balance c/d	Allowances Accrued	Actual Paid	Bal c/d	Ledger fees Accrued	Actual paid	Bal c/d	
Bal b/f									66,100		66,100		
July	315,159	315,159	-	210,106		210,106	66,100		66,100		66,100	7,920	7,920
August	306,197	306,197	-	204,132		204,132	66,100	661,000	(594,900)		66,100	7,920	7,920
September	297,213	297,213	-	198,142		198,142	66,100		66,100		66,100	7,920	7,920
October	288,207	288,207	-	192,138		192,138	66,100		66,100		66,100	7,920	7,920
November	279,178	279,178	-	186,119		186,119	66,100		66,100		66,100	7,920	7,920
December	270,126	270,126	-	180,084	1,030,236	(850,152)	66,100		66,100		66,100	7,920	7,920
January	261,052	261,052	-	174,035		174,035	66,100	661,000	(594,900)		66,100	7,920	7,920
February	251,955	251,955	-	167,970		167,970	66,100		66,100		66,100	7,920	7,920
March	251,585	251,585	-	167,724		167,724	66,100		66,100		66,100	7,920	7,920
April	242,365	242,365	-	161,577		161,577	66,100		66,100		66,100	7,920	7,920
May	232,919	232,919	-	155,280		155,280	66,100		66,100		66,100	7,920	7,920
June	223,652		223,652	149,101	1,071,703	(922,602)	66,100		66,100		66,100	7,920	7,920
Total	3,219,610	2,995,958	223,652	2,146,406	2,101,940	44,467	859,300	1,322,000	(462,700)		95,040	95,040	-



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

TRIAL BALANCE

	Dr.	Cr.
	Kshs.	Kshs
Interest Income		3,219,610
Fund Admin Expenses	2,146,406	
Committee Allowances	1,322,000	
Ledger Fees	95,040	
Cash Cash Equivalents (Bank balances)	76,165,791	
Current Receivables	223,652	
Prepayments	238,490	
Long term receivables from exchange trans:	89,461,576	
Trade payables		602,206
Revolving Fund		165,831,140
	<u>169,652,955</u>	<u>169,652,956</u>