

COUNTY GOVERNMENT OF EMBU



Audit Committee of Embu County Government

Annual Report for the Financial Year Ending June 30, 2025

JULY 25, 2025

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1. Introduction

The purpose of this Annual Report is to provide the Embu County Executive and stakeholders with a comprehensive overview of the Audit Committee's activities, findings, and recommendations for the fiscal year ending June 30, 2025. This report outlines the committee's efforts in overseeing the integrity of the county's financial reporting, effectiveness of internal controls, risk management processes, and compliance with applicable laws and regulations.

2. Committee Composition

As of June 30, 2025, the Audit Committee comprised the following members:

- Julius Mutinda - Chairperson
- David Kariuki - Member
- Philip Mulinge - Member
- Joy Kaburu - Member

The committee was appointed on 11th February 2025 to replace the earlier one whose term ended in June 2024. All members possess diverse backgrounds in finance, accounting, governance, and public administration, contributing to the committee's effectiveness in executing its responsibilities.

3. Meetings Held

During the fiscal year ended June 2025, the Audit Committee held a total of **two (2)** meetings on the following dates:

1. March 21, 2025
2. June 27, 2025

The meetings were conducted in accordance with the committee's charter, with agendas covering a wide range of oversight activities, including reviewing audit reports, monitoring implementation of recommendations, and discussing strategic issues related to risk management and internal controls.

4. Committee Activities

4.1 Overview of Activities

In the fiscal year 2024/2025, the Audit Committee diligently performed its oversight functions, focusing on enhancing the county's financial integrity, accountability, and transparency. Key activities included:

- Reviewing and approving the annual internal audit plan.
- Monitoring the progress and outcomes of internal audits.
- Assessing the effectiveness of risk management and internal control systems.
- Ensuring compliance with applicable laws, regulations, and policies.
- Facilitating communication between management, internal auditors, and external auditors.
- Overseeing the implementation of prior audit recommendations.

4.2 Internal Audits

- **Review of Internal Audit Reports:** The Internal Audit Department conducted **eight (8)** audits during the year, covering various departments and functions. The audits focused on financial processes, operational efficiency, compliance, and information technology systems.
- **Significant Audits Conducted:**
 1. Doctors' workload assessment at Embu Level 5 Hospital.
 2. Audit of Level 3&4 Hospitals in the County
 3. Audit of TVETS Institutions
 4. Embu Bursary Fund
 5. ECRA
 6. Finance Department
 7. FLOCCA
 8. Receiver of Revenue

4.2 Follow-Up on Recommendations:

The committee closely monitored the implementation of recommendations from current and prior audits. Progress reports were reviewed during each meeting, and management demonstrated commitment to addressing identified issues.

4.3 Compliance Monitoring

Ensuring compliance with applicable laws, regulations, and internal policies remained a key focus. The committee:

- Reviewed reports on regulatory compliance across various departments.
- Monitored adherence to federal and state grant requirements.
- Evaluated the effectiveness of compliance training and awareness programs.
- Addressed any reported instances of non-compliance and oversaw corrective actions.

4.4 Recommendations

Based on the findings and assessments conducted throughout the year, the Audit Committee recommends the following measures:

a) Strengthening Internal Controls:

- Conduct regular reviews of control systems across all departments.
- Implement continuous training programs on internal control best practices for staff.

b) Improving Financial Processes:

- Leverage technology solutions to automate and streamline financial reporting and reconciliation processes.
- Conduct periodic financial literacy workshops for department managers to improve financial oversight.
- Increase awareness and accessibility of compliance resources and reporting channels for all.

5 Internal Audit Effectiveness

The Audit Committee concludes that, while Embu County maintains a generally effective system of internal controls, there are critical areas requiring attention and improvement. The identified weaknesses and vulnerabilities present opportunities for the county to enhance its operations, financial integrity, and service delivery to the community.

The committee is confident that with the implementation of the recommended measures and continued commitment from management and staff, the county will strengthen its governance framework and better achieve its strategic objectives.

1. Conclusion

The committee remains committed to upholding the highest standards of accountability and transparency in the county's operations. In the coming year, we will continue to work collaboratively with all stakeholders to address existing challenges and proactively identify and mitigate future risks.

Prepared by: Simon Muma, Head of Internal Audit and Secretary to the Committee

Signature _____ **Date:** 16/07/2025

Approve by: Chairman, Embu County Audit Committee

Signature _____ **Date:** _____

