

REPUBLIC OF KENYA



*Enhancing Accountability*

# REPORT

OF

THE AUDITOR-GENERAL

ON

MUNICIPALITY OF AWENDO

FOR THE YEAR ENDED  
30 JUNE, 2023

PARLIAMENT  
OF KENYA  
LIBRARY

PAPERS LAID	
DATE	20/3/2024
TABLED BY	Sen. J. Kingua
COMMITTEE	
CLERK AT THE TABLE	Polyarp



---

# **MUNICIPALITY OF AWENDO**

**COUNTY GOVERNMENT OF MIGORI**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**

**30 JUNE 2023**

---

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



1. Acronyms &Glossary of Terms	v
2. Key Entity Information and Management	vi
a) Background information	vi
b) Principal Activities	vi
c) Municipality of Awendo Board	vii
d) Fiduciary Management	vii
f) Registered Offices	viii
g) Contacts	viii
h) Bankers	viii
i) Independent Auditor	ix
j) Principal Legal Adviser	ix
3. Municipality of Awendo Board	x
4. Management Team	xiii
5. Municipality of Awendo Board Chairperson’s Report	xv
6. Report of the Municipality Manager	xvi
5.2 Progress of Municipality projects	xvi
5.3 Challenges on the Strategic Objectives	xvii
5.4 Risk Management Strategies	xviii
7. Statement of Performance Against Predetermined Objectives for the FY 2021/2023	
xx	
Below we provide the progress on attaining the stated objectives:	xxi
Programme 1: Urban Institutional Development	xxi
Program 3: Environmental Management	xxvi
Programme 5: Public Health and Social Services	xxix
Programme 6: Disaster management	xxx

*Municipality of Awendo*  
*Annual Report and Financial Statements for the year ended June 30, 2023*

---

Programme 7:	xxxix
Literacy and Social Protection	xxxix
8. Corporate Governance Statement	xxxix
7.1 Process of appointment and removal of Board members.	xxxix
7.2 Roles and functions of the Municipality of Awendo Board members	xxxix
7.3 Induction and training Municipality Board members and member's performance	xxxix
7.4 Number of Municipality Board meetings held and the attendance to those meetings by members	xxxix
7.5 Succession plan	xxxix
7.6 Existence of a service charter	xxxix
7.7 Board remuneration	xxxix
9. Management Discussion and Analysis	xxxix
10. Environmental And Sustainability Reporting	xxxix
11. Report of the City/Municipality Board Members	xxxix
12. Statement of Management's Responsibilities	xxxix
Approval of the financial statements	xli
13. Report of the Independent Auditor	xlii
14. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 <sup>TH</sup> JUNE 2023.	1
15. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023	2
16. STATEMENT OF CHANGES IN NET ASSETS FOR HE YEAR ENDED 30 JUNE 2023	3
17. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023	4
18. STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2023	5

*Municipality of Awendo*  
*Annual Report and Financial Statements for the year ended June 30, 2023*

---

19. Notes to the Financial Statements	7
19. Notes to the Financial Statements	1 3
1. Transfers from the County Government	1 3
2. Public Contributions and Donations	1 3
3. Use of Goods and Services	1 3
5. Board expenses	1 3
8. Cash and cash equivalents	1 4
Detailed analysis of the cash and cash equivalents are as follows:	1 4
9. Property, Plant and Equipment	1 4
l. Capital risk management	1 6
Annex 1. Progress on Follow up of Auditors Recommendations.	1 7
Annex 2: Inter Entity Transfers	2 0
Annex 3: Reporting of Climate Relevant Expenditures	2 1
Annex 4: Disaster Expenditure Reporting Template	2 3
Annex 5: Trial balance for the year ended June 2023	2 3

**1. Acronyms & Glossary of Terms**

*Insert acronyms and glossary of terms used in the report e.g.*

PSASB	Public Sector Accounting Standards Board
FY	Financial Year
OSHA	Occupational Safety & Health Act
Fiduciary Management	Key management personnel who have financial responsibility in the entity

## **2. Key Entity Information and Management**

### **a) Background information**

Municipality of Awendo is established by and derives its authority and accountability from Urban Areas and Cities Act No. 13 of 2011 and Cities and Municipal Charter on 20<sup>th</sup> March 2020. The Municipality is under the County Government of *Migori* and is domiciled in Kenya.

### **b) Principal Activities**

The main functions of the municipality are drawn from section 20 of urban areas and cities act, 2011 and the municipal charter. The functions were officially transferred to the municipality vide Gazette Notice no 2384 of 20<sup>th</sup> March 2020. These include but not limited to:

- (a) Oversee the affairs of Municipality of Awendo;
- (b) Develop and adopt policies, plans, strategies and Programmes, and set targets for delivery of services;
- (c) Formulate and implement integrated development plan;
- (d) Maintain a comprehensive database and information system of the administration and provide public access thereto upon Payment of a nominal fee to be determined by the board;
- (e) Administer and regulate its internal affairs;
- (f) Implement applicable national and county legislation;
- (g) Enter into such contracts, partnerships or joint ventures as it may consider necessary for the discharge of its functions as required under the law;
- (h) Monitor and, where appropriate, regulate municipal services where those services are provided by service providers other than the board of the municipality;
- (i) Prepare its budget for approval by the county executive committee and administer the budget as approved;
- (j) Monitor the impact and effectiveness of any services, policies, programmes or plans;
- (k) Establish, implement and monitor performance management systems;
- (l) Facilitate and regulate public transport;
- (m) Promote a safe and healthy environment; and
- (n) Perform such other functions as may be delegated by the county government or as may be provided for by any written law.

**Municipality of Awendo**

**Annual Report and Financial Statements for the year ended June 30, 2023**

(2) The functions performed by the board of municipality under this Act shall, in the case of a town, be performed by a committee appointed by

**c) Municipality of Awendo Board**

Ref	Position	Name
1.	Chairman of the Board	Ms. Beatrice Adongo
2.	County Executive Committee Member responsible for Cities and Urban areas.	Hon. John Kobado
3.	Board Member 1	Mr. Isaack Ochieng Ouko Vice Chairperson
4.	Board Member 2	Hon. Johnson Omollo Owiro,HSC.
5.	Board Member 3	Mr. John Keno Chol
6.	Board Member 4	Hon. Florence Abich
7.	Board Member 5	Mr. John Otieno Oswe
8.	Board Member 6	Ms. Ruth Adhiambo Odhiambo
9.	Municipality Manager	Plan. Mandela Nelson Akong'o

**d) Fiduciary Management**

The Municipal Manager who is the AIE holder is accountable to the Municipal board. The Municipal Board is then accountable to the County Executive committee and the County Assembly.

Ref	Position	Name	
1	Municipality Manager	David Ore	
2	Directors/Head of departments	Physical Planning	Patrick Peter
		Environment	Gerald Kibathi
		Social Safeguards	Kephas Owinga
		Land Survey	Geoffrey Ng'eno
		Public Works	Isaiah Gangla
		Accountant	Tom Mumbo



**e) Fiduciary Oversight Arrangements**

The Municipal Manager who is the AIE holder is accountable to the Municipal board. The Municipal Board is then accountable to the County Executive committee and the County Assembly.

i) Audit and Risk Management Committee

The Board has constituted an audit and Risk committee which is headed by Hon Florence Abich.

ii) County Assembly Committees

The board is answerable to the County assembly of Migori and makes annual financial reports to the county assembly. Whenever called upon, the board files reports to relevant County Assembly departmental committee. In terms of financial matters, the board always make appearance before public accounts committee, implementation committee, budget and appropriation committee whenever requested to do so.

iii) Committees of the Senate

The board can also be called to appear before the relevant Senate community like Public Investment Committee, and Public Accounts Committee as the case maybe

**f) Registered Offices**

P.O. Box 1172-40400 Suna Migori  
Awendo Sub-County Office Building  
Kisii –Isebania Highway  
Migori, KENYA

**g) Contacts**

Telephone: (+254) 059-20928  
E-mail: [migoricountygov@gmail.com](mailto:migoricountygov@gmail.com)  
Website: <https://migori.go.ke>

**h) Bankers**

Commercial Banks-Kenya Commercial Bank –

1. Municipality of Awendo Urban Development Grant Account No. 1250196620
2. Municipality of Awendo Account No. 1272575616
3. Municipality of Awendo Urban Development retention Account No. 1316545555




**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 of Awendo Board**




Name	Details of qualifications and experience
<p>Ms. Beatrice Adongo</p> 	<p><i>Age: 37 Years</i></p> <p><b>Academic and Professional Qualification-</b></p> <ul style="list-style-type: none"> <li>• <i>Bachelor of Arts in Education</i></li> </ul> <p><b>Work Experience</b></p> <ul style="list-style-type: none"> <li>• <i>From 2016 to 2020 a teacher</i></li> <li><i>From March 2023 to date Chairperson Awendo Municipal Board</i></li> </ul>
<p>Mr. Isaack Ochieng Ouko</p> 	<p><b>Age 61 Years</b></p> <p><b>Academic and Professional Qualification-</b></p> <ul style="list-style-type: none"> <li>Certificate in Strategic Management and County Governance</li> <li>Diploma in Human Resource Management and Development</li> </ul> <p><b>Work Experience</b></p> <ul style="list-style-type: none"> <li>• Councillor in Awendo Town Council – (2008-2013)</li> </ul> <p><b>Independent Board Member</b></p> <p>Chairman -Finance Committee</p>
<p>Hon. Johnson Omollo Owiro, HSC.</p> 	<p><b>Age 75 Years</b></p> <p><b>Academic and Professional Qualification-</b></p> <ul style="list-style-type: none"> <li>Diploma in County Governance</li> <li>Diploma in Public Administration.</li> <li>Diploma in Business Management.</li> </ul> <p><b>Work Experience</b></p> <ul style="list-style-type: none"> <li>March 2023- Date Member Awendo Municipal Board</li> <li>2013-2017 Majority Leader Migori County Assembly</li> <li>2007-2013 Mayor Awendo Town Council.</li> <li>1982-1989 Superintendent Sony Sugar Company</li> </ul> <p><b>Independent Board Member</b></p> <p>Chairman of the Planning Committee</p>


*Municipality of Awendo  
Annual Report and Financial Statements for the year ended June 30, 2023*

<p>Mr. John Keno Chol</p> 	<p>Age 54 Years</p> <p><b>Academic and Professional Qualification-</b> Diploma in Hotel Management</p> <p><b>Work Experience</b> March 2023-Date Board member Awendo municipality 2000-2009           Field Supervisor Sony Sugar Company. 1989-1999           Assistant Executive House Keeper</p> <p><b>Independent Board Member</b> Chair finance committee.</p>
<p>Hon. Florence Abich</p> 	<p>Age 56</p> <p><b>Academic and Professional Qualification-</b> MBA in strategic management. Post Graduate Diploma in Supply Chain Management. Bachelors in Human Resource Management.</p> <p><b>Work Experience</b> March 2023-Date. Board Member Awendo Municipality 2017-2023 Member of Migori County Assembly</p> <p><b>Independent Board Member</b> Chairperson of the Committee</p>
	<p>Age 45 years</p> <p><b>Academic and Professional Qualification-</b> Diploma in fashion and design.</p> <p><b>Work Experience</b> March 2023- Date Member Awendo Municipal Board</p> <p><b>Independent Board Member</b> Chair Human Resource Committee.</p>
<p>Ms. Ruth Adhiambo Odhiambo</p>	
<p>Mr. John Otieno Oswe</p>	<p>Age 51 years</p> <p><b>Academic and Professional Qualification-</b> Bachelors Degree in theology. Diploma in theology.</p> <p><b>Work Experience</b></p>

	<p>March 2023- Date Member Awendo Municipal Board                  2015-Feb 2023 Manager Isaya Amonde Schools                  2011-2014 Center Manager Pioneer                  Development Program                  2007-2011 Teacher South Nyanza Baptist                  College  <b>Independent Board Member</b></p>
<p>Plan. Mandela Nelson Akong'o</p> 	<p><b>Age 32 years</b>  <b>Academic and Professional Qualification-</b>                  Master's Degree in Urban Development &amp;                  Management (Ongoing)                  Bachelor's Degree in Urban and Regional Planning,                  with IT.  <b>Work Experience</b>                  2016-June 2023 Physical Planning Officer Migori                  County                  June 2023- Date Ag. Municipal Manager Municipality                  of Awendo  <b>Independent Board Member</b></p>

4. Management Team

Name	Details of qualifications and experience
<p>1. Municipal Physical Planner</p>  <p>Patrick Peter</p>	<p><b>Date of birth:</b> 11/12/1994</p> <p><b>Academic And Professional Qualification-</b></p> <ul style="list-style-type: none"> <li>• Master’s Degree –Environmental Planning and Management (ongoing )</li> <li>• Bachelor’s Degree in Urban and Regional Planning</li> </ul> <p><b>Work Experience</b> 2016-Date –Physical Planning Officer</p> <p><b>Area of Responsibility</b> Physical Planning Officer</p>
 <p>Gerald Kibathi</p>	<p><b>Date of birth:</b> 02/10/1981</p> <p><b>Academic and Professional Qualification-</b> Bachelor’s Degree in Environmental Science</p> <p><b>Work Experience</b> 2009-Date –Environment Officer</p> <p><b>Area of Responsibility</b> Municipal Environment Officer</p>
<p>2. Municipal Social Safeguards Officer</p>  <p>Kephias Owinga</p>	<p><b>Date of birth:</b> 16/07/1974</p> <p><b>Academic and Professional Qualification-</b></p> <ul style="list-style-type: none"> <li>• Bachelor’s Degree in Arts and Anthropology</li> </ul> <p><b>Work Experience</b></p> <ul style="list-style-type: none"> <li>• 1998-Date –Social Safeguards Officer</li> </ul> <p><b>Area of Responsibility</b></p> <ul style="list-style-type: none"> <li>• Social Safeguards Officer</li> </ul>

<p>Geoffrey Ng'eno</p>	<p><b>Date of birth:</b> 09/04/1983</p> <p><b>Academic and Professional Qualification-</b></p> <ul style="list-style-type: none"> <li>• Bachelor's Degree in Land Survey and Photogrammetry</li> </ul> <p><b>Work Experience</b></p> <ul style="list-style-type: none"> <li>• 2007-Date –Land Surveyor</li> </ul> <p><b>Area of Responsibility</b></p> <ul style="list-style-type: none"> <li>• Land surveyor</li> </ul>
 <p>Isaiah Gangla</p>	<p><b>Date of birth:</b> 05/01/1989</p> <p><b>Academic and Professional Qualification-</b></p> <ul style="list-style-type: none"> <li>•Bsc Technology (Building Construction)</li> </ul> <p><b>Work Experience</b></p> <ul style="list-style-type: none"> <li>• 2011-Date –Physical Planning Officer</li> </ul> <p><b>Area of Responsibility</b></p> <ul style="list-style-type: none"> <li>•Works officer</li> </ul>
<p><i>(Note: The Municipality Manager will feature under both the 'Board' and 'Management'.)</i></p>	

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

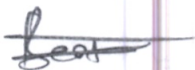
In the financial year 2022/23, Awendo Municipal Board made a number strides in the discharge of its mandate. In particular the board oversaw the implementation of several investment projects within the municipality. These include completion of construction of roads to bitumen standards, construction of Rapogi Modern Market, equipping of the borehole at Awendo Recreational Park , Fencing and landscaping of Awendo recreational park as well as the installation of the waste bins and fire extinguishers.

The board also has equally conducted meetings as required by law where several policy directions were given to the Municipal manager for implementation. The board also appreciates the support from development partners like the World Bank who has been supporting us with development funds.

We would also wish to thank HE. The Governor for the political good will he has extended to us since we were inaugurated. The support from the County Government of Migori has seen the Municipality grow in terms of staff establishment and self-reliance.

The board is optimistic that the next financial year will be favourable despite it being a year of transition in the governance at the county and Kenya at large.

Thank you.



Ms. Beatrice Adongo  
**Chairperson**  
**Awendo Municipal Board**



**6. Report of the Municipality Manager**

**5.1 Budget Performance**

In the FY 2021/2023 the County Government of Migori allocated to Municipality of Awendo Ksh 14 Million. Allocation for Development expenditure was Ksh 5 Million whereas Recurrent expenditure amounted to Ksh 9 Million.

The funds for development were used to undertake urban beautification and waste management programs within the municipality. The programs were as detailed below:

- Supply and delivery of waste management equipment- Ksh 2,000,000
- Supply, delivery and planting of tree seedlings- Ksh 2,199,000

On the other hand, the municipality used the funds in the recurrent budget for office operations and payments of allowances to Board members/staff and purchase of other procurable items as detailed here below:

- Supply and Delivery of Generator – Kshs.300,000
- Provision of Printing and Publishing Services- Kshs.300,000
- Supply and Delivery of furniture- Kshs.1,514,7571
- Supply and Delivery of Cleaning materials- Kshs.819,800
- Supply and Delivery of printer and other IT equipment- Kshs. 841,950

The municipality also got funds from the World Bank through the Kenya Urban Support Program. In the last financial year, the donor funds were remarkably reduced as compared to the previous financial years. The municipality received Ksh 119,054,454 from the World Bank which are used to construct Rapogi Modern Market. The physical progress of the market is at 70% .

**5.2 Progress of Municipality projects**

Since the inauguration of the municipality the following projects/programs have been implemented:

<b>Project</b>	<b>Output</b>	<b>Outcome</b>	<b>Progress(%)</b>
Construction of Awendo Recreational Park	<ul style="list-style-type: none"> <li>• Park Auditorium</li> <li>• Benches/furniture</li> <li>• Ornamental tree shades</li> <li>• Grass lawns</li> <li>• Scenic water park</li> <li>• Children playground</li> <li>• Scented/colour gardens</li> <li>• Flower and shrub</li> </ul>	<ul style="list-style-type: none"> <li>• Improved aesthetic value of the town</li> <li>• Improved environmental conservation</li> <li>• Preservation of sociocultural and religious values</li> <li>• Increased revenue generation</li> <li>• Improved social</li> </ul>	100 % complete

	<ul style="list-style-type: none"> <li>• displays</li> <li>• Sporting area</li> <li>• Food courts</li> </ul>	<ul style="list-style-type: none"> <li>• interaction among the residents</li> </ul>	
Construction of Awendo Township Roads	<ul style="list-style-type: none"> <li>• Street lights</li> <li>• Storm water drainage channels</li> <li>• NMT facilities</li> <li>• Access culverts</li> <li>• Box culverts</li> <li>• Carriage way with bitumen</li> <li>• Speed calmers</li> <li>• Road Signages</li> </ul>	<ul style="list-style-type: none"> <li>• Improved accessibility</li> <li>• Reduced traffic snarl-up</li> <li>• Reduced accidents</li> <li>• Enhanced security</li> <li>• Reduced flooding in town</li> </ul>	100 % complete
Construction of Rapogi Modern Market	<ul style="list-style-type: none"> <li>• Market stalls</li> <li>• Storm water drainage channels</li> <li>• Access road</li> <li>• Market shade</li> <li>• Market kiosks</li> <li>• Water supply</li> <li>• Flood light</li> <li>• Waste management area</li> </ul>	<ul style="list-style-type: none"> <li>• Improved security</li> <li>• Improved accessibility</li> <li>• Increased revenue collection</li> <li>• Improved income/livelihood</li> <li>• Improved sanitation at the market</li> </ul>	70% complete
Urban Beautification	<ul style="list-style-type: none"> <li>• Ornamental trees</li> <li>• Waste bins</li> <li>• Waste skips</li> </ul>	<ul style="list-style-type: none"> <li>• Improved aesthetic value of the town</li> <li>• Improved waste management</li> </ul>	100 complete

The implementation of the above projects were done in collaboration with the county department of physical planning and Urban Development through the County Project Coordination team (CPCT) as provided for in the KUSP programme operation manual. The residents of the municipality have experience first-hand impacts of the projects and as such the value for money has not been lost.

### **5.3 Challenges on the Strategic Objectives**

In line with our strategic plan, the municipality intends to achieve the following strategic objectives over the next five years:

1. To secure all public land for development by 2025
2. To improve infrastructural and utility services for Municipality of Awendo by 2025
3. To mobilize resources for recurrent and development expenditures in Municipality of Awendo by 2025
4. To strengthen the capacity of the Board and staff of Municipality of Awendo by 2025

5. To improve and enhance security in Municipality of Awendo by 2025
6. To Monitor the conservation and management of green spaces in Municipality of Awendo by 2025
7. To set up a fully functional disaster management programme in Municipality of Awendo by 2025
8. To promote Public Health services
9. To set up an industrial park in Municipality of Awendo by 2025
10. To promote the establishment of light industries by 2025
11. To monitor upcoming and established learning resources centres
12. To monitor and support TVET institutions in line with trade and manufacturing needs in the municipality.

We have however faced a number of challenges in the course of realization of the above objectives. This challenge includes but limited to;

- Lack of trained technical staffs- the municipality is in dire need of additional of employees in the field of physical planning, engineering, accounting, human resource, land surveying, quantity surveying, procurement and supply chain management, architecture among others.
- Insufficient funding-the municipality has been receiving little funds from the county government which is not commensurate to the functions it is suppose to discharge. The funding from development partners has also been insufficient in terms of amount and timely disbursement.
- Non delegation of functions to the municipality- the county government of Migori has not fully delegated/transferred functions to Municipality of Awendo as required by the Urban Areas and Cities Act.
- Duplication of roles /functions-the spirit of section 48 (1)(a) and 48(2) of the County Government Act, 2012 has not been respected with respect to Awendo subcounty and Municipality of Awendo as decentralized units within County Government of Migori.

#### **5.4 Risk Management Strategies**

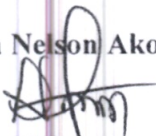
The Municipality identified and undertook an assessment of impending risks to effective and efficient operations. These risks are environmental, political, organizational, operational, financial and technological in nature and affect implementation of programmes and its outcomes. The foregoing risks call for accountability, monitoring and reporting on mitigation factors so as to ensure a prosperous Municipality. Using the Low, Medium and High risk ranking on the basis of Likelihood and impact, the significant risks are highlighted as follows:

*Municipality of Awendo*

*Annual Report and Financial Statements for the year ended June 30, 2023*

Key Risks	Likelihood (H/M/L)	Impact (H/M/L)	Contingency Plan/ Steps to Mitigate Risk	Person(s) Responsible
Political instability and Insecurity (e.g. election unrest, terrorism etc.)	Low	High	Utilizing already existing county government structures, national government and other key actors	Office of the Governor
Limited Financial Resources	Medium	High	Development of sustainable income generating programmes	CEC and Chief Officer
Insufficient collaboration, cooperation and strategic partnerships with relevant stakeholders (PPP)	Medium	High	Enhancing partnerships with various stakeholders	Municipality Board/ CEC
Few technical staff	Medium	High	<ul style="list-style-type: none"> <li>Identifying, developing and retaining the requisite human resources to support the strategy implementation</li> <li>Provide a competitive remuneration and benefits policy</li> </ul>	Public Service Board
Rapid technological advancement	Medium	High	Integrating information and communication technologies in the processes of services provision	Directors
Resistance to change	Medium	High	<ul style="list-style-type: none"> <li>Employee engagement; highly directed, engaged, mobilized county officers</li> <li>Team building for staff and the Board</li> <li>Communicating the vision and strategy to all effectively</li> </ul>	Municipal Manager

**Mandela Nelson Akong'o**



**Municipal Manager**

**Municipality of Awendo**

**7. Statement of Performance Against Predetermined Objectives for the FY 2021/2023**  
**Introduction**

Section 164 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting Officer for a County Government entity shall prepare financial statements in respect of the entity in formats to be prescribed by the Accounting Standards Board including a statement of the county government entity's performance against predetermined objectives. The key development goals of the Municipality of Awendo as espoused in the strategic plan (2020-2025) are:

- a) To ensure effective and efficient urban development and management
- b) To promote Environmental management and public health
- c) To promote industrialization within the municipality
- d) To establish a framework for monitoring, evaluation and reporting programmes for cushioning vulnerable groups in the Municipality.

Below we provide the progress on attaining the stated objectives:

Programme 1: Urban Institutional Development

**Objective (s):**

1. To improve governance within the municipality
2. To enhance service delivery excellence

**Outcome :**

1. Enhanced public order, Local governance systems & Improved transparency and accountability in citizen engagement in decision making of urban government

Sub-programme	Key Output	Baseline	Key performance indicators (KPIs)	Planned Targets					Performance
				2019/2020	2020/21	2021/22	2022/23	2023/24	
Sp 1.1 Municipality Governance Structure	Operational Board	-	Number of Board meetings held annually	8	8	8	8	8	In the FY under review the Board conducted 4 ordinary sittings and 4 special stings
	Board sub-committees	-	Number of Board sub-committee meetings	24	24	24	24	24	In the FY under review 16 Board Sub-Committee meetings were held

Operational Municipal administration	1	Number of offices established and equipped per year	3	15	5	5	5	In the FY under review the municipal managers office was allocated recurrent budget to aid its operations
Automation of revenue collection	0	Number of machines purchased	0	0	20	20	10	In the FY under review automation of revenue collection was never done. The function is yet to be delegated.
Purchase of motor vehicles		Number of vehicles purchased			1	0	1	No new vehicle bought
Lobby for the Establishment of Municipal court	-	Number of Courts per year	0	0	0	1	0	Was not in the target

Sp 1.2 Capacity Building	Board Training	-	Number of trainings per year	5	4	4	4	4	2 trainings were conducted
	Staff Trainin g	-	Number of trained	10	15	13	30	45	3 trainings were conducted
Sp 1.3 Public Participatio n	Citizen fora	2	Number of fora held per year	4	4	4	4	4	4 citizen fora were conducted
Sp 1.4 Plans and Policies	Plans, policies and by-laws		Number of plans, policies and by-laws prepared	3	3	3	3	3	Draft municipal bylaws prepared awaiting county assembly approval and gazettement

### Programme 2: Urban Infrastructure Development

Objective: To enhance transport and infrastructure needs

Outcomes

1. Improved road network for municipality dwellers and user. 2.Enhanced economy

Sub-progra mme	Key Output	Baselin e	Key performance indicators	Planned Targets					
				2019/2 0	2020/2 1	2021/2 2	2022/2 3	2023/24	Performance



Sp 2.1 Roads & Transport infrastructure	Paved lots	Park 0	Number of Parking lots paved annually	300	200	200	200	100	No parking lots paved.
	Paved roads	20	Number of Paved annually	2	2	2	2	2	3km of roads constructed to bitumen standard
	Paved Walk-ways & Cycling Lanes	10.5	Number of KMs Paved annually	3	3	3	3	3	3 km of walkways constructed along the new roads
	Street Lights	30	Number of street lights installed	20	20	20	20	20	100 street lights installed along the newly constructed roads
	CCTV	0	Number of Street Cameras Installed	0	20	20	20	20	Not done
	Traffic Lights	0	Number of traffic lights Installed per year	0	1	1	1	1	Not installed

Sp 2.2	Monitoring the installation of New Sewer line		Number of KMs constructed Per Year	0	1	2	2	5	Not done
Water & Sewerage Infrastructure	Monitoring the Installation of extension water Pipeline		Number of KMs constructed Per Year	1	3	4	4	8	Not done
Sp 2.3 Improving informal settlement	Paved roads	-	Number of kilometers paved per year	0	1	2	2	3	No new road done in the informal settlement
Sp 2.4 Plans and policies	Constructed sanitation blocks	-	Number sanitation blocks	0	2	2	2	2	1 water borne toilet done.
	Floodlights installed	4	Number floodlights	0	2	2	2	2	Not done
	Street lights installed		Number streetlights	0	5	5	5	5	Not done
	Formulation of plans and policies	0	Number of plans and policies formulated	3	3	3	3	3	1 action Area plan prepared for Jiw-Dendi settlement

Program 3: Environmental Management

Objectives: 1. To support pollution prevention; and Promote sustainable environmental protection and management

Outcomes: 1. Improved health; 2. Enhanced cleanliness; and 3. Improved recycling and reuse practices at point of waste generation

Sub-programme	Key Output	Baseline	Key performance indicators	Planned Targets					Performance
				2019/20	2020/21	2021/22	2022/23	2023/24	
Sp 3.1 Solid waste management Environmental conservation	<b>Specialized Garbage trucks</b>	0	Number of specialized garbage trucks	1	1	1	1	1	No specialized garbage trucks purchased
	<b>Garbage receptacles</b>	-	Number of garbage receptacle installed annually	4	4	4	4	4	200 waste bins installed
	<b>Constructed incinerator</b>	-	Number incinerators constructed	0	0	1	1	1	No incinerator constructed
	<b>Revitalization of rivers</b>	0	Number of rivers reclaimed in the	0	0	1	0	0	No river revitalized

			municipality annually						
	<b>Afforestation</b>		Number of trees planted	6000	4000	4000	2000	2000	No tree was planted in the financial year under review
	<b>Landscaping and beautification of streets</b>	-	Number of streets improved	2	2	2	2	2	No trees were planted
	<b>Formulation of plans and policies</b>	0	<b>Number of Plans and policies</b>	3	3	3	3	3	One bylaw on waste management formulated.

**Programme 4: Trade and Enterprise Development**

Objectives

1. To create employment opportunities
2. Promote sustainable industrial development

Outcomes: Incubation of small businesses; Increased number of tourists to the Municipality; and Improved standards of living

Sub-programme	Key Output	Baseline	Key	Planned Targets	Performance
---------------	------------	----------	-----	-----------------	-------------

			performance indicators	2019/20	2020/21	2021/22	2022/23	2023/24	
Sp 4.1 Improvement markets	<b>Constructed modern market</b>	<b>1</b>	Number of modern market constructed	<b>0</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	1 modern market constructed at Rapogi
	<b>floodlights</b>	<b>-</b>	Number floodlights	<b>-</b>	<b>2</b>	<b>2</b>	<b>3</b>	<b>3</b>	1 flodlight installed at Rapogi
Sp 4.2 Enterprise development	<b>Capacity building of SMEs</b>	<b>-</b>	Number of SMEs trained in business best practices	<b>--</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	Not done
Sp 4.3 Tourism Development Marketing	<b>Mapped tourism sites</b>	<b>-</b>	Number of tourism guides developed	<b>-</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	Not done
	<b>Develop tourist attraction sites</b>	<b>-</b>	Number of tourist sites developed	<b>-</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	Not Done

Programme 5: Public Health and Social Services

Sub-programme	Key Output	Baseline	Key performance indicators	Planned Targets					Performance
				2019/20	2020/21	2021/22	2022/23	2023/24	
Sp 5.2 Monitoring of health services	Lobby for Newly Built and operational dispensaries	5	Number of newly built dispensaries	-	0	1	1	1	No new dispensary built
	Upgraded health facilities	-	Number of upgraded health facilities (Upgrading of dispensaries to health centers and upgrading of health centers to level four hospitals.)	-	0	2	2	1	No health facility upgraded
Sp 5.1 Promotion of preventive health	Media campaigns	-	Number of health promotion media campaigns	-	12	12	12	12	Not done

			Number of public health officers trained per year	-	5	5	5	5	5	None
--	--	--	---	---	---	---	---	---	---	------

Programme 6: Disaster management

Objectives:	
1. To improve disaster preparedness	
2. To safeguard and make available vital materials supplies and equipment to ensure the safety and reliable recovery predictable disasters	

Outcomes 1.Enhanced efficiencies in emergency response

Sub-programme	Key Output	Baseline	Key performance indicators	Planned Targets					performance
				2019/20	2020/21	2021/22	2022/23	2023/24	
Sp 6.1 Disaster Response Investments	Emergency Fund	-	Amount of Fund Per Year (Ksh. In Millions)	5	5	5	5	5	No funds allocated
	Established, operational call and data center	-	Number of call and data center established	-0	0	0	1	0	None established

	<b>Fire engine purchased</b>	-	Number of fire engines purchased	0	0	1	0	0	No Fire engine purchased
	<b>Purchased ambulances</b>	-	Number of ambulances purchased	0	0	1	1	1	No Ambulance purchased
	<b>Modern fire station</b>	-	Number of modern fire stations built	0	1	0	0	0	None was built
	<b>Purchase of fire extinguishers</b>	-	Number of fire extinguishers purchased	0	0	0	12	0	<b>12 fire extinguishers purchased</b>

Programme 7: Literacy and Social Protection

Objectives: To enhance literacy in the Municipality; and to safeguard the welfare of vulnerable groups including youth, PWD, women and street families

Sub-programme	Key Output	Baseline	Key performance indicators	Planned Targets					Performance
				2019/20 2020/21	2021/22	2022/23	2023/24		
Monitoring of Literacy Improvement programmes	<b>Lobby for Construction of new ECDE Classes</b>	-	Number of new ECDE Classes per year	-	-	3	3	3	2 New ECDE Constructed
	<b>Lobby for Equipment of ECDE(s)</b>	-	Number of ECDE facilities equipped	0	0	5	5	5	1 new ECDE facilities equipped



	<b>Educational Fund to the Needy</b>	-	Amount(ksh) of fund allocated annually	0	0	10	10	10	No funds were allocated
	<b>Lobby for Construction of village/technical institute</b>		Number of new polytechnics workshops per year	0	0	3	3	3	None constructed
	<b>Lobby for Construction of a public/community library</b>		Number constructed	0	0	1	0	1	None constructed
	<b>Lobby for Opening up of a university learning centre</b>		Number of centres established	0	0	0	1	1	Not done
Social Protection	<b>Establish a Safety net Fund</b>	-	Amount(Ksh) of fund allocated annually	0	5	5	5	5	Not done
	<b>Lobby for the Establishment of Rescue Center</b>	-	Number of facilities established	0	0	0	1	1	Not done
<b>Total</b>									

## **8. Corporate Governance Statement**

### **7.1 Process of appointment and removal of Board members.**

Awendo municipal board members were appointed as provided for in section 11 of Urban Areas and cities (Amendment) Act, 2019). Upon nomination the names of the nominees were forwarded to the county assembly of Migori for vetting and subsequent approval.

In terms of removal of the board members from office, the appointment letter given to them provides that, “subject to section 18 of the urban areas and cities (Amendment)Act, 2019 and all the applicable laws, either party can terminate the contract by giving 30 day’s notice”

### **7.2 Roles and functions of the Municipality of Awendo Board members**

Pursuant to Article 184 of the Constitution of Kenya, section 48 (1) (a) of the County Governments Act, 2012, sections 9 (1) and Section 20 of the Urban Areas and Cities Act, 2011 and section 6 of the Awendo Municipal Charter, the Governor, Migori County transferred the under listed functions to the Municipal Board of Awendo—

- (a) oversee the affairs of Municipality of Awendo;
- (b) develop and adopt policies, plans, strategies and programmes, and set targets for delivery of services;
- (c) formulate and implement integrated development plan;
- (d) maintain a comprehensive database and information system of the administration and provide public access thereto upon payment of a nominal fee to be determined by the board;
- (e) administer and regulate its internal affairs;
- (f) implement applicable national and county legislation;
- (g) enter into such contracts, partnerships or joint ventures as it may consider necessary for the discharge of its functions as required under the law;
- (h) monitor and, where appropriate, regulate municipal services where those services are provided by service providers other than the board of the municipality; (i) prepare its budget for approval by the county executive committee and administer the budget as approved;
- (j) monitor the impact and effectiveness of any services, policies, programmes or plans;
- (k) establish, implement and monitor performance management systems;
- (l) facilitate and regulate public transport;
- (m) promote a safe and healthy environment; and

(n) perform such other functions as may be delegated by the county government or as may be provided for by any written law. The transfer of the above functions took effect immediately.

### **7.3 Induction and training Municipality Board members and member's performance**

As at the time of establishment of the board the County government of Migori through the department of Physical Planning and urban development conducted induction exercises to board members. The induction focused on the following areas:

- Roles/functions of the Municipal Board
- Relationship between the Municipal Board and County government departments/other devolve units
- Structure of Kenya Urban Support Program

In the financial year under review board members were taken through two trainings which focussed on formulation of By-laws and preparation of various municipal plans.

### **7.4 Number of Municipality Board meetings held and the attendance to those meetings by members**

The number of Municipal Board Meetings are capped by law at 4 ordinary sittings and 4 special sittings in a year. In the financial year 2023/2024 the Awendo Municipal Board conducted a total of 8 sittings. The four ordinary meetings were done once every quarter of the year. Awendo Municipal Board also has 4 sub-committees which include: Finance Committee, Audit Risk& Compliance Committee, Human Resource & Gender committee and Technical & Strategy Committee.

The above four sub-committees held one meeting each quarter of the year under review bringing a total of 16 sub-committee meetings.

### **7.5 Succession plan**

As per the applicable law the board of municipality shall be body corporate with perpetual succession and common seal. Each member of the board shall hold office for a term of five years, on part time basis. The term of office of Awendo Municipal Board Members shall lapse on 5<sup>th</sup> August 2024 upon which a new board will be established.

**7.6 Existence of a service charter**

Municipality of Awendo has a service charter which was gazzeted on 20<sup>th</sup> March 2020 in the Kenya Government gazette Notice Vol. CXXII—No. 5. The charter was then used by HE. The Government to confer the status of Municipality to Awendo town. The charter outlines how the operations of the municipality are undertaken.

**7.7 Board remuneration**

As per the law the Board Members are not entitled to salaries since they work on part-time basis. However the individual members are being payed sitting and lunch allowances as per the letter from Salaries & Remuneration Commission dated 27<sup>th</sup> February, 2019 Ref: SRC/TS/CG/3/61/19 (38)

**9. Management Discussion and Analysis**

*(2- 3 pages)*

*Under this section, the management shall give a report:*

- a. On the operational and financial performance of the City/Municipality during the period,*
- b. Entity's key projects or investments decision implemented or ongoing,*
- c. City/Municipality's compliance with statutory requirements,*
- d. Major risks facing the City/Municipality, material arrears in statutory and other financial obligations, and*
- e. Any other information considered relevant to the users of the financial statements.)*

*(The management should make use of tables, graphs, pie charts and other descriptive tools to make the information as understandable as possible.)*

**10. Environmental And Sustainability Reporting**

*(Two-to-three pages)*

**1. Sustainability strategy and profile**

*Include an Introductory paragraph on the main mandate of the organization and its strategy on sustainability. Sustainability being the ability to maintain or continue offering services to the citizens of the country over the long- term. The top management especially the Accounting Officer should make reference to sustainable efforts, broad trends in political and macroeconomic factors affecting sustainability priorities, reference to international best practices and key achievements and failure.*

**2. Environmental performance**

*Outline clearly, environmental policy guiding the organisation, provide evidence of the policy. Outline successes, shortcomings, efforts to manage biodiversity, waste management policy and efforts to reduce environmental impact of the organisation's products.*

**3. Employee welfare**

*Give account of the policies guiding the hiring process and whether they take into account the gender ratio, whether they take in stakeholder engagements and how often they are improved. Explain efforts made in improving skills and managing careers, appraisal and reward systems. The City/Municipality should also disclose their policy on safety and compliance with Occupational Safety and Health Act of 2007, (OSHA).*

**4. Market place practices**

*The organisation should outline its efforts to:*

**a) Responsible competition practice.**

*Explain how the organisation ensures responsible competition practices with issues like anti-corruption, responsible political involvement, fair competition and respect for competitors.*

**b) Responsible Supply chain and supplier relations**

*Explain how the organisation maintains good business practices, treats its own suppliers responsibly by honouring contracts and respecting payment practices.*

**c) *Responsible marketing and advertisement***

*Outline efforts to maintain ethical marketing practices*

**d) *Product stewardship***

*Outline efforts to safeguard consumer rights and interests*

**5. *Community Engagements***

*Give evidence of community engagement including charitable giving (cash & material), Community Social Investment and any other forms of community (The City/Municipality gives details of CSR activities carried out in the year and the impact to the society. The statement may also include how the City/Municipality promotes education, sports, healthcare, labour relations, staff training and development, and water and sanitation initiatives) Where no CSR activities are undertaken during the year, there is no need to include the statement).*

## 11. Report of the City/Municipality Board Members

The Board Members submit their report together with the audited financial statements for the year ended June 30, 2023 which show the state of the City/Municipality affairs.

### Principal activities

The principal activities of the City/Municipality are *(continue to be)* ....

### Performance

The performance of the City/Municipality for the year ended June 30, 2023 are set out on page xv

### Board Members

The members of the Board who served during the year are shown on page x *(refer to the key entity information and management page)*. 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 City/Municipality in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

OR

*[XYZ Certified Public Accountants were nominated by the Auditor General to carry out the audit of the entity for the year/period ended June 30, 20xx, in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf].*

By Order of the Board

  
.....  
Name: *Mandela Nilson Akong'o*  
Secretary of the Board

## 12. 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, 2022. 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, 2022, 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 Municipality Manager has assessed the Municipality'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.

*Municipality of Awendo*  
*Annual Report and Financial Statements for the year ended June 30, 2023*

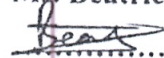
---

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/City's financial statements were approved by the Board on 29 September 2023 and signed on its behalf by:

Ms. Beatrice Adongo

  
.....

Chairperson of the Board

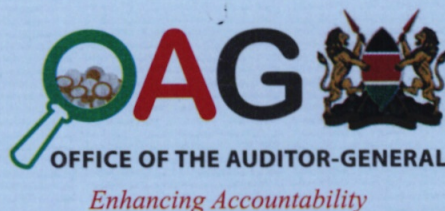
Plan. Mandela Nelson Akong'o

  
.....

Accounting officer of the Board

# REPUBLIC OF KENYA

Telephone: +254-(20) 3214000  
E-mail: info@oagkenya.go.ke  
Website: www.oagkenya.go.ke



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

## **REPORT OF THE AUDITOR-GENERAL ON MUNICIPALITY OF AWENDO FOR THE YEAR ENDED 30 JUNE, 2023**

---

### **PREAMBLE**

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

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

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

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

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Opinion**

I have audited the accompanying financial statements of Municipality of Awendo set out on pages 1 to 19, which comprise of the statement of financial position as at

30 June, 2023, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actuals amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Municipality of Awendo as at 30 June, 2023 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Municipality Charter of 15 May, 2020, Urban Areas and Cities Act, 2011 and the Public Finance Management Act, 2012.

### **Basis for Opinion**

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

### **Emphasis of Matter**

#### **Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects revenue budget and actual on comparable basis amounts of Kshs.96,988,123 and Kshs.85,907,314 respectively, resulting in an underfunding of Kshs.11,080,809 (or 11% of the budget). Similarly, the Municipality expended Kshs.58,040,437 against an approved budget of Kshs.96,988,123 resulting in an under-expenditure of Kshs.38,947,686 (or 40% of the budget).

The underfunding and under-expenditure affected the Municipality's planned activities and may have impacted negatively on service delivery to the public.

My opinion is however not modified in respect of this matter.

### **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.

## **Other Matter**

### **Unresolved Prior Year Matters**

In the audit of the previous year, several issues were raised under Report on the Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources. However, as disclosed in the progress on follow up of auditor's recommendations at Annex 1, the Management had not resolved all the issues as at 30 June, 2023 and no satisfactory reasons were provided for not resolving all the prior year audit matters.

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

### **Basis for Conclusion**

The audit was conducted in accordance with ISSAI 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, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and 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 the Board of the Municipality**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal 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 governance.

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

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

### **Auditor-General's Responsibilities for the Audit**

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 overall 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 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 Municipality'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 Municipality 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 Municipality 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.

  
FCPA Nancy Gatirunga, CBS  
AUDITOR-GENERAL

Nairobi

30 January, 2024

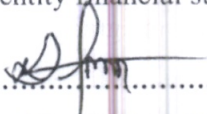


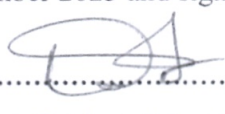
Municipality of Awendo  
Annual Report and Financial Statements for the year ended June 30, 2023

14. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2023.

	Notes	2022/23	2021/22
		Kshs.	Kshs.
<b>Revenue from non-exchange transactions</b>			
Transfers from County Government	1	6,394,460	3,963,430
<b>Total revenue</b>		<b>6,394,460</b>	<b>3,963,430</b>
<b>Expenses</b>			
Use of Goods & Services	3	764,798	646,220
Board Expenses	4	2,456,980	2,697,400
Staff Cost	5	3,163,214	615,000
Finance Cost	6	9,468	4,810
Depreciation and Amortization	7	3,261,985	0
<b>Total expenses</b>		<b>6,394,460</b>	<b>3,963,430</b>
<b>Surplus for the period</b>		<b>(3,261,985)</b>	<b>0</b>

The entity financial statements were approved on 29<sup>th</sup> September 2023 and signed by:

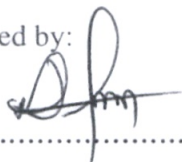
  
 Name: Plan Nelson M. Akong'o  
 Municipality Manager  
 Date.....

  
 Name: Erick Ochieng Jalangó  
 Director Accounting Services  
 ICPAK M/No.14959  
 Date.....

15. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	Note	2022/23 Kshs.	2021/22 Kshs.
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	8	27,866,876	78,071,298
<b>Non-Current Assets</b>			
Property, Plant & Equipment	9	138,332,313	89,948,321
<b>Total Assets</b>		<b>166,199,189</b>	<b>168,019,619</b>
<b>Net Assets</b>			
Capital /Development Grants/Fund		120,496,009	119,054,454
Accumulated Surplus		45,703,180	48,965,165
<b>Total net assets and liabilities</b>		<b>166,199,189</b>	<b>168,019,619</b>

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 29<sup>th</sup>September 2023 and signed by:



.....  
Name: **Plan. Nelson M. Akong'o**  
Municipality Manager

Date:



.....  
Name: **Erick Ochieng Jalangó**  
Director Accounting Services

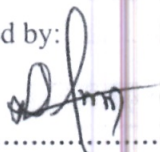
ICPAK M/No.14959

Date:.....

16. STATEMENT OF CHANGES IN NET ASSETS FOR HE YEAR ENDED 30 JUNE 2023

	Capital/Development Grants/Fund	Accumulated Surplus/(Defecit)	Total
		Kshs.	Kshs.
<b>Balance as at 1 July 2021</b>	-	48,965,165	48,965,165
Surplus/(deficit) for the period		-	-
Funds received during the year	119,054,454		119,054,454
<b>Balance as at 30 June 2022</b>	<b>119,054,454</b>	<b>48,965,165</b>	<b>168,019,619</b>
Surplus/(deficit) for the period		(3,261,985)	(3,261,985)
Funds received during the year	1,441,555.32		1,441,555.32
<b>Balance as at 30 June 2023</b>	<b>120,496,009</b>	<b>45,703,180</b>	<b>166,199,189</b>

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 29<sup>th</sup>September 2023 and signed by:



.....  
Name: Name: Plan Nelson M. Akong'o  
Municipality Manager  
Date:



.....  
Name: Erick Ochieng Jalangó  
Director Accounting Serices  
ICPAK M/No.14959  
Date.....

17. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023

	Note	2022/23 Kshs.	2021/22 Kshs.
<b>Cash flows from operating activities</b>			
<b>Revenue from non-exchange transactions</b>			
Transfers from County Government	1	6,394,460	3,963,430
Public Contributions and Donations	2	1,441,555	119,054,454
<b>Total Receipts</b>		<b>7,836,015</b>	<b>123,017,884</b>
<b>Payments</b>			
Use of Goods & Services	3	764,798	646,220
Board Expenses	4	2,456,980	2,697,400
Staff Cost	5	3,163,214	615,000
Finance Cost	6	9,468	4,810
<b>Total Payments</b>		<b>6,394,460</b>	<b>3,963,430</b>
<b>Cash flows from operating activities</b>		<b>1,441,555</b>	<b>119,054,454</b>
<b>Cash flows from investing activities</b>			
Property Plant and Equipment	9	51,645,976	(89,948,321)
<b>Net cash flows used in investing activities</b>		<b>51,645,976</b>	<b>(89,948,321)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(50,204,420)</b>	<b>29,106,133</b>
Cash and cash equivalents at 1 JULY 2022		78,071,298	48,965,165
<b>Cash and cash equivalents at 30 JUNE 2023</b>	8	<b>27,866,876</b>	<b>78,071,298</b>

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 29<sup>th</sup> September 2023 and signed by:

.....  
Name: **Plan Nelson M. Akong'o**

Municipality Manager

Date:

.....  
Name: **Erick Ochieng Jalangó**

Director Accounting Serices

ICPAK M/No.14959

Date:

Municipality of Awendo  
Annual Report and Financial Statements for the year ended June 30, 2023

18. STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2023

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilisation
	Kshs. A	Kshs. b	Kshs. c=(a+b)	Kshs. d	Kshs. e=(c-d)	f=d/c
<b>Revenue</b>	KShs	KShs	KShs	KShs	KShs	
Transfers from County Government	10,085,138	0	10,085,138	6,394,460	3,690,678	63%
Public Contributions and Donations	86,902,985	0	86,902,985	79,512,854	7,390,131	91%
<b>Total income</b>	<b>96,988,123</b>	<b>0</b>	<b>96,988,123</b>	<b>85,907,314</b>	<b>11,080,809</b>	<b>89%</b>
<b>Expenses</b>						
Use of Goods & Services	3,175,138	0	3,175,138	764,798	2,410,340	24%
Board Expenses	3,500,000	0	3,500,000	2,456,980	1,043,020	70%
Staff Cost	3,400,000	0	3,400,000	3,163,214	236,786	93%
Finance Cost	10,000	0	10,000	9,468	532	95%
Development Expenditure	86,902,985	0	86,902,985	51,645,977	35,257,008	59%
<b>Total expenditure</b>	<b>96,988,123</b>	<b>0</b>	<b>96,988,123</b>	<b>58,040,437</b>	<b>38,947,686</b>	<b>60%</b>
<b>Surplus for the period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>27,866,877</b>	<b>(27,866,877)</b>	

The under utilization of the fund was due to late disbursement of exchequer releases affecting both receipts and expenditure to less than 90%. The variance between the actual revenue and expenditure noted in this statement and financial performance is that financial only captured amount received during the year for operations from the county government whereas in budget of comparison includes cash and cash balances for Donor funds and receipts from the operation. The unexplained variance between actual and budget of public contribution and cashflow amount resulted from unspent cash in bank in previous financial year being paid for contractual obligations.

*Municipality of Awendo  
Annual Report and Financial Statements for the year ended June 30, 2023*

---

*The difference between the actual public contribution and donation receipt on the statement of financial performance and statement of comparison of budget and actual amounts is cash and cash equivalent brought forward of Kshs 78,071,299. Further, the amount reflected in the statement of financial performance of Kshs 6,394,460 was actual receipt for recurrent expenditure.*

## **19. Notes to the Financial Statements**

### **1. General Information**

Awendo Municipality is established by and derives its authority and accountability from Urban Areas and Cities Act No. 13 of 2011. The Municipality is under the Migori County Government and is domiciled in Kenya.

The *entity's* principal activity is oversee the affairs of Municipality of Awendo

### **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 *county*.

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)**

(i) New and amended standards and interpretations in issue effective in the year ended 30 June 2023.

(ii) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2023.

(iii) Early adoption of standards-The Entity did not adopt any new or amended standards in the financial year

**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 has been acquired using such funds.

**b) Budget information**

The original budget for FY 2022/23 was approved by the County Assembly on 30<sup>th</sup> June 2022. 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 City/Municipality upon receiving the respective approvals in order to conclude the final budget. Accordingly, the City/Municipality recorded additional appropriations of Kshs. 86,902,985 on 14<sup>th</sup> of November 2022 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 financial performance has been presented under section xxx of these financial statements.

**c) Property, plant and equipment**

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the City/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) Depreciation Policy**

Depreciation is charged annually on a reducing balance basis on the balance at year end. The depreciation rates for the Non-Current assets of the STVCA are outlined below:

<b>Category</b>	<b>Estimated UsefulLife</b>	<b>Depreciation rate</b>
Buildings	50 years	2%
Roads and other Civil works	40 years	2.5%
Equipment/Water Network	5 years	12.5%

**Fair value through net assets/ equity**

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

**Fair value through surplus or deficit**

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

**Trade and other receivables**

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

**e) 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. For the purposes of these financial statements, cash and cash equivalents also include short-term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

**f) Comparative figures**

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

**g) 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 City/Municipality should indicate whether there are material adjusting and non- adjusting events after the reporting period.

**h) 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 City/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.
- (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.

19. Notes to the Financial Statements

1. Transfers from the County Government

Description	2022/23	2021/22
	Kshs.	Kshs.
Transfers from County government for re -current use	6,394,460	3,963,430
<b>Total</b>	<b>6,394,460</b>	<b>3,963,430</b>

2. Public Contributions and Donations

Description	2022/23	2021/22
	Kshs.	Kshs.
Donation from development partners - KUSP-03/02/2023	39,359	
Donation from development partners - KUSP-03/02/2023	207,637	
Donation from development partners - KUSP-27/06/2023	1,194,559	119,054,454
<b>Total</b>	<b>1,441,555</b>	<b>119,054,454</b>

3. Use of Goods and Services

Description	2022/23	2021/22
	Kshs.	Kshs.
Utilities, supplies and services - Electricity bill	9,500	8,000
Domestic travel and subsistence	162,200	134,000
Domestic travel costs	380,400	314,600
Hospitality supplies and services	49,800	42,920
Specialized materials and services	9,200	8,000
Printing services	78,128	65,250
Purchase of equipment	75,570	73,450
<b>Total</b>	<b>764,798</b>	<b>646,220</b>

4. Staff costs

Description	2022/23	2021/22
	Kshs.	Kshs.
Casual wages/cost	3,163,214	615,000
<b>Total</b>	<b>3,163,214</b>	<b>615,000</b>

5. Board expenses

Description	2022/23	2021/22
	Kshs.	Kshs.
Sitting allowances	941,000	983,000
Induction and Training	598,280	658,400
Travel and Transport cost	403,000	451,000
Accommodation	514,700	605,000
<b>Total</b>	<b>2,456,980</b>	<b>2,697,400</b>

*Municipality of Awendo*

*Annual Report and Financial Statements for the year ended June 30, 2023*

**6. Finance costs**

Description	2022/23	2021/22
	Kshs.	Kshs.
Bank Charges	9,468	4,810
<b>Total</b>	<b>9,468</b>	<b>4,810</b>

**7. Depreciation and amortization**

Description	2022/2023	2021/2022
	KShs	KShs
Property, plant and equipment	3,261,985	0
Intangible assets	0	0
Investment property carried at cost	0	0
<b>Total depreciation and amortization</b>	<b>3,261,985</b>	<b>0</b>

**8. Cash and cash equivalents**

Description	2022/23	2021/22
	Kshs.	Kshs.
Current account-125019662	15,626,200	78,071,298
Retain account-1316545555	12,240,676	0
<b>Total cash and cash equivalents</b>	<b>27,866,876</b>	<b>78,071,298</b>

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

Financial institution	Account number	2022/23
		Kshs.
<b>a) Current account</b>		
Kenya Commercial bank-operation	1272575616	0
Kenya Commercial bank-Grant	1250196620	15,626,200
Kenya Commercial bank-Retention	1316545555	<b>12,240,676</b>
<b>Grand total</b>		<b>27,866,876</b>

**9. Property, Plant and Equipment**

Description	Road Works	Market Building-Rapogi	Recreational Park-Building	Total
	Shs	Shs	Shs	Shs

*Municipality of Awendo*

*Annual Report and Financial Statements for the year ended June 30, 2023*

As at 1 July 2021	-	-	-	-
Additions	71,687,310	8,698,661	9,562,350	89,948,321
Disposals	-	-	-	-
Transfers/adjustments	-	-	-	-
<b>As at 30<sup>th</sup> June 2022</b>	<b>71,687,310</b>	<b>8,698,661</b>	<b>9,562,350</b>	<b>89,948,321</b>
Additions for the year	14,332,490	10,254,360	27,059,126	51,645,976
Transfer/adjustments	-	-	-	-
<b>As at 30<sup>th</sup> June 2023</b>	<b>86,019,800</b>	<b>18,953,021</b>	<b>36,621,476</b>	<b>141,594,298</b>
<b>Depreciation and impairment</b>				
At 1 July 2021	-	-	-	-
Depreciation	-	-	-	-
Impairment	-	-	-	-
Transfers/ Adjustments	-	-	-	-
<b>As at 30 June 2022</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Depreciation for the year	2,150,495	379,060	732,430	3,261,985
Disposals for the year	-	-	-	-
Impairment for the year	-	-	-	-
Transfer/adjustment	-	-	-	-
<b>As at 30<sup>th</sup> June 2023</b>	<b>2,150,495</b>	<b>379,060</b>	<b>732,430</b>	<b>3,261,985</b>
<b>NBV as at 30<sup>th</sup> June 2022</b>	<b>71,687,310</b>	<b>8,698,661</b>	<b>9,562,350</b>	<b>89,948,321</b>
<b>NBV as at 30<sup>th</sup> June 2023</b>	<b>83,869,305</b>	<b>18,573,961</b>	<b>35,889,046</b>	<b>138,332,313</b>

*Municipality of Awendo*

*Annual Report and Financial Statements for the year ended June 30, 2023*

---

**I. 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's:

	2022/23	2021/22
	Kshs.	Kshs.
Capital/Development Grants/Municipality	141,594,297	89,948,321
Accumulated surplus	27,866,877	78,071,298
<b>Total Funds</b>	<b>169,461,174</b>	<b>168,019,619</b>
Less: cash and bank balances	27,866,876	78,071,298
<b>Net debt/(excess cash and cash equivalents)</b>	<b>141,594,297</b>	<b>89,948,321</b>
<b>Gearing</b>		



20. Annexes

Annex 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. T

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
Basis	Cash and cash equivalent not supported	Bank balance confirmation certificate and bank reconciliation statement as at 30 <sup>th</sup> June 2022 now availed	Resolved	N/A
Emphasis of a matter	Budgetary control and performance	<i>The underfunding and under-expenditure is normally caused by delay in disbursement of funds from National Treasury which pose challenge in implementation of County Budget which subsequently impact negatively on service delivery to the people of Migori County. However, the county will continuously provide necessary</i>	Not resolved	

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p><i>feedback on these delays on service delivery to The National Treasury through various intergovernmental coordination meetings and Council of Governors</i></p>		
Key audit matters	Construction of Ultra-Modern Market, Washrooms, Cabro Paving of Paths and Landscaping-Awendo Municipality Phase III	<p><i>(ii)Management has availed procurement files for review. (iii)signed form of tender and the bid bond which are part of the tender document. (iv) The signed bills of quantities is part of the tender document and have been provided for review (v) There were delayswhich was occasioned by a court case on the land which the project was being implemented. However, the project has been completed and operational meeting the</i></p>	Resolved	N/A

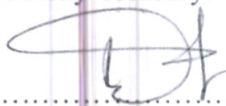
**Municipality of Awendo**

**Annual Report and Financial Statements for the year ended June 30, 2023**

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

**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 time frame 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.

  
.....

*Municipality of Awendo  
Annual Report and Financial Statements for the year ended June 30, 2023*

**Annex 2: Inter Entity Transfers**

<b>MUNICIPALITY NAME: Municipality of Awendo</b>			
<b>Breakdown of Transfers from the County Executive of Migori County</b>			
<b>FY 2022-2023</b>	<u>Bank Statement Date</u>	<u>Amount (Kshs.)</u>	<u>Indicate the FY to which the amounts relate</u>
a. Recurrent Grants	24/10/2022	1,640,820.00	FY 2022 - 2023
Office operations	2/12/2022	950,000.00	FY 2022 - 2023
Office operations	5/1/2023	383,000.00	FY 2022 - 2023
Office operations	1/2/2023	1,514,880.00	FY 2022 - 2023
Office operations	06/03/2023	354,000.00	FY 2022 - 2023
Office operations	24/03/2023	360,000.00	FY 2022 - 2023
Office operations	4/5/2023	371,760.00	FY 2022 - 2023
Office operations	31/05/2023	370,000.00	FY 2022 - 2023
Office operations	30/06/2023	450,000.00	FY 2022 - 2023
	<b>Total</b>	<b>6,394,460.00</b>	
b. Development Grants	<u>Bank Statement Date</u>	<u>Amount (Kshs.)</u>	<u>Indicate the FY to which the amounts relate</u>
Urban Development Grant	03/02/2023	39,359	FY 2022 - 2023
Urban Development Grant	03/02/2023	207,637	FY 2022 - 2023
Urban Development Grant	27/06/2023	1,194,559	FY 2022 - 2023
	<b>Total</b>	<b>1,441,555</b>	

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

Name of the Organization: Municipality of Awendo  
 Telephone Number: 0712701042  
 Email Address: oredavid 92@gmail.com  
 Name of CEO/MD/Head: Awendo Municipal Manager

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

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		
									Kenya
<b>Kenya Urban Support Program</b>	Construction of Awendo Township Roads to Bitumen Standard Phase II	establish and strengthen urban institutions to deliver improved infrastructure and services in participating counties in Kenya	Site clearance & topsoil stripping, earth works, sub grades, Based material and excavation of culverts	19,384,625	0	42,671,779	9,630,906	Ministry of Transport, Infrastructure, Housing and Urban	Kenya
<b>Kenya Urban Support</b>	Construction of Awendo	establish and strengthen urban	Site clearance & topsoil	0	0	0	0	Ministry of Transport, Infrastructure	Kenya

*Municipality of Awendo  
Annual Report and Financial Statements for the year ended June 30, 2023*

<b>Program</b>	township roads phase I	institutions to deliver improved infrastructure and services in participating counties in Kenya	stripping, earth works, sub grades, Based material and excavation of culverts					e, Housing and Urban Development	
<b>Kenya Urban Support Program</b>	Construction of Rapogi Ultra-Modern Market	establish and strengthen urban institutions to deliver improved infrastructure and services in participating counties in Kenya	Modern market, washroom, cabro, paving of the path and land escaping	0	0	0	18,261,011	Ministry of Transport, Infrastructure, Housing and Urban Development	<b>Kenya</b>

*Municipality of Awendo*  
*Annual Report and Financial Statements for the year ended June 30, 2023*

**Annex 4: Disaster Expenditure Reporting Template**

Date:

Entity

Period to which this report refers (FY)	Year			Quarter		
Name of Reporting Officer						
Contact details of the reporting officer:	Email			Telephone		
Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments

**Annex 5: Trial balance for the year ended June 2023**

	DEBIT	CREDIT
--	-------	--------

*Municipality of Awendo  
Annual Report and Financial Statements for the year ended June 30, 2023*

	KES	KES
Property Plant & Equipment	138,332,313	
Cash & Cash Equivalents		
KCB-1316545555	12,240,676	
KCB-1250196620	15,626,200	
Reserves		
Capital/Development Grant		120,496,009
Accumulated Surplus		45,703,180
<b>Revenue</b>		
Transfers from County Government-Operations		6,394,460
Payments		
Use of Goods & Services	764,798	
Board Expenses	2,456,980	
Staff Cost	3,163,214	
Finance Cost	9,468	
<b>TOTAL</b>	<b>172,593,650</b>	<b>172,593,650</b>