

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

PARLIAMENT
OF KENYA OF
LIBRARY

THE AUDITOR-GENERAL

ON

COUNTY ASSEMBLY OF MIGORI

FOR THE YEAR ENDED
30 JUNE, 2023

PAPERS LAID	
DATE	19/03/2024
TABLED BY	ML
COMMITTEE	-
CLERK AT THE TABLE	Carolyne Chump



MIGORI COUNTY ASSEMBLY

**FOR THE FINANCIAL YEAR ENDED
ANNUAL REPORT AND FINANCIAL STATEMENTS
30TH JUNE 2023**

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

Table Of Contents	Page
1. Acronyms And Glossary Of Terms.....	ii
2. Key Assembly Information And Management	iii
3. Governance Statement.....	vi
4. Foreword By The Clerk Of The Assembly	xi
5. Statement Of Performance Against County Assembly Predetermined Objectives.....	xiii
6. Corporate Social Responsibility Statement/Sustainability Reporting.....	xv
7. Statement Of Management Responsibilities	xvi
8. Report Of The Auditor General For The Year Ended 30 th June 2023	xvii
9. Statement Of Receipts And Payments For The Year Ended 30 th June 2023	1
10. Statement Of Financial Assets And Liabilities As At 30 th June 2023.....	2
11. Statement Of Cash Flows For The Year Ended 30 th June 2023	3
12. Statement Of Comparison Of Budget & Actual Amounts: Recurrent And Development For Year Ended 30 th June 2023	4
12a Statement Of Comparison Of Budget & Actual Amounts: Recurrent For The Year Ended 30 th June 2023	5
12b Statement Of Comparison Of Budget & Actual Amounts: Development For The Year Ended 30 th June 2023.....	6
13. Budget Execution By Programmes And Sub-Programmes	7
14. Significant Accounting Policies	8
15. Notes To The Financial Statements.....	13
16. Progress On Follow On Prior Year Auditor’s Recommendations.....	21
17. Annexes	28

(c) Fiduciary Management

The key management personnel who held office during the year ended 2022/2023 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer- Ag Clerk	-Vincensia Awino
2.	Senior Finance Officer	- Rayler Maeri
3.	Finance Officer I	- Daniel Ojiji

Key Entity Information and Management (Continued)

(d) Fiduciary Oversight Arrangements

Here, provide a high-level description of the key fiduciary oversight arrangements covering (say):

- Ag. Internal Auditor - **Beryl Pendo Mauko**
- Migori County Assembly Budget & Appropriation Committee
- Migori County Assembly Finance Committee.
- Migori County Assembly CPIAC

(e) Migori County Assembly Headquarters

P.O. Box 985-40400 Suna-Kenya
 ISOLATED BUILDING
 Migori Level 4 hospital-Highway

(f) Migori County Assembly Contacts

Telephone: (254) 0720801559
 E-mail: www.migorica.go.ke
 Website: www.migoricountyassembly.go.ke

(g) Migori County Assembly Bankers

1. Central Bank of Kenya
 Haile Selassie Avenue
 P.O. Box 60000
 City Square 00200
 Nairobi, Kenya
2. KCB Bank(K) ltd
 Migori Branch

(h) Independent Auditor

Auditor General
 Office of The Auditor General
 Anniversary Towers, University Way

County Government of Migori

Migori County Assembly

Annual Report and Financial Statements For the year ended 30th June 2023

P.O. Box 30084
GPO 00100
NAIROBI, KENYA

(i) Principal Legal Adviser

The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

(j) County Attorney

The Migori County Attorney
Migori County Headquarters
P.O. Box
Migori County

3. GOVERNANCE STATEMENT

The County Assembly

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

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

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

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

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

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

a) Select Committees

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

b) Sectoral Committees

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

The County Assembly has the following Select and Sectoral committees:

- a) Committee of Powers and Privileges
- b) Audit Committee
- c) Public Accounts/Investment Committee
- d) Budget and Appropriations Committee
- e) Delegated and Legislation Committee
- f) Water and Energy Committee

- g) Agriculture, Fisheries Veterinary Committee
- h) Environment and Natural Resources Committee
- i) Health Services Committee
- j) Children, Culture and Community Services Committee
- k) Transport and Public Works Committee
- l) Trade, Tourism and Co-operatives Committee
- m) Early Childhood and Vocational Training Committee
- n) Justice and Legal Affairs Committee
- o) Lands, Housing and Planning Committee
- p) Labour and Social Welfare Committee
- q) Implementation Committee
- r) Ward Development Fund Committee
- s) Finance Committee
- t) ICT Committee
- u) Members Services Facilities Committee
- v) Procedure and Rules Committee
- w) County Assembly Business Committee
- x) Appointment Committee
- y) Liaison Committee
- z) Speaker's Panel Committee

a) Committee of Powers and Privileges

There is established committee known as the Committee of Powers and Privileges consisting of the Speaker, who shall be the chairperson of the Committee; and such other members of the county assembly as may be provided in the Standing Orders of the county assembly. The functions of the Committee of Powers and Privileges shall be to inquire into the conduct of a member whose conduct is alleged to constitute a breach of privileges accorded to the county assembly members by any legislation or standing orders and perform such other functions as may be specified by enabling legislation. The committee held 0 meetings in FY 2023. The committee members during FY 2023 were:

Powers And Privileges Committee		
1. Hon. Charles Oyugi Owino	Chairperson	Speaker
2. Hon. David Chacha Mathews	-Member	Bukira East
3. Hon. Calvence Seko`	-Member	Got Kachola
4. Hon. Elizabeth Ochaye	-Member	Nominated
5. Hon. Clarkson Mwita Mohono	-Member	Masaba
6. Hon. Caleb Wambura	-Member	Ntimaru West
7. Hon. Ruth Onyango	-Member	Nominated

b) Finance Committee

The Finance consider all matters relating to County treasury, revenue policies, County economic planning and development. The committee members during FY 2023 were:

Finance		
1. Hon. Ongele Caleb Owuor	Member	Kwa
2. Hon. Nyaoke Simon	Member	East Kamagambo
3. Hon. Wambura Caleb Philip	Member	Ntimaru West
4. Hon. Onyantha Beatrice Akomo	Member	Oruba/Ragana
5. Hon. Rose Achieng` Aoro	Member	Nominated
6. Hon. Elizabeth Chagoche Matinde	Member	Nominated
7. Hon. Omondi Erickson Odhiambo	Member	Wasweta Ii
8. Hon. Okeyo Paul Ndiege	Member	Kanyasa
9. Hon. Elizabeth Ochaye	Member	Nominated
10. Hon. Kiyeye Ann Beryl	Member	Nominated
11. Hon. Osodo Brian Odhiambo	Member	Kachieng
12. Hon. Mathews David Chacha	Member	Bukira East
13. Hon. Anjilina Adhiambo Opiyo	Member	Nominated
14. Hon. Charles Koyoo	Member	Tagare
15. Hon. Moses Magwe Maroa	Member	

c) Public Accounts/Investment Committee

The committee was formed to provide oversight on the County's finances. The committee held quarterly mandatory meetings during the year. Additionally, it also held no extra sittings to deal with arising matters. The members who served in the committee during the year were:

County Public Investments Account Committee		Ward
1. Hon. Akal Jacob Calebs	Chairperson	Central Kamagambo
2. Hon. Machumbe Joseph Rioba	Member	Nyamosense/Komo soko
3. Hon. Beatrice Adhiambo Odhiambo	Member	Nominated
4. Hon. Ruth Atieno Onyango	Member	Nominated
5. Hon. Alice Achieng' Amolo	Member	Nominated
6. Hon. Akungo Thomas Omondi	Member	Kaler
7. Hon. Lawrence Magubo	Member	Muhuru

d) Budget and Appropriations Committee

The budget and appropriations committee provides guidance in the budgetary process. It is charged with the budget making process and ensuring that there is public participation in the budget process. The members who served in the committee during the period were:

County Budget & Appropriations Committee		
1. Hon. Angogo Graham Kagali	Chairperson	E/Kanyamkago
2. Hon. Simion Patrick Marwa	Member	Makerero
3. Hon. Ghati Lydia Gimonge	Member	Nominated
4. Hon. Were Robert John	Member	Wiga
5. Hon. Ochieng' Samwel Obrien	Member	Central Suna
6. Hon. Agai Collins Ochieng'	Member	South Kamagambo
7. Hon. Nildad Joseph Bageni	Member	Gokeharaka/Getambwega
8. Hon. Chris Hani Kwenya	Member	Nominated
9. Hon. Okwanyo Felix Odhiambo	Member	Macalder/Kanyarwanda
10. Hon. Mikwaya William Obonyo	Member	North Sakwa
11. Hon. Owiyo Otieno Nestroy	Member	West Sakwa
12. Hon. Caroline Akinyi Okere	Member	Nominated
13. Hon. Daniel Maroa Nyamohanga	Member	Nyabasi East

In addition to the above committees of the County Assembly, the County Assembly has an independent Audit Committee which was constituted in 2020 to comply with the PFM (County Government) regulations (2015) on the formation of audit committees for all Counties.

Communication with all Stakeholders

The County is committed to ensuring that all its stakeholders are provided with full and timely information about its programmes and performance. They are also given an opportunity to give feedback. In this regard, the County held an Annual consultative meeting in xxx where the different stakeholders were invited for information sharing. This communication is important in ensuring that stakeholder expectations are aligned to the County's service delivery charter.

The County Assembly also subjected six bills through public participation.

Risk management

- Are there effective arrangements for risk management and internal control?
- Are there formal processes to identify and assess risks?
- Are there formal processes to analyse risks as a basis for how they should be managed?
- Are there formal processes to assess changes in the internal and external environments which could give rise to risks?
- Risks identified and analysed in the period and how they were managed.

Compliance

The County Assembly of Migori is guided and governed by the following laws and regulations:

Constitution of Kenya, 2010

County Assemblies Powers and Privileges Act, No. 6 of 2017

County Assembly Services Act, No. 24 of 2017

County Governments Act, No. 17 of 2012

Intergovernmental Relations Act, No. 2 of 2012

Public Appointments (County Assemblies Approval) Act, No. 5 of 2017

Public Finance Management Act, No. 18 of 2012

Public Service (Values and Principles) Act, No. 1A of 2015

Transition to Devolved Government Act, No. 7 of 2013

Urban Areas and Cities Act, No. 13 of 2011

Public Audit Act, No. 34 of 2015

Reports from the Constitutional and Independent Offices are discussed at both the County Assembly Service Board and the Plenary. The recommendations and advisory given are complied with.

4. FOREWORD BY THE CLERK OF THE ASSEMBLY

(i) Budget performance

Migori County Assembly, defined by key constitutional mandate, has largely recurrent budget estimates and non-core development budget estimates for infrastructural development. During the financial year ended 30th June 2023, Assembly's recurrent approved budget estimate was Kshs. 855,472,209 the actual exchequer issuer was KES **855,459,607**, 99.9% recurrent budget funding. Migori County Assembly's development budget was Kshs. 90,000,000 out of which Migori County Assembly received Kshs. 40,000,000, 44.4% budget funding.

(ii) Operational Performance

During the FY 2022/2023, Migori County Assembly passed six (6) laws, three (3) policies. The County Budget original budget estimates was passed on 21st June 2022, Supplementary 1 in September 2022 and Supplementary 2 on 31st March 2023 In the year under review, the County Assembly had 26 committees (Standing, Housekeeping and Sectoral) as attached in Annex 9.

Articles 185(3) of the Constitution of Kenya 2010, A county assembly, while respecting the principle of separation of powers, may exercise oversight over the county executive committee and any other county executive organs.

The County Assembly exercises her oversight roles through departmental/Sectoral Committees by:

1. Scrutinize activities, policies and programs of county government;
2. Conduct detailed investigation into various issues, projects or expenditure;
3. Provide opportunity for input of the public and experts on particular subjects; etc

or through Committee of the whole house by Summoning and questioning CECs on specific issues.

OVERSIGHT BY OTHER INSTITUTIONS

Senate – only to the extent of national revenue allocated to county governments

Controller of Budget – with regard to allocation of finances as per the county budget

EACC – with regards to integrity of government officials

(iii) Performance of key development projects

Migori County Assembly Development projects were partly accomplished as per the procurement plan for 2022/2023 FY. The projects completed were construction completion of a two door latrine as well as fencing of Central Sakwa Ward office. Other projects like the construction of committee rooms/offices and drilling and construction of borehole were not initiated due to challenges of the procurement processes.

Procurement processes are conducted in a free and fair manner and the County Assembly is open to both public and institutional scrutiny.

The County Assembly is in the process of formulating a strategic plan to help her meet the short term and long term objectives of the Assembly.

(iv) Comment on value-for-money achievements

The ward offices are the official offices of the MCAs. Members of the public have a place to meet their representatives, public participations are held in these offices. Ward offices also act as the county offices at the ward level.

(v) Challenges and Recommended Way Forward

During the financial year we were faced by the following challenges;

- a. Inadequate office space for the personnel and MCAs
- b. Lack of strategic plan for the realization of the strategic objectives for the County Assembly
- c. Delayed funding during the 1st quarter 2022/2023 financial year.
- d. Delays in procurement processes

Way forward.

1. Procurement processes should be expedited to avoid lapsing project timelines.
2. The Strategic plan will be in place in the FY 2023/2024 to guide the county assembly meet both her long term and short term objectives
3. The funds should be made available to avert crisis that may be occasioned by lack of services



Name: Vincensia Awino

Ag. Clerk of the County Assembly

**5. STATEMENT OF PERFORMANCE AGAINST COUNTY ASSEMBLY
PREDETERMINED OBJECTIVES**

Guidance

Refer to the assembly's program on oversight, representation, and legislation. Report on bills enacted. Borrow objective from the County Assembly Program based budget.

Section 164 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer when preparing financial statements of each County Government entity Government entities in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the county government entity's performance against predetermined objectives. (This guidance should be removed in the final set of financial statements)

Strategic development objectives

The key mandate of the County Assembly of Migori is legislation, oversight, and representation. To achieve this, the Assembly's program was documented in terms of objective, key performance indicators, and output. Below is the performance of the Assembly in FY 2023.

PROGRAMME: CP 1 GENERAL ADMINISTRATION PLANNING AND SUPPORT SERVICES:

OUTCOME: Efficiency and Effectiveness in Service Delivery					
SUB-PROGRAMME: CSP1 .1 GENERAL ADMINISTRATION SUPPORTIVE SERVICE					
Delivery Unit	Key outputs	Key performance indicators	Targets 2022/2023	Outcome 2022/2023	Performance
HUMAN RESOURCES	Employees Recruited	No of Staff Recruited	5	4	4
	Staff Trained	No of Staff trained	30	30	30
	Mortgage and Car loan facility for each County Assembly Members and Staff	No of Car loan and Mortgages implemented	68	68	68
	MCA's and Members of Staff Medical Insurance Cover	No of MCA's and Staff Covered	137	137	137
ADMINISTRATION	Purchase of Motor Vehicles	No of vehicles purchased	0	0	0
	Motor Vehicles Insurance Cover	No of Vehicles Covered	9	9	9
	MCA's Offices Fenced	No of MCA's Fenced	1	1	1
	County Assembly constructed	Modern county Assembly Constructed and Equipped	1	0	0

6. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

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

a) Sustainability strategy and profile –

The top management, especially the Clerk, has put sustainable efforts, broad trends in political and macroeconomic affecting sustainability priorities, reference to international best practices and key achievements and failure.

b) Environmental performance

The environmental policy guiding Migori County Assembly as evidenced in its policy and procedure documents shall ensure success is achieved and a clear road map put in place for any shortcomings mitigations.

c) Employee welfare

Migori County Assembly has developed policies guiding the hiring process of employees and such policies consider the gender ratio and take in stakeholder engagements and are often improved. CASB efforts made improving skills and managing careers, appraisal and reward systems. The CASB has policy on safety and compliance with Occupational Safety and Health Act of 2007, (OSHA).

d) Market place practices-

Migori County Assembly outline its efforts to:

a) Responsible competition practice.

b) It ensures responsible competition practices with issues like anti-corruption, responsible political involvement, fair competition and respect for competitors

c) Developed Responsible Supply chain and supplier relations- and ensures employees maintains good business practices, treats its own suppliers responsibly by honouring contracts and respecting payment practices.

d) Developed Responsible marketing and advertisement-where employees maintain ethical marketing practices

e) Community Engagements

Annually, Migori County Assembly engages in charitable activities and community engagements. In the FY 2022/2023, the County Assembly visited Wi Nyarago Children's home (Uriri). The project's goal was to put smiles on the faces of the children.

7. STATEMENT OF MANAGEMENT RESPONSIBILITIES

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

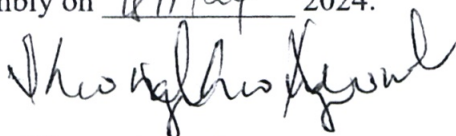
The Clerk of Migori County Assembly is responsible for the preparation and presentation of the County Assembly's financial statements, which give a true and fair view of the state of affairs of the County Assembly for the year ended June 30, 2023. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the County Assembly; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the County Assembly; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Clerk accepts responsibility for the County Assembly's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Clerk is of the opinion that the County Assembly's financial statements give a true and fair view of the state of the County Assembly's transactions for the year ended June 30, 2023, and of its financial position as at that date. The Clerk further confirms the completeness of the accounting records maintained for the County Assembly which have been relied upon in the preparation of its financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The County Assembly's financial statements were approved and signed by the Clerk of the County Assembly on 18/1/24 2024.

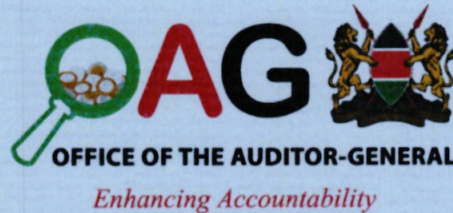


Name: Vincensia Awino

Ag. Clerk of the County Assembly

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 COUNTY ASSEMBLY OF MIGORI 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

Adverse Opinion

I have audited the accompanying financial statements of County Assembly of Migori set out on pages 1 to 27, which comprise the statement of financial assets and liabilities as at 30 June, 2023, and the statement of receipts and payments, statement of cash flows

Report of the Auditor-General on County Assembly of Migori for the year ended 30 June, 2023

and summary statement of appropriation - recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, in all material respects, the financial position of the County Assembly of Migori 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 (Cash Basis) and do not comply with the Public Finance Management Act, 2012.

Basis for Adverse Opinion

1.0 Compensation of Employees

1.1 Payment of Salaries Outside Integrated Personnel and Payroll Database (IPPD)

The statement of receipts and payments reflects compensation of employees' payments of Kshs.364,806,447 as also disclosed in Note 3 to the financial statements, which includes salaries amounting to Kshs.99,590,427 paid to two hundred and fifteen (215) employees outside the Integrated Personnel and Payroll Database (IPPD) system. However, Management did not provide a satisfactory explanation for failure to pay the concerned officers through the IPPD. The use of the manual system requires manual calculation of deductions, net pay and constant monthly and/or annual updates of the data manually which is prone to error or manipulations.

In the circumstances, the accuracy, completeness and propriety of the expenditure of Kshs.99,590,427 for the year ended 30 June, 2023 could not be confirmed.

2.0 Unsupported Use of Goods and Services

The statement of receipts and payments reflects use of goods and services amount of Kshs.394,180,140 as disclosed in Note 4 to the financial statements. However, audit of this expenditure revealed the following unsatisfactory matters:

2.1 Unsupported Expenditure on Utilities, Supplies and Services

The amount of Kshs.394,180,140 includes utilities, supplies and services amount of Kshs.4,944,978 which further includes Kshs.3,518,193 whose payment vouchers were, however, not supported by any documents.

In the circumstances, the accuracy, completeness and propriety of the expenditure of Kshs.3,518,193 could not be confirmed.

2.2 Unsupported Expenditure on Domestic Travel and Subsistence

The amount of Kshs.394,180,140 includes domestic travel and subsistence amount of Kshs.233,007,662. However, the latter amount differs with Kshs.232,626,017 reflected in the supporting ledger, resulting in a variance of Kshs.380,645 which has neither been explained nor reconciled.

Further, examination of a sample of payment vouchers in respect to domestic travel and subsistence allowance amounting to Kshs.96,494,235 revealed that the vouchers lacked key supporting documents such as approvals, imprest warrants, evidence of travel and back to office reports.

In the circumstances, the accuracy, completeness and propriety of the expenditure of Kshs.233,007,662 could not be confirmed.

2.3 Unsupported Expenditure on Foreign Travel

The amount of Kshs.394,180,140 includes foreign travel and subsistence amount of Kshs.21,218,901 which further includes Kshs.1,650,388 paid to four officers to attend a five (5) day conference in Ethiopia between 26 and 30 April, 2023. However, copies of visa for the return journey, boarding passes, back to office reports, the approved rates of payment and a computation of the amount payable to each individual were not provided for audit, casting doubt on how the amounts paid were arrived at.

The foreign travel and subsistence amount of Kshs.21,218,901 also includes Kshs.3,882,331 which, according to the documents provided for audit, was paid to members in respect of Lake Victoria Region Local Authorities Cooperation (LVRLACC) annual general assembly held in Mbarara City of Uganda between 10 and 15 April, 2023. However, evidence of travel such as boarding passes for each participant, and approved rates of payment and workings for the specified amounts paid to each participant were not provided for audit.

Further, the foreign travel and subsistence amount of Kshs.21,218,901 includes the payments amounting to Kshs.3,262,835 whose respective payment vouchers and relevant supporting documentation, including approved rates of payment, computation of amount payable to each individual, invitation to the activity, boarding passes, return visa and back to office reports were however not provided for audit.

In the circumstances, the accuracy, completeness and propriety of the expenditure of Kshs.8,795,554 could not be confirmed.

2.4 Unsupported Expenditure on Training Expenses Travel

The amount of Kshs.394,180,140 includes training expenses travel amount of Kshs.6,545,800 which, as indicated in the supporting schedule provided for audit, includes an expenditure of Kshs.6,124,482 whose supporting documents, including approvals, imprest warrants and evidence of travel were, however, not provided for audit. Also, Management did not provide imprest records in respect to cash advanced

to the beneficiaries and the surrender documentation on the same, casting doubt on how the amounts so advanced was accounted for.

In addition, expenditure on air ticketing services was not supported by requisition from user departments, procurement records such as original bid documents, evaluation of bids, appointments to evaluation committee, minutes, award, and notification to the successful service provider and contract documents. Further, there was no evidence of an local purchase order (L.P.O) raised.

In the circumstances, the accuracy, completeness and propriety of the expenditure of Kshs.6,124,482 could not be confirmed.

2.5 Unsupported Expenditure on Office and General Supplies and Services

The amount of Kshs.394,180,140 includes office and general supplies and services amounts of Kshs.8,929,855 which further includes payments amounting to Kshs.5,361,170 whose payment vouchers and related documentation were, however, not provided for audit.

In the circumstances, the accuracy, completeness and propriety of the expenditure of Kshs.5,361,170 could not be confirmed.

2.6 Unsupported Expenditure on Other Operating Expenses

The amount of Kshs.394,180,140 also includes other operating expenses amounts of Kshs.50,634,695, while the supporting ledger schedules shows a corresponding expenditure of Kshs.48,883,320, resulting in a variance of Kshs.1,751,375 which has neither been explained nor reconciled. Further, the amount of Kshs.50,634,695 differs with total payments of Kshs.22,917,213 reflected in the payment vouchers provided for audit, resulting in a variance of Kshs.27,717,482 whose payment vouchers were not provided for audit. In addition, the amount of Kshs.50,634,695 includes Kshs.7,729,696 whose payment vouchers did not have any supporting documents.

The other operating expenses amount of Kshs.50,634,695 includes legal expenses of Kshs.16,691,052 whose supporting documents include letters dated 2 February, 2021, informing four (4) law firms that their applications to be contracted as the Assembly's external advocates have been accepted. However, evidences of the procurement process leading to the selection of the four (4) law firms have not been provided for audit.

In the circumstances, the accuracy, completeness and propriety of the expenditure of Kshs.50,634,695 could not be confirmed.

2.7 Unsupported Expenditure – Routine Maintenance

The amount of Kshs.394,180,140 includes routine maintenance-other assets amount of Kshs.9,132,139 out of which, Kshs.5,756,059 relates to maintenance of plant, equipment, buildings and stations. However, the payment vouchers, local service orders (L.S.O), invoices, counter receipt vouchers (Form S13), delivery notes, inspections and acceptance reports in support of the latter amount were however, not provided for audit.

Further, the balance of Kshs.9,132,139 includes expenditure on accessories for ICT equipment and repair of computers amounting to Kshs.1,358,110 whose supporting procurement documentations such as local purchase order, delivery note, Invoices, counter receipt voucher (Form S13), Counter requisition and issue voucher (Form S11) were not provided for audit review.

In the circumstances, the accuracy, completeness and propriety of the expenditure of Kshs.7,114,169 could not be confirmed.

3.0 Unsupported Procurement of Assets

The statement of receipts and payments reflects acquisition of assets amount of Kshs.40,353,650 as disclosed in Note 7 to the financial statements. However, Management did not provide procurement documentations like advertisement, evaluation reports, award notifications, acceptance letters, contracts, payment certificates, LPOs and invoices to support the latter amount.

Further, the amount includes expenditure on purchase of ICT equipment amounting to Kshs.1,752,758 which further includes an amount of Kshs.1,358,110 whose supporting procurement documentations such as local purchase order, delivery note, Invoices, counter receipt voucher (Form S13), Counter requisition and issue voucher (Form S11) were not provided for audit.

In the circumstances, the accuracy, completeness and propriety of the expenditure of Kshs.42,106,408 could not be confirmed.

4.0 Unsupported Cash and Cash Equivalent

The statement of financial assets and liabilities and as disclosed in Note 8 to the financial statements reflects cash and cash equivalents balance of Kshs.1,810. However, review of the cash books, bank statements, bank reconciliation statements and bank balance certificates revealed the following anomalies:

- i. Note 8 to the financial statements reflects a Kshs.Nil balance for the CBK Migori County Assembly recurrent account, while the cash book and certificate of bank balance show balances of Kshs.390,686 and Kshs.35,230,913 respectively. However, bank reconciliation statements for July, 2022 to June, 2023 were not provided for audit to support the Kshs.Nil balance.
- ii. Note 8 to the financial statements reflects a Kshs.Nil balance for the CBK Migori County Assembly development account, while both the cash book and certificate of bank balance show a balance Kshs.404,658, resulting in an unreconciled variance of Kshs.404,658 whose bank reconciliation was provided for audit review.

Further, inaccuracies were noted in the June, 2023 bank reconciliation statement, which reflected opening cash book balance of Kshs.608,722 and re-computed closing cash book balance of Kshs.555,911. The cash book provided for audit review reflects an opening overdraft balance of Kshs.746,656 and closing balance as Kshs.12,540,224. Bank reconciliation statement reflect a nil balance as at 30 June, 2023 while bank statement reflect balance as Kshs.8,142.

- iii. The KCB operations account bank reconciliation statement as at 30 June, 2023 reflects unpresented cheques amount of Kshs.552,411 which were however, not supported by schedules showing dates when these unpresented cheques subsequently cleared.
- iv. Board of surveys were not provided; for CBK Migori County Assembly recurrent account, CBK Migori County Assembly development account and KCB operations account to support the cash book end year closing balances.

In the circumstances, the accuracy of the cash and cash equivalents balance of Kshs.1,810 as at 30 June, 2023 could not be confirmed.

5.0 Misclassification of Cost of Work Not Yet Done as Pending Bill

Note 1 to the financial statements on other pending payables, under other disclosures, reflects pending accounts payable balance carried forward of Kshs.106,159,756 which includes a payable of Kshs.15,596,365 in respect of a contract for supply, installation, configuring, testing, commissioning, customizing and administering an ERP system for use at a contract sum of Kshs.36,894,960, inclusive of user training cost within a contract period starting on 27 April, 2022 and ending on 26 April, 2023. It was further noted that the contractor only did 75% of the work. At the time of verification in August, 2023, the software had not been fully developed and was not delivered for installation. The contract period had expired and there was no evidence of extension of works. Payment of Kshs.21,298,594 was made to the contractor on 3 May, 2023, which fully covered the work done and, therefore, there was no pending bill.

In the circumstances, the accuracy of the pending accounts payable balance Kshs.106,159,756 for the year ended 30 June, 2023 could not be confirmed.

6.0 Unsupported Voided Payments

Review of the Integrated Financial Management Information System (IFMIS) system payments data revealed that 70 transactions amounting to Kshs.57,919,195 were voided during the year 2022/2023 despite having been approved by the Controller of Budget. Management has not provided reasons for voiding these payments and its current status.

In the circumstances, the accuracy and regularity of voiding these transactions could not be confirmed.

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

Emphasis of Matter

1. Budgetary Control and Performance

The statement of comparison of budget and actual amounts: recurrent and development reflects budgeted receipts of Kshs.945,472,209 and actual on comparable basis amount of Kshs.895,459,607, resulting in an underfunding of Kshs.50,012,602 (or 5 % of the budget). Similarly, the statement reflects an expenditure budget of Kshs.945,472,209 and actual expenditure on comparable basis of Kshs.895,457,797, resulting in an under-expenditure of Kshs.50,014,412 (or 5% of the budget). Further, the statement shows that the Assembly overspent on use of goods and services by Kshs.11,705,383 whose approval was not provided for audit.

The underfunding and under-expenditure effected the Assembly's planned activities and may have impacted negatively on the operations of the Assembly.

2. Long Outstanding Accounts Payable

Note 1 to the financial statements on pending accounts payable, under other disclosures, reflects balance carried forward of Kshs.106,159,756 which had been outstanding for more than twelve months. No explanation has been provided for not settling these long outstanding bills.

In the circumstances, the Assembly risks being sued by suppliers, which may lead to the Assembly incurring legal fees and penalties and interests on late payments.

3. Outstanding Kenya Revenue Authority (KRA) Debt

Records from the Kenya Revenue Authority indicate that the County Assembly of Migori owed the Authority Kshs.323,559,210. However, annex 1 on pending bills does not disclose the unpaid debt to KRA. No satisfactory explanation was provided on the debt

My opinion is not modified in respect of these matters.

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 report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, the Management had not resolved the issues as at 30 June, 2023

and no satisfactory explanation has been provided for not resolving 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, because of the significance of the matters discussed in the Basis for Adverse Opinion and Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources Sections of my report, I confirm that, public resources have not been applied lawfully and in an effective way.

Basis of Conclusion

1.0 Compensation of Employees

The statement of receipts and payments and as disclosed in Note 3 reflects compensation of employees' amount of Kshs.364,806,447. The following anomalies were noted:

1.1 Lack of Approved Human Resource Instruments

During the year ended 30 June, 2023, Migori County Assembly Service Board failed to formulate schemes of service setting out the terms and conditions for the appointment of the officers and other staff of the Service to provide for (a) the appointment and confirmation in appointment of officers and other staff; (b) promotions, resignations and termination of appointments; (c) secondment of staff and transfer of service; (d) the scales of salaries and allowances; and (e) the designation and grades of officers and other staff as per Section 25 (1) of the County Assembly Service Act, 2017. In addition, Migori county assembly does not have an approved staff establishment, as a result, the Management failed to develop a human resource plan indicating the optimal staffing levels and skills required.

In the circumstances, it was not possible to confirm whether the Assembly has an optimal staffing level with the required skills.

1.2 Employees Earning Less than a Third of Basic Pay

An analysis of the Assembly's payroll for the month of June, 2023 revealed that twenty-one (21) employees' net pays was below a third of their respective basic salaries, contrary to Section 19(3) of the Employment Act, 2007 which states that the total amount of deductions from the wages of an employee shall not exceed two thirds (2/3) of such wages.

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

1.3 Employees on Disciplinary Cases

Review of documents provided for audit review revealed that during the year under review, the Assembly had two (2) employees on interdiction, pending investigations and one employee on dismissal. The two employees while on interdiction were to be paid half salary, full house allowances, medical allowances or where applicable medical insurance premium remitted. However, as at the time of audit in July, 2023, the three (3) cases had not been concluded and the employees continued to receive full salaries and allowances. Management has explained, without providing evidence, that one of the interdicted staff is on half salary, while the one who was dismissed went to court and got a reprieve on the status quo until the matter is determined and concluded.

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

1.4 Recruitment of Ward Employees

Review of documents provided for audit revealed that during the year under review, Members of the County Assembly directly employed one hundred and seventy-seven (177) ward staff without involving County Assembly Service Board, the body mandated to recruit Assembly staff in a process that is open, transparent, and fair. In addition, the ward staff were contracted without a signed contract agreement detailing their duties and functions.

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

1.5 Payment of County Assembly Service Board Committee Allowances

The amount of Kshs.364,806,44 includes Board meeting allowances amounting to Kshs.10,384,873 paid in respect of one thousand and thirty-eight (1,038) committee meetings. However, an amount of Kshs.1,851,744 was paid to four (4) Committee members in excess of the maximum limit recommended in the SRC Circular Ref.SRC/TS/CGOVT/3/61/Vol. IV (49).

In the circumstances, the regularity of the expenditure of Kshs.1,851,744 could not be confirmed.

2.0 Use of Goods and Services

The statement of receipts and payments reflects use of goods and services amount of Kshs.394,180,140 as disclosed in Note 4 to the financial statements. The following unsatisfactory matters were noted:

2.1 Irregular Subscriptions to the County Assembly Forum

The balance of Kshs.394,180,140 includes operating expenses amount of Kshs.50,634,695 out of which, an amount of Kshs.1,000,000 was paid as a subscription fee to the County Assembly Forum. However, the law requiring the payment was not provided for audit.

In the circumstances, the Kshs.1,000,000 subscription was irregular.

2.2 Non-compliance with Laws on Imprest Management

The amount of Kshs.394,180,140 also includes domestic travel and subsistence, and foreign travel and subsistence amounts of Kshs.233,007,662 and Kshs.21,218,901 respectively, totalling Kshs.254,226,563. However, examination of a sample of payments amounting to Kshs.104,875,348 revealed that the payments were not supported by imprest warrants, and therefore the purpose of the imprest issued could not be confirmed. This was contrary to Regulations 91(2) and 93(1) of the Public Finance Management (County Governments) Regulations, 2015, which require formal application of imprest through an imprest warrant, and that imprest shall be issued for a specific purpose as stated on the imprest warrant. Further, Management did not maintain an imprest register as required by Regulation 93(4) of the Public Finance Management (County Governments) Regulations, 2015.

In the circumstances, Management was in breach of the law and the propriety of the expenditure of Kshs.254,226,563 could not be confirmed.

2.3 Avoidable Legal Fees

The statement of receipts and payments reflects use of goods and services amount of Kshs.394,180,140 which, as disclosed in Note 4 to the financial statements, includes other operating expenses amount of Kshs.50,634,695 out of which, Kshs.16,691,052 was spent on legal fees. The following anomalies were noted:

- i. The Assembly was given a fee note for Kshs.2,040,000, being legal expenses relating to a case where one of the contestants in the election of the Speaker of the County Assembly petitioned the outcome of the election in the year 2017, claiming that the standing order procedures in the election were violated. The Court ruled in favor of the petitioner. Had the standing order procedures been adhered to, there would have been no petition and, therefore, the legal expense (fee note) of Kshs.2,040,000 would have been avoided.
- ii. A company that supplied the Assembly with assorted goods worth Kshs.6,759,400, sued the Assembly for failure to pay for the supplies. The court ordered the Assembly to pay the debt and the supplier's advocate gave the Assembly a fee note of Kshs.675,940, being debt collection fee. Had the Assembly paid for the goods, the supplier would not have taken the matter to court and, therefore, the Assembly would not have been required to pay the fee of Kshs.675,940.
- iii. A hotel sued the Assembly, seeking to be paid for hospitality services rendered to the Assembly. The Court ruled in favor of the hotel and ordered the Assembly to pay the Hotel. As a result, the Assembly incurred a legal fee of Kshs.257,735 which would have been avoided had the Assembly paid for the hospitality services in time.

In the circumstances, value for money of the expenditure of Kshs.2,973,675 could not be confirmed.

3.0 Failure to Carry Out Quarterly and Annual Stock Takes

Management did not provide quarterly, and annual stock take reports in respect of the financial year ended 30 June, 2023. This was an indication that Management did not carry out quarterly and annual stock takes of the Assembly's inventories. As a result, there were no mechanisms put in place to track the inventory items at handover date by various users contrary to Section 162(2) of Public Procurement and Asset Disposal Act, 2015 which states that the head of a procurement function shall arrange for occasional visits of inspection to the stores, at least quarterly in each calendar year and conduct quarterly and annual inventory and stock taking to ensure compliance with all respective governing laws and submit the report to the accounting officer.

In the circumstances, the County Assembly was in breach of the law and the effectiveness of stores procedures in safeguarding stocks may have been compromised due to lack of management oversight.

4.0 Stalled Projects

Examination of project files and physical verification of projects conducted in August, 2023 revealed that four (4) projects, one (1) started in the financial year 2014/2015 and three (3) in 2015/2016, were incomplete and had been abandoned as shown below:

Description	Contract Amount (Kshs.)	Paid Amount (Kshs.)	Outstanding Bills (Kshs.)	Remarks
Construction of WIGA MCA Office	4,408,603	2,600,000	1,808,603	The building was incomplete at roofing stage and the site was abandoned. Balance not recommended for payment.
Construction of MCA Office East Kamagambo Ward Offices	5,023,502	3,900,000	1,123,502	The building was incomplete Withhold payment until works is completed.
Construction of Nyabasi East MCA Office	5,000,663	2,429,039	2,571,624	The building was incomplete. No outer and interior fittings, no ceiling and tails, Withhold payment until works is completed.

Description	Contract Amount (Kshs.)	Paid Amount (Kshs.)	Outstanding Bills (Kshs.)	Remarks
Construction of Wasimbete Ward Office	5,985,786	2,207,767	3,778,019	Site abandoned. Not recommended for payment
Total	20,418,554	11,136,806	9,281,748	

Management did not provide a satisfactory explanation on how the projects would eventually be completed.

In the circumstances, value for money of the Kshs.11,136,806 already paid could not be confirmed.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, because of the significance discussed in the Basis for Adverse Opinion and Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance sections of my report, I confirm that, internal controls, risk management and overall governance were not effective.

Basis for Conclusion

1.0 Inadequate Staffing of Internal Audit Unit

During the year under review, the internal unit was staffed with only one officer against the required three as prescribed in the departmental chart. In addition, the internal audit did not provide for audit the report on key departments of procurement and finance during the year under review.

In the circumstances, the resources of the Assembly are at risk of misuse.

2.0 Failure to Maintain an Asset Register

As previously reported, Annex 3 to the financial statements reflects noncurrent assets with a historical cost balance of Kshs.459,410,908. However, review of the assets records revealed the following anomalies: -

- i. Management did not maintain a fixed asset register in the prescribed format contrary to Regulation 136(1) of the Public Finance Management (County Government) Regulation 2015. The asset register in place lacked identification or serial numbers, acquisition date, description of the asset, location, class and cost of the acquisition. In addition, the register of land did not have a recording of each parcel of land and the terms on which it is held, with reference to conveyance, address, area, dates of acquisition, disposal or major change in use, capital expenditure, leasehold terms, maintenance contracts and other pertinent management details as required by Regulation 136(2) of the Public Finance Management (County Government) Regulations, 2015.
- ii. Management had not taken over and or reported assets and liabilities inherited from the defunct Local Authorities.
- iii. Management had not yet established policies and procedures on asset management as required by Part XII of Public Finance Management (County Government) Regulations 2015. In addition, the assets are not tagged or coded for ease of identification or tracking.
- iv. Fixed assets were not physically inspected on a regular basis to establish their conditions.

In the circumstances, the existence and/or effectiveness of internal controls over management of non-current assets could not be confirmed.

3.0 Risk Management Policy and Management Framework

As previously reported, review of the risk management framework revealed that the Assembly operated without an approved risk management policy for management of risk and increase of overall awareness of risk throughout the Assembly.

In addition, there was no documentary evidence to confirm that the Assembly conducted a risk assessment to identify potential risk exposure, possibility of their occurrence and their mitigating strategies, contrary to Regulation 158(1)(a) and (b) of the Public Finance Management (County Governments) Regulations, 2015, which provides that an accounting officer of a County Government entity shall develop risk management strategies, which include fraud prevention mechanism; and a system of risk management and internal control that builds robust business operations”

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

Responsibilities of Management and those charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash

Basis) and for such 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 County Assembly's ability 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 dissolve the County Assembly or to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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


As part of an audit conducted in accordance with ISSAIs, I exercise professional judgment and maintain professional scepticism 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances and for the purpose of giving an assurance on the effectiveness of the Assembly's 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 County Assembly's ability 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 County Assembly to cease 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 County Assembly to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with 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 Gathungu, CBS
AUDITOR-GENERAL

Nairobi

19 February, 2024

County Government of Migori

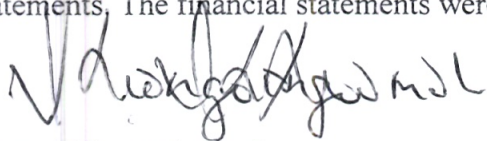
Migori County Assembly

Annual Report and Financial Statements For the year ended 30th June 2023

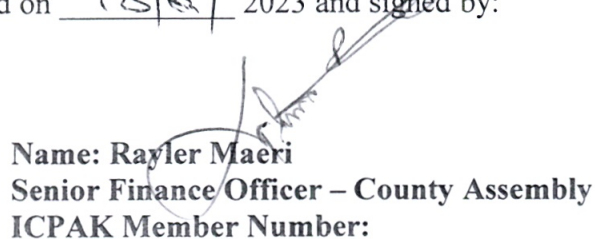
9. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH
JUNE 2023

		2022/2023	2021/2022
	Note	Kshs	Kshs
Receipts			
Transfers from the CRF	1	895,459,607	863,485,900
Miscellaneous receipts	2	-	8,084,862
Total receipts		895,459,607	871,570,762
Payments			
Compensation of employees	3	364,806,447	404,243,633
Use of goods and services	4	394,180,140	465,072,483
Transfers to other government entities	5	96,117,560	-
Acquisition of assets	6	40,353,650	-
Finance costs	7	-	2,250,250
Total payments		895,457,797	871,566,367
Surplus/deficit		1,810	4,395

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 18/06/2023 and signed by:



Name: Vincensia Awino
Ag. Clerk of the Assembly

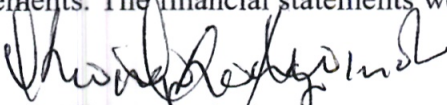



Name: Rayler Maeri
Senior Finance Officer – County Assembly
ICPAK Member Number:

**10. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES AS AT 30TH JUNE
2023**

		2022/2023	2021/2022
Financial assets	Note	Kshs	Kshs
Cash and cash equivalents			
Bank balances	8	1,810	4,395
Total cash and cash equivalents		1,810	4,395
Total financial assets		1,810	4,395
Financial liabilities			
Net financial assets		-	4,395
Represented by			
Fund balance b/fwd	9	4,395	1,664,843
Prior year adjustment	10	(4,395)	(1,664,843)
Surplus/(deficit) for the year		1,810	4,395
Net Financial Position		1,810	4,395

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 15/07/2024 and signed by:

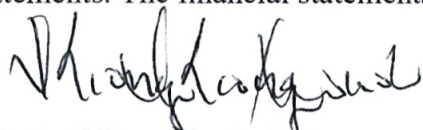

Name: Vincensia Awino
Ag. Clerk of the Assembly


Name: Rayler Maeri
Senior Finance Officer – County Assembly
ICPAK Member Number:

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

		2022/2023	2021/2022
	Note	Kshs	Kshs
Cash flows from operating activities			
Receipts from operating income			
Transfers from the CRF	1	895,459,607	863,485,900
Miscellaneous receipts	2	-	8,084,862
Total receipts from operating income		895,459,607	871,580,762
Payments for operating expenses			
Compensation of employees	3	364,806,447	404,243,633
Use of goods and services	4	394,180,140	465,072,484
Transfers to other government entities	5	96,117,560	-
Finance costs	7		2,250,250
Total payments for operating expenses		855,104,147	871,566,367
Net receipts/(payments) from operating activities		40,355,460	(1,660,087)
Adjusted for:			
Prior year adjustment	10	(4,395)	(1,660,087)
Net cash flows from operating activities		(4,395)	(1,660,087)
Cash flows from investing activities			
Acquisition of assets	6	(40,353,650)	-
Net cash flows from investing activities		(40,353,650)	-
Cash flow From Financing Activities			
Repayment of principal on domestic and foreign borrowing			
Net cash flow from financing activities			
Net increase in cash and cash equivalents		(4,395)	(1,660,087)
Cash & cash equivalent at 1 July, 2022		4,395	1,664,842
Cash & cash equivalent at 30 June, 2023		1,810	4,395

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 15/07 2024 and signed by:



Name: Vincensia Awino
Ag. Clerk of the Assembly



Name: Rayler Maeri
Senior Finance Officer – County Assembly
ICPAK Member Number:

County Government of Migori
Migori County Assembly
Annual Report and Financial Statements For the year ended 30th June 2023

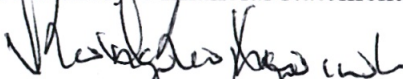
12. STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: RECURRENT AND DEVELOPMENT FOR YEAR ENDED 30TH JUNE 2023


Receipt/expense item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	
Receipts						
Transfers from the CRF	886,834,225	58,637,984	945,472,209	895,459,607	50,012,602	95%
Total	886,834,225	58,637,984	945,472,209	895,459,607	50,012,602	95%
Payments						
Compensation of employees	449,340,827	(79,843,375)	369,497,452	364,806,447	4,691,005	99%
Use of goods and services	359,635,537	22,839,420	382,474,757	394,180,140	(11,705,383)	103%
Transfers to other government entities	20,000,000	76,000,000	96,000,000	96,117,560	(117,560)	100%
Acquisition of assets	56,058,061	40,941,939	97,000,000	40,353,650	56,646,350	42%
Finance costs	1,800,000	(1,300,000)	500,000	-	500,000	0%
Total	886,834,225	58,637,984	945,472,209	895,457,797	50,014,412	95%
Surplus/ deficit	-	-	-	1,810	(1,810)	-

Budget Notes

- Utilization of 103% on use of goods and services was as a result of urgent unforeseen domestic travel and subsistence expenses.
- Utilization of only 42% of acquisition of asset budget was as a result of delays in procurement process.
- Utilization of 0% on finance cost was as a result of failure to obtain the anticipated loan.
- The increase of Kshs.58,637,984 from original budget to final budget was due to reallocation within the budget. All changes between the original budget and final budget were approved by Supplementary 1 and 2.

The Assembly's financial statements were approved on 16/06 2024 and signed by:


Name: Vincensia Awino
Ag. Clerk of the Assembly


Name: Rayler Maeri
Senior Finance Officer – County Assembly
ICPAK Member Number:

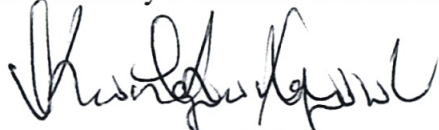
12A STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: RECURRENT FOR THE YEAR ENDED 30TH JUNE 2023

Receipt/expense item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	
Receipts						
Transfers from the CRF	836,834,225	18,637,984	855,472,209	855,459,607	12,602	100%
Total	836,834,225	18,637,984	855,472,209	855,459,607	12,602	100%
Payments						
Compensation of employees	449,340,827	(79,843,375)	369,497,452	364,806,447	4,691,005	99%
Use of goods and services	359,635,337	22,839,420	382,474,757	394,180,140	(11,705,383)	103%
Transfers to other government entities	20,000,000	76,000,000	96,000,000	96,117,560	(117,560)	100%
Acquisition of assets	6,058,061	941,939	7,000,000	353,650	6,646,350	5%
Finance costs	1,800,000	(1,300,000)	500,000	-	500,000	0%
Total	836,834,225	18,637,984	855,472,209	855,457,797	14,412	100%
Surplus/ deficit	-	-	-	1,810	(1,810)	-

Budget Notes

1. Utilization of 103% on use of goods and services was as a result of urgent unforeseen domestic travel and subsistence expenses.
2. Utilization of only 5% of acquisition of asset budget was as a result of delays in procurement process.
3. Utilization of 0% on finance cost was as a result of failure to obtain the anticipated loan.
4. The increase of Kshs.18,637,984 from original budget to final budget was due to reallocation within the budget. All changes between the original budget and final budget were approved by Supplementary 1 and 2.

The Assembly's financial statements were approved on 18/01 2024 and signed by:



Name: Vincensia Awino
Ag. Clerk of the Assembly



Name: Rayler Maeri
Senior Finance Officer – County Assembly
ICPAK Member Number:

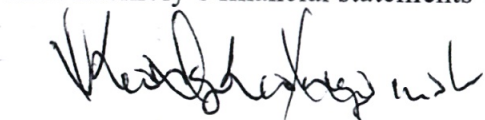
County Government of Migori
Migori County Assembly
Annual Report and Financial Statements For the year ended 30th June 2023

12B STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: DEVELOPMENT FOR THE YEAR ENDED 30TH JUNE 2023

Receipt/expense item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	
Receipts						
Transfers from the CRF	50,000,000	40,000,000	90,000,000	40,000,000	50,000,000	44%
Total	50,000,000	40,000,000	90,000,000	40,000,000	50,000,000	44%
Payments						
Acquisition of assets	50,000,000	40,000,000	90,000,000	40,000,000	50,000,000	44%
Total	50,000,000	40,000,000	90,000,000	40,000,000	50,000,000	44%
Surplus/ deficit	-	-	-	-	-	-

The underutilization of the acquisition of assets vote was as a result of challenges in the procurement process. Changes between the original budget and final budget were as a result of reallocation within the budget.

The Assembly's financial statements were approved on 18/6/2024 2024 and signed by:



Name: Vincensia Awino
Ag. Clerk of the Assembly



Name: Rayler Maeri
Senior Finance Officer – County Assembly
ICPAK Member Number:

13. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	Kshs	Kshs	Kshs	Kshs	Kshs
Administration					
General Administration and Supportive Services-Office of the Clerk	586,193,763	-14,448,986	571,744,777	571,204,717	100%
General Administration and Supportive Services - Office of the Speaker	18,240,462	2,106,089	20,346,551	20,346,551	100%
Infrastructure Development	50,000,000	40,000,000	90,000,000	40,000,000	44%
Oversight					
Oversight Management Services	130,200,000	13,496,881	143,696,881	141,673,064	99%
Legislation					
Legislative Services	102,200,000	17,484,000	119,684,000	122,233,465	102%
Grand Total	886,834,225	58,637,984	945,472,209	895,457,797	95%

14. SIGNIFICANT ACCOUNTING POLICIES

The Significant accounting policies adopted in the preparation of these financial statements are set out below:

1. Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with Cash-basis IPSAS financial reporting under the cash basis of accounting, as prescribed by the PSASB and set out in the accounting policy notes below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include third party deposits and retentions. The statement of assets and liabilities, although not a requirement of the IPSAS Cash Standard, has been included to disclose information on some classes of receivables and payables as outlined above.

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the entity all values are rounded to the nearest Kenya Shilling. The accounting policies adopted have been consistently applied to all the years presented.

The financial statements comply with and conform to the form of presentation prescribed by the PSASB.

2. Reporting entity

The financial statements are for the *Migori* County Assembly. The financial statements encompass the reporting entity as specified in section 164 of PFM Act 2012.

3. Recognition of receipts and payments

a) Recognition of receipts

The County Assembly recognizes all receipts from the various sources when the event occurs, and the related cash has been received by the Assembly.

i) Transfers from the Exchequer/ County Treasury

Transfer from Exchequer is recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the receiving entity.

ii) Other Receipts

Other receipts relate to receipts such as tender fees among others. These are recognised in the financial statements when the associated cash is received.

b) Recognition of payments

The entity recognizes all expenses when the event occurs, and the related cash has actually been paid out by the entity.

Significant Accounting Policies (Continued)

i) Compensation of employees

Salaries and Wages, Allowances, Statutory Contribution for employees are recognized in the period when the compensation is paid.

ii) Use of goods and services

Goods and services are recognized as payments in the period when the goods/services are consumed and paid for. Such expenses, if not paid during the period where goods/services are consumed, shall be disclosed as pending bills.

iii) Acquisition of fixed assets

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment. A fixed asset register is maintained by each public entity and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the consolidated financial statements.

4. In-kind contributions

In-kind contributions are donations that are made to the *entity* in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the *entity* includes such value in the statement of receipts and payments both as receipts and as an expense in equal and opposite amounts; otherwise, the contribution is not recorded.

5. Third Party Payments

This relates to payments done directly to supplier on behalf of the county governments such as; national government may fund the operation of health or education program, a donor may pay directly for construction of a given market etc. Details of payments by third parties on behalf of the county government is detailed in the notes to this financial statement.

6. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year.

7. Restriction on cash

Restricted cash represents amounts that are limited /restricted from being used to settle a liability for at least twelve months after the reporting period. This cash is limited for direct use as required by stipulation.

Significant Accounting Policies (Continued)

Amounts maintained in deposit bank accounts are restricted for use in refunding third party deposits. As at 30th June 2023, there were no other restrictions on cash during the year.

8. Imprests and Advances

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year is treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as payments when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

9. Third party deposits and retention

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized as accounts payables. This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted and prescribed by the Public Sector Accounting Standards Board. Other liabilities including pending bills are disclosed in the financial statements.

10. Non-current assets

Non-current assets are expensed at the time of acquisition while disposal proceeds are recognized as receipts at the time of disposal. However, the acquisitions and disposals are reflected in the entity fixed asset register a summary of which is provided as a memorandum to these financial statements.

11. Pending bills

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they are recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the *entity* at the end of the year. Pending bill form a first charge to the subsequent year budget and when they are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

12. Contingent Liabilities

A contingent liability is:

- a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- a) A present obligation that arises from past events but is not recognised because:
 - i) It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
 - ii) The amount of the obligation cannot be measured with sufficient reliability.

Significant Accounting Policies (Continued)

Some of contingent liabilities may arise from: litigation in progress, guarantees, indemnities. Letters of comfort/ support, insurance, Public Private Partnerships. The Entity does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote. Annex 6 of this financial statement is a register of the contingent liabilities in the year.

13. Contingent Assets

The Entity does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

14. Budget

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The County Executive's budget was approved as required by Law and as detailed in the County Revenue Allocation Act. The original budget was approved by the County Assembly on 21st June 2022 for the period 1st July 2023 to 30 June 2023 as required by law. There was two (2) number of supplementary budgets passed in the year. A high-level assessment of the County Executive's actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

15. Comparative figures

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

16. Subsequent events

Events after submission of the financial year end financial statements to County Treasury and other stakeholders with a significant impact on the financial statements may be adjusted with the concurrence of the County Treasury.

17. Prior Period Adjustment

During the year, errors that have been corrected are disclosed *under note 26* explaining the nature and amounts.

Significant Accounting Policies (Continued)

18. Related Party Transactions

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

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

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

15. NOTES TO THE FINANCIAL STATEMENTS

1. Transfer From CRF

	2022/2023	2021/2022
	Kshs	Kshs
Transfers from the county treasury for Q1	79,293,927	80,000,000
Transfers from the county treasury for Q2	326,154,930	254,824,780
Transfers from the county treasury for Q3	176,358,748	255,000,000
Transfers from the county treasury for Q4	313,652,002	273,661,120
Cumulative amount	895,459,607	863,485,900

2. Miscellaneous Receipts

	2022/2023	2021/2022
	Kshs	Kshs
Other receipts (specify)	-	8,084,862
Total	-	8,084,862

3. Compensation of Employees

	2022/2023	2021/2022
	Kshs	Kshs
Basic salaries of permanent employees	286,224,243	293,825,131
Basic wages of temporary employees	42,524,620	26,169,121
Personal allowances paid as part of salary	6,145,000	49,217,129
Employer contribution to compulsory national social schemes	486,000	-
Pension and other social security contributions	29,426,584	35,032,252
Total	364,806,447	404,243,633

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**4. Use of Goods and Services**

	2022/2023	2021/2022
	Kshs	Kshs
Utilities, supplies and services	4,944,978	14,934,049
Communication, supplies and services	444,670	3,029,708
Domestic travel and subsistence	233,007,662	273,186,048
Foreign travel and subsistence	21,218,901	6,200,607
Printing, advertising and information supplies & services	6,484,860	4,879,167
Training expenses Travel	6,545,800	4,281,349
Hospitality supplies and services	16,351,966	31,628,154
Sanitary and Cleaning Expenses	-	6,207,863
Insurance costs	29,512,372	26,787,821
Membership Fees & Dues, Legal Fees and Contracted Professional Services	-	309,388
Education and Library Activities	-	700,000
Legal Fees and Dues	-	10,200,400
Contracted Guard Allowances	-	12,610,742
Office and general supplies and services	8,929,855	25,554,604
Fuel, oil and lubricants	3,887,189	4,369,638
Other operating expenses	50,634,695	9,580,000
Routine maintenance – vehicles and other transport equipment	3,085,053	6,995,643
Non-residential Buildings- General Office Supplies	-	7,132,449
Non-residential buildings-Catering Services	-	12,022,300
Routine Maintenance- Plant and Equipment	-	619,136
Routine Maintenance- Office Furniture	-	1,340,132
Routine Maintenance- Computers, Printers and Accessories	-	2,503,285
Routine maintenance – other assets	9,132,139	-
Total	394,180,140	465,072,483

5. Transfers to Other Government Entities

Description	2022/2023	2021/2022
	Kshs	Kshs
Transfers to County Government entities (CRF)	117,560	-
Transfers to other County Assembly entities		
Car Loan Scheme Fund	96,000,000	-
Total	96,117,560	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. Acquisition of Assets

	2022/2023	2021/2022
	Kshs	Kshs
<u>Non- financial assets</u>		
Construction and civil works	4,899,385	-
Purchase of office furniture and general equipment	353,650	-
Acquisition of intangible assets	35,100,615	-
Total acquisition of non- financial assets	40,353,650	-
Total acquisition of assets	40,353,650	-

7. Finance Costs

	2022/2023	2021/2022
	Kshs	Kshs
Interest on domestic borrowings (non-govt)	-	2,250,250
Total	-	2,250,250

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. Bank Balances

Name Of Bank, Account Name & Currency	Account Number	Indicate whether Rec, Dev, Dep e.t.c	2022/2023	2021/2022
			Kshs	Kshs
CBK Migori County Assembly Development (KES)	Account Number : 1000400258	Development	-	-
CBK Migori County Assembly Recurrent (KES)	Account Number : 100023860	Recurrent	-	4,395
KCB Migori County Assembly Operations Account Account Number: (KES)	Account Number: 1176239651	Deposit	1,810	-
Total			1,810	4,395

9. Fund Balance Brought Forward

Description	2022/2023	2021/2022
	Kshs	Kshs
Bank Accounts	4,395	1,661,736
Total	4,395	1,661,736

The fund balances brought forward refers to the previous financial year's closing balances]

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. Prior Year Adjustments

	Balance b/f from 2021/2022 as per audited financial statements	Adjustments during the year relating to prior periods	Adjusted ** Balance b/f 2021/2022
Description Of The Error	Kshs	Kshs	Kshs
Bank Account Balances	4,395	(4,395)	-
Total	4,395	(4,395)	-

Other Disclosures

1. Pending Accounts Payable (See Annex 1)

	Balance b/f 2021/2022	Additions for the year	Paid during the year	Balance c/f 2022/2023
Description	Kshs	Kshs	Kshs	Kshs
Construction Of Civil Works	8,447,213	-	(4,899,385)	3,547,828
Supply Of Goods and Services	122,837,824	44,504,505	(64,730,401)	102,611,928
Total	131,281,037	44,504,505	(69,629,786)	106,159,756

2. Pending Staff Payables

	Balance b/f 2021/2022	Additions for the year	Paid during the year	Balance c/f 2022/2023
Description	Kshs	Kshs	Kshs	Kshs
Middle Management	5,023,427	-	5,023,427	-
Total	5,023,427	0.00	(5,023,427)	-

3. Other Pending Payables (See Annex 2)

	Balance b/f 2021/2022	Additions for the year	Paid during the year	Balance c/f 2022/2023
Description	Kshs	Kshs	Kshs	Kshs
Amounts due to National Government entities	-	404,658	-	404,658
Total	-	404,658	-	404,658

County Government of Migori
Migori County Assembly
Annual Report and Financial Statements For the year ended 30th June 2023

4. Related Party Disclosures

Related party disclosure is encouraged under non-mandatory section of the Cash Basis IPSAS. The following comprise of related parties to the County Assembly:

- i) Members of County Assembly.
- ii) Key management personnel that include the Clerk of the Assembly and heads of departments.
- iii) The County Executive.
- iv) County Ministries and Departments.
- v) Other County Government entities including corporations, funds and boards.
- vi) The National Government.
- vii) Other County Governments; and
- viii) State Corporations and Semi-Autonomous Government Agencies.

Related Party Transactions:

	2022/2023	2021/2023
	Kshs	Kshs
Compensation to Key Management		
Compensation to the Speaker, Deputy Speaker and the MCAs	21,062,692	-
Key Management Compensation (Clerk and Heads of departments)	6,648,468	-
Total Compensation to Key Management	27,711,160	-
<u>Transfers to related parties</u>		
Transfers to other County Government Entities such as car and mortgage schemes	96,000,000	-
Transfers to CRF	117,560	-
Total Transfers to related parties	96,117,560	-
<u>Transfers from related parties</u>		
Transfers from the CRF	895,459,607	863,485,900
Total Transfers from related parties	895,459,607	863,485,900

16. PROGRESS ON FOLLOW ON PRIOR YEAR AUDITOR'S RECOMMENDATIONS

The following is the summary of issues raised by the Auditor-General, and management comments that were provided to the auditor. We have indicated time frame within which we expect the issues to be 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)
1.0	Unsupported Other Receipts	The management wishes to state that other receipts for the FY 2021/2023 was Kshs.8,084,862. The schedules will be taken to auditors for reveiw	Not Resolved	4 Months
2.0 (2.1)	Compensation of Employees Payment of Salaries Outside The IPPD Database	The management has wishes to state that some of the Assembly staff were awaiting transfer of their Personal Numbers (PF NO.s) from other government entities. This has since been resolved	Not Resolved	2 Months
(2.2)	Variances between financial statements payroll	The management has been advertising for the vacant positions but most of the applicants come from Migori County which is predominantly Luos and Kurians which makes it difficult to cancel the process. However, the management intends to give priority to other ethnic communities who might apply in the future job adverts	Not Resolved	1 year
3.0 (3.1)	Unsupported Expenditure on Use of Goods and Services Domestic Travel and Subsistence	At the time of the audit some of the documents were not availed. The documents will be availed to auditors for review	Not Resolved	6 Months
(3.2)	Non-Residential Buildings –General Office Supplies	At the time of the audit some of the documents were not	Not Resolved	6 Months

County Government of Migori

Migori County Assembly

Annual Report and Financial Statements For the year ended 30th June 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)
		availed. The documents will be availed to auditors for review		
(3.3)	Non-Residential Buildings –Catering Services	At the time of the audit some of the documents were not availed. The documents will be availed to auditors for review	Not Resolved	6 Months
(3.4)	General Operation Expenses	At the time of the audit some of the documents were not availed. The documents will be availed for audit review	Not Resolved	6 Months
(3.5)	Contracted Guards Allowances	At the time of the audit some of the documents were not availed. The documents will be availed to auditors for review	Not Resolved	6 Months
4.0	Cash and Cash Equivalent	The management has since taken note of the auditors recommendations and will provide certificate of bank balances and cash book for audit review	Not Resolved	6 Months
5.0	Prior Year Adjustment	The financial Statement has been amended to correct the anomaly. The documents will be sent to auditors for review	Not Resolved	6 Months
6.0	Unsupported Voided Payments	The Management wishes to state that the voided payments are as a result of several unforeseen circumstances within the organization/IFMIS Platform namely; I. Insufficient funds on the specific vote heads II. Non-compliance of suppliers on Itax III. Incorrect charge on vote heads that would affect budget allocations IV. Double entries of specific items that have	Not Resolved	6 Months

County Government of Migori

Migori County Assembly

Annual Report and Financial Statements For the year ended 30th June 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)
	in the County Assembly was seventy (70) out of which fifty-five (55) or 78% were members from the dominant community in the County. This is contrary to section 7(2) of the National Cohesion and Integration Act, 2008 which states that, “no public institution shall have more than one third of its staff establishment from the same ethnic community”.	applicants come from Migori County which is predominantly Luos and Kurians which makes it difficult to cancel the process. However, the management intends to give priority to other ethnic communities who might apply in the future job adverts		



Name: Vincensia Awino

Ag. Clerk of the County Assembly

County Government of Migori
Migori County Assembly
Annual Report and Financial Statements For the year ended 30th June 2023

17. ANNEXES

Annex 1 – Analysis of Pending Accounts Payable

Supplier of Goods or Services	Date invoiced/contracted	Particulars	Original Amount (Kshs)	Balance at the beginning of the year (Kshs)	Addition During the year (Kshs)	Amount paid During the year (Kshs)	Outstanding Balance (Kshs)
			a	b	c	d=a+b-c	
Silow Smarte Investments Ltd	27/05/2022	Fencing and Construction of Gate House Muhuru Ward Office	2,098,000	2,098,000	0	1,216,840	881,160
Hisani Enterprises Ltd	11/05/2022	Fencing and Construction of Gate house North Kamagambo Ward	2,099,252	2,099,252	0	1,217,567	881,685
Moca Contractors Ltd	13/04/2022	Supply of Biometrics system	23,796,588	23,796,588	0	13,802,022	9,994,566
Kemasio Supplier Ltd	21/06/2022	Fencing and Construction of Isebania Ward office	2,098,208	2,098,208	0	1,216,961	881,247
AppKings Solutions Ltd	27/04/2022	ERP Systems Installation	36,894,960	36,894,960	0	21,298,595	15,596,365

*County Government of Migori
Migori County Assembly
Annual Report and Financial Statements For the year ended 30th June 2023*

Supplier of Goods or Services	Date invoiced/contracted	Particulars	Original Amount (Kshs)	Balance at the beginning of the year (Kshs)	Addition During the year (Kshs)	Amount paid During the year (Kshs)	Outstanding Balance (Kshs)
Hibwa Construction Company Ltd	27/05/2022	Construction of Twin Latrine and Fencing of Gekhocharaka Ward office	2,151,753	2,151,753	0	1,248,017	903,736
Sub-Total			69,138,761	69,138,761	0	40,000,002	29,138,759
Supply Of Goods and Services	Annex 4	Assorted	62,146,276	62,146,276	44,504,505	29,629,784	77,020,997
Sub-Total			62,146,276	62,146,276	44,504,505	29,629,784	77,020,997
Grand Total			131,281,037	131,281,037	44,504,505	69,629,786	106,159,756

Annex 2 – ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Date Contracted	Original Amount	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Comparative FY	Comments
			a	b	c=a-b		
Amounts Due To National Govt Entities							
KRA	VAT Withholding Tax	30/06/2023	404,658	-	404,658	-	Cash returned to CRF
Sub-Total			406,658	-	404,658	-	
Grand Total			406,658	-	404,658	-	

County Government of Migori
Migori County Assembly
Annual Report and Financial Statements For the year ended 30th June 2023

ANNEX 3 – SUMMARY OF NON-CURRENT ASSET REGISTER

Asset Class	Historical Cost b/f (Kshs) 2021/2022	Additions during the year (Kshs)	Disposals during the year (Kshs)	Transfers in/(out) during the year (Kshs)	Historical Cost c/f (Kshs) 2023
Buildings and structures	276,137,156	4,899,385	-	-	281,036,541
Office equipment, furniture and fittings	34,259,440	353,650	-	-	34,613,090
ICT equipment	30,172,057	0	-	-	30,172,057
Machinery and equipment	78,488,603	0	-	-	78,488,603
Intangible assets	0	35,100,617	-	-	35,100,617
Total	419,057,256	40,353,652	-	-	459,410,908

Annex 4: Supply of Goods and Services

No	Supplier / Contractor name	LPO/LSO contract no	Date of LPO/LSO contract no	Details of work performed	Net of Vendors 2014 FY to date	PAID	Outstanding Amount
1	Alpha Affinity LTD	LPO. 0922875	30/03/2015	Consultancy fees	551,000		551,000
2	Alpha Affinity LTD	LPO. 2065918	18/02/2015	General office supplies	616,380		616,380
3	CPST	13th-17th Feb, 2017	27/04/2015	training fees	160,000		160,000
4	Daily Spring	LPO. 2730512	18/07/2018	supply and delivery of mineral water	202,000		202,000
5	D.Lan network & comm	LPO. 0922918	26/06/2014	Webhosting	600,000		600,000
6	Digitrin (k) Limited	LPO. 2065967,2065972	14/8/2015	supply of computers	663,600		663,600
7	FIVESTAR SERVICE STATION	LSO. 0922972, 0922969,0922967	16/12/2014	Maintenance and Repair Services	141,200		141,200
8	INSTITUTE OF HUMAN RESOURCE MNGT	LSO. 0922942	22/10/2014	Training Fees	127,600		127,600
9	JOVENTURE HOTEL	LSO.0922983	15/04/2015	Catering Services	2,163,208		2,163,208
10	kenya computers industry & sev tech	INVOICE NO. 735	19/03/2015	Implementatio n of comp HRM	212,280		212,280

County Government of Migori

Migori County Assembly

Annual Report and Financial Statements For the year ended 30th June 2023

11	Kenya web.com.ltd	LPO. 0922971	04/05/2015	web design development	468,930		468,930
12	Graphelia Agencies	LPO. 0946988	26/5/2015	Cleaning materials	423,540		423,540
13	KIKASO YOUTH GROUP	LPO. 2065800	24/11/2017	general office supplies	458,000	253,552	204,448
14	LANTERN INVESTMENT COMPANY LTD	LPO. 2065987,	24/9/2015	General supplies	139,720		139,720
15	Nation Media Group	Invoice no,1000020351-1000020360		Advertisements	864,584	400,000	464,584
16	RABINOL ENTERPRISES		29/03/2014	Training Fees	500,000		500,000
17	Regional Technology Applications Ltd inst	LPO. 2065929	15/05/2015	installation of LG Air cond,	1,003,420	1,003,420	0
18	Royal Avila consultants LTD		26/03/2015	Consultancy Services	262,500		262,500
19	RYRE CLIVE MEDIA	LPO.2637386,	18/09/2017	general office supplies	163,020		163,020
20	Supanova Hotel	INVOICE NO. 042,064,382	02/12/2016	Hospitality Services	429,650		429,650
21	The Standard Grp Ltd	LSO.1091117,0922 919,0922901,12868 61,1286864,128687 9,1286880,1286882 , 1286891,1286898	10/05/2018	Advertisements	1,795,390	1,091,500	703,890

County Government of Migori

Migori County Assembly

Annual Report and Financial Statements For the year ended 30th June 2023

22	THE STAR PUBLICATION LTD	LSO. 0922920	09/06/2016	Advertisements	529,600		529,600
23	Tom Mboya Labour Collrge	Invoice no. 2350	12/12/2015	hospitality services	254,599		254,599
24	TOMS AUTOTECH & GARAGE		07/12/2014	Repair & maintance	900,000	750,000	150,000
25	VASALLY VIDEO COVERAGE	INV. 70/40/58/4//5/6/9/10	24/08/2015	Audio-Visual Services	952,000	468,000	484,000
26	First Electro point (K) LTD	LPO. 2730706,2730707,2730708,2730709	12/12/2018	supply and delivery of tonners	1,879,295		1,879,295
27	Pengraphic Advertising limited	LPO. 1	FY 2018-2019	Supply of Water	385,000		385,000
28	The Apex Park Initiative Y. G	LPO.1272495	29/10/2018	Sanitary and leaning materials	638,462		638,462
29	Codays Enterprises Ltd	LPO. 7		Sanitary and Cleaning materials	187,787		187,787
30	The Five Islanda Resort	LPO.1282996,1282993, 1282986, 1286858,1286875,1286872,1286866,1286865	04/02/2019	Hospitality Services	4,761,700	1,900,000	2,861,700
31	Arigem Logistics	LPO. 2637349	03/10/2021	supply of mineral water	670,000		670,000

County Government of Migori

Migori County Assembly

Annual Report and Financial Statements For the year ended 30th June 2023

32	Flori-pack enterprise	LPO. 2637340,2637341	24/02/2021	supply and delivery of PPEs	684,000		684,000
33	M/S Salama Youth Group	LPO. 2730735	07/12/2019	Supply and delivery of bottled mineral water	211,500		211,500
34	Naso Ventures	LPO.	24/11/2019	supply and delivery of water	584,000		584,000
35	LOVELY DIVAS WOMEN GROUP		01/07/2020	supply of water	586,000		586,000
36	LOVELY DIVAS WOMEN GROUP			supply of water	672,000		672,000
37	Chrisper Investment LTD			supply of water	684,000		684,000
38	Pinecone Hotel	As per provided invoices		Hospitality Services	10,353,447	9,520,312	833,135
39	Shan care Investments	As per the provided invoices		provision of taxi services	1,930,000	1,700,000	230,000
40	Nyandesa enterprises	As per the provided invoice	2021-2022	ICT equipments	424,814		424,814
41	Rush Enterprises	LPO. 2637316/315/314/313	2019-2020	Office Stationaries	955,645	500,000	455,645
42	Naso Ventures	LPO. 21	30/04/2020	PPEs	202,000		202,000

County Government of Migori

Migori County Assembly

Annual Report and Financial Statements For the year ended 30th June 2023

43	Liken Light	As per the provided statement	2019-2020	Cleaning materials	250,000	0	250,000
44	BulBul Investments	2213648	03/02/2017	construction of car shade	300,000		300,000
45	Legal Fees/Dues	As per the provided fee notes	15/2/22	Litigations	10,054,057	8,005,000	2,049,057
46	Lakers Pride Security Services	As per the provided Invoices	As of 28/2/2022	Security Services	5,782,449	2,738,000	3,044,449
47	Sonli Services Limited	LPO. 2637312	2019-2020	Supply pf Photocopying/ Printing Papers	195,000		195,000
48	Alphapapa Freighters	LPO. 11	2019-2020	Supply of tonners	844,000		844,000
49	Sonli Services Limited	LPO. 2637311	2019-2020	Office stationaries	195,000		195,000
50	Almeo Logistics	LPO. 9	2019-2020	Supply of Handsard Equipment	1,361,748		1,361,748
51	Samonyo Enterprises	LPO. 16	2019-2020	Computer Accessories	525,000		525,000
52	CIALA Resort	LPO.	2021-2022	Hospitality/Cat ering Services	982,721	500,000	482,721
53	Saginan Consult		2021-2022	Consultancy Services	420,000	200,000	220,000
54	MIWASCO	2#121	2021-2022	Water Supply	203,590		203,590
55	LAKE JUNCTION RESORT	Inv.No. 178	2021-2022	CATERING SERVICES	640,840	600,000	40,840
56	Nyamtonglo Enterprises		2022-2023	Water Supply	1,400,000		1,400,000

County Government of Migori
Migori County Assembly
Annual Report and Financial Statements For the year ended 30th June 2023

57	Blue Gardens		2022-2023	supply of cleaning materials	1,659,850		1,659,850
58	Chakra				5,696,000		5,696,000
59	Goria Ventures		2022-2023	Supply of Tonners	1,799,994	0	1,799,994
60	Johnceke Insurance Brokers Ltd		2022-2023	legal	9,000,000	0	9,000,000
61	Exxer K Ltd		2022-2023	installation and maintenance of AC	649,500	0	649,500
62	Bilsha Cleaning services		2022-2023	Garbage Exhauster	180,000	0	180,000
63	Chakra Co. Ltd		2022-2023	Security Services	6,483,161	0	6,483,161
64	AAR		2023-2023	Medical services	10,400,000	0	10,400,000
65	Florence Hotel		2022-2023	Hospitality	5,000,000	0	5,000,000
66	Paradise hotel		2022-2023	Hospitality	2,236,000	0	2,236,000
					106,650,781	29,629,784	77,020,997