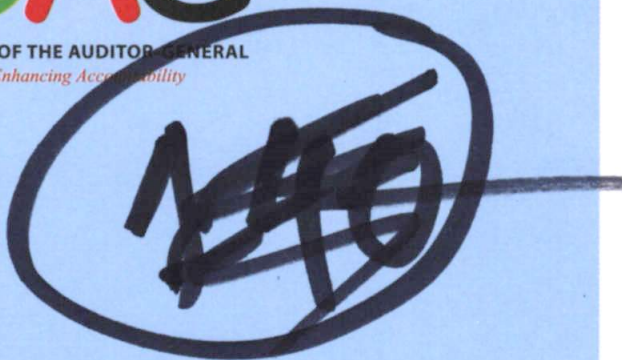


REPUBLIC OF KENYA



PARLIAMENT  
OF KENYA  
LIBRARY



REPORT

OF

352

THE AUDITOR-GENERAL

ON

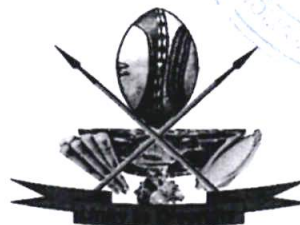
PAPERS LAID	
DATE	17/2/20
TABLED BY	Jel (Dg) / e/ogm
COMMITTEE	
CLERK AT THE TABLE	Typan

MIGORI COUNTY EXECUTIVE CAR LOAN  
AND MORTGAGE FUND

FOR THE YEAR ENDED  
30 JUNE, 2025

1470

1470



# COUNTY GOVERNMENT OF MIGORI

---

## MIGORI COUNTY EXECUTIVE CAR LOAN AND MORTGAGE FUND

### ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED JUNE 30, 2025

---

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

***Migori County Executive Car Loan and Mortgage Fund***  
**Annual Report and Financial Statements for the year ended June 30, 2025**

---

Table of Content

1.	Acronyms and Definition of Key Terms	ii
2.	Key Entity Information and Management	iii
3.	Fund Administration Committee	v
4.	Management Team	vii
5.	Fund Chairperson's Report	viii
6.	Report of the Fund Administrator	ix
7.	Statement of Performance against the County Fund's Predetermined Objectives	x
8.	Corporate Governance Statement	xi
9.	Management Discussion and Analysis	xii
10.	Environmental and Sustainability Reporting	xiii
11.	Report of the Fund Administration Committee	xiv
12.	Statement of Management's Responsibilities	xv
13.	Report of the Independent Auditor on the Financial Statements for Migori County Executive Car Loan and Mortgage Fund.	xvi
14.	Statement of Financial Performance for the year Ended June 30, 2025	1
15.	Statement of Financial Position as at June 30, 2025	2
16.	Statement of Changes in Net Assets for the year ended June 30, 2025	3
17.	Statement of Cash Flows for The Year Ended June 30, 2025	4
18.	Statement of Comparison of Budget and Actual Amounts for the Year ended June 30, 2025 .....	5
19.	Notes to the Financial Statements	7
20.	Annexes	29

**1. Acronyms and Definition of Key Terms**

a) Acronyms

BOM	Board of Management
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
Kshs	Kenya Shillings

b) Definition of Key Terms

**Fiduciary Management:** Members of management directly entrusted with the responsibility of financial resources of the organization

**Comparative year:** Means the prior period.

**Board of trustees:** Those entrusted with the responsibility of overseeing and guiding on fund's affairs.

**Fund Administrator:** The staff involved in administration and operational aspects of the fund.

**Migori County Executive Car Loan and Mortgage Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

---

**2. Key Entity Information and Management**

**a) Background information**

Migori County Executive Car Loan and Mortgage Fund is established by and derives its authority and accountability from section 116 of Public Finance Management Act, 2012. The Fund is wholly owned by the County Government of Migori and is domiciled in Kenya.

The fund's objective is to enable loans and mortgages to be advanced to County Executives Members and public officers as may be prescribed by the Salaries and Remunerations Commissions

The Fund's principal activity is to facilitate County Executives Members and Public Officers to benefit from Government funded loans to purchase Cars and access Mortgage Facilities.

The benefit is to motivate County Executives Members and Public Officers and immensely contribute towards attraction and retention of requisite skills in the public service in line with the constitution principle under Article 230(5) of the Constitution.

**b) Principal Activities**

The principal activity/mission/ mandate of the Fund is to offer Car Loans and Mortgage to County Executive Members and Public Officers.

**c) Fund Administration Committee**

Ref	Name	Position
1	Mr. Maurice Otunga	CECM Finance & Economic Planning - Chairperson
2	Ms. Rahab Robi	CECM Education Sports Gender Culture – Member
3	Mr. Andrew Ochola	CEO County Public Service Board-Member
4	Eng. John Kobado	CECM Public Service Management – Member
5	Mr. John Oring'o	CECM Roads, Transport & Public Works – Member
6	Mr. Oscar Olima	County Secretary & Head of Public Service- Member
7	Dr. Achuora John Odoyo	Chief Officer Finance & Economic Planning- Secretary

**d) Key Management Steam**

Ref	Name	Position
1	Fund Chairperson	Mr. Maurice Otunga
2	Fund Administrator	Dr. Achuora John Odoyo
3	Fund Accountant	CPA Erick O Jalangó

**Migori County Executive Car Loan and Mortgage Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

---

**Key Entity and Management (Continued)**

**e) Fiduciary Oversight Arrangements**

<b>SN</b>	<b>Position</b>	<b>Name</b>
1	Directorate Internal Audit	CPA Janet Kagali

**f) Registered Offices**

P.O. Box 195-40400  
County Government of Migori  
Migori, KENYA

**g) Fund Contacts**

Telephone: (254) 726319450  
E-mail: [finance@migori.go.ke](mailto:finance@migori.go.ke)  
Website: [www.migori.go.ke](http://www.migori.go.ke)

**h) Fund Bankers**

Diamond Trust of Kenya  
P.O. Box 61711-00200  
Nairobi, Kenya

**i) Independent Auditors**

Auditor General  
Office of the Auditor General  
Anniversary Towers, University Way  
P.O. Box 30084  
GOP 00100  
Nairobi, Kenya

**j) Principal Legal Adviser**





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

**k) County Attorney**




The County Attorney  
P.O. Box 195 – 40400  
Suna Migori, KENYA

**Migori County Executive Car Loan and Mortgage Fund  
Annual Report and Financial Statements for the year ended June 30, 2025**

**3. Fund Administration Committee**




Name	Details of qualifications and experience
<p>1. Mr. Maurice Otunga</p> 	<p>Name: Maurice Otunga Date of Birth: 3<sup>rd</sup> December 1960 Qualifications: Masters Degree in Project Planning He is the chairperson of Migori County Executive Car Loan and Mortgage Fund Administration committee. He is serving as the CECM Finance &amp; Economic Planning in Migori County.</p>
<p>2. Ms. Rahab Robi</p> 	<p>Name: Rahab Robi Date Of Birth: 01.01.1975 Qualification: Masters Degree in Sociology She is a member of Migori County Executive Car Loan and Mortgage Fund Administration committee and currently serving as the CECM Education Sports, Gender and Culture in Migori County.</p>
<p>3. Eng. John Kobado</p> 	<p>Name: John Kobado Date Of Birth: 01.01.1960 Qualification: Masters in Business Administration He is a member of Migori County Executive Car Loan and Mortgage Fund Administration committee and currently serving as the CECM Public Service Management.</p>
<p>4. Mr. John Oring'o</p> 	<p>Name: John Oring'o Date Of Birth: 12<sup>th</sup> December 1959 Qualification: B.Com(Accounting Option) He is a member of Migori County Executive Car Loan and Mortgage Fund Administration committee and currently serving as the CECM Roads, Transport &amp; Public Works in Migori County.</p>

**Migori County Executive Car Loan and Mortgage Fund  
Annual Report and Financial Statements for the year ended June 30, 2025**

<p>5. Mr. Oscar Olima</p> 	<p>Name: Oscar Olima Obondo Date of birth:01.01.1977 Qualifications: Master Degree in Digital Forensics and Cryptography He is a member of Migori County Executive Car Loan and Mortgage Fund Administration committee and currently serving as the County Secretary &amp; Head of Public Service in Migori County</p>
<p>6. Mr. Andrew Ochola</p> 	<p>Name: Andrew Ochola Date of birth:26 October1977 Qualifications: Bachelor Degree in Education, CPAK and CPSK He is a member of Migori County Executive Car Loan and Mortgage Fund Administration committee and been serving as the CEO County Public Service Board in Migori County.</p>
<p>7.Dr. Achuora John Odoyo</p> 	<p>Name: Dr John Odoyo Achuora Date of birth:01<sup>st</sup> August 1978 Qualifications: Bachelor's Degree in Supplies Chain Management and PHD Holder He is the secretary of Migori County Executive Car Loan and Mortgage Fund Administrator and currently serving as the County Chief Officer Finance &amp; Economic Planning in Migori</p>

**Migori County Executive Car Loan and Mortgage Fund  
Annual Report and Financial Statements for the year ended June 30, 2025**

**4. Management Team**

Name	Details of qualifications and experience
<p>1. Mr Maurice Otunga,</p> 	<p>He is the chairperson of Migori County Executive Car Loan and Mortgage Fund Administration committee.</p> <p>He is serving as the CECM Finance &amp; Economic Planning in Migori County.</p> <p>Holds Master's Degree</p>
<p>2. Dr John Achuora</p> 	<p>Name: Dr John Oduyo Achuora Date of birth: 01<sup>st</sup> August 1978 Qualifications: Bachelor's Degree in Supplies Chain Management and PHD Holder</p> <p>He is the secretary of Migori County Executive Car Loan and Mortgage Fund Administrator and currently serving as the County Chief Officer Finance &amp; Economic Planning in Migori</p>
<p>3. CPA Erick Ochieng Jalang'o</p> 	<p>Name: CPA Erick Ochieng' Jalang'o Date of birth: 25<sup>th</sup> December 1980 Qualifications: Bachelor's Degree in Education and CPAK</p> <p>He is the Fund Accountant of Migori County Executive Car Loan and Mortgage Fund and currently serving as the Director Accounting Services</p>

**Migori County Executive Car Loan and Mortgage Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

---

**5. Fund Chairperson's Report**

The fund management committee submits the financial statements for the period ended June 30, 2025. The financial reports show the state of affairs of the Car Loan and mortgage Fund as at 30<sup>th</sup> June 2025

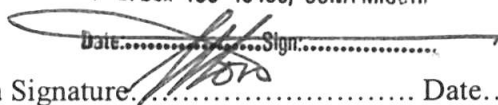
The main mandate of the Fund is to offer Car Loans and Mortgage to County Executive Members in line with section 166 of the Public Finance Management Act 2012.

The board and management team remained the same people that managed the fund in the last financial year.

The bank managed to give Five (5) Members of the executive loan amounting to Kshs 25,600,000 as indicated in the table below:

No	Customer Name	Staff Number	Repayment Amount	Amount Disbursed	Loan Tenure
1	Joseph Gimunta Mahiri	2007003635	107,367	3,000,000	30
2	Gradus Oluoch Adis	20220286123	179,590	10,000,000	60
3	Betty Samburu	2005025835	99,778	2,600,000	27
4	Oscar Obondo Olima	20220286050	175,748	5,000,000	30
5	Rahab Chacha	20130027575	173,302	5,000,000	26

**C.E.C. MEMBER – FINANCE**  
**MIGORI COUNTY**  
P. O. Box 195-40400, SUNA-MIGORI

Date.....  
 Sign.....

Name **Mr. Maurice Otunga** Signature..... Date.....

**Chairperson, Migori County Executive Car Loan and Mortgage Fund**

***Migori County Executive Car Loan and Mortgage Fund***  
**Annual Report and Financial Statements for the year ended June 30, 2025**

---

**6. Report of the Fund Administrator**

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

The bank managed to give Five (5) Members of the executive loan amounting to Kshs 25,600,000.

The County Government of Migori managed to remit all the deductions as deducted from the payroll. However, the fund had not received remittance for the month of June 2025 as at 30<sup>th</sup> June 2025 and hence remained receivable of Kshs 717,866

Name **Dr. Achuora John Odoyo** Signature  Date.....

**Fund Administrator, Migori County Executive Car Loan and Mortgage Fund**

**7. Statement of Performance against the County Fund’s Predetermined Objectives**

Section 164 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of quarter, 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.

**Progress on attainment of Strategic development objectives**

Below we provide the progress on attaining the stated objectives:

Loan disbursement	To support senior management employees in accessing loans	Increased number of senior management employees accessing loans	% of senior management employees accessing loans	Increased number of senior management employees accessing loans in FY 2024/2025
-------------------	---	---	--	---

## **8. Corporate Governance Statement**

The fund is managed by a board comprising of seven County Executive members and Administered by Chief Officer Finance and Economic Planning who are all appointed by H.E The Governor of Migori COUNTY.

The board is responsible for the general administration and management of the affairs of the funds. The meetings are convened by the chairperson. The quorum for a meeting of the committee shall be the chairperson and any two members. From time to time the board can co-opt any other member of the executive

*The board shall be responsible for the following:*

- *Making recommendations with respect to the conditions under which a car loan and or a mortgage shall be granted or repaid as per the Act.*
- *Processing applications for the granting of loans and mortgage to members of the executive subject to the provisions of any agreement relating to the provision of the loan and or mortgage.*
- *Receiving, administering and investing the resources of the funds,*
- *Supervising the day to day running of the fund,*
- *Liaising with bank and the County to set up a revolving fund for the disbursement of the loan,*

***Migori County Executive Car Loan and Mortgage Fund***  
**Annual Report and Financial Statements for the year ended June 30, 2025**

---

**9. Management Discussion and Analysis**

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

The bank managed to give Five (5) Members of the executive loan amounting to Kshs 25,600,000.

The expenses incurred during the period under review were bank charge of Kshs 1,428 charged to the fund.

The amount receivable by end of the financial year was Kshs 717,866 to the Fund, which relates to June 2025 Deduction from the payroll.

## **10. Environmental and Sustainability Reporting**

Environmental, Social, and Governance (ESG) goals are strategic objectives that businesses set to effectively manage their impact on society and the environment. These goals encompass three key categories:

**Environmental** - This category focuses on a county's ecological performance and its efforts to minimize its environmental impact. The fund will ensure that development projects funded do not impact the environmental system in place, NEMA compliance

**Social** - The social aspect encompasses relationship management with employees, suppliers, customers, and communities affected by the county's operations. The fund is geared towards improving social welfare of the employees and the community.

**Governance** - Governance goals revolve around analysing the county's leadership, internal controls, audits, and overall corporate governance practices.

### **1. Employee welfare**

The fund is established to improve employee welfare by enabling the senior staff access loan at a cheaper interest rate for development and consequently improving livelihood

### **2. Market place practices**

The Fund management committee ensures that loan and mortgages are given to executive members in an open, fair and transparent way. Any complain is effectively and timely addressed by the fund committee

***Migori County Executive Car Loan and Mortgage Fund***  
**Annual Report and Financial Statements for the year ended June 30, 2025**

---

**11. Report of the Fund Administration Committee**

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

**Principal activities**

The principal activity of the Fund and the principal mandate of the Fund is to offer Car Loans and Mortgage to County Executive Members and Public Officers.

**Results**

The results of the Fund for the year ended June 30, 2025 are set out on page 1 to 5

**Trustees**


The members of the Board of Trustees who served during the year are shown on page v. There were no changes in the Board during the financial year.

**Auditors**

The Auditor General is responsible for the statutory audit of the Fund in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015. The Auditor General to carry out the audit of the *Migori County Car Loan and Mortgage* for the year ended June 30, 2025 in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf].

By Order of the Board

**C.E.C. MEMBER – FINANCE**  
**MIGORI COUNTY**  
P O. Box 195-40400, SUNA-MIGORI

  
Date:.....Sign:.....

**Chair of the Fund Administration Committee**

**Date: .....**

**12. Statement of Management’s Responsibilities**

Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a County Public Fund established by section 116 of Public Finance Management Act, 2012 shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

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

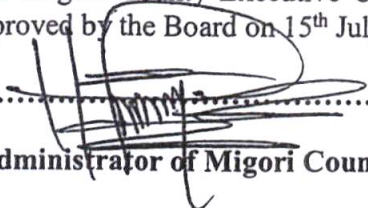
The Administrator of the Migori County Executive Car Loan and Mortgage Loan Fund accept responsibility for the Fund’s financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 section 116. The Administrator of the Migori County Executive Car Loan and Mortgage Loan Fund is of the opinion that the Fund’s financial statements give a true and fair view of the state of Fund’s transactions during the financial year ended June 30, 2025, and of the Fund’s financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund’s financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Administrator of the Migori County Executive Car Loan and Mortgage Loan Fund has assessed the Fund’s ability to continue as a going concern and disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements. OR

Nothing has come to the attention of the Administrator to indicate that Migori County Executive Car Loan and Mortgage Loan Fund will not remain a going concern for at least the next twelve months from the date of this statement.

**Approval of the financial statements**

The Migori County Executive Car Loan and Mortgage Loan Fund’s financial statements were approved by the Board on 15<sup>th</sup> July 2025 and signed on its behalf by:

.....  


**Administrator of Migori County Executive Car Loan and Mortgage Loan Fund**

# 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 MIGORI COUNTY EXECUTIVE CAR LOAN AND MORTGAGE FUND FOR THE YEAR ENDED 30 JUNE, 2025**

---

### **PREAMBLE**

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

- A. Report on 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 the 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 the Government achieves value for money and that such funds are applied for the intended purpose; and,
- 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, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An Unmodified Opinion is issued when the Auditor-General concludes that the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management, and Governance.

The three parts of the report aim to address the Auditor-General's statutory roles and responsibilities as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012, and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

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

#### **Opinion**

I have audited the accompanying financial statements of Migori County Executive Car Loan and Mortgage Fund set out on pages 1 to 29, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting

---

*Report of the Auditor-General on Migori County Executive Car Loan and Mortgage Fund for the year ended 30 June, 2025*

policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Migori County Executive Car Loan and Mortgage Fund as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Migori County Government Car Loan and Mortgage Fund Regulations, 2015 and the Public Finance Management Act, 2012.

### **Basis for Opinion**

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

### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgement, 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 Information**

The management is responsible for the Other Information set out on page iii to xv which comprise of Key Entity Information and Management, Fund Administration Committee, Management Team, Fund Chairpersons Report, Report of the Fund Administrator, Statement of Performance Against the Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Fund Administration Committee, Statement of Management Responsibilities,. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Fund's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance thereon.

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

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect(s) of the matter(s) described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

### **Basis for Conclusion**

#### **Lack of Fund Administration Agreement**

Migori County Executive Car Loan and Mortgage Fund appointed Diamond Trust Bank to assist in the administration of the Fund. However, the appointment letter or agreement outlining their duties, responsibilities and terms of engagement was not provided for audit review.

In the circumstances, the legality of the engagement could not be confirmed.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require 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 comply 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 THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

### **Basis for Conclusion**

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, 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 Fund Administration Committee**

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention 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 comply with the authorities which govern them and that public resources are applied in an effective way.

The fund administration committee is responsible for overseeing the Fund'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**

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. 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 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 conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not 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 addition, I consider the entity's control environment 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.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

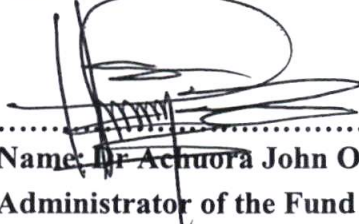
02 December, 2025

**Migori County Executive Car Loan and Mortgage Fund**  
**Annual Report and Financial Statements for the Year ended June 30, 2025**

**14. Statement of Financial Performance for the year Ended June 30, 2025**

	Note	2024/2025	2023/2024
		KShs	KShs
<b>Revenue from exchange transactions</b>			
Interest income	1	-	-
<b>Total revenue</b>		-	-
<b>Expenses</b>			
Use of Goods & Services	2	1,428	1,800
<b>Total expenses</b>		<b>1,428</b>	<b>1,800</b>
<b>Deficit for the period</b>		<b>(1,428)</b>	<b>(1,800)</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 15th July 2025 and signed by:

  
 Name: ~~Dr. Achuora~~ John Odoyo  
 Administrator of the Fund

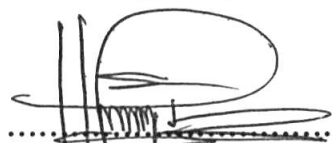
  
 Name: Erick Ochieng Jalang'o  
 Fund Accountant  
 ICPAK Member Number: 14959

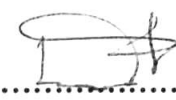
**Migori County Executive Car Loan and Mortgage Fund**  
**Annual Report and Financial Statements for the Year ended June 30, 2025**

**15. Statement of Financial Position as at June 30, 2025**

	Note	2024/2025	2023/2024
		KShs	KShs
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	3	217,512,768	218,232,062
Receivables from Non-Exchange Transactions	4	717,866	-
<b>Total current assets</b>		<b>218,230,634</b>	<b>218,232,062</b>
<b>Non-current assets</b>			
Long term receivables from exchange transactions		-	-
<b>Total Assets</b>		<b>218,230,634</b>	<b>218,232,062</b>
<b>Net assets</b>		<b><u>218,230,634</u></b>	<b><u>218,232,062</u></b>
<b>Represented by</b>			
Revolving Fund		218,584,970	218,584,970
Accumulated surplus		(354,336)	(352,908)
<b>Net assets</b>		<b><u>218,230,634</u></b>	<b><u>218,232,062</u></b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 15<sup>th</sup> July 2025 and signed by:

  
 Name: **Dr. Achiura John Odoyo**  
**Administrator of the Fund**

  
 Name: **Erick Ochieng Jalang'o**  
**Fund Accountant**  
**ICPAK Member Number: 14959**

*Migori County Executive Car Loan and Mortgage Fund*  
**Annual Report and Financial Statements for the Year ended June 30, 2025**

**16. Statement of Changes in Net Assets for the year ended June 30, 2025**

	<b>Revolving Fund</b>	<b>Accumulated surplus</b>	<b>Total</b>
		<b>KShs</b>	<b>KShs</b>
<b>Balance as at 1 July 2023</b>	<b>218,584,970</b>	<b>(351,108)</b>	<b>218,233,862</b>
Surplus/(deficit) for the period	-	(1,800)	(1,800)
Funds Received During the Year			-
<b>Balance as at 30 June 2024</b>	<b>218,584,970</b>	<b>(352,908)</b>	<b>218,232,062</b>
			-
<b>Balance as at 1 July 2024</b>	<b>218,584,970</b>	<b>(352,908)</b>	<b>218,232,062</b>
Deficit for the Period	-	(1,428)	(1,428)
Funds Received During the Year	-		-
<b>Balance as at 30 June 2025</b>	<b>218,584,970</b>	<b>(354,336)</b>	<b>218,230,634</b>

*Migori County Executive Car Loan and Mortgage Fund*  
**Annual Report and Financial Statements for the Year ended June 30, 2025**

**17. Statement of Cash Flows for The Year Ended June 30, 2025**

	Note	2024/2025	2023/2024
		KShs	KShs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Interest Income	1	-	-
<b>Total Receipts</b>		-	-
<b>Payments</b>			
Use of Goods & Service	2	1,428	1,800
<b>Total Payments</b>		<b>1,428</b>	<b>1,800</b>
<b>Cash flows from operating activities</b>		<b>(1,428)</b>	<b>(1,800)</b>
<b>Cash flows from investing activities</b>			
Proceeds from loan principal repayments	4	3,009,053	-
Loan disbursements paid out	4	(3,726,919)	-
		-	-
<b>Net cash flows used in investing activities</b>		<b>(717,866)</b>	<b>-</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(719,294)</b>	<b>(1,800)</b>
Cash and cash equivalents at 1 JULY 2024	3	218,232,062	218,233,862
<b>Cash and cash equivalents at 30 JUNE 2025</b>	<b>3</b>	<b>217,512,768</b>	<b>218,232,062</b>

*Migori County Executive Car Loan and Mortgage Fund*  
**Annual Report and Financial Statements for the Year ended June 30, 2025**

**18. Statement of Comparison of Budget and Actual Amounts for the Year ended June 30, 2025**

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	b	C=(a+b)	d	e=(c-d)	f=d/c*100
<b>Budget carryovers from the previous year*</b>	-	218,232,062	218,232,062	218,232,062	-	100%
<b>Receipts</b>						
Public Contributions and Donations	-	-	-	-	-	-
Transfers From County Govt.	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-
Other Income	-	-	-	-	-	-
<b>Total Income</b>	-	218,232,062	218,232,062	218,232,062	-	100%
<b>Expenses</b>						
Fund Administration Expenses	-	-	-	1,428	(1,428)	!
General Expenses	-	-	-	-	-	-
Finance Cost	-	-	-	-	-	-
<b>Total Expenditure</b>	-	-	-	1,428	(1,428)	-
<b>Capital expenditure</b>	-	-	-	-	-	-
<b>Surplus For the Period</b>	-	218,232,062	218,232,062	218,230,634	1,428	

**Budget notes**

1. There was no budget provided for the fund.

*Migori County Executive Car Loan and Mortgage Fund*  
**Annual Report and Financial Statements for the Year ended June 30, 2025**

---

**Budget Reconciliation**

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	218,230,634
1	Borrowings	(717,866)
	Closing Cash and Cash Equivalent as per the statement of Cash flows	217,512,768

**19. Notes to the Financial Statements**

**Significant Accounting Policies**

**1. General Information**

Migori County Executive Car Loan and Mortgage Fund is established by and derives its authority and accountability from section 116 of Public Finance Management Act, 2012. The principal mandate of the Fund is to offer Car Loans and Mortgage to County Executive Members.

**2. Statement of compliance and basis of preparation**

The Fund’s financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the Fund. The accounting policies have been consistently applied to all the years presented. The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the direct method. The financial statements are prepared on accrual basis.

**3. Adoption of new and revised standards**

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

IPSAS 43	<b><i>Applicable 1<sup>st</sup> January 2025</i></b> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non- Current Assets Held for Sale and	<b><i>Applicable 1<sup>st</sup> January 2025</i></b> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:

**Migori County Executive Car Loan and Mortgage Fund**

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

Discontinued Operations	Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.
IPSAS 45- Property Plant and Equipment	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p>
IPSAS 46 Measurement	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS;</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ul> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
IPSAS 47- Revenue	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
IPSAS 48- Transfer Expenses	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>

**Migori County Executive Car Loan and Mortgage Fund**  
**Annual Report and Financial Statements for the Year ended June 30, 2025**

---

IPSAS 49- Retirement Benefit Plans	<b><i>Applicable 1<sup>st</sup> January 2026</i></b> The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.
--	---

**(i) Early adoption of standards**

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

**4. Summary of Significant Accounting Policies**

**a) Revenue recognition**

**i. Revenue from non-exchange transactions**

**Transfers from other government entities**

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

**ii. Revenue from exchange transactions**

**Interest income**

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

**Dividends**

Dividends or similar distributions must be recognized when the shareholder's or the Entity's right to receive payments is established.

**Rental income**

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

**b) Budget information**

The original budget for FY 2024/2025 was approved by the County Assembly on 30<sup>th</sup> September 2023. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Fund did not record additional appropriations in the FY 2024/2025 budget following the governing body's approval.

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

**Summary of Significant Accounting Policies (Continued)**

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 15 of these financial statements.

**c) Property, plant and equipment**

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

**d) Intangible Assets**

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

The useful life of the intangible assets is assessed as either finite or indefinite.

**e) Investment property**

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. *Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a five-year period or investment property is measured at fair value with gains and losses recognised through surplus or deficit.* Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition.

**Summary of Significant Accounting Policies (Continued)**

**f) Financial instruments**

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. *The entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements.* A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

**Financial assets**

**Classification of financial assets**

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

**Subsequent measurement**

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

**Summary of Significant Accounting Policies (Continued)**

**Amortized cost**

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

**Fair value through net assets/ equity**

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

**Fair value through surplus or deficit**

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

**Trade and other receivables**

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

**Impairment**

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

## **Summary of Significant Accounting Policies (Continued)**

### **Financial liabilities**

#### **Classification**

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

#### **g) Inventories**

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

- Raw materials: purchase cost using the weighted average cost method
- Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs

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

#### **h) Provisions**

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

#### **i) Social Benefits**

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

**Summary of Significant Accounting Policies (Continued)**

**j) Contingent liabilities**

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.

**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.

**k) Nature and purpose of reserves**

The County Government of Migori creates and maintains reserves in terms of specific requirements. The amount held at DTB is maintained as a reserve for the fund so that it guarantees the amounts borrowed by the County Executive.

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

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

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

The Entity provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

**Summary of Significant Accounting Policies (Continued)**

**n) Foreign currency transactions**

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

**o) Borrowing costs**

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

**p) Related parties**

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

**q) Cash and cash equivalents**

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

**r) Comparative figures**

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

## **Summary of Significant Accounting Policies (Continued)**

### **5. Significant judgments and sources of estimation uncertainty**

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

State all judgements, estimates and assumptions made e.g.

#### **a) Estimates and assumptions –**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Entity based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140.

#### **b) Useful lives and residual values**

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

- The condition of the asset based on the assessment of experts employed by the Entity
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset
- Changes in the market in relation to the asset

#### **c) Provisions**

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note xxx.

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

*(Include provisions applicable for your organisation e.g provision for bad debts, provisions of obsolete stocks and how management estimates these provisions)*

**6. Notes To the Financial Statements Continued**

**1. Interest income**

Description	2024/2025	2023/2024
	Kshs	Kshs
Interest Income from Mortgage Loans	0	0
Interest Income from Car Loans	0	0
<b>Total Interest Income</b>	<b>0</b>	<b>0</b>

**2. Use of Goods and Services**

Description	2024/2025	2023/2024
	Kshs	Kshs
Bank Charges	1,428	1,800
<b>Total</b>	<b>1,428</b>	<b>1,800</b>

**3. Cash and cash equivalents**

Description	2024/2025	2023/2024
	Kshs	Kshs
Current account	217,512,768	218,232,062
<b>Total cash and cash equivalents</b>	<b>217,512,768</b>	<b>218,232,062</b>

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

	A/c Number	2024/2025	2023/2024
		Kshs	Kshs
<b>a). Current account</b>			
Diamond Trust Bank	0060218001	217,512,768	218,232,062
<b>Grand total</b>		<b>217,512,768</b>	<b>218,232,062</b>

*Migori County Executive Car Loan and Mortgage Fund*  
**Annual Report and Financial Statements for the Year ended June 30, 2025**

**4. Receivables from exchange transactions**

Description	FY2024/2025	FY2023/2024
	Kshs	Kshs
4A. Current Receivables		
Current Portion of Outstanding Loans	717,866	-
<b>Total Current receivables</b>	<b>717,866</b>	<b>-</b>
4B. non-current receivables		
Long term loan repayments due	-	-
<b>Total non-current receivables</b>	<b>-</b>	<b>-</b>
<b>Total receivables from exchange transactions</b>	<b>717,866</b>	<b>-</b>

Detailed analysis of receivables is as follows:

Changes in Loan Payments	FY2024/2025 Kshs	FY2023/2024 Kshs
Principal Loan Repayments	3,009,053	-
Loans Paid Out	(3,726,919)	-
	<b>(717,866)</b>	<b>-</b>

*Migori County Executive Car Loan and Mortgage Fund*  
**Annual Report and Financial Statements for the Year ended June 30, 2025**

**Notes To the Financial Statements (Continued)**

**5. Property, plant and equipment**

	<b>Land and Buildings</b>	<b>Motor vehicles</b>	<b>Furniture and fittings</b>	<b>Computers and office equipment</b>	<b>Total</b>
<b>Cost</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
<b>At 1<sup>st</sup> July 2023</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Additions	0	0	0	0	0
Disposals	0	0	0	0	0
Transfers/Adjustments	0	0	0	0	0
<b>At 30<sup>th</sup> June 2024</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>At 1<sup>st</sup> July 2024</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Additions	0	0	0	0	0
Disposals	0	0	0	0	0
Transfer/Adjustments	0	0	0	0	0
<b>At 30<sup>th</sup> March 2025</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Depreciation And Impairment</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
At 1 <sup>st</sup> July 2023	0	0	0	0	0
Depreciation	0	0	0	0	0
Impairment	0	0	0	0	0
<b>At 30<sup>th</sup> June 2024</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>At 1<sup>st</sup> July 2024</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Depreciation	0	0	0	0	0
Disposals	0	0	0	0	0
Impairment	0	0	0	0	0
Transfer/Adjustment	0	0	0	0	0
<b>At 30<sup>th</sup> March 2025</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Book Values</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>At 30<sup>th</sup> June 2024</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>At 30<sup>th</sup> March 2025</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

*Migori County Executive Car Loan and Mortgage Fund*  
**Annual Report and Financial Statements for the year ended June 30, 2025**

**Notes To the Financial Statements (Continued)**

**6. Cash generated from operations.**

Description	2024/2025	2023/2024
	Kshs	Kshs
<b>Surplus/ (Deficit) For the Year Before Tax</b>	<b>(1,428)</b>	<b>(1,800)</b>
<b>Adjusted For:</b>		
Depreciation	-	-
Amortisation	-	-
Gains/ Losses on Disposal of Assets	-	-
Interest Income	-	-
Finance Cost	-	-
<b>Working Capital Adjustments</b>		
Increase In Inventory	-	-
Increase In Payables	-	-
<b>Net Cash Flow from Operating Activities</b>	<b>(1,428)</b>	<b>(1,800)</b>

**Notes To the Financial Statements (Continued)**

**7. Related party balances**

**a) Nature of related party relationships**

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

- a) The County Government;
- b) The Parent County Government Ministry;
- c) Key management;
- d) Board of Trustees; etc.

**b) Related party transactions**

Description	2024/2025	2023/2024
	Kshs	Kshs
Transfers From Related Parties'	-	-
Transfers To Related Parties	-	-

**c) Key management remuneration**

Description	2024/2025	2023/2024
	Kshs	Kshs
Board Of Trustees	-	-
Key Management Compensation	-	-
<b>Total</b>	-	-

**d) Due from related parties**

Description	2024/2025	2023/2024
	Kshs	Kshs
Due From Parent Ministry	-	-
Due From County Government	-	-
<b>Total</b>	-	-

**Other Disclosures Continued**

**e) Due to related parties**

<b>Description</b>	<b>2024/2025</b>	<b>2023/2024</b>
	<b>Kshs</b>	<b>Kshs</b>
Due To Parent Ministry	-	-
Due To County Government	-	-
Due To Key Management Personnel	-	-
<b>Total</b>	-	-

**8. Contingent assets and contingent liabilities**

<b>Contingent Liabilities</b>	<b>2024/2025</b>	<b>2023/2024</b>
	<b>Kshs</b>	<b>Kshs</b>
Court Case Xxx Against the Fund	-	-
Bank Guarantees	-	-
<b>Total</b>	-	-

**Notes To the Financial Statements (Continued)**

**9. Financial risk management**

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

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

**a) Credit risk**

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

<b>Description</b>	<b>Total amount</b>	<b>Fully performing</b>	<b>Past due</b>	<b>Impaired</b>
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
<b>At 30 June 2025</b>				
Receivables From Exchange Transactions	717,866	-	-	-
Receivables From Non-Exchange Transactions	-	-	-	-
Bank Balances	217,512,768	-	-	-
<b>Total</b>	<b>218,230,634</b>	-	-	-
<b>At 30 June 2024</b>				
Receivables From Exchange Transactions	-	-	-	-
Receivables From Non-Exchange Transactions	-	-	-	-
Bank Balances	218,232,062	-	-	-
<b>Total</b>	<b>218,232,062</b>	-	-	-

**Notes To The Financial Statements (Continued)**

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the entity has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

The entity has significant concentration of credit risk on amounts due from the fund

The board of trustees sets the Fund's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

**b) Liquidity risk management**

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
<b>At 30 June 2025</b>				
Trade Payables	0	0	0	0
Current Portion Of Borrowings	0	0	0	0
Provisions	0	0	0	0
Employee Benefit Obligation	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>At 30 June 2024</b>				
Trade Payables	0	0	0	0
Current Portion Of Borrowings	0	0	0	0
Provisions	0	0	0	0
Employee Benefit Obligation	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Notes To The Financial Statements (Continued)**

**c) Market risk**

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

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

The Fund's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies.

There has been no change to the entity's exposure to market risks or the manner in which it manages and measures the risk.

**i. Foreign currency risk**

The entity has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate.

The carrying amount of the entity's foreign currency-denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Description		Other currencies	Total
	Kshs	Kshs	Kshs
<b>At 30 June 2025</b>			
Financial Assets	xxx	xxx	xxx
Investments	xxx	xxx	xxx
Cash	xxx	xxx	xxx
Debtors/ Receivables			
<b>Liabilities</b>			
Trade And Other Payables	xxx	xxx	xxx
Borrowings	xxx	xxx	xxx
<b>Net Foreign Currency Asset/(Liability)</b>	<b>xxx</b>	<b>xxx</b>	<b>xxx</b>

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

**Notes To the Financial Statements (Continued)**

**Foreign currency sensitivity analysis**

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

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

**ii. Interest rate risk**

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

***Management of interest rate risk***

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

***Sensitivity analysis***

The Fund analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point .

**Migori County Executive Car Loan and Mortgage Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

**Notes to the Financial Statements (Continued)**

**d) Capital risk management.**

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

Description	2024/2025	2023/2024
	Kshs	Kshs
Revaluation reserve	-	-
Revolving fund	218,584,970	218,580,970
Accumulated surplus	(354,336)	(352,908)
<b>Total funds</b>	<b>218,230,634</b>	<b>218,232,061</b>
Total borrowings	717,866	-
Less: cash and bank balances	(217,512,768)	(218,232,062)
Net debt/(excess cash and cash equivalents)	218,230,634	218,232,062
<b>Gearing</b>	-	

**10. Events after the reporting period**

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

**11. Ultimate and Holding Entity**

The entity is a County Public Fund established by section 116 of Public Finance Management Act, 2012 under the Ministry of Finance and Economic Planning. Its ultimate parent is the County Government of Migori.

**12. Currency**

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

**20. Annexes**


**Annex I: Progress on Follow Up of Prior Year Auditor’s Recommendations**

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

<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
	There were no issues from the previous Financial year Audit.			

**Guidance Notes:**

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

Chairperson of Fund  **C.E.C. MEMBER – FINANCE  
MIGORI COUNTY  
P O. Box 195-40400, SUNA-MIGORI**  
Date:.....Sign:.....

**Date**.....

**Annex II: Inter-Fund Confirmation Letter**



**COUNTY GOVERNMENT OF MIGORI**

Telegrams: "MIGORI COUNTY" Migori  
Tel: 0726319450/0736860086/0770304976  
E-mail: [info@migori.go.ke](mailto:info@migori.go.ke), [gvn@migori.go.ke](mailto:gvn@migori.go.ke)

P. O. Box 195-40400  
**SUNA MIGORI**

---

*Fund Administrator*  
*Migori County Executive Car Loan and Mortgage Fund*  
*Suna Migori*

The *County Government of Migori* wishes to confirm the amounts disbursed to you as at 30<sup>th</sup> June 2025 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

**Migori County Executive Car Loan and Mortgage Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

Confirmation of amounts received by Migori County Executive Car Loan and Mortgage Fund as at 30 <sup>th</sup> June 2025							
Reference Number	Date Disbursed	Amounts Disbursed by [SC/SAGA/Fund] (Kshs) as at 30 <sup>th</sup> June 2025				Amount Received by [beneficiary Fund] (KShs) as at 30 <sup>th</sup> June 2025 (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
1	04.10.2024	290,812.10			290,812.10	290,812.10	
2	11.11.2024	87,243.65			87,243.65	87,243.65	
3	13.12.2024	87,243.65			87,243.65	87,243.65	
4	10.01.2025	87,244.00			87,244.00	87,244.00	
5	25.02.2025	87,244.00			87,244.00	87,244.00	
6	07.03.2025	461,245.00			461,245.00	461,245.00	
7	07.04.2025	636,007.00			636,007.00	636,007.00	
8	06.05.2025	636,007.00			636,007.00	636,007.00	
9	04.06.2025	636,007.00			636,007.00	636,007.00	
<b>Total</b>		<b><u>3,009,053.4</u></b>			<b><u>3,009,053.4</u></b>	<b><u>3,009,053.4</u></b>	

In confirm that the amounts shown above are correct as of the date indicated.

**Head of Accountants department of beneficiary Fund:**

Name Eric O. John Sign  Date .....

*Migori County Executive Car Loan and Mortgage Fund*  
**Annual Report and Financial Statements for the year ended June 30, 2025**

---

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

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

**Migori County Executive Car Loan and Mortgage Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

**Annex IV: Reporting on Disaster Management Expenditure**

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