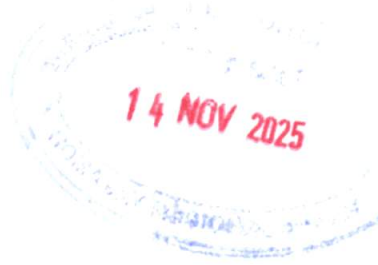




**REPORT**  
**OF**  
**THE AUDITOR-GENERAL**  
**ON**  
**COUNTY ASSEMBLY OF MIGORI**  
**FOR THE YEAR ENDED**  
**30 JUNE, 2025**

PAPERS LAID	
DATE	19/02/2026
TABLED BY	LELEGGHEE WUNBESI
COMMITTEE	
CLERK AT THE TABLE	ABDIRAHMAN

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## MIGORI COUNTY ASSEMBLY

### ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30<sup>TH</sup> JUNE 2025

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Transitional Financial Statements Under International Public Sector Accounting Standards (IPSAS)

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## **1. Acronyms, Abbreviations and Definition of Key Terms**

### **A. Acronyms and Abbreviations**

<i>ADP</i>	<i>Annual Development Plan</i>
<i>AIE</i>	<i>Authority to Incur Expenditure</i>
<i>CA</i>	<i>County Assembly</i>
<i>CARA</i>	<i>County Allocation of Revenue Act</i>
<i>CBK</i>	<i>Central Bank of Kenya</i>
<i>CECM</i>	<i>County Executive Committee Member</i>
<i>CE</i>	<i>County Executive</i>
<i>CG</i>	<i>County Government</i>
<i>CIDP</i>	<i>County Integrated Development Plan</i>
<i>COG</i>	<i>Council of Governors</i>
<i>CRA</i>	<i>Commission on Revenue Allocation</i>
<i>CRF</i>	<i>County Revenue Fund</i>
<i>CT</i>	<i>County Treasury</i>
<i>DoB</i>	<i>Date of Birth</i>
<i>IPSAS</i>	<i>International Public Sector Accounting Standards</i>
<i>MCA</i>	<i>Member of County Assembly</i>
<i>OAG</i>	<i>Office of the Auditor General</i>
<i>OCOB</i>	<i>Office of the Controller of Budget</i>
<i>OSR</i>	<i>Own Source Revenue</i>
<i>PFM</i>	<i>Public Finance Management</i>
<i>PSASB</i>	<i>Public Sector Accounting Standards Board</i>
<i>NT</i>	<i>National Treasury</i>
<i>WB</i>	<i>World Bank</i>
<i>KRB</i>	<i>Kenya Roads Board</i>
<i>Kshs</i>	<i>Kenya Shillings</i>
<i>FY</i>	<i>Financial Year</i>

### **B. Definition of Key Terms**

#### *Example*

*Fiduciary Management*                      *The key management personnel who had financial responsibility*

*(This list is an indication of acronyms, abbreviations, and key terms; the County entity should include all from the annual report and financial statements prepared)*

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

### **(a) Background information**

The County Assembly is constituted as per article 177 of the Constitution of Kenya 2010. It is headed by the Speaker of the County Assembly, who is responsible for the general policy and strategic direction of the Assembly. The County Assembly constitutes 59 Members of County Assembly (MCAs) elected/ nominated to represent members of the public from their respective wards. The MCAs are responsible for making laws for effective performance of the County Government, approving plans and policies, and playing the oversight role over the County Executive.

### **(b) Key Management Team**

The *entity's* day-to-day management is under the following key organs:

<b>No.</b>	<b>Designation</b>	<b>Name</b>
1.	Speaker of the County Assembly	<b>Hon. Christopher Rusana</b>
2.	Clerk of the County Assembly	<b>Hon. Collins Bala</b>
3.	Director Finance	<b>Lilian Onyango</b>
4.	Director Human Resource and Administration	<b>Vincensia Kionge</b>

### **(c) Fiduciary Management**

The key management personnel who held office during the year ended June 30, 2025 and who had direct fiduciary responsibility were:

<b>No.</b>	<b>Designation</b>	<b>Name</b>
1.	Accounting Officer- Clerk	<b>Collins Bala</b>
2.	Finance Director	<b>Lilian Onyango</b>
3.	Head of Procurement	<b>Hesbon Odiwuor</b>
4.		-

**Key Entity Information and Management (Continued)**

**(d) Fiduciary Oversight Arrangements**

- Internal Auditor - Barrack Okello
- 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](http://www.migorica.go.ke)  
Website: [www.migoricountyassembly.go.ke](http://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  
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

**a) County Attorney.**

The Migori County Attorney  
P.O. Box 195-40400  
Migori, Kenya

**3). Governance Statement**

**a. Background and roles**



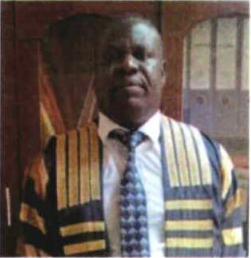
The County Assembly is constituted by the MCAs of Migori county government. It is headed by the Speaker who is elected by the MCAs. The speaker is also the chairperson of the county assembly service board while the county assembly clerk is the secretary. Section 10 (4) of the County Governments Act 2012 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:

- i. Vet and approve nominees for appointment to county public office as may be provided for in this Act or any other law.
- ii. Perform the roles set out under Article 185 of the Constitution.
- iii. 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.
- iv. Approve the borrowing by the county government in accordance with Article 212 of the Constitution.
- v. Approve county development planning; and
- vi. Perform any other role as may be set out under the Constitution or legislation.

b. Profiles

Name	Details of qualifications and experience
 Hon. Christopher Rusana- Speaker	<p><b>D.O.B:</b> 25<sup>th</sup> November 1969</p> <p><b>Academic Qualifications:</b> BA Sociology and Anthropology (UoN), Masters in Urban Planning (Erasmus Netherlands)</p> <p><b>Work Experience:</b> Served as CECM water and Energy, County Secretary, and Town Clerk in the former Local Authorities.</p>
 Hon. Edward Ooro- Majority Leader	<p><b>D.O.B:</b> 31<sup>st</sup> December 1963</p> <p><b>Academic Qualifications:</b> Degree in Conflict Management (Rongo University), Masters in Civil Engineering (UoN)</p> <p><b>Work Experience:</b> Worked in a corporate staffing agency. First elected in 2017 to represent South Sakwa Ward.</p>
 Hon. David Sarara- Minority Leader	<p><b>D.O.B:</b></p> <p><b>Academic Qualifications:</b> Diploma in Clinical Medicine and Surgery, Machame, Moshi (Tz)</p> <p><b>Work Experience:</b> Served in different capacities in Kebaroti Mission Hospital, Moi Teaching and Referral Hospital, Eldoret, and Agape Mission Hospital.</p> <p>First elected as MCA in 2017, representing Nyabasi Ward</p>
 Collins Bala- Ag Clerk	<p><b>D.O.B:</b></p> <p><b>Academic Qualifications:</b></p> <p><b>Work Experience:</b> Currently Works as the Acting Clerk</p>

**c. 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:

- i. Committee of Powers and Privileges
- ii. Audit Committee
- iii. Public Accounts/Investment Committee
- iv. Budget and Appropriations Committee
- v. Finance committee

**d. Select Committees**

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

- 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

**i. 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 ... meetings in FY 2024/2025. The committee members during FY 2024/2025 were:

<b>Powers And Privileges Committee</b>		
1. Hon. Christopher Rusana	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 Mwitwa Mohono	-Member	Masaba
6. Hon. Caleb Wambura	-Member	Ntimaru West
7. Hon. Ruth Onyango	-Member	Nominated

**a) Finance Committee**

The Finance consider all matters relating to County treasury, revenue policies, County economic planning and development. The committee members during FY 2024/25 were:

<b>Finance</b>		
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	

**b) 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:

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

**c) 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:

<b>County Budget &amp; Appropriations Committee</b>		
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. Nildad Joseph Bageni	Member	Gokeharaka/Getambwega
7. Hon. Chris Hani Kwenya	Member	Nominated
8. Hon. Okwanyo Felix Odhiambo	Member	Macalder/Kanyarwanda
9. Hon. Mikwaya William Obonyo	Member	North Sakwa
10. Hon. Owiyo Otieno Nestroy	Member	West Sakwa
11. Hon. Caroline Akinyi Okere	Member	Nominated
12. Hon. Daniel Maroa Nyamohanga	Member	Nyabasi East

**e. 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 ... 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 .... 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.

**f. Compliance**

The entity should identify the relevant laws and regulations that governs it and disclose its compliance to these laws. There should also be a disclosure whether reports emanating from such compliance are prepared and discussed at the relevant levels or other government offices.

#### **4). Foreword by Clerk of the County 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 30<sup>th</sup> June 2025, Assembly's recurrent approved budget estimate was Kshs. 1,071,650,180 the actual exchequer issuer was KES **950,815,575** 98% recurrent budget funding. Migori County Assembly's development budget was Kshs. 102,916,959 out of which Migori County Assembly received Kshs. 54,653,768, 53% budget funding.

##### **(ii) Operational Performance**

During the FY 2024/2025, Migori County Assembly passed ... bills. The County Budget original budget estimates was passed on June 2024, and Supplementary 2 on ...April 2025. In the year under review, the County Assembly had 26 committees (Standing, Housekeeping and Sectoral).

**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 per the 2024/2025 FY procurement plan. The projects completed were construction of the first phase of Committee Rooms and the Construction of Kakrao Ward Office. Other projects like the completion of six ward offices and drilling and equipping of borehole were not completed during the year due to contractors delay in completion of the projects.

Procurement processes are conducted freely and fairly, and the County Assembly is open to 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.

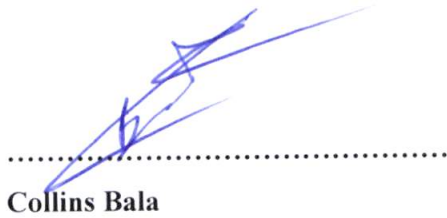
**(v) Challenges and Recommended Way Forward**

During the financial year we faced 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 1<sup>st</sup> and last quarter 2023/2024 financial year.

**Way forward.**

1. The Strategic plan will be in place in the FY 2024/2025 to guide the county assembly meet both her long term and short-term objectives
2. The funds should be made available to avert crisis that may be occasioned by lack of services



.....

**Collins Bala**

**Ag. Clerk of the County Assembly**

**5). Statement of Performance against Predetermined Objectives**

**County Assembly**

**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 objectives, key performance indicators, and output. Below is the performance of the Assembly in FY 2024/25.

<b>OUTCOME: Efficiency and Effectiveness in Service Delivery</b>					
<b>SUB-PROGRAMME: CSP1 .1 GENERAL ADMINISTRATION SUPPORTIVE SERVICE</b>					
<b>Delivery Unit</b>	<b>Key outputs</b>	<b>Key performance indicators</b>	<b>Targets 2024/2025</b>	<b>Outcome 2024/2025</b>	<b>Performance</b>
HUMAN RESOURCES	Employees Recruited	No of Staff Recruited	10	1	10%
	Staff Promoted	No of Employees promoted	40	0	0%
	Employees remunerated	No. of Employees Compensated	340	341	100%
	MCAs and Members of Staff Medical Insurance Cover	No of MCAs and Staff Covered	166	156	94%
ADMINISTRATION	Purchase of Motor Vehicles	No of vehicles purchased	1	0	0
	Motor Vehicles Insurance Cover	No of Vehicles Covered	8	1	13%
	MCAs Offices Fenced	No of MCAs Fenced			

	County Assembly constructed	Modern county Assembly Constructed and Equipped	1	0	0
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**6). Environmental and Sustainability Reporting**

**A. Sustainability Strategy and Profile-**

Migori County Assembly is an arm of the Migori County Government whose mandate includes representation of the public, legislation, and oversight of the implementation of projects and service delivery to the entire county.

The organization has been in existence since 2013 and it seeks to improve the residents' livelihoods in small but meaningful ways each day.

County Assembly is committed to incorporating sustainability issues into its strategy regarding its policies and management practices such as supply chain management and public participation.

There is a focus on charity through staff donations to vulnerable members of the community particularly orphanages as captured in our slogan “putting a smile on a child’s face.”

**B. Environmental Performance-**

Currently, the organization is going paperless by embracing technology in the dissemination of information to its clients and stakeholders at large. There are tree planting activities and installation of underground water supply as opposed to pure procurement and outsourcing of water for sanitation purposes.

**C. Employee welfare-**

The hiring process is guided by the existing and approved human resource manual adopted from the Public Service. There are knowledge management strategies and running a budget to ensure a learning organization and talent management. The management has been empowered to manage performance management and conduct appraisals annually. Several reward strategies like medical benefits come with several packages to ensure the attraction and retention of talented employees and give the organization a competitive advantage. These strategies are utilized to foster occupational health and safety in compliance with Occupational Safety and Health Act, 2007.

**D. Marketplace practices-**

a. Responsible supply chain and supplier relations-

There is the utilization of procurement best practices as stipulated in law. The community and minorities have space to bid for tenders as specified in tender adverts

b. Responsible ethical practices-

Migori County Assembly is a Corruption Free Zone as guided by Ethics and Anti-corruption policy. As an oversight entity, there are stringent measures to curb and mitigate unethical practices that may arise as a result of conflict of interest.

c. Stewardship of goods and services-

Migori County Assembly is guided by the principles as outlined in the County Assemblies Services Act, 2017. The CEO is the AIE holder and is responsible to the Board of management for the actions taken by the staff of whom he or she is responsible.

E. Community Engagements

The staff of the Migori County Assembly led by the Honourable Speaker visited Orphans and Vulnerable Children International (OVI) Hospital on 22<sup>nd</sup> December 2024. Through an initiative dubbed “putting a smile on a child’s face.” Through the contributions of the staff, the assembly managed to provide both material and monetary support to the children living in that facility.

**7). Management Discussion and Analysis**

(Two- three pages)

*Under this section, the management gives a report on the operational and financial performance of the organisation for the last 3-5 years as per the guidance below.*

- *Entity's key Programs/projects or investment decisions implemented or ongoing,*
- *Entity's compliance with statutory requirements.*
- *Major risks facing the organisation.*
- *Material arrears in statutory and other financial obligations.*
- *Review of the economy and sector.*
- *Future developments*
- *Any other information considered relevant to the users of the financial statements.*

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

**8). Statement of Management Responsibilities**

Section 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 the County Assembly is responsible for the preparation and presentation of the County Assembly financial statements, which give a true and fair view of the state of affairs of the County Assembly 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 county Executive/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 Executive; (v) Selecting and applying appropriate accounting policies; and (iv) 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 Accrual 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 financial statements give a true and fair view of the state of the County Assembly's transactions during the financial year ended June 30, 2025, 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 that the County Assembly 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.

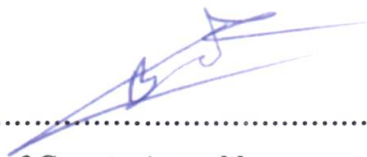
**Approval of the financial statements**

*Migori County Assembly*

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

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The Migori County Assembly's financial statements were approved and signed by the Clerk for finance on \_\_\_\_\_ 2025.

A handwritten signature in blue ink, consisting of several stylized, overlapping strokes, positioned above a dotted line.

.....  
**Clerk of County Assembly**

## **REPORT OF THE AUDITOR-GENERAL ON COUNTY ASSEMBLY OF MIGORI FOR THE YEAR ENDED 30 JUNE, 2025**

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### **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.

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, 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 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**

#### **Qualified Opinion**

I have audited the accompanying transitional IPSAS financial statements of County Assembly of Migori set out on pages 1 to 74 which comprise of the statement of financial

position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the transitional IPSAS financial statements present fairly, in all material respects, the financial position of County Assembly of Migori 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 (including the transitional provisions permitted under IPSAS 33) and comply with the County Governments Act, 2012, the Public Finance Management Act, 2012 and The National Treasury and Economic Planning Circular No. 3 of 14 April, 2025.

### **Basis for Qualified Opinion**

#### **1. Variances between the Financial Statements and the IFMIS Records**

The financial statements reflect seventeen (17) components which differ with corresponding balances in the Integrated Financial Management Information System (IFMIS), resulting to an unreconciled and unexplained variances as tabulated below:

<b>Component</b>	<b>Balances as per Financial Statements (Kshs.)</b>	<b>Balances as per IFMIS Report (Kshs.)</b>	<b>Variance (Kshs.)</b>
Transfers from CRF	1,005,379,343	652,818,466	352,560,877
Receivable from CRF	66,270,837	-	66,270,837
Employee costs	476,515,148	150,805,374	325,709,774
Use of goods and services	492,225,923	149,189,439	343,036,484
Transfers to CRF/ Other Govt entities	-	6,210,285	(6,210,285)
Finance costs	3,600,000	-	3,600,000
Cash and cash equivalents bank balances	5,248,488	(5,693,252,828)	5,698,501,316
Cash in hand	-	44,245,574	(44,245,574)
Receivables from non-exchange transactions	79,578,131	4,923,110	74,655,021
Property, plant and equipment	59,184,646	-	59,184,646
Trade and other payables	657,359,933	(9,023,793,722)	9,681,153,655
Refundable deposits and prepayments	7,347,362	-	7,347,362
Accumulated surplus	520,696,028	-	520,696,028

*Report of the Auditor-General on County Assembly of Migori for the year ended 30 June, 2025*

<b>Component</b>	<b>Balances as per Financial Statements (Kshs.)</b>	<b>Balances as per IFMIS Report (Kshs.)</b>	<b>Variance (Kshs.)</b>
Capital fund / Fund balance B/F	-	3,105,978,140	(3,105,978,140)
Social Security Benefits	-	11,509,999	(11,509,999)
Construction of Building	-	56,835,861	(56,835,861)
Purchase of office furniture and general equipment	-	4,536,070	(4,536,070)

In the circumstances, the accuracy, completeness and fair presentation of the financial statements could not be confirmed.

## **2. Unsupported Adjustment of Liabilities Opening Balance**

The statement of changes in net assets reflect recognition of liabilities opening balance of Kshs.724,555,311, an increase of Kshs.514,493,744 from the prior year audited pending bills balance of Kshs.210,061,567. However, Management did not provide the requisite documents in support of the increase.

In the circumstances, the accuracy and fair presentation of the liabilities opening balance of Kshs.724,555,311 could not be confirmed.

## **3. Unexplained Variance in Legal Fees Amount**

The statement of financial performance reflects use of goods and services amount of Kshs.492,225,923 which, as disclosed in Note 8 to the financial statements. The amount includes legal fees of Kshs.22,689,251. However, review of supporting schedule to the legal services revealed that total legal fees and legal services amounted to Kshs.20,439,439, resulting in an unreconciled variance of Kshs.2,249,812.

In the circumstances, the accuracy and completeness of the legal fees amount of Kshs.22,689,251 could not be confirmed.

## **4. Unconfirmed Property, Plant and Equipment Balance**

The statement of financial position, and as disclosed in Note 13 to the financial statements, reflects property, plant and equipment (PPE) balance of Kshs.59,184,648, while the statement of cash flows indicates purchase of PPE amount of Kshs.53,786,777, resulting in a variance of Kshs.5,397,871 implying increase in payables by Kshs.5,397,871. However, Note 14 to the financial statements on trade and other payables shows a balance of only Kshs.300,000 in respect of development projects, resulting in an unreconciled variance of Kshs.5,097,871.

Further, the PPE balance of Kshs.59,184,648 was not supported by detailed assets ledger per asset category, ownership documents, asset register, assets inventory report

for year under review, assets valuation, detailed depreciation schedule and depreciation policy, assets additions schedules and assets hand over reports to the County Assembly.

In the circumstances, the accuracy and completeness of the property, plant and equipment balance of Kshs.59,184,648 could not be confirmed.

#### **5. Unsupported and Long Outstanding Trade and Other Payables Balance**

The statement of financial position, and as disclosed in Note 14 to the financial statements, reflects trade and other payables balance of Kshs.657,359,933 whose supporting detailed ageing analysis was not provided for audit. Additionally, included in the balance is Kshs.570,126,541 that had been outstanding for over two (2) years. No explanations were provided for failure to settle the dues on priority basis (first in first paid). This was contrary to Regulation 41 (2) of the Public Finance Management (County Governments) Regulations 2015, which states that “debt service payments shall be a first charge on the County Revenue Fund and the Accounting Officer shall ensure this is done to the extent possible that the county government does not default on debt obligations”.

In the circumstances, the accuracy and completeness of the trade and other payables balance of Kshs.657,359,933 could not be confirmed. Also, Management was in breach of the law.

#### **6. Unsupported Refundable Deposits and Prepayments Balance**

The statement of financial position, and as disclosed in Note 15 to the financial statements, reflects refundable deposits and prepayments balance of Kshs.7,347,362. However, the supporting detailed ageing analysis was not provided for audit.

In the circumstances, the accuracy and completeness of the refundable deposit and prepayments balance of Kshs.7,347,362 as at 30 June, 2025 could not be confirmed.

#### **7. Unsupported Use of Goods and Services Expenses**

The statement of financial performance, and as disclosed in Note 8 to the financial statements, reflects use of goods and services amount of Kshs.492,225,923. However, the following unsatisfactory matters were noted:

##### **7.1. Unsupported Expenditure**

Included in the amount are; supply of fuel and lubricants, per diems, participation fee and consultancy services of Kshs.1,766,012, Kshs.37,780, Kshs.64,000 and Kshs.1,537,580 respectively totaling to Kshs.3,405,372 whose supporting documents were not provided for audit.

##### **7.2. Unsupported Transport Expenses**

The amount also includes travel costs of Kshs.335,218,817 out of which, Kshs.8,820,706 was not supported by the requisite documents such as ETR receipts for the purchase of fuel, bus tickets or motor vehicle work tickets.

### **7.3. Unauthorized Expenditure**

The amount also includes; participation fees, office operations and visa processing expenses of Kshs.202,000, Kshs.250,000 and Kshs.195,800 totalling Kshs.697,800, which were unauthorized and unapproved.

In the circumstances, the accuracy, completeness and regularity of the unsupported and unauthorized use of goods and services expenditure of Kshs.12,873,878 could not be confirmed.

### **8. Unaccounted for Expenditure on Nominated MCAs Staff**

The statement of the financial performance and as disclosed in Note 7 to financial statements reflects employee costs amounting to Kshs.476,515,148. Review of records revealed that eighteen (18) Nominated Members of the County Assembly (MCAs) received ward operations funds and had three (3) employees attached to each of the wards who were paid a gross salary Kshs.35,860 per month. This resulted in a total payment of Kshs.23,237,280 per year. However, physical verification revealed that the nominated MCAs did not have physical offices. Management did not explain satisfactorily which offices the employees worked from.

In the circumstance, the accuracy and regularity of expenditure on Nominated MCAs Staff of Kshs.23,237,280 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the County Assembly of Migori 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 qualified 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. Except for the effect of the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

### **Other Matters**

### **Unresolved Prior Year Matters**

In the prior years' audit reports, several issues were raised under the Report on Financial Statements and Lawfulness and Effectiveness in Use of Public Resources, respectively.

Review of the status during audit of the County Assembly in 2024/2025 revealed that the matters listed in **Appendix I** remained unresolved as at 30 June, 2025.

### **Other Information**

The Management is responsible for the Other Information set out on page iii to xxi which comprises Key Entity Information and Management, Governance Statement, Foreword by the Clerk of the County Assembly, Statement of Performance Against Predetermined Objectives, Environmental and Sustainability Reporting, Management Discussion and Analysis, and the 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 County Assembly'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 conclusion 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 of the matters 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**

#### **1. Regularity of Human Resource Management Practices**

Review of the County Assembly human resources practices revealed the following anomalies:

##### **1.1. Net Pay Below the One Third of Basis Salary Rule**

The statement of financial performance, and as disclosed in Note 7 to the financial statements, reflects Kshs.476,515,148 in respect of employee costs. However, examination of payment vouchers and their supporting documents and the IPPD payroll

for the months of July, 2024 to June, 2025 revealed eight hundred and sixteen (816) cases of officers drawing a net salary less than a third of their respective basic salaries, contrary to Section C.1 (3) of Human Resource Policies and Procedures Manual for the Public Service (2016), which provides that public officers shall not over commit their salaries beyond two thirds (2/3) of basic salary.

### **1.2. Non-compliance with Laws on Ethnicity Diversity in Staffing**

Review of employee records and details in the main payroll revealed that the County Assembly had a total workforce of three hundred and ten (310) employees out of which, two hundred and fifty-two (252) employees or 81% of the workforce were from one community, contrary to the provisions of Section 7 (1) and (2) of the National Cohesion and Integration Act, 2008 which provides that all public establishments shall seek to represent the diversity of the people of Kenya in the employment of staff and no public establishment shall have more than one third of its staff from the same ethnic community.

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

### **2. Money Spent on Non-Operational Ward Offices**

Review of records revealed that Migori County had forty (40) wards. Physical inspection revealed that the ward offices were non-operational. It was observed that the offices were not equipped with furniture and were starting to fall into disrepair. Management did not explain why the offices were not in use yet the County Assembly had allocated a total of three (3) employees per ward who were paid salaries totalling Kshs.23,237,280, and had remitted a total of Kshs.41,639,033 to the wards for operations and maintenance of the offices during the financial year under audit.

Further, each ward office was issued with a standing imprest of Kshs.54,618 per month. However, it was noted that ward operation expenses amounting to Kshs.12,452,904 were transferred to accounts owned and operated by Nominated Members of the County Assembly. This meant that the nominated MCAs were being paid the allowances for maintenance of non-existent offices and being assigned staff to operate and run those offices. Management did not provide authority supporting the transfer of the amounts to the personal bank accounts of the Nominated Members of the County Assembly and how the funds were accounted for.

In the circumstances, the value for money realized from the expenditure of Kshs.105,730,337 on the wards could not be confirmed.

### **3. Domestic Travel and Subsistence – Irregularities in Management of Imprests**

The statement of financial performance reflects use of goods and services amount of Kshs.492,225,923 which, as disclosed in note 8 to the financial statements, includes travel costs amount of Kshs.335,218,817. However, although all journeys should be approved by the Officer-In-Charge prior to the occurrence of the activity, various activities were undertaken throughout the financial year without prior approvals. Further, most of the surrender documents provided for audit were not supported by way of financial order

form 22 (FO22). This was contrary to Section 6.5.2 of The National Treasury Accounting and Financial Reporting Manual for County Governments that requires the staff to use an imprest surrender form (FO22) for travel and accommodation which shall form the basis of posting the specific expenditure category to the general ledger.

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

#### **4. Regularity of Procurements and Award of Contracts**

Review of the procurements processes and contracts awarded during the period revealed the following inconsistencies:

##### **4.1. Use of Non-Registered Suppliers**

Review of records revealed that Kshs.1,537,580 and Kshs.700,000 totalling Kshs.2,237,580 were paid to a company and an individual respectively. However, the list of pre-qualified suppliers and contractors for the period 2024-2026 provided for audit indicated that these engaged service providers were not pre-qualified under the category of contracted professional services. This was contrary to Section 57 of the Public Procurement and Asset Disposal Act, 2015, which states that "(1) the head of the procurement function of a procuring entity shall maintain and update lists of registered suppliers, contractors and consultants in the categories of goods, works or services according to its procurement needs; and (2) submission of names shall be continuous and the registration list shall be updated periodically as prescribed in Regulations and in accordance with this Act".

##### **4.2. Uncompetitive Procurement Practices**

During the year under review, the County Assembly spent Kshs.45,132,502 on catering. However, review of the hospitality payments registers for the year under review revealed that payments were not evenly distributed across suppliers, raising concerns on fair competition as required by the Public Procurement and Asset Disposal Act, 2015. Further, review of records revealed that five (5) out of seventeen suppliers were paid Kshs.16,100,000 or 35% of the total expenditure of Kshs.45,132,502 on catering. The single largest supplier, was paid Kshs.7,400,000, representing approximately 16% of total catering expenditure. In contrast, smaller suppliers were awarded contracted of less than Ksh.100,000 each. This was contrary to Section 58(2) of the Public Procurement and Asset Disposal Act, 2015, which states that, "the tender documents used by a procuring entity under subsection (1) shall contain sufficient information to allow fairness, equitability, transparency, cost-effectiveness and competition among those who may wish to submit their applications".

##### **4.3. Partial Implementation of the E-Procurement System**

Review of procurement records and sampled payment vouchers revealed that; there were some cases of procuring goods and services through request for quotations, while other procurements were done outside the Integrated Financial Management Information System (IFMIS), contrary to Regulation 49(2) of the Public Procurement and Asset

Disposal Regulations, 2020, which states that “the conduct of e-procurement procedures for the supply of goods, works and services shall be carried out by a procuring entity using an e-procurement system which is integrated to the State Portal”.

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

## **5. Unconfirmed Stock Take of Inventories**

The statement of financial position reflects nil inventories balance. However, review of records revealed that the County Assembly held inventories of unknown value which have not been disclosed in the financial statements.

Further, the inventory and stock taking report for the year under review was not provided for audit review, contrary to Section 162(2) of the Public Procurement and Asset Disposal Act, 2015, which, requires the head of procurement function to 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 in order to ensure compliance with all respective governing laws and submit the report to the Accounting Officer. Additionally, there were no reliable stores ledger, items or stores issuance records, goods received notes.

In the circumstances, the accuracy, completeness and fair presentation of the reported nil inventories balance, and the effectiveness of internal controls over inventories 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 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, except for the effect of the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

### **Basis for Conclusion**

#### **1. Weaknesses in Human Resource Management Practices**

It was noted that the Clerk’s job group had not been defined in the Government Human Resource Information System (GHRIS) and consequently audit could not confirm if indeed the Clerk was being paid his salary, allowances and per diem at the correct rate.

Further, examination of the payroll records and other supporting documents revealed that Job descriptions defined in the organizational structure were not reflected in the payroll. Management did not explain satisfactorily why the scheme of service for the County Assembly was not in line with the GHRIS records.

In the circumstances, the effectiveness of internal controls on management of the County Assembly's human resource could not be confirmed.

## **2. Cash and Cash Equivalents**

The following weaknesses were noted over the cash and bank management processes:

### **2.1. Lack of Signature Specimens**

Review of the County Assembly's cash books, bank statements, and other records revealed that the County Assembly operated and maintained one bank account. However, signature specimens of the bank signatories were not provided for audit review.

### **2.2. Weaknesses in Recording and Management**

Review of internal controls over cash and cash equivalents revealed the following weaknesses:

- i. The cash book entries were not correctly captured and did not include key details like entry date, receipts or payment voucher number/ reference, descriptions/particulars, cheque number among other details, rendering the cash book incomplete and unreliable.
- ii. The monthly reconciliations were not done, checked and approved on a timely basis. The cash books were not closed off and balances brought forward on monthly basis. as at the conclusion of audit period on 29 August, 2025, the July cash book, bank statements had not been availed for audit review and verifications.
- iii. There was no evidence that copies of bank reconciliation statements were sent to the relevant authorities on timely basis in line with the law.
- iv. No system generated cash books and ledgers were provided for audit review.
- v. The County Assembly applied standing imprest system in some cases. However, there was no evidence of approved cash floats being applied.
- vi. The County Assembly's cash book was manual and was not regularly updated hence, was prone to errors, inaccuracies and possible manipulations of figures and single entry. In addition, procurement of some goods and services was done through cash imprests, direct payments/claims or reimbursements which may have been used to

abuse or circumvent the procurement laws. Further, the payments/receipts or invoices were not supported by ETR receipts casting doubts on their authenticity.

In the circumstances, the effectiveness of internal controls over cash and cash equivalents management could not be confirmed.

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 the 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 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 County Assembly'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.

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

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

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**

**10 December, 2025**

## APPENDICES

### Appendix 1: Unresolved Prior Year Matters

S/No.	Financial Year	Audit Issue
1	2023/2024	Inaccuracies in the Financial Statements
2	2023/2024	Compensation of Employees
3	2023/2024	Voided Transactions in IFMIS
4	2023/2024	Unsupported Cash Transfers
5	2023/2024	Unremitted Housing Levy Payroll Deductions
6	2023/2024	Staff Establishment and Payroll Records
7	2023/2024	Non-Compliance with Provisions on Ethnicity Diversity, Affirmative Action on Gender and Persons Living with Disabilities
8	2023/2024	Non-Adherence to One Third of Basic Salary Rule
9	2023/2024	Payment of Salaries Outside the IPPD System
10	2023/2024	Irregular Payment of Allowances to Employees on Acting Capacity
11	2023/2024	Recruitment of Employees
12	2023/2024	Non-Compliance with Fiscal Responsibility Principle on Compensation of Employees Expenditure
13	2023/2024	Non-Compliance with the Law on Framework Contract Agreement
14	2023/2024	Avoidable Legal Fees
15	2023/2024	Unexplained Changes in the Payroll
16	2023/2024	Lack of Audit Committee and Unestablished Internal Audit Function

10). Statement of Financial Performance for the year ended 30 June 2025

	Notes	2024/2025
		Kshs
<b>Revenue from non-exchange transactions</b>		
Transfers from CRF	6	1,005,379,343
Receivable from CRF	12	66,270 837
<b>Total Revenue</b>		<b>1,071,650,180</b>
<b>Expenses</b>		
Employee costs	7	476,515,148
Use of goods and services	8	492,225,923
Depreciation and Amortization Expense	10	0
Finance costs	11	3,600,000
<b>Total expenses</b>		<b>972,341,071</b>
Surplus/Deficit for the year		99,309,109
Taxation		0
<b>Net Surplus/Deficit</b>		<b>99,309,109</b>

The Financial Statements set out on pages 1 to 39 were signed by:

  
.....  
**Collins Bala**

**Clerk of The County Assembly**

  
.....  
**Lilian A. Onyango**

**Director Finance**

**ICPAK M/No. 20263**

11) Statement of Financial Position as at 30 June 2025

	Notes	2024/2025	Opening Statement
			1st July 2024
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash equivalents	11	5,248,488	115
Receivables from Non-Exchange Transactions	12	79,578,131	3,307,380
<b>Total Current Assets</b>		<b>84,826,619</b>	<b>3,307,495</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	13	59,184,648	
<b>Total Non- Current Assets</b>		<b>59,184,648</b>	<b>0</b>
<b>Total Assets (A)</b>		<b>144,011,267</b>	<b>3,307,495</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	14	657,359,933	721,918,617
Refundable Deposits and Prepayments	15	7,347,362	2,636,694
<b>Total Current Liabilities</b>		<b>664,707,295</b>	<b>724,555,311</b>
<b>Non-Current Liabilities</b>			
<b>Total Liabilities (B)</b>		<b>664,707,295</b>	<b>724,555,311</b>
<b>Net Assets(A-B)</b>		<b>(520,696,028)</b>	<b>(721,247,816)</b>
<b>Represented By:</b>			
Reserves		0	0
Accumulated Surplus		(520,696,028)	(721,247,816)
Capital Fund		0	
<b>Net Assets</b>		<b>(520,696,028)</b>	<b>(721,247,816)</b>

The financial statements set out on pages 1 to 39 were signed by:

.....  
**Collins Bala**  
 Ag. Clerk of The County  
 Assembly

.....  
**Lilian A. Onyango**  
 Director Finance

ICPAK M/No.20263

**12) Statement of Changes in Net Assets for the year ended 30 June 2025**

	<b>Accumulated Surplus</b>	<b>Reserves</b>	<b>Capital Fund</b>	<b>Total</b>
<b>As at 30th June 2024 (cash basis)</b>				<b>0</b>
Adjustments:				
Recognition of assets	3,307,495			3,307,495
Recognition of liabilities	724,555,311			724,555,311
<b>As at July 1, 2024</b>	<b>(721,247,816)</b>	<b>0</b>	<b>0</b>	<b>(721,247,816)</b>
Return to CRF	(155,086)			(155,086)
Surplus/ deficit for the year	99,309,109			99,309,109
Payables Settled in the Period	101,397,765			101,397,765
				0
<b>As at June 30, 2025</b>	<b>(520,696,028)</b>	<b>0</b>	<b>0</b>	<b>(520,696,028)</b>

*Note:*

1. Opening Balances (assets) are the Net Assets as at 30<sup>th</sup> June 2024 while the opening liabilities comprise adjustments to liabilities as the beginning of the period 1<sup>st</sup> July, 2024 as represented by note 14 in the Notes to the Financial Statements
2. Reserves/Balancing figure is the balancing figure which represents accumulated reserves over the years.

## 13) Statement of Cash Flows for the year ended 30 June 2025

		2024/2025
	Notes	Kshs
<b>Cash flows from operating activities</b>		
<b>Receipts</b>		
Transfers from CRF		1,005,379,343
<b>Total receipts</b>		<b>1,005,379,343</b>
<b>Payments</b>		
Employee costs		476,425,329
Use of goods and services		466,163,778
Transfers to Migori County Revenue Fund		
Finance costs		3,600,000
<b>Total payments</b>		<b>946,189,107</b>
<b>Net cash flows from/(used in) operating activities</b>	<b>13</b>	<b>59,190,236</b>
<b>Cash flows from investing activities</b>		
Purchase of PPE		(53,786,777)
<b>Net cash flows from/(used in) investing activities</b>		<b>953,786,777)</b>
<b>Cash flows from financing activities</b>		
Returns to CRF		(155,086)
<b>Net cash flows from financing Activities</b>		<b>(155,086)</b>
<b>Net increase/(decrease) in cash &amp;</b>		<b>5,248,373</b>
Cash equivalents		
<b>Cash and cash equivalents at 1 July</b>	<b>21</b>	<b>115</b>
<b>Cash and cash equivalents at 30 June</b>	<b>21</b>	<b>5,248,488</b>

## 14) Statement of Comparison of Budget and Actual Amounts for the Year ended 30 June 2025

## Recurrent and Development Budgets Combined

Receipts/Payments 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	
Budget carry overs (Special Purpose A/c)		-	-	-		
Receipts						
<b>Transfers from the CRF</b>	<b>1,037,472,209</b>	<b>34,177,971</b>	<b>1,071,650,180</b>	<b>1,005,379,343</b>	<b>66,270,837</b>	<b>94</b>
Other receipts						
<b>Total Receipts</b>	<b>1,037,472,209</b>	<b>34,177,971</b>	<b>1,071,650,180</b>	<b>1,005,379,343</b>	<b>66,270,837</b>	<b>94</b>
<b>Payments</b>						
Compensation of employees	498,466,169	-15,532,000	482,934,169	476,425,329	6,508,840	99
Use of goods and services	441,706,040	20,693,012	462,399,052	466,163,778	(3,764,726)	101
Transfers to Car Loan & Mortgage Fund	20,000,000	-20,000,000	0	0	0	0
Transfer to Migori County Revenue Fund	-	-	0	155,086	(155,086)	
Acquisition of assets	77,000,000	47,516,959	124,516,959	53,786,777	70,730,182	43
Finance costs, including loan interest	300,000	1,500,000	1,800,000	3,600,000	(1,800,000)	200
<b>Total</b>	<b>1,037,472,209</b>	<b>34,177,971</b>	<b>1,071,650,180</b>	<b>1,000,130,970</b>	<b>71,519,210</b>	<b>93</b>
<b>Surplus</b>				<b>5,248,373</b>	<b>(5,248,373)</b>	

## Reconciliation table

	Description of Particulars	Amount in Kshs
	<b>Actual Surplus Amounts as per the statement of Budget</b>	<b>5,248,373</b>
1	Opening KCB Operations 2 Bank Balance	115
	<b>Closing Cash and Cash Equivalent as per the statement of Cash flows</b>	<b>5,248,488</b>

**Budget Notes**

1. The underutilization on acquisition of assets was due to delay in procurement of works
2. The overutilization on use of goods and services was attributed to the rising cost of goods and services in the economy.
3. The overutilization of the Finance Cost budget was attributable to unavoidable interest accrued on the bank overdraft facility. This was necessitated by delays in the timely disbursement of funds from the Controller of Budget (CoB), resulting in the overdraft facility exceeding its intended duration.

## **15) Notes to the Financial Statements**

### **1. General Information**

Migori County Assembly is established by and derives its authority and accountability from The Constitution of Kenya 2010. The Entity is domiciled in Kenya and its principal activities are legislation, oversight and representation

### **2. Statement of Compliance and Basis of Preparation**

#### **Statement of compliance**

The entity has taken advantage of the transitional provisions under IPSAS 33 and therefore these 1<sup>st</sup> years financial statements are transitional financial statements and in line with the Public Sector Accounting Standards Board (PSASB) guidelines on the transition from cash to accrual accounting in Kenya, the entity has elected to defer recognition of the following elements in Year 1:

- Property, Plant and Equipment (PPE)
- Intangible Assets
- Investment Property
- Biological Assets
- Heritage Assets
- Inventories
- Leases (as per IPSAS 13 and IPSAS 43)
- Employee Benefits (IPSAS 39)
- Provisions, Contingent Liabilities and Contingent Assets (IPSAS 19)
- Financial Instruments (IPSAS 28–30)
- Revenue from Non-Exchange Transactions (IPSAS 23)
- Service Concession Arrangements (IPSAS 32)

These exemptions are permitted under IPSAS 33 to allow entities sufficient time to develop reliable models for recognition and measurement of assets and liabilities.

To ensure full compliance within the three-year transition period, the entity has initiated the following steps:

- Conducting a comprehensive asset and liability inventory
- Establishing valuation methodologies and data collection frameworks
- Training finance and accounting personnel on IPSAS standards
- Upgrading financial systems to support accrual-based reporting
- Engaging with external experts for technical support and assurance
- Preparing for phased recognition of deferred elements in subsequent years

The entity remains committed to achieving full compliance with accrual IPSASs by the end of the transitional period, in accordance with the roadmap approved by the National Treasury and guided by

PSASB. (entity to state the transitional provisions it has applied and the steps being towards full compliance with IPSAS Accrual).

These financial statements were authorised for issue by the accounting officer on 13<sup>th</sup> August 2025

**Basis of Preparation**

These financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period. These financial statements have been prepared on an accrual basis whereas the Statement of Cash Flows and Statement of Comparison of Budget and Actual amounts for the year ended 30<sup>th</sup> June 2025 prepared under Cash Basis. Under an accrual basis, revenues are recognised when rights to assets are earned or levied rather than when cash is received, and expenses are recognised when obligations are incurred rather than when they are settled. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Entity. The accounting policies adopted have been consistently applied to all the years presented.

**Reporting period**

The reporting period for these financial statements is for the period ended June 30, 2025

**Notes to the financial statements**

**Critical accounting judgements**

IPSAS requires accounting judgements to be made in determining accounting policies that impact the presentation of these financial statements. The most critical of these judgements, and their impact, are:

Recognition of revenue

Revenue is an increase in the net financial position, other than increases arising from ownership contributions. Revenue is required to be measured when the event occurs and when recognition criteria (probable inflow of resources and ability to reliably measure their value) are met. Judgment is required to determine if these criteria are met, particularly where limited evidence is available at the time the revenue is earned.

Recognition of non-exchange expenses and liabilities

A liability is a present obligation of an entity for an outflow of resources that results from a past event. Expenses (and other liabilities) are recognized when there is a present obligation (legal or constructive) as a result of a past event. An outflow of resources embodying economic benefits will probably be required to settle the obligation and a reliable estimate of the obligation can be made. Judgment is required in assessing each of these conditions, and therefore reporting if an expense and a present obligation should be reported.

The *Migori County Assembly* pursues a number of policy targets and outcomes. However the commitment to these targets and outcomes, generally, do not of themselves constitute a present obligation unless the *Migori County Assembly* is clear on the cost it intends to incur, when payment will be made, and to whom and as a consequence has raised a valid expectation. As a consequence, liabilities are not reported for costs associated with the *Migori County Assembly* policy objectives and targets. Where a policy choice gives rise to an obligation that exists independently of the *Migori County Assembly's* future actions, expenses (and other related liabilities) are recognized for that policy.

Purpose and nature of financial instruments

Judgment is required in determining whether financial assets (including investment in securities and advances) and financial liabilities are held for trading or to provide a return through interest and principal transactions. Depending on that judgment, financial instruments will be reported at fair value or on an amortized cost basis.

Climate change obligations

Kenya's current National Determined Contribution (NDC) to deliver on the goals of the Paris Agreement sets a headline target of a 32 per cent emission reduction by 2030 relative to the business-as-usual scenario

of 143 MtCO<sub>2</sub>eq. Entities commitment to climate change action does not constitute a present obligation on the balance sheet but are disclosed separately.

Physical assets

An asset is a resource presently controlled by the Migori County Assembly as a result of a past event. The primary reason for holding property, plant and equipment and other assets is for their service potential rather than their ability to generate cash flows. Because of the types of services provided, a significant proportion of assets used by public sector entities including roads, national parks, heritage buildings etc are specialized in nature. There may be a limited market for such assets and so judgement is required on measurement. Judgment is also required whether assets are held for commercial purposes or public benefit purposes.

Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

i) *New and amended standards and interpretations in issue effective in the year ended 30 June 2025.*

Standard	Effective date and impact:
IPSAS 43	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>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 cashflows of an Migori County Assembly. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>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: 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.</p>
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> <ol 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> </ol>

Standard	Effective date and impact:
	<p>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</p> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>

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

Standard	Effective date and impact:
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 Migori County Assembly 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>
IPSAS 49- Retirement Benefit Plans	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>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.</p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><b><i>Applicable 1<sup>st</sup> January 2027</i></b></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ol style="list-style-type: none"> <li>i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</li> <li>ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26.</li> <li>iii. Disclosures that identify and explain the amounts in the Migori County Assembly's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of</li> </ol>

*Migori County Assembly*

**Annual Reports and Financial Statements for the year ended June 30, 2025.**

Standard	Effective date and impact:
	future cash flows from any exploration and evaluation assets recognized.

*iii) Early adoption of standards*

The Migori County Assembly did not early – adopt any new or amended standards in the financial year.

Notes to the Financial Statements (Continued)

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 Migori County Assembly and can be measured reliably. Recurrent grants are recognized in the statement of financial performance. Development/Capital grants are recognized in the statement of financial performance after meeting revenue recognition criteria. Conditional grants are recognized as revenue upon fulfillment of the set conditions.

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 Migori County Assembly'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 2024/25 was approved by the County Assembly on 25<sup>th</sup> July 2024. 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 Migori County Assembly upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Migori County Assembly recorded additional appropriations of *Kshs. 34,177,971* on the 2024/25 budget following the governing body's approval. The Migori County Assembly's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements.

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

**Budget information (continued)**

The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial cash flows has been presented under section 14 of these financial statements.

**c) 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 an xx-year period. 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. Transfers are made to or from investment property only when there is a change in use.

**d) 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 Migori County Assembly 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

Notes to the Financial Statements (Continued)

**e) Right of use asset**

The right-of-use assets comprises the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Whenever the Migori County Assembly incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under IPSAS 21 or IPSAS 26. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories. Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Migori County Assembly expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease. The right-of-use assets are presented as a separate line in the statement of financial position.

**f) Tangible Natural Resources**

The Migori County Assembly recognises a tangible natural resource recognized if, and only if: It is probable that service potential associated with the natural resource will flow to the Migori County Assembly; the Migori County Assembly controls the tangible natural resource as a result of past events; and The tangible natural resource can be measured reliably. Where this criterion is not met, the Migori County Assembly discloses the tangible natural resource in the notes to the financial statements. Where a tangible natural resource is recognized as an asset as the result of an event that is not a transaction in an orderly market, including non-exchange transactions, the asset shall be measured initially at its deemed cost. An Migori County Assembly shall apply IPSAS 46, Measurement, when measuring the deemed cost of such a recognized tangible natural resource. A recognized tangible natural resource acquired through an exchange transaction shall be measured at its cost. Historical cost model is applied after initial recognition less any depreciation and impairment losses.

**Leases**

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the Migori County Assembly. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Migori County Assembly also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Migori County Assembly will obtain ownership of the asset by the end of the

lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

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

**g) 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.

**h) Research and development costs**

The Migori County Assembly expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Migori County Assembly can demonstrate:

- i) The technical feasibility of completing the asset so that the asset will be available for use or sale;
- ii) Its intention to complete and its ability to use or sell the asset;
- iii) How the asset will generate future economic benefits or service potential;
- iv) The availability of resources to complete the asset;
- v) The ability to measure reliably the expenditure during development.

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

**i) 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 Migori County Assembly does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. (amend as appropriate). A financial instrument is any contract that gives rise to a financial asset of one Migori County Assembly and a financial liability or equity instrument of another Migori County Assembly. At initial recognition, the Migori County Assembly 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.

**i. Financial assets**

**Classification of financial assets**

The Migori County Assembly classifies its financial assets as subsequently measured at amortized cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the Migori County Assembly'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 Migori County Assembly 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 Migori County Assembly 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.

**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.

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

**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.

**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.

**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 Migori County Assembly 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.

**Impairment**

The Migori County Assembly 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 Migori County Assembly 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.

**ii. Financial liabilities**

**Classification**

The Migori County Assembly classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through surplus or deficit

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

**j) 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:

- i) Raw materials: purchase cost using the weighted average cost method.
- ii) 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 *Migori County Assembly*.

**k) Provisions**

Provisions are recognized when the Migori County Assembly 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 Migori County Assembly 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.

**l) Contingent liabilities**

The Migori County Assembly 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.

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

**m) Contingent assets**

The Migori County Assembly 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 Migori County Assembly 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.

**n) Nature and purpose of reserves**

The Migori County Assembly creates and maintains reserves in terms of specific requirements.

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

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

**p) Employee benefits**

**Retirement benefit plans**

The *Migori County Assembly* provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an Migori County Assembly pays fixed contributions into a separate Migori County Assembly (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.

**q) Foreign currency transactions**

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. At each reporting date, foreign currency monetary items are translated using the closing rate. Non-monetary items measured in historical cost are translated using the exchange rate at the date of the transaction, and those measured at fair value are translated using the exchange rates at the date when the fair value was determined. Exchange differences arising

from the settlement of monetary items or translation of monetary/non-monetary items at rates different from those at which they were initially reported are recognized in surplus or deficit in the period.

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

**r) 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.

**s) Related parties**

The Migori County Assembly regards a related party as a person or an Migori County Assembly with the ability to exert control individually or jointly, or to exercise significant influence over the Migori County Assembly, or vice versa. Members of key management are regarded as related parties and comprise the Speaker of the county assembly and, Clerk of the county Assembly, Members of the County Assembly (MCAs), Board Members and senior managers.

**t) Service concession arrangements.**

The Migori County Assembly analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the Migori County Assembly recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the Migori County Assembly also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

**u) 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.

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

**v) Comparative figures**

In preparing these financial statements the Migori County Assembly has elected to apply paragraph 79 of IPSAS 33, which allows for the election by the Migori County Assembly to present one statement of financial performance, one statement of cash flow, one statement of net assets and the statement of financial position and an opening statement of financial position as at the time of first time adoption of the accrual basis of accounting.

**w) Subsequent events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2025.

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

**5. Significant Judgments and Sources of Estimation Uncertainty**

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

**Estimates and assumptions.**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Migori County Assembly based its assumptions and estimates on parameters available when the 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 Migori County Assembly. Such changes are reflected in the assumptions when they occur.

**Useful lives and residual value**

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

- a) The condition of the asset based on the assessment of experts employed by the Migori County Assembly.
- b) The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- c) The nature of the processes in which the asset is deployed.
- d) Availability of funding to replace the asset.
- e) Changes in the market in relation to the asset

**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 xx. 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).*

Notes to the Financial Statements (Continued)

6. Transfers from CRF

Nature of Transfer	Amount recognized to Statement of financial performance.	Amount deferred under deferred income.	Total transfers 2024/2025
	Kshs	Kshs	Kshs
Recurrent	950,815,575		950,815,575
Development	54,563,768		54,563,768
<b>Total</b>	<b>1,005,379,343</b>		<b>1,005,379,343</b>

Notes to the Financial Statements (Continued)

7. Employee Costs

Description	2024/2025
	Kshs
Basic salaries of permanent employees	138,155,740
Basic wages of temporary employees	67,707,791
Personal allowances – part of salary	212,661,804
Pension and other social security contributions	47,930,496
Employer contributions to compulsory national social security schemes	3,579,120
Employer contribution to compulsory housing scheme	6,286,097
NITA	194,100
<b>Employee costs</b>	<b>476,515,148</b>

**8. Use of Goods and Services**

Description	2024/2025
	<b>Kshs</b>
Electricity	1,473,088
Water and sewerage	10,298,908
Travel Cost	335,218,817
Travel cost-Foreign	6,637,804
Printing & publishing	2,805,686
Advertising	253,180
Catering	45,132,502
Motor Vehicle Insurance	412,648
Medical Insurance	19,999,827
Uniforms & Clothing	3,199,600
General Supplies	7,766,687
Sanitary & cleaning	2,828,810
Fuel & Lubricants	4,910,069
Bank Charges	8,795
Contracted Guards	12,395,056
Membership Subscription	3,121,448
Legal fees	22,689,251
Contracted Prof Service	2,354,781
Maintenance Exp-MV	4,663,008
Main Comps software & network	3,843,958
Mortgages/Bank Loans	2,212,000
<b>Total</b>	<b>492,225,923</b>

Notes to the Financial Statements (Continued)

9. Transfers to Other Government Entities

Description	2024/2025
	Kshs
From CBK Recurrent	1,803
From CBK Development	153,283
<b>Total</b>	<b>155,086</b>

10. Finance Costs

Description	2024/2025
	Kshs
Interest on bank overdrafts	3,600,000
<b>Total finance costs</b>	<b>3,600,000</b>

11. Cash and Cash Equivalents

Description	2024/2025	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	Kshs
KCB Retention Account	5,242,863	
KCB Operations Account	5,625	115
<b>Total</b>	<b>5,248,488</b>	<b>115</b>

11 (a) Detailed Analysis of the Cash and Cash Equivalents

Financial Institution	Account number	2024/2025	Opening Statement 1 <sup>st</sup> July 2024
		Kshs	Kshs
Recurrent Accounts			
<i>CBK Recurrent Account</i>	100238607	-	-
Development Accounts			
<i>CBK Development Account</i>	1000400258	-	-
Deposits Accounts			
<i>KCB Retention Account</i>	1342819381	5,242,863	-
Operations Account			
<i>KCB Operations 2</i>	1176239651	5,625	115
<b>Total</b>		<b>5,248,488</b>	<b>115</b>

**12. Receivables from Non-Exchange Transactions**

Description	2024/2025		Opening Statement 1 <sup>st</sup> July 2024	
	Kshs		Kshs	
Other debtors (non-exchange transactions)	3,307,380		3,307,380	
Receivable from CRF-Budget underfunding	66,270,837			
Prepayments- Insurance	9,999,914			
<b>Total receivables from non- exchange transactions</b>	<b>79,578,131</b>		<b>3,307,380</b>	
<b>Ageing Analysis- Receivables from non-exchange transactions</b>	<b>2024/2025</b>	<b>% of the total</b>	<b>Opening Balance</b>	<b>% of the total</b>
Less than 1 year	76,270,751	96	3,307,380	100
Between 1-2 years	3,307,380	4		
<b>Total</b>	<b>79,578,131</b>	<b>100</b>	<b>3,307,380</b>	<b>100</b>

**i. Reconciliation for Impairment Allowance on Receivables from Non-Exchange Transactions**

Description	2024/2025
	Kshs
At the beginning of the year	0
Additional provisions during the year	0
Recovered during the year	0
Written off during the year	0
At the end of the year	<b>0</b>

Notes to the Financial Statements (Continued)

13. Property, Plant and Equipment

	Land	Buildings	Motor vehicles	Infrastructure assets	Furniture and fittings	Computers & ICT Equipment	Heritage assets	Work in progress	Service concession assets	Total
Depreciation Rate		2%	10%	2%	12.50%	33.30%	0			
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Opening Bal as 1st July 2024										-
Additions		38,381,123			300,000	4,320,880		16,182,645		59,184,648
Disposals			-		-	-				0
Transfer/Adjustments				-				-		0
As At Jun 2025		38,381,123	0	0	300,000	4,320,880	0	16,182,645	0	59,184,648
Depreciation And Impairment										0
Depreciation for the year										
Disposals										
Impairment										
Transfer/Adjustment										
As At Jun 2025										
Net Book Values										
Opening Bal as at 1st July 2024										0
<b>As At Jun, 2025</b>		<b>38,381,123</b>	<b>0</b>	<b>0</b>	<b>300,000</b>	<b>4,320,880</b>	<b>0</b>	<b>16,182,645</b>	<b>0</b>	<b>59,184,648</b>

WIP relates to the construction of Migori Assembly Committee Rooms.

Notes to the Financial Statements (Continued)

14. Trade and Other Payables

Description	2024/2025		Opening Statement 1 <sup>st</sup> July 2024	
	Kshs		Kshs	
Development Projects	300,000		39,902,443	
Goods and Services	167,740,736		185,427,621	
Lap Fund	469,339,264		469,249,445	
KRA Assessment	19,336,845		21,336,845	
Staff Claims (DSAs)			5,519,424	
KPLC	643,088		482,839	
<b>Total trade and other payables</b>	<b>657,359,933</b>		<b>721,918,617</b>	
<b>Ageing analysis: (Trade and other payables)</b>	<b>2024/2025</b>	<b>%</b>	<b>Opening balance</b>	<b>% of the Total</b>
Under one year	36,151,878	5	119,524,963	17
1-2 years	51,081,513	8	36,492,588	5
2-3 years	59,416,282	9	43,964,799	6
Over 3 years	510,710,259	78	521,936,286	72
<b>Total (tie to above total)</b>	<b>657,359,933</b>	<b>100</b>	<b>721,918,617</b>	<b>100</b>

15. Refundable Deposits and Prepayments

Description	2024/2025		Opening Statement 1 <sup>st</sup> July 2024	
	Kshs		Kshs	
Retentions	7,347,362		2,636,694	
			0	
<b>Total deposits</b>	<b>7,347,362</b>		<b>2,636,694</b>	
<b>Ageing analysis: (Refundable deposits)</b>	<b>2024/2025</b>	<b>% of the Total</b>	<b>Opening Balance</b>	<b>% of the Total</b>
Under one year	5,397,871	73	2,636,694	100
1-2 years	1,949,491	27		
<b>Total</b>	<b>7,347,362</b>	<b>100</b>	<b>2,636,694</b>	<b>100</b>

## Notes to the Financial Statements (Continued)

**16. Cash Generated from Operations**

Surplus for the year before tax	99,309,109
Adjusted for:	
Depreciation	0
Increase in receivables	(76,270,751)
Increase in payables	36,151,878
<b>Net cash flow from operating activities</b>	<b>59,190,236</b>

**17. Financial Risk Management**

The Migori County Assembly's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Migori County Assembly'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 Migori County Assembly 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 Migori County Assembly's financial risk management objectives and policies are detailed below:

**i) Credit risk**

The Migori County Assembly 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 Migori County Assembly'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 Migori County Assembly's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

	<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>As at 30 June 2025</b>				
Receivables from non-exchange transactions	79,270,751	79,270,751		0
Bank balances	5,248,488	5,248,488		0
<b>Total</b>	<b>84,519,239</b>	<b>84,519,239</b>	<b>0</b>	<b>0</b>

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

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 Migori County Assembly has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Migori County Assembly has significant concentration of credit risk on amounts due from medical insurance prepayments. The board of directors sets the Migori County Assembly's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

**ii) Liquidity risk management**

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

The table below represents cash flows payable by the Migori County Assembly 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.

	<b>Less than 1 month</b>	<b>Between 1-3 months</b>	<b>Over 5 months</b>	<b>Total</b>
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
<b>As at 30 June 2025</b>				
Trade payables	41,459,930	0	153,908,101	195,368,031
Employee benefit obligation	89,819	0	469,249,445	469,339,264
<b>Total</b>	<b>41,549,749</b>	<b>0</b>	<b>623,157,546</b>	<b>664,707,295</b>

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

**Financial Risk Management**

**iii) Market risk**

The Migori County Assembly has put in place an internal audit function to assist it in assessing the risk faced by the Migori County Assembly 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 Migori County Assembly'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 Migori County Assembly'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 Migori County Assembly's exposure to market risks or the manner in which it manages and measures the risk.

**a) Foreign currency risk**

The *Migori County Assembly* 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 *Migori County Assembly* 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)

**Financial Risk Management**

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

**2024/2025**

	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
<b>As at 30 June 2025</b>			
<b>Financial Assets</b>			
Investments	0	0	0
Cash	0	0	0
Debtors	0	0	0
<b>Total Financial Assets</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Financial Liabilities</b>			
Trade And Other Payables	0	0	0
Borrowings	0	0	0
<b>Total Financial Liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Foreign Currency Asset/(Liability)</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Financial Risk Management**

The following table demonstrates the effect on the Migori County Assembly's statement of comprehensive income 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.

	Change in currency rate	Effect on Profit before tax	Effect on Equity/Net assets
	Kshs	Kshs	Kshs
<b>2024</b>			
Euro	0	0	0
USD	0	0	0
<b>2025</b>			
Euro	0	0	0
USD	0	0	0

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

**b) Interest rate risk**

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

**Financial Risk Management**

**Sensitivity analysis**

The Migori County Assembly 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 as a decrease/increase of KShs 0 (2024: KShs 0). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of KShs 0 (2025 – KShs 0)

**Fair value of financial assets and liabilities**

**a) Financial instruments measured at fair value.**

**Determination of fair value and fair values hierarchy**

IPSAS 30 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the *Migori County Assembly's* market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market

data when available. The Migori County Assembly considers relevant and observable market prices in its valuations where possible.

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

**Financial Risk Management**

The following table shows an analysis of financial and non- financial instruments recorded at fair value by level of the fair value hierarchy:

	Level 1	Level 2	Level 3	Total
	Kshs	Kshs	Kshs	Kshs
<b>As at 30 June 2025</b>				
<b>Financial Assets</b>				
Quoted Equity Investments	0	0	0	0
<b>Non- Financial Assets</b>				
Investment Property	0	0	0	0
Land And Buildings	0	0	0	0
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

There were no transfers between levels 1, 2 and 3 during the year. Disclosures of fair values of financial instruments not measured at fair value have not been made because the carrying amounts are a reasonable approximation of their fair values.

**iv) Capital Risk Management**

The objective of the Migori County Assembly’s capital risk management is to safeguard the Migori County Assembly’s ability to continue as a going concern. The Migori County Assembly capital structure comprises of the following funds:

	2024/2025	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	Kshs
Revaluation Reserve		
Retained Earnings		
Capital Reserve		
<b>Total Funds</b>		
Total Borrowings		
Less: Cash And Bank Balances		
Net Debt/(Excess Cash And Cash Equivalentents)		
<b>Gearing</b>	0%	0%

Notes to the Financial Statements (Continued)

18. Related Party Disclosures

**Nature of related party relationships**

Entities and other parties related to the *Migori County Assembly* include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates and close family members.

**Government of Kenya**

The Government of Kenya is the principal shareholder of the *Migori County Assembly*, holding 100% of the *Migori County Assembly's* equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the Migori County Assembly, both domestic and external.

**Other related parties include:**

- i) County Government Entities
- ii) National Government Entities
- iii) Key management.

	2024/2025
	Kshs
<b>Transactions with related parties</b>	
<b>a) Sales to related parties</b>	
Others (specify) e.g. interest and bank charges	0
<b>Total</b>	<b>0</b>
<b>B) purchases from related parties</b>	
Purchases of electricity from KPLC	830,000
Purchase of water from govt service providers	48,000
Rent expenses paid to govt agencies	0
Training and conference fees paid to govt. Agencies	0
Others (specify)	0
<b>Total</b>	<b>878,000</b>
<b>b) Grants /transfers from the government</b>	
Grants from national govt	0
Grants from county government	0
Donations in kind	0
<b>Total</b>	<b>0</b>
<b>c) Expenses incurred on behalf of related party</b>	
Payments of salaries and wages for employees	0
Payments for goods and services for	0
<b>Total</b>	
<b>d) Key management compensation</b>	
Compensation to key management	
<b>Total</b>	<b>0</b>

**19. Contingent Assets and Contingent Liabilities****Contingent Assets**

	2024/2025
	Kshs
<b>Contingent Assets</b>	
Insurance Reimbursements	0
Assets Arising from Determination Of Court Cases	0
Reimbursable Indemnities and Guarantees	0
Receivables From Other Government Entities	0
Others (Specify)	0
<b>Total</b>	<b>0</b>

**Contingent Liabilities**

	2024/2025
	Kshs
<b>Contingent Liabilities</b>	0
Court Case xx against the Migori County Assembly	0
Bank Guarantees in Favour of Subsidiary	0
Contingent Liabilities arising from Contracts Including PPPs	0
Others (Specify)	0
<b>Total</b>	<b>0</b>

**20. Capital Commitments**

<b>Capital Commitments</b>	2024/2025
	Kshs
Authorised for	0
Authorised and contracted for-Phase 2 of Committee Rooms	30,132,347
<b>Total</b>	<b>30,132,347</b>

**Notes to the Financial Statements (Continued)****21. Events after the Reporting Period**

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

**22. Ultimate And Holding Migori County Assembly**

The Migori County Assembly ultimate parent is the Government of Kenya.

**23. Currency**

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

16). Appendix

**Appendix 1: Implementation Status of Auditor-General’s Recommendations**

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

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)		
<b>REPORT ON THE FINANCIAL STATEMENTS</b>						
<b>Basis for Adverse Opinion</b>						
1.1	<p><b>Variations Between the Financial Statements and the IFMIS Ledgers</b></p> <p>Review of the financial statements presented for audit revealed variations with the IFMIS ledgers as shown below which were not explained or reconciled.</p>					
	Component /Sub Component	Financial statements Amount (Kshs.)	IFMIS Ledgers Amount (Kshs.)	Variance (Kshs.)	Management has reconciled IFMIS data with the financial statement	Resolved
	Hospitality Supplies and Services	23,539,227	24,104,000	(564,773)		
	Routine Maintenance – Vehicles	354,710	600,000	(245,290)		

Migori County Assembly

Annual Reports and Financial Statements for the year ended June 30, 2025.

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)																											
<b>REPORT ON THE FINANCIAL STATEMENTS</b>																																		
<b>Basis for Adverse Opinion</b>																																		
						<table border="1"> <tr> <td data-bbox="483 617 663 735">and Other Transport Equipment</td> <td data-bbox="663 617 826 735"></td> <td data-bbox="826 617 990 735"></td> <td data-bbox="990 617 1160 735"></td> <td data-bbox="1160 617 1323 735"></td> </tr> <tr> <td data-bbox="483 735 663 895">Office and General Supplies and Services</td> <td data-bbox="663 735 826 895">9,572,785</td> <td data-bbox="826 735 990 895">4,826,097</td> <td data-bbox="990 735 1160 895">4,746,688</td> <td data-bbox="1160 735 1323 895"></td> </tr> <tr> <td data-bbox="483 895 663 975">Legal Fees and Dues</td> <td data-bbox="663 895 826 975">10,131,987</td> <td data-bbox="826 895 990 975">13,178,879</td> <td data-bbox="990 895 1160 975">(3,046,892)</td> <td data-bbox="1160 895 1323 975"></td> </tr> <tr> <td data-bbox="483 975 663 1098">Training and Travel Expenses</td> <td data-bbox="663 975 826 1098">3,400,000</td> <td data-bbox="826 975 990 1098">1,950,000</td> <td data-bbox="990 975 1160 1098">1,450,000</td> <td data-bbox="1160 975 1323 1098"></td> </tr> <tr> <td data-bbox="483 1098 663 1297">Transfers to County Government Migori County</td> <td data-bbox="663 1098 826 1297">2,698,770</td> <td data-bbox="826 1098 990 1297">-</td> <td data-bbox="990 1098 1160 1297">2,698,770</td> <td data-bbox="1160 1098 1323 1297"></td> </tr> </table>	and Other Transport Equipment					Office and General Supplies and Services	9,572,785	4,826,097	4,746,688		Legal Fees and Dues	10,131,987	13,178,879	(3,046,892)		Training and Travel Expenses	3,400,000	1,950,000	1,450,000		Transfers to County Government Migori County	2,698,770	-	2,698,770				
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Annual Reports and Financial Statements for the year ended June 30, 2025.

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)																
<b>REPORT ON THE FINANCIAL STATEMENTS</b>																				
<b>Basis for Adverse Opinion</b>																				
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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)
<b>REPORT ON THE FINANCIAL STATEMENTS</b>				
<b>Basis for Adverse Opinion</b>				
1.2	<p><b>Misclassified Expenditure Accounts</b> The statement of receipts and payments reflects payments totalling Kshs.991,170,024 incurred during the year. However, analysis of the IFMIS data revealed that payments amounting to Kshs.332,639,613 did not relate to the respective sub-components to which they were charged, contrary to Regulation 40(1) of the Public Finance Management (County Governments) Regulations, 2015, which requires budget estimates to be prepared, accounted for and reported in accordance with the Government of Kenya budget classification and</p>	<p><i>The management, with the support of the National Treasury, has undertaken a comprehensive reconciliation process to correct these transactions. This includes verifying the affected entries, ensuring accurate reclassification, and aligning the financial records</i></p>	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)
<b>REPORT ON THE FINANCIAL STATEMENTS</b>				
<b>Basis for Adverse Opinion</b>				
	standard chart of accounts issued by The National Treasury			
1.3	<p><b>Non-Disclosure of Retention Monies</b></p> <p>The statement of financial assets and liabilities reflects net financial position balance of Kshs.3,307,495 at year end. However, examination of documents revealed that contractor’s retention money amounting to Kshs.2,636,694 outstanding was not disclosed in the financial statements. This was contrary to the requirements of the reporting templates that retention money be disclosed in the financial statements. In the circumstances, accuracy and completeness of the financial statements for the year ended 30 June, 2024 could not be confirmed.</p>	<p><i>Management wishes to state that at the close of the financial year, the total retention funds for contractors amounted to <b>Kshs. 2,636,694</b>. However, during the year under review, the Assembly did not maintain a separate retention bank account. The retention funds were maintained together with the assembly funds in the Central Bank of Kenya Development Account. This transaction is reflected in the attached Development Bank statement. Management is in the process of opening a <b>separate retention bank account at KCB Bank Account</b></i></p>	Resolved	
2.0	<b>Compensation of Employees</b>			

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)
<b>REPORT ON THE FINANCIAL STATEMENTS</b>				
<b>Basis for Adverse Opinion</b>				
	<p>The statement of receipts and payments and as disclosed in Note 2 to the financial statement reflects compensation of employees' amount of Kshs. 378,680,438. Included in the compensation of employees' amount is Kshs. 10,426,800 whose supporting documents were not provided for audit. Also included are the Assembly Committee sittings allowances amounting to Kshs, 88,508,683 for which management did not provide approvals, payment vouchers and confirmation of receipts of payments by intended beneficiaries.</p>	<p><i>Contrary to auditor's opinion, Members Sitting Allowances, Car Maintenance Allowance, Mileage Allowance, Special Duty Allowance and Airtime Allowances amounted to Kshs. 98,061,492 as shown in <b>Annexure 2(b) and (c)</b>. In the year under review, the assembly spent Kshs.32,081,400 on Committee sitting allowances</i></p>	Resolved	
<b>3.0</b>	<b>Voided Transactions in IFMIS</b>			
	<p>Review of expenditure analysis obtained from Integrated Financial Management Information System (IFMIS) revealed that seven hundred and seventy-seven (777) payment transactions amounting to Kshs. 38,879,291 had been invalidated during the year under review. However, the supporting documents including voided payments vouchers, requests to void payments, the National Treasury approval,</p>	<p><i>The voiding of transactions was primarily necessitated by:</i></p> <ol style="list-style-type: none"> <li><i>1. Non-Compliance of Supplier(s) on iTax. An invoice(supply) cannot be exported to IB if one does not fulfil the requisite tax obligations required by the law.</i></li> </ol>	Resolved	

**Annual Reports and Financial Statements for the year ended June 30, 2025.**

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)
<b>REPORT ON THE FINANCIAL STATEMENTS</b>				
<b>Basis for Adverse Opinion</b>				
	<p>Exchequer requisitions from the Controller of Budget and reasons for validation of the transactions which had been presented to the Controller of Budget (CoB) for approval were not provided for audit. Further, the voided payments were disclosed as pending accounts payable and the utilization of funds meant for the voided transactions could also not be confirmed. In addition, it was not confirmed whether there were unauthorized payments made in place of those that were invalidated.</p> <p>In the circumstances, the validity and regularity of payments made during the year against the voided transactions amounting to Kshs. 38,879,290.50 could not be confirmed.</p>	<ol style="list-style-type: none"> <li>2. <i>Double entries of invoices</i></li> <li>3. <i>A charge on wrong vote heads</i></li> <li>4. <i>Changes to supplementary budgets due to delayed in funding from the exchequer due to unforeseen circumstances</i></li> </ol>		
4.0	<b>Unsupported Cash Transfers</b>			

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)
<b>REPORT ON THE FINANCIAL STATEMENTS</b>				
<b>Basis for Adverse Opinion</b>				
	<p>The Assembly financial statements disclose under Note 9A three (3) bank accounts held in a local bank. Examination of payment vouchers provided for audit revealed that the Assembly transferred funds totalling Kshs. 19,334,774 as payments for Ward Operations. Out of this amount Kshs. 13,108,320 was transferred to forty (40) ward accounts, while Kshs. 6,226,452 was transferred to nineteen (19) accounts owned and operated by the nominated members of the Assembly. However, Management did not provide details of the bank account, cashbooks, bank account balances as at 30 June, 2024 and the reference number and date of the County treasury, letter granting approval for opening and operating the bank account, as required by Regulations 87 (3) and (4) of the Public Finance Management (County Governments) Regulations, 2015. Further, a register of all bank accounts operated by the County Assembly including the reasons for their operations was not provided. In addition, the management has not provided authority supporting the transfer of the amount to the personal bank accounts of the nominated MCAs' and how the funds were accounted for.</p>	<p><i>Additionally, the Commission on Revenue Allocation (CRA) Circular No: CRA/CSO/CMG/9/VOL.V(43), dated 3rd August 2020, provides an advisory on the operation costs for ward offices, further reinforcing the legal and procedural framework governing these funds.</i></p> <p><i>Each of the 40 ward managers is responsible for managing the imprests related to their respective wards and is required to surrender expenditure records at the end of every month. This ensures proper accountability and adherence to financial regulations.</i></p>	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)
<b>REPORT ON THE FINANCIAL STATEMENTS</b>				
<b>Basis for Adverse Opinion</b>				
	In the circumstances, the validity of the cash transfers amounting to tolling Kshs. 19,334,774 could not be confirmed while management was in breach of the law.			
	<b>Emphasis of Matter.</b>  <b>Budgetary Control and Performance</b>			
	The statement of comparison of budget and actual amounts: recurrent and development reflects final receipts budget and	<i>Management concurs with the auditor's observation has this highly affected the planned</i>	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)
<b>REPORT ON THE FINANCIAL STATEMENTS</b>				
<b>Basis for Adverse Opinion</b>				
	<p>actual on comparable basis amounts of Kshs. 1,103,508,709 and Kshs. 994,477,519 respectively, resulting in underfunding of Kshs. 109,031,190 or 10% of the budget.</p> <p>The underfunding affected planned activities and may have negatively impacted service delivery to the public.</p> <p>My opinion is not modified in respect of this matter.</p>	<p><i>activities and the various engagements for the financial year under review.</i></p>		
	<b>Key Audit Matters</b>			
	<p>Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the matters described in the Basis for Adverse Opinion section, I have determined that there are no other key audit matters to communicate in my report.</p>			
	<b>Other Matters</b>			
	<b>Unresolved Prior Year Matters</b>			

Annual Reports and Financial Statements for the year ended June 30, 2025.

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)
<b>REPORT ON THE FINANCIAL STATEMENTS</b>				
<b>Basis for Adverse Opinion</b>				
	<p>In the audit of previous year, several issues were raised under the Report of Financial Statements, report on Lawfulness and Effectiveness in Use of Public Resources and report of effectiveness of Internal Controls, Risk Management and Governance. However, Management had not resolved the issues as at 30 June, 2024.</p>	<p><i>Management wishes to clarify that prior-year audit matters are being addressed progressively in collaboration with the Office of the Auditor-General, the County Assembly CPIAC, and the Senate CPIAC. Efforts are ongoing to ensure that all outstanding issues are resolved in compliance with audit recommendations, financial regulations, and best governance practices</i></p>		
<b>Other Information</b>				
	<p>The Management is responsible for the Other Information set out on page iv to xviii which comprises Key Migori County Assembly Information and Management, Governance Statement, Foreword by the Clerk of the Assembly, Statement of Performance Against County Assembly Predetermined Objectives, Corporate Social Responsibility Statement/Sustainability Reporting and Statement of</p>			

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)
<b>REPORT ON THE FINANCIAL STATEMENTS</b>				
<b>Basis for Adverse Opinion</b>				
	<p>Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.</p> <p>In connection with my audit on the County \assembly 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. Based on the audit procedures performed, because of the significance of the matter described in my Basis for Adverse Opinion, I confirm that the Other Information is materially inconsistent with the financial statements.</p>			

Annual Reports and Financial Statements for the year ended June 30, 2025.

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)
<b>REPORT ON THE FINANCIAL STATEMENTS</b>				
<b>Basis for Adverse Opinion</b>				
<b>REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES</b>				
	<b>Conclusion</b>			
	As required by Article 229(6) of the Constitution, based on the audit procedures performed, 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.			
	<b>Basis for Conclusion</b>			
<b>1.0</b>	<b>Regularity of Human Resource Management Practices</b>			
<b>1.1</b>	<b>Unremitted Housing Levy Payroll Deductions</b>			
	Audit examination revealed that management deducted housing levy from employee's payroll of Kshs.	<i>The management wishes to state that Assembly has remitted Housing Levy as shown in the</i>	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)
<b>REPORT ON THE FINANCIAL STATEMENTS</b>				
<b>Basis for Adverse Opinion</b>				
	<p>7,913,784 but was not remitted to Kenya Revenue Authority (KRA) on the due date. Further, the amount has not been disclosed as pending bills under accounts payable.</p> <p>In circumstances, Management was in breach of law while the Assembly is exposed to the risk of incurring interest and penalties for the late remittance.</p>	<p><i>table below. Further, we are in the process of reconciling our records with KRA as shown in Annexure 5</i></p>		
<b>1.2</b>	<b>Staff Establishment and Payroll Records</b>			
	<p>Review of records revealed that the Assembly had an approved staff establishment of one hundred and twelve (112) employees. However, review of the Integrated Payroll and Personal Database (IPPD) and manual payroll revealed that the Assembly had workforce of two hundred and twenty-two (222) in place, leading to an over establishment of one hundred</p>	<p><i>Management wishes to clarify that the County Assembly Payroll comprises the following categories of personnel:</i></p> <ol style="list-style-type: none"> <li><i>1. Members of the County Assembly (MCAs) and Assembly Leadership:</i></li> </ol>	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)
<b>REPORT ON THE FINANCIAL STATEMENTS</b>				
<b>Basis for Adverse Opinion</b>				
	<p>and ten (110) staff members. No need analysis, requisition, extra budget or justification was provided to support the extra number of staff.</p> <p>In the circumstances, Management was in breach of law.</p>	<p><i>Elected and Nominated MCAs – 59 members</i></p> <p><i>Speaker of the Assembly – 1 member</i></p> <p><i>County Assembly Service Board (CASB) Appointees – 2 members (appointed from outside the Assembly)</i></p> <p>2. <i>Partisan Ward Staff: The Assembly has 177 partisan ward staff, as guided by the Commission on Revenue Allocation (CRA) Circular No: CRA/CSO/CMG/9/VOL.V(43), dated 3rd August 2020. These staff members provide support services to MCAs at the ward level.</i></p>		

Annual Reports and Financial Statements for the year ended June 30, 2025.

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)
<b>REPORT ON THE FINANCIAL STATEMENTS</b>				
<b>Basis for Adverse Opinion</b>				
		<p>3. <i>Regular Staff (Established by the CASB): The County Assembly Service Board (CASB), in accordance with the County Assembly Service Act, has approved a staffing establishment of 112 regular employees.</i></p> <p><i>However, during the year under review, the actual number of regular staff stood at 109.</i></p> <p><i>Further, management wishes to clarify to the committee that all payroll expenditures are processed in accordance with the law, and each category of employees is accounted for within the financial statements. The Assembly remains committed to adhering to statutory payroll regulations, ensuring prudent financial management, and maintaining compliance with all applicable guidelines.</i></p>		

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)
<b>REPORT ON THE FINANCIAL STATEMENTS</b>				
<b>Basis for Adverse Opinion</b>				
<b>1.3</b>	<b>Non-Compliance with Provision on Ethnicity Diversity, Affirmative Action on Gender and Persons Living with Disabilities</b>			
	Examination of the personnel records provided for audit revealed that as at 30 June, 2024 the Assembly had a total of two hundred and twenty-two (222) employees in its payroll from eight (8) ethnic communities. From the population of the 222 employees, 3 were person living with disabilities translating to 1.4%. further, the data provided revealed that one ethnic community represented 77% of the employees in the Assembly while the remaining 23% of the jobs were shared among other ethnic communities. In addition mainstreaming person living with disabilities target of 5% was not achieved. Therefore, Management violated the provisions of Section 7 (1) and (2) of the	<i>The management has been advertising for various vacant positions but most of the applicants come from Migori County which is predominantly Luos, Kurians and Suba people, hence difficulty in termination of the process. Management also acknowledges the concern regarding regional balance in employment and remains committed to ensuring equitable representation in line with constitutional and statutory provisions. The Assembly will progressively address this issue in its subsequent recruitment processes, ensuring that future appointments reflect diversity, inclusivity, and fairness in compliance with the National Cohesion and Integration Act, 2008 and Section 13 of Persons with Disabilities Act, 2003.</i>	<b>Not resolved</b>	<b>3 years</b>

Annual Reports and Financial Statements for the year ended June 30, 2025.

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)
<b>REPORT ON THE FINANCIAL STATEMENTS</b>				
<b>Basis for Adverse Opinion</b>				
	<p>National Cohesion and Integration Act, 2008 and Section 13 of Persons with Disabilities Act, 2003.</p> <p>In the circumstances, Management was in breach of the law.</p>			
<b>1.4</b>	<b>Non-Adherence to One Third of Basic Salary Rule</b>			
	<p>Analysis of the payroll of the A Assembly for the month of June, 2024 revealed that twenty- eight (28) employees’ net pay was below a third of their respective basic salaries, contrary to Section 19 (3) of the4 Employment Act, 2007 which states the total amount of deductions from wages of an employee shall not exceed two thirds of such wages. In the circumstances, Management was in breach of the law.</p>	<p><i>Management acknowledges the audit finding regarding instances where twenty-eight (28) employees’ net pay for June 2024 fell below the statutory threshold of one-third of their respective basic salaries, as stipulated in Section 19(3) of the Employment Act, 2007. Upon review, management has established that this situation arose primarily due to statutory deductions, loan repayments, and other commitments affecting the employees’ net pay. While some deductions were made in accordance with employees’ prior commitments and agreements, management recognizes the</i></p>	<b>Not Resolved</b>	<b>3 years</b>

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)
<b>REPORT ON THE FINANCIAL STATEMENTS</b>				
<b>Basis for Adverse Opinion</b>				
		<i>need for strict compliance with the law to prevent future occurrences of excessive deductions</i>		
<b>1.5</b>	<b>Payment of Salaries Outside the IPPD System</b>			
	<p>Review of the payroll revealed that the Assembly paid Kshs. 47,325,407 outside the IPPD payroll to ten (10) MCAs, six (6) County Assembly Service Board (CASB) members, 18 Permanent Staff, 11 contracted staff, 6 casuals and 7 interns during the year under audit. No satisfactory explanation was provided by the management for this anomaly.</p> <p>The use of the manual payroll requires manual input of data and calculation of deductions which is prone to errors and manipulation.</p>	<p><i>Management acknowledges the auditor's observations and reiterates its commitment to ensuring that all staff, including casual employees, are paid exclusively through the Integrated Personnel and Payroll Database (IPPD) system.</i></p> <p><i>During the year under review, challenges were encountered in fully implementing this directive due to the following factors:</i></p> <ol style="list-style-type: none"> <li><i>Delays in Obtaining Personnel Numbers: Some staff members lacked personnel numbers, affecting their onboarding into the IPPD system.</i></li> </ol>	<b>Resolved</b>	

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)
<b>REPORT ON THE FINANCIAL STATEMENTS</b>				
<b>Basis for Adverse Opinion</b>				
		<p>2. <i>Reactivation and Transfer Delays:</i> Payroll numbers that had been deleted required reactivation and transfer from relevant government departments and agencies, leading to processing delays.</p> <p>3. <i>Pending Re-designation of Positions:</i> The County Assembly Service Board (CASB) had not completed the re-designation of certain positions that were not predefined in the IPPD system, causing further delays.</p> <p>4. <i>Reinstatement of Officers:</i> Some employees had been reinstated into the payroll, necessitating the reactivation of their payroll numbers before integration into the IPPD system.</p>		

Annual Reports and Financial Statements for the year ended June 30, 2025.

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)
<b>REPORT ON THE FINANCIAL STATEMENTS</b>				
<b>Basis for Adverse Opinion</b>				
		<p><i>Management has since fully complied with the directive and now processes all salaries exclusively through the IPPD system.</i></p> <p><i>Management remains committed to upholding payroll integrity, transparency, and compliance with statutory regulations.</i></p>		
1.6	<b>Irregular Payment of Allowances to Employees on Acting Capacity</b>			
	<p>Review of the Assembly records revealed that the Assembly has been paying acting allowances to three (3) officers for more than six (6) months without confirmation or advertisement of the vacancy. This is contrary to Section C. 14(1) of Public Service Commission Human Resource Policies and Procedures Manual for the Public Service, 2016, which states that an employee who has successfully and continuously</p>	<ol style="list-style-type: none"> <li><b>Senior Administration Officer:</b> The current Senior Administration Officer was re-designated to perform the duties of Administration and Human Resources on 1st July 2022. He was subsequently confirmed to the position on 30<sup>th</sup> August 2023, and as a result, he no longer receives an acting allowance.</li> <li><b>Acting Procurement Officer:</b> The acting Procurement Officer was</li> </ol>	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)
<b>REPORT ON THE FINANCIAL STATEMENTS</b>				
<b>Basis for Adverse Opinion</b>				
	<p>acted in a vacant position for a period of six (6) months and meets the job requirements will be deemed to have been confirmed in the position.</p> <p>In the circumstances, Management was in breach of Public Service Commission Human Resource Policies and Procedures.</p>	<p><i>assigned to perform the duties of Procurement Officer I on 25th January 2021, following the interdiction of Steve Omondi, the substantive office holder. Since the matter remains unresolved, Hesbon Oluoch continues to receive an acting allowance in accordance with public service regulations.</i></p> <p>3. <b>County Assembly Clerk:</b> <i>Contrary to the auditor’s observation, the Second Clerk of the County Assembly was never appointed in an acting capacity. He served as the substantive Clerk until his interdiction and subsequent dismissal. However, following his dismissal, he filed a court case, leading to an injunction that halted the recruitment of a substantive Clerk.</i></p> <p>4. <b>Senior Administration Officer:</b> <i>The current Senior Administration Officer was re-designated to perform the duties</i></p>		

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)
<b>REPORT ON THE FINANCIAL STATEMENTS</b>				
<b>Basis for Adverse Opinion</b>				
		<p><i>of Administration and Human Resources on 1st July 2022. He was subsequently confirmed to the position on 30<sup>th</sup> August 2023, and as a result, he no longer receives an acting allowance.</i></p> <p>5. <b>Acting Procurement Officer:</b> <i>The acting Procurement Officer was assigned to perform the duties of Procurement Officer I on 25th January 2021, following the interdiction of Steve Omondi, the substantive office holder. Since the matter remains unresolved, Hesbon Oluoch continues to receive an acting allowance in accordance with public service regulations.</i></p> <p>6. <b>County Assembly Clerk:</b> <i>Contrary to the auditor's observation, the Second Clerk of the County Assembly was never appointed in an acting capacity. He served as the substantive Clerk until his interdiction and subsequent</i></p>		

**Annual Reports and Financial Statements for the year ended June 30, 2025.**

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)										
<b>REPORT ON THE FINANCIAL STATEMENTS</b>														
<b>Basis for Adverse Opinion</b>														
		<p><i>dismissal. However, following his dismissal, he filed a court case, leading to an injunction that halted the recruitment of a substantive Clerk.</i></p>												
<b>1.7</b>	<b>Recruitment of Employees</b>													
	<p>Review of personnel records revealed that the County Assembly Service Board advertised for the positions of Principal Legal Officer and Chief Sergeant at Arm posts with specific mandatory requirements and qualifications. However, verification of documents revealed that the Board recommended for filling of these positions for applicants who did not meet the mandatory criteria as set out in the job advisement or the requirement for new appointment as per criteria in the County Assembly scheme of service, terms and conditions of office. This was contrary to Section 25(1) and (2) of the County Assembly Service Act,</p>	<p><i>The County Assembly Service Board (CASB) placed an advert for the positions of Principal Legal Officer and Chief Sergeant at Arm in November 2022 vacancy number 5/22 and 6/2022 respectively. The Board then re-advertised in the Daily Nation Newspaper on 26<sup>th</sup> June 2023 for the positions.</i></p> <p><i>The applications were made as follows:</i></p> <table border="1" data-bbox="1176 1284 1736 1356"> <thead> <tr> <th>S/ N</th> <th>Position</th> <th>Entr y</th> <th>Applicant s</th> <th>Shortliste d</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	S/ N	Position	Entr y	Applicant s	Shortliste d						Resolved	
S/ N	Position	Entr y	Applicant s	Shortliste d										

Annual Reports and Financial Statements for the year ended June 30, 2025.

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)															
<b>REPORT ON THE FINANCIAL STATEMENTS</b>																			
<b>Basis for Adverse Opinion</b>																			
	<p>2017 which stipulates that the Board shall formulate and disseminate to officers of the Service, schemes of service setting out the terms and conditions for the appointment of the officers and other staff and The Secretary shall be responsible for the administration of the schemes of service for the staff of the Service.</p> <p>Ink the circumstances, Management was in breach of the law.</p>	<table border="0"> <tr> <td>1</td> <td>Chief</td> <td>1</td> <td>12</td> <td>7</td> </tr> <tr> <td></td> <td>Sergeant - At-Arm</td> <td></td> <td></td> <td></td> </tr> <tr> <td>2</td> <td>Principal Legal Officer</td> <td>1</td> <td>4</td> <td>2</td> </tr> </table> <p>The CASB then Conducted interviews for the shortlisted candidates and the scores were as per attached. The board then recommended the appointments based on their performance as per attached.</p> <p>The recruitment process adhered to the requirements of the staff establishment, principles of fairness, transparency, and merit-based selection.</p>	1	Chief	1	12	7		Sergeant - At-Arm				2	Principal Legal Officer	1	4	2		
1	Chief	1	12	7															
	Sergeant - At-Arm																		
2	Principal Legal Officer	1	4	2															

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)
<b>REPORT ON THE FINANCIAL STATEMENTS</b>				
<b>Basis for Adverse Opinion</b>				
1.8.	<b>Non-Compliance with Fiscal Responsibility Principle Compensation of Employees Expenditure</b>			
	<p>The statement of receipts and payments reflects an expenditure of Kshs. 378,680,438 in respect of compensation of employees as disclosed in Note 2 to the financial statements, twice of which is Kshs, 757,,360,876. Further review revealed that the County Assembly of Migori had an approved budget of Kshs. 1,003,508,709. Therefore, the total approved expenditure of the County assembly during the year under review was more than twice the personnel emoluments of the County Assembly. This was contrary to Regulations 25(1)(f) of the Public Finance Management (County Governments) Regulations, 2015, which states that the approved expenditures of a county assembly shall not exceed seven percent of the total revenues of the County Government or twice the</p>	<p><i>Management wishes to clarify that budget allocations for the county governments and assembly budgetary ceilings are set by the Commission on Revenue Allocation (CRA). County assembly always comply with the ceilings in its budget making process.</i></p>	<p><b>Not resolved</b></p>	

Annual Reports and Financial Statements for the year ended June 30, 2025.

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)
<b>REPORT ON THE FINANCIAL STATEMENTS</b>				
<b>Basis for Adverse Opinion</b>				
	<p>personnel emoluments of that County assembly, whichever is lower.</p> <p>In the circumstances, Management was in breach of the law.</p>			
2.0.	<b>Non-Compliance with the Law on Framework Contract Agreement</b>			

	<p>The statement of receipts and payments and as disclosed in Note 3 to the financial statements reflects use of good and services amount of Kshs. 336,600,049. Included in this amount is Kshs. 22,050,554 in respect to Hospitality supplies and services and Kshs. 10,131,987 in respect to legal fees and dues. Although the management has explained that the services were procured through a framework agreement. The detailed analysis of quarterly reports on framework contract agreement were not provided for verification, contrary to the provisions of Section 114(6) of the Public Procurement and Asset Disposal Act, 2015 which provides that a procurement management unit shall prepare and submit to the accounting officer with a copy to the internal auditor quarterly reports detailing an analysis of items procured through framework agreements and these reports shall include, an analysis of pattern of usage, procurement costs in relation to the prevailing market rates and any recommendations.</p> <p>In the circumstances, Management was in breach of the law.</p>	<p><i>A sample of detailed analysis of quarterly reports on framework contract agreements are hereby provided for review.</i></p>	<p>Resolved</p>	
<p><b>3.0.</b></p>	<p><b>Avoidable Legal Fees</b></p>			
	<p>During the year under review, the County Assembly incurred an amount of Kshs. 10,131,987 on legal fees and dues. The following anomalies were noted:</p>	<p><i>Management has taken note of the auditor's observation. However, the governing principles and dictums of the law separate the political and</i></p>	<p>Not resolved</p>	<p>3 years</p>

Annual Reports and Financial Statements for the year ended June 30, 2025.

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)
<b>REPORT ON THE FINANCIAL STATEMENTS</b>				
<b>Basis for Adverse Opinion</b>				
		<p><i>the administration of the county assembly. The plenary is sacred only meant for the members of the County Assembly and the business that they transact within the same room is beyond the control of the administration. Without prejudice of the above, we take note of the sentiments and more and proper training shall be organized for the members of the county assembly to understand the processes, the good values of respecting the law and consequences of disobeying it.</i></p> <p><i>The institution is already engaging the parties in an alternative dispute resolution and so far, it is fruitful</i></p>		
i.	A petitioner sued the Assembly in the matter of the illegal impeachment of the speaker of County Assembly. The petitioner being the speaker of the			

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)
<b>REPORT ON THE FINANCIAL STATEMENTS</b>				
<b>Basis for Adverse Opinion</b>				
	<p>County Assembly was elected on 21<sup>st</sup> September, 2022. On 24 April, 2024, the members of the County Assembly voted to impeach him. The petitioner moved to court asserting that the decision breached his fundamental rights and was unlawfully. The Court in its judgement awarded the petitioner general damages of Kshs. 10,000,000. Had the standing order procedures been adhered to, there would have been no petition and, therefore, the damages of Kshs. 10,000,000 would have been avoided.;</p>			
ii.	<p>A company that had rendered construction services relating to a contract to construct and complete the offices of the member of the County Assembly for Central Kamagambo ward sued the Assembly. The court ruled in favour of the contractor and ordered the Assembly to pay the Applicant. As a result, the Assembly incurred a legal fee of Kshs. 218,460 which</p>			

**Annual Reports and Financial Statements for the year ended June 30, 2025.**

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)
<b>REPORT ON THE FINANCIAL STATEMENTS</b>				
<b>Basis for Adverse Opinion</b>				
	would have been avoided had the Assembly paid for the construction services in time.			
iii.	A company that had rendered construction services relating to a contract to construct and complete the offices of the member of the County assembly of Komosoko Nyamosense Ward. The Court ruled in favour of the contractor and ordered the Assembly to pay the Applicant. As a result, the Assembly incurred a legal fee of Kshs. 244,842 which would have been avoided had the Assembly paid for the construction services in time.			
iv.	A company that had rendered construction services relating to a contract to construct and complete the offices of the County Assembly for East Ntimaru Ward. The Court ruled in favour of the contractor and ordered the Assembly to pay the Applicant. As a result, the Assembly incurred a legal fee of Kshs.			

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)
<b>REPORT ON THE FINANCIAL STATEMENTS</b>				
<b>Basis for Adverse Opinion</b>				
	<p>39,594 which would have been avoided had the Assembly paid for the construction services in time.</p> <p>In the circumstances, value for money realized from the expenditure of Kshs. 10,812,896 on legal fees could not be confirmed.</p> <p>The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards required 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.</p>			

Annual Reports and Financial Statements for the year ended June 30, 2025.

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)
<b>REPORT ON THE FINANCIAL STATEMENTS</b>				
<b>Basis for Adverse Opinion</b>				
<b>REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE</b>				
<b>Conclusion</b>				
	As required by Section 7(1)(a) of the Public Audit Act 2015, based on the audit procedures performed, because of the significance of the matters discussed in the Basis for Adverse Opinion and the Basis of Conclusion on effectiveness of Internal Controls, Risk Management and Governance sections of my report, I confirm that internal controls, risk management and governance were not effective.			
<b>Basis for Conclusion</b>				
<b>1.0.</b>	<b>Unexplained Changes in the Payroll</b>			
	Review of monthly number of staff on both IPPD and manual payroll revealed significant exit and entry of new staff during the year which was not supported by	<p><i>Management wishes to state as follows:</i></p> <p style="padding-left: 40px;"><i>i. Sixteen (16) staff were recruited and integrated on IPPD</i></p>	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)
<b>REPORT ON THE FINANCIAL STATEMENTS</b>				
<b>Basis for Adverse Opinion</b>				
	<p>Management. The total staff per month increased from one hundred and forty-five (145) in the month of July,2023 to two hundred and twenty-eight (228) in the month of June, 2024 due to various entries and exits during the year. Records provided for verification only showed recruitment of 3 new employees resulting in unexplained additional staff totalling two hundred and twenty-five (225).</p> <p>In the circumstances, the unexplained changes in the payrolls were an indicator of payroll management weaknesses.</p>	<p>ii. Sixty-seven (67) Ward Staff were integrated on IPPD</p>		
<b>2.0.</b>	<b>Lack of Audit Committee and Unestablished Internal Function</b>			
	<p>The Assembly had no audit committee and the positions of auditor I and II as illustrated in the organization structure were vacant. Further, ICT Policy, Human Resource Manuals 2023 and Risk</p>	<p>Management is committed to strengthening internal controls and will consider adopting these manuals in their subsequent sittings. The audit committee is now in place and they have</p>	Resolved	

Annual Reports and Financial Statements for the year ended June 30, 2025.

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)
<b>REPORT ON THE FINANCIAL STATEMENTS</b>				
<b>Basis for Adverse Opinion</b>				
	<p>Management Policies were in draft which ICT Strategic Plan, County Assembly Service Board Code of conduct, Internal Audit Workplan and Internal Audit Charter had not been approved for operationalization. This was contrary to Section 155 (1) of the Public Finance Management Act, 2012, which states that a County Government Migori County Assembly shall ensure that it complies with the Act and has appropriate arrangements for conducting internal audit according to the guidelines issued by the \accounting Standards Board and Section 155(5) of the Public Finance Management Act, 2012 which requires that, a county government Migori County Assembly shall establish an internal auditing committee whose composition and functions are to be prescribed by the regulations.</p>	<p><i>scheduled a number of activities to review the various departmental manuals and annual reports and financial statements. This will help in strengthening internal controls of the Migori County Assembly.</i></p>		

Migori County Assembly

Annual Reports and Financial Statements for the year ended June 30, 2025.

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)
<b>REPORT ON THE FINANCIAL STATEMENTS</b>				
<b>Basis for Adverse Opinion</b>				
	In the circumstances, the Assembly had not instituted internal controls to ensure efficiency and effectiveness of its operations.			

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 Migori County Assembly responsible for implementation of each issue;
- (iv) Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report to County Treasury.

.....

Accounting Officer

Date

Migori County Assembly  
**Annual Reports and Financial Statements for the year ended June 30, 2025.**

**Appendix II: Projects implemented by Migori County Assembly**

Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting	Consolidated in these financial statements

**Status of Projects completion**

*(Summarise the status of project completion at the end of each quarter, i.e. total costs incurred, stage which the project is etc)*

Project	Total project	Total expended to date	Completion % to date	Budget	Actual	Sources of funds

**Appendix IV: Transfers from Other Government Entities**

<b>No.</b>	<b>Txn. Date</b>	<b>Reference No.</b>	<b>Nature of Account</b>	<b>Where Recorded</b>	<b>Cr. Amount</b>
1	20-Aug-24	FT2423389Z0B	Recurrent	Statement of Fin Performance	36,522,964.00
2	30-Aug-24	FT242437J7HW	Recurrent	Statement of Fin Performance	12,223,131.00
3	09-Sept-24	FT242534J64Q	Recurrent	Statement of Fin Performance	40,185,887.00
4	02-Oct-24	FT242767080Z	Recurrent	Statement of Fin Performance	39,243,142.00
5	18-Oct-24	FT242924W8YF	Recurrent	Statement of Fin Performance	15,742,900.00
6	18-Oct-24	FT24292LQD1V	Recurrent	Statement of Fin Performance	14,257,100.00
7	18-Oct-24	FT24292FNDLQ	Recurrent	Statement of Fin Performance	6,000,000.00
8	07-Nov-24	FT24312735JS	Recurrent	Statement of Fin Performance	38,334,842.00
9	07-Nov-24	FT24312DKW41	Recurrent	Statement of Fin Performance	9,811,850.00
10	07-Nov-24	FT24312SQK3H	Recurrent	Statement of Fin Performance	2,212,000.00
11	07-Nov-24	FT24312K9GGC	Recurrent	Statement of Fin Performance	2,000,000.00
12	07-Nov-24	FT24312W38M3	Recurrent	Statement of Fin Performance	1,611,231.00
13	29-Nov-24	FT24334CNY0K	Recurrent	Statement of Fin Performance	24,453,927.00
14	04-Dec-24	FT24339ZNGYX	Recurrent	Statement of Fin Performance	4,600,000.00
15	10-Dec-24	FT24345RLYG1	Recurrent	Statement of Fin Performance	42,196,281.00
16	11-Dec-24	FT243464BVC4	Recurrent	Statement of Fin Performance	29,999,741.00
17	20-Dec-24	FT24355HCRPF	Recurrent	Statement of Fin Performance	7,828,400.00

Migori County Assembly

Annual Reports and Financial Statements for the year ended June 30, 2025.

18	20-Dec-24	FT24355YH91H	Recurrent	Statement of Fin Performance	7,462,720.00
19	20-Dec-24	FT24355P63FF	Recurrent	Statement of Fin Performance	6,212,300.00
20	20-Dec-24	FT24355MB725	Recurrent	Statement of Fin Performance	1,264,000.00
21	30-Dec-24	FT24365M0Z1P	Recurrent	Statement of Fin Performance	15,624,570.00
22	08-Jan-25	FT25008338LT	Recurrent	Statement of Fin Performance	39,391,282.00
23	08-Jan-25	FT25008W4SNX	Recurrent	Statement of Fin Performance	10,605,000.00
24	08-Jan-25	FT25008536RN	Recurrent	Statement of Fin Performance	1,290,000.00
25	13-Jan-25	FT250134S4LB	Recurrent	Statement of Fin Performance	16,063,200.00
26	13-Jan-25	FT25013K2PWK	Recurrent	Statement of Fin Performance	15,371,800.00
27	13-Jan-25	FT250130MK4X	Recurrent	Statement of Fin Performance	9,413,100.00
28	13-Jan-25	FT25013JN8B6	Recurrent	Statement of Fin Performance	8,109,000.00
29	13-Jan-25	FT25013H94LH	Recurrent	Statement of Fin Performance	7,524,000.00
30	13-Jan-25	FT25013J7XL9	Recurrent	Statement of Fin Performance	7,477,900.00
31	13-Jan-25	FT25013N24HJ	Recurrent	Statement of Fin Performance	5,700,900.00
32	13-Jan-25	FT25013S8JYK	Recurrent	Statement of Fin Performance	5,426,408.00
33	13-Jan-25	FT25013Z6GJY	Recurrent	Statement of Fin Performance	5,364,400.00
34	13-Jan-25	FT25013N7BXW	Recurrent	Statement of Fin Performance	5,263,000.00
35	13-Jan-25	FT250130Z3N3	Recurrent	Statement of Fin Performance	4,151,100.00
36	13-Jan-25	FT25013YSVXG	Recurrent	Statement of Fin Performance	3,952,000.00
37	13-Jan-25	FT25013F3ZSP	Recurrent	Statement of Fin Performance	3,222,462.00

*Migori County Assembly*

**Annual Reports and Financial Statements for the year ended June 30, 2025.**

38	16-Jan-25	FT25016GNPM4	Recurrent	Statement of Fin Performance	5,000,000.00
39	14-Feb-25	FT25045JKX76	Recurrent	Statement of Fin Performance	3,222,462.00
40	14-Feb-25	FT250450F2Z2	Recurrent	Statement of Fin Performance	1,611,231.00
41	21-Feb-25	FT2505208CFK	Recurrent	Statement of Fin Performance	39,185,995.00
42	27-Feb-25	FT250588QNTF	Recurrent	Statement of Fin Performance	36,858,003.00
43	27-Feb-25	FT250587T2NL	Recurrent	Statement of Fin Performance	12,707,000.00
44	27-Feb-25	FT250580RWBX	Recurrent	Statement of Fin Performance	1,611,231.00
45	06-Mar-25	FT250654HV4T	Recurrent	Statement of Fin Performance	14,227,700.00
46	06-Mar-25	FT250653VCW2	Recurrent	Statement of Fin Performance	13,972,000.00
47	06-Mar-25	FT25065J0TJS	Recurrent	Statement of Fin Performance	4,930,680.00
48	11-Mar-25	FT250703LW4P	Recurrent	Statement of Fin Performance	7,929,470.00
49	01-Apr-25	FT250913Y7H1	Recurrent	Statement of Fin Performance	5,450,156.00
50	03-Apr-25	FT25093TJN3W	Recurrent	Statement of Fin Performance	44,183,030.00
51	23-Apr-25	FT25113LDTT4	Recurrent	Statement of Fin Performance	20,343,100.00
52	02-May-25	FT25122B0YDW	Recurrent	Statement of Fin Performance	38,269,213.00
53	02-May-25	FT251229KKG2	Recurrent	Statement of Fin Performance	2,881,739.00
54	14-May-25	FT25134F5V92	Recurrent	Statement of Fin Performance	10,605,000.00
55	14-May-25	FT25134MTPGV	Recurrent	Statement of Fin Performance	9,195,845.00
56	14-May-25	FT251346ZZFM	Recurrent	Statement of Fin Performance	3,937,580.00
57	14-May-25	FT25134H5XTJ	Recurrent	Statement of Fin Performance	3,222,462.00

Migori County Assembly

**Annual Reports and Financial Statements for the year ended June 30, 2025.**

58	14-May-25	FT251349608H	Recurrent	Statement of Fin Performance	2,358,860.00
59	14-May-25	FT25134LVF34	Recurrent	Statement of Fin Performance	1,611,231.00
60	14-May-25	FT25134R93TY	Recurrent	Statement of Fin Performance	1,555,324.00
61	14-May-25	FT25134XD8F1	Recurrent	Statement of Fin Performance	766,780.00
62	14-May-25	FT25134VN0W7	Recurrent	Statement of Fin Performance	267,200.00
63	27-May-25	FT25147WB496	Recurrent	Statement of Fin Performance	37,124,281.00
64	27-May-25	FT25147CZN2Q	Recurrent	Statement of Fin Performance	11,919,700.00
65	27-May-25	FT25147N6V81	Recurrent	Statement of Fin Performance	2,907,526.00
66	11-Jun-25	FT2516225RQ5	Recurrent	Statement of Fin Performance	6,500,000.00
67	30-Jun-25	FT251817T9LV	Recurrent	Statement of Fin Performance	17,054,150.00
68	30-Jun-25	FT25181J2NT9	Recurrent	Statement of Fin Performance	2,300,000.00
69	01-Jul-25	FT25182WY5FW	Recurrent	Statement of Fin Performance	36,592,930.00
70	01-Jul-25	FT2518249K30	Recurrent	Statement of Fin Performance	13,345,017.00
71	01-Jul-25	FT25182C5ML7	Recurrent	Statement of Fin Performance	3,222,462.00
72	01-Jul-25	FT25182S142D	Recurrent	Statement of Fin Performance	2,881,739.00
73	09-Jul-25	FT25190YBZCJ	Recurrent	Statement of Fin Performance	13,894,340.00
74	09-Jul-25	FT25190CY5M4	Recurrent	Statement of Fin Performance	8,107,600.00
75	09-Jul-25	FT25190V9QND	Recurrent	Statement of Fin Performance	2,000,000.00
76	09-Jul-25	FT25190WCCW1	Recurrent	Statement of Fin Performance	950,000.00
77	09-Jul-25	FT25190QNPCT	Development	Statement of Fin Performance	39,602,443.00

*Migori County Assembly*

**Annual Reports and Financial Statements for the year ended June 30, 2025.**

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78	09-Jul-25	FT251906LM7J	Development	Statement of Fin Performance	14,262,066.00
79	30-Jun-25	FT251812SSY7	Development	Statement of Fin Performance	699,259.00
			<b>Totals</b>		<b>1,005,379,343.00</b>

**Appendix VIII: Fixed Asset Register**

<b>Asset class</b>	<b>Historical Cost b/f (Kshs) 2023/24</b>	<b>Additions during the year (Kshs)</b>	<b>Disposals during the year (Kshs)</b>	<b>Transfers in/(out) during the year</b>	<b>Historical Cost c/f (Kshs) Current Year</b>
Land					
Buildings and structures	318,119,581	38,381,123			356,500,704
Transport equipment					
Office equipment, furniture and fittings	34,613,090	300,000			34,913,090
ICT Equipment	30,172,057	4,320,880			34,492,937
Machinery and Equipment	78,488,603				78,488,603
Biological assets					
Infrastructure Assets- Roads, Rails					
Heritage and cultural assets					
Intangible assets	35,100,617				35,100,617
Work in Progress		16,182,645			16,182,645
<b>Total</b>	<b>496,493,949</b>	<b>59,184,648</b>			<b>555,678,597</b>

*Migori County Assembly*  
**Annual Reports and Financial Statements for the year ended June 30, 2025.**

**Appendix IX: Accounts Payables**

S/No.	Payee Name	Financial Year	Details of Work Performed	Outstanding Pending Bill Amount as of 30th June, 2024 (Kshs.)	Settled Pending Bills in FY 2024/25 (Kshs.)	Pending bills incurred in the FY 2024/2025	Outstanding Pending Bill Amount as of 30th June, 2025 (Kshs.)
				A	B	C	D=A-B+C
<b>a)</b>	<b>Recurrent</b>						
1	Nation Media Group	2015/2016	Advertisements	1,159,687			1,159,687.45
2	The Standard Grp Ltd	2013-2015/2016	Advertisements	1,398,992			1,398,992.45
3	THE STAR PUBLICATION LTD	2013-2015/2016	Advertisements	1,229,600			1,229,600.00
4	JOVENTURE HOTEL	2014/2015	Catering Services	5,163,208			5,163,208.00
5	Supanova Hotel	2017/2018	Hospitality Services	429,650			429,650.00
6	Tom Mboya Labour Collrge	2015/2016	hospitality services	254,599			254,599.00
7	Maranatha Faith Assemblies	2019-2020	Hire of Hall/Tables and chairs	392,000			392,000.00
8	The Five Islanda Resort	2020-2021	Hospitality Services	8,400,000			8,400,000.00
9	Tolan Hotel	2020-2021	Catering Services	740,204	740,204.00		-
10	Pinecone Hotel	2021-2022	Hospitality Services	4,833,135	1,965,517.00		2,867,618.00
11	CIALA Resort	2021-2022	Hospitality/Catering Services	500,000			500,000.00
12	LAKE JUNCTION RESORT	2021-2022	CATERING SERVICES	392,400			392,400.00
13	Pridelnn Paradise	2022-2023	Catering Services	2,236,800	2,000,000.00		236,800.00
14	Florence Hotel	2022-2023	Catering/Hospitality Services	3,216,221	3,500,000		-
15	Wigot Hotel	2022-2023	HOSPITALITY SERVICES	1,407,000			283,779.20
16	Great Lakes Hotel	2023-2024	Catering Services	10,200,000	7,396,551.70		1,407,000.00
17	Florence Hotel	2023-2024	Catering Services	3,500,000			2,803,448.30
18	Rusinga Blue Ridge Hotel	2023-2024	Catering Services	815,000	815,000.00		1,534,483.00
19	Star Ridge Hotel	2023-2024	Catering Services	53,000	53,000.00		-

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20	Hippo Buck Hotel	2023-2024	Catering Services	132,300	132,300.00		-
21	Grace Hotel Ltd	2023-2024	CATERING SERVICES	1,500,000	1,500,000.00		-
22	BLUE RIDGE HOTEL	2024/2025	Catering Services			703,362.10	703,362.10
23	FLORENCE HOTEL	2024/2025	Catering Services			3,650,761.00	3,650,761.00
24	TOLAN HOTEL	2024/2025	Catering Services			1,362,404.00	1,362,404.00
25	PRIDE INN HOTEL	2024/2025	Catering Services			2,236,800.00	2,236,800.00
26	GREAT LAKES HOTEL	2024/2025	Catering Services			5,947,706.25	5,947,706.25
27	GRACE HOTEL	2024/2025	Catering Services			2,460,431.00	2,460,431.00
28	PINECONE HOTEL	2024/2025	Catering Services			5,338,868.00	5,338,868.00
29	TREAT HOUSE	2024/2025	Catering Services			127,500.00	127,500.00
30	VICTORIA COMFORT	2024/2025	Catering Services			751,968.95	751,968.95
31	The heron Hotel	2022-2023	catring and hospital services	1,000,000	1,000,000.00		-
32	Royal Avila consultants LTD	2014/2016	Consultancy Services	262,500			262,500.00
33	VASALLY VIDEO COVERAGE	2015/2016	Audio-Visual Services	484,000			484,000.00
34	Saginan Consult	2021-2022	Consultancy Services	220,000			220,000.00
35	KPLC			482,839.00	482,839.00	643,088.00	643,088.00
36	Preeno Energy Investments	2022-2023	Fuel and Lubricants	500,000	500,000.00	1,500,000.00	1,500,000.00
37	Afritop Trading Company	2023-2024	Supply of Office Furniture	2,610,000	300,000.00		2,310,000.00
38	Alpha Affinity LTD	2014/2015	General office supplies	36,000			36,000.00
39	KIKASO YOUTH GROUP	2017/2018	general office supplies	204,448			204,448.30
40	LANTERN INVESTMENT COMPANY LTD	2015/2016	General supplies	139,720			139,720.00
41	RYRE CLIVE MEDIA	2017/2018	general office supplies	163,020			163,020.00
42	Naso Ventures	30/04/2020	PPEs	202,000			202,000.00

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43	First Electro point (K) LTD	2015/2016	supply and delivery of tonners	1,481,646			1,481,646.35
44	Rush Enterprises	2019-2020	Office Stationaries	455,645			455,645.00
45	Alphapapa Freighters	2019-2020	Supply of tonners	844,000			844,000.00
46	Sonli Services Limited	2019-2020	Office stationaries	195,000			195,000.00
47	Flori-pack enterprise	2020-2021	supply and delivery of Tonners	1,268,840			1,268,839.79
48	Goria Ventures	2022-2023	Supply of Tonners	887,926			887,926.05
49	Celmaq Solutions Ltd	2024-2025	Supply of Stationery	-		194,000.00	194,000.00
50	Jaluds Investment	2024-2025	Supply of Stationery	-		100,000.00	100,000.00
51	Manustan Investment	2024-2025	Supply of tonners	-		1,347,000.00	1,347,000.00
52	Kazola Enterprises	2023-2024	Supply of tonners	1,701,650	1,701,650.00		-
53	Weance Link Ltd	2023-2024	supply of Stationery	800,650	800,650.00		-
54	Atlantic Ark Co.Ltd	2024/2025	STATIONERY			542,870.00	542,870.00
55	EMANU STAN INVESTMENT	2024/2025	TONNERS			1,347,000.00	1,347,000.00
56	Sonli Services Limited	2019-2020	Supply pf Photocopying/Printing Papers	195,000			195,000.00
57	Lakers Pride Security Services	2021-2022	Security Services	4,872,000			4,872,000.00
58	Sotera	2024-2025	Security Services	-		3,400,000.00	3,400,000.00
59	CHAKRA Security Co. Ltd	2022-2023	Security Services	5,770,457			5,770,457.00
60	Almeo Logistics	2019-2020	Supply of Handsard Equipment	1,361,748			1,361,748.00
61	Nyandesa eterprises	2021-2022	ICT equipments	424,814			424,814.20
62	D.Lan network & comm	2013/2014	Webhosting	600,000			600,000.00
63	Kenya web com ltd	2014/2015	web design development	468,930			468,930.00
64	Samonyo Enterprises	2019-2020	Computer Accessories	525,000			525,000.00
65	Leeder Investments	2019-2020	Supply of computer softwares	1,207,600			1,207,600.00

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66	Ardtech Access Network	2022-2023	Networking services	645,000	645,000.00		-
67	Netswitch Systems Limited	2022-2024	Networking services	330,000	330,000.00		-
68	Addomart Investment Co.	2023-2024	Supply of computer softwares	720,500	720,500.00		-
69	<b>PAIRPONT MERCHANT LTD</b>	<b>2024/2025</b>	<b>SOFTWARES</b>			749,000.00	749,000.00
70	Gordon F.O. Ogolla	2015		2,248,917			2,248,916.70
71	Patrick Oyugi Wakine	2015		10,600,000	500,000.00		10,100,000.00
72	Gordon F.O. Ogolla	2019		225,330			225,330.00
73	Judgement /decrees -Nyamori Advocates & Co	2022	Court Decrees	8,415,823	8,415,822.00		1.25
74	Odhiambo Kanyangi & Co Advocates	2020-2021		3,499,925	300,000.00		3,199,925.18
75	Cheboi Ouma and Co. Advocates	2020-2021		2,870,000	300,000.00		2,570,000.00
76	Jura Advocates	2021-2022	Court Decrees	26,100,464	3,500,000.00		22,600,464.00
77	Judgement /decrees -Okongo Wandago Advocates & Co	2023-2024	Court Decrees	8,395,575	5,298,275.85		3,097,299.00
78	Charles Owino Likowa	2023-2024		10,513,155	2,000,000.00		8,513,155.00
79	James Aggrey Mwamu	2023-2024		7,519,282			7,519,282.00
80	Exxer co. ltd	2022-2023	Repairs & Mentainance-Building	649,500			649,500.00
81	AAR Insurance	2022-2023	Medical Services	10,400,000			10,400,000.00
82	FIVESTAR SERVICE STATION	2014/2015	Maintenance and Repair Services	141,200			141,200.00
83	CFAO Mobility	2024/2025	Maintenance and Repair Services	-		2,120,300.00	2,120,300.00
84	TOMS AUTOTECH & GARAGE	2015/2016	Repair & maintance	150,000			150,000.00
85	<b>LAPFUND</b>		<b>Payroll Component</b>	<b>469,249,449.00</b>		<b>89,819.00</b>	<b>469,339,268.00</b>
86	Cadre General Supplies	2023-2024	Printing Services	1,880,000	1,337,068.95		542,931.05
87	Josphen Construction	2023-2024	Cleaning materials	712,300	712,300.00		-
88	Graphelia Agencies	2014/2015	Cleaning materials	423,540			423,540.00

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89	Codays Enterprises Ltd	2019/2020	Sanitary and Cleaning materials	187,783			187,783.00
90	Liken Light	2019-2020	Cleaning materials	250,000			250,000.00
91	Blue Gardens	2022-2023	supply of cleaning materials	948,729	948,729.00		0.30
92	Millas Global	2022-2023	Cleaning materials	2,006,885	2,006,885.00		-
93	The Apex Park Initiative Y. G	2018-2019	Sanitary and leaning materials	638,462			638,462.00
94	CPST	2014/2015	training fees	960,000			960,000.00
95	INSTITUTE OF HUMAN RESOURCE MNGT	2014/2015	Training Fees	127,600			127,600.00
96	kenya computers industry, & sev tech	2014/2015	Implementation of comp HRM	212,280			212,280.00
97	RABINOL ENTERPRISES	2013/2024	Training Fees	500,000			500,000.00
98	Shan care Investments	2021-2022	provision of taxi services	230,000			230,000.00
99	Out Days Tours and Safaris	2021-2022	Air Ticketing Services	220,885	220,885.00		-
100	Pengraphic Advertising limited	2018-2019	Uniforms	385,000			385,000.00
101	Daily Spring	2018/2019	supply and delivery of mineral water	202,000			202,000.00
102	Naso Ventures	2019/2020	supply and delivery of water	584,000			584,000.00
103	LOVELY DIVAS WOMEN GROUP	2019/2020	supply of water	672,000			672,000.00
104	M/S Salama Youth Group	2019-2020	Supply and delivery of bottled mineral water	211,500			211,500.00
105	Khaf Construction Ltd	2024/2025	Supply and delivery of bottled mineral water	-	639,000.00		639,000.00
106	Arigem Logistics	2020-2021	supply of mineral water	670,000			670,000.00
107	Chrisper Investment LTD	2021-2022	supply of water	340,000	300,000.00		40,000.00
108	MIWASCO	2021-2022	Water Supply	203,590			203,590.00
109	Nyamtonglo Enterprises	2022-2023	Water Supply	1,400,000			1,400,000.00
110	Jaluds Investments	2023-2024	supply of mineral water	1,200,000	1,200,000.00		-
111	JOSBEN CERIAALS	2024/2025	MINERAL WATER			900,000.00	900,000.00

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112	KRA( Tax Assessment	2024/2025	Tax Assessment	21336845	2,000,000.00		19,336,845.00
113	Foreign Travels			5,519,424.00	5,519,424.00		-
	<b>Sub-Total</b>			<b>682,016,174</b>	<b>61,108,119</b>	<b>36,151,878</b>	<b>657,059,933</b>
<b>b)</b>	<b>Development</b>						-
1	Jakako	2023-2024	Construction of Committee Room	16,182,645	16,182,645		-
2	Jaodex Entreprises Ltd	2023-2024	Fencing of West Kanyamkago	1,999,998	1,999,998		-
3	Senerwa	2023-2024	Fencing of South Kanyamkago	1,998,501	1,998,501		-
4	Hibwa Construction Co Ltd	2023-2024	Completion of Nyabasi East ward office	3,498,096	3,498,096		-
5	MOCA Contractors Co.	2023-2024	Drilling of Borehole	5,996,221	5,996,221		-
6	Silow Smarte	2023-2024	Fencing of Muhuru Ward office	881,160	881,160		-
7	Deluxxis Agencies Ltd	2023-2024	Completion of Wiga Ward office	3,499,980	3,499,980		-
8	Account Payables-Deposits			2,636,694	687,203	5,397,870.35	7,347,361.55
9	Goria Ventures	2023-2024	Fencing of Central Kanyamkago Ward	1,999,998	1,999,998		-
10	Sadat Construction Company Ltd	2023-2024	Construction of Oruba MCA office	3,545,844	3,545,844		-
11	BulBul Investments	2020-2021	construction of car shade	300,000			300,000.00
	<b>Sub-Total</b>			<b>42,539,137</b>	<b>40,289,646</b>	<b>5,397,870</b>	<b>7,647,362</b>
	<b>Grand Total (a+b)</b>			<b>724,555,311</b>	<b>101,397,765</b>	<b>41,549,749</b>	<b>664,707,295</b>