

REPUBLIC OF KENYA



PARLIAMENT
OF KENYA
LIBRARY

REPORT

OF

THE AUDITOR-GENERAL

ON

MIGORI MUNICIPALITY

**FOR THE YEAR ENDED
30 JUNE, 2025**

12/11/2025
S.M.L



MIGORI MUNICIPALITY
County Government of Migori

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

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

1.	Acronyms and Definition of Key Terms.....	ii
2.	Key Entity Information and Management.....	iii
3.	Municipality Board	viii
4.	Key Management Team	x
5.	Municipality Board Chairperson’s Report	xii
6.	Report of the Municipality Manager	xiv
7.	Statement of Performance Against Predetermined Objectives for the FY.....	xviii
8.	Corporate Governance Statement.....	i
9.	Management Discussion and Analysis	v
10.	Environmental and Sustainability Reporting.....	viii
11.	Report of the /Municipality Board Members	xii
12.	Statement of Management’s Responsibilities	xiii
13.	Report of the Independent Auditor for Migori Municipality	xv
14.	Statement of Financial Performance for The Year Ended 30 June 2025	1
15.	Statement of Financial Position as At 30 June 2025	2
16.	.Statement of Changes in Net Assets for the Year Ended 30 June 2025.....	3
17.	Statement Of Cash Flows for The Year Ended 30 June 2025	4
18.	Statement of Comparison of Budget & Actual Amounts for the Year ended 30 June 2025.....	5
19.	Notes to the Financial Statements.....	7

1. Acronyms and Definition of Key Terms

A. Acronyms

PSASB	Public Sector Accounting Standards Board
FY	Financial Year
OSHA	Occupational Safety & Health Act

B. Definition of Key Terms

Fiduciary Management - Members of Management directly entrusted with the entity's financial resources.

Comparative Year- Means the prior period.

2. Key Entity Information and Management

a) Background information

Migori Municipality is established by and derives its authority and accountability from Urban Areas and Cities Act No. 13 of 2011(amended 2019) and Cities and Municipal Charter on 20th July 2018. The Migori Municipality is under the County Government of Migori and is domiciled in Kenya.

b) Principal Activities

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

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

Vision of Migori Municipality

To be liveable and an all-inclusive Municipality

Mission of Migori Municipality

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

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

Vision of Migori Municipality

To be liveable and an all-inclusive municipality.

Mission of Migori Municipality

To create a conducive environment that enhances socio-economic development of Migori Municipality.

c) Key Management

The Municipality is managed by a board and a municipal manager appointed under the provisions of Urban Areas and Cities Act, 2011 (Amended 2019). The Municipal administration is also composed of other technical staff who head the respective departments as per the organogram.

S/No	Position	Name
1.	Chairperson of the Board	Mr. Robert Mandela Omondi
2.	Vice chairperson	Ms Turphoser Adhiambo Adawo
3.	Board Member 1	Mr. Frank Akelo Daniel
4.	Board Member 2	Mr. Willis Aluoch Aluoch
5.	Board Member 3	Mr James Ogutu Odindo
6.	Board Member 4	Mr Paul Odhiambo Kokelo
7.	Board Member 5	Mrs. Spirim Kwamboka Oloo
8.	CECM in charge of Urban matters	Hon. Mercy Mwakio
9.	Chief Officer In charge of Urban Matters	Mr. Andrew Mwera
10.	Municipality Manager	Mr. Owino Dismas Onyango

d) Fiduciary Management

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

Ref	Position	Name
1	Municipality Manager	Mr. Owino Dismas Onyango
2	Municipality Accountant	CPA Wasonga Hillary Sorro
3	Municipal Physical Planner	Mr. Arthur Omondi Orangi
4	Municipal Environment Officer	Mr. Gerald Kibathi
5	Municipal Ass Accountant	Mrs.Ruth Omolo
6	Municipal Administrator	Mr.George Olumwa

e) Fiduciary Oversight Arrangements

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

i) Audit and Risk Management Committee

The Board has constituted an audit and Risk committee which is chaired by Mr. Willis Aluoch Aluoch

ii) County Assembly committees

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

iii) Committees of the Senate

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

f) Registered Offices

P.O. Box 195- 40400
Lands, Housing, Physical Planning and Urban Development Office Building
Government Road
Migori, KENYA.

g) Contacts

Telephone: (+254) 202690780
E-mail: info@migori.go.ke
Website: www.migori.go.ke

h) Bankers

Kenya Commercial Bank –
Migori Branch
P O Box
Suna-Migori

i) Independent Auditor

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

j) Principal Legal Adviser

The Attorney General

State Law Office

Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya

County Attorney





County Government of Migori


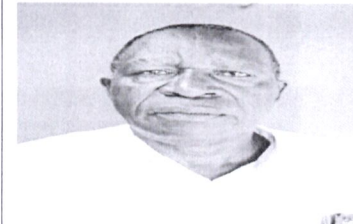


P.O.BOX 195-40400

SUNA-MIGORI





*County Government of Migori
Migori Municipality
Annual Report and Financial Statements for the year ended June 30, 2025*


3. Municipality Board

Serial No.	Name	Details of qualifications and experience
1	1. Board Member 1 Robert Mandela Omondi 	<i>30 years old</i> <i>Has Degree in Public Health and Higher Diploma in Project Management</i> <i>Has practiced as a sub-county public health officer Suna -East Sub county</i>
2	2. Board Member 2 Truphoser Adhiambo Adawo 	53years old Has Diploma in Social Work Degree in Sociology (On Going) Has previously served as Councilor for Oruba-Ragana ward Has been Mayor for Migori Municipality under Local Government
3	3. Board Member 3 Daniel Frank Akello 	46 Years old Has Degree in Public Policy. Diploma in Project Management. Previously served as quality controls officer with British America Tobacco (BAT)
4	4. Board Member 4 Willis Aluoch Aluoch 	61 years old Diploma in Special Education Degree in Special Education (On going) Retired teacher
5	5. Board Member 5 James Ogutu Odindo	61 Years old

		<p>Diploma in Insurance(CII), Diploma in Human Resource Administration</p> <p>A retired insurance officer with SONY Sugar Company</p>
6	<p>6. Board Member 6</p> <p>Paul Odhiambo Okello</p> 	<p>66 Years old</p> <p>Degree in Education (economics and business studies)</p> <p>Master's in Education Management (on going)</p> <p>Has been long serving Educationist(retired)</p>
7	<p>7. Board Member 7</p> <p>Spirim Kwamboka Oloo</p> 	<p>59 Years old</p> <p>Diploma in Theology</p>
8	<p>8. Board Member 7</p> <p>Onyango Dismas Owino</p> 	<p>52 years old</p> <p>Degree in Education</p> <p>Long serving teacher with TSC</p> <p>Served as sub county administrator in Migori county</p>

4. Key Management Team

S/ No	Name	Details of qualifications and experience
1.	<p>Onyango Dismas Owino</p> 	<p>52 years old</p> <p>Degree in Education</p> <p>Long serving teacher with TSC</p> <p>Served as sub county administrator in Migori county</p>
2.	<p>Authur Omondo Orangi (municipal physical planner)</p> 	<p>MSc in Environmental Planning and Management (ongoing)</p> <p>Bachelor of Urban and Regional Planning</p> <p>Post graduate certificate in Environment Impact Assessment and Audit (E.I.A& A)</p> <p>CPAI.</p> <p>Age: 41</p>
3.	<p>Jerald Kibathi(Municipal Environment Officer)</p> 	<ul style="list-style-type: none"> • Bachelor of Science in Environmental Science • Certified Environmental Impact Assessment Professional (Lead Expert) • Member of Environmental Institute of Kenya(EIK) • Over 15yrs in Environmental Management and Assessments
4.	<p>Ruth Adhiambo Omolo (Ass. Accountant)</p> 	<p>Certified Public Accountant (II)</p> <p>Vast experience in Revenue Collection</p> <p>Age :51</p>
5	<p>1. Member 3 George Omondi Olumwa (Administrator Municipality)</p>	<p>Diploma in Education</p> <p>Age : 44</p> <p>Has worked as a teacher</p>

		6
		

5. Municipality Board Chairperson's Report

It is with great honor and a deep sense of responsibility that I present this foreword as part of the Annual Report and Financial Statement for the Municipality of Migori for the Financial Year ended 30th June 2025. This report provides an opportunity to reflect on the milestones we have achieved, evaluate the performance of the Municipal Board, acknowledge the challenges encountered, and set our focus on the future direction of the Municipality.

Successes and Key Achievements

During the reporting period, the Migori Municipality Board recorded commendable progress in urban management, infrastructure development, and stakeholder engagement. Notable achievements include:

- **Effective Governance:** The Board successfully convened and conducted its scheduled board meetings, providing strategic direction and oversight for municipal operations and projects.
- **Public Participation:** We held citizen fora that enhanced public engagement in decision-making processes, in line with the principles of transparency, inclusivity, and accountability.
- **Administrative Support:** The Municipality strengthened office administration through the acquisition of critical ICT equipment and utilities, enhancing staff productivity and service delivery.
- **Infrastructure Maintenance:** A total of **5 kilometers of access roads** were maintained, improving connectivity and supporting local mobility within the municipality.
- **Shoe Shiner Booths:** The Municipality successfully tendered and awarded the contract for the Shoe shiner booths. This aimed at creating commercial engagements for the youth and women groups and to open more revenue streams for the county government.
- **Environmental Management:** Through routine street and open spaces cleaning and timely refuse collection, the Municipality maintained a clean and healthy urban environment.
- **Storm water drainages maintenance and unclogging:** The municipality managed to unclog silted drainages in Migori town on the Suna West sub county side. This was aimed at preventing storm water and overflows that may be risky to the traders and public.
- **Resource Mobilization:** The Board spearheaded partnerships with development partners and successfully secured **grant funding for Urban Investment Projects**, scheduled for implementation in the FY 2025/2026.

Performance Review

The Board demonstrated effective governance and responsiveness to the needs of residents through structured planning, policy direction, and support to the Municipal Manager and technical departments. Board resolutions were action-oriented, contributing directly to improved service delivery, stakeholder engagement, and fiscal discipline. We continued to work closely with the County Government of Migori and relevant agencies in aligning our priorities with national urban development objectives.

Challenges Faced

Despite the gains made, the Municipality encountered several challenges:

- **Budget Constraints:** Inadequate funding and delayed disbursement of resources hampered the full implementation of some planned activities.
- **Infrastructural Gaps:** The demand for urban services continued to outpace available resources, particularly in solid waste management, stormwater drainage, and road network, street lighting and flood lights.
- **Public Expectations:** High public expectations often surpassed the scope of our mandates and budgetary capacity, necessitating continuous civic education and resource prioritization.

Changes in the Board and Management

During the year, there were no major changes to the composition of the Migori Municipality Board. However, continuous capacity building was undertaken to strengthen the Board's performance and ensure adherence to good urban governance practices. I commend my fellow board members, the Municipal Manager and his technical team for their unwavering commitment and professionalism.

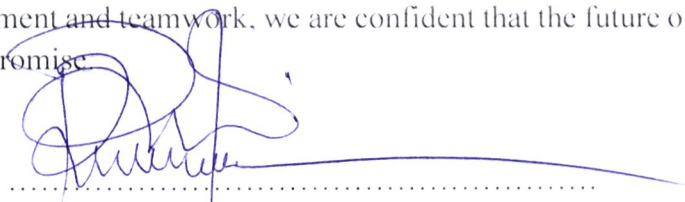
Future Outlook

Looking ahead, the Board remains committed to advancing sustainable urban development in Migori Municipality. Our focus in the upcoming financial year will be:

- Implementing the donor-supported Municipal Urban Investment Projects.
- Finalizing and enforcing Municipal Bylaws to guide urban governance.
- Expanding public participation and accountability mechanisms.
- Promoting inclusive economic growth through infrastructure and market development.
- Strengthening partnerships with both public and private sector actors.

Conclusion

On behalf of the entire Board, I extend my sincere gratitude to our partners, residents, and the County Government of Migori for their unwavering support and collaboration. Together, we have laid a strong foundation for the transformation of Migori into a resilient and inclusive urban area. With continued commitment and teamwork, we are confident that the future of Migori Municipality remains bright and full of promise.



.....
Name: Mr. Robert Mandela Omondi
Chairperson of the Board

6. Report of the Municipality Manager

6.1 Introduction

This report presents a detailed account of the achievements, challenges, and financial performance of Migori Municipality during the 2024/2025 Financial Year. The Municipality has continued to adhere to its mandate of providing urban services, promoting inclusive development, and ensuring citizen participation and maintain good relations with development partners

Despite facing budgetary constraints, especially due to the non-disbursement of the anticipated Urban Development Grant (UDG), Migori Municipality made significant progress in project implementation, stakeholder engagement, and institutional strengthening.

6.2 Budget Summary and Financial Overview

The total approved budget for Migori Municipality in FY 2024/2025 was KES 84,001,318. This comprised both recurrent and development allocations, as outlined below:

Budget Item	Amount (KES)
Recurrent Budget	21,139,996.
Development Budget	62,861,322
Total	84,001,318

The breakdown of key allocations within the recurrent and development budgets is as follows:

Recurrent Budget:

- Planning, Administration & Governance: KES 13,280,000.
- Municipal Board Operations: KES 6,720,000
- Settlement of Pending Bills: KES 1,139,996.

Development Budget:

- Urban Development Grant (Donor component): KES 54,181,008 (*Not disbursed*)
- Civil Works & Infrastructure: KES 8,680,314.

While most planned activities were undertaken within the available resources, the failure to receive donor funding limited the scope of major capital investments.

6.3 Physical Performance and Project Implementation

6.3.1 Road Infrastructure Development (on going)

- Routine maintenance of 5 km of access roads was successfully undertaken. This intervention significantly improved road conditions within the municipality

6.3.2 Municipal Drainage maintenance

Major drainages had clogged and as a result, there was a lot of water overflows on roads, markets and bus park. This really hampered trade and mobility especially during and after rains. There was therefore, need to clear the drainages and repair destroyed sections.

6.3.3 Urban Sanitation and Cleaning Support

Procurement of sanitary and cleaning equipment to enhance cleanliness of our offices, public spaces, streets, and markets.

Staff uniforms were provided to improve visibility and professional conduct of municipal workers.

6.3.4 ICT Support and Office Enhancement

ICT equipment including Laptop, desk top, printer and accessories was procured to support administrative operations and improve efficiency.

6.3.5 Construction of shoe shiner booths:

Aimed at creating employment to the youth, women and persons living with disabilities and create an own source revenue stream.

6.4. Urban Governance and Stakeholder Engagement

6.4.1 Municipal Board and Statutory Committees

The Municipal Board conducted all statutory meetings as required under the Urban Areas and Cities Act, 2011.

Key decisions made focused on project approvals, budget review, and oversight of development priorities.

6.4.2 Citizen Fora

Four major citizen fora were held during the year: The fora focused on:

- Urban waste management
- Removal of illegal structures
- Recreational park development
- Inclusive planning and bylaws formulation
- Renovation and unclogging of drainage.
- Opening and gravelling of urban roads

Participants included residents, private sector actors, boda-boda groups, religious organizations, women and youth representatives, and persons with disabilities (PWDs).

6.5 Institutional Strengthening and Capacity Building

The Municipality initiated several actions to strengthen internal capacity:

- Training and induction for board members on governance, ethics, and oversight.
- Participation in inter-municipal benchmarking forums.
- Integration of Performance Contracting and Annual Work Plans in line with national urban development frameworks.

6.6 Challenges Encountered

Non-disbursement of UDG Funds: The Urban Development Grant (KES 54,181,008), a key donor-funded component, was not disbursed. This constrained implementation of large-scale infrastructure projects.

Outstanding Pending Bills: Recurrent pending bills carried over from previous years affected fiscal flexibility.

Urban Service Demand: Increasing population and urbanization have stretched the Municipality's capacity to deliver solid waste services, drainage maintenance, and transport planning.

Equipment and Logistics Gaps: The municipality continues to face shortages in field vehicles, heavy-duty cleaning machines, and drainage equipment.

6.7. Risk Mitigation Strategies

To counter the identified challenges, the following measures were instituted:

- Strengthened internal control and procurement oversight mechanisms.
- Increased coordination with the County Treasury and contractors to manage pending bills.

- Development of own-source revenue streams to reduce reliance on external grants.
- Enhanced monitoring and evaluation of ongoing projects.

6.8. Outlook for FY 2025/2026

The projected budget for FY 2025/2026 is KES 77,180,008. Key focus areas will include:

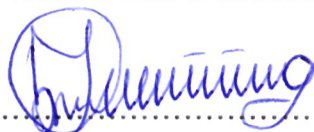
- Construction of Migori modern bus park.
- Completion of Migori recreational park
- Promotion of green and sustainable municipal infrastructure
- Enhanced citizen engagement and accountability forums
- Implementation of municipal bylaws and other planning instruments

The Municipality will also work closely with the County Government to lobby for more funding and support for strategic urban investments.

6.9. Conclusion

In conclusion, the FY 2024/2025 was marked by commendable progress despite financing gaps. Migori Municipality remains committed to sustainable urban development, citizen empowerment, and efficient service delivery. We thank the Board members, County Executive and county Assembly, partners, and residents for their continued collaboration.

We look forward to another year of impactful transformation and inclusive growth in FY 2025/2026



.....
Name: Owino Dismas Onyango
Municipality Manager.

7. Statement of Performance Against Predetermined Objectives for the FY

Introduction

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

a) Provide quality physical infrastructure

This involves the development and maintenance of infrastructure within the municipality, such as:

- Roads and transport networks
- Water and sanitation systems
- Street lighting
- Public buildings and recreational facilities
- Drainage systems
- Waste management facilities.

Ensuring that these infrastructures are of high quality and meet the community's needs is essential for fostering economic growth and improving residents' quality of life.

b) Promote environmental management and conservation

Environmental sustainability is crucial for urban areas. This includes:

- Managing waste, including recycling and reduction strategies
- Preserving natural resources such as parks, wetlands, and rivers
- Controlling pollution (air, water, soil)
- Promoting green spaces and tree planting
- Implementing sustainable urban development policies

The goal is to balance development with environmental stewardship.

c) promote municipal planning services

Municipal planning is vital for organized growth and development, covering areas like:

- Land use and zoning regulations
- Urban design and development control
- Housing policies and affordable housing initiatives
- Public transportation planning
- Spatial planning to anticipate future needs.

Effective planning services ensure sustainable urban growth and prevent problems like overcrowding or unplanned settlements.

d) Enhance Urban Governance and Administration

Urban governance encompasses the management of city resources, with a focus on:

- Ensuring accountability, transparency, and citizen participation
- Managing municipal finances and budgets effectively
- Overseeing municipal employees and services
- Developing and enforcing local policies, laws, and regulations
- Encouraging public engagement and partnerships with stakeholders.

Good governance ensures that the municipality runs efficiently and meets its social and economic obligations.

Below we provide the progress on attaining the stated objectives:

PROGRAMME NAME	Environmental Management and Conservation					
OBJECTIVE	To improve cleanliness, preserve and conserve the environment					
Outcome	Enhanced Safety and Healthier Environment					
Sub-Programme	Key Outputs	Key Performance Indicators	Targets			Remarks
			Baseline	Planned	Achieved	
Environmental Preservation, Cleaning and Conservation Services	Tree seedlings planted	No. of Tree seedlings planted	500	100	100	
	Installed waste bins	No. of waste bins installed	50	10	10	
	Clean streets and open public spaces	Length of streets cleaned per week (km)	15	15	15	

Programme Name	Municipal Planning Services
Objective	To enhance land use planning, economic development and integrated planning

County Government of Migori

Migori Municipality

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

Outcome	Properly guided and formalized development					
Sub-Programme	Key Outputs	Key Performance Indicators	Targets			Remarks
			Baseline	Planned	Achieved	
Policies, plans and bi-laws review and development	Approved Migori Municipal By-laws	Existence of Migori municipal by-law	1	1	1	The draft by laws have been prepared awaiting approval
	Revised Integrated Development Plan (IDeP) for Migori Municipality	Existence of updated IDeP	1	1	1	The IDeP was revised as per the law
	Adopted Annual Urban Investment Plan	No. of Annual Urban Investment Plan prepared	1	1	1	The AUIP was prepared and adopted by the Board
	Strategic plan for Migori Municipality	Existence of Revised strategic plan	0	1	0	Project was not done due to insufficient funding

Programme Name	Infrastructure development					
Objective	To improve basic services within the municipality					
Outcome	Enhanced basic service within the municipality					
Sub-Programme	Key Outputs	Key Performance Indicators	Targets			Remarks
			Baseline	Planned	Achieved	

Infrastructural Development services	Constructed non-motorized (NMTs) Facilities	Length of footpaths constructed (Km)	5	5	0	There was low budgetary allocation
	Completion of Migori Recreational Park phase III	% of Physical completion of the Recreational Park	0	100	0	The project was affected by Municipal non-compliance with KFS requirements.
	Gravelling and Maintenance of Migori Municipality Roads	Length of Roads (km) graveled and maintained	2	5	5	Target met

Programme Name	Administrative and support services					
Objective	To improve the work environment, administration and governance					
Outcome	Improved service delivery					
Sub-Programme	Key Outputs	Key Performance Indicators	Targets			Remarks
			Baseline	Planned	Achieved	
Planning, administration and governance services	Board Meeting Minutes	No. of Board Meetings held per year	4	4	4	The board held 4 ordinary meetings and 4 special meetings over the last one year
	Board Committee	No. of Board Committee	16	16	16	A total of 16 Board

County Government of Migori

Migori Municipality

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

	Meeting minutes	Meetings held per year				Sub-committee meetings were held over the last one year
	Citizen Fora Reports	No. of Citizen Fora meetings held per year	4	4	4	4 citizen Fora were held
	Trained Municipal Staff and Board Members	No. of Trainings conducted annually	2	4	1	The municipal physical planner was trained on Senior Management at Kenya School of Government
	Peer learning Event Reports	No. of Benchmarking activities undertaken	0	2	0	There were no funds undertake the activity

a) Sector Challenges

- **Infrastructure Deficit:** Inadequate road networks, poor drainage systems, and insufficient public amenities.
- **Limited Financial Resources:** Budget constraints limiting the execution of development projects and maintenance of existing infrastructure.
- **Waste Management:** Challenges in solid waste collection and disposal, leading to environmental degradation.
- **Urban Planning Issues:** Uncontrolled urban sprawl, lack of adherence to zoning regulations, and informal settlements.

b) **Emerging Issues**

- **Urbanization Pressure:** Rapid population growth increasing demand for housing, infrastructure, and services.
- **Technology Integration:** The need to incorporate smart technologies in urban management and service delivery.
- **Climate Change Impact:** Increased frequency of extreme weather events affecting infrastructure and livelihoods.
- **Public Health:** Rising concerns about public health due to poor sanitation and lack of clean water.
- **Youth Unemployment:** Growing unemployment rates among the youth, leading to socio-economic challenges.
- **Community Participation:** Increasing demand for greater public involvement in decision-making processes.

c) **Lessons Learnt**

- **Community Engagement is Key:** Successful implementation of development projects requires active community participation.
- **Sustainable Planning:** Long-term, sustainable urban planning is essential to manage growth and environmental challenges effectively.
- **Collaboration with Stakeholders:** Working closely with government agencies, NGOs, and private sector partners enhances project success.
- **Adapting to Change:** Flexibility in planning and project execution is crucial to address emerging challenges effectively.
- **Capacity Building:** Continuous training and capacity building of municipal staff improve service delivery and project management.

d) **Recommendations**

- **Increase Budget Allocation:** Advocate for increased financial resources to support infrastructure development and maintenance.
- **Enhance Urban Planning:** Implement stricter zoning regulations and enforce urban planning guidelines to manage urban growth.
- **Strengthen Waste Management:** Invest in waste management infrastructure and promote community awareness on waste disposal.
- **Promote Environmental Conservation:** Develop and implement policies focused on environmental sustainability and climate change adaptation.
- **Leverage Technology:** Integrate technology in public service delivery and urban management to improve efficiency.
- **Boost Public Service Delivery:** Streamline processes, reduce bureaucracy, and improve responsiveness to public needs.

County Government of Migori

Migori Municipality

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

- **Youth Empowerment Programs:** Develop programs aimed at reducing youth unemployment through skills training and entrepreneurship support.
- **Improve Community Involvement:** Enhance mechanisms for public participation in planning and decision-making processes.
- **More revenue streams creation:** to ensure more own source revenue is collected for Migori municipal sustainability

Risk Management Strategies

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

Key Risks	Likelihood (H/M/L)	Impact (H/M/L)	Contingency Plan/ Steps to Mitigate Risk	Person(s) Responsible
Political instability and Insecurity (e.g. election unrest, terrorism etc.)	Low	High	<ul style="list-style-type: none">• Utilizing already existing county government structures, national government and other key actors	Office of the Governor
Limited Financial Resources	Medium	High	<ul style="list-style-type: none">• Development of sustainable income generating programmes	CEC and Chief Officer
Insufficient collaboration, cooperation and strategic partnerships with relevant stakeholders (PPP)	Medium	High	<ul style="list-style-type: none">• Enhancing partnerships with various stakeholders	Municipality Board/ CEC

Few technical staff	Medium	High	<ul style="list-style-type: none"> Identifying, developing and retaining the requisite human resources to support the strategy implementation Provide a competitive remuneration and benefits policy 	Public Service Board
Rapid technological advancement	Medium	High	<ul style="list-style-type: none"> Integrating information and communication technologies in the processes of services provision 	Directors
Resistance to change	Medium	High	<ul style="list-style-type: none"> Employee engagement; highly directed, engaged, mobilized county officers Team building for staff and the Board Communicating the vision and strategy to all effectively 	Municipal Manager

Owino Dismas Onyango

Municipal Manager- Migori Municipality

8. Corporate Governance Statement

Migori Municipality remains committed to the principles of transparency, accountability, participation, equity, and responsiveness in line with the Urban Areas and Cities Act, 2011 (Revised 2019), the Constitution of Kenya 2010, and other enabling legal and policy frameworks. This Corporate Governance Statement highlights the structures and governance mechanisms employed by the Migori Municipal Board in the Financial Year 2024/2025.

i. Appointment of Board Members

Board members are appointed in accordance with the Urban Areas and Cities Act, 2011 and the Migori Municipal Charter. The process involves:

- Composition and induction of board's selection panel
- A competitive nomination and shortlisting exercise by a selection panel,
- Vetting and approval by the County Assembly, and
- Formal appointment by the Governor.

Board members represent key stakeholder groups including professional bodies, the private sector, resident associations, faith-based institutions, and persons with disabilities. The Board is diverse in terms of gender, professional backgrounds, and demographic composition.

There is an operational Board Charter that provides guidelines on the mandate, code of conduct, performance expectations, ethical standards, and meeting procedures for members.

ii. Roles and Functions of the Board

The Migori Municipal Board performs the following core functions:

- Provide oversight on municipal operations and service delivery
- Approve and monitor the implementation of the Annual Work Plan and Budget
- Support and facilitate stakeholder engagement and public participation
- Ensure alignment of development initiatives with County and National priorities
- Monitor infrastructure development and approve municipal projects
- Formulate and review municipal bylaws and policies

The Board works closely with the Municipal Manager and technical departments to ensure lawful, inclusive, and efficient delivery of urban services.

iii. Induction, Training, and Development

During FY 2024/2025, Board members were taken through an intensive induction program covering:

- The Urban Areas and Cities Act, County Government Act, and PFM Act
- Municipal governance and planning frameworks
- The Public Procurement and Asset Disposal Act, 2015
- Ethics, integrity, and leadership standards

Members also participated in training forums on sustainable urban development, conflict of interest management, governance audits, and public financial oversight.

iv. Board and Members Performance

Board performance was assessed through meeting attendance, individual contributions, policy guidance, and committee effectiveness. Members actively participated in both full Board meetings and sub-committee activities. Annual self-assessments and peer evaluations were conducted to promote continuous improvement.

v. Board Meetings and Attendance

In the Financial Year 2024/2025, the Migori Municipal Board conducted a total of eight (8) sittings, as follows:

- Four ordinary meetings held quarterly
- Four special sittings, including those convened for project evaluations, budget reviews, and citizen fora preparations

In addition, the Board operated through four functional sub-committees, namely:

1. Finance Committee
2. Planning, Strategy and Evaluation Committee
3. Human Resource and Gender Mainstreaming Committee
4. Audit and Risk Management Committee

Each sub-committee held one meeting per quarter, resulting in a total of 16 committee sittings for the year. These committees played a vital role in policy scrutiny, oversight of operations, and coordination of Board business.

Board attendance during the year averaged over 95%, and all meetings were properly minuted and documented for accountability and audit purposes.

vi. Succession Planning

The Municipality has adopted a succession planning framework to ensure institutional stability. Key elements include:

- Staggered terms of board members
- Skills transfer through mentorship and documentation
- Capacity building of emerging leaders within the municipal structure

A dedicated succession policy is under development to formalize these efforts.

vii. Conflict of Interest Policy

Migori Municipality has a clear conflict of interest policy that requires:

- Annual declarations of interest by Board members
- Real-time disclosures during meetings where relevant agenda items arise
- Maintenance of a Conflict-of-Interest Register

Where conflict of interest arises, the affected member abstains from deliberations or decision-making.

viii. Board Remuneration

Board members are paid sitting allowances in accordance with the Salaries and Remuneration Commission (SRC) circulars and the approved County budget. No other emoluments or non-financial benefits are extended to board members unless expressly provided by law or County Executive directive.

ix. Ethics and Conduct

All Board members are bound by the Leadership and Integrity Act, 2012, and are required to uphold high ethical standards. A Code of Conduct is in place, covering:

- Impartiality
- Professionalism
- Confidentiality
- Accountability to the public

Allegations of misconduct are investigated through the Audit and Risk Management Committee, and where necessary, referred to external oversight bodies.

x. Governance Audit

Although a formal external governance audit was not commissioned during the year due to budget constraints, internal reviews were conducted by the Audit and Compliance Unit. Key governance metrics were tracked, including meeting attendance, implementation of resolutions, and financial controls.

A comprehensive governance audit has been budgeted for in FY 2025/2026.

xi. Communication Policy

The Municipality employs a communication strategy that includes:

- Regular publication of board decisions and reports
- Use of notice boards, County website, and social media
- Holding town-hall meetings and public barazas
- Operating a feedback mechanism via suggestion boxes and telephone hotline

The strategy promotes two-way communication, transparency, and public trust.

xii. Terms of Reference for Committees

Each of the four committees has well-defined Terms of Reference (ToRs). These include:

- Committee-specific mandates and deliverables
- Frequency and quorum of meetings
- Reporting lines to the full Board
- Record keeping and monitoring guidelines

Committees submit quarterly progress reports to the Board for review and consolidation into annual reports.

xiii. Policy on Related Party Transactions

The Municipality has adopted a policy on related party transactions to ensure fairness, transparency, and competitiveness. The policy provides that:

- All related party transactions must be declared in advance
- No member participates in awarding or approving benefits where a personal interest exists
- All transactions are documented and subject to review by the Board and the County Auditor

9. Management Discussion and Analysis

The 2024/2025 Financial Year marked a significant period of operational progress and institutional strengthening for Migori Municipality. This section provides an overview of performance, projects implemented, compliance levels, risks encountered, and other notable developments during the year.

a. Operational and Financial Performance

The Municipality operated entirely under funding appropriated from the County Government of Migori through the Equitable Share as allocated by the County Assembly. There were no receipts from own source revenue. Additionally, the anticipated donor funding under the Kenya Urban Support Programme (KUSP), amounting to KES 54,181,008, was never realized. This shortfall negatively affected the revenue target and limited the implementation of some planned development activities.

Key revenue details during the year were as follows:

Source of Funds	Amount (KES)	Percentage Contribution
Equitable Share Allocation	29,820,310	35.6%
Donor Support (Unrealized)	54,181,008	64.3% (Unrealized)
Own Source Revenue	0	0%
Total Revenue Projected	84,001,318	100%

Note: Only the equitable share was realized; donor funds were budgeted but not received.

The available funds supported staff operations, service delivery, infrastructure projects, and routine maintenance. The Municipality maintained prudent financial management, achieving over 95% budget absorption based on actual receipts.

b. Key Projects and Investment Decisions

During the reporting year, Migori Municipality implemented and initiated several key projects:

- **Maintenance and Unclogging of Drainages:** Fully funded from the Equitable Share. Key components included:
 - Removal of silt that had clogged the drainages
 - Transporting the removed silt to a safe space
 - Repairing by stone pitching the destroyed parts of the drainages
 - Removal of culverts placed on the drainages outside specifications
- **Construction of shoe shiner booths:** Three number shoe shiner booths were constructed and placed at strategic points in town for shoe shining.
- **Procurement Activities:**
 - Procurement of new uniforms for sanitation staff

- Acquisition for printing materials
- Acquisition of sanitary and cleaning equipment
- Procurement of ICT equipment to support internal operations and digital record-keeping

These investments contributed to improved urban aesthetics, cleaner environments, and enhanced service delivery mechanisms.

c. Compliance with Statutory Requirements

Migori Municipality remained compliant with relevant statutes including the:

- Urban Areas and Cities Act, 2011
- Public Finance Management Act, 2012
- Public Procurement and Asset Disposal Act, 2015
- County Government Act, 2012

The Municipality submitted quarterly performance reports, annual financial statements, and procurement plans within the timelines set by relevant authorities. Internal audits were conducted to ensure adherence to budget and project implementation standards.

d. Key Risks and Challenges

Identified Risk	Mitigation Measures
Delays in exchequer release	Advance planning and prioritization of critical tasks
Vandalism of public infrastructure and Encroachment of public land	Community sensitization and surveillance partnerships
Lack of own-source revenue	Revenue automation and compliance initiatives and creation of more revenue streams.
Climate-related impacts on infrastructure	Improved drainage, planting of more trees and regular maintenance
Skills gaps in technical departments	Continuous training and peer learning
Unrealized donor funding	Budget realignment and activity prioritization

There were no significant arrears in statutory obligations. However, slow revenue inflow and the failure to realize donor grants occasionally affected the pace and scope of project execution.

e. Additional Relevant Information

Migori Municipality continues to implement its Urban Institutional Development Strategy (UIDS) and has participated in capacity-building forums in partnership with the County Government and development partners. Public participation remains a key governance pillar, with inclusive forums held for project planning, budget validation, and feedback collection.

Looking forward, the Municipality aims to:

- Scale up urban infrastructure improvements
- Enhance environmental clean ups and maintenance
- Enhance internal systems for monitoring and evaluation
- Increase collaboration with the private sector for sustainable urban service delivery

10. Environmental and Sustainability Reporting

i) Sustainability Strategy and Profile

The Migori Municipality core mandate is to provide essential public services, including infrastructure development, waste management, urban planning, and environmental conservation, to ensure a sustainable and livable urban environment for all residents. The Municipality's sustainability strategy is built on the principle of delivering long-term services while conserving resources for future generations. This includes reducing the environmental impact of operations, promoting public health, and engaging the community in sustainable development initiatives.

Sustainability in this context is about maintaining the capacity of Migori Municipality to continue delivering public services efficiently over the long term while adapting to emerging political, economic, and environmental challenges. The Municipality's leadership, particularly the Accounting Officer, is committed to ensuring that sustainability considerations are embedded in strategic decision-making processes. This commitment aligns with international best practices such as the United Nations Sustainable Development Goals (SDGs) and Kenya's Vision 2030, with a focus on reducing inequality, promoting environmental conservation, and ensuring economic stability.

During the 2023/2024 financial year, the Municipality made significant strides in improving public infrastructure and environmental management, amid financial constraints and the rapid pace of urbanization which posed serious challenges. Moving forward, the focus will be on enhancing community engagement, improving waste management systems, and expanding partnerships with development stakeholders to promote sustainable urban growth.

ii) Environmental Performance

Environmental Policy and Practices:

Migori Municipality's environmental policy focuses on sustainable urban development, waste management, conservation of natural resources, and pollution control. The policy is anchored on principles of reducing the environmental footprint of municipal operations and promoting eco-friendly practices across the community. This year, the Municipality implemented initiatives to promote recycling, reduce plastic waste, and increase green spaces in urban areas.

Successes:

- Completion of phase one and two of the Public Recreational Park which added much-needed green space, promoting biodiversity and enhancing urban aesthetics.
- Regular clean-up campaigns were conducted in collaboration with local communities, reducing littering and illegal dumping.

Shortcomings:

- Waste management remains a challenge, particularly in informal settlements where waste disposal practices are inconsistent.
- The Municipality still lacks an efficient recycling system, and efforts to reduce reliance on single-use plastics are ongoing but need to be scaled up.

Efforts to Manage Biodiversity:

The Municipality is actively working on increasing urban green spaces, including plans for expanding the Migori Public Recreational Park. Tree planting programs and the preservation of existing natural habitats are part of ongoing efforts to promote biodiversity.

Waste Management Policy:

Migori has a waste management policy focused on reducing landfill waste, promoting recycling, and improving waste collection systems. The Municipality is exploring partnerships with private waste management companies to improve efficiency and expand recycling programs.

iii) Employee Welfare

Hiring and Gender Ratio:

The Migori Municipality's hiring policy emphasizes inclusivity, with a focus on achieving gender balance across all departments. Currently, the Municipality aims for at least 30% female representation in its workforce, in line with Kenya's public sector guidelines. Stakeholder engagement is key in the recruitment process, ensuring that local community needs and employment equity are considered.

Skills Development and Career Management:

Efforts have been made to improve employee skills through regular training sessions and workshops. These initiatives focus on building capacity in urban planning, waste management, and environmental conservation. The Municipality's career development policy includes regular appraisals, which inform promotions and reward systems.

Occupational Safety and Health:

Migori Municipality complies with the **Occupational Safety and Health Act of 2007 (OSHA)**, providing a safe working environment for all employees. Regular safety audits are conducted, and employees receive training on workplace safety practices. The Municipality has established protocols for managing occupational hazards, ensuring the health and well-being of staff.

iv) Market Place Practices

a) Responsible Competition Practices:

Migori Municipality operates with a strong commitment to transparency and integrity in its business dealings. Anti-corruption policies are strictly enforced, with regular audits conducted to ensure

accountability. The Municipality also avoids involvement in political activities and promotes fair competition in public tenders and procurement processes.

b) Responsible Supply Chain and Supplier Relations:

The Municipality maintains strong relations with its suppliers by adhering to contractual agreements and ensuring timely payment for services rendered. However, delayed national government disbursements have caused some payment delays, which the Municipality is addressing through structured payment plans. Ensuring good business practices with all stakeholders remains a priority.

c) Responsible Marketing and Advertisement:

The Municipality adheres to ethical standards in all its communications and marketing, ensuring that information provided to the public is accurate, fair, and transparent. Public notices and tender announcements follow ethical guidelines, ensuring fairness and clarity in messaging.

d) Product Stewardship:

Migori Municipality is committed to safeguarding the rights of its residents by ensuring that public services are delivered efficiently and that consumer feedback is incorporated into service improvements. This stewardship includes maintaining public infrastructure, promoting environmental sustainability, and ensuring the well-being of the community.

v) Community Engagements

Community Social Responsibility (CSR):

Migori Municipality has actively engaged the community through various CSR initiatives aimed at promoting social welfare and environmental sustainability. Key CSR activities include:

- **Clean-up campaigns:**
The Municipality organized several clean-up exercises in collaboration with local youth groups and community organizations, contributing to cleaner streets and public spaces.
- **Education and Training Programs:**
The Municipality partnered with local educational institutions to offer training on environmental conservation, waste management, and sustainable urban development.
- **Healthcare and Sanitation Initiatives:**
In collaboration with local health centers, the Municipality ran public health campaigns focusing on sanitation and disease prevention, improving community health outcomes.

Sports and Youth Empowerment:

Migori has also supported local sports events as part of its commitment to youth empowerment and community well-being. These initiatives foster community spirit and provide platforms for young people to engage in productive activities.

Water and Sanitation:

Efforts to improve water access and sanitation in informal settlements are ongoing, with the Municipality investing in infrastructure upgrades to improve access to clean water and adequate sanitation facilities for all residents.

vi) Conclusion

Migori Municipality remains committed to sustainable development, environmental stewardship, and community engagement. Although challenges such as financial constraints and waste management persist, the Municipality is making steady progress in delivering services that promote long-term sustainability. By aligning its efforts with national and international best practices, Migori Municipality aims to enhance the quality of life for all its residents while ensuring a sustainable urban future.

11. Report of the /Municipality Board Members

The principal activities of the Municipality are as contained in the section 20 of Urban areas and Cities Act, 2011(Amended 2019) and Migori Municipal Charter

Performance

The performances of the Municipality for the year ended June 30, 2025 are set out under the report of the Municipal Manager.

Board Members

The members of the Board who served during the year under review are shown under the key entity information and management page.


Board Members

1. Robert Mandela Omondi- Chairperson
2. Turphoser Adhiambo Adawo- Vice Chairperson
3. Frank Akelo Daniel- Member
4. Willis Aluoeh Aluoeh- Member
5. James Ogutu Odindo- Member
6. Paul Odhiambo Kokelo- Member
7. Spirim Kwamboka Oloo- Member
8. Mercy Sau-County Executive Committee Member in charge of Urban Development
9. Andrew Mwera-County Chief Officer in charge of Urban Development
10. Owino Dismas Onyango- Municipal Manager/Secretary to the Board.

Auditors

The Auditor General is responsible for the statutory audit of the Municipality in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

OR by Order of the Board



Owino Dismas Onyango

Municipal Manager- Migori Municipality

12. Statement of Management's Responsibilities

Section 180 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting Officer of the Municipality established by Urban Areas and Cities Act No. 13 of 2011 shall prepare financial statements in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The Municipality manager is responsible for the preparation and presentation of the City/Municipality's financial statements, which give a true and fair view of the state of affairs of the Municipality for and as at the end of the financial year ended on June 30, 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 Municipality, (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) Safeguarding the assets of the Municipality, (v) Selecting and applying appropriate accounting policies, and (vi) Making accounting estimates that are reasonable in the circumstances.

The Municipality Manager accepts responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and *Urban* Areas and Cities Act No. 13 of 2011. The Municipality Manager is of the opinion that the financial statements give a true and fair view of the state of Municipality's transactions during the financial year ended June 30, 2025, and the financial position as at that date.

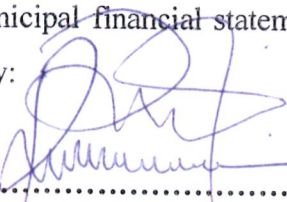
The Municipality Manager further confirms the completeness of the accounting records which have been relied upon in the preparation of financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Directors have assessed the Fund's ability to continue as a going concern . Nothing has come to the attention of the Municipality Manager to indicate that the

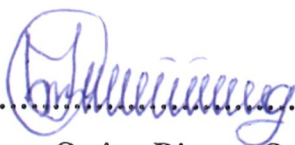
Municipality will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Municipal financial statements were approved by the Board on 15th July 2025 and signed on its behalf by:


.....

Name: Robert Mandela Omondi
Chairperson of the Board


.....

Name: Owino Dismas Onyango
Accounting officer of the Board

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON MIGORI MUNICIPALITY FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Migori Municipality set out on pages 1 to 37, which comprise of the statement of financial position as at 30 June, 2025

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

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

Basis for Opinion

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.84,001,318 and Kshs.20,754,300 respectively resulting in an underfunding of Kshs.63,247,018 or 75% of the budget. Similarly, the Municipality expenditure amounted to Kshs.20,751,225 against the realized receipts of Kshs.20,754,300 resulting in full budget utilization. In addition, the Municipality did not receive the budgeted funds for capital development of Kshs.62,861,322 resulting to under-funding of Kshs.62,861,322 or 100% of the capital development budget.

In the circumstances, the underfunding may have impacted negatively on service delivery to the Public.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

Other Information

The Management is responsible for the Other Information set out on pages iii to xiv which comprises the Key Entity Information and Management, Municipality Board Chairperson's Report, Report of the Municipality Manager, Statement of Performance Against

Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Municipality Board Members and Statement of Management's Responsibilities. The Other Information does not include the financial statements and my auditor's report thereon.

In connection with my audit on the Municipality 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 and I am required to report that fact. I have nothing to report in this regard.

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. Lack of Independence of the Municipality

The Municipality was granted Municipal Charter on 28 December, 2018, which was meant to grant operational independence from the County Government of Migori. However, a review of the operations of the Municipality revealed lack of autonomy as the Municipality's budget was prepared and controlled by the County Executive and there was no budget approval by the Municipality Board. Further, the County Government has continued to perform functions which were deemed to have been transferred to the Municipality including payment of staff salaries, promotion, regulation and provision of refuse collection and solid waste management services and collection of revenue. This contrary to the provisions of Section 12(1) of the Urban Areas and Cities Act, 2011 states that the Management of a municipality shall be vested in the County Government and administered on its behalf by a board constituted in accordance with the Act; a manager appointed pursuant to section 28; and such other staff or officers as the county public service may determine and Section 12(2) of the Act further provides that the Board shall be a body corporate with perpetual succession and a common seal and shall, in its corporate name, be capable of doing or performing all other acts or things for the proper performance of its functions.

In the circumstances, effectiveness of service delivery to the public could not be confirmed.

2. Lack of Monitoring and Evaluation Framework and Reports

The management did not provide project status reports on non-financial performance for each individual programmes undertaken by the Municipality. Further there is no documentary evidence provided indicating development and approval of the Monitoring and Evaluation Policy. This was contrary to the provisions of Regulation 129(1) of the Public Finance Management (County Governments) Regulations, 2015 which states that the County Executive Committee Member responsible for matters relating to planning shall prescribe a framework for monitoring and reporting on non-financial performance for use by accounting officers in evaluation of programmes and projects by measuring, responsibility for monitoring, evaluation and reporting, financial indicators which shall capture expenditures on the implementation of programmes and projects.

In the circumstances, effectiveness of service delivery to the public 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

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

Basis for Conclusion

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

Responsibilities of Management and 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 which 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 Municipality'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.

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 complies 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 Municipality's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to overall 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

27 October, 2025

14. Statement of Financial Performance for The Year Ended 30th June 2025.

Description	Note	FY2024/2025	FY2023/2024
		Kshs.	Kshs.
Revenue from non-exchange transactions			
Transfers from the County Government	6	20,754,300	15,750,749
		-	-
		20,754,300	15,750,749
Revenue from exchange transactions			-
Interest income		-	-
Miscellaneous Income		-	-
		-	-
Total revenue		-	-
Expenditure			
Use of goods and services	7	14,141,525	9,689,249
Board expenses	8	6,609,700	6,061,500
Depreciation and amortization	9	5,555,540	6,156,465
Total expenses		26,306,766	21,907,214
Other gains/losses			
Gain/loss on disposal of assets		-	-
Surplus/(deficit) for the period		(5,552,466)	(6,156,465)

The notes set out on pages 7 to 27 form an integral part of these Financial Statements. The entity financial statements were approved on 15th July 2025 and signed by:

.....
Name: Owino Dismas Onyango
Municipality Manager

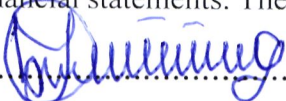
.....
Name: Wasonga Hillary Sorro
Municipality Accountant
ICPAK M/No 22344

County Government of Migori
Migori Municipality
Annual Report and Financial Statements for the year ended June 30, 2025

15. Statement of Financial Position as At 30th June 2025

Description	Note	FY2024/2025	FY2023/2024
		Kshs.	Kshs.
Assets			
Current assets			
Cash and cash equivalents	10	3,075	6,769
Total current assets		3,075	6,769
Non-current assets			
Property, plant, and equipment	11	96,349,126	101,904,666
Total Non-current Assets		96,349,126	101,904,666
Total assets (A)		96,352,201	101,911,435
Liabilities			
Current liabilities			
Trade and other payables		-	-
Total current liabilities		-	-
Non-current liabilities			
Provisions		-	-
Total liabilities (B)		-	-
Net Assets (A-B)		96,352,201	101,911,435
Represented by:			
Capital/Development Grants/Fund		83,914,365	83,921,134
Reserves		-	-
Accumulated surplus		12,437,835	17,990,301
Net Assets/Equity		96,352,201	101,911,435

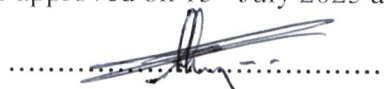
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 15th July 2025 and signed by:



Name: Owino Dismas Onyango

Municipality Manager

Date: 15th July 2025



Name: Wasonga Hillary Sorro

Municipality Accountant

ICPAK M/No 22344

Date: 15th July 2025

16 .Statement of Changes in Net Assets for the Year Ended 30th June 2025

Description	Capital/ Development Grants/Fund	Revaluation Reserve	Accumulated surplus	Total
		Kshs.	Kshs.	Kshs.
Bal as at 1 July 2023	79,521,275		24,146,766	103,668,041
Surplus/(deficit) for the year	-	-	(6,156,465)	(6,156,465)
Funds received during the year	-	-	-	-
Transfer	4,399,859	-	-	4,399,859
Revaluation gain/loss	-	-	-	-
Bal as at 30 Jun 2024	83,921,134	-	17,990,301	101,911,435
Bal as at 1 July 2024	83,921,134	-	17,990,301	101,911,435
Surplus/(deficit) for the year	-	-	(5,552,466)	(5,552,466)
Funds received during the year	(6,769)	-	-	(6,769)
Revaluation gain/loss	-	-	-	-
Balance as at 30 June 2025	83,914,365	-	12,437,835	96,352,200

Migori Municipality
County Government of Migori
Annual Report and Financial Statements for the year ended June 30, 2025

17. Statement Of Cash Flows for The Year Ended 30th June 2025

Description	Note	FY2024/2025	FY2023/2024
		Kshs.	Kshs.
Cash flows from operating activities			
Receipts			
Transfers from the County Government	6	20,754,300	13,768,782
		-	-
Transfer to CRF		(6,769)	
Interest received		-	-
Miscellaneous receipts (<i>Specify</i>)		-	-
Total Receipts		20,747,531	13,768,782
Payments			
Use of goods and services	7	14,141,525	7,707,282
Board expenses	8	6,609,700	6,061,500
Finance costs		-	-
Total Payments		20,751,225	13,768,782
Net cash flows from operating activities	12	(3,694)	-
Cash flows from investing activities			
Purchase of PPE & intangible assets		-	29,495,246
Proceeds from sale of PPE		-	-
Net cash flows used in investing activities		-	29,495,246
Cash flows from financing activities			
Receipts from Capital grants		-	4,399,859
Proceeds from borrowings		-	-
Repayment of borrowings		-	-
Net cash flows used in financing activities		-	4,399,859
Net increase/(decrease) in cash & cash equivalents		(3,694)	(25,095,387)
Cash And Cash Equivalents At 1 July	10	6,769	25,102,156
Cash And Cash Equivalents At 30 June	10	3,075	6,769

18. Statement of Comparison of Budget & Actual Amounts for the Year ended 30th June 2025

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilisation
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	
	a	b	c=(a+b)	d	e=(c-d)	f=d/c
Budget carryovers from the previous year*	-	6,769	6,769	6,769	-	100%
Receipts						
Transfers from the County Government						
Recurrent	20,000,000	1,139,996	21,139,996	20,754,300	385,696	98%
Development	64,181,008	(1,319,686)	62,861,322	-	62,861,322	0%
Transfer to CRF	-	(6,769)	(6,769)	(6,769)	-	100%
Public contributions and donations	-	-	-	-	-	0%
Interest income	-	-	-	-	-	0%
Miscellaneous income (<i>specify</i>)	-	-	-	-	-	0%
Total Receipts	84,181,008	(179,690)	84,001,318	20,754,300	63,247,018	25%
Payments						
Use of goods and services	13,280,000	1,139,996	14,419,996	14,141,525	278,471	98%
Board expenses	6,720,000	-	6,720,000	6,609,700	110,300	98%
Staff Costs	-	-	-	-	-	
Finance costs	-	-	-	-	-	
Total expenditure Payments	20,000,000	1,139,996	21,139,996	20,751,225	388,771	98%
Capital Expenditure Payments	64,181,008	(1,319,686)	62,861,322	-	62,861,322	0%
Surplus for the period	-	-	-	3,075	(3,075)	

Budget notes

The under-absorption of Ksh 62,861,322 in Development is as a result of Ksh.54,181,008 donor funds under Kenya Urban Support Program that was not received hence related projects were not undertaken. The balance of Ksh 8,680,314 was for pending bills for Migori Municipality

The changes between original and final budget of Ksh 179,690 was pending bill for the Previous financial that was paid for by the parent ministry in the last financial year.

Budget Reconciliation

Description of Particulars	Amount in Kshs
Actual Surplus Amounts as per the statement of Budget	3,075
	-
Closing Cash and Cash Equivalent as per the statement of Cash flows	3,075

19. Notes to the Financial Statements

1. General Information

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

The *entity's* principal activity is overseeing the affairs of Municipality of Rongo

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts, and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgment in the process of applying the entity's accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5 of these financial statements.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of Migori Municipality.

The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act (*include any other applicable legislation*), and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Application of New and revised standards (IPSAS)

(When an IPSAS becomes effective on 1st January 20xx, it is applicable in Kenya from 1st July 20xx)

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

There were no new and amended standards issued in the financial year.

- 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 43: Leases	<i>Applicable 1st January 2025</i> 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 Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities. <i>State the expected impact of the standard to the Entity if relevant</i>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<i>Applicable 1st January 2025</i> 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. <i>State the expected impact of the standard to the Entity if relevant</i>
IPSAS 45: Property Plant and Equipment	<i>Applicable 1st January 2025</i> 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.

	<i>State the expected impact of the standard to the Entity if relevant</i>
IPSAS 46: Measurement	<p>Applicable 1st January 2025</p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 47: Revenue	<p>Applicable 1st January 2026</p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non-exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 48: Transfer Expenses	<p>Applicable 1st January 2026</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> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 49: Retirement Benefit Plans	<p>Applicable 1st January 2026</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> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 50: Exploration For & Evaluation of	<p>Applicable 1st January 2027</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>

*County Government of Migori
Migori Municipality
Annual Report and Financial Statements for the year ended June 30, 2025*

Mineral Resources	<ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. 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. iii. Disclosures that identify and explain the amounts in the entity’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 future cash flows from any exploration and evaluation assets recognized. <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
-------------------	---

iii. Early adoption of standards

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

4. 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 Municipality* and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that have been acquired using such funds.

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 for each period.

b) Budget information

The original budget for FY 2024/25 was approved by the County Assembly on 24th June 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 Municipality upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Municipality recorded additional appropriations Ksh1,308,590.00. following the governing body's approval.

The Municipality's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis

using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of Cash flows has been presented under section xxx of these financial statements.

c) Property, plant and equipment

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

d) Intangible assets

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

e) Biological Assets

The recognizes biological assets when it controls the assets due to past events, it is probable that future economic benefits associated with the asset will flow to the entity, and when the fair value or cost of the asset can be measured reliably. Biological assets are initially and subsequently measured at fair value less costs to sell, except where fair value cannot be reliably determined. In such cases, the asset is measured at its cost less accumulated depreciation and any accumulated impairment losses. Changes in fair value less costs to sell are recognized in surplus/deficit in the period in which they occur.

f) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets.

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial assets

Classification of financial assets

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

amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Financial liabilities

Classification

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

g) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition. Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

Raw materials: purchase cost using the weighted average cost method

Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

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

h) Provisions

Provisions are recognized when the Municipality 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 Municipality expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

i) Social Benefits

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

j) Contingent liabilities

The Municipality 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.

k) Contingent assets

The Municipality 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 Municipality 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

l) Nature and purpose of reserves

The Municipality creates and maintains reserves in terms of specific requirements.
Municipality to state the reserves maintained and appropriate policies adopted

m) Changes in accounting policies and estimates

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

n) Employee benefits – Retirement benefit plans

The Municipality provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which the Municipality pays fixed contributions into a separate fund and will have no legal or constructive obligation to pay further contributions if the Municipality does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to scheme 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 benefits 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.

o) 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.

p) 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.

q) Related parties

The Municipality regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Municipality, or vice versa. Members of key management are regarded as related parties and comprise the Board members, the Municipality Managers and Municipality Accountant.

r) Cash and cash equivalents

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

s) Comparative figures

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

t) Events after the reporting period

Events after the reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorized for issue.

Two types of events can be identified:

(a) Those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and

(b) Those that are indicative of conditions that arose after the reporting date (*non-adjusting events after the reporting date*).

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

u) Currency

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

5. Significant judgments and sources of estimation uncertainty

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

State all judgements, estimates and assumptions made.

Estimates and assumptions.

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

Useful lives and residual values

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

- i) The condition of the asset based on the assessment of experts employed by the Municipality.
- ii) The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- iii) The nature of the processes in which the asset is deployed.
- iv) Availability of funds to replace the asset.
- v) Changes in the market in relation to the asset.

Notes to the Financial Statements

6. Transfers from the County Government

Description	FY 2024/2025	FY2023/2024
	Kshs.	Kshs.
Transfers from County Govt. – Recurrent	16,940,600	13,768,782
Payments by County on behalf of the entity	3,813,700	1,981,967
Unconditional development grants	-	-
Total	20,754,300	15,750,749

(a) Transfers from County Government entities (Categorized)

Name Of The Entity Sending The Grant	Amount recognized to Statement of financial performance*	Amount deferred under deferred income	Amount recognised in capital fund.	Total grant income during the year	FY2023/2024
Migori County Treasury	16,940,600	-	-	16,940,600	15,750,749
Payments by County on behalf of the entity	3,813,700	-	-	3,813,700	-
Total	20,754,300	-	-	20,754,300	15,750,749

Notes

1)Ksh 16,940,600 are transfers made to the Municipality to Support its operations

2)Ksh 3,813,700 related to payments made on behalf of Migori Municipality for commodities that were procured centrally and part of support to the Municipality Operations by the County Government

The details of the reconciliation have been included under appendix 2

7. Use of Goods and Services

Description	FY 2024/2025	FY2023/2024
	Kshs.	Kshs.
Utilities, supplies and services	-	-
Communication, supplies and services	19,000	-
Domestic travel and subsistence	8,725,800	5,463,198
Telephone and Mobile Services	18,500	-
Printing, advertising, supplies & services	100,000	714,170
Specialized Materials and Services	369,200	-
Hospitality supplies and services	350,600	232,507
Office and general supplies and services	25,750	173,745
Fuel, oil and lubricants	940,000	939,999

*County Government of Migori
Migori Municipality
Annual Report and Financial Statements for the year ended June 30, 2025*

Field Operation allowances	3,589,500	2,146,000
Routine maintenance – other assets		15,000
Bank Charges	3,175	4,630
Total	14,141,525	9,689,249

**Social benefit schemes include benefits such as cash transfers for unemployment or elderly in line with IPSAS 42.*

8. Board expenses

Description	FY 2024/2025	FY2023/2024
	Kshs.	Kshs.
Chairman/Members' Honoraria	-	-
Sitting allowances	4,395,500	5,813,500
Induction and Training	614,500	-
Travel and accommodation	1,599,700	248,000
Total	6,609,700	6,061,500

9. Depreciation and amortization

Description	FY 2024/2025	FY2023/2024
	KShs	KShs
Property, plant and equipment	5,555,540	6,156,465
Intangible assets	-	-
Investment property carried at cost	-	-
Total depreciation and amortization	5,555,540	6,156,465

*County Government of Migori
Migori Municipality
Annual Report and Financial Statements for the year ended June 30, 2025*

10. Cash and cash equivalents

Description	FY 2024/2025	FY2023/2024
	Kshs.	Kshs.
Current account	3,075	6,769
Others(<i>specify</i>)	-	-
Total cash and cash equivalents	3,075	6,769

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

Financial institution	Account number	FY 2024/2025	FY2023/2024
		Kshs.	Kshs.
a) Current account			
Kenya Commercial bank	1272575837	3,075	-
Kenya Commercial bank	1250199514	-	6,470
Kenya Commercial bank	1316545032	-	299
Grand total		3,075	6,769

County Government of Migori
Migori Municipality
Annual Report and Financial Statements for the year ended June 30, 2025

11. Property, Plant and Equipment

Description	Land	Market Building	Installation of Water System	Road Works	Equipment	Total
	Shs	Shs	Shs	Shs	Shs	Shs
Depreciation Rate		2%	13%	3%	12%	
As at 1 June 2023	-	7,878,375	34,793,828	41,436,388	-	84,108,591
Additions	-	11,462,350	3,903,929	12,968,967	1,160,000	29,495,246
Disposals	-	-	-	-	-	-
Transfers/adjustments	-	-	-	-	-	-
Revaluation Adjustment	-	-	-	-	-	-
As at 30th June 2024	-	19,340,725	38,697,757	54,405,355	1,160,000	113,603,837
Additions for the year	-	-	-	-	-	-
Disposals for the year	-	-	-	-	-	-
As at 30th June 2025	-	19,340,725	38,697,757	54,405,355	1,160,000	113,603,837
Depreciation and impairment						
At 1 July 2023	-	157,568	4,349,229	1,035,910	-	5,542,706
Depreciation	-	383,663	4,293,566	1,334,236	145,000	6,156,465
As at 30 June 2024	-	541,231	8,642,795	2,370,146	145,000	11,699,171
Depreciation for the year	-	375,990	3,756,870	1,300,880	121,800	5,555,540
As at 30th June 2025	-	917,220	12,399,665	3,671,026	266,800	17,254,711
NBV as at 30th Jun 2024	-	18,799,495	30,054,963	52,035,209	1,015,000	101,904,666
NBV as at 30th Jun 2025	-	18,423,505	26,298,092	50,734,329	893,200	96,349,126

12. Cash generated from operations

Description	FY 2024/2025	FY2023/2024
	Kshs.	Kshs.
Surplus/ (deficit) for the year before tax	(5,552,466)	(6,156,465)
Adjusted for:		
Depreciation	5,555,540	6,156,465
Amortisation	-	-
Transfer/Adjustments-Inter Bank Receipts	(6,769)	-
Working Capital adjustments		
Increase in inventory	-	-
Increase in receivables	-	-
Increase in payables	-	-
Net cash flow from operating activities	(3,694)	-

13. Related party balances

a) Nature of related party relationships

Entities and other parties related to the Municipality 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. The Municipality scheme is related to the following entities:

- a) The County Government.
- b) The Parent County Government Ministry.
- c) County Assembly.
- d) Key management.
- e) City/Municipality Board; etc.

b) Related party transactions

Description	FY2024/2025	FY2023/2024
	Kshs.	Kshs.
Transfers from related parties	-	-
Transfers to related parties	-	-

c) Key management remuneration

Description	FY2024/2025	FY2023/2024
	Kshs.	Kshs.
Board Members	-	-
Key Management Compensation	-	-
Total	-	-

d) Due from related parties

Description	FY2024/2025	FY2023/2024
	Kshs.	Kshs.
Due from parent Ministry	-	-
Due from County Government	-	-
Due from County Assembly	-	-
Total	-	-

e) Due to related parties

Description	FY2024/2025	FY2023/2024
	Kshs.	Kshs.
Due to parent Ministry	-	-
Due to County Government	-	-
Due to Key management personnel	-	-
Due to County Assembly	-	-
Total	-	-

14. Contingent liabilities

Contingent liabilities	FY2024/2025	FY2023/2024
	Kshs.	Kshs.
Court case xxx against the entity	-	-
Bank guarantees	-	-
Total	-	-

15. Contingent Assets

Contingent liabilities	FY2024/2025	FY2023/2024
	Kshs.	Kshs.
Court case xxx against the entity	-	-
Others Specify	-	-
Total	-	-

16. Financial risk management

The Municipality's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Municipality's overall risk management programme focuses on the 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 Municipality 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 Municipality's financial risk management objectives and policies are detailed below:

I. Credit risk

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

*County Government of Migori
Migori Municipality
Annual Report and Financial Statements for the year ended June 30, 2025*

Description	Total amount Kshs.	Fully performing Kshs.	Past due Kshs.	Impaired Kshs.
At 30 June 2025				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
Total	-	-	-	-
At 30 June 2024				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
Total	-	-	-	-

(NB: The totals column should tie to the individual elements of credit risk disclosed in the entity's statement of financial position)

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 Municipality has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

The City/Municipality Board sets 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 Municipality Manager, who has built an appropriate liquidity risk management framework for the management of the Municipality's short, medium and long-term liquidity management requirements. The Municipality manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

The table below represents cash flows payable by the Municipality 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.

*County Government of Migori
Migori Municipality
Annual Report and Financial Statements for the year ended June 30, 2025*

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs.	Kshs.	Kshs.	Kshs.
At 30 Jun 2025				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	-	-	-	-
At 30 Jun 2024				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	-	-	-	-

III. Market risk

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

IV. Foreign currency risk

The Municipality 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

*County Government of Migori
Migori Municipality
Annual Report and Financial Statements for the year ended June 30, 2025*

and conversion at the time of payment is done using the prevailing exchange rate. The carrying amount of the Municipality's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Description		Other currencies	Total
	Kshs.	Kshs.	Kshs.
At 30 Jun 2025			
Financial assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors/ receivables	-	-	-
Liabilities			
Trade and other payables	-	-	-
Borrowings	-	-	-
Net foreign currency asset/(liability)	-	-	-

(The entity 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.)

Foreign currency sensitivity analysis

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

Description	Change in	Effect on	Effect
	currency rate	surplus/ deficit	on equity
	Kshs.	Kshs.	Kshs.
2025			
Euro	10%	-	-
USD	10%	-	-
2024			
Euro	10%	-	-
USD	10%	-	-

V. Interest rate risk

Interest rate risk is the risk that the entity's financial condition may be adversely affected as a result of changes in interest rate levels. The entity's interest rate risk arises from bank deposits.

County Government of Migori
Migori Municipality
Annual Report and Financial Statements for the year ended June 30, 2025

This exposes the Fund to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the Fund's deposits.

Management of interest rate risk

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

Capital risk management.

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

Description	FY2024/2025	FY2023/2024
	Kshs.	Kshs.
Revaluation reserve	-	-
Capital/Development Grants/City/Municipality	83,914,365	83,921,134
Accumulated surplus	12,437,835	17,990,301
Total Funds	96,352,200	101,911,435
Total borrowings	-	-
Less: cash and bank balances	(3,075)	(6,769)
Net debt/(excess cash and cash equivalents)	3,075	6,769
Gearing	0%	0%

17. Program for Results (PforR) Disclosure

This disclosure note is for entities that are implementing Programs for Results (PforR). Implementing entities are required to make disclosures in accordance with their respective financing agreements. The disclosure should capture the program's goal and expenditures designated in the expenditure framework.

Name of the PforR: xxxxxxxx	
Financing Partners: xxxxxxxxxx	
Purpose of the PforR: xxxxx	
Expenditure Details	Amount in Kshs
Cumulative actual expenditures for the previous years	-
Actual expenditure in the current financial year.	-
	-
1. <i>Employee Cost</i>	-
2. <i>Use of goods and Services</i>	-
3. <i>Grants and Subsidies</i>	-
4. <i>Building of ECDE facilities</i>	-
5. <i>Others (specify)</i>	-
	-
Sub-total	-
Cumulative Actual Expenditures to date	-

Appendix 1. Progress on Follow up of Auditors Recommendations.

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.	<p>Unconfirmed Transfers from County Government Amount The statement of financial performance reflects transfers from County Government amount of Kshs. 15,750,749, while the supporting Annex on Inter-Entity Transfers lists transfers from the County Executive of Migori County totaling to Kshs. 13,768,782, resulting in an unreconciled variance of Kshs. 1,981,967. In the circumstance, the accuracy and completeness of the transfers from the County Government amount of Kshs. 15,750,749 could not be confirmed.</p>	<p>The Management noted the auditor's observation and wishes to state that the variance of Kshs 1,981,967 were payments made for goods and services by the</p>	<p>Resolved during appearance before County Public Investments and special Funds Committee of the Senate on 27th May 2025</p>	<p>N/A</p>
2.	<p>Budgetary Control and Performance The statement of comparison of budget and actual amounts reflects final development expenditure budget and</p>	<p>The Management noted the auditor's observation and wishes to state that the planned projects were ongoing at the close of the</p>	<p>Resolved during appearance before County Public Investments and special Funds Committee of the Senate on 27th May 2025</p>	<p>N/A</p>

County Government of Migori
Migori Municipality
Annual Report 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)
	actual on a comparable basis of Kshs. 16,244,625 and nil respectively, resulting in under -funding of Kshs. 17,505,755 or 100%of the budget. The un-funding of the development budget affected the planned development activities and negatively impacted on service delivery to the residents of Migori Municipality.	financial year hence could not be paid. However, the completed projects have since been paid.		
3.	<p>Weakness in Cash and Bank Management Controls</p> <p>Review of the cash books and bank reconciliation statements revealed that they were prepared by the same person without any segregation of duties. Also, there was no evidence of a senior officer reviewing the cash books and the bank reconciliations.</p> <p>In the circumstances, the effectiveness of internal controls over the maintenance of the cash book could not be confirmed.</p>	The management noted the Auditor's observation and wishes to state that currently a senior accountant has been assigned to check and verify the Cash Book prepared by Municipal Accountant and approved by the Municipal Manager.	Resolved during appearance before County Public Investments and special Funds Committee of the Senate on 27 th May 2025	N/A

County Government of Migori
Migori Municipality
Annual Report 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)
4.	<p>Vacancy in key staff positions in the Municipality Review of the Migori Municipality organogram and staff requirement revealed key positions that had not been filled with the requisite qualified staff. These positions comprised Internal Auditor, Human Resource Officer, Municipal Engineer, Municipal Planner, Environment Officer, Public Health Officer, Legal Officer, Environment and Disaster Management officer and Social Development Officer. In the circumstances, the effectiveness of internal controls, risk management, and governance in the municipality could not be confirmed</p>	<p>The Management noted the auditor's observation and wishes to state that the Migori Municipality has made a provision in the Supplementary Budget / Financial Year 2024/2025 for recruitment of municipal staffs.</p>	<p>Resolved during appearance before County Public Investments and special Funds Committee of the Senate on 27th May 2025</p>	<p>N/A</p>

County Government of Migori
Migori Municipality
Annual Report 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)
5	<p>Ineffective Internal Audit Functions During the year under review, the Internal Audit Department did not plan or carry out an audit of the municipality's operations. This was contrary to regulation 153(1) of the Public Finance Management (county governments) Regulations, 2015 which requires internal auditors to review and evaluate budgetary performance and Financial Management. In the circumstances, assessment of the Management function of internal controls, risk management and governance were lacking.</p>	<p>The Management noted the auditor's observation and wishes to state that the function of Internal audit for the municipality is done by the Directorate of Internal audit for the Executive. For the year under review the Internal audit work plan was prepared based on the number of staff currently available and therefore the audit of Municipalities were planned for the third quarter of FY 2024/2025 which has since been done and final report issued.</p>	<p>Resolved during appearance before County Public Investments and special Funds Committee of the Senate on 27th May 2025</p>	<p>N/A</p>

Owino Dismas Onyango
Accounting Officer- Migori Municipality

*County Government of Migori
Migori Municipality
Annual Report and Financial Statements for the year ended June 30, 2025*

Appendix 2(a): Inter-Entity Transfers

MUNICIPALITY NAME: MIGORI MUNICIPALITY			
Breakdown of Transfers from the County Executive of Migori			
FY 2024/2025			
Recurrent Grants	Bank Statement Date	Amount (Kshs.)	Indicate the FY to which the amounts relate
Migori Municipality Operations	19 th December 2024	2,056,720	F/Y-2024/2025
Migori Municipality Operations	27 th March 2025	2,600,000	F/Y-2024/2025
Migori Municipality Operations	08 th July 2025	2,089,850	F/Y-2024/2025
Migori Municipality Operations	08 th July 2025	2,581,700	F/Y-2024/2025
Migori Municipality Operations	08 th July 2025	7,612,330	F/Y-2024/2025
TOTAL		16,940,600	

Appendix 2(b): Inter-Entity Transfers

MUNICIPALITY NAME: MIGORI MUNICIPALITY		
Breakdown of Transfers from the County Executive of Migori		
FY 2024/2025		
Recurrent Grants	Amount (Kshs.)	Indicate the FY to which the amounts relate
Purchase of Fuel and Lubricants	940,000	F/Y-2024/2025
Imprests From County Treasury to the Municipality	2,873,700	F/Y-2024/2025
TOTAL	3,813,700	

(The above amounts have been communicated to and reconciled with the parent Department in the County.)

.....


.....


Signed by the Head of Accounts of the Municipal and the transferring Entities

County Government of Migori
Migori Municipality
Annual Report and Financial Statements for the year ended June 30, 2025

Appendix 3: Reporting of Climate Relevant Expenditures

Name of the Organization
 Telephone Number
 Email Address
 Name of CEO/MD/Head

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

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

Appendix 4: Disaster Expenditure Reporting Template

Date:

Migori Municipality

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