

REPUBLIC OF KENYA



*Enhancing Accountability*

**REPORT**

**OF**

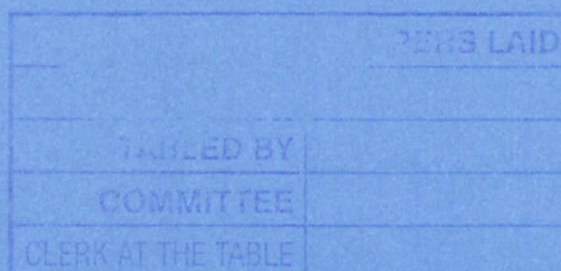
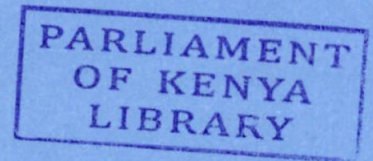
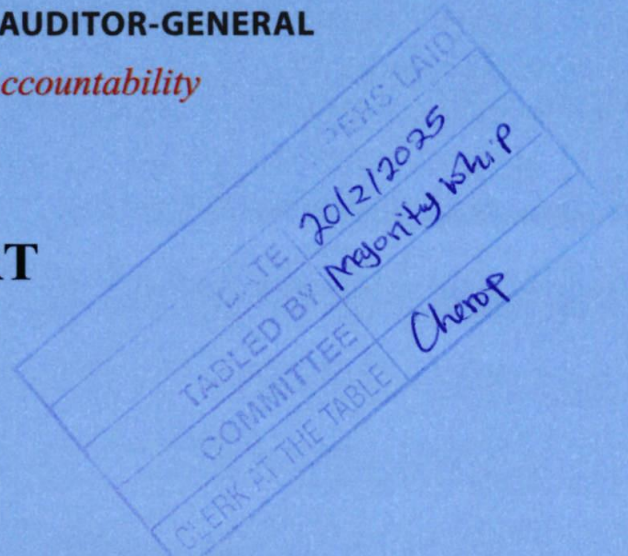
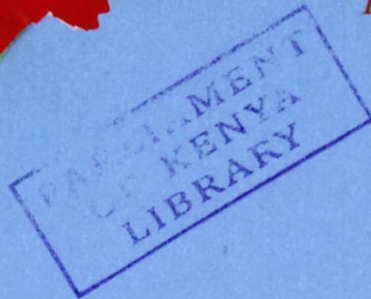
**THE AUDITOR-GENERAL**

**ON**

**COUNTY REVENUE FUND**

**FOR THE YEAR ENDED  
30 JUNE, 2024**

**COUNTY GOVERNMENT OF MIGORI**





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## **COUNTY REVENUE FUND**

*County Government of Migori*

### **ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2024**

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

*County Government of Migori*  
*County Revenue Fund*  
*For the financial year ended 30<sup>th</sup> June 2024*

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## 1. Acronyms and glossary of terms

### a) Acronyms

CA	County Assembly
COB	Controller of Budget
CRF	County Revenue Fund
FY	Financial Year
IPSAS	International Public Sector Accounting Standards
NT	National Treasury
OSR	Own Source Revenue
PFMA	Public Finance Management Act
PSASB	Public Sector Accounting Standards Board
ROR	Receiver of Revenue
Kshs	Kenya Shillings

### b) glossary of terms

Comparative FY	Comparative Prior Financial Year
Fiduciary Management	The key management personnel who had financial responsibility

## 2. Key Entity Information and Management

### a) Background information

Article 207 of the Constitution of Kenya provides for the establishment of the County Revenue Fund into which shall be paid all money raised or received by or on behalf of the County Government.

### b) Key Management Team

The County Revenue Funds day-to-day management is under the following key organs:

No.	Designation	Name
1.	CECM Finance and Economic planning	Maurice Otunga
2.	C.O Finance and Economic planning	Achuora John Odoyo
3.	Director Accounting Services	Erick Ochieng Jalango

### c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2024 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	CECM Finance and Economic Planning	Maurice Otunga
2.	Accounting Officer in charge of Finance	Achuora John Odoyo
3.	Director Accounting Services/Finance	Erick Ochieng Jalango

### d) Fiduciary Oversight Arrangements

#### *i) Audit and Finance committee activities-*

Migori County has in place audit committee constituted as per PFM requirements which operates independently and reports direct to the governor. They consider Internal Audit reports and the secretary of the Audit committee is the Director internal audit who presents all the internal audit reports to the committee. Audit Committee executes its duty as per PFM Act.

#### *ii) Senate Committee Activities-*

Considers Audited Financial statements for County Executive audit recommendations are implemented to ensure value for money for all funds invested.

#### *iii) County Assembly-*

The Executive is answerable to the County assembly of Migori and its Annual audited financial reports are considered by the county assembly periodically. Whenever called upon, the executive files report to relevant County Assembly departmental committee e.g. public accounts committee, implementation committee, budget and appropriation committee whenever requested to do so.

#### *iv) Development partner oversight activities-*

During the year under review, we partnered with the following: World bank (NAVCDP, NARIG, Climate change), SIDA(ASDSP), National Treasury. The partners supported the county in capacity building in corporate governance.

v)**Controller of Budget**-Ensured the approved budget is utilized as per the planned activities. During the year under review the office of COB approved withdrawal of Ksh9,515,075,511 to support the implementation of county programmes and activities

vi)**Office of the Auditor General**

Conducted annual compliance, system and final accounts audits for financial year 2022/2023 to ascertain whether the public funds were lawfully applied.

**e) County Headquarters**

P.O. Box 195  
County Headquarters Building  
Government Road  
Suna-Migori, KENYA

**f) County Contacts**

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

**g) County Bankers**

Central Bank of Kenya  
Haile Selassie Avenue  
P.O. Box 60000  
City Square 00200  
NAIROBI, KENYA

**h) Independent Auditor**

Auditor General  
Office of the Auditor General  
Anniversary Towers, University Way  
P.O. Box 30084  
GPO 00100  
NAIROBI, KENYA

**i) Principal Legal Adviser**

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

### 3. Statement by the CECM Finance

It gives me pleasure to present the County government of Migori Annual County Revenue fund report and financial statements for the year ended 30<sup>th</sup> June,2024. This report shows all revenues received and performance of different revenues streams for the period of twelve month ended 30<sup>th</sup> June,2024.

The promulgation of the constitution of Kenya,2010 under chapter eleven ushered into a new governance system, replacing the centralized system with devolved system of governance. The devolved systems of governance consist of the National government and 47 county governments.

#### Financing of the County Governments.

Article 202 of the Constitution of Kenya provides that revenue raised nationally shall be shared equitably among the National Government and the county governments. Each county governments equitable share of revenue raised nationally is determined yearly through County Allocation Revenue Act (CARA).

The County's approved supplementary II budget for the FY 2023/24 of Kshs.11.473 billion, comprising Kshs.4.144 billion (36.1 per cent) and Kshs.7.329 billion (63.9 per cent) allocation for development and recurrent programmes, respectively. The approved budget estimate represents an increase of 13.6 per cent compared to the previous financial year when the approved budget was Kshs.10.2 billion and comprised of Kshs.3.18 billion towards development expenditure and Kshs.7.03billion for recurrent expenditure.

To finance the budget, the County expects to receive Kshs.8. billion (71.6 per cent) as the equitable share of revenue raised nationally, generate Kshs.625 million (5 per cent) from its own source of revenue, Kshs.1.426billion (12.2 per cent) as conditional grants, and a cash balance of Kshs.988.9 million (9.6 per cent) from FY 2022/23.

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

..... (Sign)  
Date: .....

**CECM Finance and Economic Planning**  
**County Government of Migori**

#### **4. Management Discussion and Analysis**

##### ***(Overview of FY 2023/24 Budget)***

The County's approved supplementary II budget for the FY 2023/24 of Kshs.11.473 billion, comprising Kshs.4.144 billion (36.1 per cent) and Kshs.7.329 billion (63.9 per cent) allocation for development and recurrent programmes, respectively. The approved budget estimate represents an increase of 13.6 per cent compared to the previous financial year when the approved budget was Kshs.10.2 billion and comprised of Kshs.3.18 billion towards development expenditure and Kshs.7.03billion for recurrent expenditure.

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##### ***Revenue Performance***

In the FY 2023/24, the County received Kshs. 7.6 billion as the equitable share of the revenue raised nationally, raised Kshs.337.1 million as own-source revenue, Kshs.536.6 million as Conditional grants, and had a cash balance of Kshs.984.9 million from FY 2022/23. The total funds available for budget implementation during the period amounted to Kshs. 9.605billion,

## 5. Overview of the County Revenue Fund Operations

### Background

Article 207 of the Constitution of Kenya provides for the establishment of a County Revenue Fund into which shall be paid all money raised or received by or on behalf of the County Government. As outlined under Section 109 of the Public Finance Management (PFM) Act, 2012 the County Treasury is responsible for administration of the County Revenue Fund. The County Revenue Fund is maintained as the County Exchequer Account at the Central Bank of Kenya.

### Receipts into the County Revenue Fund

County Government revenue is received through appointed County Receiver of Revenue by the County Executive Committee Member for Finance to the County Treasury pursuant to Section 157 (1) of the PFM Act 2012. Receipts include Exchequer releases, grants from development partners, proceeds from domestic and foreign borrowings, and other miscellaneous deposits in the County Revenue Fund Account.

### Transfers from the County Revenue Fund

The withdrawal of funds from the County Revenue Fund is authorized by the County appropriation Act. The County Treasury is required to seek the Controller of Budget's approval for withdrawal of funds from the County Revenue Fund to the County Executive and County Assembly bank accounts. These entities are responsible for the administration of their respective approved budgets.

### Financial Reporting requirements

The Accounting Officer for the County Revenue Fund is required to prepare and submit the financial statements to the Auditor-General and a copy to the Controller of Budget, and the Commission on Revenue Allocation.

This statement therefore covers the operations of the County Exchequer Account for the financial year ended 30<sup>th</sup> June 2024.

  
C.E.C. MEMBER - FINANCE  
MIGORI COUNTY  
P. O. Box 195-40400, SUNA-MIGORI  
Date:..... Sign:.....  
(Sign)

**CEC Member – Finance and Economic Planning  
County Government of Migori**

## 6. Statement of Management Responsibility

Article 207 of the Constitution, Sections 109 and 167 of the Public Finance Management Act, 2012 requires a County Revenue Fund established by the Constitution, an Act of Parliament or county legislation to prepare financial statements for the Fund for each financial year in a form prescribed by the Public Sector Accounting Standards Board and submit to the Auditor General and a copy to the Commission on Revenue Allocation and the Controller of Budget. The Accounting Officer at the County Treasury is responsible for the preparation and presentation of the County Revenue Fund financial statements, which give a true and fair view of the state of affairs of the Fund as at the end of the financial year ended on *June 30, 2024*. This responsibility includes: (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the County Revenue Fund; (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the Financial Statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) Safeguarding the assets of the County Revenue Fund; (v) Selecting and applying appropriate accounting policies; and (iv) Making accounting estimates that are reasonable in the circumstances.

The Accounting Officer accepts responsibility for the County Revenue Fund's financial statements, which have been prepared on the Cash Basis Method of financial reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the County Revenue Fund's financial statements give a true and fair view of the state of the County Revenue Fund's transactions during the financial year ended *June 30, 2024*, and of its financial position as at that date.

The Accounting Officer further confirms the completeness of the accounting records maintained for the County Revenue Fund which have been relied upon in the preparation of its financial statements as well as the adequacy of the systems of internal financial control. The Accounting Officer confirms that the County Revenue Fund has complied fully with applicable Government Regulations and the terms of external financing covenants. Further, Accounting Officer confirms that the County Revenue Fund's Financial Statements have been prepared in a form that complies with relevant Accounting Standards prescribed by the Public Sector Accounting Standards Board of Kenya.

### Approval of the Financial Statements

The County Revenue Fund's financial statements were approved and signed on 30<sup>th</sup> September 2024.



**Signature**

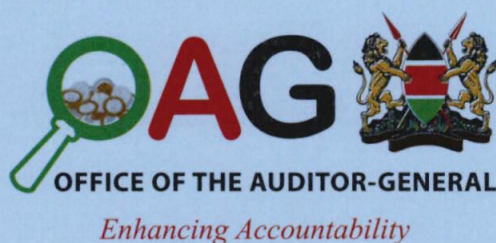
**Name: John Odoyo Achuora**

**Chief Officer Finance /Accounting Officer**

**County Government of Migori**

# REPUBLIC OF KENYA

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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 COUNTY REVENUE FUND FOR THE YEAR ENDED 30 JUNE, 2024 – COUNTY GOVERNMENT OF MIGORI

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### PREAMBLE

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

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

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of County Revenue Fund- County Government of Migori set out on pages 1 to 13, which comprise the statement of receipts

and payments and statement of comparison of budget and actual amounts for the year ended 30 June, 2024, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial performance of the County Revenue Fund- County Government of Migori and of its and its cash flows for the year ended 30 June, 2024, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012.

## **Basis for Qualified Opinion**

### **1.0. Non-Adherence to Cut off Procedures**

#### **1.1. Transfers from Other Government Entities**

The statement of receipts and payments reflects transfers from other Government entities amount of Kshs.536,685,649 which, as disclosed in Note 2 to the financial statements, includes an amount of Kshs.255,560,081 relating to Financing Locally-Led Climate Action (FLLoCA) 1 CCIS. However, the FLLoCA amount includes Kshs.11,000,000 received on 4 July, 2024 which falls outside the financial year under review.

In the circumstances, the transfers from other government entities is overstated by Kshs.11,000,000.

#### **1.2. Own Source Revenue Amount**

The statement of receipts and payments reflects own source revenue amount of Kshs.383,873,837 as disclosed in Note 6 to the financial statements. The amount includes public service fees revenue of Kshs.4,216,000 which was received on 4 July, 2024 which fall which falls outside the financial year under review.

In the circumstances, the own source revenue amount is overstated by Kshs.4,216,000.

### **2.0. Unsupported Budget Adjustments**

The statement of comparison of budget and actual amounts reflects budget adjustments amounting to Kshs.460,586,717 in respect of which, information on actual expenditure so far incurred and outstanding liabilities or comments against the planned activities as at the date of the request for supplementary allocations was not provided for audit.

Further, the estimates lacked footnotes explaining the reasons for the variations and the impact or implications for the affected programmes, contrary to Regulation 39(6) of the Public Finance Management (County Governments) Regulations, 2015 which provides

that the request for supplementary budget shall be presented in a format that facilitates comparison with the original budget and shall contain all the information necessary to enable a decision on the application to be reached.

In addition, the supplementary budget provided was not supported by a memorandum from the Accounting Officer to the County Treasury explaining the additional funding requests, contrary to Regulation 39(7) of the Public Finance Management (County Governments) Regulations, 2015, which provides that the County Government entity requesting additional funds through a supplementary budget process shall submit a memorandum to the County Treasury, on a date determined by County Treasury.

In the circumstances, the accuracy of budget adjustments amounting to Kshs.460,586,717 could not be confirmed and Management was in breach of the law.

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

## **Emphasis of Matter**

### **1.0. Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis amounts of Kshs.10,377,047,314 and Kshs.8,588,062,398 respectively, resulting in an underfunding of Kshs.1,788,988,916, or 17% of the budget.

The underfunding affected the affected planned activities and may have negatively impacted service delivery to the public.

### **2.0. Late Exchequer Releases**

The statement of receipts and payments reflects exchequer releases of Kshs.7,674,130,419 as disclosed in Note 1 to the financial statements. However, review of bank statements and cash books revealed that the amount includes exchequer releases totalling Kshs.1,459,753,068, received in the month of June, 2024, contrary to Section 17(6) of the Public Finance Management Act, 2012 as detailed below:-

<b>Date</b>	<b>Ref Number</b>	<b>Description</b>	<b>Amount</b>
20-Jun-24	FT24172QNTG2	Exchequer issue April 2024	750,730,149
26-Jun-24	FT241780RSB8	Exchequer issue May 2024	709,022,919
<b>Total</b>			<b>1,459,753,068</b>

Further, the statement of receipts and payments reflects a closing fund balance of Kshs.15,304,801, being funds that had not been absorbed by the County Government of Migori as at 30 June, 2024.

In addition, the Integrated Financial Management Information System (IFMIS) cash book was not provided for audit. Management has attributed this to cash management module not being active during the year under review.

My opinion is not modified in respect of these matters.

### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the matter described in the Basis for Qualified Opinion section of my report, I have determined that there are no other key audit matters to communicate in my report.

### **Other Information**

The Management is responsible for the Other Information set out on page iii to viii which comprises Key Entity Information and Management, Statement by the CECM Finance, Management Discussion and Analysis, Overview of the County Revenue Fund Operations and Statement of Management Responsibility. The Other Information does not include the financial statements and my audit report thereon.

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

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

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matter 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. Non-Adherence to Budget Timelines**

Management did not provide budget documents as evidence that the County complied with statutory dates in respect of the submission of budget circular, fiscal strategy paper,

approved annual development plan, budget estimates, and appropriation bill. Further, it was not possible to confirm if the budget was approved within the stipulated timelines.

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

## **2. Non-Compliance with the Prescribed Reporting Framework**

The statement of receipts and payments reflects the return to County Revenue Fund issues amount of Kshs.40,088,282 as disclosed in Note 7 to the financial statements. However, management has not explained the circumstances surrounding the returns to County Revenue Fund as a footnote to Note 7 as required by the prescribed reporting template.

In addition, the statement of comparison of budget and actual amounts reflects adjustments amount of Kshs.460,586,717. However, the statement does not include an explanatory footnote on whether this amount arose as a result of reallocations within the budget or other causes as required. Further, Annex 1: Prepress on Follow Up of Auditor's Recommendation is not signed as requires by the prescribed reporting template.

Therefore, Management violated Section 164(1) of the Public Finance Management Act, 2012, which requires accounting officers to prepare financial statements in formats that comply with the relevant accounting standards prescribed and published by the Accounting Standards Board from time to time.

In the circumstances, the financial statements as prepared are not in accordance with the IPSAS cash basis reporting framework while Management was in breach of the law.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

### **REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE**

#### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, 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 so as to obtain assurance as to whether

processes and systems of internal control, risk management and overall governance was maintained in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

### **Responsibilities of the Management and those Charged with Governance**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal controls as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to continue as a going concern and using going concern basis of accounting unless the Management is aware of the intention to cease operations.

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

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

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

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

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected

*Report of the Auditor-General on County Revenue Fund for the year ended 30 June, 2024 - County Government of Migori*

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.

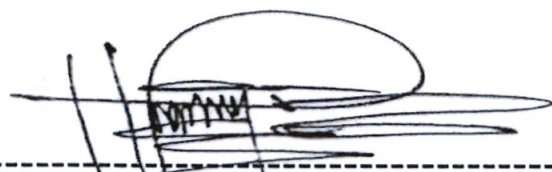
  
FCPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**

**Nairobi**

**27 December, 2024**

**8. Statement of Receipts and Payments for the Year Ended 30<sup>th</sup> June 2024.**

		FY2023/2024	FY2022/2023
	Notes	Kshs.	Kshs.
<b>Receipts</b>			
Exchequer releases	1	7,674,130,419	8,645,422,084
Transfers from other government agencies	2	536,685,649	288,697,311
Other grants	3	0	0
Proceeds from Domestic Borrowing	4	0	0
Proceeds from Foreign Borrowing	5	0	0
Own Source Revenue	6	383,873,837	342,320,326
Return to CRF issues	7	40,088,282	5,210
<b>Total Receipts</b>		<b>8,634,778,187</b>	<b>9,276,444,931</b>
<b>Payments</b>			
Transfers to County Executive	8	8,520,597,992	7,760,377,638
Transfers to County Assembly	9	994,477,519	855,459,607
Other Transfers	10	0	0
<b>Total Payments</b>		<b>(9,515,075,511)</b>	<b>8,615,837,245</b>
Net increase/ (decrease) in cash for the year		(880,297,324)	660,607,686
Add Opening fund balance b/f	11	895,602,125	234,994,439
<b>Closing Fund balance for the year</b>	<b>11</b>	<b>15,304,801</b>	<b>895,602,125</b>



Name: Achuora John Odoyo  
 Chief Officer - Finance

Date: 30/09/2024



Name: Erick Ochieng Jalango  
 Director Accounting Services  
 ICPAK Member No 14959

Date: 30/09/2024

**9. Statement of Comparison of Budget Actual Amounts for the Year Ended 30<sup>th</sup> June, 2024.**

Receipt/Payments	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Realization Difference	% of Realization
	a	b	c=a+b	d	e=c-d	f=d/c %
<b>Receipts</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	
Exchequer releases	8,335,810,176	5,35,932	8,335,810,176	7,674,130,419	661,679,757	92%
Transfers from other government agencies	-	278,887,220	278,887,220	-	278,887,220	0%
Other conditional grants	1,100,650,421	141,611,215	1,242,261,636	536,685,649	705,575,987	43%
Proceeds from Domestic Borrowing	-	-	-	-	-	
Proceeds from Foreign Borrowing	-	-	-	-	-	
Own Source Revenue	480,000,000	-	480,000,000	337,158,048	142,581,952	70%
Return to CRF issues	-	40,088,282	40,088,282	40,088,282	-	100%
<b>Total Receipts</b>	<b>9,916,460,597</b>	<b>460,586,717</b>	<b>10,377,047,314</b>	<b>8,588,062,398</b>	1,788,988,916	83%
<b>Payments</b>						
Transfers to County Executive	8,912,951,888	360,586,717	9,273,538,605	8,520,597,992	752,940,613	83%
Transfers to County Assembly	1,003,508,709	100,000,000	1,103,508,709	994,477,519	109,031,190	90%
<b>Total Payments</b>	<b>9,916,460,597</b>	<b>460,586,717</b>	<b>10,377,047,314</b>	<b>9,515,075,511</b>	<b>861,971,803</b>	84%
<b>Balance</b>	-	-	-	(927,013,113)		

**Explanation**

During the year under review, the county projected to receive total revenue of kshs 10,377,047,314 but only realised Kshs8,588,058,398/= representing 83% of revenue performance. The variance was attributed to delay in exchequer releases, low performance on own source revenue and failure by our partners to honour their contractual obligations. The underperformance of revenue resulted to inadequate implementation of planned programme and activities.



## **10. Significant Accounting Policies**

### **a) Statement of compliance and basis of preparation**

The financial statements have been prepared in accordance with Cash-basis IPSAS financial reporting under the Cash-Basis of accounting, as prescribed by the PSASB and Section 167 of the PFM Act 2012.

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

### **b) Reporting entity**

This report relates to financial operations of the County Revenue Fund domiciled at the County Treasury and bank account maintained at Central Bank of Kenya.

### **c) Receipts**

Receipts include funds deposited in the County Revenue Fund pursuant to Article 207 of the Constitution of Kenya and Section 109 of the PFM Act 2012.

The receipts collected include Exchequer releases, own source revenue, grants from development partners, proceeds from domestic and foreign borrowings, and other miscellaneous deposits in the County Exchequer Account.

Transfers from the exchequer and own source revenue are recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the receiving entity.

### **d) Payments**

Payments are based on the County Government Appropriation Act. The exchequer requests are received by County Treasury, which rationalizes the requests based on the available balance, consolidates the requests and forwards them to Controller of Budget (COB) for approval. Once the approval of COB is obtained, the funds are released to the County Assembly and County Executive operational accounts appropriately.

**Significant Accounting Policies (Continued)**

**e) Fund Balances**

Fund balances comprise bank balances in County Exchequer Account held at Central Bank of Kenya.

**f) Restriction on Cash**

Restricted cash represents amounts that are limited/restricted from being used to settle a liability for at least twelve months after the reporting period. This cash is limited for direct use as required by stipulation or *There were no restrictions on cash during the year.*

County Government of Migori  
County Revenue Fund  
For the financial year ended 30<sup>th</sup> June 2024

**11. Notes to the Financial Statements**

**1. Exchequer releases**

The following is an analysis by revenue type of the receipts collected in the County Revenue Fund:

Description	FY2023/2024	FY2022/2023
	Kshs.	Kshs.
<b>Opening Balance</b>		640,401,636
Equitable Share (a)	7,674,130,419	8,005,020,448
<b>Total (d=a+b+c)</b>	<b>7,674,130,419</b>	<b>8,645,422,084</b>

**2. Transfers from other government agencies\*\***

Description	FY2023/2024	FY2022/2023
	Kshs.	Kshs.
Road Maintenance Levy		
Covid-19		
Development of Youth Polytechnics-State Department of TVETS		
User Fees Foregone -Ministry of Health		
World Bank -Transforming Health Systems for Universal Care Project (THUSP)-Ministry of Health		8,506,500
World Bank-NARIGP-State Department of Crop Development	15,823,772	254,377,711
World Bank Kenya Climate Smart Agriculture (KCSAP) -State Department of Crop Development		
DANIDA Grant -Primary Health care in devolved context -Ministry of Health	13,281,375	
IDA (World Bank) Credit: Water & Sanitation Development Project (WSDP)-Min. Water, Sanitation, and Irrigation		
SIDA Agricultural Sector Development Support Programme II (ASDSP II)-State Department of Crop Development	1,620,452	10,084,066.00
World Bank-Emergency Locust Response Project (ILRP) State Department of Crop Development		
World Bank-Kenya Informal settlement improvement project (KISIP 11)-State Department of Housing & Urban Development	0	4,729,034
County Aggregation and Industrial Park	62,500,000	
EU Grant (Instruments for Devolution Advice and Support- (IDEAS)-State Department of Devolution		

County Government of Migori  
 County Revenue Fund  
 For the financial year ended 30<sup>th</sup> June 2024

Description	FY2023/2024	FY2022/2023
KfW German Development Bank- Drought Resilience Programme in Northern Kenya (DRPNK)-Min. Water, Sanitation, and Irrigation		
IDA World Bank National Agricultural Value Chain Development Project (NAVCDP) -State Department of Crop Development	187,899,969	0
(IDA) World Bank Credit-Financing locally Led climate programme (FFLoCA)1 CCIS Grant State Department of ..	255,560,081	11,000,000
<b>Total</b>	<b>536,685,649</b>	<b>288,697,311</b>

**3. Other grants\*\***

Description	FY2023/2024	FY2022/2023
	Kshs.	Kshs.
Donor 1 ( <i>Specify</i> )	0	0
Donor 2 ( <i>Specify</i> )	0	0
Donor 3 ( <i>Specify</i> )	0	0
Others ( <i>Specify</i> )	0	0
	<b>0</b>	<b>0</b>

**4. Proceeds from Domestic borrowing.**

Description	FY2023/2024	FY2022/2023
	Kshs.	Kshs.
Borrowing within General Government	0	0
Borrowing from Monetary Authorities (Central Bank)	0	0
Other Domestic Depository Corporations (Commercial Banks)	0	0
Borrowing from Other Domestic Financial Institutions	0	0
Borrowing from Other Domestic Creditors	0	0
Domestic Currency and Domestic Deposits	0	0
Others ( <i>Specify</i> )	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

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

**5. Proceeds from Foreign Borrowing**

<b>Description</b>	<b>FY2023/2024</b>	<b>FY2022/2023</b>
	<b>Kshs.</b>	<b>Kshs.</b>
Foreign Borrowing – Drawdowns Through Exchequer	0	0
Foreign Borrowing - Direct Payments	0	0
Foreign Currency and Foreign Deposits	0	0
Others ( <i>Specify</i> )	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**6. Own Source Revenue**

<b>Description</b>	<b>FY2023/2024</b>	<b>FY2022/2023</b>
	<b>Kshs.</b>	<b>Kshs.</b>
Cess	51,156,416.31	49,214,703
Cattle Auction/Slaughter Fee	21,606,837	16,232,337
Land rate	6,748,271	7,610,962
Single/Business permits	93,592,630	70,762,200
Property rent	7,010,895	-
Parking fees	62,861,424	47,269,296
Market fees	78,080,589	39,291,778
Advertising	20,492,850	14,152,460
Hospital fees	-	77,853,413
Public health service fees	4,216,000	6,317,570
Physical planning and development	11,320,499	5,737,504
Agriculture (Vet, AMS, Fisheries)	1,435,360	1,027,500
Transport on land	706,834	1,141,838
Hire of County Assets	460,000	1,300,000
Conservancy administration	18,031,722	213,900
Administration control fees and charges	3,356,036	1,238,010
Other fines, penalties, and forfeiture fees	798,870	2,956,855
Miscellaneous	1,998,604	-
<b>Total</b>	<b>383,873,837</b>	<b>342,320,326</b>

County Government of Migori  
 County Revenue Fund  
 For the financial year ended 30<sup>th</sup> June 2024

<i>Receiver of Revenue</i>	<i>337,154,048</i>	
<i>Cash Balance Previously held at Equity Now transferred to CRF</i>	<i>46,715,789</i>	
<i>Total OSR Transferred Cash to CRF</i>	<i>383,873,837</i>	

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

**7. Return to CRF Issues**

<b>Description</b>	<b>FY2023/2024</b>	<b>FY2022/2023</b>
	<b>Kshs.</b>	<b>Kshs.</b>
Recurrent Account ( <i>County Executive</i> )	3,378,447	478
Development Account ( <i>County Executive</i> )	36,554,834	4,700
Recurrent Account ( <i>County Assembly</i> )	155,000	32
<b>Total</b>	<b>40,088,282</b>	<b>5,210</b>

*Note. The funds returned were for transactions paid but bounced due to various reasons and can't be processed due to end year closure. Therefore, carried forward the following financial year.*

**8. Transfers to County Executive**

<b>Description</b>	<b>FY2023/2024</b>	<b>FY2022/2023</b>
	<b>Kshs.</b>	<b>Kshs.</b>
Recurrent Account	5,992,975,182	6,027,258,002
Development Account	1,653,480,286	1,406,743,323
Special Purpose Accounts	874,142,524	326,376,311
<b>Total</b>	<b>8,520,597,992</b>	<b>7,760,377,638</b>

County Government of Migori  
 County Revenue Fund  
 For the financial year ended 30<sup>th</sup> June 2024

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

**9. Transfers to County Assembly**

<b>Description</b>	<b>FY2023/2024</b>	<b>FY2022/2023</b>
	<b>Kshs.</b>	<b>Kshs.</b>
Recurrent Account	954,757,784	855,459,607
Development Account	39,719,735	
Special purpose accounts	0	0
Others ( <i>Specify</i> )	0	0
<b>Total</b>	<b>994,477,519</b>	<b>855,459,607</b>

**10. Other Transfers**

<b>Description</b>	<b>FY2023/2024</b>	<b>FY2022/2023</b>
	<b>Kshs.</b>	<b>Kshs.</b>
Agency Notices	00	00
Others ( <i>Specify</i> )	00	00
<b>Total</b>	<b>00</b>	<b>00</b>

(*Explain as per County Appropriation Act*)

**11. Fund balance**

<b>Description</b>	<b>FY2023/2024</b>	<b>FY2022/2023</b>
	<b>Kshs.</b>	<b>Kshs.</b>
County Exchequer Account - (1000171537)	15,304,801	895,602,125
<b>Total</b>	<b>15,304,801</b>	<b>895,602,125</b>

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

**12. Disclosure of Balances in Revenue Collection Accounts**

County Government Own source revenue is recognized in the financial statements when it has been swiped to CRF. Revenue collection account balances are disclosed as at the end of the reporting period as below.

<b>Name Of Bank, Account No. &amp; Currency</b>	<b>Amount in bank account currency*</b>	<b>Ex. rate (if in foreign currency)</b>	<b>FY2023/2024</b>	<b>FY2022/2023</b>
			<b>Kshs</b>	<b>Kshs</b>
<i>Kenya Commercial Bank Limited, 1140763881.Ksh</i>	2,816,639	0	2,816,639	20,510
<i>Equity Bank Limited, Account No 1430276522366.Ksh</i>	1,019,977	0	1,019,977	48,979,892
<b>Total</b>	<b>3,836,616</b>		<b>3,836,616</b>	<b>49,000,402</b>

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**12. Annexes**

**Annex 1: Progress on follow up of Auditor’s Recommendations**

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	Budgetary control and performance/Underutilization of funds	The management has noted the auditor’s observation and wishes to state that the underutilization of funds was attributed to late disbursement of funds by The national Treasury.	Not resolved	In progress
2	Late Exchequer releases	The management has noted the auditor’s observation and hopes that the National Treasury shall improve in timely disbursement of funds	Not Resolved	In progress

**C.E.C. MEMBER - FINANCE**  
**MIGORI COUNTY**

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

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



.....  
 County Executive Committee Member – Finance and Economic Planning  
 Date

**Annex 2. Analysis Of Receipts from The National Treasury Exchequer Releases**

Period 2023/2024	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
	(Kshs.)	(Kshs.)	(Kshs.)	(Kshs.)	(Kshs.)
Equitable Share	709,022,919	2,043,654,297	2,085,361,527	2,836,091,676	7,674,130,419
Level 5 Hospitals	0	0	0	0	0
DANIDA - Universal Healthcare in Devolved Units Programme	0	0	0	0	0
World Bank – THUSCP	0	0	0	0	0
National Agricultural & Rural Inclusive Growth Project (NARIGP)	0	0	4,261,826	11,561,946.00	15,823,772
Kenya Devolution Support Programme	0	0	0	0	0
IDA World Bank National Agricultural Value Chain Development Project (NAVCDP) -State Department of Crop Development	0	0	187,899,969	0	187,899,969
(IDA) World Bank Credit-Financing locally Led climate programme (FFLoCA)1 CCIS Grant State Department of	11,000,000	0	0	244,560,081	255,560,081
Kenya Urban Support Programme					
Agriculture Sector Development Support Project (ASDSP)	0	500,000	1,120,452	0	1,620,452
County aggregation and Industrial Park					62,500,000
<b>Total</b>	<b>720,022,919</b>	<b>2,044,154,297</b>	<b>2,278,643,774</b>	<b>3,081,213,703</b>	<b>8,186,534,693</b>

**Annex 3. Analysis Of Receipts from Own Source Revenue per Quarter**

<b>Period 2024</b>	<b>Quarter 1 (Kshs.)</b>	<b>Quarter 2 (Kshs.)</b>	<b>Quarter 3 (Kshs.)</b>	<b>Quarter 4 (Kshs.)</b>	<b>Total (Kshs.)</b>
Cess	9,518,836	4,999,740	12,645,058	23,992,779	51,156,416
				21,606,837	21,606,837
Land rate	139,894	2,749,766	2,999,382	859,229	6,748,271
Single/Business permits	6,189,400	1,645,250	50,721,100	35,036,880	93,592,630
Property rent	982,275	258,950	3,990,750	1,778,920	7,010,895
Parking fees	13,864,290	14,291,865	17,360,580	17,344,689	62,861,424
Market fees	12,163,888	12,580,963	29,132,442	24,203,296	78,080,589
Advertising	708,205	1,062,308	5,311,538	13,410,800	20,492,851
Physical planning and development	771,984	1,157,976	5,789,880	3,600,659	11,320,499
Agriculture (Vet, MS, Fisheries)				1,435,360	1,435,360
Public health services				4,216,000	4,216,000
Transport on land				706,834	706,834
Hire of County Assets	41,000	61,500	307,500	50,000	460,000
Conservancy administration	0	0	0	18,031,722	18,031,722
Administration control fees and charges	57,960	86,940	434,700	2,778,436	3,356,036
Other fines, penalties, and forfeiture fees				798,870	798,870
Miscellaneous	189,700	169,300	246,810	1,392,794	1,998,604
<b>Total</b>	<b>44,627,432</b>	<b>39,064,561</b>	<b>128,939,740</b>	<b>171,242,105</b>	<b>383,873,837</b>

**Annex 4: Analysis of Transfers from the County Revenue Fund**

<b>Period -2024</b>	<b>Quarter 1 (Kshs.)</b>	<b>Quarter 2 (Kshs.)</b>	<b>Quarter 3 (Kshs.)</b>	<b>Quarter 4 (Kshs.)</b>	<b>Total (Kshs.)</b>
County Executive -Rec	800,258,622	1,758,724,666	973,099,065	2,460,892,829	5,992,975,182
County Executive -Dev	137,344,691	388,613,441	256,261,895	871,260,259	1,653,480,286
County Assembly -Rec	47,334,698	529,105,078	151,258,667	227,059,341	954,757,784
County Assembly -Dev	-	-	39,719,735	-	39,719,735
Special Purpose A/c (Specify)	11,000,000	500,000	193,169,917	669472607	874,142,524
<b>Total</b>	<b>995,938,011</b>	<b>2,676,943,185</b>	<b>1,613,509,279</b>	<b>4,228,685,036</b>	<b>9,515,075,511</b>