

REPUBLIC OF KENYA



*Enhancing Accountability*

**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

**COUNTY EXECUTIVE OF MIGORI**

**FOR THE YEAR ENDED  
30 JUNE, 2022**

| PAPERS LAID        |                |
|--------------------|----------------|
| DATE               | 6/6/2023       |
| TABLED BY          | Majority Whip  |
| COMMITTEE          | —              |
| CLERK AT THE TABLE | Innocent Mbayi |

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**MIGORI COUNTY EXECUTIVE**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**

**JUNE 30, 2022**

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

**MIGORI COUNTY EXECUTIVE**  
**Annual Report and Financial Statements for the year ended June 30, 2022.**

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## MIGORI COUNTY EXECUTIVE

### Annual Report and Financial Statements for the year ended June 30, 2022.

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#### 1. Key Entity Information And Management

##### a) Background information

The County is constituted as per the Constitution of Kenya is headed by the County Governor, who is responsible for the general policy and strategic direction of the County.

##### b) Key Management

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

- Office of the Governor
- Office of the Deputy Governor
- Office of the County Secretary
- Office of Finance and Economic Planning
- Office of Public Service Management
- Office of Trade Tourism and Industry
- Office of Transport and Infrastructure
- Office of Education Sports Culture Gender and Social Services
- Office of Health Services
- Office of Lands and Physical Planning
- Office of Agriculture Livestock and Fisheries
- Office of Water, Energy, Environs and Disaster Management

##### c) Fiduciary Management

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2022 and who had direct fiduciary responsibility were:

| No. | Designation   | Name                       |
|-----|---|----------------------------|
| 1.  | CECM Finance and Economic Planning                    | Mrs Scholastica Obiero     |
| 2.  | CECM Public Service Management                        | Mr. Peter Okumu<br>Achanja |
| 3.  | CECM Trade Tourism and Industry                       | Mrs Sheila Gati Mwita      |
| 4.  | CECM Transport and Infrastructure                     | Mr. Moses Chamwada         |
| 5.  | CECM Educ., Sports Culture Gender and Social Services | Mr. Samson Ngariba         |
| 6.  | CECM Health Services                                  | Mr. Joseph Nyamita         |
| 7.  | CECM Lands and Physical Planning                      | Mrs Rose Aroko             |
| 8.  | CECM Agriculture Livestock and Fisheries              | Mr. Kayaga Fred            |
| 9.  | CECM Water, Energy, Environs and Disaster Management  | Mr Kephher Nyamita         |

**MIGORI COUNTY EXECUTIVE**  
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**d) Fiduciary Oversight Arrangements**

*The fiduciary oversight bodies at the County for the year ending 30<sup>th</sup> June 2022 were:*

- *County Assembly of Migori*
- *Audit committee*
- *Public Accounts committee*

*Budget and Appropriations*

**e) County Executive Headquarters**

P.O. Box 195 – 40400  
Suna Migori, KENYA

**f) County Executive Contacts**

Telephone: (254) 726319450/ 73  
6860086/ 770304976  
E-mail: [info@migori.go.ke](mailto:info@migori.go.ke)  
Website: [www.migori.go.ke](http://www.migori.go.ke)

**g) County Executive Bankers**

1. Central Bank of Kenya  
Haile Selassie Avenue  
P.O. Box 60000  
City Square 00200  
**NAIROBI, KENYA**
  
2. Kenya Commercial Bank  
Migori Branch  
P.O Box 54, 40400  
Migori

**h) Independent Auditors**

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

**MIGORI COUNTY EXECUTIVE**

**Annual Report and Financial Statements for the year ended June 30, 2022.**

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**i) Principal Legal Adviser**

The Attorney General

State Law Office and Department of Justice

Harambee Avenue

P.O. Box 40112

City Square 00200

**NAIROBI, KENYA**

## **MIGORI COUNTY EXECUTIVE**

### **Annual Report and Financial Statements for the year ended June 30, 2022.**

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#### **2. Foreworded by the CECM Finance and Economic Planning**

It gives me pleasure to present the County Government of Migori financial statements for the financial year ending 30<sup>th</sup> June 2022. The financial statements present the financial performance of the county government over the past twelve months.

The promulgation of the constitution of Kenya, 2010 under Chapter 11 ushered Kenya into a new system of governance, replacing the centralised system with a devolved system of governance. The devolved system of Governance consists of the National Governance 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 government's equitable share of revenue raised nationally, is determined yearly through the County Allocation of Revenue Act (CARA). The revenue sharing formula is developed by the Commission on Revenue Allocation and own generated revenues which is collected within the county. Our key local revenue sources for Migori County included Single business permits, cesses, trade centre/market fees, approval of plans, cattle auction fees among others.

#### **County's Financial Performance.**

The county government of Migori had an approved budget of Ksh. 10,444,016,812 for the year 2021/2022 comprising of Kshs 3,753,527,689 as development and Kshs 6,690,489,123 as recurrent expenditure. From the annual budget, county Assembly took Kshs. 945,147,830 for its development projects, personnel emoluments and office operations. Migori County, however, for the financial year, 2021/2022, received a total of Kshs 7,903,532,000

#### **Challenges.**

The untimely disbursement of funds from the National Treasury still posed a major challenge in the implementation of county projects.



**Scholastica Obiero**  
**CEC- Finance and Economic Planning.**  
**County Government of Migori.**

### **3. Statement of Performance against County Predetermined Objectives**

#### **Introduction**

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

#### **Strategic development objectives**

The County's 2018-2022 CIDP has identified some key strategic development objectives. Broadly, these objectives have been identified through a participatory process that reviewed the development priorities of the Governor's Manifesto, the National Government's "Big Four", NIUPLAN, SDGs and the MTP III.

The strategic objectives are a synthesised product of the afore-mentioned planning frameworks that amalgamate the thematic focus and development aspirations in these policy frameworks.

The key development objectives of the Migori County's 2018-2022 CIDP are to:

- a) Infrastructural expansion
- b) Food security
- c) Socio-economic transformation
- d) Good governance

#### **Progress on attainment of Strategic development objectives**

For purposes of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified for reasons of tracking progress and performance measurement: Below we provide the progress on attaining the stated objectives:

**MIGORI COUNTY EXECUTIVE**

**Annual Report and Financial Statements for the year ended June 30, 2022.**

| <b>Department</b>                               | <b>Objective</b>                               | <b>Outcome</b>                                  | <b>Indicator</b>   | <b>Performance</b>  |
|---|--|---|--|---|
| Public Works,<br>Roads &<br>Transport           | To improve road Network                        | Improved accessibility                          | Km. of roads upgraded to all weather roads                 | In FY 20/21 we increased roads project 400km Namely: Kiringi Bridge and Uiri -Uria Road. Enhance accessibility  |
|   | To maintain and construct bridges              | Improved accessibility                          | No. of bridges/box culverts constructed                    | Increased businesses opportunity as movement goods and services from one area to another is easy  |
| <b>Information Communication and Technology</b> | To improve ICT infrastructure and Connectivity | Increased ICT connectivity and communication    | % of ICT connectivity in all offices                       | Increased security surveillances via closed circuit cameras (CCTV) installed in major towns and facilities.   |
| <b>Agriculture</b>                              | To increase aquaculture development            | Increased fish quality, quantity and production | % increase in metric tons of fish produced by fish farmers | Increased revenue to farmers and the county as a whole as the fish are sold within and outside the county. This has been brought about by use of fish cages and fish ponds.                                       |
|   | To increase livestock breeding services        | Increased production and productivity           | % increase in quality in livestock products                | The county has distributed sahiwal breeds to dry areas to improve breeds of cows for high milk and beef production hence increase in revenue.   |
|   | To improve breeds                              | Sustained livestock-based livelihood            | % increase in farmers provided high breed animals          | Continued distribution of in calf dairy cows to farmers has led to increased cash inflows to farmers hence improved livelihoods to farmers.   |
|   | To improve crop development                    | Increased food security and income              | %of farmers accessing quality farm inputs                  | Distribution of certified seeds by the county has led to increased crop production/bumper harvest and also introduction of improved rice variety that grows on dry areas has brought food stability in the county |

**MIGORI COUNTY EXECUTIVE**

**Annual Report and Financial Statements for the year ended June 30, 2022.**

|                        |  |  |   |  |
|------------------------|--|--|---|--|
|                        |  |  |   |  |
| <b>Trade</b>           | To improve cradle of mankind circuit                 | A tourist circuit along the UN heritage site(Thimlich)   | % increase in tourist arrivals and revenue                                    | Increased revenue to the county and also county residents appreciate their cultures  |
|                        | To improve trade infrastructure development services | Improved trading infrastructure and market accessibility | % increase in trade infrastructure  | Improved stalls for traders means exchange of goods and services can be carried out conveniently from specific areas/locations. Increased revenue to the county. |
|                        | To improve liquor licensing                          | Increased county revenue                                 | % increase in number of liquor agencies adhering to county liquor regulations | Increased licensed liquor agencies means controlled consumption of alcohol within the county hence reduced alcohol abuse. Increased revenue to the county.       |
| <b>Education</b>       | To improve subcounty education office services       | Improved efficient and effective service delivery        | %increase in subcounty offices  | Improved access to ease of learning facilities in the county.  |
|                        | To improve bursary and scholarships                  | Improved access to education by vulnerable groups        | % increase in students receiving bursaries                                    | Reduced illiteracy in the county bursaries ensures those without means of payment can access education.  |
|                        | To improve ECDE staffing                             | Improved ECDE services                                   | %increase in ECDE teachers recruited  | Access to Competency based curriculum learning takes off smoothly as there is no staff shortage.   |
|                        | To improve vocational education training             | Increased enrolment                                      | % increase in number of VETCs constructed and equipped                        | Increased technical skills in the county as more youth who could not qualify for other courses gets absorbed for the technical courses.                          |
|                        | To improve sports and talent development             | Improved active participation in sports and talents      | %increase in sports events organized  | Leads to discovery of talents not being used.  |
| <b>Health Services</b> | To improve Community health services                 | Improved access to health services                       | % of Community health units initiated and functional                          | Inceased access to health services hence improved lifestyle for the county residents.  |

**MIGORI COUNTY EXECUTIVE**  
**Annual Report and Financial Statements for the year ended June 30, 2022.**

|  |   |  |   |  |
|--|---|--|---|--|
|  | To improve family & reproductive health                       | Improved reproductive maternal neonatal child adolescence health     | % reduction of maternal and newborn deaths  | Population growth increase as death of mother and infants is reduced.  |
|  | To increase Pharmaceutical and Non-pharmaceutical commodities | Reduced and eliminated disease burden: address treatable conditions  | % increase in Drugs and non pharms procured   | Improved lifespan for the residents  |
|  | To improve emergency and Referral services                    | Improved referral Services   | % increase in efficiency in referral services   | Patients with Technical illnesses can access specialist services within a short time hence increased survival rates. |
|  | To improve Infrastructure development                         | Improved service delivery  | % increase in amenity wards constructed and equipped                                    | Increased access to standard health services ie good clean facilities  |
|  |   |  | % increase in Sub County hospitals renovated (general)                                  | Increased access to standard health services ie good clean facilities  |
|  |   |  | % completion in blood bank constructed and equipped                                     | Inceased survival rate of patients   |
|  |   |  | % increase in health facilities with alternate sources of power e.g. solar installation | Increased access to standard health services ie good clean facilities  |
|  |   |  | % increase in health Centres and dispensaries renovated and face lifted                 | Increased access to standard health services ie good clean facilities  |
| <b>Environment and Disaster Management</b> | To improve Solid Waste Management Services                    | Clean Environment  | management and personal protective (Assorted) equipment purchased                       | Improved business and living environment that is pollution free.   |
|  |   |  | % increase in waste collection vehicles purchased                                       | Improved business and living environment that is pollution free.   |
|  | To improve County Greening Programme                          | Sustainably managed and conserved environment and natural resources. | % of annual tree cover increase   | Leads to reduced carbon emission and soil erosion. Increased forest cover which attracts rainfall.                   |
|  | To improve Water Resources conservation and management        | Improved water resources quality and quantity                        | % of water resources protected and conserved  | Increase access to clean water from protected catchment areas (springs)  |
|  | To improve disaster preparedness and response                 | Enhanced and effective disaster preparedness and response            | % increase of workforce and voluntary workers trained on disaster response              | Reduced magnitude of destruction due to timely responses to incidences with adequate and well                        |

**MIGORI COUNTY EXECUTIVE**

**Annual Report and Financial Statements for the year ended June 30, 2022.**

|   |  |  |   |   |
|---|--|--|---|---|
|   |  |  |   | trained workforce and equipment   |
| <b>Water</b>                                | To improve Operation and maintenance of rural water services | Strengthened sustainability of rural water services  | % of drilled boreholes equipped and functional  | Increased access to clean and water for industrial and domestic consumption                                       |
|   |  |  | % of dams /pans completed and functional  | Increased access to clean and water for industrial and domestic consumption                                       |
|   | To improve Urban Water Supply and Sewerage                   | Increased access to safe water and Sanitation  | % households served with safe water   | Increased access to clean and water for industrial and domestic consumption                                       |
|   | To improve Water Conservation, protection and Governance     | Enhanced water resources management  | % increase of roof catchment and water storage capacity at household and institutional levels | Increased access to clean and water for industrial and domestic consumption                                       |
| <b>Lands, Housing and Physical Planning</b> | To improve physical and urban planning services              | Planned and Organized space for economic growth and resource mobilization                        | % increase of towns planned for development   | Well planned and managed towns for future development.  |
|   | To improve land registration and records management services | Increased percentage of public and private land parcels with title deeds and ownership documents | % increase of land parcels with title deeds   | Reduced cases and land disputes and increase in revenue collection.   |
|   | To improve housing Services                                  | Improved human settlements and quality of life   | % increase in low cost housing and building technology centres established                    | Improved living standards for residents   |
| <b>County Executive</b>                     | To improve citizen service delivery services                 | Enhanced service delivery to the citizens  | % increase in synergy between different levels of government in service delivery              | Improved working environment for service delivery   |
|   | To enhance legal services                                    | Improved service Delivery  | % increase in legal cases solved  | Reduced legal costs and enhanced dispute resolution.  |
|   | To improve Conflict management and resolution                | Improved security and peace  | % increase in population that feel safe in their communities                                  | Improved security/peace leading to enhanced business environment  |
| <b>Finance and Economic Planning</b>        | To improve accounting Services                               | Quality and timely production of financial statements and reports                                | % of quality and timely reports Produced.   | Timely disbursement of funds from exchequer and less audit queries. Projects and programmes are executed on time. |

**MIGORI COUNTY EXECUTIVE**

**Annual Report and Financial Statements for the year ended June 30, 2022.**

|                                  |   |  |   |  |
|----------------------------------|---|--|---|--|
|                                  |   | Enhanced efficiency in service delivery                                    | % improvement of transactions under IFMIS                             | Timely disbursement of funds from exchequer and less audit queries. Projects and programmes are executed on time.              |
|                                  |   | Improved debt Management   | % improvement of debt management                                      | Improved cashflow to the business community and safeguarding the county from incurring unplanned debts and their related costs |
|                                  | To improve resource Mobilization              | Increased revenue collected  | % increase in equitable share   | Increased resources means more service delivery to the residents.  |
|                                  | To improve Supply Chain Management            | Improved procurement services  | % implementation of procurement plan implemented within time and cost | Timely and smooth business transaction for goods and services .  |
|                                  | To improve audit Services                     | Efficient and timely, audit, monitoring and evaluation of staff and county | % level of audit reports implemented                                  | Improved internal control systems for better financial management in the county  |
|                                  | To improve budget coordination and management | Budget prepared and approved   | % county fiscal strategy papers adopted and implemented               | Enhanced implementation of projects and programmes per financial management systems in place.                                  |
| <b>Public Service Management</b> | To improve human Capital Strategy             | Skilled labour force   | % increase of employees trained annually                              | Increased service delivery and decision making due to improved morale of the workforce   |
|                                  |   | Motivated and competent work force   | Levels of annual salary and insurance payments                        | Increase service deliver.  |
|                                  |   | Efficient and effective management of staff performance                    | % increase of staff on performance management system                  | Increase service deliver   |

#### **4. Environmental and Sustainability Reporting**

VISION STATEMENT: A Vibrant and Prosperous County

MISSION STATEMENT: Build a cohesive, result oriented and focused county grounded on an improved and sustainable socio-economic, infrastructural, affirmative action, secure and clean environment.

Migori County Government exists to transform lives of its residents. The overall objective of the county is to be achieved through the following four pillars: Infrastructure Expansion, Food Security, Social Economic Transformation and Good Governance.

1. Sustainability strategy and profile
  - The top management especially the accounting officer refers to sustainable efforts, broad trends in political and macroeconomic affecting sustainability priorities, reference to international best practices and key achievements and failure.
2. Environmental performance
  - The environment department provides and implements policies to ensure effective waste management and environment friendly mineral exploitation.
  - The County Government has engaged the youth in planting trees on hill tops to increase forest cover that has led to increase in rainfall.
3. Employee welfare
  - The Migori Public Service Board ensures employee welfare is enhanced through prompt promotion and salary payments.
  - There is a structured system of dispute resolution in the County.
4. Market place practices-
  - The procurement department strictly follows Public Procurement Oversight Act so as to ensure fairness in award of tender among the youth, disabled and women.
5. Community Engagements-
  - Throughout the Covid-19 period, the County Government endeavoured to supply water tanks to the vulnerable residents to reduce the spread of the virus within the community.
  - The department of Health increased awareness creation on the pandemic through public barazas, media and CHWs.
  - There is the provision of sanitizers and face masks to the County Employees. The health workers have been trained on COVID 19 and supplied with relevant kits.
  - Provision of solar lights and lamps to the residents has improved health as they no longer use paraffin for lighting in their homestead and market centers.
  - County projects are proposed by the community through public participation.
  - The county through the department of health grants waivers to needy patients who cannot pay for their medical bills.

**MIGORI COUNTY EXECUTIVE**  
**Annual Report and Financial Statements for the year ended June 30, 2022.**

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**5. Statement of Management Responsibilities**

Sections 163, 164 and 165 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the County Treasury shall prepare financial statements of each County Government entity, receiver of receipts and consolidated financial statements for all County Government entities in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The County Executive Committee (CEC) member for Finance and Economic planning of the County Government is responsible for the preparation and presentation of the County Executive's financial statements, which give a true and fair view of the state of affairs of the County Executive for and as at the end of the financial year ended on June 30, 2022. This responsibility includes: (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the county Executive; (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) Safeguarding the assets of the County Executive; (v) Selecting and applying appropriate accounting policies; and (iv) Making accounting estimates that are reasonable in the circumstances.

The CEC member for finance accepts responsibility for the County Executive'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 CEC member for finance is of the opinion that the County Executive's financial statements give a true and fair view of the state of the County Executive's transactions during the financial year ended June 30, 2022, and of its financial position as at that date.

The CEC member for finance further confirms the completeness of the accounting records maintained for the County Executive which have been relied upon in the preparation of its financial statements as well as the adequacy of the systems of internal financial control.

**MIGORI COUNTY EXECUTIVE**  
**Annual Report and Financial Statements for the year ended June 30, 2022.**

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The CEC member for finance confirms that the County Executive has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the County Executive's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for.

Further the CEC member for finance confirms that the County Executive'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 Executive's financial statements were approved and signed by the CEC member for finance on 30<sup>th</sup> September 2022

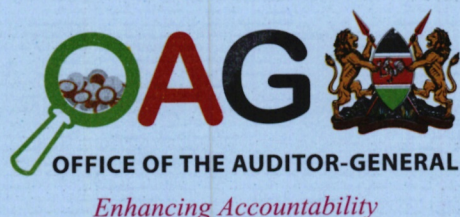


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**County Executive Committee Member –**  
**Finance and Economic Planning**

# REPUBLIC OF KENYA

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NAIROBI

## **REPORT OF THE AUDITOR-GENERAL ON COUNTY EXECUTIVE OF MIGORI FOR THE YEAR ENDED 30 JUNE, 2022**

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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 the intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment and the internal controls developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

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

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

#### **Adverse Opinion**

I have audited the accompanying financial statements of County Executive of Migori set out on pages 1 to 51, which comprise the statement of receipts and payments, statement of assets and liabilities as at 30 June, 2022, statement of cash flows and statement of comparison of budget and actual amounts - recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory

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

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, in all material respects, the financial position of the County Executive of Migori as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and do not comply with the Public Finance Management Act, 2012.

## **Basis for Adverse Opinion**

### **1.0 Misstatement of Exchequer Receipts**

The statement of receipts and payments reflects Exchequer releases amounting to Kshs.7,903,532,000 as further disclosed in Note 1 to the financial statements. Review of Exchequer receipts records and bank statements revealed that the County Executive received Ksh.7,364,618,812 during year ended 30 June, 2022. The remaining amount of Ksh.640,401,136 relating to the year under review was received in July, 2022, but was reported as part of the receipts in the 2021/2022 financial contrary to Regulation 97(1) of Public Finance Management (County Governments) Regulations, 2015 which provides that the accounts of the county government entities shall record transactions which take place during a financial year running from the 1st July to the 30th June.

Under the circumstances, the accuracy and completeness of the Exchequer receipts of Kshs.7,903,532,000 for the year ended 30 June, 2022 could not be ascertained.

### **2.0 Compensation of Employees**

#### **2.1 Payments of Salaries outside the Integrated Personnel and Payroll Database (IPPD)**

The statement of receipts and payments reflect expenditure on compensation of employees amounting to Kshs.2,966,768,763. As disclosed in Note 3 to the financial statements, the amount includes Kshs.2,633,948,002 incurred on basic salaries of permanent employees. Review of the expenditure revealed Kshs.68,035,140 allowances payments to sixty (60) employees which was done outside the Integrated Personnel and Payroll Database (IPPD) system. This was contrary to Clause 6.3 of the County Financial Accounting and Reporting Manual which requires salaries, allowances and/or arrears of the County Government staff to be processed on the Integrated Personnel and Payroll Database.

As a result, the accuracy and completeness of the expenditure of Kshs.68,035,140 in respect to compensation of employees processed manually during the year under review could not be confirmed.

#### **2.2 Payments of Salaries to Temporary Employees**

The statement of receipts and payments reflects compensation of employees' expenditure of Kshs.2,966,768,763. As disclosed in Note 3 to the financial statements, the expenditure includes Kshs.40,630,191 paid to one thousand one hundred twenty-five

(1125) casual employees. However, the payments to employees were not supported by requisitions from user departments, engagement contracts and employees muster rolls.

Under the circumstances, the accuracy, validity and completeness of Kshs.40,630,191 in respect to temporary employees in the year under review could not be confirmed for the year ended 30 June, 2022.

### **2.3 Employment of Temporary Employees**

The statement of receipts and payments reflects compensation of employees expenditure amounting to Kshs.2,966,768,763 which includes basic wages of temporary employees of Kshs.40,630,191 as disclosed in Note 3 to the financial statements. Review employee records revealed that Migori County Public Service Board engaged four hundred and thirteen (413) casual employees without budgetary provision and without request from the user departments. The engaged casuals were deployed by the County Public Service Board to the wards as revenue collectors in the eight (8) sub-Counties without involving the human resource director. Further, muster roll and attendance registers of the casual workers were not provided for audit review.

As a result, the validity and propriety of basic wages of temporary employees expenditure of Kshs.40,630,191 could not be confirmed.

### **2.4 Nugatory Expenditure on Tax Penalties**

The statement of receipts and payments reflects compensation of employees' expenditure of Kshs.2,966,768,763 which includes other personnel payments of Kshs.97,001,288 as disclosed in Note 3 to the financial statements. The expenditure relates to penalties for non-remittances of Pay As You Earn (PAYE). Management did not provide a plausible explanation for delayed remittances of statutory salary deductions occasioning penalties payments of Kshs.97,001,288 which could have been avoided.

As a result, the propriety of other personnel payments of Kshs.97,001,288 could not be confirmed. In addition, resources meant for budgeted services may have been diverted therefore denying the citizens those services.

## **3.0 Use of Goods and Services**

### **3.1 Unaccounted for Sports Equipment, Uniforms and Cultural Items**

The statement of receipts and payments reflects use of goods and services expenditure of Kshs.2,644,465,618 which includes Kshs.720,808,023 incurred on specialized materials and services as disclosed in Note 4 to the financial statements. The amount further includes Kshs.38,581,050 paid to suppliers in respect of procurement of sports equipment, uniforms and cultural items in the department of sports and department of education for distribution to different groups/units within the county. However, a list of beneficiaries of the equipment, uniforms and other items procured was not provided for audit review.

As a result, the accuracy, propriety, and validity of expenditure of Kshs.38,581,050 on sports equipment, uniforms and cultural items could not be confirmed.

### **3.2 Unrecorded Stores Items**

The statement of receipts and payments reflect use of goods and services balance of Kshs.2,644,465,618. As disclosed in Note 4 to the financial statements, the expenditure includes specialized materials and services amount of Kshs.720,808,023. However, payments totalling Kshs.18,369,450 in respect of supply and delivery of assorted items procured through the Department of Agriculture were not supported by stores ledger evidencing that the items were taken on charge and issued to the users.

As a result, the accuracy and validity of expenditure amounting to Kshs.18,359,450 on assorted stores items could not be confirmed.

### **3.3 Unsupported Insurance Costs**

The expenditure of Kshs.2,644,465,618 on use of goods and services reflected in the statement of receipts and payments includes insurance costs of Kshs.34,022,741 as disclosed in Note 4 to the financial statements. The amount includes Kshs.14,292,550 paid to a local insurance company in respect of premiums for thirty-seven (37) motor vehicles and one machinery. However, valuation reports for the motor vehicles forming the basis for premiums paid was not provided for audit review.

Under the circumstances, the accuracy and validity of the expenditure of Kshs.14,282,550 on insurance services could not be confirmed.

## **4.0 Transfers to Other Government Entities**

### **4.1 Unsupported Transfers to Vocational Polytechnics**

The statement of receipts and payments reflects transfers to other Government entities vocational polytechnics of Kshs.1,315,040,322. As disclosed in Note 6 to the financial statements, the amount includes Kshs.18,411,255 transferred to vocational polytechnics. Review of the transferred amount revealed Kshs.9,431,721 conditional grants transferred to fifteen (15) vocational polytechnics. However, expenditure returns in respect of utilization of the grants at the polytechnics were not provided for audit review.

As a result, the validity and completeness of expenditure of Kshs.9,431,721 transferred to vocational polytechnics could not be confirmed.

## **5.0 Other Grant and Payments**

### **5.1 Unsupported Disbursement to Community Driven Development Committees**

The statement of receipts and payments reflects other grant and payments amounting to Kshs.235,450,369. As disclosed in Note 7 to the financial statements, the payments include other current transfers, grants, donation, and subsidies of Kshs.230,983,369. Review of the disbursements revealed Kshs.26,103,489 transferred to various Community Driven Development Committees (CDDCs) through Rural Inclusive Growth Project (NARIGP) which were not supported by procurement plans, work plans and expenditure returns to support activities undertaken.

As a result, the accuracy and validity of expenditure of Kshs.26,103,489 for the year ended 30 June, 2022 could not be confirmed.

## **6.0 Acquisition of Assets**

### **6.1 Unsupported Construction Works of Intensive Care Unit (ICU) at the Migori County Referral Hospital**

The statement of receipts and payments reflects acquisition of assets expenditure of Kshs.1,626,900,272 which includes construction of buildings amount of Kshs.254,594,998 as disclosed in Note 9 to the financial statements. The amount further includes Kshs.32,165,040 paid in respect of completion of an intensive care unit (ICU) Phase III at County Referral Hospital Migori. However, the Management did not provide procurement documents, contract agreement, progress reports and payment vouchers for audit review.

As result, the accuracy, completeness and value for money incurred on the construction works amounting to Kshs.32,165,040 could not be confirmed.

### **6.2 Unsupported Purchase of Certified Seeds, Breeding Stock and Live Animals**

Acquisition of assets expenditure of Kshs.1,626,900,272 reflected in the statement of receipts and payments includes purchase of certified seeds, breeding stock and live animals for Kshs.30,159,420 as disclosed in Note 9 to the financial statements. Although the Management indicated that the distribution of the seeds and livestock to the beneficiaries was based on the need assessment done and proposals made by various groups from different sub counties, the distribution lists of the seeds, cows, fingerlings, and pigs were not provided for audit review.

As a result, the accuracy, propriety and completeness of expenditure of Kshs.30,159,420 for the year ended 30 June, 2022 could not be ascertained.

### **6.3 Acquisition of Land**

The statement of receipts and payments reflects acquisition of assets expenditure amounting to Kshs.1,626,900,272 which includes expenditure on acquisition of land amounting to Kshs.21,620,000 as disclosed in Note 9 to the financial statements. The expenditure includes Kshs.18,820,000 incurred on purchase a parcel of land for the solid waste disposal within Migori Town and Kshs.1,800,000 in respect of land for expansion of Othoro Dispensary. However, Management did not provide title deeds for the purchased parcels of land for audit review.

As a result, the ownership of the two parcels of land purchased for Kshs.20,620,000 could not be confirmed.

## **7.0 Unsupported Cash and Cash Equivalentents**

The statement of financial assets and liabilities reflects bank balances of Kshs.732,083,084 as further disclosed in Note 12A to the financial statements. However, bank confirmation certificates, bank reconciliation statements and extracts of the cash books for a balance of Kshs.262,334,244 held in forty-seven (47) bank accounts were not provided for audit review.

In addition, cash held in seven (7) bank accounts with a cumulative closing balance of Kshs.1,945,679 as shown below, were not included in the financial statements.

| <b>Bank</b>      | <b>Account Name</b>                                    | <b>Account Balance (Kshs.)</b> |
|------------------|--|--------------------------------|
| KCB Bank         | Migori County Attorney                                 | 549,926                        |
| KCB Bank         | Migori County Aquaculture Business Development Program | 248,024                        |
| Cooperative Bank | Macalder Subcounty Hospital                            | 299,317                        |
| Equity Bank      | Migori County Monitoring & Evaluation                  | 4,615                          |
| KCB Bank         | Nyamage Dispensary                                     | 4,627                          |
| KCB Bank         | Wath Onger dispensary                                  | 783,043                        |
| KCB Bank         | Getong'anya Dispensary                                 | 56,127                         |
| <b>Total</b>     |  | <b>1,945,679</b>               |

In the circumstance, the accuracy and completeness of the bank balances totalling Kshs.732,083,084 as at 30 June, 2022 could not be confirmed.

### **8.0 Pending Accounts Payable**

Annex 2 to the financial statements reflects pending accounts payable totalling Kshs.473,980,964, a decrease from Kshs.1,278,814,175 reflected in the previous year. However, the bills were not supported with a pending bills movement schedule indicating the breakdown of additions and payments made during the year under review. In addition, Management did not provide the aging analysis of the pending bills.

In the circumstances, the accuracy and completeness of the pending accounts payable totalling Kshs.473,980,964 as at 30 June, 2022 could not be confirmed.

### **9.0 Integrated Financial Management Information System (IFMIS)**

#### **9.1 Voided Transactions**

Analysis of the IFMIS data revealed that forty-one (41) expenditure transactions totalling Kshs.102,693,302 were voided during the year under review. Management indicated that the action was occasioned by a Central Bank of Kenya directive to void all pending transactions in IFMIS and Internet Banking System due to unreleased Exchequer disbursements. However, no evidence of the directive was provided for audit review.

As a result, the accuracy and regularity of the voided transactions could not be confirmed.

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

## Emphasis of Matter

### 1.0 Budgetary Controls and Performance

The statement of comparison of budget and actual amounts – recurrent and development combined reflects final receipts budget and actual on a comparable basis of Kshs.10,444,016,812 and Kshs.7,903,532,000 respectively, resulting into an underfunding of Kshs.2,540,484,812 or 24%. Similarly, the County Executive expended Kshs.8,796,710,206 against an approved budget of Kshs.10,444,016,812 resulting in under expenditure of Kshs.1,647,306,605 or 16% of the budget.

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

### 2.0 Slow Implementation of Projects

Review of the projects implementation status report as at 30 June, 2022 revealed that four (4) projects with an expenditure of Kshs.46,807,659 were on-going as at 30 June, 2022 as shown below:

| Project Activities   | Contract Sum (Kshs.) | Amount Paid (Kshs.) | Percentage of Completion |
|--|----------------------|---------------------|--------------------------|
| Construction, fabrication and erection of steel tower and water tank, underground water tank and associates works and flood light at Migori Town | 34,792,828           | 26,517,647          | 85% complete             |
| Construction of Rapogi ultra - modern market, washrooms, cabro paving of paths within the market and landscaping                                 | 55,795,421           | 20,290,012          | 60% complete             |
| Construction of Kwigancha Earth Dam in Kuria West Subcounty  | 26,103,330           | 0                   | 95% complete             |
| Construction of Not Earth Dam in Nyatike Sub County  | 31,990,473           | 0                   | 96% complete             |
| <b>Total</b>   | <b>148,682,052</b>   | <b>46,807,659</b>   |                          |

The delayed completion of the projects may have denied Migori residents of services that would have accrued from the projects. In addition, the County Executive was yet to realize value for money for the expenditure of Kshs.46,807,659 incurred on these projects.

### 3.0 Late Exchequer Releases

Note 1 to the financial statement reflects Exchequer releases totalling Kshs.7,903,532,000 which includes Kshs.1,400,878,578 received by the County Government from The National Treasury towards the end of the month of June, 2022 as detailed below:

| <b>Received Date</b> | <b>Reference Number</b> | <b>Details</b>    | <b>Amount (Kshs.)</b> |
|----------------------|-------------------------|-------------------|-----------------------|
| 17 June, 2022        | FT221688TSPV            | Exchequer Release | 720,451,840           |
| 27 June, 2022        | FT22178DTHVX            | Exchequer Release | 680,426,738           |
| <b>Total</b>         |                         |                   | <b>1,400,878,578</b>  |

In addition, other Exchequer releases of Kshs.640,401,136 were disbursed by The National Treasury in the month of July, 2022 to fund budgeted activities for 2020/2021 financial year.

Late Exchequer releases could have adverse effects on the implementation of the planned activities and projects.

### **Key Audit Matters**

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

### **Other Matter**

### **Prior Year Matters**

In the audit report of the previous year, several paragraphs were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, the Management has not resolved the issues nor given any explanation for failure to adhere to the provisions of the Public Sector Accounting Standards Board templates and The National Treasury Circulars.

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

### **Conclusion**

As required by Article 229(6) of the Constitution, because of the significance of the matters discussed in the Basis for Adverse Opinion and the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources sections of my report, based on the audit procedures performed, I confirm that, public resources have not been applied lawfully and in an effective way.

### **Basis for Conclusion**

#### **1.0 Compensation of Employees**

The statement of receipts and payments reflects compensation of employees expenditure amounting to Kshs.2,966,768,763 as disclosed in Note 3 to the financial statements. Review of human resource management and compensation of employees expenditure revealed the following anomalies:

#### **1.1 Staff Ethnic Composition**

During the year under review, the total number of employees of the County Executive was three thousand three hundred and thirty (3,330) out of which, two thousand three hundred and ninety eight (2,398) or 72% were members of the dominant ethnic

community in the County. This is contrary to 7(1) and (2) of the National Cohesion and Integration Act, 2008 which requires that public establishment shall seek to represent the diversity of the people of Kenya in employment of staff and that no public institution shall have more than one-third of its staff establishment from the same ethnic community.

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

### **1.2 Delayed Confirmation in Employment**

Review of Integrated Personnel and Payroll Database (IPPD) payroll for the month of June, 2021 revealed that six hundred and sixty nine (669) officers had been on probation for more than six (6) months contrary to Section B.13(1) of the County Public Service Human Resource Manual.

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

### **1.3 Unsustainable Wage Bill**

The statement of receipts and payments reflects compensation of employees' expenditure amounting to Kshs.2,966,768,763 as disclosed in Note 3 to the financial statements. The expenditure represented 37.5% of the total revenue of Kshs.7,903,532,000 which exceeded the recommended limit of 35%. This was contrary to Regulation 25(1)(a) of the Public Finance Management (County Governments) Regulations, 2015 which requires that the County Executive Committee Members with the approval of the County Assembly shall set a limit on the county governments expenditure on wages and benefits for its public office pursuant to Section 107(2) of the Act (b) the limit set under paragraph (a) shall not exceed 35% of the County Government total revenue.

In addition, the wage bill for the year under review increased significantly by Kshs.309,665,835 without sufficient Management justification and budgetary approval.

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

### **1.4 Irregular Recruitment of Staff**

As similarly reported in the prior year, the County Public Service Board recruited two hundred and forty (240) staff against the budgeted one hundred and seventy-four (174) in six (6) departments therefore, exceeding the allowed limit by sixty-six (66) employees. The excess employees were recruited without due consideration to the availability of a budget for their salaries and emoluments and departmental labour request.

In the circumstances, the County Public Service Board is in breach of the law

## **2.0 Use of Goods and Services**

### **2.1 Unsupported Training Expenses**

The statement of receipts and payments reflects use of goods and services expenditure amounting to Kshs.2,644,465,618. Included in the amount is Kshs.124,430,629 incurred in respect of training expenses which includes an amount of Kshs.22,505,172 paid under Kenya Devolution Support program (KDSP) for payment of capacity building. However, Management did not provide supporting documents including payments vouchers, tender documents and attendance registers and donor know objection letter for audit review.

As a result, the value for money for the expenditure of Kshs.22,505,172 on training expenses could not be confirmed.

## 2.2 Irregular and Unsupported of Legal Fees Payments

The statement of receipts and payments reflects use of goods and services expenditure of Kshs.2,644,465,618. Included in the is Kshs.291,877,774 in respect of other operating expenses which includes an amount of Kshs.149,907,119 incurred on legal services. Review of the expenditure revealed that procurement of the services were not in conformity with the conditions of framework contracting. In addition, Management did not provide documents in support of framework contracting, negotiation minutes and the threshold to be met before applying framework contracting.

Further, Management did not provide adequate explanations for outsourcing legal services despite existence of the office of the County Attorney staffed by two legal officers.

As a result, the value for money for the expenditure of Kshs.149,907,119 on legal fees could not be confirmed for the year ended 30 June, 2022.

## 2.3 Weaknesses in the Implementation of the Revenue Management System

During the year under review, an amount of Kshs.23,000,000 was paid in respect of supply, installation, implementation, and revenue management system. However, physical verification revealed that six (6) revenue centers had partially been rolled out while five (5) had not been rolled out as tabulated below:

| Partially Rolled Out Modules            | Modules not Rolled Out  |
|---|---|
| i. Market Fees: Suna East and Suna West | i. Liquor Licensing   |
| ii. Physical Planning                   | ii. Land Rates  |
| iii. House and Stall Management         | iii. Weights and Measures   |
| iv. Public Works, Roads and Transport   | iv. Veterinary Services   |
| v. Environment                          | v. Medical Charges at the referral hospital: Not yet integrated to the revenue collection system. |
| vi. Boarder Point Entry                 |   |

In addition, the review revealed anomalies in deployment and management of the revenue automation system as follows:

- i. The revenue targets were not been set in the Revenue Management System therefore no comparison could be made between the collected revenue and the set targets.
- ii. Standard customers like business owners and landlords were not added to the system.
- iii. Revenue officers in Kuria East, Nyatike, Uriri and Awendo sub counties were not enabled to use the system due to lack of the necessary ICT infrastructure.
- iv. The system allows collection of revenue through M-Pesa and Cash. However, Management did not provide an M-Pesa statement to evidence that collected revenue was deposited in the CRF account.

- v. The system was not adequately secured against cyber-attacks and uses an insecure HTTP protocol that could be accessed from any network.
- vi. The system was not enabled to capture all logs. Other than transactions, there were no logs for system changes and administrators' activities.
- vii. There was no power backup for the desktop computers used by the administrators and the cashiers.
- viii. Administrators of the system and the accounts used by the developers could grant or deny themselves user roles at will. Some users and the developers' accounts had been assigned all the possible roles in the system while some users were assigned access rights which did not relate to their job responsibilities.

In the circumstances, the value for money spent on the Revenue Management System could not be confirmed.

#### **2.4 Supply and Configuration of Point of Sales (POS) Equipment**

An amount of Kshs.24,200,000 was paid in respect of supply and configuration three hundred and fifty (350) point of sales (POS) equipment at a contract sum of Kshs.24,200,000 to be used in revenue collection. However, review of implementation of the contract revealed that only eighty-one (81) or 23% of equipment had been configured and therefore, the system is not operating at optimal level.

As a result, the value for money of expenditure of Kshs.47,200,000 could not be confirmed. Also, the Management could not guarantee the integrity, reliability and availability of the revenue automation systems and assess achievement of its core objectives.

### **3.0 Transfers to Other Government Entities**

#### **3.1 Incomplete Latrine Construction Works**

The statement of receipts and payments reflects transfers to other Government entities balance of Kshs.1,315,040,322 as disclosed in Note 6 to the financial statements. The amount includes transfers to vocational training centres amounting to Kshs.18,411,255 which further include Kshs.984,811 paid to a contractor for construction of a four doors Latrine at Maendeleo Vocational Training Centre. Physical verification revealed that the latrine's floor was incomplete rendering it unusable.

As a result, the value for money of the expenditure of Kshs.984,811 could not be ascertained.

#### **3.2 Incomplete Projects at Early Childhood Education Centres**

Transfers to other Government entities expenditure of Kshs.1,315,040,322 reflected in the statement of receipts and payments includes an amount of Kshs.80,375,416 transferred to Early Childhood Education (ECDE) centres as disclosed in Note 6 to the financial statements.

Review and physical verification of projects implemented at various ECDE centres revealed several implementation weaknesses and anomalies as detailed below:

- i. An amount of Kshs.1,000,000 was paid to a contractor for the construction of an ECDE classroom block and a pit latrine at Arombe Primary. However, physical verification of the works in July, 2022 revealed that the classroom was incomplete, not in use and not labelled. The pit latrine was also incomplete with its doors yet to be done.
- ii. A transfer of Kshs.950,000 was made in respect of the construction of ECDE classroom block and pit latrine at Rabuor Nono Primary School. However, physical verification in July, 2022 revealed that the classroom and the pit latrine were incomplete. Further, ownership documents for the land where the two projects were being implemented was not provided for audit review.
- iii. An amount of Kshs.1,000,000 was paid to a contractor for the construction of a two ECDE classrooms block at Thimlich Primary School. Physical verification in July, 2022 revealed that the classrooms were done up to roofing with steel doors and windows in place. However, the floor and wall plastering were yet to be done and contractor was not on site.
- iv. A contractor was paid a total of Kshs.1,916,436 to undertake fencing work at Nyabiranga ECDE centre. Physical verification in July, 2022 revealed that fencing was complete but there was no prove for land ownership.

In the circumstances, the value for money of the expenditure on ECDE centres during the year under review could not be confirmed.

#### **4.0 Other Grants and Payments**

##### **4.1 Construction of Lower Kuja Irrigation Block Project**

The statement of receipts and payments reflects other grants and payments expenditure of Kshs.235,450,369 which includes other current transfers, grants, donations and subsidies of Kshs.230,983,369. As disclosed in Note 7 to the financial statements the amount includes Kshs.65,980,732 incurred on an irrigation development project at lower Kuja for contract sum of Kshs.71,919,215. The works involved construction of walls along the canal and siltation. However, review of contract elements against implemented works revealed the following anomalies and omissions:

- i. The contract included establishment of a complaint-handling mechanism that comprised grievance/complaints committee, designation of a focal point officer to coordinate complaints, and establishment of a complaints framework. However, as at time of audit, the community was yet to benefit from the project since there was no farmer sensitization as was provided for. In addition, not all the affected persons had been compensated.
- ii. No Project Management Committee had been established to investigate the siltation along the canal banks, and soil conservation which may render such project useless.
- iii. No training of farmers and awareness creation to the local communities about the project by the contractor had taken place
- iv. Physical verification in the month of July, 2022 revealed that constructed walls along the canal has cracks while some parts had been eroded by water, an indication of poor workmanship. Further, the procurement document and certificate for works done was not provided for audit review.

As a result, the value for money of the expenditure of Kshs.65,980,732 on the project could not be ascertained.

#### **4.2 Unutilised Siabai Earth Dam**

The statement of receipts and payments reflects other grants and payments expenditure of Kshs.235,450,369. As disclosed in Note 7 to the financial statements, the amount include other current transfers, grants, donations and subsidies of Kshs.230,983,369. The expenditure further includes Kshs.45,646,022 paid to a contractor for the construction of Siabai Earth Dam at a sum of Kshs.45,626,347. However, the project which had been fully paid for was yet to be commissioned and put to use. Further the Management did not provide procurement documents for audit review.

In the circumstances, the expenditure of Kshs.45,646,022 on the dam was yet to provide the expected utility to the residents of Migori County.

#### **4.3 Incomplete Construction to Bitumen Standards of Migori Township Roads**

The statement of receipts and payments reflects other grants and payments balance of Kshs.235,450,369 which includes other current transfers, grants, donations and subsidies of Kshs.230,983,369 as disclosed in Note 7 to the financial statements. The amount includes Kshs.10,600,547 in respect of construction of roads at Migori Township to bitumen standards during the year. However, the roads furniture including road signs and markings were not implemented despite the contractor having been paid an amount of Kshs.114,600,547 for the same during project implementation.

As a result, the value for money of the expenditure of Kshs.114,600,547 could not be confirmed.

#### **4.4 Incomplete Construction to Bitumen Standards of Awendo Township Roads**

The statement of receipts and payments reflects other grants and payments expenditure of Kshs.235,450,369 which includes other current transfers, grants, donations and subsidies of Kshs.230,983,369 as disclosed in Note 7 to the financial statements. The amount includes Kshs.9,914,944 incurred on upgrading of Awendo Township roads to bitumen standards during the year. However, the roads furniture including road signs and markings were not implemented despite the contractor having been paid cumulative amount of Kshs.201,914,944 for the same during project implementation.

As a result, the value for money of the expenditure of Kshs.9,914,944 could not be ascertained for the year ended 30 June, 2022.

#### **4.5 Construction of Ultra-Modern Market at Awendo Municipality**

The Management entered into a contract for construction of an ultra-modern market, washrooms, cabro paving of paths and landscaping for Awendo Municipality Phase III at a contract sum of Kshs.55,795,422 for a contract period of six (6) months ending on 30 June, 2022. The amount certified as at 30 June, 2022 was Kshs.20,290,012.

An audit inspection exercise carried out in July, 2022 revealed the following anomalies:

- i. There was no separate procurement and monthly progress report files maintained contrary to Section 68 of the Public Procurement and Asset Disposal Act, 2015.

- ii. The signed form of tender as well as performance bond or bid security from the contractor as required by Regulation 106 (7) of the Public Procurement and Asset Disposal Regulations, 2020 were not provided for audit review.
- iii. There was no evidence of a signed bills of quantities and specific conditions of the contract contrary to Section 70 (6) of the Public Procurement and Asset Disposal Act, 2015.
- iv. The project was about 60% complete against the actual time lapsed of 90%, and therefore, was behind schedule. The remaining works included installation of worktops, cabro works, landscaping, water tank installation and installation of a high mast. However, no request for extension of works was provided for audit review.

In the circumstances, Management was in breach of the law and value for money on the project may have not been obtained by the County Government.

#### **4.6 Installation of Solar Powered Street Lights in Rongo Town**

The Management entered into a contract with a contractor for the installation of solar powered streetlights in Rongo Municipality Phase III at a contract sum of Kshs.42,843,295. The date of commencement and completion date for the project were 17 January, 2022 and 30 June, 2022 respectively. As at 30 June, 2022, works valued at Kshs.39,518,244 had been certified.

Review of the project implementation revealed the following anomalies:

- i. The signed form of tender was not provided for audit review and there was no evidence of provision of performance bond or bid security by the contractor as required by Regulation 106(7) of the Public Procurement and Asset Disposal Regulations, 2020.
- ii. The signed bills of quantities and specific conditions of the contract as required by Section 70 (6) of the Public Procurement and Asset Disposal Act,2015, were not provided for audit review.
- iii. The branded solar powered streetlights were installed in an area where the County Government had previously installed the same resulting in duplication of works.

In the circumstances, Management was in breach of the law and value for money on the project may not have been obtained by the County Government.

#### **4.7 Construction of Water Facilities and Flood Light at Ombo Modern Market**

The County Government of Migori Management entered into a contract with a contractor for the construction, fabrication and erection of steel tower and water tank, underground water tank and associated works, flood light and supply of stackable heavy-duty steel skip at Ombo Modern Market Migori Municipality Phase III. The contract sum was Kshs.34,793,828 and commencement date of 17 January, 2022 for a contract period of six (6) months ending on 30 June, 2022. The amount certified as at 30 June, 2022 was Kshs.31,066,159.

Review of implementation of the project revealed the following anomalies:

- i. The signed form of tender was not provided for audit and there was no evidence of provision of the performance bond or bid security by the contractor required by Regulation 106 (7) of the Public Procurement and Asset Disposal Regulations, 2020.

- ii. The signed bills of quantities and specific conditions of the contract as required by Section 70(6) of the Public Procurement and Asset Disposal Act, 2015 were not provided for audit.
- iii. Despite the completion of the project in June, 2022 and the previous construction of 420 market stalls at Ombo Modern Market in June, 2020, the market was not operational. No explanation was provided non operationalization of the market.

In the circumstances, Management was in breach of the law and value for money on the project may not have been obtained by the County Government.

## 5.0 Acquisition of Assets

### 5.1 Construction of Buildings

The statement of receipts and payments reflects acquisition of assets expenditure of Kshs.1,626,900,272. As disclosed in Note 9 to the financial statements which. The expenditure included implementation of several projects across. Physical verification at the sites revealed implementation weaknesses including incomplete works, poor workmanship and unutilised buildings as shown below:

| No | Project Name  | Amount Paid Kshs. | Observations  |
|----|---|-------------------|---|
| 1. | Completion of West Sakwa Ward Office  | 4,499,835         | Internal partitioning and electrical works had not been completed and the building was not in use.  |
| 2. | Construction of Ntimaru East Ward Administrator's Office (Kuria) East                     | 9,793,000         | The project was complete but not in use   |
| 3. | Supply of building materials to Macalder vocational training center in Nyatike Sub County | 4,999,600         | Materials supplied comprising 180 tons of sand, 180 tons of ballast, 3900 pieces of machine cut stones, 200 pieces of D8 steel bars, 680 pieces of D12 steel bars, 350 pieces of D16 steel bars, 6 pieces of binding wires, 5 pieces Hoop iron, 500 pieces of trappers and 1200 bags of cement were still laying at site exposing them to spoilage and theft since there is no work going on. |
| 4. | Construction of an Administration and Workshop block at Kababu Youth Polytechnic          | 5,077,274         | Cracks seen on the floors indicating poor workmanship and undone painting works. Further, contractor had left site without handing over.  |
| 5. | Construction of an Administration Block and Workshop at Migori Youth Polytechnic-God Jope | 5,392,956         | Painting was not done, lintel not filled or sealed, and contractor was not on site  |
| 6. | Construction of a workshop and administration block at Uriri Youth Polytechnic (Phase 1)  | 19,966,906        | Although phase one was complete, and the project handed over by the contractor. It was difficult to verify the scope of work entailed in the phase since the engineer's bill of quantities (BOQ) was not provided for audit review  |

## 5.2 Construction and Civil Works

The statement of receipts and payments reflects expenditure on acquisition amounting to Kshs.1,626,900,272. As disclosed in Note 9 to the financial statements, the amount includes construction and civil works expenditure of Kshs.228,841,681 incurred in respect of various projects within the County. Physical verification of sampled projects revealed several implementation weaknesses and anomalies as highlighted below:

- i. An amount of Kshs.1,995,024 was paid to a local contractor for Phase I construction of a market shed at Siabai in Ntimaru East Ward. Verification at the site in the month of July, 2022 revealed that the project had stalled with no additional budgetary allocation made to allow for its completion.
- ii. The Management undertook to construct a water borne toilet at Ogwedhi Market at a cost of Kshs.3,117,924. A visit to the site revealed that although the project was completed, it was not operational as solar panels and the water pump had been vandalised.
- iii. An amount of Kshs.18,716,620 was paid to various contractors engaged to drill and equip seven boreholes located in Uriri, Nyatike, Rongo, Kuria East and Kuria West Wards. Physical verification at the sites in the month of July, 2022 revealed that the boreholes had been drilled but were yet to be equipped and thus were not in use for the benefit of the local communities
- iv. Three borehole projects located in Nyatike and Suna West constructed at a cost of Kshs.8,166,219 were drilled on private parcels of land. Management did not provide for audit review, land sale/ transfer agreements or consent from the landowners to put up the water facilities and infrastructure.
- v. An expenditure of Kshs.3,651,900 was incurred in respect of drilling a borehole at Kanyadera borehole and Got Kokomo. However, physical verification revealed that the boreholes drilled were found to be with no water.
- vi. A payment of Kshs.1,999,900 was made for rehabilitation of Oyani Intake River and draining in Uriri. Physical verification of the works revealed that rehabilitation was done but the riverbanks were still bursting of causing the adjacent dry areas to be flooded and causing soil erosion.
- vii. An amount of Kshs.4,749,999 was incurred on protection of Agongo Hills Community Water Project. The works comprised foundation walling, plastering fencing, stone pitching, and landscaping. Physical verification of the works revealed that the project was complete, but water was still flowing uncontrolled since the sluice valve was not installed posing risk of floods to the community.

In view of the foregoing, realization of value for money and propriety of expenditure incurred on acquisition of assets during the year under review could not be confirmed.

## 5.3 Delays in Approving the County Spatial Plan

The statement of receipts and payments reflects acquisition of assets expenses amounting to Kshs.1,626,900,272 which as disclosed in Note 9 to the financial statements, includes research, studies, project preparation, design, and supervision

expenditure of Kshs.58,192,592. The amount further includes Kshs.55,943,592 paid to a local consultant towards preparation of Migori County spatial plan. However, the delivered plans had not been approved by the County Assembly and were yet to be implemented.

Under the circumstances, the value for money of the expenditure on amounting to Kshs.55,943,592 could not be confirmed for the year ended 30 June, 2022.

#### **5.4 Nonoperating Uriri Television and Radio Station**

The statement of receipts and payments reflects acquisition of assets expenditure of Kshs.1,626,900,272 which includes purchase of ICT Equipment of Kshs.8,985,600 as disclosed in Note 9 to the financial statements. The amount includes Kshs.8,741,134 incurred on repairs, service, maintenance and furnishing of Uriri TV/Radio station by four local firms. Physical verification in the month of July, 2022 revealed that works were complete but the station was not operational as the county lacked a license. The delayed licensing and operationalization of the project has denied the Migori residents deserved communication services.

As a result, value for money of the expenditure of Kshs.8,741,134 was yet to be realised as at 30 June, 2022.

#### **6.0 Stalled Construction of the County Office Headquarters, and Residences**

The Management of County Executive of Migori entered into a contract with a consultant for the Design and Supervision of the proposed County Office Headquarters, Governor's and Deputy Governor's Residences on 6 June, 2019 for a contract sum of Kshs.84,100,000. An amount of Kshs.27,953,100 was paid in 2019/20 financial year in respect of architectural drawings for the three proposed structures. However, physical verification at the time of audit revealed that the projects had stalled.

Under the circumstances, value for money was realized spent on the projects could not be ascertained.

#### **7.0 Lack of Public Participation on Proposed Construction of a Ultra-Modern Stadium**

The County Government of Migori Management contracted a private company to provide consultancy services for preparation of design and supervision of proposed ultra-modern stadium external works and associated facilities for a contract sum of Kshs.54,452,864. However, Management did not provide records of public participation, tender documents and signed contract agreement for audit review though payment to the consultant had not been made.

As a result, the propriety and value for money for the contract sum of Kshs.54,452,864 could not be ascertained for the year ended 30 June, 2022.

#### **8.0 Grounded Motor Vehicles and Machineries**

Review of status of the County Government fleet of motor vehicles and machineries revealed that sixty (60) vehicles and machineries across the departments were grounded and unserviceable in various garages within and outside Migori County. In addition, the County Government of Migori did not prepare an annual disposal plan as required by regulations.

As a result, the County Government of Migori risk losing the value of the assets as without servicing or disposing the assets will continue to depreciate leading to loss of value.

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

### **Conclusion**

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

### **Basis for Conclusion**

#### **1.0 Lack of an Approved Staff Establishment**

During the year under review and in the preceding years, the County Executive did not have an approved staff establishment. The lack of an approved staff establishment implies that the County was yet to determine the skills and optimal staffing levels required to achieve its goals and objectives.

As a result, it was not possible to ascertain whether the total staff in the employment at the Migori County Executive was at an optimal operating level.

#### **2.0 Non-Compliance with Asset Register Format**

The financial statements in Annex 6, summary of non-current asset register reflects assets valued at Kshs.13,035,673,863 which includes additions during the year of Kshs.1,523,546,084. However, expenditure on acquisition of assets during the year amounted to Kshs.1,626,900,272 as disclosed in Note 9 to the financial statements resulting to an unexplained and unreconciled variance of Kshs.103,354,188.

In addition, Management did not maintain an asset register in the format required by Regulation 136.(1)(2) and (3) of Public Finance Management (County Governments) Regulations, 2015 and The National Treasury. The asset register does not give details of when the assets were acquired, their value and location.

As a result, it has not been confirmed whether the County Executive has instituted proper mechanisms to safeguard the assets.

#### **3.0 Lack of a Risk Management Policy and Strategy**

During the year under review, Management did not have in place an approved Risk Management Policy and risk management framework outlining strategies and procedures to assess, identify, measure, prioritize and mitigate risks in the entity.

As a result, the Management lacks a mechanism to guide in detection and mitigation of any possible risk in the institution.

#### **4.0 Lack of Approved Information Technology Security Policy**

Review of the County Government of Migori information technology systems revealed that there was an automated revenue system used in management of operations. However, the County did not have an approved IT Policy for governance and

management of its ICT resources. In addition, there was no ICT Steering Committee in place to assist in the development of ICT Policy framework which would enable the company to realize long-term ICT strategic goals.

As a result, Management did not institute appropriate access controls needed to minimize breaches of information confidentiality, data integrity and loss of business continuity in line with Regulation 110 of the Public Finance Management (County Governments) Regulations, 2015.

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 effective 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 Management and those Charged with Governance**

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

In preparing the financial statements, Management is responsible for assessing the County Executive's ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to dissolve the County Executive or to cease operations.

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

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

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

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

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with

*Report of the Auditor-General on County Executive of Migori for the year ended 30 June, 2022*

Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate as a result and for the purpose of giving an assurance on the effectiveness of the Executives internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty

exists related to events or conditions that may cast significant doubt on the County Executive's ability to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the County Executive to cease to continue to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the County Executive to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary as a result.

I communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and where applicable, related safeguards.

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

**Nairobi**

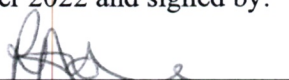
**28 April, 2023**

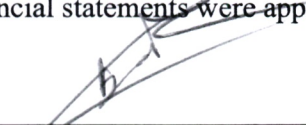
**MIGORI COUNTY EXECUTIVE**  
**Annual Report and Financial Statements for the year ended June 30, 2022.**

**7. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH JUNE 2022**

|  |              | <b>2021-2022</b>     | <b>2020-2021</b>     |
|--|--------------|----------------------|----------------------|
|  | <b>Notes</b> | <b>Kshs</b>          | <b>Kshs</b>          |
| <b>Receipts</b>                        |              |                      |                      |
| Exchequer releases (CRF Transfers)     | <b>1</b>     | 7,903,532,000        | 8,573,065,844        |
| Other receipts                         | <b>2</b>     | -                    | -                    |
| <b>Total receipts</b>                  |              | <b>7,903,532,000</b> | <b>8,573,065,844</b> |
| <b>Payments</b>                        |              |                      |                      |
| Compensation of Employees              | <b>3</b>     | 2,966,768,763        | 2,657,102,928        |
| Use of goods and services              | <b>4</b>     | 2,644,465,618        | 1,791,790,093        |
| Subsidies                              | <b>5</b>     | -                    | -                    |
| Transfers to Other Government Units    | <b>6</b>     | 1,315,040,322        | 1,118,297,985        |
| Other grants and transfers             | <b>7</b>     | 235,450,369          | 215,362,915          |
| Social Security Benefits               | <b>8</b>     | 8,084,862            | -                    |
| Acquisition of Assets                  | <b>9</b>     | 1,626,900,272        | 2,524,141,949        |
| Finance Costs, including Loan Interest | <b>10</b>    | -                    | -                    |
| Other Payments                         | <b>11</b>    | -                    | -                    |
| <b>Total payments</b>                  |              | <b>8,796,710,206</b> | <b>8,306,695,870</b> |
| <b>SURPLUS/(DEFICIT )</b>              |              | <b>(893,178,206)</b> | <b>266,369,974</b>   |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The County Executive's financial statements were approved on 30<sup>th</sup> September 2022 and signed by:

  
 Chief Officer  
 Name: Roseline Otieno

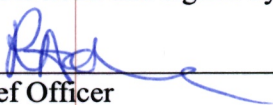
  
 Head of Accounting services  
 Name: Collins Bala  
 ICPAK Member Number:4494

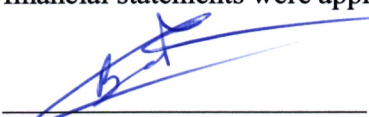
**MIGORI COUNTY EXECUTIVE**  
**Annual Report and Financial Statements for the year ended June 30, 2022.**

**8. STATEMENT OF ASSETS AND LIABILITIES AS AT 30TH JUNE 2022**

|   |              | <b>2021-2022</b>   | <b>2020-2021</b>     |
|---|--------------|--------------------|----------------------|
|   | <b>Notes</b> | <b>Kshs</b>        | <b>Kshs</b>          |
| <b>Financial assets</b>                     |              |                    |                      |
| <b>Cash and Cash Equivalents</b>            |              |                    |                      |
| Bank Balances                               | 12A          | 732,083,084        | 1,715,152,007        |
| Cash Balances                               | 12B          | -                  | -                    |
|   |              |                    |                      |
| <b>Total Cash and cash equivalents</b>      |              | <b>732,083,084</b> | <b>1,715,152,007</b> |
|   |              |                    |                      |
| Outstanding imprests and advances           | 13           | -                  | -                    |
|   |              |                    |                      |
| <b>Total financial assets</b>               |              | <b>732,083,084</b> | <b>1,715,152,007</b> |
|   |              |                    |                      |
| <b>Financial liabilities</b>                |              |                    |                      |
|   |              |                    |                      |
| Accounts Payables – Deposits and retentions | 14           | 42,382,488         | 132,273,205          |
|   |              |                    |                      |
| <b>Net financial assets</b>                 |              | <b>689,700,596</b> | <b>1,582,878,802</b> |
|   |              |                    |                      |
| <b>Represented by</b>                       |              |                    |                      |
|   |              |                    |                      |
| <b>Fund balance b/fwd</b>                   | 15           | 1,582,878,802      | 1,316,508,828        |
| <b>Prior year adjustments</b>               | 16           | -                  | -                    |
| <b>Surplus/(Deficit) for the year</b>       |              | (893,178,206)      | 266,369,974          |
| <b>Net financial position</b>               |              | <b>689,700,596</b> | <b>1,582,878,802</b> |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The County Executive's financial statements were approved on 30<sup>th</sup> September 2022 and signed by:

  
 Chief Officer  
 Name: Roseline Otieno


  
 Head of Accounting services  
 Name: Collins Bala  
 ICPAK Member Number:4494

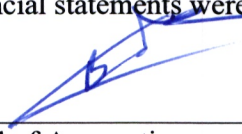
**MIGORI COUNTY EXECUTIVE**  
**Annual Report and Financial Statements for the year ended June 30, 2022.**

**9. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE 2022.**

|  |              | <b>2021-2022</b>     | <b>2020-2021</b>     |
|--|--------------|----------------------|----------------------|
|  | <b>Notes</b> | <b>Kshs</b>          | <b>Kshs</b>          |
| <b>Receipts from operating income</b>                            |              |                      |                      |
| Exchequer releases   | <b>1</b>     | 7,903,532,000        | 8,573,065,844        |
| Other receipts   | <b>2</b>     | -                    | -                    |
| <b>Payments for operating expenses</b>                           |              |                      |                      |
| Compensation of Employees  | <b>3</b>     | 2,966,768,763        | 2,657,102,928        |
| Use of goods and services  | <b>4</b>     | 2,644,465,618        | 1,791,790,093        |
| Subsidies  | <b>5</b>     | -                    | -                    |
| Transfers to Other Government Units                              | <b>6</b>     | 1,315,040,322        | 1,118,297,985        |
| Other grants and transfers                                       | <b>7</b>     | 235,450,369          | 215,362,915          |
| Social Security Benefits   | <b>8</b>     | 8,084,862            | -                    |
| Finance Costs, including Loan Interest                           | <b>10</b>    | -                    | -                    |
| Other Payments   | <b>11</b>    | -                    | -                    |
| <b>Adjusted for:</b>   |              |                      |                      |
| Increase/ (Decrease) in Outstanding Imprests and Advances        | <b>17</b>    | -                    | -                    |
| Increase/ (Decrease) in Deposits and Retention                   | <b>18</b>    | - 89,890,717         | 69,182,251           |
| <b>Total Adjustments</b>   |              | - 89,890,717         | 69,182,251           |
| <b>Net cash flows from operating activities</b>                  |              | <b>643,831,349</b>   | <b>2,859,694,173</b> |
| <b>Cash flow from investing activities</b>                       |              |                      |                      |
| Acquisition of Assets  | <b>9</b>     | 1,626,900,272        | 2,524,141,949        |
| <b>Net cash flows from investing activities</b>                  |              | <b>1,626,900,272</b> | <b>2,524,141,949</b> |
| <b>Net increase in cash and cash equivalents</b>                 |              | <b>(983,068,923)</b> | <b>335,552,223</b>   |
| <b>Cash and cash equivalents at beginning of the year</b>        | <b>12</b>    | <b>1,715,152,007</b> | <b>1,379,599,782</b> |
| <b>Cash and cash equivalents at end of the year 30 June 2022</b> |              | <b>732,083,084</b>   | <b>1,715,152,007</b> |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The County Executive's financial statements were approved on 30<sup>th</sup> September 2022 and signed by:

  
 Chief Officer  
 Name: Roseline Otieno

  
 Head of Accounting services  
 Name: Collins Bala  
 ICPAK Member Number:4494

**MIGORI COUNT EXECUTIVE**  
**Consolidated Reports and Financial Statements**  
**For the year ended June 30, 2022**

**10. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2022**

| <b>Receipt/Expense Item</b>         | <b>Original Budget</b> | <b>Adjustments</b>   | <b>Final Budget</b>   | <b>Actual on Comparable Basis</b> | <b>Budget Utilisation Difference</b> | <b>% of Utilisation</b> |
|-------------------------------------|------------------------|----------------------|-----------------------|-----------------------------------|--------------------------------------|-------------------------|
|                                     | a                      | b                    | c=a+b                 | d                                 | e=c-d                                | f=d/c %                 |
| <b>RECEIPTS</b>                     |                        |                      |                       |                                   |                                      |                         |
| Exchequer releases                  | 8,829,409,564          | 1,614,607,248        | 10,444,016,812        | 7,903,532,000                     | 2,540,484,812                        | 76%                     |
| Other receipts                      |                        |                      |                       | -                                 | -                                    | 0%                      |
| <b>TOTAL</b>                        | <b>8,829,409,564</b>   | <b>1,614,607,248</b> | <b>10,444,016,812</b> | <b>7,903,532,000</b>              | <b>2,540,484,812</b>                 | <b>76%</b>              |
| <b>PAYMENTS</b>                     |                        |                      |                       |                                   |                                      |                         |
| Compensation of Employees           | 2,443,312,810          | 183,373,661          | 2,626,686,471         | 2,966,768,763                     | (340,082,292)                        | 113%                    |
| Use of goods and services           | 2,544,804,611          | 340,988,971          | 2,885,793,582         | 2,644,465,618                     | 241,327,964                          | 92%                     |
| Transfers to Other Government Units | 1,104,211,514          | 465,417,660          | 1,569,629,174         | 1,315,040,322                     | 254,588,852                          | 84%                     |
| Other grants and transfers          | 191,349,286            | 44,740,000           | 236,089,286           | 235,450,369                       | 638,917                              | 100%                    |
| Social Security Benefits            | 48,000,000             | 33,409,208           | 81,409,208            | 8,084,862                         | 73,324,346                           | 10%                     |
| Acquisition of Assets               | 2,497,731,343          | 546,677,748          | 3,044,409,091         | 1,626,900,272                     | 1,417,508,819                        | 53%                     |
| <b>TOTAL</b>                        | <b>8,829,409,564</b>   | <b>1,614,607,248</b> | <b>10,444,016,812</b> | <b>8,796,710,206</b>              | <b>1,647,306,605</b>                 | <b>84%</b>              |

(a) Compensation of employees was overutilized by 13%

(b) Payments in relation to social security benefits was underutilized by 90%.

**MIGORI COUNTY EXECUTIVE**  
**Annual Report and Financial Statements for the year ended June 30, 2022.**

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The County Executive's financial statements were approved on 30<sup>th</sup> September 2022 and signed by:

  
.....

Chief Officer Finance  
Name: Roseline Otieno

  
.....

Head of Accounting Services  
Name: Collins Bala  
ICPAK Member Number:4494


**11. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS:: RECURRENT FOR THE YEAR ENDED  
 30 JUNE 2022**

| Receipt/expense item                | Original Budget      | Adjustments        | Final Budget         | Actual on Comparable Basis | Budget Utilisation Difference | % of Utilisation |
|-------------------------------------|----------------------|--------------------|----------------------|----------------------------|-------------------------------|------------------|
|                                     | a                    | b                  | c=a+b                | d                          | e=c-d                         | f=d/c %          |
| <b>RECEIPTS</b>                     |                      |                    |                      |                            |                               |                  |
| Exchequer releases                  | 5,974,603,519        | 715,885,604        | 6,690,489,123        | 6,690,489,123              | -                             | 100%             |
| <b>TOTAL</b>                        | <b>5,974,603,519</b> | <b>715,885,604</b> | <b>6,690,489,123</b> | <b>6,690,489,123</b>       | <b>-</b>                      | <b>100%</b>      |
| <b>PAYMENTS</b>                     |                      |                    |                      |                            |                               |                  |
| Compensation of Employees           | 2,443,312,810        | 183,373,661        | 2,626,686,471        | 2,966,768,763              | (340,082,292)                 | 113%             |
| Use of goods and services           | 2,544,804,611        | 340,988,971        | 2,885,793,582        | 2,644,465,618              | 241,327,964                   | 92%              |
| Transfers to Other Government Units | 938,486,098          | 153,646,764        | 1,092,132,862        | 932,828,816                | 159,304,046                   | 85%              |
| Other grants and transfers          | -                    | 4,467,000          | 4,467,000            | 4,467,000                  | -                             | 100%             |
| Social Security Benefits            | 48,000,000           | 33,409,208         | 81,409,208           | 8,084,862                  | 73,324,346                    | 10%              |
| <b>TOTAL</b>                        | <b>5,974,603,519</b> | <b>715,885,604</b> | <b>6,690,489,123</b> | <b>6,556,615,059</b>       | <b>133,874,064</b>            | <b>98%</b>       |

(a) Compensation of employees was overutilized by 13%

(b) Payments in relation to social security benefits was underutilized by 90%.

The County Executive's financial statements were approved on 30<sup>th</sup> September 2022 and signed by:

.....  


Chief Officer Finance  
 Name: Roseline Otieno

.....  


Head of Accounting Services  
 Name: Collins Bala  
 ICPAK Member Number:4494

**MIGORI COUNTY EXECUTIVE**  
**Annual Report and Financial Statements for the year ended June 30, 2022.**

**12. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS: DEVELOPMENT FOR THE YEAR ENDED 30 JUNE 2022**

| Receipt/expense item                | Original Budget      | Adjustments        | Final Budget         | Actual on Comparable Basis | Budget Utilization Difference | % of Utilization |
|-------------------------------------|----------------------|--------------------|----------------------|----------------------------|-------------------------------|------------------|
|                                     | a                    | b                  | c=a+b                | d                          | e=c-d                         | f=d/c %          |
| <b>RECEIPTS</b>                     |                      |                    |                      |                            |                               |                  |
| Exchequer releases                  | 2,854,806,045        | 898,721,644        | 3,753,527,689        | 1,213,042,877              | 2,540,484,812                 | 32%              |
| <b>TOTAL</b>                        | <b>2,854,806,045</b> | <b>898,721,644</b> | <b>3,753,527,689</b> | <b>1,213,042,877</b>       | <b>2,540,484,812</b>          | <b>32%</b>       |
| <b>PAYMENTS</b>                     |                      |                    |                      |                            |                               |                  |
| Transfers to Other Government Units | 165,725,416          | 311,770,896        | 477,496,312          | 382,211,506                | 95,284,806                    | 80%              |
| Other grants and transfers          | 191,349,286          | 40,273,000         | 231,622,286          | 230,983,369                | 638,917                       | 100%             |
| Acquisition of Assets               | 2,497,731,343        | 546,677,748        | 3,044,409,091        | 1,626,900,272              | 1,417,508,819                 | 53%              |
| <b>TOTAL</b>                        | <b>2,854,806,045</b> | <b>898,721,644</b> | <b>3,753,527,689</b> | <b>2,240,095,148</b>       | <b>1,513,432,541</b>          | <b>60%</b>       |

The County Executive's financial statements were approved on 30<sup>th</sup> September 2022 and signed by:

  
 .....

Chief Officer Finance  
 Name: Roseline Otieno

  
 .....

Head of Accounting Services  
 Name: Collins Bala  
 ICPAK Member Number:4494

**MIGORI COUNT EXECUTIVE**  
**Consolidated Reports and Financial Statements**  
**For the year ended June 30, 2022**

**13. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES FOR THE YEAR ENDED 30 JUNE 2022**

| Programme   | Sub-programme                                  |                 | Actual on   | Budget      |
|---|--|-----------------|-------------|-------------|
|   |  | Final Budget    | comparable  | utilization |
|   |  | KShs            | basis       | difference  |
| KShs  |  |                 |             |             |
| Agriculture, Livestock Development and Fisheries Development        |  |                 |             |             |
| Agriculture Mechanization Services                                  | Agriculture Mechanization Services             | 1,700,000       | 1,700,000   | 0           |
| Crop Development  | Crop Development                               | 3,820,400       | 3,820,000   | 400         |
|   | Crop Development                               | 49,420,000      | 49,420,000  | 0           |
| Fisheries Development   | Fisheries Development                          | 1,860,000       | 1,860,000   | 0           |
|   | Fisheries Development and Management           | 6,212,000       | 6,100,000   | 112,000     |
|   | Aquaculture Development and Extension Services | 22,714,000      | 3,628,080   | 19,085,920  |
|   | General administration                         | 151,011,774     | 106,862,774 | 44,149,000  |
| General administration, planning & support service                  | capacity building and training                 | 2,419,790       | 2,400,000   | 19,790      |
|   | Field Extension Services and Support Programme | 9,947,800       | 8,826,084   | 1,121,716   |
|   | Field Extension Services and Support Programme | 9,691,300       | 1,196,840   | 8,494,460   |
|   | Field Extension Services and Support Programme | 9,243,150       | 1,366,000   | 7,877,150   |
|   | Field Extension Services and Support Programme | 9,296,044       | 424,491     | 8,871,553   |
|   | Field Extension Services and Support Programme | 320,000         | 0           | 320,000     |
|   | Field Extension Services and Support Programme | 500,000         | 0           | 500,000     |
|   | Donor Fund                                     | 342,397,464     | 225,846,073 | 116,551,391 |
|   | Donor Fund                                     | 2,596,660       | 2,590,000   | 6,660       |
|   | Livestock Resources Management and Development | Disease control | 1,750,000   | 0           |
| Feed & livestock products safety, equipment and laboratory services |  | 4,390,000       | 4,390,000   | 0           |

**MIGORI COUNTY EXECUTIVE**  
**Annual Report and Financial Statements for the year ended June 30, 2022.**

|   |  |                |                |             |
|---|--|----------------|----------------|-------------|
|   | Livestock Breeds Improvement & Upgrading     | 50,747,989     | 50,147,000     | 600,989     |
| Veterinary services   | Veterinary Public Health management          | 1,186,000      | 631,551        | 554,449     |
|   | Livestock Breeding and Livestock Products    | 5,378,500      | 5,300,000      | 78,500      |
|   | Livestock Disease Control and Management     | 8,600,000      | 8,600,000      | 0           |
|   | Veterinary Public Health management          | 4,000,000      | 4,000,000      | 0           |
|   | Sub total                                    | 699,202,871.00 | 489,108,893.43 | 210,093,978 |
| <b>County Assembly</b>  |  |                |                |             |
| General administration and support services                     | General Administration & supportive services | 701,155,331    | 619,493,599    | 81,661,732  |
| Oversight management services                                   | Committee management services                | 50,738,280     | 50,738,280     | 0           |
| Legislative services  | legislation development & approval services  | 193,254,219    | 193,254,219    | 0           |
|   | Sub Total                                    | 945,147,830    | 863,486,098    | 81,661,732  |
| <b>County Attorney</b>  |  |                |                |             |
| Management and administration                                   | General administration                       | 217,151,962    | 212,945,893    | 4,206,069   |
|   | Total  | 217,151,962    | 212,945,893    | 4,206,069   |
| <b>County Executive</b>   |  |                |                |             |
| Governance and Executive Management                             | Citizen Delivery Services                    | 137,400,000.00 | 97,852,977.90  | 39,547,022  |
|   | Peace Building Initiatives                   | 3,216,000.00   | 0              | 3,216,000   |
|   | Governance and Executive management          | 97,999,345.00  | 68,260,079.30  | 29,739,266  |
|   | Strategy and advisory                        | 58,826,999.00  | 14,718,495.00  | 44,108,504  |
| General Administration(Deputy Governors)                        | General Administration(Deputy Governors)     | 20,984,000.00  | 20,924,680.00  | 59,320      |
|   | Sub total                                    | 318,426,344.00 | 201,756,232.20 | 116,670,112 |
| <b>Education, Gender, Sports, Youth Development and Culture</b> |  |                |                |             |
| General administration  | Donor Fund                                   | 34,727,623.00  | 34,298,723.00  | 428,900     |
|   | General administration                       | 364,569,462.00 | 274,697,701.15 | 89,871,761  |
|   | Vocational Training Services                 | 21,000,000.00  | 5,999,600.00   | 15,000,400  |
|   | Child Care Services                          | 97,079,239.00  | 75,061,342.40  | 22,017,897  |
| Sports and Talent Development                                   | Sports Development                           | 132,661,725.00 | 126,078,558.78 | 6,583,166   |

**MIGORI COUNTY EXECUTIVE**  
**Annual Report and Financial Statements for the year ended June 30, 2022.**

|  |  |                  |                  |             |
|--|--|------------------|------------------|-------------|
|  | Construction of Cultural Central and Cultural Activities | 2,500,000.00     | 2,500,000.00     | 0           |
|  | Child Care Services                                      | 0                | 0                | 0           |
|  | Culture and Heritage Conservation                        | 400,000.00       | 397,400.00       | 2,600       |
| Education Support Services                                   | Bursaries  | 57,000,000.00    | 21,212,497.90    | 35,787,502  |
| Gender and Equality Services                                 | Women Empowerment  | 1,320,000.00     | 0                | 1,320,000   |
| Sports and Talent Development                                | Vocational Training Services                             | 5,000,000.00     | 4,971,947.00     | 28,053      |
|  | Enterprise Development Services                          | 1,500,000.00     | 997,000.00       | 503,000     |
|  | sub Total  | 717,758,049.00   | 546,214,770.23   | 171,543,279 |
| <b>Environment, Natural Resource and Disaster Management</b> |  |                  |                  |             |
| Solid Waste Management                                       | Solid Waste Management                                   | 25,340,864.00    | 25,049,409.00    | 291,455     |
| Forestry Conservation and Development                        | Forestry Conservation and Development                    | 28,796,400.00    | 28,795,637.00    | 763         |
| Disaster Management Services                                 | Disaster Management Services                             | 22,881,326.00    | 22,881,326.00    | 0           |
| General Administration Support Services                      | General Administration Support Services                  | 75,681,181.00    | 75,680,183.00    | 998         |
|  | Grand Total  | 152,699,771.00   | 152,406,555.00   | 293,216     |
| <b>Finance and Economic Planning</b>                         |  |                  |                  |             |
| General Administration(Planning)                             | General Administration(Planning)                         | 430,651,045.00   | 430,651,044.90   | 0           |
| Financial management services                                | Resource mobilization                                    | 137,454,024.00   | 137,454,020.00   | 4           |
|  | Accounting Services                                      | 244,717,909.00   | 244,717,895.00   | 14          |
|  | Procurement Services                                     | 10,907,570.00    | 10,907,182.00    | 388         |
|  | Audit Services   | 26,440,000.00    | 26,439,593.00    | 407         |
| Economic policy and county planning                          | Budget Coordination and Management                       | 4,450,000.00     | 4,156,964.00     | 293,036     |
|  | Policy and Plans Developments                            | 46,235,000.00    | 46,105,608.90    | 129,391     |
|  | Community Development                                    | 5,936,705.00     | 1,723,956.87     | 4,212,748   |
|  | Sub Total  | 906,792,253.00   | 902,156,264.67   | 4,635,988   |
| <b>Health-Medical services</b>                               |  |                  |                  |             |
| General administration                                       | General administration                                   | 1,539,552,795.00 | 1,567,808,350.70 | -28,255,556 |
|  | Infrastructure and Health facility management            | 184,790,610.00   | 184,790,609.00   | 1           |
| Preventive,promotive Health services and Disease Control     | Purchase of Non-pharmaceuticals                          | 226,057,461.00   | 226,056,481.00   | 980         |

**MIGORI COUNTY EXECUTIVE**  
**Annual Report and Financial Statements for the year ended June 30, 2022.**

|  |   |                  |                  |             |
|--|---|------------------|------------------|-------------|
| Curative, Rehabilitative and Referral services | Hospital Services                                 | 32,070,725.00    | 32,070,697.00    | 28          |
|  | Sub Total   | 1,982,471,591.00 | 2,010,726,137.70 | -28,254,547 |
| Health - Public health                         |   |                  |                  |             |
| Planning and administrative support services   | Administrative and support services               | 571,229,447      | 365,583,294      | 205,646,152 |
| Preventive and promotive health services       | Community health services                         | 70,960,000       | 20,084,900       | 50,875,100  |
| Curative, rehabilitative and referral services | Pharmaceutical and non-pharmaceutical commodities | 115,840,164      | 115,000,000      | 840,164     |
| External funding                               | Donor funds                                       | 59,698,750       | 48,000,000       | 11,698,750  |
|  | Total   | 817,728,361      | 548,668,194      | 269,060,167 |
| Lands, Housing and Physical Planning           |   |                  |                  |             |
| Land development services                      | Survey Services                                   | 68,626,600.00    | 31,938,900.00    | 36,687,700  |
| General administration                         | General administration                            | 437,892,652.00   | 389,335,130.50   | 48,557,522  |
|  | Grand Total                                       | 506,519,252.00   | 421,274,030.50   | 85,245,222  |
| Public Service Management                      |   |                  |                  |             |
| General administration(PSM)                    | General administration(PSM)                       | 987,988,430.00   | 924,960,317.55   | 63,028,112  |
| ICT Infrastructure                             | ICT Infrastructure                                | 36,460,000.00    | 16,107,540.00    | 20,352,460  |
|  | Technical Support                                 | 10,900,000.00    | 7,396,150.00     | 3,503,850   |
| Sub County Administration Services             | Devolved Units Development Services               | 14,332,716.00    | 5,462,507.00     | 8,870,209   |
| Personnel management                           | Human Resource Management                         | 13,400,000.00    | 12,975,495.00    | 424,505     |
|  | Budget Formulation coordination and Management    | 16,606,706.00    | 16,590,780.00    | 15,926      |
|  | sub Total   | 1,071,211,852.00 | 983,492,789.55   | 87,719,062  |
| Roads, Transport and Public Works              |   |                  |                  |             |
| Road management services                       | Road management services                          | 1,215,441,341.00 | 933,023,220.55   | 282,418,120 |
| General administration                         | General administration                            | 120,365,434.00   | 99,239,655.23    | 21,125,779  |
|  | Sub Total   | 1,335,806,775.00 | 1,032,262,875.78 | 303,543,899 |
| Trade Tourism and Cooperative Development      |   |                  |                  |             |
| General administration                         | General administration                            | 158,317,594.00   | 98,762,534.30    | 59,555,060  |
| Trade Development and Promotion SME            | Trade Development and Promotion SME               | 110,030,020.00   | 85,839,383.42    | 24,190,637  |

**MIGORI COUNTY EXECUTIVE**  
**Annual Report and Financial Statements for the year ended June 30, 2022.**

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|                                      |                                 |                       |                      |                      |
|--------------------------------------|---------------------------------|-----------------------|----------------------|----------------------|
|                                      | Sub Total                       | 268,347,614.00        | 184,601,917.72       | 83,745,696           |
|                                      | Water And Energy                |                       |                      |                      |
| Water Supply and Management Services | Rural Water Services            | 245,730,488.00        | 97,365,133.50        | 148,365,355          |
|                                      | Urban Water Services            | 125,611,327.00        | 61,727,289.60        | 63,884,037           |
| Alternative Energy Technologies      | Alternative Energy Technologies | 133,410,472.00        | 88,517,131.73        | 44,893,340           |
|                                      | Sub Total                       | 504,752,287.00        | 247,609,554.83       | 257,142,732          |
|                                      | <b>Grand Total</b>              | <b>10,444,016,812</b> | <b>8,796,710,206</b> | <b>1,647,306,605</b> |

#### **14. SIGNIFICANT ACCOUNTING POLICIES**

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

##### **1. Statement of compliance and basis of preparation**

The financial statements have been prepared in accordance with Cash-basis IPSAS financial reporting under the cash basis of accounting, as prescribed by the PSASB and set out in the accounting policy notes below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include deposits and retentions.

The receivables and payables are disclosed in the Statement of Assets and Liabilities.

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

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

##### **2. Reporting entity**

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

##### **3. Recognition of receipts and payments**

###### **a) Recognition of receipts**

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

**MIGORI COUNTY EXECUTIVE**  
**Annual Report and Financial Statements for the year ended June 30, 2022.**

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**Significant Accounting Policies (Continued)**

**i) Transfers from the County Revenue Fund (CRF)**

Transfer from CRF is recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and a notification received by the entity.

**ii) Proceeds from sale of assets**

Proceeds from the sale of assets are recognised in the statement of receipts and payments when the related monies from the sale are received by the entity.

**b) Recognition of payments**

The County Executive recognises all expenses when the event occurs, and the related cash has been paid out.

**i) Compensation of employees**

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

**ii) Use of goods and services**

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

**iii) Interest on borrowing**

Borrowing costs that include interest are recognized as payment in the period in which they incurred and paid for.

**iv) Repayment of borrowing (principal amount)**

The repayment of principal amount of borrowing is recognized as payment in the period in which the repayment is made. The stock of debt is disclosed as an annexure to the County consolidated financial statements.

**Significant Accounting Policies (Continued)**

**v) Acquisition of fixed assets**

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

**4. In-kind contributions**

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

**5. Third Party Payments**

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

**6. Cash and cash equivalents**

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

**Significant Accounting Policies (Continued)**

**a) 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. Amounts maintained in deposit bank accounts are restricted for use in refunding third party deposits.

**7. Imprests and Advances**

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

**8. Third Party Deposits and Retention**

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

**9. Non-current assets**

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

**Significant Accounting Policies (Continued)**

**10. Pending bills**

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

**11. Contingent Liabilities**

Section 185 (2) (i) of the PFM Act requires the County Government to report on the payments made, or losses incurred, by the county government to meet contingent liabilities as a result of loans during the financial year, including payments made in respect of loan write-offs or waiver of interest on loans

A contingent liability is:

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

Some of contingent liabilities may arise from: litigation in progress, guarantees, indemnities. Letters of comfort/ support, insurance, Public Private Partnerships. The County Executive 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.

**Significant Accounting Policies (Continued)**

**12. Contingent Assets**

The County Executive 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 County Executive 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.

**13. Budget**

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The County Executive's budget was approved as required by Law and as detailed in the County Revenue Allocation Act. The original budget was approved by the County Assembly for the period 1<sup>st</sup> July 2021 to 30 June 2022 as required by law. There were two supplementary budgets passed in the year. A high-level assessment of the County Executive's actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

**14. Comparative figures**

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

**15. Subsequent events**

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

**Significant Accounting Policies (Continued)**

**16. Prior Period Adjustment**

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

**17. Related Party Transactions**

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

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

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

**MIGORI COUNTY EXECUTIVE**  
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**15. Notes to the Financial Statements**

**1. EXCHEQUER RELEASES( TRANSFER FROM THE CRF)**

|  | <b>2021-2022</b>     | <b>2020-2021</b>     |
|--|----------------------|----------------------|
|  | <b>Kshs</b>          | <b>Kshs</b>          |
| Total exchequer releases for quarter 1 | 1,387,655,374        | 582,486,600          |
| Total exchequer releases for quarter 2 | 1,368,607,174        | 1,904,169,563        |
| Total exchequer releases for quarter 3 | 1,412,282,374        | 1,307,823,668        |
| Total exchequer releases for quarter 4 | 3,734,987,078        | 4,778,586,013        |
| <b>Total</b>                           | <b>7,903,532,000</b> | <b>8,573,065,844</b> |

Kshs 640,401,636 was received on 31 July 2022 after the closure of the financial year.

**2. OTHER RECEIPTS**

|                      | <b>2021-2022</b> | <b>2020-2021</b> |
|----------------------|------------------|------------------|
|                      | <b>Kshs</b>      | <b>Kshs</b>      |
| Tender Fees received | 0                | 0                |
| Other Receipts II    | 0                | 0                |
| <b>Total</b>         | <b>0</b>         | <b>0</b>         |

**MIGORI COUNTY EXECUTIVE**  
**Annual Report and Financial Statements for the year ended June 30, 2022.**

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

**3. COMPENSATION OF EMPLOYEES**

|   | <b>2021-2022</b>     | <b>2020-2021</b>     |
|---|----------------------|----------------------|
|   | <b>Kshs</b>          | <b>Kshs</b>          |
| Basic salaries of permanent employees                                 | 2,633,948,002        | 2,218,033,447        |
| Basic wages of temporary employees                                    | 40,630,191           | 102,141,671          |
| Personal allowances paid as part of salary                            |                      |                      |
| Personal allowances paid as reimbursements                            |                      |                      |
| Personal allowances provided in kind                                  |                      |                      |
| Employer Contribution to compulsory National Social Schemes           | 195,189,282          | 167,521,994          |
| Employer Contribution to Compulsory National health Insurance Schemes |                      |                      |
| Pension and other social security contributions                       |                      |                      |
| Social benefit schemes outside government                             |                      |                      |
| Other personnel payments  | 97,001,288           | 169,405,816          |
| <b>Total</b>  | <b>2,966,768,763</b> | <b>2,657,102,928</b> |

**MIGORI COUNTY EXECUTIVE**  
**Annual Report and Financial Statements for the year ended June 30, 2022.**

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

**4. USE OF GOODS AND SERVICES**

|  | <b>2021-2022</b>     | <b>2020-2021</b>     |
|--|----------------------|----------------------|
|  | <b>Kshs</b>          | <b>KShs</b>          |
| Utilities, supplies and services                             | 53,507,257           | 43,999,387           |
| Communication, supplies and services                         | 13,512,328           | 11,287,442           |
| Domestic travel and subsistence                              | 432,318,000          | 308,798,247          |
| Foreign travel and subsistence                               | 1,180,080            | 3,672,796            |
| Printing, advertising and information supplies & services    | 103,747,568          | 86,536,687           |
| Rentals of produced assets                                   | 21,242,557           | 22,684,935           |
| Training expenses  | 124,430,629          | 101,557,310          |
| Hospitality supplies and services                            | 211,051,795          | 167,626,440          |
| Insurance costs  | 34,022,741           | 16,377,248           |
| Specialized materials and services                           | 720,808,023          | 559,825,100          |
| Office and general supplies and services                     | 349,063,930          | 141,483,616          |
| Fuel, oil and lubricants                                     | 109,468,786          | 74,667,991           |
| Other operating expenses                                     | 291,877,773          | 145,167,253          |
| Routine maintenance – vehicles and other transport equipment | 91,386,708           | 61,403,946           |
| Routine maintenance – other assets                           | 86,847,443           | 46,701,695           |
| <b>Total</b>   | <b>2,644,465,618</b> | <b>1,791,790,093</b> |

**MIGORI COUNTY EXECUTIVE**  
**Annual Report and Financial Statements for the year ended June 30, 2022.**

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

**5. SUBSIDIES**

| <b>Description</b>               | <b>2021-2022</b> | <b>2020-2021</b> |
|----------------------------------|------------------|------------------|
|                                  | <b>Kshs</b>      | <b>Kshs</b>      |
| Subsidies to Public Corporations |                  |                  |
|                                  | 0                | 0                |

**6. TRANSFER TO OTHER GOVERNMENT ENTITIES**

| <b>Description</b>                             | <b>2021-2022</b>     | <b>2020-2021</b>     |
|--|----------------------|----------------------|
|  | <b>Kshs</b>          | <b>Kshs</b>          |
| <b>Transfers to county government entities</b> |                      |                      |
| Transfers to County Assembly of Migori         | 863,485,932          | 1,015,870,163        |
| Mikutra Water And Sanitation Company           |                      | 1,761,045            |
| Vocational Polytechnics                        | 18,411,255           | 34,868,488           |
| ECDES  | 80,375,416           | 44,162,688           |
| Ward Development Fund                          | 7,575,125            | 303,000              |
| Secondary schools                              | 41,047,419           | 21,332,601           |
| Municipalities                                 | 283,424,835          |                      |
| Level four Hospitals                           | 20,720,340           |                      |
| <b>Total</b>                                   | <b>1,315,040,322</b> | <b>1,118,297,985</b> |

**MIGORI COUNTY EXECUTIVE****Annual Report and Financial Statements for the year ended June 30, 2022.****Notes to the Financial Statements (Continued)****7. OTHER GRANTS AND PAYMENTS**

|  | <b>2021-2022</b>   | <b>2020-2021</b>   |
|--|--------------------|--------------------|
|  | <b>Kshs</b>        | <b>Kshs</b>        |
| Scholarships and other educational benefits              | 4,467,000          | 1,573,115          |
| Other Current Transfers, Grants ,donations and Subsidies | 230,983,369        | 213,789,800        |
| <b>Total</b>   | <b>235,450,369</b> | <b>215,362,915</b> |

**8. SOCIAL SECURITY BENEFITS**

|  | <b>2021-2022</b>    | <b>2020-2021</b> |
|--|---------------------|------------------|
|  | <b>Kshs</b>         | <b>Kshs</b>      |
| Government pension and retirement benefits | -                   | -                |
| Social security benefits                   | 8,084,862.20        | -                |
| Employer Social Benefits                   | -                   | -                |
| <b>Total</b>                               | <b>8,084,862.20</b> | <b>-</b>         |

**MIGORI COUNTY EXECUTIVE**  
**Annual Report and Financial Statements for the year ended June 30, 2022.**

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

**9. ACQUISITION OF ASSETS**

| <b><u>Non- financial assets</u></b>                          | <b>2021-2022</b>     | <b>2020-2021</b>     |
|--|----------------------|----------------------|
|  | <b>Kshs</b>          | <b>Kshs</b>          |
| Purchase of Buildings  |                      |                      |
| Construction of Buildings                                    | 254,594,998          | 328,713,826          |
| Refurbishment of Buildings                                   | 39,686,744           | 16,261,132           |
| Construction of Roads  | 773,638,255          | 1,599,745,610        |
| Construction and Civil Works                                 | 228,841,681          | 284,339,454          |
| Overhaul and Refurbishment of Construction and Civil Works   | 14,662,001           | -                    |
| Purchase of Vehicles and Other Transport Equipment           | 46,732,000           | 33,715,300           |
| Overhaul of Vehicles and Other Transport Equipment           |                      | -                    |
| Purchase of Household Furniture and Institutional Equipment  |                      | 8,740,000            |
| Purchase of Office Furniture and General Equipment           | 16,806,468           | 15,379,300           |
| Purchase of Specialised Plant, Equipment and Machinery       | 58,089,373           | 5,825,000            |
| Rehabilitation and Renovation of Plant, Machinery and Equip. |                      |                      |
| Purchase of Certified Seeds, Breeding Stock and Live Animals | 30,159,420           | 19,166,789           |
| Research, Studies, Project Preparation, Design & Supervision | 58,192,592           | 64,482,936           |
| Specialised Materials and Supplies                           | 74,891,140           | 105,622,104          |
| Acquisition of Strategic Stocks and commodities              |                      | -                    |
| Acquisition of Land  | 21,620,000           | -                    |
| Acquisition of Intangible Assets                             |                      | -                    |
| Purchase of ICT Equipment                                    | 8,985,600            | 42,150,499           |
| <b>Total acquisition of assets</b>                           | <b>1,626,900,272</b> | <b>2,524,141,949</b> |

**MIGORI COUNTY EXECUTIVE**  
**Annual Report and Financial Statements for the year ended June 30, 2022.**

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

**10. Finance Costs, including Loan Interest**

|   | <b>2021-2022</b> | <b>2020-2021</b> |
|---|------------------|------------------|
|   | <b>Kshs</b>      | <b>Kshs</b>      |
| Interest Payments on Foreign Borrowings | -                | -                |
| Total                                   | -                | -                |

**11. Other Payments**

|                 | <b>2021-2022</b> | <b>2020-2021</b> |
|-----------------|------------------|------------------|
|                 | <b>Kshs</b>      | <b>Kshs</b>      |
| Budget Reserves |                  | -                |
| Other payments  | -                | -                |
|                 | -                | -                |

**MIGORI COUNTY EXECUTIVE**  
**Annual Report and Financial Statements for the year ended June 30, 2022.**

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

**12. Cash and Bank Balances**

**12A. Bank Balances**

| Name of Bank, Account Number & currency | Details                               | 2021-2022      | 2020-2021        |
|---|---------------------------------------|----------------|------------------|
|   |                                       | KShs           | KShs             |
| CBK – 1000170948, KES                   | Development                           | 4,699.75       | 30,389,103.45    |
| CBK – 1000171022, KES                   | Recurrent                             | 477.90         | 335,777.80       |
| CBK – 1000171537, KES                   | Revenue                               | 234,994,438.55 | 1,156,964,917.10 |
| CBK – 1000292482, KES                   | MCRML Fund                            | 28,323,260.70  | 59,985,964.85    |
| CBK – 1000315048, KES                   | Health Special                        | 16,389,397.70  | 28,620,892.80    |
| CBK – 1000365668, KES                   | County NARIGP                         | 157,887,555.50 | -                |
| CBK – 1000365692, KES                   | ASDSP Special                         | -              | 2,189,443.00     |
| CBK – 1000368586, KES                   | MC VETC                               | 23,650.45      | 17,984,692.45    |
| CBK – 1000376791, KES                   | Migori County Urb. Inst,Urb. Dev Gr   |                | -                |
| CBK – 1000398892, KES                   | Migori County Urban Development Gr.   | 0.40           | 76,553,599.40    |
| CBK – 1000380683, KES                   | Comm.Proj. Sp                         |                |                  |
| KCB clearing account Assembly           | Recurrent                             |                |                  |
| Commercial Bank                         | Recurrent                             |                |                  |
| KCB – 1149215860, KES                   | Development                           |                | -                |
| KCB – 1140793454, KES                   | Operations                            |                | 1,164.00         |
| KCB – 1153149869, KES                   | Salaries                              | 671,705.63     | 393,240.73       |
| KCB – 1140763881, KES                   | Revenue                               | 2,715,851.45   | 2,124,528.25     |
| EQUITY – 14302765223661, KES            | Revenue                               | 52,051,575.40  | 29,889,695.40    |
| 998140                                  | Mpesa pay bill                        | 3,198,698.00   |                  |
| KCB-1250196620                          | Awendo Municipality URB Dvt Grant     | 78,071,298.30  | 49,953,632.90    |
| KCB-1250198321                          | Rongo Municipality URB Dvt Grant      | 37,811,013.25  | 29,512,253.40    |
| KCB-1250199514                          | Migori Municipality URB Dvt Grant     | 31,381,797.65  | 32,076,972.55    |
| FAMILY BANK-074000011085                | Migori County Public Health           | 13,257,027.53  | 16,688.53        |
| NBK, 01071206881400                     | Migori NARIGP                         | 9,310,726.70   | 25,627,737.60    |
| KCB – 1240803036, KES                   | Migori Ideas Led Sweet Potato Project | 2,400,566.95   | 3,397,121.90     |
| KCB – 1126534986, KES                   | Thim Lich Disp                        | 584,925.40     | 147,203.40       |
| KCB – 111762699, KES                    | Makararangwe D                        | 331,122.95     | 202,296.95       |

**MIGORI COUNTY EXECUTIVE**  
**Annual Report and Financial Statements for the year ended June 30, 2022.**

|                          |                                |              |            |
|--------------------------|--------------------------------|--------------|------------|
| Co- op, 01141077178400   | Suna Ragana                    | 253,966.10   | 238,006.10 |
| KCB-1205748245           | Gosebe disp                    | 237,003.50   | 200,410.50 |
| KCB – 1151401129, KES    | Kitere Disp.                   | 94,089.00    | 207,863.00 |
| KCB – 1105499693, KES    | Fish Cess                      | 89,342.89    | 89,342.89  |
| NBK, 01001084011400      | Midida Disp                    | 79,881.22    | 148,651.00 |
| KCB – 1146721641, KES    | Water Supply                   | 73,602.00    | 73,602.00  |
| Co- op, 01141204290300   | Namba Kodero D                 | 61,014.80    | 208,504.80 |
| KCB – 1180336461, KES    | MC Modern T                    | 51,133.00    | 40,740.00  |
| EQUITY-1160279098027     | Migori ICT And E<br>governance | 30,131.90    |            |
| Co- op, 01141750154300   | Nyamanga Nyaliande             | 27,203.00    | 198,963.00 |
| co-op-01141751574800     | Apilo dispensary               | 1,310.00     |            |
| co-op-01141751577900     | Aego dispensary                | 25,695.00    |            |
| KCB-1270777858           | Boremagongo dispensary         | 27,031.00    |            |
| KCB-1124782745           | komasimo dispensary            | 181,902.70   |            |
| KCB-119639751            | Nyabokarange dispensary        | 1,180,005.25 |            |
| Co-op- 01141751718100    | Kokuro dispensary              | 4,055.00     |            |
| KCB-1272575330           | Rongo municipality             | 9,789.00     | 6,810.00   |
| C-op- 01141751366800     | Nyamongo dispensary            | 675.00       |            |
| KCB – 1179977904, KES    | Internal Audit                 | 6,808.00     | 1,284.00   |
| FAMILY BANK-074000010212 | MIGORI EXEC                    | 5,326.35     |            |
| KCB – 1172812888, KES    | Kamsaki Disp                   | 5,175.00     | 211,073.00 |
| Co- op, 01141048766300   | Masaba HC                      | 3,773.30     | 265,413.30 |
| KCB – 1152319108, KES    | Thim Jope Dis                  | 3,744.00     | 148,252.00 |
| KCB – 1156901340, KES    | Kemakoba Disp                  | 3,708.00     | 229,098.00 |
| KCB-1266001484           | Nyamagongwe disp               | 3,625.00     | 203,259.00 |
| NBK, 01001017575000      | Water & Energy-                | 3,376.39     |            |
| NBK, 01001095863600      | Trade & Coop                   | 3,101.01     | 5,741.61   |
| KCB – 1220895849, KES    | Kangeso dip                    | 3,084.10     | 157,730.00 |
| KCB – 1167057228, KES    | Othoch Rakuom                  | 3,036.50     | 208,982.50 |
| KCB – 1134406568, KES    | Kohanga Disp                   | 2,787.00     | 274,615.00 |
| Co- op, 01134482816200   | Diruma Disp                    | 2,731.78     | 147,951.78 |
| KCB – 1118658418, KES    | Kwoyo Kodalo D                 | 2,638.50     | 216,898.50 |
| KCB – 1136947515, KES    | Iraha Dispensary               | 2,255.00     | 202,873.60 |
| KCB – 1119164206, KES    | Nyangoge HC                    | 1,570.40     | 286,528.40 |

**MIGORI COUNTY EXECUTIVE**  
**Annual Report and Financial Statements for the year ended June 30, 2022.**

|                          |  |               |                |
|--------------------------|--|---------------|----------------|
| KCB – 1105652580, KES    | Riat Dispensary                                      | 1,468.00      | 147,022.00     |
| KCB-1250198666           | Migori County Urban                                  | 1,455.00      | 3,024.00       |
| KCB – 1171502761, KES    | Robarisia  | 1,352.50      | 243,180.00     |
| KCB – 1240753071, KES    | PSM  | 1,221.00      | 21,365.70      |
| Co- op, 01141048603400   | Bande Disp   | 1,132.17      | 216,592.17     |
| KCB – 1242739998, KES    | Migori County Public Works                           | 1,035.70      | 3,975.00       |
| EQUITY- 1160261978741    | Agric, Livestock                                     | 1,005.25      |                |
| KCB – 1202800130, KES    | Magacha Disp   | 1,003.50      | 146,077.50     |
| KCB – 1157583156, KES    | Lela Dispensary                                      | 703.90        | 156,711.90     |
| KCB – 1181402786, KES    | Kanga Dispens  | 672.00        | 209,194.00     |
| NBK, 01001084058400      | Piny Owacho Dis                                      | 643.60        | 147,483.60     |
| NBK, 01001046632600      | Ongito Disp.   | 593.00        | 148,373.52     |
| KCB-1261535472           | Migori County Phy Plan<br>&Urban D                   | 444.00        |                |
| FAMILY BANK-074000011078 | Migori county sports culture                         | 410.33        |                |
| Co- op, 01141481016701   | Got-Kachola Dis                                      | 390.50        | 206,360.50     |
| EQUITY- 1160262020813    | Education  | 206.40        |                |
| FAMILY BANK-07400011153  | Migori county livestock<br>veterinary And IFisheries | 33.05         |                |
| KCB – 1203729731, KES    | Econ Planning  | -             | -              |
| NBK, 01071212911900      | MCG Ministry of lands                                | - 0.01        |                |
| KCB – 1217027521, KES    | PSB  |               | 1,256.00       |
| KCB – 1170448143, KES    | Retentions   | 42,382,487.57 | 132,273,204.90 |
| KCB – 1158858221, KES    | MC Referral  |               | -              |
| KCB – 1113374861, KES    | MOH HOSPITALS  | 1,534,668.55  | 516,198.90     |
| KCB – 1158858299, KES    | Rongo S/C FIF  | 379,244.00    | 71,685.00      |
| KCB – 1158858310, KES    | Macalder S/C H                                       | 288,816.75    |                |
| KCB – 1158858353, KES    | Kuria S/C Hosp                                       | 503,788.34    | 485,264.29     |
| KCB – 1158858418, KES    | Karungu S/C Hos                                      | 209,472.00    | 14,118.00      |
| KCB – 1158858434, KES    | Isibania S/C H                                       | 236,646.60    | 1,433.60       |
| KCB – 1158858469, KES    | Kegonga S/C H  | 2,484,905.85  | 780,775.85     |
| KCB – 1158858485, KES    | Ntimaru S/C H  | 2,650,709.00  | 733,465.00     |
| KCB – 1165309890, KES    | MCG ICT A/C  |               | 4,499.50       |
| KCB – 1171424299, KES    | MC Health RBF  |               | -              |
| KCB – 1120847028, KES    | Muchebe Disp   | 4,342.90      | 229,892.90     |
| KCB – 1125497637, KES    | Motemorabu Dis                                       | 4,241.00      | 204,881.00     |

**MIGORI COUNTY EXECUTIVE**  
**Annual Report and Financial Statements for the year ended June 30, 2022.**

|                       |                   |            |            |
|-----------------------|-------------------|------------|------------|
| KCB – 1263317391, KES | Koringo dispensar | 2,608.00   | 195,200.00 |
| KCB – 1126066362, KES | Ngisiru Dispens   | 1,351.00   | 181,989.00 |
| KCB – 1125711779, KES | Komosoko D        | 49,155.00  | 287,364.80 |
| KCB – 1106376692, KES | Komomange D       | 3,229.30   | 267,747.30 |
| KCB – 1135742588, KES | Kombe Dispen      | 8,374.60   | 157,308.60 |
| KCB – 1119187435, KES | Tarang'anya D     | 54,157.70  | 287,013.70 |
| KCB – 1126730106, KES | Nyaitara D        | 1,821.70   | 156,050.70 |
| KCB – 1125370440, KES | Siabai Makonge    | 2,543.00   | 227,773.70 |
| KCB – 1124655476, KES | Gairoro Disp      | 4,519.60   | 252,527.60 |
| KCB – 1136923578, KES | Getambwega D      | 53,672.00  | 215,208.70 |
| KCB – 1136271317, KES | Taragai Disp      | 1,047.90   | 241,661.90 |
| KCB – 1135748837, KES | Nyametembe D      | 3,677.10   | 230,509.10 |
| KCB – 1137233079, KES | Agenga Disp       | 96,136.00  | 206,112.50 |
| KCB – 1113514973, KES | Aneko Disp        | 75,124.00  | 159,066.60 |
| KCB – 1126535761, KES | Kipingi Disp      | 1,527.00   | 137,361.00 |
| KCB – 1126504815, KES | Nyamanga Disp     | 79,133.00  | 206,022.90 |
| KCB – 1126421480, KES | Olasi Dispensary  | 1,593.00   | 206,517.66 |
| KCB – 1144594790, KES | Wath Onger D      | 783,043.40 | 206,645.00 |
| KCB – 1126535133, KES | Yago Dispensary   | 115,352.00 | 208,167.00 |
| CO-OP-01141482916700  | Ogongo Dispensary | 110,743.15 |            |
| KCB – 1117165639, KES | Minyenya Dis      | 75,210.00  | 256,524.20 |
| KCB – 1136266658, KES | Nyasese Disp      | 2,029.90   | 269,133.90 |
| KCB – 1139815547, KES | Nyamaranya Disp   | 907.00     | 226,045.80 |
| KCB – 1126535265, KES | Winjo Dispens     | 488.00     | 205,760.00 |
| KCB – 1142280861, KES | Girigiri Disp     | 87,165.00  | 135,000.00 |
| KCB – 1158161220, KES | Nyasoko Disp      | 51,128.50  | 154,362.50 |
| KCB – 1142280861, KES | Kochola Disp      | 69,155.00  | 245,348.00 |
| KCB – 1148963383, KES | Ndege Oriedo      | 5,314.00   | 210,948.00 |
| KCB – 1176959328, KES | Bondo Dispens     | 231,806.00 | 206,986.00 |
| KCB – 1209767740, KES | nyaroha           | 6,202.00   | 207,440.00 |

**MIGORI COUNTY EXECUTIVE**  
**Annual Report and Financial Statements for the year ended June 30, 2022.**

|                        |                          |            |            |
|------------------------|--------------------------|------------|------------|
| KCB – 1176975978, KES  | Masaria Disp             | 78,915.00  | 147,831.00 |
| KCB – 113803861, KES   | Nyankore H C             | 4,627.00   | 269,567.00 |
| KCB – 1202660266, KES  | Oruba Disp               | 113.00     | 235,423.50 |
| KCB – 1119114381, KES  | Kugitimo Disp            | 87,150.00  | 289,602.70 |
| KCB – 1207007757, KES  | Maeta                    | 51,010.00  | 273,302.00 |
| KCB – 1124782745, KES  | Mogori H C               | 60,350.00  | 352,158.70 |
| KCB – 1119639751, KES  | waita                    | 85,650.00  | 315,167.25 |
| KCB – 1119586828, KES  | Nyamataburo HC           | 90,350.00  | 182,258.00 |
| KCB – 1118960173, KES  | Tisinye HC               | 637,128.30 | 185,430.20 |
| KCB – 1130227758, KES  | Nyamaraga HC             | 5,960.00   | 154,530.00 |
| KCB – 1130827623, KES  | Ogwedhi HC               | 6,750.00   | 321,715.00 |
| KCB – 1119688485, KES  | Gwitembe HC              | 118,679.90 | 285,977.90 |
| KCB – 1119634393, KES  | Chinato HC               | 160,155.90 | 272,179.70 |
| KCB – 1240844379, KES  | Migori County D Governor |            | 393.00     |
| Co- op, 01141481763500 | Health Sector            | 2,005.33   | 531,996.59 |
| Co- op, 01141203091000 | Anjeko Dispe             | 17,560.00  | 289,950.80 |
| Co- op, 01141048713000 | Arombe Disp              | 469,544.76 | 347,587.76 |
| Co- op, 01141056242200 | Giribe Disp              | 239,579.90 | 367,499.00 |
| Co- op, 01141750525200 | Got Orango disp          | 5,455.00   | 197,725.00 |
| Co- op, 01141202033000 | God-Kwer Disp            | 39,999.00  | 264,807.55 |
| Co- op, 01141077147000 | God-Jope Disp            | 113,007.95 | 208,107.95 |
| Co- op, 01141077313500 | Midoti Disp              | 80,150.00  | 208,390.30 |
| Co- op, 01134204712300 | Migori Prison Health     | 8,040.00   | 147,160.00 |
| Co- op, 01141202278400 | Nyarongi Disp            | 6,366.00   | 211,528.60 |
| Co- op, 01141077450500 | Ondong' Disp             | 90,150.00  | 226,520.50 |
| Co- op, 01141203000000 | Osingo Disp              | 2,957.60   | 207,257.60 |
| Co- op, 01141481117701 | Saro Disp                | 119.85     | 215,484.85 |
| Co- op, 01141202876400 | Suna Rabuor Dis          | 184,075.80 | 228,095.20 |
| Co- op, 01141077152500 | Kabuto Disp              | 43,689.00  | 145,874.60 |
| Co- op, 01141077152500 | Kituka Disp              | 341.83     | 207,851.83 |

**MIGORI COUNTY EXECUTIVE**  
**Annual Report and Financial Statements for the year ended June 30, 2022.**

|                        |                  |            |            |
|------------------------|------------------|------------|------------|
| Co- op, 01141204249100 | Kombato Disp     | 1,546.80   | 241,169.00 |
| Co- op, 01141202040000 | Lwanda Disp      | -          | 206,187.70 |
| Co- op, 01141202276200 | Ndiwa Disp       | 7,908.90   | 213,628.90 |
| Co- op, 01141202040300 | Otati Disp       | 2,268.47   | 231,068.47 |
| Co- op, 01141202279000 | Nyandago Kower   |            | 205,736.85 |
| Co- op, 01141077325000 | Getongoroma Dis  | 56,127.00  | 287,557.20 |
| Co- op, 01141481137200 | Obware Disp      | 4,343.25   | 150,708.25 |
| Co- op, 01141482809100 | Nyamalu Disp     | 3,684.55   | 209,260.50 |
| Co- op, 01141482916700 | oyani HC         | 93,737.68  | 145,000.00 |
| Co- op, 01141482965000 | Nyakiringoto Dis | 49,375.00  | 148,937.95 |
| Co- op, 01141482962100 | Mugabo Disp      | 50,570.00  | 207,778.25 |
| Co- op, 01141202676300 | Bugumbe HC       | 32,707.32  | 285,287.00 |
| Co- op, 01141202912700 | Nyamekongoroto   | 340,806.28 | 204,866.28 |
| Co- op, 01141202834300 | Muhuru HC        | 839,931.11 | 50,341.11  |
| NBK, 01001017544700    | Othoro SCH FIF   | 18,738.70  | 2,098.70   |
| NBK, 01001017544600    | Awendo SCH FI    | 311,972.76 | 305,109.00 |
| NBK, 01001095864200    | Env & Disaster   |            |            |
| NBK, 01001084043300    | Angaga Disp      | 70,025.00  | 147,266.11 |
| NBK, 01001046609400    | Dede Disp        | 67,125.00  | 202,239.86 |
| NBK, 01248046510700    | Kuja Disp        | 39,335.35  | 228,015.35 |
| NBK, 01001045638500    | Ngere Disp       | 644.39     | 198,254.39 |
| NBK, 01001070016400    | Ngodhe Disp      | 38,753.00  | 205,699.91 |
| NBK, 01001095766300    | Nyakuru Disp.    | 40,150.00  | 147,886.64 |
| NBK, 01001079718600    | Ombo-Mbita Dis   | 2,757.20   | 147,600.74 |
| NBK, 01248046433000    | Otacho Disp      | 5,060.00   | 145,000.00 |
| NBK, 01001046734200    | Rabondo Disp     | 80,230.00  | 157,110.13 |
| NBK, 01001084039200    | Siruti Disp.     | 9,175.00   | 149,553.19 |
| NBK, 01001046526600    | Bware Disp.      | 10,150.00  | 250,590.30 |
| NBK, 01001084032800    | Koloo Disp       | 346.91     | 157,466.00 |
| NBK, 01248080349900    | Kolwal Disp.     | 799.00     | 208,091.65 |
| NBK, 01001046434100    | Nyamasare        | 450.38     | 184,250.38 |

**MIGORI COUNTY EXECUTIVE****Annual Report and Financial Statements for the year ended June 30, 2022.**

|                           |                        |                    |                      |
|---------------------------|------------------------|--------------------|----------------------|
| NBK, 01001084042600       | Ombo Kowiti Dis        | 495.00             | 146,255.71           |
| NBK, 01071213895300       | County Sec             | 1,263.95           |                      |
| NBK, 01001017542800       | Osogo Disp.            | 105.00             | 147,726.55           |
| NBK, 01001046487600       | Sibuoche Disp          | 1,581.00           | 149,781.00           |
| NBK, 01001084454800       | Ngonga Disp            | 104,818.38         | 291,038.38           |
| NBK, 01001017567300       | Lwala Disp             | 105,320.00         | 230,283.21           |
| NBK, 01001070065300       | Wanginya Disp          | 70,150.00          | 157,747.66           |
| NBK, 01248046484500       | Mariwa HC              | 24,160.00          | 181,673.24           |
| NBK, 01242045431400       | Ongo HC                | 81,230.00          | 250,304.50           |
| KCB-1207998109            | Nyamagongwi disp       | 4,105.00           | 230,933.00           |
| NBK-01020202548900        | Angogo Dispensary      | 2,098.43           | 205,998.43           |
| NBK-01001129448300        | Omullo disp            | 34.28              | 188,614.28           |
| NBK-01001129487000        | Kopanga disp           | 65,176.00          | 146,515.00           |
| NBK-01001129416000        | Nyamage Disp           | 4,627.90           | 150,135.90           |
| NBK-01020202568000        | Bonde disp             | 98.79              | 158,208.79           |
| NBK-01001130943100        | Obama disp             | 1,550.79           | 205,750.50           |
| KCB-1237965365            | Kitbul Disp            | 76,135.00          | 207,649.00           |
| NBK, 01248046576600       | Oyani HC               | 80,230.00          | 209.48               |
| NBK, 01248045067700       | Uriri HC               | 234,844.01         | 84.00                |
| KCB -1274685052           | Migori County Covid-19 |                    |                      |
| NBK -01071211630500       | MIGORI COUNTY KDSP     |                    |                      |
| co-op bank-01141750908000 | ASDSP                  | 1,790,792.90       | 5,744,890.90         |
| KCB-1293851698            | Migori County Finance  | 260.00             |                      |
| <b>Total</b>              |                        | <b>732,083,084</b> | <b>1,715,152,007</b> |

**12 B Cash in Hand**

|  | <b>2021-2022</b> | <b>2020-2021</b> |
|--|------------------|------------------|
|  | <b>Kshs</b>      | <b>Kshs</b>      |
| Cash in Hand – Held in domestic currency | 0                | 0                |
| Cash in Hand – Held in foreign currency  | 0                | 0                |
| <b>Total</b>                             | <b>0</b>         | <b>-</b>         |

**MIGORI COUNTY EXECUTIVE**

**Annual Report and Financial Statements for the year ended June 30, 2022.**

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

**13. Outstanding imprests and advances**

| <i>Description</i>  | <b>2021-2022</b> | <b>2020-2021</b> |
|---------------------|------------------|------------------|
|                     | <b>Kshs</b>      | <b>Kshs</b>      |
| Government Imprests | -                | -                |
| Salary Advance      | -                | -                |
| Clearance accounts  | -                | -                |
| <b>Total</b>        | -                | -                |

**MIGORI COUNTY EXECUTIVE**  
**Annual Report and Financial Statements for the year ended June 30, 2022.**

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

**14. Deposits and Retention**

|                  | <b>2021-2022</b>  | <b>2020-2021</b>   |
|------------------|-------------------|--------------------|
|                  | <b>Kshs</b>       | <b>Kshs</b>        |
| Deposits         |                   |                    |
| Retention monies | 42,382,488        | 132,273,205        |
| <b>Total</b>     | <b>42,382,488</b> | <b>132,273,205</b> |

**15. Fund Balance Brought Forward**

|                      | <b>2021-2022</b>     | <b>2020-2021</b>     |
|----------------------|----------------------|----------------------|
|                      | <b>Kshs</b>          | <b>Kshs</b>          |
| Bank accounts        | 1,715,152,007        | 1,378,103,343        |
| Cash in hand         | -                    | 1,496,439            |
| Accounts Receivables | -                    | -                    |
| Accounts Payables    | - 132,273,205        | -63,090,954          |
| <b>Total</b>         | <b>1,582,878,802</b> | <b>1,316,508,828</b> |

**16. Prior Year Adjustments**

A prior period adjustment really applies to the correction of an error in the financial statements of a prior period.

|                                 | <b>Balance b/f<br/>FY 2020-2021<br/>as per audited<br/>financial<br/>statements</b> | <b>Adjustments<br/>during the year<br/>relating to<br/>prior periods</b> | <b>Adjusted **<br/>Balance b/f<br/>FY 2020-2021</b> |
|---------------------------------|---|--|---|
| <b>Description Of The Error</b> | <b>Kshs</b>   | <b>Kshs</b>  | <b>Kshs</b>   |
| Bank Account Balances           | 0   | 0  | 0   |
| Cash in Hand                    | 0   | 0  | 0   |
| Accounts Payables               | 0   | 0  | 0   |
| Receivables                     | 0   | 0  | 0   |
| Others ( <i>Specify</i> )       | 0   | 0  | 0   |
| <b>Total</b>                    | <b>0</b>  | <b>0</b>   | <b>0</b>  |

**MIGORI COUNTY EXECUTIVE****Annual Report and Financial Statements for the year ended June 30, 2022.****Notes to the Financial Statements (Continued)****17. Increase/ (Decrease) in Outstanding Imprests and Advances**

| <b>Description</b>                                       | <b>2021-2022</b> | <b>2020-2021</b> |
|--|------------------|------------------|
|  | <b>Kshs</b>      | <b>Kshs</b>      |
| Imprest and Advances As At 1 <sup>st</sup> July (A)      | 0                | 0                |
| Imprest and Advances As At 30 <sup>th</sup> June (B)     | 0                | 0                |
| Increase)/ Decrease In Imprest and Advances<br>(C=(B-A)) | -                | -                |

**18. Increase/ (Decrease) in Deposits and Retention**

| <b>Description</b>  | <b>2021-2022</b>       | <b>2020-2021</b>      |
|---|------------------------|-----------------------|
|   | <b>Kshs</b>            | <b>Kshs</b>           |
| Deposits and Retention s as at 1 <sup>st</sup> July (A)   | 132,273,205            | 63,090,954            |
| Deposits and Retention as at 30 <sup>th</sup> June (B)    | 42,382,488             | 132,273,205           |
| Increase/ (Decrease) in Deposits and Retentions<br>C= B-A | -<br><b>89,890,717</b> | <br><b>69,182,251</b> |

**MIGORI COUNTY EXECUTIVE****Annual Report and Financial Statements for the year ended June 30, 2022.**

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**Other Important Disclosures****1. Pending Accounts Payable (See Annex 2)**

|                             | <b>Balance b/f<br/>FY 2020-2021</b> | <b>Additions for<br/>the period</b> | <b>Paid during<br/>the year</b> | <b>Balance c/f<br/>FY 2021-2022</b> |
|-----------------------------|-------------------------------------|-------------------------------------|---------------------------------|-------------------------------------|
| <b>Description</b>          | <b>Kshs</b>                         | <b>Kshs</b>                         | <b>Kshs</b>                     | <b>Kshs</b>                         |
| Construction of buildings   | 165,585,844                         | 294,281,742                         | 409,976,195                     | 49,891,391                          |
| Construction of civil works | 669,762,304                         | 1,038,761,937                       | 1,673,130,028                   | 35,394,213                          |
| Supply of goods             | 375,811,472                         | 130,613,441                         | 209,875,549                     | 296,549,364                         |
| Supply of services          | 67,654,555                          | 163,243,152                         | 138,751,712                     | 92,145,995                          |
| <b>Total</b>                | <b>1,278,814,176</b>                | <b>1,626,900,272</b>                | <b>2,431,733,484</b>            | <b>473,980,964</b>                  |

**2. Related Party Disclosures**

Related party disclosure is encouraged under non-mandatory section of the Cash Basis IPSAS.

The following comprise of related parties to the County Executive:

- i) Key management personnel that include the Governor, the Deputy Governor Members of the County Assembly, CECs and Chief Officers for various County Ministries and Departments.
- ii) County Ministries and Departments.
- iii) The National Government.
- iv) Other County Governments Entities and
- v) State Corporations and Semi-Autonomous Government Agencies.

**MIGORI COUNTY EXECUTIVE**  
**Annual Report and Financial Statements for the year ended June 30, 2022.**

**Other Important Disclosures (Continued)**

**Related party transactions**

|   | <b>2021- 2022</b>    | <b>2020- 2021</b>    |
|---|----------------------|----------------------|
|   | <b>Kshs</b>          | <b>Kshs</b>          |
| Key Management Compensation (Governor, CEC Members And Cos) |                      |                      |
| <b><u>Transfers To Related Parties</u></b>                  |                      |                      |
| Transfers to County Assembly of Migori                      | 863,485,932          | 1,015,870,163        |
| Migori Water And Sanitation Company                         | 0.00                 | 1,761,045.00         |
| Vocational Polytechnics                                     | 18,411,255           | 34,868,488           |
| ECDES   | 80,375,416           | 44,162,688           |
| Ward Development Fund                                       | 7,575,125            | 303,000              |
| Secondary schools   | 41,047,419           | 21,332,601           |
| Municipalities  | 283,424,835          |                      |
| Level four Hospitals  | 20,720,340           |                      |
| <b>Total Transfers to related parties</b>                   | <b>1,315,040,322</b> | <b>1,118,297,985</b> |
| <b><u>Transfers From Related Parties</u></b>                |                      |                      |
| Transfers From The Exchequer                                | 7,903,532,000        | 8,573,065,844        |
| <b>Total Transfers From Related Parties</b>                 | <b>7,903,532,000</b> | <b>8,573,065,844</b> |

**3. Establishment of other County Government Entities**

The PFM Act, 2012 section 182 enables the County Government to establish and dissolve County Corporations/ entities. For purposes of follow up on financial reporting, audit and disclosure, outlined below is a list of entities established by the County Government since inception.

**MIGORI COUNTY EXECUTIVE****Annual Report and Financial Statements for the year ended June 30, 2022.**

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**Other Important Disclosures (Continued)**

| <b>Entity</b>                  | <b>Date Established/Date taken over</b> | <b>Location</b> | <b>Accounting Officer responsible</b> |
|--------------------------------|---|-----------------|---------------------------------------|
| Ward Development Fund          | 15 <sup>th</sup> March 2014             | County HQ       | Fund Manager                          |
| Car mortgage scheme –executive | 7 <sup>th</sup> July 2014               | County HQ       | Chief officer finance                 |
| MIWASCO                        | 26 <sup>th</sup> January 2015           | County          | Managing Director                     |

**Other Important Disclosures (Continued)**

**4. Leasing of Medical Equipment**

Amounts relating to leased medical equipment is included in the County Allocation Revenue Act and is budgeted for by the Counties. This amount is deducted at source and therefore not included in the exchequer. Since this is not a cash item, it is not included in the statement of receipts and payments In the year 2021/22 amounts relating to leased medical equipment was Kshs 153,297,872

**MIGORI COUNTY EXECUTIVE**

**Annual Report and Financial Statements for the year ended June 30, 2022.**

**16. Progress On Follow Up On Prior Year Auditor’s Recommendations**

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

| <b>Reference No. on the external audit Report</b> | <b>Issue / Observations from Auditor</b>  | <b>Management comments</b>   | <b>Status: (Resolved / Not Resolved)</b> | <b>Timeframe: (Put a date when you expect the issue to be resolved)</b> |
|---|---|--|--|---|
| 1   | Outdated valuation roll for rents and Rates   | <i>The management wish to state that the Valuation roll for Migori town has been done and the draft awaits approval by the County Assembly</i>   | Not resolved                             |   |
| 2   | Payment of Kshs 169,405,816 salaries outside the Integrated Personnel and Payroll Database (IPPD) | <i>The management wish to state that the staff paid outside IPPD are those without PF/No. However, some have now received personal numbers and the process of entering them in IPPD is ongoing</i>   | Not resolved                             |   |
| 3.1   | Un-Analysed legal fee notes worth Kshs 61,820,329   | Details of the fee notes were provided. However, going forward the analysis will be done   | Not resolved                             |   |
| 3.2   | Unsupported Expenditure on purchase of medical supplies worth Kshs 61,019,468 from KEMSA          | <i>The Kenya Medical Supplies Authority (KEMSA) directly delivers medical commodities to the door-steps of respective health facilities to avoid transport and storage challenges to ensure authenticity of government commodities. Migori County has more than 133 government facilities, which receive and inspect KEMSA commodities</i> | Resolved                                 |   |

**MIGORI COUNTY EXECUTIVE**

**Annual Report and Financial Statements for the year ended June 30, 2022.**

| <b>Reference No. on the external audit Report</b> | <b>Issue / Observations from Auditor</b>  | <b>Management comments</b>  | <b>Status: (Resolved / Not Resolved)</b> | <b>Timeframe: (Put a date when you expect the issue to be resolved)</b> |
|---|---|---|--|---|
|   |   | <i>especially for quantity. This is besides deliveries to Faith Based Organizations. In addition, there were emergency situations in facilities during the period of COVID 19 Pandemic leading to the goods delivered to facilities directly. The deliveries are always received and inspected by the various facilities in charge, stores in charge and pharmacist, who sign against the delivery's documents. samples attached acknowledgment documents for your review</i> |  |   |
| 3.3   | Lack of Valuation report for motor vehicles insurance worth Kshs 15,606,939                           | <i>The management noted the auditor's observation and going forward valuation report will be certified with Licensed/qualified valuer</i>   | Not resolved                             | Next Cover issuance   |
| 4   | Lack of acknowledgement letters and returns for Kshs. 34,868,488 transfers to Vocational Polytechnics | <i>The acknowledgement receipt and returns from the polytechnic has since been provided for review.</i>   | resolved                                 |   |
| 5   | Bank confirmation certificates for accounts maintained at   | <i>Certificate of bank balances from Central Bank has been availed for review</i>   | Resolved                                 |   |

**MIGORI COUNTY EXECUTIVE**

**Annual Report and Financial Statements for the year ended June 30, 2022.**

| <b>Reference No. on the external audit Report</b> | <b>Issue / Observations from Auditor</b>  | <b>Management comments</b>   | <b>Status: (Resolved / Not Resolved)</b> | <b>Timeframe: (Put a date when you expect the issue to be resolved)</b> |
|---|---|--|--|---|
|   | CBK were not provided for audit   |  |  |   |
| 6   | Under collection of County Own Generated Receipts   | <i>The under collection was mainly due to COVID-19 pandemic control measures including lock-downs which hampered revenue collection. The county has since roll out the automation and measures has been put in place to ensure maximum revenue collections after all revenue streams are automated</i>   | Not Resolved                             | ongoing   |
| 7   | Under realization of receipts and expenditure may have impacted negatively on the delivery of services. | <p><i>I. Payment of June 2020 salaries was paid in the month of July 2020 and therefore crossing to the other financial year and because of IPSAS cash where it recognized payments when paid as opposed to accrual.</i></p> <p><i>II. The underutilization of the voted provision was as a result of late disbursement of exchequer releases from the National Treasury especially the month of June 2021 which was received on 5<sup>th</sup> July 2021 amounting to Kshs. 575,713,500</i></p> | Not resolved                             | ongoing   |

**MIGORI COUNTY EXECUTIVE**

**Annual Report and Financial Statements for the year ended June 30, 2022.**

| 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) |
|--|---|--|-----------------------------------|--|
|  |   | <p><i>III. The County did not implement all the budgeted projects and programs as envisaged in the approved budget due to delay in disbursement of funds from the National Government and budget was reduced by the National Treasury by approximately Kshs.200,000,000 in the year 2021 and this had a spiral effect since some projects could not be implemented thus affecting projects implementation as all items earmarked could not be carried out.</i></p> |                                   |  |
| 8  | Underfunding of Migori County ward development fund | <p><i>Failure by management to disburse ward development fund was due to budgets constraints. In addition, students were not in school due to closure of schools during COVID-19 pandemic period</i></p>   | Not resolved                      |  |

**MIGORI COUNTY EXECUTIVE**

**Annual Report and Financial Statements for the year ended June 30, 2022.**

| <b>Reference No. on the external audit Report</b> | <b>Issue / Observations from Auditor</b>                              | <b>Management comments</b>   | <b>Status: (Resolved / Not Resolved)</b> | <b>Timeframe: (Put a date when you expect the issue to be resolved)</b> |
|---|---|--|--|---|
| 9   | Excluded pending bill from KPLC of Kshs 19,054,164                    | <i>The management noted the auditor's observation and included the bills in the Supplementary Budget</i>   | Resolved                                 |   |
| 10  | Late Exchequer releases   | <i>The management has noted the auditor's observation and will always provide feedback to National Treasury through COG for future improvement</i>   | Not resolved                             |   |
| 11  | Staff ethnic composition below the minimum requirement                | <i>It is worth noting that Migori County is a cosmopolitan County and all communities are represented in the work place in line with National Cohesion and Integration Act</i>   | resolved                                 |   |
| 12  | Irregular recruitment of staff and delayed confirmation in employment | <i>The Department will liaise with the County Public Service Board to ensure that all officers who have completed their probation are confirmed into the service</i>   | Not resolved                             | Ongoing   |
| 13  | Salary over commitment by 204 officers                                | <i>The IPPD system is designed to automatically calculate the one-third rule. The apparent over commitment therefore arose when there was a reduction in the taxation rates at the height of Covid-19 outbreak. Some employees therefore took additional facilities with the tax relief that was accorded; however, when the tax rates were adjusted upwards in January 2021, for some</i> | resolved                                 |   |

**MIGORI COUNTY EXECUTIVE**

**Annual Report and Financial Statements for the year ended June 30, 2022.**

| <b>Reference No. on the external audit Report</b> | <b>Issue / Observations from Auditor</b>              | <b>Management comments</b>  | <b>Status: (Resolved / Not Resolved)</b> | <b>Timeframe: (Put a date when you expect the issue to be resolved)</b> |
|---|---|---|--|---|
|   |   | <i>employees, there was an apparent over commitment of their salaries</i>   |  |   |
| 14  | Casual workers engaged for More than three (3) Months | <i>The management has noted the auditor's observation and wish to state that the county inherited the said casual workers from the defunct local authorities. The management tried to terminate these engagements but were stopped by court. However new engagements are offered 3 months contract as required by law</i>   | Not resolved                             |   |
| 15  | Missing Job Designations in the IPPD                  | <i>Management wishes to state that the function of the State Department of Public service (Directorate of Public Service Management) who are the IPPD system developers to define and withdraw designations in the IPPD system. The said designation names were therefore withdrawn by DPSM; however, Designation codes of the affected officers by which they can be differentiated still remains. The Chief Officer Public Service Management and Administration did a letter (Ref. No. MCG/PF/Vol. 1(0) of 15<sup>th</sup> May, 2019) to DPSM on the matter. The</i> | Not Resolved                             |   |

**MIGORI COUNTY EXECUTIVE**

**Annual Report and Financial Statements for the year ended June 30, 2022.**

| <b>Reference No. on the external audit Report</b> | <b>Issue / Observations from Auditor</b>                                    | <b>Management comments</b>  | <b>Status: (Resolved / Not Resolved)</b> | <b>Timeframe: (Put a date when you expect the issue to be resolved)</b> |
|---|---|---|--|---|
|   |   | <i>designation has since been completed.</i>  |  |   |
| 16  | Unremitted Pension deductions   | <i>Management noted the auditor's observation and will remit the deductions appropriately</i>   | Not resolved                             |   |
| 17  | Stalled fencing of God Nyinyo Vocational and Training and Education College | <i>The said fencing of God Nyinyo VETC is not stalled and the money was not transferred but was tendered procedurally at a cost of Kshs. 2,000,360 in the F/Y2020/ 2021, of which the work was ongoing at the time of Audit. The contractor has not been paid and captured in our pending bill FY 2021/22</i> | Resolved                                 |   |
| 18  | Idle South Sakwa Ward Administrator and Central Kamagambo MCA Offices       | <i>The offices have since been occupied by said Government Officials</i>  | resolved                                 |   |
| 19  | Delayed completion of Got Kachola and Kanyasa MCA Offices                   | <i>The management is liaising with the contractor with a view of finishing the work. Failure to finish then management will terminate and seek legal redress</i>  | Not resolved                             |   |
| 20  | Completed and idle market sheds   | <i>The markets have since been put in use</i>   | Resolved                                 |   |

**MIGORI COUNTY EXECUTIVE**

**Annual Report and Financial Statements for the year ended June 30, 2022.**

| <b>Reference No. on the external audit Report</b> | <b>Issue / Observations from Auditor</b>   | <b>Management comments</b>  | <b>Status: (Resolved / Not Resolved)</b> | <b>Timeframe: (Put a date when you expect the issue to be resolved)</b> |
|---|--|---|--|---|
| 21  | Completed and Idle Health Facilities   | <i>The management is liaising with the Public Health department for the occupation of the completed buildings and ensure it is branded</i>  | Not resolved                             |   |
| 22  | Delayed construction of general ward at Tisinye Dispensary                                       | <i>The management is wish to state that the facility has been completed awaiting inspection by county management</i>  | Not resolved                             |   |
| 22  | Unequipped drilled boreholes   | <i>The department of water was able to drill the boreholes without equipping them due to limitation of budget in the year under review. However, in the current budget for FY 2021/22, the department of water has budgeted for equipping of the said boreholes at a cost of 46 million</i> | Not resolved                             |   |
| 23  | Delayed construction of County Headquarters  | <i>The management did cancel the contract due to the contractor abandoning the site. However, the process of recalling the performance bond is yet to be executed</i>   | Not resolved                             |   |
| 24  | The management did not provide for audit engineers certificates of work done for construction of | <i>The work was stopped due to land ownership dispute and no payments has since been made</i>   | Not Resolved                             |   |

**MIGORI COUNTY EXECUTIVE**

**Annual Report and Financial Statements for the year ended June 30, 2022.**

| <b>Reference No. on the external audit Report</b> | <b>Issue / Observations from Auditor</b>   | <b>Management comments</b>   | <b>Status: (Resolved / Not Resolved)</b> | <b>Timeframe: (Put a date when you expect the issue to be resolved)</b> |
|---|--|--|--|---|
|   | Governor's residence   |  |  |   |
| 25  | The management did not provide for audit engineers interim certificates of work done for construction of D. Governor's residence | <i>The work has since been stopped due to land ownership dispute and no payments has since been made</i>   | Not resolved                             |   |
| 26  | Deposits and retention account operated at commercial bank instead of CBK  | <i>The management noted the auditor's observation and will open an account with the CBK</i>  | Not Resolved                             |   |
| 27  | Failure to submit financial statements of Migori County Alcoholic Drinks Fund  | <i>Cashbook and bank reconciliation for the fund account is maintained. Going forward the management will prepare and submit financial statement for Migori County Alcoholic Control Fund to the Office of the Auditor General</i> | Resolved                                 |   |
| 28  | Lack of an approved staff establishment  | <i>The Executive through the Public Service Board has a draft staff establishment and human resource plans for department awaiting approval from the cabinet</i>   | Not resolved                             |   |
| 29  | Lack of an inventory management system   | <i>The management is yet purchase a software for managing inventories</i>  | Not resolved                             |   |

**MIGORI COUNTY EXECUTIVE**  
**Annual Report and Financial Statements for the year ended June 30, 2022.**

| <b>Reference No. on the external audit Report</b> | <b>Issue / Observations from Auditor</b>                            | <b>Management comments</b>  | <b>Status: (Resolved / Not Resolved)</b> | <b>Timeframe: (Put a date when you expect the issue to be resolved)</b> |
|---|---|---|--|---|
| 30  | No strategic plan for disposal of grounded vehicles and machineries | <i>The plan for disposing the grounded assets is ongoing. However, the plan is yet to be developed for future actions</i> | Not resolved                             |   |
| 31  | Incomplete asset register   | <i>The management has will continuously update fixed asset register with proper details as per the required format</i>    | Resolved                                 | Ongoing   |

**Guidance Notes:**

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



.....  
**CEC, County Treasury**

**Date**

**MIGORI COUNT EXECUTIVE****Consolidated Reports and Financial Statements****For the year ended June 30, 2022****ANNEXES****Annex 1 – ANALYSIS OF TRANSFERS FROM THE CRF**

| <b>Period (2021-2022)</b>   | <b>Quarter 1<br/>(Kshs)</b> | <b>Quarter 2<br/>(Kshs)</b> | <b>Quarter 3<br/>(Kshs)</b> | <b>Quarter 4<br/>(Kshs)</b> | <b>Total<br/>(Kshs)</b> |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-------------------------|
| DANIDA - Universal Healthcare<br>in Devolved Units Programme          |                             |                             |                             | 7,503,375                   | <b>7,503,375</b>        |
| World Bank – THUSCP   |                             |                             |                             | 48,556,702                  | <b>48,556,702</b>       |
| Agriculture Sector Development<br>Support Project (ASDSP)             |                             | 2,500,000                   |                             | 18,303,732                  | <b>20,803,732</b>       |
| National Agricultural & Rural<br>Inclusive Growth Project<br>(NARIGP) |                             |                             |                             | 194,942,279                 | <b>194,942,279</b>      |
| Equitable Share   | 1,320,828,374               | 1,320,828,374               | 1,320,828,374               | 3,402,133,690               | <b>7,364,618,812</b>    |
| <b>TOTAL</b>  | <b>1,320,828,374</b>        | <b>1,323,328,374</b>        | <b>1,320,828,374</b>        | <b>3,671,439,778</b>        | <b>7,636,424,900</b>    |

**MIGORI COUNT EXECUTIVE**  
**Consolidated Reports and Financial Statements**  
**For the year ended June 30, 2022**

**Annex 2 – ANALYSIS OF PENDING ACCOUNTS PAYABLE**

| <b>Name</b>                        | <b>Brief Transaction Description</b> | <b>Original Amount</b> | <b>Date Payable Contracted</b> | <b>Amount Paid To-Date</b> | <b>Outstanding Balance 2021/2022</b> | <b>Outstanding Balance 2020/2021</b> | <b>Comments</b> |
|------------------------------------|--------------------------------------|------------------------|--------------------------------|----------------------------|--------------------------------------|--------------------------------------|-----------------|
|                                    |                                      | a                      | b                              | c                          | d=a-c                                |                                      |                 |
| <b>Construction of Buildings</b>   |                                      |                        |                                |                            |                                      |                                      |                 |
|                                    |                                      |                        |                                |                            |                                      |                                      |                 |
| <b>Sub-Total</b>                   |                                      | <b>49,891,391</b>      |                                |                            | <b>49,891,391</b>                    | <b>165,585,844</b>                   |                 |
| <b>Construction of Civil Works</b> |                                      |                        |                                |                            |                                      |                                      |                 |
|                                    |                                      |                        |                                |                            |                                      |                                      |                 |
|                                    |                                      |                        |                                |                            |                                      |                                      |                 |
| <b>Sub-Total</b>                   |                                      | <b>35,394,213</b>      |                                |                            | <b>35,394,213</b>                    | <b>669,762,304</b>                   |                 |
| <b>Supply of Goods</b>             |                                      |                        |                                |                            |                                      |                                      |                 |
|                                    |                                      |                        |                                |                            |                                      |                                      |                 |
| <b>Sub-Total</b>                   |                                      | <b>296,549,364</b>     |                                |                            | <b>296,549,364</b>                   | <b>375,811,472</b>                   |                 |
| <b>Supply of Services</b>          |                                      |                        |                                |                            |                                      |                                      |                 |
|                                    |                                      |                        |                                |                            |                                      |                                      |                 |
| <b>Sub-Total</b>                   |                                      | <b>92,145,995</b>      |                                |                            | <b>92,145,995</b>                    | <b>67,654,555</b>                    |                 |
| <b>Grand Total</b>                 |                                      | <b>473,980,964</b>     |                                |                            | <b>473,980,964</b>                   | <b>1,278,814,175</b>                 |                 |

**Annex 3 – SUMMARY OF NON-CURRENT ASSET REGISTER**

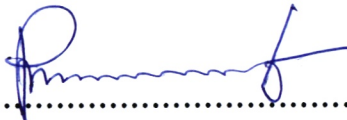
| <b>Asset Class</b>                           | <b>Historical Cost<br/>b/f (Kshs)<br/>2020-2021</b> | <b>Additions<br/>during the year<br/>(Kshs)</b> | <b>Disposals<br/>during the<br/>year<br/>(Kshs)</b> | <b>Transfers<br/>in/(out)<br/>during the<br/>year<br/>(Kshs)</b> | <b>Historical Cost<br/>c/f<br/>(Kshs)<br/>2020-2021</b> |
|--|---|---|---|--|---|
| Land   | 2,250,000   | 21,620,000                                      |   |  | 23,870,000  |
| Buildings and structures                     | 5,614,043,737                                       | 1,308,009,408                                   |   |  | 6,922,053,146   |
| Transport equipment                          | 3,282,285,215                                       |   |   |  | 3,282,285,215   |
| Office equipment, furniture and fittings     | 233,693,215   | 4,925,550                                       |   |  | 238,618,765   |
| ICT Equipment, Software and Other ICT Assets | 612,827,500   | 8,985,600                                       |   |  | 621,813,100   |
| Other specialised Machinery and Equipment    | 750,278,337   | 121,812,933                                     |   |  | 872,091,270   |
| Intangible assets                            | 1,016,749,775                                       | 58,192,592                                      |   |  | 1,074,942,367   |
| <b>Total</b>                                 | <b>11,512,127,779</b>                               | <b>1,523,546,084</b>                            | <b>0.00</b>   | <b>0.00</b>  | <b>13,035,673,863</b>                                   |

**MIGORI COUNTY EXECUTIVE**  
**Annual Report and Financial Statements for the year ended June 30, 2022.**

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**Annex 4 – Inter-Entity Transfers**

| <b>Ref</b> | <b>Entity</b>         | <b>Cumulative amount transferred</b> | <b>Amount</b>      | <b>difference</b> | <b>explanation</b> |
|------------|-----------------------|--------------------------------------|--------------------|-------------------|--------------------|
| 1          | County Assembly       | 863,485,932                          | 863,485,932        |                   |                    |
| 2          | Ward Development fund | 7,575,125                            | 7,575,125          |                   |                    |
|            | <b>Total</b>          | <b>871,061,057</b>                   | <b>871,061,057</b> |                   |                    |



.....  
**Director of Finance**  
**County Executive**

.....  
**Director of Finance**  
**County Assembly/fund/project**