

REPUBLIC OF KENYA



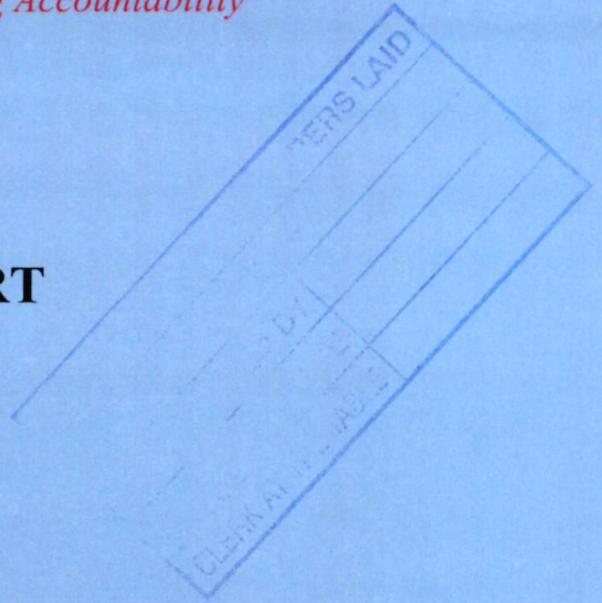
OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability



REPORT

OF



THE AUDITOR-GENERAL

ON

MUNICIPALITY OF RONGO

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

PAPERS LAID	
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MUNICIPALITY OF RONGO
COUNTY GOVERNMENT OF MIGORI

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2024

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

**County Government of Migori
Municipality of Rongo
Annual Report and Financial Statements for the year ended June 30, 2024**

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1. Acronyms & Glossary of Terms

PSASB	Public Sector Accounting Standards Board
FY	Financial Year
OSHA	Occupational Safety & Health Act
Fiduciary Management the entity	Key management personnel who have financial responsibility in

2. Key Entity Information and Management

a) Background information

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

b) Principal Activities

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

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

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Vision of Rongo Municipality

An inclusive, sustainable and vibrant municipality for people to live, work and invest.

Mission of Rongo Municipality

To collaborate with all stakeholders and the development partners through optimization of available opportunities and resources for the benefit of the municipal community.

c) c) Key Management

S/No	Position	Name
1.	Chairperson of the Board	Mr. Brighton Owuor Angienda
2.	Vice chairperson	Ms Faith Ochieng Ooko
3.	Board Member 1	Bishop Joel Okoth Nyauche
4.	Board Member 2	Mr. Jack Otieno Owuor
5.	Board Member 3	Ms Winnie Adhiambo Ogola
6.	Board Member 4	Mr Zackary Onyango Ojwang
7.	Board Member 5	Ms. Margaret Roseline Omolo
8.	CECM in charge of Urban matters	Hon. Mercy Mwakio
9.	Chief Officer In charge of Urban Matters	Mr. Andrew Mwera
10.	Municipality Manager	Plan. David O. ORE

d) Fiduciary Management

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

Ref	Position	Name
1	Municipality Manager	Plan. David O. ORE
2	Accountant	Mr. Benard O. Odero
3	Physical planner	Mr Peter Patrick Onyango

e) Fiduciary Oversight Arrangements

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

i) Audit and Risk Management Committee

The Board has constituted an audit and Risk committee which is headed by Ms. Ms Winnie Adhiambo Ogola.

ii) County Assembly committees

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

iii) Committees of the Senate

The board can also be called to appear before the relevant Senate community like Public Investment Committee, and Public Accounts Committee as the case may be.

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f) Registered Offices

P.O. Box 450- 40404
Sub County headquarters Building
Rongo- Homabay Road
Rongo, KENYA

g) Contacts

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

h) Bankers

Commercial Banks-
Kenya Commercial Bank –
1. Municipality of Rongo Urban Development Grant
Account No. 1250199321
2. Rongo Municipality
Account No. 1272575330
3. Municipality of Rongo Urban Development retention
Account No. 1316544486

i) Independent Auditor

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

j) Principal Legal Adviser



The Attorney General
State Law Office

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Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

County Attorney
County Government of Migori
P.O.BOX 195-40400
SUNA-MIGORI.




3. Municipality of Rongo Board

Name	Details of qualifications and experience
<p>1. Board Chairperson</p>  <p>Mr. Brighton Owuor Angienda</p>	<p><i>Kenyan Citizen</i> <i>ID No. 10792539</i> <i>DOB 02/07/1953</i> <i>Holds Masters of Art in Economics from Punjab University, India; BA from Paona University and Postgraduate Diplomas in Personnel Management and Financial Management from New Delhi and Symbiosis Institutes respectively</i> <i>Work experience: Assistant Lecture Barton University, District Revenue Officer</i></p>
<p>2. Board Vice Chairperson</p>  <p>Ms. Faith Achieng Ooko</p>	<p><i>DOB: 16/09/1977</i> <i>Bachelor Degree in Early Childhood Education from Nazarene University and Diploma in ECDE from Angelic Teachers Training College</i> <i>Work experience: Education sector</i></p>



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<p>3. Board Member</p>  <p>Mr. Zackary Onyango Ojwang</p>	<p><i>DOB: 01/01/1981</i></p> <p><i>Bachelor degree in Commerce (Marketing) from Africa Nazarene University</i></p> <p><i>Work Experience: Self-employed and Business Man</i></p>
<p>4. Board Member</p>  <p>Bishop Joel Okoth Nyauche</p>	<p><i>DOB: 01/01/1973</i></p> <p><i>O-level Qualification</i></p> <p><i>Diploma in theology and Biblical studies from Pentecostal Bible College</i></p> <p><i>Work Experience: Experience and Background in Bible and Theology</i></p>
<p>5. Board Member</p>  <p>Ms. Winnie Adhiambo Ogola</p>	<p><i>DOB: 13/08/1993</i></p> <p><i>Diploma in Health Records and Information technologies from the Kenya Medical Training College</i></p> <p><i>Work experience in community service and public sector</i></p>




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<p>6. Board Member</p>  <p>Ms Margaret Roseline Omolo</p>	<p><i>DOB:1949</i></p> <p><i>O-level Education and a certificate in type writing, office practice and business Education</i></p> <p><i>Work Experience: School Secretary- Homabay High School</i></p>
<p>7. Board Member</p>  <p>Mr. Jack Otieno Owuor</p>	<p><i>DOB: 12/08/1968</i></p> <p><i>Masters of Arts in sociology of education, Bachelor of Arts from Sukhadia university (India) postgraduate diploma from Egerton University</i></p> <p><i>Work experience in public sector</i></p>
<p>Municipal Manager</p>  <p>Plan. David O. ORE</p>	<p>Date of birth: 05/01/1989</p> <p>Academic and Professional Qualification-</p> <ul style="list-style-type: none"> • <i>Master's Degree –Environmental Planning and Management (ongoing)</i> • <i>Bachelor's Degree in Urban and Regional Planning</i> <p>Work Experience</p> <ul style="list-style-type: none"> • <i>2012-2022 –Physical Planning Officer</i> • <i>March 2022- May 2023 – Municipal Manager Municipality of Awendo</i> • <i>May 2023-Date Municipal Manager Rongo Municipality</i> <p>Area of Responsibility</p> <p><i>Municipal Manager/Secretary to the Board Accounting Officer</i></p>

4. Key Management Team

Name	Details of qualifications and experience
<p>1. Manager 1:</p>  <p>Plan. David ORE</p>	<p>Age: 35 Years</p> <p>Academic and Professional Qualification-</p> <ul style="list-style-type: none"> • <i>Master's Degree –Environmental Planning and Management (ongoing)</i> • <i>Bachelor's Degree in Urban and Regional Planning</i> <p>Work Experience</p> <ul style="list-style-type: none"> • <i>2012-2022 –Physical Planning Officer</i> • <i>March 2022- May 2023 – Municipal Manager Municipality of Awendo</i> • <i>May 2023-Date Municipal Manager Rongo Municipality</i>
<p>2. Manager 2</p>  <p>CPA Benard O. Odero</p>	<p>Age: 42 years</p> <p>Educational Qualification-Bachelor of Commerce (Accounting Option)</p> <p>Professional Qualification-Certified Public Accountant of Kenya</p> <p>Work Experience-18 years</p>

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<p>3. Manager 3</p>  <p>Mr. Patrick Peter Onyango</p>	<p>Age: 28 Years</p> <p>Academic and Professional Qualification-</p> <ul style="list-style-type: none"> • <i>Master's Degree –Environmental Planning and Management (ongoing)</i> • <i>Bachelor's Degree in Urban and Regional Planning</i> <p>Work Experience</p> <ul style="list-style-type: none"> • <i>2020-2022 –Physical Planning Officer</i> • <i>July 2023- Date – Municipal Physical Planner- Municipality of Rongo</i>
<p>4. Manager 4</p>  <p>Evelyne A. Onyango</p>	<p>Age: 37 Years</p> <p>Academic and Professional Qualification-</p> <p>M.Sc. Environmental Management B.Sc. Environmental Studies (ResourceConservation)</p> <p>Year of experience: 10 years</p>
<p>5. Manager 5.</p>  <p>Mr Alfred Ogundo</p>	<p>Age: 35 Years</p> <p>Academic and Professional Qualification-</p> <p>CPA IV</p> <p>Year of Experience: 6 Years</p>

5. Municipality Board Chairperson's Report

The Municipality of Rongo made significant strides in improving infrastructure, governance, and environmental management during the 2023/2024 financial year, despite facing several challenges. This report outlines key achievements, challenges, lessons learned, and the way forward as we continue to enhance service delivery for the residents of Rongo.

Key Achievements

1. Opening and Graveling of Access Roads:

The Municipality focused on improving accessibility by opening and graveling key access roads across various wards. These upgrades facilitated better transport, boosting local trade and economic activities.

2. Construction of Rongo Public Recreational Park (Phase One):

The first phase of the Rongo Public Recreational Park was successfully completed, providing a vital public space for residents to gather, relax, and enjoy leisure activities. The park is part of the Municipality's broader vision for improving public amenities.

3. Installation of Waste Bins and Clean Environment Campaigns:

In efforts to maintain a clean environment, waste bins were installed in key areas, accompanied by regular waste collection and environmental cleanup drives. These initiatives improved sanitation in public spaces.

4. Community Engagement through Citizen Fora:

To foster inclusive governance, the Municipality held several citizen fora, allowing residents to participate in discussions about key projects and policies. These engagements ensured that the Municipality's priorities reflected the needs of the community.

5. Collaboration with Development Partners:

Through proposal development and engagement with various development partners, the Municipality is at the verge of securing funding and technical support for infrastructure and environmental projects. These collaborations were crucial in addressing resource gaps.

6. Strengthening Governance through Board Meetings:

The Municipal Board conducted regular meetings to enhance oversight and decision-making. The active involvement of the board has improved governance and accountability.

7. Development of By-laws:

The Municipality developed and enacted by-laws aimed at improving urban management, public order, and environmental protection, providing a legal framework for sustainable development.

Challenges

Despite the progress made, the Municipality faced several challenges:

• **Limited Financial Resources:**

Budget constraints and delays in national government disbursements slowed down the implementation of some key projects, particularly infrastructure developments.

• **Rapid Population Growth:**

The rapid urbanization of Rongo town placed immense pressure on infrastructure, housing, and public services, highlighting the need for more sustainable urban planning.

• **Waste Management Issues:**

While the installation of waste bins helped address sanitation, limited resources for waste collection and disposal, along with inadequate public awareness, continued to hinder waste management efforts.

Lessons Learned

1. Community Involvement is Essential:

Citizen fora proved effective in ensuring that residents' concerns were addressed and that the Municipality's projects aligned with their needs. Continued community engagement will be a priority.

2. Partnerships are Crucial:

Collaboration with development partners helped overcome resource constraints, especially in waste management and infrastructure development. Public-private partnerships (PPPs) will remain vital to our progress.

3. Urban Growth Needs Proactive Planning:

Rapid urbanization underscores the need for long-term urban planning to ensure infrastructure and services keep pace with population growth.

Way Forward

1. Expand Infrastructure Development:

The Municipality will continue upgrading access roads and focus on completing the next phases of the Rongo Public Recreational Park. Securing additional funding through public-

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private partnerships will be crucial.

2. Improve Waste Management:

We will increase the number of waste bins, expand collection services, and implement more public awareness campaigns on proper waste disposal practices.

3. Strengthen Governance and Community Participation:

Regular citizen fora will continue to be held to enhance community involvement. We will also prioritize the development of more by-laws and strengthen the Municipal Board's capacity to ensure governance efficiency.

4. Urban Planning and Sustainable Development:

The Municipality will develop a comprehensive urban plan to accommodate rapid population growth, ensuring sustainable land use and balanced infrastructure development.

Conclusion

The year 2023/2024 was marked by meaningful progress in key areas, laying a strong foundation for future growth. Despite the challenges faced, the Municipality of Rongo remains committed to improving infrastructure, governance, and community engagement. With continued collaboration and strategic planning, we are confident that Rongo will continue to prosper.



.....
Name: Mr. Brighton Owuor Angienda
Chairperson of the Board

6. Report of the Municipality Manager

Introduction

The Municipality of Rongo made significant progress during the 2023/2024 financial year, with notable achievements in infrastructure development, waste management, and community engagement. However, challenges such as financial constraints, technical capacity issues, and pending bills hindered full project execution. This report provides a concise overview of the year's accomplishments, challenges, and the way forward.

1. Achievements

- **Opening and Gravelling of Access Roads:**

The Municipality focused on improving transport infrastructure by opening and gravelling key access roads. This led to enhanced access to essential services and stimulated local economic activities.

- **Construction of Rongo Public Recreational Park (Phase One):**

Phase one of the Rongo Public Recreational Park was completed, providing a recreational space for the community. The park is part of the Municipality's broader vision to improve public amenities and promote social well-being.

- **Installation of Waste Bins and Clean Environment Initiatives:**

Waste bins were installed in key public areas, and regular cleanup campaigns were conducted. These efforts have significantly improved sanitation and cleanliness across the Municipality.

- **Community Engagement through Citizen Fora:**

The Municipality held regular citizen fora, engaging residents in decision-making processes. These forums have helped align municipal projects with community needs, promoting transparency and inclusive governance.

- **Collaboration with Development Partners:**

We collaborated with development partners to secure financial and technical support towards the implementation of critical projects such as infrastructure upgrades and environmental management programs.

Governance and By-laws Development:

The Municipal Board regularly convened to ensure effective governance, while new by-laws were developed to regulate urban management, public safety, and environmental

conservation.

2. Challenges

- **Delayed Financial Disbursements:**

Delays in funding from the national government slowed the implementation of key projects. This, coupled with limited municipal resources, made it difficult to meet project timelines.

- **Inadequate Technical Capacity:**

The Municipality faced challenges in project execution due to limited technical expertise in areas such as urban planning, waste management, and infrastructure development.

- **Waste Disposal Issues:**

Despite progress in waste management, inconsistent waste disposal practices by residents, especially in informal settlements, remain a persistent challenge.

- **Accumulation of Pending Bills:**

A significant challenge during the year was the accumulation of pending bills. The outstanding payments to contractors and suppliers have constrained municipal operations and weakened supplier relations.

3. Pending Bills

As of 30th June 2024, the Municipality's pending bills amounted to **KES 11,278,834**. These include payments for staff uniforms, fuel supply, waste bin installation, road maintenance, and construction of the Rongo Recreational Park. Resolving these bills is critical for restoring financial stability and maintaining trust with service providers.

4. Way Forward

- **Diversify Revenue Streams:**

The Municipality will explore new ways of generating revenue, such as reviewing business licenses and expanding public-private partnerships (PPPs), to reduce reliance on national government disbursements.

- **Capacity Building for Staff:**

Investing in technical training for municipal staff will enhance their ability to manage and execute development projects more efficiently. This includes capacity building in urban planning, waste management, and project execution.

- **Improve Waste Management:**

We plan to modernize waste management by introducing better collection systems and expanding public awareness on proper waste disposal. Partnering with private waste management companies is also being explored.

- **Digitize Municipal Operations:**

To improve efficiency and transparency, we will digitize key municipal functions such as revenue collection, waste management, and project monitoring.

5. Recommendations

- **Address Pending Bills:**

Urgent action is required to clear the pending bills through structured payment plans. This will restore credibility with contractors and ensure smooth project execution.

- **Enhance Financial Planning:**

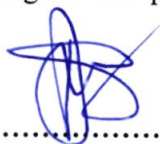
Better budget planning and execution are essential to prevent the accumulation of debts. Improved financial management will ensure that the Municipality meets its financial obligations on time.

- **Strengthen Urban Planning:**

The rapid growth of Rongo town requires a comprehensive urban master plan. This will guide sustainable land use, infrastructure development, and public services management.

Conclusion

The 2023/2024 financial year was marked by notable progress, particularly in infrastructure, waste management, and community engagement. However, challenges such as financial constraints and technical capacity issues need to be addressed to maintain momentum. With a clear focus on strengthening financial planning, capacity building, and revenue diversification, the Municipality of Rongo is well-positioned to continue delivering quality services to its residents.



.....
Name: Plan. David ORE
Municipality Manager



7. Statement of Performance Against Predetermined Objectives for The Fy 2023/2024

Introduction

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

a) Provide quality physical infrastructure

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

- Roads and transport networks
 - Water and sanitation systems
 - Street lighting
 - Public buildings and recreational facilities
 - Drainage systems
 - Waste management facilities
- Ensuring that these infrastructures are of high quality and meet the community's needs is essential for fostering economic growth and improving residents' quality of life.

b) Promote environmental management and conservation

Environmental sustainability is crucial for urban areas. This includes:

- Managing waste, including recycling and reduction strategies
 - Preserving natural resources such as parks, wetlands, and rivers
 - Controlling pollution (air, water, soil)
 - Promoting green spaces and tree planting
 - Implementing sustainable urban development policies
- The goal is to balance development with environmental stewardship.

c) promote municipal planning services

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

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

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urban growth and prevent problems like overcrowding or unplanned settlements.

d) Enhance Urban Governance and Administration

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

- Ensuring accountability, transparency, and citizen participation
- Managing municipal finances and budgets effectively
- Overseeing municipal employees and services
- Developing and enforcing local policies, laws, and regulations
- Encouraging public engagement and partnerships with stakeholders’ good governance ensures that the municipality runs efficiently and meets its social and economic obligations.

Below we provide the progress on attaining the stated objectives:

PROGRAMME NAME	Environmental Management and Conservation					
OBJECTIVE	To improve cleanliness, preserve and conserve the environment					
Outcome	Enhanced Safety and Healthier Environment					
Sub-Programme	Key Outputs	Key Performance Indicators	Targets			Remarks
			Baseline	Planned	Achieved	
Environmental Preservation, Cleaning and Conservation Services	Tree seedlings planted	No. of Tree seedlings planted	500	500	0	Funds were never appropriated for the project
	Installed waste bins	No. of waste bins installed	50	50	10	The funds were not sufficient to
						meet the target

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	Clean streets and open public spaces	Length of streets cleaned per week (km)	15	15	15	
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Programme Name	Municipal Planning Services					
Objective	To enhance land use planning, economic development and integrated planning					
Outcome	Properly guided and formalized development					
Sub-Programme	Key Outputs	Key Performance Indicators	Targets			Remarks
			Baseline	Planned	Achieved	
Policies, plans and bi-laws review and development	Approved Rongo Municipal By-laws	Existence of Rongo municipal by-law	1	1	1	The draft by laws have been prepared awaiting approval
	Revised Integrated Development Plan (IDeP) for Rongo Municipality	Existence of updated IDeP	1	1	1	The IDeP was revised as per the law
	Adopted Annual	No. of Annual	1	1	1	The AUIP was

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	Urban Investment Plan	Urban Investment Plan prepared				prepared and adopted by the Board
	Strategic plan for Rongo Municipality	Existence of Revised strategic plan	0	1	0	Project was not done due to insufficient funding

Programme Name	Infrastructure development					
Objective	To improve basic services within the municipality					
Outcome	Enhanced basic service within the municipality					
Sub-Programme	Key Outputs	Key Performance Indicators	Targets			Remarks
			Baseline	Planned	Achieved	
Infrastructural Development services	Constructed Non-Motorized (NMTs) Facilities	Length of footpaths constructed (Km)	5	5	0	There was low budgetary allocation
	Construction of Rongo Recreational Park phase I	% of Physical completion of the Recreational Park	0	100	95	The project was slowed down by litigation issues

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	Gravelling and Maintenance of Rongo Municipality Roads	Length of Roads (km) graveled and maintained	0	2	1.5	The planned target was affected by low budgetary allocation
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Programme Name	Administrative and support services					
Objective	To improve the work environment, administration and governance					
Outcome	Improved service delivery					
Sub-Programme	Key Outputs	Key Performance Indicators	Targets			Remarks
			Baseline	Planned	Achieved	
Planning, administration and governance services	Board Meeting Minutes	No. of Board Meetings held per year	4	4	4	The board held 4 ordinary meetings and 4 special meetings over the last one year
	Board Committee Meeting minutes	No. of Board Committee Meetings held per year	16	16	16	A total of 16 Board Sub-committee meetings

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

a) Sector Challenges

- **Infrastructure Deficit:** Inadequate road networks, poor drainage systems, and insufficient public amenities.
- **Limited Financial Resources:** Budget constraints limiting the execution of development projects and maintenance of existing infrastructure.

- **Waste Management:** Challenges in solid waste collection and disposal, leading to environmental degradation.
- **Urban Planning Issues:** Uncontrolled urban sprawl, lack of adherence to zoning regulations, and informal settlements.

b) **Emerging Issues**

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

c) **Lessons Learnt**

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

d) **Recommendations**

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- **Increase Budget Allocation:** Advocate for increased financial resources to support infrastructure development and maintenance.
- **Enhance Urban Planning:** Implement stricter zoning regulations and enforce urban planning guidelines to manage urban growth.
- **Strengthen Waste Management:** Invest in waste management infrastructure and promote community awareness on waste disposal.
- **Promote Environmental Conservation:** Develop and implement policies focused on environmental sustainability and climate change adaptation.
- **Leverage Technology:** Integrate technology in public service delivery and urban management to improve efficiency.
- **Boost Public Service Delivery:** Streamline processes, reduce bureaucracy, and improve responsiveness to public needs.
- **Youth Empowerment Programs:** Develop programs aimed at reducing youth unemployment through skills training and entrepreneurship support.
- **Improve Community Involvement:** Enhance mechanisms for public participation in planning and decision-making processes.

Risk Management Strategies

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

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Key Risks	Likelihood (H/M/L)	Impact (H/M/L)	Contingency Plan/ Steps to Mitigate Risk	Person(s) Responsible
Political instability and Insecurity (e.g. election unrest, terrorism etc.)	Low	High	<ul style="list-style-type: none"> Utilizing already existing county government structures, national government and other key actors 	Office of the Governor
Limited Financial Resources	Medium	High	<ul style="list-style-type: none"> Development of sustainable income generating programmes 	CEC and Chief Officer
Insufficient collaboration, cooperation and strategic partnerships with relevant stakeholders (PPP)	Medium	High	<ul style="list-style-type: none"> Enhancing partnerships with various stakeholders 	Municipality Board/ CEC
Few technical staff	Medium	High	<ul style="list-style-type: none"> Identifying, developing and retaining the requisite human resources to support the strategy implementation Provide a competitive remuneration and benefits policy 	Public Service Board
Rapid technological advancement	Medium	High	<ul style="list-style-type: none"> Integrating information and communication technologies in the processes of services provision 	Directors

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Resistance to change	Medium	High	<ul style="list-style-type: none"> • Employee engagement; highly directed, engaged, mobilized county officers • Team building for staff and the Board • Communicating the vision and strategy to all effectively 	Municipal Manager
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David Ore

**Municipal Manager
Municipality of Rongo**



8. Corporate Governance Statement

8.1 Process Of Appointment and Removal of Board Members.

Rongo municipal board members were appointed as provided for in section 11 of Urban Areas and Cities (Amendment) Act, 2019). Upon nomination the names of the nominees were forwarded to the County assembly of Migori for vetting and subsequent approval.

The removal of respective Board Members is guided by Urban Areas and Cities Act, 2011 section 18 which provides as follows:

- (1) A person may be removed from the office of chairperson, vice chairperson or a member of the board on any of the grounds provided under section 16 (a), (b), (c), (e), (f), (g), (h), (i) and (j)—*
 - (a) A person may be removed under subsection (1);*
 - (b) by the county governor;*
 - (c) by the board, supported by the vote of at least two-thirds of the members of the board; or*
 - (d) upon petition by the residents of a city or municipality.*
- (3) A resident of a city or municipality may file a writing petition with a board for the removal of a chairperson or vice chairperson.*
- (4) The procedure for the removal or petition for removal of a chairperson or vice chairperson under subsections (1) and (2) shall be provided by regulations.*

8.2 Roles and Functions of The Municipality of Rongo Board Members

Pursuant to Article 184 of the Constitution of Kenya, section 48 (1) (a) of the County Governments Act, 2012, sections 9 (1) and Section 20 of the Urban Areas and Cities Act, 2011 and section 6 of the Rongo Municipal Charter, the Governor, Migori County transferred the under listed functions to the Municipal Board of Rongo—

- (a) oversee the affairs of Municipality of Rongo;*
- (b) develop and adopt policies, plans, strategies and programmes, and set targets for delivery of services;*
- (c) formulate and implement integrated development plan;*
- (d) maintain a comprehensive database and information system of the administration and provide public access thereto upon payment of a nominal fee to be determined by the board;*

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- (e) administer and regulate its internal affairs;*
- (f) implement applicable national and county legislation;*
- (g) enter into such contracts, partnerships or joint ventures as it may consider necessary for the discharge of its functions as required under the law;*
- (h) monitor and, where appropriate, regulate municipal services where those services are provided by service providers other than the board of the municipality; (i) prepare its budget for approval by the county executive committee and administer the budget as approved;*
- (j) monitor the impact and effectiveness of any services, policies, programmes or plans;*
- (k) establish, implement and monitor performance management systems;*
- (l) facilitate and regulate public transport;*
- (m) promote a safe and healthy environment; and*
- (n) perform such other functions as may be delegated by the county government or as may be provided for by any written law. The transfer of the above functions took effect immediately.*

8.3 Induction And Training Of Municipality Board Members And Member's Performance

As at the time of establishment of the board the County government of Migori through the department of Physical Planning and urban development conducted induction exercises to board members. The induction focused on the following areas:

- Roles/functions of the Municipal Board
- Relationship between the Municipal Board and County government departments/other devolve units
- Structure of Kenya Urban Support Program

In the financial year under review board members were taken through two trainings which focussed on formulation of By-laws and preparation of various municipal plans.

8.4 Number Of Municipality Board Meetings Held And The Attendance To Those Meetings By Members

In the financial year 2023/2024 the Rongo Municipal Board conducted a total of 8 sittings. The four ordinary meetings were done once every quarter of the year. Rongo Municipal Board also has 4 committees which include: Finance Committee, Monitoring and Evaluation Committee, Human

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Resource committee and Environment and Planning Committee.

The above four committees held one meeting every quarter of the year under review bringing a total of 16 sub-committee meetings.

8.5 Succession Plan

As per the applicable law the board of municipality shall be body corporate with perpetual succession and common seal. Each member of the board shall hold office for a term of five years, on part time basis.

8.6 Existence Of a Service Charter

Municipality of Rongo has a service charter which was gazzeted on 20th March 2020 in the Kenya Government gazette Notice Vol. CXXII—No. 5. The charter formed the basis of conferment the status of Municipality to Rongo town. The charter outlines how the operations of the municipality are undertaken.

8.7 Board Remuneration

As per the law the Board Members are not entitled to salaries since they work on part-time basis. However, the individual members are being paid sitting and lunch allowances as per the circular from Salaries & Remuneration Commission dated 27th February, 2019 Ref: SRC/TS/CG/3/61/19 (38)

9. Management Discussion and Analysis

This report provides an overview of the operational and financial performance of Rongo Municipality for the financial year ended 30th June 2024, covering key projects, statutory compliance, risks, material arrears, and other relevant information.

a) Operational and Financial Performance

Operational Performance:

During t he year, the Municipality of Rongo undertook significant projects that enhanced infrastructure, governance, and community engagement. Key operational achievements include:

- **Opening and Gravelling of Access Roads:**

Several key access roads were opened and graveled, improving connectivity to markets, schools, and healthcare facilities.

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- **Construction of Rongo Public Recreational Park (Phase One):**
Phase one of the park was completed, providing a much-needed public space for recreation and social gatherings.
- **Waste Management and Environmental Initiatives:**
The installation of waste bins and regular clean-up campaigns contributed to improved public sanitation.
- **Community Engagement:**
Through regular citizen fora, the Municipality engaged residents in decision-making processes, enhancing transparency and accountability.
- **Governance and Planning:**
The Municipality developed and adopted several key documents, including the **Integrated Development Plans (IDePs)** and **Draft By-laws** aimed at improving urban management and regulation.

Financial Performance:

Despite these achievements, the Municipality faced financial challenges due to delayed disbursements from the national government, affecting project timelines. The Municipality

accumulated pending bills of **KES 11,278,834**, reflecting financial strain. Additionally, efforts were made to diversify revenue streams and secure external funding.

b) Key Projects or Investment Decisions Implemented or Ongoing

1. Development of Integrated Development Plans (IDePs):

Comprehensive planning documents were developed to guide the long-term urban development of Rongo. These plans outline priority areas, such as infrastructure, housing, and environmental sustainability.

2. Draft By-laws:

The Municipality developed draft by-laws aimed at improving urban governance, waste management, and public safety. These by-laws are pending approval and will strengthen regulatory frameworks.

3. Funding Proposal to the World Bank:

The Municipality submitted a proposal to the World Bank seeking funding for infrastructure development and waste management projects. This proposal is a key step in securing external support for critical initiatives.

4. Ongoing Construction and Waste Management Initiatives:

Phase two of the Rongo Public Recreational Park is in the planning stages, and the Municipality continues to prioritize waste management improvements through public-private partnerships.

c) Compliance with Statutory Requirements

Rongo Municipality remained compliant with statutory requirements, including financial reporting, environmental regulations, and procurement laws. The development of IDePs and by-laws aligns with national urban planning requirements, while annual financial audits were conducted to ensure accountability. However, challenges such as delayed disbursement of funds affected the timely settlement of statutory obligations.

d) Major Risks Facing the Municipality and Material Arrears

Major Risks:

1. Financial Strain and Accumulation of Pending Bills:

The accumulation of pending bills has resulted in operational delays and strained

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relationships with contractors. Resolving these arrears is a priority to maintain service delivery.

2. Urbanization Pressure:

Rapid urbanization in Rongo is exerting pressure on the Municipality's infrastructure and services, highlighting the need for comprehensive planning and resource mobilization.

3. Waste Management:

Waste management remains a challenge, with inconsistent disposal practices and insufficient public awareness posing environmental and health risks.

Material Arrears:

As of 30th June 2024, the Municipality's outstanding bills totaled **KES 11,278,834**, including payments for essential services such as road maintenance, fuel supply, waste bin installation, and recreational park construction.

e) Other Relevant Information

• **External Funding Efforts:**

The funding proposal submitted to the World Bank marks a significant effort to secure international funding for key projects. This external support is critical for addressing the Municipality's financial shortfalls.

• **Public-Private Partnerships:**

The Municipality is exploring public-private partnerships (PPPs) to improve service delivery, particularly in waste management and infrastructure development.

• **Urban Sustainability Initiatives:**

The ongoing development of green spaces, such as the Rongo Public Recreational Park, reflects the Municipality's commitment to sustainability. Plans to enhance waste recycling efforts and promote eco-friendly practices are underway.

Conclusion

Rongo Municipality made significant progress in infrastructure, governance, and community engagement during the 2023/2024 financial year. However, financial constraints, pending bills, and rapid urbanization pose ongoing challenges. Moving forward, the Municipality will focus on resolving financial obligations, diversifying revenue sources, and strengthening urban planning to ensure sustainable growth.

10. Environmental And Sustainability Reporting

i) Sustainability Strategy and Profile

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

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

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

ii) Environmental Performance

Environmental Policy and Practices:

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

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Successes:

- Installation of waste bins across key areas in the Municipality improved waste collection efficiency.
- Completion of phase one of the Rongo Public Recreational Park added much-needed green space, promoting biodiversity and enhancing urban aesthetics.
- Regular clean-up campaigns were conducted in collaboration with local communities, reducing littering and illegal dumping.

Shortcomings:

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

Efforts to Manage Biodiversity:

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

Waste Management Policy:

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

iii) Employee Welfare

Hiring and Gender Ratio:

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

Skills Development and Career Management:

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

Occupational Safety and Health:

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

iv) Market Place Practices

a) Responsible Competition Practices:

The Municipality of Rongo operates with a strong commitment to transparency and integrity in its business dealings. Anti-corruption policies are strictly enforced, with regular audits conducted to ensure accountability. The Municipality also avoids involvement in political activities and promotes fair competition in public tenders and procurement processes.

b) Responsible Supply Chain and Supplier Relations:

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

c) Responsible Marketing and Advertisement:

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

d) Product Stewardship:

Rongo Municipality is committed to safeguarding the rights of its residents by ensuring that public services are delivered efficiently and that consumer feedback is incorporated into service

improvements. This stewardship includes maintaining public infrastructure, promoting environmental sustainability, and ensuring the well-being of the community.

v) Community Engagements

Community Social Responsibility (CSR):

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

- **Clean-up campaigns:**

The Municipality organized several clean-up exercises in collaboration with local youth groups and community organizations, contributing to cleaner streets and public spaces.

- **Education and Training Programs:**

The Municipality partnered with local educational institutions to offer training on environmental conservation, waste management, and sustainable urban development.

- **Healthcare and Sanitation Initiatives:**

In collaboration with local health centers, the Municipality ran public health campaigns focusing on sanitation and disease prevention, improving community health outcomes.

Sports and Youth Empowerment:

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

Water and Sanitation:

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

Conclusion

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

urban future.

11. Report Of the Municipality Board Members

Principal activities

The principal activities of the Municipality are as contained in the section 20 of Urban areas and Cities Act, 2011 and Rongo Municipal Charter

Performance

The performances of the Municipality for the year ended June 30, 2024 are set out under the report of the Municipal Manager.

Board Members

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

Board Members

1. Brighton Angienda- Chairperson
2. Faith Ooko- Vice Chairperson
3. Zaccary Onyango- Member
4. Winnie Ogola- Member
5. Joel Nyauche- Member
6. Jack Owuor- Member
7. Margret Omolo- Member
8. County Executive Committee Member in charge of Urban Development
9. County Chief Officer in charge of Urban Development
10. David Ore- Municipal Manager.

Auditors

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

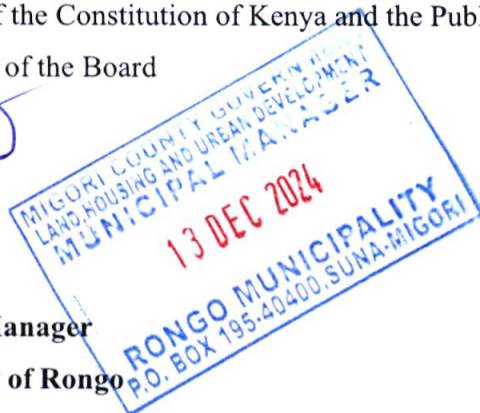
OR By Order of the Board



David ORE

Municipal Manager

Municipality of Rongo



12. Statement Of Management's Responsibilities

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

The Rongo Municipality manager is responsible for the preparation and presentation of the Municipality's financial statements, which give a true and fair view of the state of affairs of the Municipality for and as at the end of the financial year ended on June 30, 2024. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of Rongo Municipality, (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) Safeguarding the assets of Rongo Municipality, (v) Selecting and applying appropriate accounting policies, and (vi) Making accounting estimates that are reasonable in the circumstances.

The Rongo Municipality Manager accepts responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and *Urban Areas and Cities Act No. 13 of 2011*. The Rongo Municipality Manager is of the opinion that the financial statements give a true and fair view of the state of Municipality's transactions during the financial year ended June 30, 2024, and the financial position as at that date.

The Rongo Municipality Manager further confirms the completeness of the accounting records which have been relied upon in the preparation of financial statements as well as the adequacy of the systems of internal financial control. In preparing the financial statements, the Municipality Manager has assessed the Rongo Municipality's ability to continue as a going concern and disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements.

**County Government of Migori
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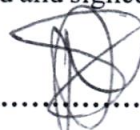
Nothing has come to the attention of the Rongo Municipality Manager to indicate that the Municipality will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

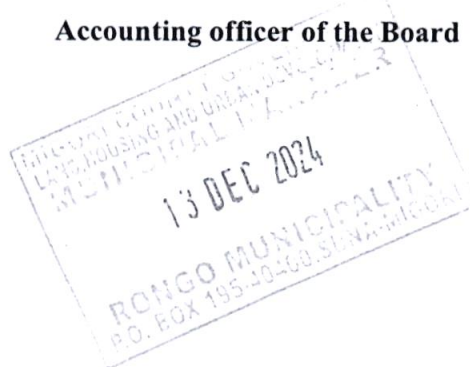
The Rongo Municipal financial statements were approved by the Board and signed on its behalf by:



.....
Name: Mr. Brighton Owuor Angienda
Chairperson of the Board

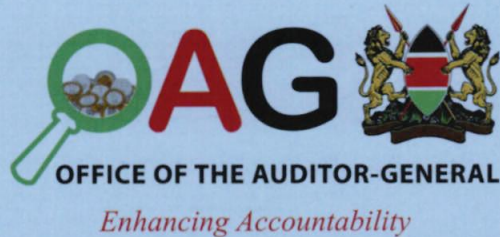


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Name: Plan David ORE
Accounting officer of the Board



REPUBLIC OF KENYA

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Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON MUNICIPALITY OF RONGO FOR THE YEAR ENDED 30 JUNE, 2024

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, risk management environment and the internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of the Municipality of Rongo set

Report of the Auditor-General on Rongo Municipality for the year ended 30 June, 2024

out on pages 1 to 24, which comprise the statement of financial position as at 30 June, 2024, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Municipality of Rongo as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards and comply with Universities Act, 2012 and Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Non-Compliance with the Prescribed Financial Reporting Framework

The statement of comparison of budget and actual amounts reflects total expenditure of Kshs.13,733,214, while the statement of financial performance indicates total expenses of Kshs.22,149,675, resulting in a variance of Kshs.8,416,461. However, Management did not provide a reconciliation as a budget note to explain this variance as required by the prescribed reporting template. This is contrary to Section 164(3) of the Public Finance Management Act, 2012, which states that the accounting officer shall prepare the financial statements in a form that complies with relevant accounting standards prescribed and published by the Accounting Standards Board from time to time.

In the circumstances, the financial statements do not comply with the accounting standards as prescribed by the Public Sector Accounting Standards Board. Further, Management was in breach of the law.

2. Inaccuracies and Unsupported Amount in the Financial Statements

The Statement of comparison of budget and actual amounts reflect nil actual amount in respect of development expenditure, while the statement of cash flows and Note 9 to the financial statements show cash flows from investing activities or additions during the year of Kshs.17,305,240, resulting in an unreconciled variance of negative Kshs.(17,305,240).

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

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects revenue and expenditure budget amount of Kshs.17,544,625 and actual receipts and expenditure amount of Kshs.13,733,214, resulting in under-performance of Kshs,3,811,411, or 22% of the budget. Similarly, the statement reflects development expenditure budget of Kshs.10,346,227 which was not received during the year.

The under-performance adversely affected delivery of services to the residents of Rongo Municipality.

My opinion is not modified in respect of these matters.

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. Except for the matters described in the Basis for Qualified opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unsupported Resolution of Prior Year Audit Matters

The Progress on Follow Up of Auditor's Recommendation section of the financial statements indicates that several issues that were raised in the report of the Auditor-General for the previous year were resolved during the appearances before the County Assembly of Migori and the Senate. However, Management has not provided evidence of implementation of the recommendations of the County Public Investment and Accounts Committee (CPIAC) contained in its report dated 26 September, 2024.

Other Information

Management is responsible for the other information set out on page iii to xix, which comprises Key Entity Municipality Information and Management, Municipality of Rongo Board, Key Management Team, Municipality Board Chairperson's Report, Report of the Municipality Manager, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Municipality of Rongo Board Members and Statement of Management's Responsibilities. The other information does not include the financial statements and my auditor's report thereon.

In connection with my audit on the Municipality's financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I

conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Failure to Transfer Functions to Rongo Municipality and Board

The statement financial performance reflects Board expenses of Kshs.4,725,000. Rongo Municipality was given a charter in 2018 and subsequently a board was constituted. Review of the functions of Rongo Municipality and the Board revealed that Gazette Notice No. 2384 of 20 March, 2020, followed by Gazette Notice 5172 of 17 November, 2023 transferred the functions of overseeing the affairs of Rongo Municipality from the County Government of Migori. However, scrutiny of the operations of the Municipality revealed that most of the functions of its functions were still being performed by the County Government as evidenced by expenditure items in the statement of financial performance,

In the circumstances, service delivery to residents of Rongo Municipality could be adversely affected.

1. Lack of Monitoring and Evaluation Framework and Reports

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

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

Further, the Board had not exercised its legislative authority by passing any Municipality

- by-laws since its establishment in March ,2023.

- In the circumstances, The County Government of Migori was in breach of the law, and the Board expenses of Kshs.4,725,000 was not justified.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

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

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

complies with the authorities which govern them, and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

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

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I also consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7 (1) (a) of the Public Audit Act, 2015.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

23 December 2024

Report of the Auditor-General on Municipality of Rongo for the year ended 30 June, 2024

County Government of Migori
Municipality of Rongo
Annual Report and Financial Statements for the year ended June 30, 2024

14. Statement of Financial Performance for The Year Ended 30 June 2024.

	Notes	2023/24	2022/23
		Kshs.	Kshs.
Revenue from non-exchange transactions			
Transfers from County Government	1	13,733,214	7,051,800
Total revenue		13,733,214	7,051,800
Expenses			
Use of Goods & Services	3	9,008,214	651,535
Board Expenses	4	4,725,000	2,509,530
Staff Cost	5	-	3,881,695
Finance Cost	6	-	7,779
Depreciation and amortization	7	8,416,461	7,082,123
Total expenses		22,149,675	14,132,662
Surplus for the period		(8,416,461)	(7,080,862)



Name: Plan David ORE
Municipality Manager




Name: CPA Benard O Odero
Head of Accounting Services
ICPAK M/No. 4925

**County Government of Migori
Municipality of Rongo
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15. Statement Of Financial Position as at 30 June 2024

	Note	2023/24	2022/23
		Kshs.	Kshs.
Assets			
Current assets			
Cash and cash equivalents	8	21,676	13,188,182
Non-Current Assets			
Property, Plant & Equipment	9	109,114,859	100,226,081
TOTAL ASSETS		109,136,535	113,414,262
Represented by			
Capital /Development Grants/Fund		95,857,632	91,718,897
Accumulated Surplus		13,278,904	21,695,365
NET ASSETS		109,136,535	113,414,262

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Rongo Municipality's financial statements were approved on 27th September 2024 and signed by:

.....
Name: Plan David ORE
Municipality Manager
Date:

.....
Name: CPA Benard O Odero
Head of Accounting Services
ICPAK M/No.4925
Date:



**County Government of Migori
Municipality of Rongo
Annual Report and Financial Statements for the year ended June 30, 2024**

16. Statement Of Changes in Net Assets as at 30 June 2024

DETAILS	CAPITAL/DEVELOPMENT GRANTS/FUND	ACCUMULATED SURPLUS	TOTAL
	Kshs	Kshs.	Kshs.
Balance as at 01 July 2022	-	28,776,227	28,776,227
Surplus/(deficit) for the period	-	-	-
Funds received during the year	90,731,975	-	90,731,975
Balance as at 30 June 2022	90,731,975	28,776,227	119,508,202
Surplus/(deficit) for the period	-	(7,080,862)	(7,080,862)
Funds received during the year	1,194,559	-	1,194,559
Transfer to Rongo Municipality	(207,637)	-	(207,637)
Balance as at 30 June 2023	91,718,897	21,695,365	113,414,262
Surplus/(deficit) for the period	-	(8,416,461)	(8,416,461)
Funds received during the year	-	-	-
Transfer/adjustments Inter bank account- Receipts/payments	4,138,735	-	4,138,735
Balance as at 30 June 2024	95,857,632	13,278,904	109,136,536

County Government of Migori
Municipality of Rongo
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17. Statement of Cash Flows for The Year Ended 30 June 2024

	Note	2023/24	2022/23
		Kshs.	Kshs.
Cash flows from operating activities			
Receipts			
Transfers from County Government		13,733,214	7,051,800
Public Contributions and Donations		-	1,194,559
Transfer/adjustments-Inter account transfer		4,138,735	-
Total Receipts		17,871,949	8,246,359
Payments			
Use of Goods & Services		9,008,214	651,535
Board Expenses		4,725,000	2,509,530
Staff Cost		-	3,881,695
Finance Cost		-	7,779
Total Payments		13,733,214	7,050,539
Net Cash flows from operating activities	10	4,138,735	1,195,820
Cash flows from investing activities			
Property Plant and Equipment		17,305,240	(25,611,015)
Transfer To Awendo		-	(207,637)
Net cash flows used in investing activities		17,305,240	(25,818,652)
Net increase/(decrease) in cash and cash equivalents		(13,166,505)	(24,622,832)
Cash and cash equivalents at 1 July 2023	8	13,188,181	37,811,013
Cash and cash equivalents at 30 June 2024	8	21,676	13,188,181

.....
Name: Plan David ORE
Municipality Manager
Date: 27th September 2024



.....
Name: CPA Benard O Odero
Head of Accounting Services
ICPAK M/No.4925
Date: 27th September 2024

18. Statement of Comparison of Budget & Actual Amounts for The Year Ended 30 June 2024

	Originalbudget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	
	A	b	c= (a+b)	d	e=(c-d)	f=d/c
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	
Transfers from County Government	17,544,625	-	17,544,625	13,733,214	3,811,411	78%
Public Contributions and Donations	-	-	-	-	-	
Total income	17,544,625	-	17,544,625	13,733,214	3,811,411	78%
Expenses						
Use of Goods & Services	12,641,825	-	12,641,825	9,008,214	3,633,611	71%
Board Expenses	4,902,800	-	4,902,800	4,725,000	177,800	96%
Staff Cost	-	-	-	-	-	#DIV/0!
Finance Cost	-	-	-	-	-	#DIV/0!
Total expenditure	17,544,625	-	17,544,625	13,733,214	3,811,411	78%
Surplus for the period	-	-	-	-	-	
Development Expenditure	10,346,227	-	10,346,227	-	10,346,227	0%

NOTES: Reasons for percentage (%) utilizations of 78% for transfers from the County Government; 71% for use of goods and services; and 0% for development expenditure, which are all below 90%: Major reason is non and late disbursements of funds from national treasury making it difficult to execute the activities as planned

**County Government of Migori
Municipality of Rongo
Annual Report and Financial Statements for the year ended June 30, 2024**

19. Notes To the Financial Statements

1. General Information

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

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

2. Statement of Compliance and Basis of Preparation

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

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

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

3. Application of New and revised standards (IPSAS)

4. Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair

County Government of Migori

Municipality of Rongo

Annual Report and Financial Statements for the year ended June 30, 2024

value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the *Entity* and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that has been acquired using such funds.

b) Property, plant and equipment

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

During the financial year 2023/2024, the depreciation was applied on the carrying cost at the rate of 2.5% for roads and related expenses and 12.5% on equipment totaling to Ksh 8,416,461

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

County Government of Migori
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year end.

c) Inventories

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

Raw materials: purchase cost using the weighted average cost method

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

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

d) Provisions

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

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e) Changes in accounting policies and estimates

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

f) Cash and cash equivalents

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

g) Comparative figures

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

h) Events after the reporting period

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

Two types of events can be identified:

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

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

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

i) Currency

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

5. Significant judgments and sources of estimation uncertainty

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

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or liability affected in future periods.

State all judgements, estimates and assumptions made.

Estimates and assumptions.

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

Useful lives and residual values

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

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

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Annual Report and Financial Statements for the year ended June 30, 2024
Notes To the Financial Statements

1. Transfers from the County Government

Description	2023/24	2022/23
	Kshs.	Kshs.
Transfers from County government for re -current use	13,733,214	7,051,800
Total	13,733,214	7,051,800

(a)Transfers from County Government entities

Name Of the Entity Sending the Grant	Amount recognized to Statement of financial performance* Kshs	Amount deferred under deferred income Kshs	Amount recognised in capital fund.	Total grant income during the year	2022/2023
			Kshs	Kshs	Kshs
Migori County Department of Finance and Economic Planning	13,733,214	-	-	-	13,733,214
Total	13,733,214	-	-	-	13,733,214

2. Public Contributions and Donations

Description	2023/24	2022/23
	Kshs.	Kshs.
Donation from development partners - KUSP-27/06/2023	-	1,194,559
Total	-	1,194,559

3. Use of Goods and Services

Description	2023/24	2022/23
	Kshs.	Kshs.
Utilities, supplies and services -communication	78,100	38,200
Domestic travel and subsistence	4,620,000	145,000
Field allowance	1,377,090	-
Printing services	430,318	91,855
Training expenses	20,000	-
Hospitality supplies and services	942,120	201,000
Office news paper	62,970	26,500
Sundry expenses	70,480	-
Office general supplies and services	1,402,980	148,980

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Bank Charges	4,156	-
Total	9,008,214	651,535

4. Board expenses

Description	2023/24	2022/23
	Kshs.	Kshs.
Sitting allowances	2,732,500	1,195,500
Induction and Training	1,691,500	760,530
Travel and Transport cost	301,000	127,000
Accommodation	-	426,500
other allowances-field allowances	-	-
Total	4,725,000	2,509,530

5. Staff Cost

Description	2023/24	2022/23
	Kshs.	Kshs.
Casual wages/cost		3,881,695
Total	-	3,881,695

6. Finance Cost

Description	2023/24	2022/23
	Kshs.	Kshs.
Bank Charges	-	7,779
Interest on Bank overdrafts	-	
Interest on loans from banks	-	
Total	-	7,779

7. Depreciation and amortization

Description	2023/24	2022/23
	Kshs.	Kshs.
Property, plant and equipment	8,416,461	7,082,123
Intangible assets	-	-
Investment property carried at cost	-	-
Total depreciation and amortization	8,416,461	7,082,123

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NOTE:

The total depreciation charge for the year was totaling to Ksh. 8,416,461 distributed as below: -

S/No	Asset	Value as at 30th June 2024	Rate (%)	Value
1	Solar Installation	51,861,231	12.5	6,482,654
2	Road Construction	71,602,193	2.5	1,790,055
3	Equipment	1,150,020	12.5	143,753
TOTAL				8,416,461

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Municipality of Rongo
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8.Cash and cash equivalents

Description	2023/24	2022/23
	Kshs.	Kshs.
Current account	21,676	13,188,182
Total cash and cash equivalents	21,676	13,188,182

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

Description	2023/24	2022/23
	Kshs.	Kshs.
Current account-1250198321	576	4,946,227
KCB Current A/C-1272575330	-	1,261
Retention Account-1316544486	21,100	8,240,694
Total cash and cash equivalents	21,676	13,188,182

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9. Property, Plant and Equipment

	SOLAR INSTALLATIO N	ROAD CONSRUCTIO N	EQUIPMEN T	TOTAL
Description	Shs	Shs	Shs	Shs
As at s at 01 July 2021	-	-		
Additions during the year 2021/2022	35,723,499	45,973,690	-	81,697,189
As at 30th June 2022	35,723,499	45,973,690	-	81,697,189
Additions during the year 2022/2023	8,270,676	17,340,339	-	25,611,015
As at 30th June 2023	43,994,175	63,314,029	-	107,308,204
Additions during the year 2023/2024	7,867,056	8,288,164	1,150,020	17,305,240
As at 30th June 2024	51,861,231	71,602,193	1,150,020	124,613,444
Depreciation and impairment				
At 01 July 2022	-	-		-
Depreciation for the year	5,499,272	1,582,851	-	7,082,123
As at 30th June 2023	5,499,272	1,582,851	-	7,082,123
Depreciation for the year	6,482,654	1,790,055	143,753	8,416,461
As at 30th June 2024	11,981,926	3,372,906	143,753	15,498,584
NBV as at 30th June 2023	38,494,903	61,731,178	-	100,226,081
NBV as at 30th June 2024	39,879,305	68,229,287	1,006,268	109,114,860

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10. Cash generated from operations

Description	2023/24	2022/23
	Kshs.	Kshs.
Surplus/ (deficit) for the year before tax	(8,416,461)	-
Adjusted for:		
Depreciation	8,416,461	-
Amortisation	-	-
Gains/ losses on disposal of assets	-	-
Transfer/adjustments-Inter bank account-Receipts	4,138,735	-
Working Capital adjustments		
Increase in inventory	-	-
Increase in receivables	-	-
Increase in payables	-	-
Net cash flow from operating activities	4,138,735	-

**County Government of Migori
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Annual Report and Financial Statements for the year ended June 30, 2024**

20. Appendices

Appendix 1. Progress on Follow up of Auditors Recommendations.

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
I. Budgetary Control and Performance	The statement of comparison of budget and actual amount reflects revenue budget and actual on comparable basis amounts of Kshs. 75,756,304 and Kshs. 45,849,736 respectively, resulting in an underfunding of Kshs. 29,906,568 or 39% of the budget. Similarly, the Municipality spent Kshs. 32,661,554 out of the approved	The Management noted the Auditor's observation and wishes to state that the underfunding was due to partial donor funding and late Exchequer disbursement. In addition, the unspent funds was intended for completion of Road Construction which was completed and paid for in the subsequent year.	Resolved during appearance before the County Assembly of Migori and the Senate.	N/A

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Annual Report and Financial Statements for the year ended June 30, 2024**

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>expenditure budget of Kshs. 75,756,304, resulting in an under-expenditure of Kshs. 43,094,750 or 57% of the budget.</p> <p>The underfunding and under-expenditure constrained the execution of planned activities and delivery of services to the residents of Rongo Municipality.</p>			
2.0 Supply of Waste Bins and Fire Extinguishers	The statement of financial position reflects property, plant and equipment balance of Ksh 100,226,081	i. At the time of audit, the Municipal Manager had not been designated as	Resolved during appearance before the County Assembly of	N/A

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved/ Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>which, as disclosed in Note 9 to the financial statements, includes additions during the year of Ksh 25,611,015, which further, includes Ksh 1,150,020 in respect of supply of waste bins and fire extinguishers.</p> <p>Review of records provided revealed that the Tender Opening Committee members were appointed by the Director Supply Chain Management, contrary to Section 78(1) of the Public</p>	<p>an accounting officer as required by Section 148 of Public Finance Management Act, 2012. Currently, the Municipal Manager has been designated by CECM Finance as accounting officer for Rongo Municipality.</p> <p>ii. The Request for quotation complied with Sec. 106 (2)(d) of Public Procurement and Asset Disposal Act, 2015 which requires that at least three bids must be received before opening of the</p>	Migori and the Senate.	

**County Government of Migori
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Annual Report and Financial Statements for the year ended June 30, 2024**

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>Procurement and Asset Disposal Act, 2015, which stipulates that the accounting officer shall appoint the Tender Opening Committee members. Further, review of tender documents revealed that only one bidder had submitted its itemized pricing as specified in the request for quotation document. The bid documents for other two (2) bidders were incomplete as no details had been filled up,</p>	<p>quotations. In as much as the two bidders were non-responsive and should be rejected pursuant to regulations 75(1), the Act doesn't prevent the procuring entity from evaluating the other bidder. The bidder awarded conformed with Sec. 106 (3) and (4) of Public Procurement and Asset Disposal Act, 2015.</p> <p>iii. The delayed installation of the fire extinguishers was occasioned by the</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>including the itemized pricing section as required in the tender document. The two bidders were, therefore, non-responsive according to Section 79(1) of Public Procurement and Asset Disposal Act, 2015.</p> <p>In addition, physical verification conducted on 9 November, 2023 revealed that the fire extinguishers were still lying at the Municipal Manager's Office</p>	<p>robust consultations on the specific locations of installation points. The fire extinguishers have since been distributed and installed at the respective stations.</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved/ Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>and had not been distributed to various offices/ stations, almost 6 months after delivery.</p> <p>In the circumstances, the Municipality may not have achieved value for money from the expenditure of Kshs.1, 150,020.</p> <p>Also, Management was in breach of the law.</p>			
3.0 Intergovernmental Participation Agreement	The statement of comparison of budget and actual amounts reflects development expenditure of Kshs. 25,611,015 which was	The Management concurs with the Auditor's observation and wishes to state the renewal of intergovernmental participation	Resolved during appearance before the County Assembly of Migori and the Senate	N/A

County Government of Migori
Municipality of Rongo
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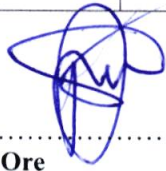
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>financed by Kenya Urban Support Programme Grant. During The year under review, it was established that the intergovernmental Participation Agreement among the Kenya Urban Support Program, The National Government of Kenya and the County Government of Migori that spelt out the terms and reference on the management of Kenya Urban support Program</p>	<p>agreement was not done. We hereby provide the financing agreement for Kenya Urban Support Program Grant for review. Further the County Government of Migori has signed a new Intergovernmental Participation Agreement for Kenya Urban Support Program II.</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved/ Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Grant signed on 6th December, 2017 expired on 6th December, 2018 and Management of Rongo Municipality Board did not provide evidence that it was renewed. In addition, the financing agreement for Kenya Urban Support Program Grant was not provided for Audit. In the circumstances, the validity and value for money on the expenditure of</p>			

**County Government of Migori
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Kshs 25,611,015 could not be confirmed.			



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Plan. David Ore
 Rongo Municipality Manager

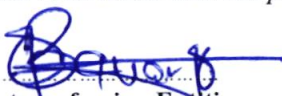
MIGORI COUNTY GOVERNMENT
 LAND, HOUSING AND URBAN DEVELOPMENT
 MUNICIPAL M.A. OFFICE
13 DEC 2024
 RONGO MUNICIPALITY
 P.O. BOX 195-40400, SUNA-MIGORI

**County Government of Migori
Municipality of Rongo
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Appendix 2: Inter Entity Transfers

MUNICIPALITY NAME: RONGO MUNICIPALITY				
Breakdown of Transfers from the County Executive of Migori County				
FY 2023/2024				
a.	Recurrent Grants	Bank Statement Date	Amount (Kshs.)	Indicate the FY to which the amounts relate
1	Office operations	24-Aug-2023	705,120	FY 2023 - 2024
2	Office operations	15-Sep-2023	706,620	FY 2023 - 2024
3	Office operations	27-Dec-2023	1,806,630	FY 2023 - 2024
4	Office operations	27-Dec-2023	1,309,000	FY 2023 - 2024
5	Office operations	23-Feb-2024	1,289,000	FY 2023 - 2024
6	Office operations	7-May-2024	904,000	FY 2023 - 2024
7	Office operations	22-May-2024	2,993,944	FY 2023 - 2024
8	Office operations	2-Jul-2024	4,018,900	FY 2023 - 2024
		Total		13,733,214

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

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



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Appendix 3: Reporting of Climate Relevant Expenditures

Name of the Organization: Rongo Municipality
 Telephone Number: 0712701042
 Email Address: oredavid92@gmail.com
 Name of CEO/MD/Head: David Ore

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		
									Kenya
Proposed Construction of Rongo Public Recreational Park Phase I	Construction of Perimeter Wall and Gate	-To provide space for recreation and improvement of aesthetics - To enhance nature-based solution to climate change	Site clearance, Cuts and fills, Culverts and drainage works, sub base and base works	0	0	0	4,516,634	County Treasury	None

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Appendix 4: Trial balance for the year ended June 2024

	DEBIT	CREDIT
	KES	KES
Property Plant & Equipment	109,114,860	-
	-	-
Cash & Cash Equivalents	-	-
KCB-1316544486	576	-
KCB-1250198321	21,100	-
Reserves		-
Capital/Development Grant	-	95,857,632
Accumulated Surplus	-	13,278,904
Revenue		
Transfers from County Government-Operations	-	13,733,214
Payments	-	
Use of Goods & Services	9,008,214	-
Board Expenses	4,725,000	-
Staff Cost	-	-
Finance Cost	-	-
	-	
TOTAL	122,869,750	122,869,750