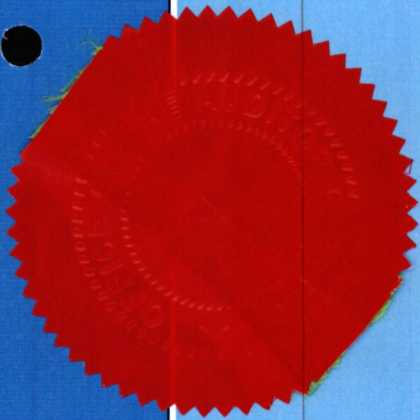


REPUBLIC OF KENYA



Enhancing Accountability



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REPORT

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

OF

THE AUDITOR-GENERAL

ON

COUNTY ASSEMBLY OF MIGORI

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





MIGORI COUNTY ASSEMBLY

AMMENDED REPORTS AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2022**

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

MIGORI COUNTY ASSEMBLY
Reports and Financial Statements
For the year ended 30th June, 2022

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MIGORI COUNTY ASSEMBLY
Reports and Financial Statements
For the year ended 30th June, 2022

1. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The County Assembly of Migori is constituted as per the constitution of Kenya is headed by the Speaker of the County Assembly, who is responsible for the general policy and strategic direction of the Assembly. The County Assembly constitutes 57 Members of County Assembly (MCAs) elected and nominated to represent members of the public from their respective wards and various interests respectively. The MCAs are responsible for making any laws for effective performance of the County Government, approving plans and policies and playing the oversight role over the County Executive.

(b) Key Management

The Migori County Assembly's day-to-day management is under the following key organs:

| No. | Designation | Name |
|-----|---|---|
| 1. | The Speaker; | - Hon Boaz Owiti Okoth |
| 2. | The County Assembly Service Board; (July 2021 – January 2022) | - Hon Boaz Owiti Okoth-Chair CASB - Hon Nicholas Ngabia Rioba- Vice Chair CASB - Hon Brian Osodo- Member CASB - Hon Mereza Akell- Member CASB - Mr Clifford Jobando- Member CASB - Ag Clerk- Vincesia Awino – Secretary CASB |
| 3. | The County Assembly Service Board; (February 2022 - June 2022) | - Hon George Duro-Chair CASB - Hon Nicholas Ngabia Rioba- Vice Chair CASB - Hon Edward Ken Ooro- Member CASB - Hon Grace Anyango- Member CASB - Hon. Christopher Onanda- Member CASB - Ag Clerk- Vincesia Awino – Secretary CASB |
| 4. | The Clerk; and | - Ag Clerk- Vincesia Awino – Secretary CASB |
| 5. | Heads of Departments | - Rayler Maeri Ochola – Ag. Finance Dept. (Feb 2022 to date) - Beryl pendo Mauko – Audit Dept. |

(c) Fiduciary Management

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

| No. | Designation | Name |
|-----|---------------------------|--|
| 1. | Accounting Officer- Clerk | - Ag Clerk- Vincesia Awino – Secretary CASB |

MIGORI COUNTY ASSEMBLY
Reports and Financial Statements
For the year ended 30th June, 2022

| No. | Designation | Name |
|------------|---------------------------|---|
| 2. | Principal Finance Officer | Ag. PFO – Rayler Maeri Ochola (Feb 2022 to date) |

KEY ENTITY INFORMATION AND MANAGEMENT (CONTINUED)

(d) Fiduciary Oversight Arrangements

Here, provide a high-level description of the key fiduciary oversight arrangements covering (say):

- Internal Auditor - **Beryl Pendo Mauko**
- Migori County Assembly Budget & Appropriation Committee
- Migori County Assembly Finance committee.
- Migori County Assembly CPIAC

(e) Migori County Assembly Headquarters

- (f) P.O. Box 985-40400 Suna-Kenya
- (g) ISOLATED BUILDING
- (h) Migori Level 4 hospital-Highway

NAIROBI, KENYA

(i) Migori County Assembly Contacts

Telephone: (254) 0720801559
E-mail: www.migorica.go.ke
Website: www.migoricountyassembly.go.ke

(j) Migori County Assembly Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya
2. KCB Bank(K) ltd
Migori Branch

(k) Independent Auditor

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

NAIROBI, KENYA

(l) Principal Legal Adviser

The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

MIGORI COUNTY ASSEMBLY
Reports and Financial Statements
For the year ended 30th June, 2022

2. FORWARD BY THE CLERK OF THE ASSEMBLY

2.1 Budget performance

Migori county assembly, defined by key constitutional mandate has largely recurrent budget estimate, Migori county assembly participates in non-core development for infrastructural development. During the financial year ended 30th June 2022, Migori County Assembly's recurrent approved budget estimate was Kshs. 863,510,576. the actual exchequer issuer was KES 863,485,900, 99.9% recurrent budget funding. Migori County Assembly's Development approved budget estimate was Kshs. 81,637,254, 0.00%. It's worth noting that during the financial year under review, Migori County Assembly didn't receive any exchequer issuer. In addition, Migori County Assembly received additional imprest on special request from the county treasury for Kshs. 8,084,862 on special definite need.

2.2 Operational Performance

Migori County Assembly had defined key delivery units in its programmes for the financial year 2021/2022; these programmes were largely realized, due to delay in exchequer funding for the first quarter 2021/2022, there were relocation of funds to meet operational needs as approved by the Migori County Assembly Service Board.

2.3 Performance of key development projects

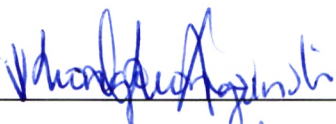
Migori County Assembly Development projects were accomplished as per the procurement plan for 2021/2022 FY, with key projects i.e. Installation of Biometric system, Installation of Enterprise Resource Planning Information system which are fully operational

2.4 Comment on value-for-money achievements

The fiduciary oversight arrangements and the internal control systems, ensured compliance for value for money. The county assembly hired audit committee members to strengthen the internal audit department.

2.5 Challenges and Recommended Way Forward

The key challenges during the financial year were;
Inadequate Migori county Assembly's' motor vehicles,
Inadequate office space for the personnel and MCAs
Lack of strategic plan for the realization of the strategic objectives for the County Assembly
Delayed funding during the 1st quarter 2021/2022 financial year.
Litigation cases against the secretariats and CASB Members.

Sign:  _____

Name: VINCENTIA ARONO KIONGE
Clerk of the County Assembly

**3. STATEMENT OF PERFORMANCE AGAINST COUNTY ASSEMBLY
PREDETRMINED OBJECTIVES**

Introduction

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

Migori County Assembly is a key County Government arm mandated to provide effective representation, oversight and legislation. In order to achieve this, Migori County Assembly must ensure development and implementation of programs aligned with its Vision and Mission and as well in line with Kenya’s Vision 2030.

Over the last period, Migori County Assembly made Key achievements which include i.e. Fencing of MCA offices as well as Construction of Gatehouses for the same all of which are completed, Installation of Biometric system, Installation of Enterprise Resource Planning Information system, Setting up of key Committees among others.

In the FY 2021/2022, Migori county Assembly key delivery programmes were achieved as follows;

PROGRAMME OBJECTIVE

| Programme | Objectives |
|---|---|
| CP: 1 General administration and supportive service | To promote performance and strengthen independency in County Assembly’s management for effective and efficient service delivery |
| CP:2Oversight management services | To safeguard a transparent and accountable system for all county government sector |
| CP:3 Legislative services | To foster economic, social, political and cultural development of Migori County through effective legislation |
| CP: 4 Representation | To improve Public Participation in County Governance |

12.2 Summary of Programmes, Outputs and Performance Indicators

**PART E: SUMMARY OF PROGRAMMES OUTPUTS AND PERFORMANCE
INDICATORS FOR 2021-2022/2023**

**PROGRAMME: CP 1 GENERAL ADMINISTRATION PLANNING AND SUPPORT
SERVICES:**

MIGORI COUNTY ASSEMBLY
Reports and Financial Statements
For the year ended 30th June, 2022

| OUTCOME: Efficiency and Effectiveness in Service Delivery | | | | | |
|--|---|---|--------------------------|--------------------------|--------------------|
| SUB-PROGRAMME: CSP1 .1 GENERAL ADMINISTRATION SUPPORTIVE SERVICES | | | | | |
| Delivery Unit | Key outputs | Key performance indicators | Targets 2021/2022 | Outcome 2021/2022 | Performance |
| HUMAN RESOURCES | Employees Recruited | No of Staff Recruited | - | - | - |
| | Staff Trained | No of Staff trained | 70 | 70 | 70 |
| | Mortgage and Car loan facility for each County Assembly Members and Staff | No of Car loan and Mortgages implemented | 58 | 58 | 58 |
| | MCAs and Members of Staff Medical Insurance Cover | No of MCAs and Staff Covered | 128 | 128 | 128 |
| ADMINISTRATION | Purchase of Motor Vehicles | No of vehicles purchased | - | - | - |
| | Motor Vehicles Insurance Cover | No of Vehicles Covered | 9 | 9 | 9 |
| | Speakers Residence Constructed | No of Speaker's residence Constructed | - | - | - |
| | MCAs Offices Constructed | No of MCAs Offices Constructed | 0 | 0 | 0 |
| | Incomplete and Stalled Offices Completed | No of Incomplete and Stalled Projects Completed | 0 | 0 | 0 |
| | MCAs Offices Fenced | No of MCAs Fenced | 3 | 3 | 3 |
| | County Assembly constructed | Modern county Assembly Constructed and Equipped | - | - | - |

MIGORI COUNTY ASSEMBLY
Reports and Financial Statements
For the year ended 30th June, 2022

| | | | | | |
|-----|---|---|---|---|---|
| | County Assembly Cafeteria Operationalized | No of County Assembly Cafeteria Operationalized | - | - | - |
| ICT | Installation of Biometric system | Installation of Biometric system | 1 | 1 | 1 |
| | ERP information system | ERP information system | 1 | 1 | 1 |

PROGRAMME: CP 2: OVERSIGHT MANAGEMENT SERVICES

| Delivery Unit | Key outputs | Key performance indicators | Targets 2020/2021 | Outcome 2020/2021 | Performance |
|---|--------------------|---|-------------------|-------------------|-------------|
| OUTCOME: INFORMED LEGISLATIVE INSTITUTION COMMITTED TO ITS PURPOSE IN LINE WITH THE CONSTITUTION | | | | | |
| SUB-PROGRAMME: CSP 2.1: COMMITTEE MANAGEMENT SERVICES | | | | | |
| COMMITTEE ACTIVITIES | Spot Checks | No of committee spot checks carried out | 42 | 42 | 42 |
| | Committee Meetings | No of committee meetings attended | 1540 | 1540 | 1540 |
| | Report Writing | No of Reports Written | 44 | 44 | 44 |
| | Capacity Building | No of Capacity Building forums attended | 44 | 44 | 44 |
| | Benchmarking | No of Benchmarking trips attended | - | - | - |

PROGRAMME: CP: 3 REPRESENTATIONS

| Delivery Unit | Key outputs | Key performance indicators | Targets 2021/2022 | Outcome 2021/2022 | Performance |
|--|-------------|----------------------------|-------------------|-------------------|-------------|
| OUTCOME: PUBLIC PARTICIPATION IN COUNTY GOVERNANCE. | | | | | |
| SUB-PROGRAMME: CPS 3.1: REPRESENTATION | | | | | |

MIGORI COUNTY ASSEMBLY
Reports and Financial Statements
For the year ended 30Th June, 2022

| | | | | | |
|---------|---------------------------|----------------------------------|-----|-----|-----|
| PLENARY | Plenary sittings attended | No of plenary sittings attended | 144 | 144 | 144 |
| | Special Sittings | No of Special Sittings attended | 6 | 6 | 6 |
| | Ad Hoc Committees | No of Ad Hoc Committees Attended | 5 | 5 | 5 |
| | Petitions | No of Petitions forwarded | 15 | 15 | 15 |

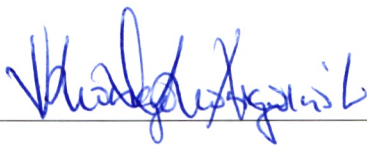
PROGRAMME: CP: 4 LEGISLATIVE SERVICES

OUTCOME: LEADING LEGISLATIVE INSTITUTION COMMITTED TO ITS OBJECTIVITY

SUB-PROGRAMME: CSP 4: LEGISLATION DEVELOPMENT AND APPROVAL SERVICES

| | | | | | |
|----------------------|----------------------|--|----|----|----|
| LEGISLATIVE SERVICES | Public Participation | No of Public Participation fora attended | 75 | 75 | 75 |
| | Bills | No of Bills formulated and Passed | 15 | 15 | 15 |
| | Vetting | No of Vetting Conducted | 25 | 25 | 25 |
| | Policies | No Policies Formulated | 20 | 20 | 20 |

Signed: _____



Clerk: _____



Migori County Assembly

4. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

Two-to-three pages

Migori County Assembly exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on our key

pillars: putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a brief highlight of our achievements in each pillar

1. Sustainability strategy and profile -

The top management especially the Clerk has put sustainable efforts, broad trends in political and macroeconomic affecting sustainability priorities, reference to international best practices and key achievements and failure.

2. Environmental performance

The environmental policy guiding Migori County Assembly as evidenced in its policy and procedure documents shall ensure success is achieved and a clear road map put in place for any shortcomings mitigations.

3. Employee welfare

Migori County Assembly has developed policies guiding the hiring process of employees and such policies consider the gender ratio and take in stakeholder engagements and are often improved. CASB efforts made improving skills and managing careers, appraisal and reward systems. The CASB has policy on safety and compliance with Occupational Safety and Health Act of 2007, (OSHA).

4. Market place practices-

Migori County Assembly outline its efforts to:

a) Responsible competition practice.

It ensures responsible competition practices with issues like anti-corruption, responsible political involvement, fair competition and respect for competitors

b) Developed Responsible Supply chain and supplier relations- and ensures employees maintains good business practices, treats its own suppliers responsibly by honouring contracts and respecting payment practices.

c) Developed Responsible marketing and advertisement-where employees maintain ethical marketing practices

Signed: _____



Clerk: Vincensia Awino Kionge
Migori County Assembly

MIGORI COUNTY ASSEMBLY
Reports and Financial Statements
For the year ended 30Th June, 2022

5. STATEMENT OF MANAGEMENT RESPONSIBILITIES

Sections 164 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting Officer of a County Government Entity to prepare financial statements in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

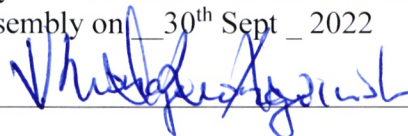
The Clerk of the County Assembly is responsible for the preparation and presentation of the County Assembly's financial statements, which give a true and fair view of the state of affairs of the County Assembly for the year ended June 30, 2022. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the County Assembly; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the County Assembly; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Clerk accepts responsibility for the County Assembly's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Clerk is of the opinion that the County Assembly's financial statements give a true and fair view of the state of the County Assembly's transactions for the year ended June 30, 2022, and of its financial position as at that date. The Clerk further confirms the completeness of the accounting records maintained for the County Assembly which have been relied upon in the preparation of the its financial statements as well as the adequacy of the systems of internal financial control.

The Clerk confirms that the County Assembly has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the County Assembly's funds received during the quarter under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Clerk confirms that the County Assembly's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The County Government's financial statements were approved and signed by the Clerk of the County Assembly on 30th Sept 2022



Name: VINCOSA M. W.

Clerk of the County Assembly

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

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

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of County Assembly of Migori set out on pages 1 to 28, which comprise the statement of financial assets and liabilities as at 30 June, 2022 and the statement of receipts and payments, statement of cash flows and statement of comparison of budget and actual amounts: recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the

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

In my opinion, 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 the County Assembly of Migori as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1.0 Unsupported Other Receipts

The statement of receipts and payments reflect Kshs.8,084,862 in respect of other receipts. As disclosed in Note 3 to the financial statements, the amount relates to other recurrent receipts from Migori County Treasury. However, a schedule supporting the balance reflects receipts amounting to Kshs.6,055,294 resulting in unexplained and unreconciled variance Kshs.2,029,568.

In the circumstance, the accuracy and completeness of other receipts could not be ascertained for the year ended 30 June, 2021.

2.0 Compensation of Employees

2.1 Payment of Salaries outside the Integrated Personnel and Payroll Database (IPPD)

The statement of receipts and payments reflects Kshs.404,243,633 in respect of compensation of employees. As disclosed in Note 4 to the financial statements, the amount includes Kshs.26,169,121 paid as basic salaries of temporary staff outside the Integrated Personnel and Payroll Database (IPPD) system. The salaries were paid through a manual system which requires manual computation of deductions by the human resource officers to arrive at a net pay and constant monthly and/or annual updates which is prone to human error. It was not clear why Management did not pay all its employees through the IPPD.

In the circumstances, the accuracy and completeness of Kshs.26,169,121 paid in respect to compensation of employees through manual processing during the year under review could not be confirmed.

2.2 Variances between Financial Statements Payroll

Included in the compensation of employees expenditure of Kshs.404,243,633 as disclosed in Note 4 to the financial statements are several allowances totalling to Kshs.116,987,365. However, review of the allowances against amounts reflected in the Integrated Personnel and Payroll Database (IPPD) payroll revealed unexplained and unreconciled variances amounting to Kshs.37,344,147 as tabulated below:

| Item | Financial Statement (Kshs.) | IPPD Amount (Kshs.) | Variance (Kshs.) |
|---|-----------------------------|---------------------|-------------------|
| Sitting Allowances | 41,424,138 | 38,780,600 | 2,643,538 |
| Special Duty Allowances | 11,107,100 | 13,731,000 | (2,623,900) |
| Responsibility Allowances | 18,965,000 | 27,141,619 | (8,176,619) |
| Transport Allowances Civil Service and MCAs | 29,553,547 | - | 29,553,547 |
| Extraneous Allowances | 15,937,580 | - | 15,937,580 |
| Total | 116,987,365 | 79,653,219 | 37,334,146 |

In the circumstances, the accuracy and completeness of Kshs.116,987,365 expenditure in respect to compensation of employees could not be confirmed.

3.0 Unsupported Expenditure on Use of Goods and Services

3.1 Domestic Travel and Subsistence

The statement of receipts and payments reflects expenditure of Kshs.465,072,483 in respect of use of goods and services. As disclosed in Note 5 to the financial statements, the expenditure includes Kshs.273,186,048 incurred on domestic travel and subsistence. However, the general ledger for the year reflected Kshs.285,037,826 resulting in unreconciled variance of Kshs.11,851,778.

As a result, the accuracy and completeness of the domestic travel and subsistence balances of Kshs.273,186,048 could not be ascertained.

3.2 Non-Residential Buildings-General Office Supplies

Note 5 to the financial statements reflects an expenditure of Kshs.465,072,483 in respect of use of goods and services which includes Kshs.7,132,447 for non-residential buildings - general office supplies. However, the expenditure was not supported by payment vouchers, local purchase order, local service order, invoices, and other relevant documents to support the amount.

In the circumstances, the accuracy and completeness of expenditure of Kshs.7,132,449 reflected in the financial statements could not be confirmed.

3.3 Non-Residential Buildings - Catering Services

The expenditure of Kshs.465,072,483 in respect of use of goods and services disclosed in Note 5 to the financial statements includes Kshs.12,022,300 incurred on non-residential buildings - catering services. However, the expenditure was not supported by payment vouchers, local purchase order, local service order, invoices, and other relevant documentary evidence.

In the circumstances, the accuracy and completeness of expenditure of Kshs.12,022,300 on non-residential buildings - catering services could not be ascertained.

3.4 General Operation Expenses

Note 5 to the financial statements reflects expenditure of Kshs.465,072,483 in respect of use of goods and services which includes Kshs.9,580,000 incurred on general operation expenses. The amount includes Kshs.4,663,757 which was not supported by payment vouchers, local purchase order, local service order, invoices, and other relevant expenditure documents.

Further, the financial statement reflected expenditure of Kshs.9,580,000 while the ledger reflected Nil balance resulting in unreconciled and unexplained variance of Kshs.9,580,000.

In the circumstances, the accuracy, completeness and validity of expenditure of Kshs.9,580,000 could not be ascertained.

3.5 Contracted Guard Allowances

The statement of receipts and payments reflects expenditure of Kshs.465,072,483 in respect of use of goods and services. As disclosed in Note 5 to the financial statements reflects Kshs.12,610,742 incurred on general operation expenses out of which, Kshs.7,610,131 was not supported by relevant expenditure documents. Further, the financial statement reflects expenditure of Kshs.12,610,000 while the ledger reflects Kshs.8,370,501 resulting in unreconciled variance of Kshs.4,240,242.

In the circumstances, the accuracy and completeness of expenditure of Kshs.12,610,742 for the year under review could not be ascertained.

4.0 Cash and Cash Equivalent

The statement of financial position reflects cash and bank balance of Kshs.4,395 as at 30 June, 2022. However, bank reconciliation statements for bank statements and cashbook balances and certificate of bank balances were not provided for audit review.

In the circumstance, the accuracy and completeness of bank balance of Kshs.4,395 as at 30 June, 2022 could not be confirmed.

5.0 Prior Year Adjustments

The statement of assets and liabilities as at 30 June, 2022 reflects negative prior year adjustments of Kshs.1,664,842. However, the adjustment was effected in the current financial year instead of prior year, contrary to paragraph 1.5.1 of the International Public Sector Accounting Standard (Cash basis) which states expenditure of Kshs.465,072,483 in respect of use of goods and services

Consequently, the accuracy, validity and completeness of the prior year adjustment of Kshs.-1,664,842 as at 30 June, 2022 could not be ascertained.

6.0 Unsupported Voided Payments

Review of the Integrated Financial Management Information System (IFMIS) system payments data revealed that 12 transactions amounting to Kshs.6,743,280 were voided during the year 2021/2022 despite having been approved by the Controller of Budget. Management indicated that the action was as a result of a Central Bank of Kenya directive

to void all pending transactions in IFMIS and Internet Banking System due to non-release of exchequer disbursements. However, the communication from Central Bank was not provided for audit review.

In the circumstances, the accuracy and regularity of voiding these transactions could not be confirmed for the year ended 30 June, 2022.

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

Emphasis of Matter

Pending Bills

Note 7.10 the financial statements on other important disclosures reflects Kshs.131,285,037 and Kshs.5,023,427 in respect of pending accounts payable and pending staff payable respectively, totalling to Kshs.136,308,464. As further disclosed in Annexures 1 and 2 to financial statements, the bills were not settled during the year under review and were carried forward to 2022/2023 financial year. However, the pending bills were not supported by source documents such as local purchase and service orders, contract documents, interim certificates, invoices, delivery notes and unpaid vouchers. In addition, had these pending bills been paid and charged to the accounts for during the year under review, the statement of receipts and payments have reflected a deficit of Kshs.136,304,069 instead of the surplus of Kshs.4,395 as shown.

In addition, Management was in breach of Regulation 50 (2) of the Public Finance Management (County Governments) Regulation, 2015 which provides that expenditure commitment for goods and services shall be controlled against spending and procurement plans approved by the responsible accounting officer, based on allocations and allotments from approved budgets.

Key Audit Matters

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

Other Matters

Unresolved Prior Year matters

In the audit report of the previous year, several matters were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, the Management has not resolved the issues or given any explanation for failure to adhere to the provisions of the Public Sector Accounting Standards Board templates.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the procedures performed, except for the matter described in the Report on Lawfulness and Effectiveness in the Use of Public Resources and basis for qualified opinion sections 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

1.0 Budgetary Control and Performance

The statement of comparison of budget and actual amounts: recurrent and development combined reflects an expenditure budget and actual on comparable basis of Kshs.863,510,576 and Kshs.871,566,367 respectively, resulting in and over expenditure of Kshs.8,055,791. The overspending was not supported by requisite approval as required by Regulation 43 (2) of Public Finance Management (County Government) Regulations, 2015 which states that County Government entities shall execute their approved budgets based on the annual appropriation legislation and the approved annual cash flow plan with the exception of unforeseen and avoidable spending dealt with through the Contingencies Fund of supplementary estimates.

2.0 Non-Compliance with the One-Third of Basic Salary Rule

Review of the Assembly payroll for the month of June 2022 revealed that at least eleven (11) employees were paid a net salary that was less than a third (1/3) of their basic pay contrary to Section 19(3) of the Employment Act, 2007 which provides that total amount of all deductions which may be made by an employer from the wages of his employee at any one time shall not exceed two-thirds of such wages.

In the circumstance, Management was in breach of its own approved policy manual

3.0 Supply and Installation of Enterprise Resource Planning

The analysis of pending accounts payables balance of Kshs.131,285,037 disclosed in Annexure 1 to the financial statements includes an amount of Kshs.36,894,960 to a contractor in respect of installation of an Enterprise Resource Planning (ERP) system. The Management had contracted a local contractor to supply and install the ERP system at a contract sum of Kshs.36,894,960 on 27 April, 2022. The scope of works involved supply, installation, configuration, customization, testing commissioning and support of an administrative ERP information system.

Review an interim certificate raised on 20 June, 2022 in respect of the works revealed that the project was at 85% completion. However, physical verification revealed that major components of the ERP such as modules, installations, customization, and configurations were ongoing. In addition, five (5) year training, maintenance and support programme had not started.

In the circumstances, the propriety and value for money of invoiced amount of Kshs.36,894,960 in respect of the project could not be confirmed.

3. Cash and Bank Operations Account

As previously reported, review of the IFMIS payment details for the year under review revealed that funds totaling Kshs.526,156,210 were transferred to the operations account held at Kenya Commercial Bank for payment of salaries and allowances, and goods and services to employees and suppliers. However, most of the payments were made through cash withdrawals contrary to Regulation 82(1) of the Public Finance Management (County Governments) Regulations, 2015 which requires all County Government bank accounts to be opened and operated at the Central Bank of Kenya except for imprest bank accounts for petty cash.

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

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

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the procedures performed, except for the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance and Basis for qualified opinion sections of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

1.0 Functioning of the County Assembly Service Board

During the year under review, the County had in place a County Assembly Service Board charged with human resource management of the Assembly. However, Management did not provide for audit review the documents supporting expenditure relating to the operations of the board including its approved budget and the sittings held during the year. In addition, review of the functioning of Migori County Assembly Service Board noted the following instances of non-compliance with the established authorities.

- i. The Board did not prepare and submit annual operations report as required by section 36(1) of the County Assembly Service Act, 2017 which provides that within three (3) months after the end of each calendar year, the Board shall prepare and lay before the county assembly, a report of its operations during that year.

- ii. The Assembly Management did not establish a County Assembly Fund as required by section 36(1) of the County Assembly Service Act, 2017 which provides that there is established for each county, a fund to be known as the County Assembly Fund.
- iii. During the year under review, there was no established Staff Advisory Committee in line with section 29 of the County Assembly Service Act, 2017 which requires the Board to establish a committee to be known as the Staff Advisory Committee which shall be responsible for advising the Board, through the Committee, on matters relating to staff.
- iv. There was no established Management Committee in line with section 28 of the County Assembly Service Act, 2017 which requires the Board to establish a committee to be known as the Management Committee which shall be responsible for advising the Board on matters relating to the functions and powers of the Board under sections 11 and 12 of the Act.

In view of the circumstances, the Board may not be able to provide services and facilities to ensure the efficient and effective functioning of the County Assembly

2.0 Internal Audit Function

2.1 Audit Committee

As previously reported, the internal audit plan and internal audit charter produced for audit review were not approved by the audit committee in line with Regulation 163 (2) (a) and (b) of the Public Finance Management County Governments Regulations 2015 which provides that, "The annual work plan developed in paragraph (1) shall be (a) submitted to the audit committee by 15th February each financial year; and (b) approved by the audit committee and shared with the Accounting Officer of that entity, in sufficient time for inclusion in the budget of that entity.

In addition, review of minutes and meeting records revealed that the audit committee met only thrice during the year under review contrary to Regulation 172.(1) Of the Public Finance Management County Governments Regulations 2015 which requires the audit committee to meet at least once in every three months. Further, the committee did not deliberate upon and adopt any reports finalized by the internal audit unit.

2.2 Staffing of Internal Audit Unit

During the year under review, the internal audit unit was only staffed with one officer against the required three as prescribed in the departmental chart. In addition, the internal audit prepared only two reports that covered on ICT and inventory management policy, and leaving out reviews on key departments of human resource, procurement and finance during the year under review.

In the circumstances, the resources of the Assembly are at risk of misuse.

3.0 Risk Management Policy and Management Framework

As previously reported, review of the risk management process revealed that the County Assembly did not have an approved risk management policy framework during the year to provide a framework for the management of risk and increase overall awareness of risk throughout the institution.

In addition, there was no documentary evidence to confirm that the assembly had conducted a risk assessment to identify the potential risk exposure, possibility of their occurrence and their mitigating strategies contrary to Regulation 158(1)(a) and (b) of the Public Finance Management (County Governments) Regulations, 2015 which provides that the Accounting Officer a county government entity shall develop risk management strategies, which include fraud prevention mechanism; and a system of risk management and internal control that builds robust business operations.”

In the circumstances, the Assembly is exposed to various unidentified risks.

4.0 Lack of Approved Staff Establishment

As previously reported, the Migori County Assembly did not have an approved staff establishment to indicate the authorized staffing levels in position for each category of employee and or any variance thereof. Further, no evidence was provided to indicate that the Assembly had carried out job evaluation to determine the staff requirements for each category contrary Paragraph B.5 (2) of the County Public Service Human Resource Manual which states that all vacancies shall be declared in a prescribed format which shall include: the number of vacancies; when the vacancy occurred; whether the vacancy is within the authorized establishment and other relevant details.

It was, therefore, not possible to ascertain whether the Assembly had engaged the optimal number of employees for all categories. In addition, the Assembly is in breach of the County Public Service Human Resource Manual.

5.0 Lack of Approved ICT Policies

During the year under review, revealed that the assembly did not have an approved ICT policy detailing standard procedures and practices that would help in protecting ICT resources and network environment. In the absence of an approved ICT policy, it was impossible to assure confidentiality and integrity of the ICT information and information systems.

In addition, Management did not use has an e-procurement module as part of IFMIS system in procurement of goods, services and works during the year under review.

6.0 Failure to Maintain an Asset Register

Annexure 4 to the financial statements reflected non-current assets with historical cost balance of Kshs.419,057,256. However, review of assets records revealed the following anomalies:

- i. Management did not maintain a fixed asset register in the prescribed format contrary to Regulation 136(1) of the Public Finance Management (County Governments) Regulations, 2015. The register in place lacked identification or serial numbers, acquisition date, description of asset, location, class and cost of acquisition. In addition, the register of land and buildings did not have a recording each parcel of land and the terms on which it is held, with reference to the conveyance, address, area, dates of acquisition, disposal or major change in use, capital expenditure, leasehold terms, maintenance contracts and other pertinent management details as required by Regulation 136(2) of the Public Finance Management (County Government) Regulations, 2015.

- ii. Management has not taken over and or reported assets and liabilities inherited from all the defunct Local Authorities.
- iii. Management had not yet to establish policies and procedures on assets management as required by Part XII of Public Finance Management (County Government) financial regulations 2015. In addition, the assets were not coded or tagged for ease of identification and tracking.
- iv. Fixed assets were not physically inspected on a regular basis to establish their conditions.

In the circumstances, it has not been possible to determine whether the Management has instituted proper mechanisms to safeguard the assets.

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

Responsibilities of Management and those charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances and for the purpose of giving an assurance on the effectiveness of the Assembly's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the County Assembly's ability to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the County Assembly to cease to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the County Assembly to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

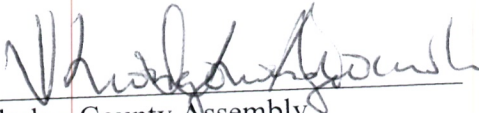
19 April, 2023

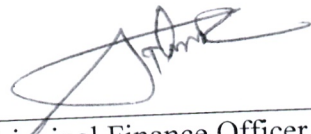
MIGORI COUNTY ASSEMBLY
Reports and Financial Statements
For the year ended 30th June, 2022

7. FINANCIAL STATEMENTS
7.1. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH
JUNE 2022

| | | 2021/2022 | 2020/2021 |
|---|------|--------------------|----------------------|
| | Note | KShs | KShs |
| RECEIPTS | | | |
| Transfers from the County Treasury/Exchequer Releases | 1 | 863,485,900 | 954,850,443 |
| Transfers from the County Treasury/Exchequer Releases (Development) | 2 | | 42,374,670 |
| Other Receipts (Recurrent) | 3 | 8,084,862 | 18,675,050 |
| TOTAL RECEIPTS | | 871,570,762 | 1,015,900,163 |
| PAYMENTS | | | |
| Compensation of Employees | 4 | 404,243,633 | 392,711,984 |
| Use of goods and services | 5 | 465,072,484 | 478,510,312 |
| Acquisition of Assets | 6 | - | 40,737,411 |
| Finance Costs | 7 | 2,250,250 | 5,206,941 |
| Other Payments | 8 | - | 97,071,779 |
| TOTAL PAYMENTS | | 871,566,367 | 1,014,238,427 |
| SURPLUS/DEFICIT | | 4,395 | 1,661,736 |

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 30th Sept 2022 and signed by:


 Ag. Clerk – County Assembly
 Assembly
 Name: Vincensia Awino Kionge

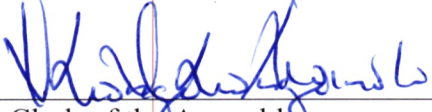

 Ag. Principal Finance Officer – County
 Name: Rayler Maeri Ochola

**MIGORI COUNTY ASSEMBLY
Reports and Financial Statements
For the year ended 30th June, 2022**

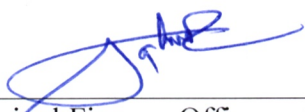
7.2. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES AS AT 30TH JUNE 2022

| | | 2021/2022 | 2020/2021 |
|---|------|------------------|------------------|
| FINANCIAL ASSETS | Note | KShs | KShs |
| Cash and Cash Equivalents | | | |
| Bank Balances | 9A | 4,395 | 1,661,736 |
| Cash Balances | 9B | - | 3,106 |
| Total Cash and cash equivalents | | 4,395 | 1,664,842 |
| Accounts receivables – Outstanding Imprests | | | - |
| TOTAL FINANCIAL ASSETS | | 4,395 | 1,664,842 |
| FINANCIAL LIABILITIES | | | |
| Accounts Payables – Deposits and retentions | - | - | - |
| NET FINANCIAL ASSETS | | 4,395 | 1,664,842 |
| REPRESENTED BY | | | |
| Fund balance b/fwd. | | 1,664,842 | 3,106 |
| Prior Year adjustments | | (1,664,842) | |
| Surplus/Deficit for the year | | 4,395 | 1,661,736 |
| NET FINANCIAL POSITION | | 4,395 | 1,664,842 |

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on __30th Sept _ 2022 and signed by:



Ag. Clerk of the Assembly
Name: Vincensia Awino Kionge



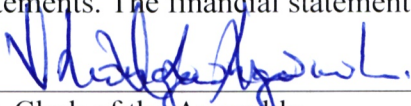
Ag. Principal Finance Officer – County Assembly
Name: Rayler Maeri Ochola

MIGORI COUNTY ASSEMBLY
Reports and Financial Statements
For the year ended 30th June, 2022

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

| | | 2021/2022 | 2020/2021 |
|--|-------------|--------------------|------------------|
| | Note | KShs | KShs |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts from operating income | | | |
| Transfers from the County Treasury/Exchequer Releases -Recurrent | 1 | 863,485,900 | 954,850,443 |
| Transfers from the County Treasury/Exchequer - Development | 2 | - | 42,374,670 |
| Other Receipts | 3 | 8,084,862 | 18,675,050 |
| Payments for operating expenses | | | |
| Compensation of Employees | 4 | 404,243,633 | 392,711,984 |
| Use of goods and services | 5 | 465,072,484 | 478,510,312 |
| Finance Costs | 7 | 2,250,250 | 5,206,941 |
| Other Payments | 8 | - | 97,071,779 |
| Adjusted for: | | | |
| Adjustments during the year | | - | - |
| Net cash flows from operating activities | | (1,660,087) | 1,661,736 |
| CASHFLOW FROM INVESTING ACTIVITIES | | | |
| Acquisition of Assets | 6 | - | 40,737,411 |
| Net cash flows from investing activities | | | |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | | (1,660,087) | 1,661,736 |
| Cash and cash equivalent at BEGINNING of the year 1 July 2021 | | 1,664,842 | 3,106 |
| Cash and cash equivalent at END of the year | | 4,395 | 1,664,842 |

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 30th Sept 2022 and signed by:


 Ag. Clerk of the Assembly
 Name: Vincensia Awino Kionge


 Ag. Principal Finance Officer – County Assembly
 Name: Rayler Maeri Ochola

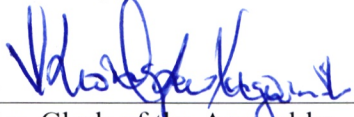
MIGORI COUNTY ASSEMBLY
Reports and Financial Statements
For the year ended 30Th June, 2022

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

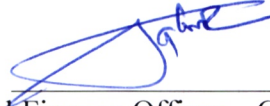
| Receipt/Expense Item | Original Budget | Adjustments | Final Budget | Actual on Comparable Basis | Budget Utilization difference | % Utilization difference |
|--|--------------------|---------------|--------------------|----------------------------|-------------------------------|--------------------------|
| | KShs | KShs | c=a+b | e=d-c | e=c-d | KShs |
| RECEIPTS | | | | | | |
| Transfers from the County Treasury/Executive Releases -req | 863,486,098 | 24,478 | 863,510,576 | 863,485,900 | 24,676 | 99.9% |
| Transfers from the County Treasury/Executive Releases-dev | - | - | - | 0.00 | - | 0.00% |
| Other Receipts | - | - | 8,084,862.00 | 8,084,862.00 | 0.00 | 100% |
| TOTAL | 863,486,098 | 24,748 | 871,595,438 | 871,570,762 | | 106.2% |
| PAYMENTS | | | | | | |
| Compensation of Employees | 374,929,310 | 109,729,868 | 484,659,178 | 404,243,633 | | 83.47% |
| Use of goods and services | 486,021,748 | (109,420,350) | 376,601,398 | 465,072,484 | | 123.67% |
| Subsidies | - | - | - | - | | |
| Other grants and transfers | - | - | - | - | | |
| Social Security Benefits | | | | | - | |
| Acquisition of Assets | 0.00 | - | - | - | - | - |
| Finance Costs | 2,545,040 | - | 2,250,000 | 2,250,250 | 0.00 | 100.01% |
| Other Payments- Car Loan & Mortgage | - | - | - | - | - | - |
| TOTAL | 863,496,098 | | 863,510,576 | 871,566,367 | | 100.9% |
| SURPLUS | | | | 4,395 | | |

MIGORI COUNTY ASSEMBLY
Reports and Financial Statements
For the year ended 30th June, 2022

The entity financial statements were approved on __30th Sept _ 2022 and signed by:



Ag. Clerk of the Assembly
Name: Name: Vincensia Awino Kionge



Ag. Principal Finance Officer – County Assembly
Name: Rayler Maeri Ochola



7.5. STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: RECURRENT FOR THE YEAR ENDED 30TH JUNE 2022

| Receipt/Expense Item | Original Budget | Adjustments | Final Budget | Actual on Comparable Basis | Budget Utilization difference | % Utilization |
|---|--------------------|---------------|--------------------|----------------------------|-------------------------------|---------------|
| | KShs | KShs | c=a+b | e=d-c | e=c-d | KShs |
| RECEIPTS | | | | | | |
| Transfers from the County Treasury/Exchequer Releases - req | 863,486,098 | 24,478 | 863,510,576 | 863,485,900 | 24,676 | 99.9% |
| Transfers from the County Treasury/Exchequer Releases-dev | - | - | - | - | - | - |
| Other Receipts | - | - | 8,084,862 | 8,084,862 | - | 100% |
| TOTAL | 863,486,098 | 24,478 | 871,595,438 | 871,570,762 | 24,676 | 106.2% |
| PAYMENTS | | | | | | |
| Compensation of Employees | 374,929,310 | 109,729,868 | 484,659,178 | 404,243,633 | | 83.47% |
| Use of goods and services | 486,021,748 | (109,420,350) | 376,601,398 | 465,072,484 | | 123.67% |
| Subsidies | - | - | - | - | | |
| Other grants and transfers | - | - | - | - | | |
| Social Security Benefits | | | | | - | |
| Acquisition of Assets | | - | | | | |
| Finance Costs | 2,545,040 | - | 2,250,000 | 2,250,250 | 0.00 | 100.01% |
| Other Payments–Car Loan& Mortgage | - | - | - | - | - | - |
| TOTAL | 863,496,098 | | 863,510,576 | 871,566,367 | | 100.9% |
| SURPLUS | | | | 4,395 | | |

MIGORI COUNTY ASSEMBLY
Reports and Financial Statements
For the year ended 30th June, 2022

The entity financial statements were approved on __30th Sept _ 2022 and signed by:



Ag. Clerk of the Assembly
Name: Vincensia Awino Kionge



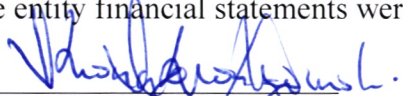
Ag. Principal Finance Officer – County Assembly
Name: Rayler Maeri Ochola

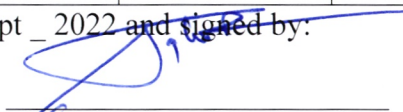
MIGORI COUNTY ASSEMBLY
Reports and Financial Statements
For the year ended 30th June, 2022

7.6. STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: DEVELOPMENT FOR THE YEAR ENDED 30 JUNE 2022

| Receipt/Expense Item | Original Budget | Adjustments | Final Budget | Actual on Comparable Basis | Budget Utilization Difference | % Utilization difference |
|--|-----------------|-------------|--------------|----------------------------|-------------------------------|--------------------------|
| | KShs | KShs | c=a+b | e=d-c | E=c-d | KShs |
| RECEIPTS | | | | | | |
| Transfers from the County Treasury/ Exchequer Releases | - | - | - | - | - | - |
| Proceeds from Sale of Assets | - | - | - | - | | - |
| Other Receipts | - | - | - | - | | - |
| TOTAL | - | - | - | | | |
| PAYMENTS | | | | | | |
| Compensation of Employees | - | - | - | - | | - |
| Use of goods and services | - | - | - | - | | - |
| Subsidies | - | - | - | - | | - |
| Transfers to Other Government Entities | - | - | - | - | | - |
| Other grants and transfers | - | - | - | - | | - |
| Social Security Benefits | - | - | - | - | | - |
| Acquisition of Assets | | | | | | |
| Finance Costs | | | | | | |
| Other Payments | | | | - | | |
| TOTAL | | | | | | |
| SURPLUS/ DEFICIT | | | | - | | |

The entity financial statements were approved on 30th Sept 2022 and signed by:


 Ag. Clerk of the Assembly
 Name: Vincensia Awino Kionge

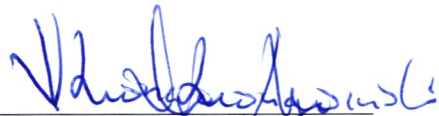

 Ag. Principal Finance Officer – County Assembly
 Name: Rayler Maeri Ochola

MIGORI COUNTY ASSEMBLY
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7.7. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES FOR THE YEAR ENDED 30 JUNE 2022

| Programme/Sub-programme | Original Budget | Adjustments | Final Budget | Actual on comparable basis | Budget utilization difference |
|--|------------------------|--------------------|---------------------|-----------------------------------|--------------------------------------|
| | KShs | KShs | KShs | KShs | KShs |
| Programme 1 | | | | | |
| General Administration and Supportive Services | 590,947,000 | 70,800,818 | 661,772,296 | 661,743,225 | 99.9% |
| General Administration and Supportive Services | - | - | 8,084,862 | 8,084,862 | |
| | | | | | |
| Programme 2 | | | | | |
| Oversight Management Services | 121,626,000 | (70,887,720) | 50,738,280 | 50,738,280 | 100% |
| Oversight Management Services | - | - | - | - | - |
| Sub-programme 3 | | | | | |
| Legislative Services | 25,520,000 | (3,520,000) | 22,000,000 | 22,000,000 | 100% |
| Legislation development and approval services | 125,393,098 | 3,606,902 | 129,000,000 | 129,000,000 | 100% |
| Grand Total | 863,486,098 | - | 871,595,438 | 871,566,367 | 99% |

The entity financial statements were approved on 30th Sept 2022 and signed by:



Ag. Clerk of the Assembly
 Name: Vincensia Awino Kionge



Ag. Principal Finance Officer – County Assembly
 Name: Rayler Maeri Ochola

7.8. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with Cash-basis IPSAS financial reporting under the cash basis of Accounting, as prescribed by the PSASB and set out in the accounting policy notes below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imperests and salary advances and b) payables that include deposits and retentions. The statement of assets and liabilities, although not a requirement of the IPSAS Cash Standard, has been included to disclose information on receivables and payables.

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

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

2. Reporting entity

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

3. Recognition of receipts and payments

a) Recognition of receipts

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

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

i) Transfers from the Exchequer/ County Treasury

Transfer from Exchequer is recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the receiving entity.

ii) Other Receipts

Other receipts relate to receipts such as tender fees among others. These are recognised in the financial statements when the associated cash is received.

b) Recognition of payments

The entity recognises all expenses when the event occurs, and the related cash has actually been paid out by the entity.

i) Compensation of employees

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

ii) Use of goods and services

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

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

iii) Acquisition of fixed assets

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment.

A fixed asset register is maintained by each public entity and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the consolidated financial statements.

4. In-kind contributions

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

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5. Third Party Payments

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

6. Cash and cash equivalents

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

Restriction on cash

Restricted cash represents amounts that are limited /restricted from being used to settle a liability for at least twelve months after the reporting period. This cash is limited for direct use as required by stipulation.

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

7. Accounts Receivable

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

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

8. Accounts Payable

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

9. Non-current assets

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

10. Pending bills

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

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

11. Contingent Liabilities

A contingent liability is:

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

Some of contingent liabilities may arise from: litigation in progress, guarantees, indemnities. Letters of comfort/ support, insurance, Public Private Partnerships. The Entity does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote. Annex 6 of this financial statement is a register of the contingent liabilities in the year.

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

12. Contingent Assets

The Entity does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements.

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SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

13. Budget

The budget is prepared on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The Migori County Assembly's budget was approved as required by Law.

14. Comparative figures

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

15. Subsequent events

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

MIGORI COUNTY ASSEMBLY
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SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

16. Errors

Material prior period errors shall be corrected retrospectively in the first set of financial statements authorized for issue after their discovery by: i. restating the comparative amounts for prior period(s) presented in which the error occurred; or ii. If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.

17. Related party transactions

Related party transactions involve cash and in-kind transactions with the National Government, National Government entities and County Government entities. Specific information with regards to related party transactions is included in the disclosure notes.

MIGORI COUNTY ASSEMBLY
Reports and Financial Statements
For the year ended 30th June, 2022

7.9. NOTES TO THE FINANCIAL STATEMENTS

1. Transfers from the County Treasury/Exchequer Releases

| | 2021/2022 | 2020/2021 |
|---|--------------------|--------------------|
| | KShs | KShs |
| Transfers from the County Treasury for Q1 | 80,000,000 | 20,000,000 |
| Transfers from the County Treasury for Q2 | 254,824,780 | 350,000,000 |
| Transfers from the County Treasury for Q3 | 255,000,000 | 152,563,191 |
| Transfers from the County Treasury for Q4 | 273,661,120 | 432,287,252 |
| Cumulative Amount | 863,485,900 | 954,850,443 |

2. Transfers from the County Treasury/Exchequer - Development

| | 2021/2022 | 2020/2021 |
|---|------------------|-------------------|
| | KShs | KShs |
| Transfers from the County Treasury for Q1 | - | |
| Transfers from the County Treasury for Q2 | | |
| Transfers from the County Treasury for Q3 | | |
| Transfers from the County Treasury for Q4 | - | 42,374,670 |
| Cumulative Amount | -- | 42,374,670 |

3. OTHER RECEIPTS

| | 2021/2022 | 2020/2021 |
|--|------------------|-------------------|
| | KShs | KShs |
| Other Receipts from Migori County Treasury (specialized) - Recurrent | 8,084,862 | 18,675,050 |
| Other Receipts -Development | | - |
| Total | 8,084,862 | 18,675,050 |

MIGORI COUNTY ASSEMBLY
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. COMPENSATION OF EMPLOYEES

| | 2021/2022 | 2020/2021 |
|--|--------------------|--------------------|
| | KShs | KShs |
| Payroll Expenses (Net salaries, statutory deductions, other allowances for permanent employees, Temporary employee wages, statutory deductions etc.) | | |
| Basic Salaries-civil service and MCAs | 205,598,826 | 169,400,811 |
| Sitting Allowances MCAs | 41,424,138 | 100,211,200 |
| House allowance Civil service | 16,730,067 | 15,768,000 |
| Special Duty allowances | 11,107,100 | 297,678 |
| Responsibility allowances MCAs | 18,965,000 | 17,322,000 |
| Pension and other social security contributions | 35,032,252 | 6,978,111 |
| Transport Allowances Civil service and MCAs | 29,553,547 | 40,498,536 |
| Extraneous allowances | 15,937,580 | 13,136,760 |
| Basic Salaries-temporary staff | 26,169,121 | 25,998,244 |
| Telephone allowances | 3,726,000 | 3,696,000 |
| Leave Allowance | 496,370 | - |
| Total | 404,243,633 | 392,711,984 |

5. USE OF GOODS AND SERVICES

| | 2021/2022 | 2020/2021 |
|---|------------------|------------------|
| | KShs | KShs |
| Utilities, supplies and services | 14,934,049 | 11,763,716 |
| Communication, supplies and services | 3,029,708 | 2,923,205 |
| Domestic travel and subsistence | 273,186,048 | 229,320,482 |
| Foreign travel and subsistence | 6,200,607 | 80,000 |
| Printing, advertising and information supplies & services, Newspapers and Periodicals | 4,879,167 | 5,495,138 |
| Rentals of produced assets | | - |
| Travel Allowances/Training expenses | 4,281,349 | - |
| Hospitality supplies and services | 31,628,154 | 16,904,780 |
| Sanitary and cleaning expenses | 6,207,863 | 9,398,410 |
| Insurance costs | 26,787,821 | 51,203,617 |
| Membership Fees & Dues, Legal Fees & Contracted Professional Services | 309,388 | 5,628,897 |

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| | | |
|--|--------------------|--------------------|
| Education and Library Activities | 700,000 | 3,874,728 |
| Legal fees and dues | 10,200,400 | 9,178,400 |
| Contracted Guard Allowances | 12,610,742 | 11,706,000 |
| General Operating Expenses | 25,554,604 | 80,040,242 |
| Fuels and Lubricants | 4,369,638 | 7,009,957 |
| Other Operating Expenses | 9,580,000 | 20,199,249 |
| Routine maintenance – vehicles and other transport equipment | 6,995,643 | 7,701,727 |
| Non-residential buildings – General Office Supplies | 7,132,449 | - |
| Non-residential buildings – Catering Services | 12,022,300 | |
| Routine maintenance – Plant and Equipment | 619,136 | 605,382 |
| Routine maintenance – Office Furniture | 1,340,132 | 2,352,710 |
| Routine maintenance – Computers, Printers and Accessories | 2,503,285 | 3,123,672 |
| Total | 465,072,483 | 478,510,312 |

MIGORI COUNTY ASSEMBLY
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. ACQUISITION OF ASSETS

| <u>Non Financial Assets</u> | 2021/2022 | 2020/2021 |
|--|------------------|-------------------|
| | KShs | KShs |
| Purchase of Buildings | | - |
| Construction of Buildings | | 20,217,728 |
| Refurbishment of Buildings | | 12,637,440 |
| Fencing Of Buildings | - | 3,370,243 |
| Construction and Civil Works | | |
| Overhaul and Refurbishment of Construction and Civil Works | | |
| Purchase of Vehicles and Other Transport Equipment | | |
| Overhaul of Vehicles and Other Transport Equipment | | |
| Purchase of Household Furniture and Institutional Equipment | | |
| Purchase of Office Furniture and General Equipment | | |
| Purchase of ICT Equipment, Software and Other ICT Assets | | 4,512,000 |
| Purchase of Specialized Plant, Equipment and Machinery | | |
| Rehabilitation and Renovation of Plant, Machinery and Equip. | | |
| CCTV Installations | | |
| Research, Studies, Project Preparation, Design & Supervision | | |
| Rehabilitation of Civil Works | | |
| Acquisition of Strategic Stocks and commodities | | |
| Acquisition of Land | | |
| Acquisition of Intangible Assets | | |
| <u>Financial Assets</u> | | |
| Domestic Public Non-Financial Enterprises | | |
| Domestic Public Financial Institutions | | |
| Total | - | 40,737,411 |

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. FINANCE COSTS

| | 2021/2022 | 2020/2021 |
|------------------------|------------------|------------------|
| | KShs | KShs |
| Bank Charges | 2,250,250 | 5,206,941 |
| Exchange Rate Losses | | |
| Other Finance costs | | |
| Interest on borrowings | | |
| Total | 2,250,250 | 5,206,941 |

8. OTHER PAYMENTS

| | 2021/2022 | 2020/2021 |
|---|-----------|-------------------|
| | KShs | KShs |
| Car Loan & Mortgage Revolving Fund-car grant | - | 82,600,000 |
| Civil Contingency Reserves | | |
| Capital Transfers to Non-Financial Public Enterprises | | |
| Capital Transfer to Public Financial Institutions and Enterprises | | |
| Capital Transfer to Private Non-Financial Enterprises | | |
| Other expenses | | |
| Pending Bills – Non Residential -taxes in arrears | | 14,471,779 |
| Total | - | 97,071,779 |

9. CASH AND BANK BALANCES

9A. BANK BALANCES

| Name of Bank, Account No. & Currency | Indicated whether recurrent or development | 2021/2022 | 2020/2021 |
|--|--|--------------|------------------|
| | | KShs | KShs |
| <i>Bank Balances B/F -1st July 2021</i> | | | |
| <i>CBK Migori County Assembly</i> | Development Acc | - | 1,637,258 |
| <i>CBK Migori County Assembly</i> | Recurrent Acc | 4,395 | 18,271 |
| <i>Migori County Assembly Operation II</i> | Commercial Bank Accs. | - | 6,206 |
| Total | | 4,395 | 1,661,736 |

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9B. CASH IN HAND

| | 2021/2022 | 2020/2021 |
|--|------------------|------------------|
| | KShs | KShs |
| Cash in Hand – Held in domestic currency | - | 3,106 |
| Cash in Hand – Held in foreign currency | | - |
| Total | 0.00 | 3,106 |

Cash in hand should be analysed as follows:

| | 2021/2022 | 2020/2021 |
|-------------------|------------------|------------------|
| | KShs | KShs |
| Petty Cash Office | - | 3,106 |
| Location 2 | | - |
| Total | - | 3,106 |

MIGORI COUNTY ASSEMBLY
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7.10. OTHER DISCLOSURES

1. PENDING ACCOUNTS PAYABLE (See Annex 1)

| | 2021/2022 | 2020/2021 |
|------------------------------|--------------------|-------------------|
| | KShs | KShs |
| Construction of Buildings | | 31,776,430 |
| Fencing of MCA Offices | 8,447,213 | |
| Installations of Biometrics | 23,796,588 | |
| ERP Systems | 36,894,960 | |
| Supply of Goods and services | 62,146,276 | |
| Total | 131,281,037 | 31,776,430 |

2. PENDING STAFF PAYABLES (See Annex 2)

| Name of Staff | 2021/2022 | 2020/2021 |
|-------------------------------------|------------------|-------------------|
| | KShs | KShs |
| Administrative Committee allowances | 5,023,427 | 59,236,050 |
| Total | 5,023,427 | 59,236,050 |

3. OTHER PENDING PAID post audit period (See Annex 3)

| | 2021/2022 | 2020/2021 |
|---|------------------|------------------|
| | KShs | KShs |
| ICT infrastructure | | |
| Amounts due to County Government entities | - | - |
| Amounts due to third parties | - | - |
| Total | - | - |

4. RELATED PARTY DISCLOSURES

Related party disclosure is encouraged under non-mandatory section of the Cash Basis IPSAS. The following comprise of related parties to the County Assembly.

- Members of County Assembly;
- Key management personnel that include the Clerk of the Assembly and heads of departments;
- The County Executive;
- County Ministries and Departments;
- Other County Government entities including corporations, funds and boards;
- The National Government;

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- Other County Governments; and
- State Corporations and Semi-Autonomous Government Agencies.

OTHER DISCLOSURES (CONTINUED)

Related party transactions:

| | 2021/2022 | 2020/2021 |
|--|------------------|------------------|
| | Kshs | Kshs |
| Compensation to Key Management | | |
| Compensation to the Speaker, Deputy Speaker and the MCAs | - | - |
| Key Management Compensation (Clerk and Heads of departments) | - | - |
| Total Compensation to Key Management | - | - |
| | | |
| <u>Transfers to related parties</u> | | |
| Transfers to other County Government Entities such as car and mortgage schemes | - | - |
| Transfers to County Corporations | - | - |
| Transfers to non-reporting entities e.g ECD centres, welfare centres etc | - | - |
| Total Transfers to related parties | - | - |
| | | |
| <u>Transfers from related parties</u> | | |
| Transfers from the County Executive- Exchequer | - | - |
| Payments made on behalf of the County Assembly by other Government Agencies | - | - |
| (Insert any other transfers received) | - | - |
| Total Transfers from related parties | - | - |

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8. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Focal Point person to resolve the issue (Name and designation) | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|---|---|--|---|--|---|
| 2.3 | Review of sampled assembly employees' personal files revealed that two (2) staff members had served in acting position for up to twenty-four (24) and thirty-eight (38) months respectively at the time of the audit in October 2021. This is contrary to Section 34(4) of the Public Commission Act 2017, which states that, "an officer may be appointed in an acting capacity for a period of at least thirty days but not exceeding a period of six months" | The CASB is in the process of staff rationalization to confirm and placement of the qualified staff on the various positions in which a gap has been identified. | Ag. Clerk | Resolved | 6 months |
| 2.2 | An audit of the Migori County Assembly payroll for the month of June 2021 revealed that a total of sixteen (16) officers were earning less than a third of their basic pay | The management has taken note and appropriate financial advisory will be done to the affected officers. | Ag. Clerk | Resolved | 6 months |
| 3 | During the year under review, the total number of employees in the County Assembly was seventy (70) out of which fifty-five (55) or 78% were members from the dominant community in the County. This is contrary to section 7(2) of the National Cohesion and Integration Act, 2008 which states that, "no public | The management has been advertising for the vacant positions but most of the applicants come from Migori County which is predominantly Luos and Kurians which makes it difficult to cancel the process. However, the management intends to | Ag. Clerk | Resolved | 6 months |

**MIGORI COUNTY ASSEMBLY
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| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Focal Point person to resolve the issue (Name and designation) | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|---|---|---|---|--|---|
| | institution shall have more than one third of its staff establishment from the same ethnic community”. | give priority to other ethnic communities who might apply in the future job adverts | | | |
| 4 | <p>Included in the use of goods and services expenditure of Kshs. 544,084,412, is an amount of Kshs. 82,600,000 in respect of car purchase grant disbursed to the Speaker and the fifty seven (57) MCAS. It was noted that the management did not convert the existing car loans into car grants as required by the provisions of the SRC circular referenced SRC/TS/COG/3/61/48 VOL.II (113) dated 9 February, 2021 and thus surpassing the County Government budget ceilings on recurrent expenditure in the financial year 2020/2021 as provided in the fourth schedule of the County Allocation of Revenue Act, 2020.</p> <p>Though, the assembly had an existing Mortgage and Car Loan Fund, it was not clear whether the Speaker and the MCAs had accessed car loan facility and their repayment status as the audited receivables balance of Kshs. 7,539,576 as at 30 June, 2020 was not supported by analyzed schedules.</p> <p>In addition, review of the available records revealed that the Assembly deducted but did not remit income tax totaling Kshs. 34,500,000 arising from the car grants to Members of the County Assembly and the Speaker in line with section 5(2)(a) of the Income Tax Act, 2010. Though the assembly</p> | <p>The management wish to state that the financial statement for the year ended 30th June 2021 presented for audit, did not have Kshs. 35,400,000 as payment to KRA on car grant tax contrary to auditor’s assertion. The management however, made commitment to Kenya revenue authority on the payment plan for the Kshs 35,400,000.</p> <p>The management further states that it complied with the controller of budget regulations that authorized the withdrawal of Kshs, 82,600,000 as car grant allowance payable to MCAs.</p> <p>The MCAs car grant allowance was handled on a case by case scenario by the controller of budget for each County Assembly. Migori County Assembly budgeted for MCAs car grant allowances in its supplementary budget.</p> | Ag. Clerk | Resolved | 6 months |

**MIGORI COUNTY ASSEMBLY
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| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Focal Point person to resolve the issue (Name and designation) | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|---|---|----------------------------|---|--|---|
| | executed a debt repayment plan on 23 August, 2021 in respect of the outstanding tax liability, it was not clear whether the obligation had since been settled | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

Guidance Notes:

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

Clerk of the County Assembly

Sign.....

Date.....23/12/22

MIGORI COUNTY ASSEMBLY
Reports and Financial Statements
For the year ended 30Th June, 2022

ANNEXES

ANNEX 1 – ANALYSIS OF PENDING ACCOUNTS PAYABLE

| Supplier of Goods or Services | Original Amount | Date Contracted | Amount Paid To-Date | Outstanding Balance 2021/22 | Outstanding Balance 2020/21 | Comments |
|--|--------------------|-----------------|---------------------|-----------------------------|-----------------------------|----------|
| | A | B | c | d=a-c | | |
| Construction of buildings | | | | | | |
| 1. Fencing of MCAs offices (4) | 8,447,213 | | | 8,447,213 | - | |
| 2. Installation of Biometric Systems | 23,796,588 | | | 23,796,588 | | |
| 3. Installation of ERP Systems | 36,894,960 | | | 36,894,960 | | |
| 4. | | | | | | |
| Sub-Total | 69,138,761 | | | 69,138,761 | - | |
| Construction of civil works | | | | | | |
| 5. Construction of civil works | | | | | | |
| 6. | | | | | | |
| 7. | | | | | | |
| Sub-Total | | | | | | |
| Supply of goods | | | | | | |
| 8. Supply awaiting certification/old debts | - | - | - | - | - | |
| 9. | | | | | | |
| 10. | | | | | | |
| Sub-Total | - | - | - | - | - | |
| Supply of services | | | | | | |
| 11. current suppliers | 62,146,276 | | | 62,146,276 | 31,776,430 | |
| 12. | | | | | | |
| 13. | | | | | | |
| Sub-Total | 62,146,276 | | | 62,146,276 | 31,776,430 | |
| Grand Total | 131,285,037 | | | 131,285,037 | 31,776,430 | |

MIGORI COUNTY ASSEMBLY
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ANNEX 2 – ANALYSIS OF PENDING STAFF PAYABLES

| Name of Staff | Job Group | Original Amount | Date Payable Contracted | Amount Paid To-Date | Outstanding Balance 2020/21 | Outstanding Balance 2020/21 | Comments |
|-------------------------------------|------------------|------------------------|--------------------------------|----------------------------|------------------------------------|------------------------------------|-----------------|
| | | a | b | c | d=a-c | | |
| 1. Committee Allowances - Perdiems | | 5,023,427 | | | | 5,023,427 | |
| 2. Tender Committee arrears | | | | | | | |
| 3. Tender Opening Committee arrears | | | | | | | |
| 4. Acceptance Committee | | | | | | | |
| 5. Procurement Committee | | | | | | | |
| 6. | | | | | | | |
| 7. | | | | | | | |
| 8. | | | | | | | |
| 9. | | | | | | | |
| 10. | | | | | | | |
| 11. | | | | | | | |
| 12. | | | | | | | |
| Sub-Total | | | | | | | |
| Grand Total | | 5,023,427 | | | | 5,023,427 | |

MIGORI COUNTY ASSEMBLY
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ANNEX 3 – ANALYSIS OF OTHER PENDING PAYABLES

| Name | Brief Transaction Description | Original Amount | Date Payable Contracted | Amount Paid To-Date | Outstanding Balance 2021/2022 | Outstanding Balance 2020/2021 | Comments |
|--|-------------------------------|-----------------|-------------------------|---------------------|-------------------------------|-------------------------------|----------|
| | | a | b | c | d=a-c | | |
| Amounts due to National Govt Entities | | | | | | | |
| 1. | | | | | | | |
| 2. | | | | | | | |
| 3. | | | | | | | |
| Sub-Total | | | | | | | |
| Amounts due to County Govt Entities | | | | | | | |
| 4. | | | | | | | |
| 5. | | | | | | | |
| 6. | | | | | | | |
| Sub-Total | | | | | | | |
| Amounts due to Third Parties | | | | | | | |
| 7. | | | | | | | |
| 8. | | | | | | | |
| 9. | | | | | | | |
| Sub-Total | | | | | | | |
| Others (specify) | | | | | | | |
| 10. | | | | | | | |
| 11. | | | | | | | |
| 12. | | | | | | | |
| Sub-Total | | | | | | | |
| Grand Total | | | | | | | |

MIGORI COUNTY ASSEMBLY
Reports and Financial Statements
For the year ended 30Th June, 2022

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

| Asset class | Historical Cost b/f (KShs) 2020/2021 | Additions during the year (KShs) | Disposals during the year (KShs) | Historical Cost c/f (KShs) 2021/2022 |
|--|---|---|---|---|
| Land | - | | | - |
| Buildings and structures | 276,137,156 | - | | 276,137,156 |
| Transport equipment | | | | |
| Office equipment, furniture and fittings | 34,259,440 | - | | 34,259,440 |
| ICT Equipment, Software and Other ICT Assets | 30,172,057 | - | | 30,172,057 |
| Other Machinery and Equipment | | | | |
| Heritage and cultural assets | | | | |
| Intangible assets | | | | |
| Other Asset acquired during the year | 78,488,603 | - | | 78,488,603 |
| Total | 419,057,256 | - | | 419,057,256 |

NB: The balance as at the end of the year is the cumulative cost of all assets bought and inherited by the County Assembly since its inception. Additions during the year should tie to note 10 on acquisition of assets during the year and subsequently the statement of receipts and payments

ANNEX 5 – ANALYSIS OF OUTSTANDING IMPRESTS

County Assembly Imprest Holders

| <i>Name of Officer or Institution</i> | <i>Date Imprest Taken</i> | <i>Amount Taken</i> | <i>Amount Surrendered</i> | <i>Balance</i> |
|---------------------------------------|---------------------------|---------------------|---------------------------|----------------|
| | | <i>KShs</i> | <i>KShs</i> | <i>KShs</i> |
| <i>Name of Officer</i> | | 0 | 0 | 0 |
| <i>Name of Officer</i> | | 0 | 0 | 0 |
| <i>Name of Officer</i> | | 0 | 0 | 0 |
| <i>Name of Officer</i> | | 0 | 0 | 0 |
| <i>Name of Officer</i> | | 0 | 0 | 0 |
| <i>Name of Officer</i> | | 0 | 0 | 0 |
| Total | | | | 0 |