

REPUBLIC OF KENYA

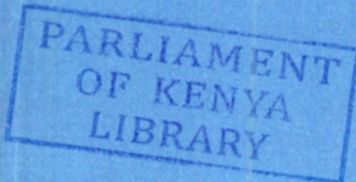


OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

OF



THE AUDITOR-GENERAL

ON

COUNTY EXECUTIVE OF MIGORI

FOR THE YEAR ENDED

30 JUNE, 2023

PAPERS LAID	
DATE	19/03/2024
TABLED BY	ML
COMMITTEE	—
CLERK AT THE TABLE	Carolyne Chemp



COUNTY EXECUTIVE OF MIGORI
ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2023

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

County Executive of Migori
Annual Report and Financial Statements for the year ended June 30, 2023

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1. ACRONYMS AND GLOSSARY OF TERMS

a) *Acronyms*

ADP	Annual Development Plan
AIE	Authority to Incur Expenditure
CA	County Assembly
CARA	County Allocation of Revenue Act
CECM	County Executive Committee Member
CE	County Executive
CG	County Government
CIDP	County Integrated Development Plan
CRA	Commission on Revenue Allocation
CRF	County Revenue Fund
CT	County Treasury
IPSAS	International Public Sector Accounting Standards
OCOB	Office of the Controller of Budget
OAG	Office of the Auditor General
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
NT	National Treasury
WB	World Bank
Kshs	Kenya Shillings

2. KEY ENTITY INFORMATION AND MANAGEMENT

a) Background information

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

b) Key Management team

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

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

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c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2023 and who had direct fiduciary responsibility were: (

No.	Designation	Name
1.	CECM Finance and Economic Planning	Mr Maurice Otunga
2.	CECM Public Service Management	Mr. Caleb Oponi
3.	CECM Trade Tourism and Industry	Ms Mercy Mwakio
4.	CECM Transport and Infrastructure	Mr. John Oring'o
5.	CECM Educ., Sports Culture Gender and Social Services	Dr. Mogesi Samburu
6.	CECM Health Services	Mr. Julius Awuor
7.	CECM Lands and Physical Planning	Eng. John Kobado
8.	CECM Agriculture Livestock and Fisheries	Mr. Lucas M. Chacha
9.	CECM Environment	Ms Rahab R. Chacha
10.	CECM Water, Energy, Environs and Disaster Management	Mr Christopher Rosana

d) Fiduciary Oversight Arrangements

- a. County Assembly of Migori
- b. Audit committee
- c. Public Accounts committee
- d. Budget and Appropriations

e) County Executive Headquarters

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

f) County Executive Contacts

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

g) County Executive Bankers

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

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h) Independent Auditor

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

i) Principal Legal Adviser

The Attorney General
State Law Office and Department of Justice
Harambee Avenue
P.O. Box 40112
City Square 00200
NAIROBI, KENYA

j) County Attorney

The County Attorney
Annex Office
P.O. Box 195 – 40400
Suna Migori, KENYA






3. GOVERNANCE STATEMENT

Migori County is constituted as per the Constitution of Kenya, 2010. The County is headed by the Governor, who is responsible for the general policy and strategic direction of the County.






The County is made up of a County Assembly, County Executive. The County Executive is structured in terms of departments, headed by a County Executive Committee Member (CECMs). The CECMs support the Governor and the Deputy Governor in executing the mandate of the County Government as stipulated in the Constitution. The County Secretary heads county public service and is responsible for arranging the business of county executive committee.

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The County Executive

Name	Details of qualifications and experience
<p>1. Mr. Maurice Otunga</p> 	<p>He is serving as the CECM Finance & Economic Planning in Migori County. He holds a Master's Degree in project planning and management from University of Nairobi.</p>
<p>2. Ms. Rahab Robi</p> 	<p>Serving as the CECM Environment & Natural Resources in Migori County. She started her career as a teacher. She also serves as the National vice chair of County Executive Committee Members at the Council of Governors Caucus for Environment Natural Resources and Climate Change</p>
<p>3. Eng. John Kobado</p> 	<p>Currently serving as the CECM Lands & Physical Planning in Migori County.</p>
<p>4. Mr. John Oring'o</p> 	<p>Currently serving as the CECM Roads, Transport & Public Works in Migori County.</p>
<p>5. Mr. Caleb Opondi</p> 	<p>Currently serving as the CECM Public Service Management. He served as a vital member of the Migori County Education Board in the Ministry of Education Science and Technology.</p>

**County Executive of Migori
Annual Report and Financial Statements for the year ended June 30, 2023**

<p>6. Ms Mercy Mwakio.</p> 	<p>Currently serving as the CECM Trade Tourism and Industry In Migori County</p>
<p>7. Dr. Mogesi Samburu</p> 	<p>Currently serving as the CECM Educ., Sports Culture Gender and Social Services. She is a PhD holder from Kenyatta University on Nutrition, Dietetics and Food security</p>
<p>8. Mr. Julius Awuor</p> 	<p>Currently serving as the CECM Health Services in Migori County.</p>
<p>9. Mr. Lucas M. Chacha</p> 	<p>He is serving as the CECM Agriculture Livestock and Fisheries. He holds MBA in Strategic management from University of Nairobi and a holder of Bsc in agricultural extension from Egerton University.</p>
<p>10. Mr Christopher Rosana</p> 	<p>Currently serving as the CECM Water, Energy in Migori County.</p>

County Executive of Migori
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11. FOREWORD BY THE CECM FINANCE AND ECONOMIC PLANNING

It gives me pleasure to present the County Government of Migori financial statements for the financial year ending 30th June 2023. The financial statements present the financial performance of the county government over the past twelve months.

The promulgation of the constitution of Kenya, 2010 under Chapter 11 ushered Kenya into a new system of governance, replacing the centralised system with a devolved system of governance. The devolved system of Governance consists of the National Governance and 47 County Governments.

Financing of the County Governments.

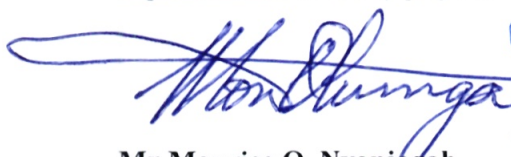
Article 202 of the Constitution of Kenya provides that revenue raised nationally shall be shared equitably among the National Government and the county governments. Each county government's equitably share of revenue raised nationally, is determined yearly through the County Allocation of Revenue Act (CARA). The revenue sharing formula is developed by the Commission on Revenue Allocation and own generated revenues which is collected within the county. Our key local revenue sources for Migori County included Single business permits, cesses, trade centre/market fees, approval of plans, cattle auction fees among others.

County's Financial Performance.

The county government of Migori had an approved budget of Ksh. 10,356,987,742 for the year 2022/2023 comprising of Kshs 3,103,114,298 as development and Kshs 7,253,873,444 as recurrent expenditure. From the annual budget, county Assembly took Kshs. 945,472,209 for its development projects, personnel emoluments and office operations. Migori County executive, however, for the financial year, 2022/2023, received a total of Kshs 7,760,377,638 as transfers from the County Revenue Fund.

Challenges.

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



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

Mr Maurice O. Nyanjagah
CEC- Finance and Economic Planning.
County Government of Migori.

12. STATEMENT OF PERFORMANCE AGAINST COUNTY PREDETERMINED OBJECTIVES

Introduction

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

Strategic development objectives

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

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

The key development objectives of the Migori County's 2013-2027 CIDP are to:

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

Progress on attainment of Strategic development objectives

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

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Department	Objective	Outcome	Indicator	Performance
Public Works, Roads & Transport	To improve road Network	Improved accessibility	Km. of roads upgraded to all weather roads	In FY 22/23 we increased roads project Enhance accessibility
	To maintain and construct bridges	Improved accessibility	No. of bridges/box culverts constructed	Increased businesses opportunity as movement goods and services from one area to another is easy
Information Communication and Technology	To improve ICT infrastructure and Connectivity	Increased ICT connectivity and communication	% of ICT connectivity in all offices	Increased security surveillances via closed circuit cameras (CCTV) installed in major towns and facilities.
Agriculture	To increase aquaculture development	Increased fish quality, quantity and production	% increase in metric tons of fish produced by fish farmers	Increased revenue to farmers and the county as a whole as the fish are sold within and outside the county. This has been brought about by use of fish cages and fish ponds.
	To increase livestock breeding services	Increased production and productivity	% increase in quality in livestock products	The county has distributed Sahiwal breeds to dry areas to improve breeds of cows for high milk and beef production hence increase in revenue.
	To improve breeds	Sustained livestock-based livelihood	% increase in farmers provided high breed animals	Continued distribution of in calf dairy cows to farmers has led to increased cash inflows to farmers hence improved livelihoods to farmers.
	To improve crop development	Increased food security and income	%of farmers accessing quality farm inputs	Distribution of certified seeds by the county has led to increased crop production/bumper harvest and also introduction of improved rice variety that grows on dry areas has brought food stability in the county
Trade	To improve cradle of mankind circuit	A tourist circuit along the UN heritage site(Thimlich)	% increase in tourist arrivals and revenue	Increased revenue to the county and also county residents appreciate their cultures

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	To improve trade infrastructure development services	Improved trading infrastructure and market accessibility	% increase in trade infrastructure	Improved stalls for traders' means exchange of goods and services can be carried out conveniently from specific areas/locations. Increased revenue to the county.
	To improve liquor licensing	Increased county revenue	% increase in number of liquor agencies adhering to county liquor regulations	Increased licensed liquor agencies means controlled consumption of alcohol within the county hence reduced alcohol abuse. Increased revenue to the county.
Education	To improve sub county education office services	Improved efficient and effective service delivery	%increase in sub county offices	Improved access to ease of learning facilities in the county.
	To improve bursary and scholarships	Improved access to education by vulnerable groups	% increase in students receiving bursaries	Reduced illiteracy in the county bursaries ensures those without means of payment can access education.
	To improve ECDE staffing	Improved ECDE services	%increase in ECDE teachers recruited	Access to Competency based curriculum learning takes off smoothly as there is no staff shortage.
	To improve vocational education training	Increased enrolment	% increase in number of VETCs constructed and equipped	Increased technical skills in the county as more youth who could not qualify for other courses gets absorbed for the technical courses.
	To improve sports and talent development	Improved active participation in sports and talents	%increase in sports events organized	Leads to discovery of talents not being used.
Health Services	To improve Community health services	Improved access to health services	% of Community health units initiated and functional	Increased access to health services hence improved lifestyle for the county residents.
	To improve family & reproductive health	Improved reproductive maternal neonatal child adolescence health	% reduction of maternal and newborn deaths	Population growth increase as death of mother and infants is reduced.
	To increase Pharmaceutical and	Reduced and eliminated disease	% increase in Drugs and non-pharms procured	Improved lifespan for the residents

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

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

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

13. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

VISION STATEMENT: A Vibrant and Prosperous County

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

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

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

14. STATEMENT OF MANAGEMENT RESPONSIBILITIES

Section 164 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the County Treasury shall prepare financial statements of each County Government entity in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The County Executive Committee (CEC) member for Finance and Economic planning of the County Government is responsible for the preparation and presentation of the County Executive's financial statements, which give a true and fair view of the state of affairs of the County Executive for and as at the end of the financial year ended on June 30, 2023. This responsibility includes: (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the county Executive; (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) Safeguarding the assets of the county Executive; (v) Selecting and applying appropriate accounting policies; and (iv) Making accounting estimates that are reasonable in the circumstances.

The CEC member for finance accepts responsibility for the County Executive's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The CEC member for finance is of the opinion that the County Executive's financial statements give a true and fair view of the state of the County Executive's transactions during the financial year ended June 30, 2023, and of its financial position as at that date.

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

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

Further the CEC member for finance confirms that the County Executive's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The County Executive's financial statements were approved and signed by the CEC member for finance on 29th September 2023.

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


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

Mr Maurice O. Nyanjagah
County Executive Committee Member – Finance and Economic Planning

REPUBLIC OF KENYA

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HEADQUARTERS
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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON COUNTY EXECUTIVE OF MIGORI FOR THE YEAR ENDED 30 JUNE, 2023

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, gazetted 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 Executive of Migori set out on pages 1 to 38, which comprise the statement of receipts and payments, statement

of financial assets and liabilities as at 30 June, 2023, 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 Executive of Migori as at 30 June, 2023, 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 Use of Goods and Services

1.1 Unsupported Specialized Materials and Services

The statement of receipts and payments and as disclosed in Note 3 to the financial statements reflects an amount of Kshs.2,033,783,858 in respect of use of goods and services. Included in this expenditure is an amount of Kshs.408,059,758 relating to specialised materials and services, out of which an amount of Kshs.4,599,611 paid to various local suppliers of pharmaceutical were not supported by inspection and acceptance certificates.

In the circumstances, the accuracy and propriety of expenditure of Kshs.4,599,611 on specialized materials and services could not be confirmed.

1.2 Unsupported Insurance Expenses

The statement of receipts and payments and as disclosed in Note 3 to the financial statements reflects use of goods and services expenditure of Kshs.2,033,783,858. Included in this amount is an expenditure of Kshs.47,738,838 in respect of insurance services, out of which Kshs.16,967,179 was paid to a local insurance company for motor vehicle insurance. However, valuation reports for the motor vehicles forming the basis for premiums charged by the insurer were not provided for audit review.

In the circumstances, the accuracy and validity of the expenditure of Kshs.16,967,179 on insurance services could not be confirmed.

2.0 Transfer to Other Government Units

The statement of receipts and payments and as disclosed in Note 4 of the financial statements reflects an amount of Kshs.500,793,860 in respect of transfers to other Government entities. However, except for amount of Kshs.120,000,0004 to Ward

Development Fund, Car and Mortgage Fund Kshs.178,000,000, level IV Hospitals Kshs.22,435,305 and Kshs.22,435,305 to Municipalities, the rest of the transfers are to entities that are not self-accounting and hence the utilization of these amounts all totalling Kshs.180,358,551 has not been supported by separate financial statements.

In the circumstances, the accuracy and legality of transfer to Government entities amounting to Kshs.180,358,551 could not be confirmed.

3.0 Acquisition of Assets

3.1 Lack of Title Deeds on Acquired Parcels of Land

The statement of receipts and payments reflects acquisition of assets amount of Kshs.1,569,602,854 which includes acquisition of land totaling to Kshs.35,717,670 as disclosed in Note 7 to the financial statements. Review of records revealed that the payments related to purchase of ten (10) parcels of land at various locations towards construction of bus parks. However, Management did not provide for audit verification the title deeds for the purchased parcels of land.

In the circumstances, the ownership of the parcels of land costing Kshs.35,717,670 could not be confirmed.

3.2 Purchase of Certified Seeds Breeding Stock and Live Animals

The statement of receipts and payments reflects acquisition of assets amount of Kshs.1,569,602,854 which includes purchase of purchase of certified seeds breeding stock and live animals of Kshs.10,075,000 as disclosed in Note 7 to the financial statements. Review of records revealed that an amount of Kshs.6,895,950 was paid to a local supplier towards supply and delivery of Sahiwal breeding bulls. However, the expenditure was not supported by notification of award and regret letters as well as the contract documents.

In the circumstances, the propriety, accuracy and completeness of purchase of certified seeds breeding stock and live animals' expenditure Kshs.6,895,950 could not be confirmed.

4.0 Cash and Cash Equivalents Fund

The statement of financial position and Note 8A to the financial statement reflects an amount of Kshs.1,086,773,881 in respect to bank balances which includes a balance of Kshs.895,602,125 relating to the balance held in the County Revenue Fund (CRF) bank account. Management did not explain the accounting entries processed to recognize the Kshs.895,602,125 on the statement of financial assets and liabilities yet the commensurate receipts were not captured in the financial statements. This is because the total receipts in the County Revenue Fund (CRF) financial statements of Kshs.9,276,444,931 has not been fully reported in the County Executive financial statements as only the transfer of Kshs.7,760,377,638 was reported.

In the circumstances, the accuracy of the financial statements and cash and cash equivalent balance could not be confirmed.

5.0. Conditional Grants

As per the County Revenue Fund financial statements, the County received a total of Kshs.288,697,311 conditional grants for various projects during the year under review. However, no separate accountability statements were provided for audit review to support the implementation of these projects. In addition, reconciliation of receipts to the closing bank balance for these projects revealed variances as detailed below:-

	National Agriculture Value Chain Kshs.	THUSCP Kshs.	ASDSP Kshs.	NARGIP Kshs.	Climate Change Kshs.
Opening Balance		8,506,500	-	(9,310,727 157,887,555	-
Receipts in the year		-	10,084,066	254,377,711	11,000,000
Recorded Closing Balance	67,192,729	-	-	49,558,600	-
Expected Payments	(67,192,729)	8,506,500	10,084,066	272,017,393	11,000,000
Reported Payments	-	-	15,584,066	245,020,025	-
Unexplained Variance	(67,192,729	8,506,500	5,500,000	26,997,368	11,000,000

Management did not reconcile the variance to expenditures reported in the financial statements under other current transfers, grants, donations and subsidies of Kshs.275,604,091.

6.0. Payment Made in July, 2023

The Management made payments amounting to Kshs.2,058,069,309 between 1 July, 2023 and 11 July, 2023 but were accounted as transaction for financial year ended 30 June, 2023. Although the Management explained the payments were made to clear commitments made prior to 30 June, 2023 and were authorised by National Treasury, the financial statements have been prepared on cash basis of accounting and therefore transactions are not part of the year under review.

In the circumstances, the cut off period for the expenditure totalling to Kshs.368,484,622 could not be confirmed.

7.0. Unsupported Transfer to Migori County Referral Hospital

Note 4 to the financial statements reflect an amount of Kshs.18,767,130 as transfers to level 4 hospitals which include a payment of Kshs.12,163,150 to Migori County Referral

Hospital. However, the hospital's financial statements have included an amount of Kshs.5,039,280 as transfers from County Government resulting to unreconciled and unexplained variance of Kshs.7,123,870.

8.0. Un Supported Transactions

Analysis of the system payments indicated that 336 transactions of Kshs.322,564,149 were voided during the year 2022/2023, however, the current status of the transactions was not provided for audit review.

In the circumstances, the accuracy and completeness of the voided transactions could not be confirmed.

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

Emphasis of Matter

1.0 Budgetary Control and Performance

The statement of comparison of budget and actual amounts combined reflects final receipts budget and actual on comparable basis of Kshs.10,356,987,742 and Kshs.7,962,977,852 respectively, resulting to under-funding of Kshs.2,934,009,890 (or 23%) of the budget. Similarly, the County Executive spent an amount of Kshs.7,386,271,614 against actual receipt of Kshs.7,962,977,582 resulting to under performance of Kshs.576,705,238(or 7%) of the total receipts.

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

2.0 Pending Accounts Payable

Annexure 2 to the financial statements reflects pending bills balance of Kshs.754,609,930. During the year under review, the total pending bills were Kshs.1,354,678,334, out of which, Management settled Kshs.600,068,404, leaving a balance of Kshs.754,609,930. This is contrary to Regulation 41(2) of the Public Finance Management (County Governments) Regulations, 2015 which states that debt service payments shall be a first charge on the County Revenue Fund and the accounting officer shall ensure this is done to the extent possible that the County Government does not default on debt obligations.

In addition, failure to settle bills during the year to which they relate distorts the financial statements and adversely affects the budgetary provisions for the subsequent years as they form a first charge.

3.0 Late Exchequer Releases

Note 1 to the financial statement reflects exchequer releases totalling Kshs.7,760,377,638 which includes Kshs.866,636,767 received by the County Government from the National Treasury towards the end of the month of June, 2023.

In addition, other exchequer releases of Kshs.2,058,069,309 were disbursed by the National Treasury in the month of July, 2023 to fund budgeted activities in the financial year.

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

My opinion is not modified in respect of these matters.

Key Audit Matters

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

Other Matter

Prior Year Matters

In the audit report of the previous year, several paragraphs were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, the Management has not resolved some of the issues raised in the report.

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. Compensation of Employees

1.1 Payments of Salaries Outside the Integrated Personnel and Payroll Database (IPPD) payroll

The statement of receipts and payments reflect compensation of employee's expenditure amount of Kshs.2,971,740,018 which includes basic salaries to permanent employees of

Kshs.2,638,928,925 as disclosed in Note 2 to the financial statements. However, review of records revealed that salaries amounting to Kshs.67,047,847 for twenty-five (25) employees were paid outside the Integrated Personnel and Payroll Database (IPPD) system. This was contrary to Clause 6.3 of the County Financial Accounting and Reporting Manual, which requires salaries, allowances and/or arrears of the County Government staff to be processed on the Integrated Personnel and Payroll Database. Management did not provide explanation for these payments.

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

1.2 Unsustainable Wage Bill

The statement of receipts and payments reflects compensation of employees' expenditure amount of Kshs.2,971,40,018 as disclosed in Note 2 to the financial statements. Audit analysis revealed that it represented 38% of the total revenue of Kshs.7,760,377,638 and thus exceeding the recommended limit of 35%. This is contrary to Regulation 25(1) (a) of the Public Finance Management (County Governments) Regulations, 2015 which requires that the County Executive Committee members with the approval of the County Assembly shall set a limit on the county governments expenditure on wages and benefits for its public office pursuant to section 107(2) of the Act (b) the limit set under paragraph (a) shall not exceed 35% of the county government total revenue.

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

1.3 Non-Absorption of Casuals in the Health Services Department

The statement of receipts and payments reflects compensation of employees amount of Kshs.2,971,40,018 which includes Kshs.34,807,530 in respect of basic wages of temporary employees. Out of the amount is casual labour payments in the Health Services department totalling to Kshs.33,381,355. The amount represents the 95% of the total County's basic wages of temporary employees. Although, the casuals have been on board all along, no explanation was provided on how and when they will be absorbed contrary the County Public Human Resource Policy B.16 on employment of Casuals which require that casual workers shall be engaged only on urgent short-term tasks with the approval of the County Public Service Board. Casual workers shall not be engaged for more than three months, as stipulated in the Employment Act (2007).

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

1.4 Staff Ethnic Composition

An analysis of the Integrated Personnel and Payroll Database (IPPD) records for the month of June, 2023 revealed that Migori County has a workforce of 3,266, out of which 2,348 are members of the dominant community. This represents 72% of the total workforce which is contrary to Section 7(2) of National Cohesion and Integration Act, 2008 which provides that the staff establishments of public entities to reflect the diversity of the

people of Kenya with least 30% of employees are expected to be from other ethnic communities.

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

2.0 Use of Goods and Services

2.1 Payment to the Lake Region Economic Bloc

The statement of receipts and payments and as disclosed in Note 3 to the financial statements reflects use of goods and services expenditure of Kshs.2,033,783,858 which includes other operating expenses amount of Kshs.167,544,568 out of which, Kshs.2,000,000 was paid to support the annual summit of the Lake Region Economic Bloc which was not supported by approval.

In the circumstances, the value and legality of the expenditure of Kshs.2,000,000 could not be confirmed.

2.2 Irregular Payment to The Council of Governors

The amount of Kshs.2,033,783,858 includes other operating expenses amount of Kshs.167,544,568 out of which, Kshs.3,000,000 was paid to the Council of Governors for the purpose of meeting its operation expenses, contrary to Section 37 of the Intergovernmental Relations Act, 2012, which provides that the operational expenses in respect of the structures and institutions established in this Act shall be provided for in the annual estimates of the revenue and expenditure of The National Government to cater for (a) the Summit; (b) the Council of County Governors; (c) the Technical Committee, Secretariat and the sectoral working group established by the Technical Committee; and (d) the sectoral working groups established by the Council.

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

2.3 Avoidable Payment of Legal fees

The statement of receipts and payments and as disclosed in Note 3 to the financial statements reflects use of goods and services expenditure of Kshs.2,033,783,858. Included in this amount is an expenditure of Kshs.167,544,568 in respect of other operating expenses, out of which Kshs.44,993,654 was in respect of legal fees. However, Management did not provide adequate explanations as to why they resorted to outsourcing legal services despite having in place the office of the County Attorney that is staffed by only three legal officers.

In the circumstances, value for money may not have been achieved from the expenditure on legal fees amounting to Kshs.44,993,654.

3.0 Construction of Siabai Earth, Giribe Dams and Lower Kuja Woks

The statement of receipts and payment reflects other grants and transfers amount of Kshs.310,351,024 which includes other current transfers, grants, donations and subsidies

of Kshs.275,604,091 as disclosed in Note 5 to the financial statements. The latter amount further includes Kshs.45,626,347, Kshs.21,841,943 and Kshs.22,444,447 paid to local contractors for the construction of Siabai Earth Dam, Giribe Dam and Lower Kuja Woks at a contract sum of Kshs.45,626,347, Kshs.45,646,022 and Kshs.71,919,215 respectively all dated on 28 May, 2021. Physical verification carried out during the month of June, 2023 revealed that although the projects were completed and handed over to the local communities, the dams were not in use as the main pipes and pumps had been vandalized.

As a result, the funds spent on the projects have not provided the expected utility of Kshs.163,191,584 to the public.

4.0 Acquisition of Assets

The statement of receipts and payments reflects acquisition of assets amount of Kshs.1,569,602,854 which includes construction and civil works of Kshs.106,779,318 as disclosed in Note 7 to the financial statements. However, review of records provided for audit revealed the following observations:

4.1 Non-Operational Projects

4.1.1 Market Shade Project at Gupimo

Review of records revealed that included in Kshs.106,779,318 is Kshs.2,730,582 paid to a local contract through the Department of Trade for construction of a Market Shade Project at Gupimo at contract sum of Kshs.2,730,582.

However, field verification at the time of audit in the month of August, 2023 revealed that the project was complete but not put into beneficial use.

4.1.2 Extension of Ngege, Lichota Pipeline

Audit review revealed that the Department of Water and Energy paid an amount totalling of Kshs.4,738,267 towards pipeline extension of Ngege, Lichota pipeline.

However, a field verification revealed that there was no running water in the extended pipelines due to vandalized pumps and dilapidated pipelines.

4.1.3 Drilling and Equipping of Kokuku Water Project

Audit review revealed that the Department of Water and Energy paid an amount totalling of Kshs.3,999,989 towards drilling and equipping of Kokuku Water Project.

However, field verification revealed that there was no running water in the drilled borehole due to vandalized pumps and dilapidated pipelines.

In the circumstances, the value for money on expenditure of Kshs.11,468,838 could not be confirmed.

4.2 Construction of Buildings

The statement of receipts and payments reflects acquisition of assets amount of Kshs.1,569,602,854 which includes construction of buildings totaling to Kshs.184,296,391 as disclosed in Note 7 to the financial statements. However, review of records provided for audit revealed the following observations:

4.2.1 Incomplete Projects in Hospitals and Health Centres

Audit review of documents revealed that the Department of Health and Sanitation engaged various local contractors to construct facilities at five health facilities within the County at a total contract sum of Kshs.5,740,209.

However, field verification revealed that the works were incomplete and at various stages of implementation despite their contract expiry period.

In the circumstances, the benefits expected from the project may not have been realized.

4.2.2 Unequipped Intensive care unit (ICU) at County Referral Hospital Migori

Audit review of records revealed that an amount of Kshs.19,430,614 was paid to a local contractor towards completion of Intensive care unit (ICU) Phase III at County Referral Hospital Migori. However, physical verification revealed that the unit was not in use as it had not been equipped.

In the circumstances, the benefits expected from the project may not have been realized.

4.2.3 Construction of Ikerege/Bukira Administration Office Block

Review of records revealed that the department of Public Management Service and ICT engaged a local contractor to construct Ikerege/Bukira administration block at a contract sum of Kshs.9,764,103. The contract commenced on 27 March, 2023 with an expected completion date of 27 August, 2023. The contractor had been cumulatively paid an amount of Kshs.4,188,400. However, field verification at the time of audit in the month of August, 2023 revealed that the project was incomplete and ongoing.

In the circumstances, the benefits expected from the project may not be realized.

4.2.4 Completed and Idle Bongu ECDE Classroom

Review of records revealed that the Department of Education transferred funds of Kshs.500,000 towards completion of classrooms at Bongu ECDE primary school. However, field verification revealed that the project at Bongu was complete but not in use as a result of rising lake water levels during the rainy season making it inaccessible.

In the circumstances, the benefits expected from the expenditure on the project have not been realized by the members of the public.

4.3 Purchase of Specialized Plant, Equipment and Machinery

The statement of receipts and payments reflects acquisition of assets balance of Kshs.1,569,602,854 which includes purchase of specialized plant, equipment and machinery of Kshs.89,894,259 as disclosed in Note 7 to the financial statements. Review of records revealed that the County Government through the Department of Water and Energy, paid a total of Kshs.14,262,300 to a local contractor towards repair and maintenance of solar street lights within the County. However, field verification revealed that the street lights in Rongo, Awendo and Migori towns were brought down during the construction of Kisii/Isebania road.

In the circumstances, the benefits expected from the expenditure on the project have not been realized by the members of the public.

4.4 Delay in Finalization of the Kehancha Municipality Development Plan

The statement of receipts and payments reflects acquisition of assets balance of Kshs.1,569,602,854 which includes research studies, project preparation design and supervision of Kshs.14,332,500 as disclosed in Note 7 to the financial statements. Review of records revealed that an amount of Kshs.14,332,500, being part payment to a local consultancy firm towards preparation of Kehancha Municipality development plan. However, the preparation of the plan had not been finalized as per the original work plan.

In the circumstances, the expected benefits from the implementation of the plan have not been realized.

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. Anomalies in the Revenue Automation System

As reported in previous year, the County Government of Migori procured an automated revenue management system from M/S Collection Africa Ltd in the year 2022/21 at a contract sum of Kshs.23,000,000. However, the system still faces several internal control weaknesses as highlighted below: -

- i. The system has not been rolled out in all Nyatike and Kuria West sub counties.
- ii. Market collections, bus park collections still operate on cash and there is need for them to operate on cashless method.

- iii. The revenue targets have not been mapped on the system to compare actual verses targets,
- iv. Lack of adequate manpower (Revenue Collectors)
- v. The system is not adequately secured against cyber-attacks including session management, SSL, two-factor authentication, 3-d secure, card security standards, PCI, DSS and CISP. Thus, the system uses an insecure HTTP protocol that can be accessed from any network.
- vi. The system has not been enabled to capture all logs. It only captures one who accessed the system, the time the person has logged in, and activities done in the system. However, it does not capture system activities; device identity or location if possible and system identifier; records of successful and rejected system access attempts; records of successful and rejected data and other resource access attempts; changes to system configuration; use of privileges; network addresses and protocols; and records of transactions executed by users in applications.
- vii. The data backup is still hosted by the vendor, the County has not owned it.
- viii. Not all the revenue streams have been automated and integrated.

In the circumstances, Management cannot guarantee the integrity and reliability of the revenue automation system.

2. Lack of an Approved Staff Establishment

An audit of the Migori county staff complement revealed that the county does not have an approved staff establishment. The lack of an approved staff establishment implies that the County has yet to determine the skills and optimal staffing levels required to achieve its goals and objectives.

In the circumstances, it was not possible to ascertain whether the total staff in the employment of the Migori County executive is at the optimal operating level.

3. Non-Compliance with Asset Register Format

The financial statements in annex 5-summary of non-current asset register reflects assets valued at Kshs.14,597,276,949.

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

In the circumstances, the effectiveness of the controls over the fixed assets could not be confirmed.

4. Grounded Motor Vehicles and Machineries

Review of status of the county government fleet of motor vehicles and machineries indicate sixty (60) vehicles and machineries across the departments were grounded and

unserviceable in various garages within and outside Migori County and had not been disposed.

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

5. Lack of Risk Management Policy and Strategy

Management has not put in place an approved risk management policy and risk management framework including strategies and procedures put in place to assess, identify, measure, prioritize and mitigate risks in the entity.

In the circumstances, the Management lacks a mechanism to help in detecting and mitigation of any possible risk in the institution.

6. Lack of Approved Information Technology Security Policy

Review of the county government of Migori information technology systems revealed that it has automated revenue to manage its operations. However, the county did not have an approved IT policy for governance and management of its ICT resources. In addition, there is no ICT steering committee in place to assist in the development of ICT policy framework to enable the company to realize long-term ICT strategic goals.

In the circumstances, Management has not instituted appropriate access controls needed to minimize breaches of information confidentiality, data integrity and loss of business continuity in line with Regulation 110 of the Public Finance Management (County Governments) Regulations, 2015.

6.0 IFMIS Data Analysis Report-Voided Transactions

Analysis of the system payments indicated that 336 transactions of Kshs.322,564,149 were voided during the year 2022/2023. Management has indicated, without providing evidence that the voiding of these transactions were because of the following reasons: -

- i. Central Bank of Kenya directive to void all pending transactions in IFMIS and Internet Banking System due to non-release of exchequer disbursements,
- ii. To correct payee bank account for the beneficiary accounts entered incorrectly.
- iii. When the transactions are charged to wrong vote heads, the transactions are voided
- iv. Change of priory activities resulting to Supplementary budgets sometimes affects transactions already captured in IFMIS hence resulting to voiding.

In the circumstances, the effectiveness of the controls over voided transactions for the year ended 30 June, 2023 could not be confirmed.

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 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 Executive or to cease its 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.

Those charged with governance are responsible for overseeing the Executives financial reporting process, reviewing the effectiveness of how the entity 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.

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 financial reporting process, reviewing the effectiveness of how the Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to 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 Executives internal control.

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

I communicate with 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.


 FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

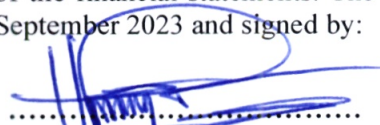
19 February, 2024

County Executive of Migori
Annual Report and Financial Statements for the year ended June 30, 2023

17. STATEMENT OF ASSETS AND LIABILITIES AS AT JUNE 30, 2023

		2022-2023	2021-2022
	Notes	Kshs	Kshs
Financial assets			
Cash and Cash Equivalents			
Bank Balances	8A	1,086,773,881	732,083,084
Cash Balances	8B	-	-
Total Cash and cash equivalents		1,086,773,881	732,083,084
Accounts Receivable	9	-	-
Total financial assets		1,086,773,881	732,083,084
Financial liabilities			
Accounts Payables – Deposits and retentions	10	22,967,261	42,382,488
Net financial assets		1,063,806,620	689,700,596
Represented by			
Fund balance B/Fwd	11	689,700,596	1,582,878,802
Prior year adjustments	12		
Surplus/Deficit for the year		374,106,024	- 893,178,206
Net financial position		1,063,806,620	689,700,596

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The County Executive's financial statements were approved on 29th September 2023 and signed by:



Name: Achuora John Odoyo

Chief Officer -Finance



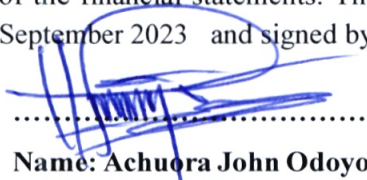
Name: Eric Ochieng Jalang'o
Director Accounting Services
ICPAK M/No:14959

**County Executive of Migori
Annual Report and Financial Statements for the year ended June 30, 2023**

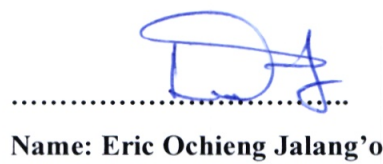
18. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2023

		2022-2023	2021-2022
	Notes	Kshs	Kshs
Receipts from operating income			
Transfers from the CRF	1	7,760,377,638	7,903,532,000
Payments for operating expenses			
Compensation of Employees	2	2,971,740,018	2,966,768,763
Use of goods and services	3	2,033,783,858	2,644,465,618
Transfers to Other Government Units	4	500,793,860	1,315,040,322
Other grants and transfers	5	310,351,024	235,450,369
Social Security Benefits	6	-	8,084,862
Adjusted for:			
Prior year adjustments	12		
Increase/ (Decrease) in Outstanding Imprests and Advances	13	-	-
Increase/ (Decrease) in Deposits and Retention	14	(19,415,227)	(89,890,717)
Total Adjustments		(9,415,227)	(89,890,717)
Net cash flows from operating activities		1,924,293,651	643,831,349
Cash flow from investing activities			
Acquisition of Assets	7	1,569,602,854	1,626,900,272
Net cash flows from investing activities		1,569,602,854	1,626,900,272
Net increase in cash and cash equivalents		354,690,797	- 983,068,923
Cash and cash equivalents B/F	8	732,083,084	1,715,152,007
Cash and cash equivalents C/F	8	1,086,773,881	732,083,084

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The County Executive's financial statements were approved on 29th September 2023 and signed by:


.....
Name: Achuora John Ooyo

Chief Officer -Finance

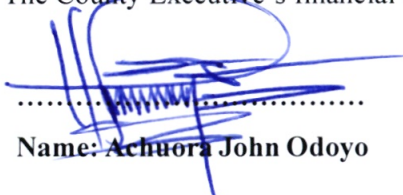

.....
Name: Eric Ochieng Jalang'o
Director Accounting Services
ICPAK M/No:14959


County Executive of Migori
Annual Report and Financial Statements for the year ended June 30, 2023

**19. STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS (RECURRENT AND DEVELOPMENT
 COMBINED) FOR THE YEAR ENDED JUNE 30, 2023**

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% Of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	
RECEIPTS						
Transfers from the CRF	8,972,982,928	1,181,404,600	10,154,387,528	7,760,377,638	2,394,009,890	76%
Opening balance for Non-refundable bank balances in special purpose deposits accounts	.	202,600,214	202,600,214	202,600,214	(0)	100%
TOTAL	8,972,982,928	1,384,004,814	10,356,987,742	7,962,977,852	2,394,009,890	77%
PAYMENTS						
Compensation of Employees	2,685,002,343	279,882,650	2,964,884,993	2,971,740,018	(6,855,025)	100%
Use of goods and services	2,220,460,669	740,288,271	2,960,748,940	2,033,783,858	926,965,082	69%
Transfers to Other Government Units	1,427,012,756	146,583,309	1,573,596,065	500,793,860	1,072,802,205	32%
Other grants and transfers	402,708,021	127,887,555	530,595,576	310,351,024	220,244,552	58%
Social Security Benefits						
Acquisition of Assets	2,237,799,139	89,363,029	2,327,162,168	1,569,602,854	757,559,314	67%
TOTAL	8,972,982,928	1,384,004,814	10,356,987,742	7,386,271,614	2,970,716,128	71%
Surplus/(Deficit)	-	(0)	(0)	576,706,238		

The County Executive's financial statements were approved on 29th September 2023 and signed by:


 Name: Achuora John Odoyo
 Chief Officer -Finance



 Name: Eric Ochieng Jalang'o
 Director Accounting Services
 ICPAK M/No:14959


County Executive of Migori
Annual Report and Financial Statements for the year ended June 30, 2023

10A. STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS – RECURRENT FOR THE YEAR ENDED
JUNE 30, 2023

Receipt/expense item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	
RECEIPTS						
Transfers from the CRF	6,182,091,401	1,071,782,043	7,253,873,444	6,058,468,502	1,195,404,942	84%
TOTAL	6,182,091,401	1,071,782,043	7,253,873,444	6,058,468,502	1,195,404,942	84%
PAYMENTS						
Compensation of Employees	2,685,002,343	279,882,650	2,964,884,993	2,971,740,018	-6,855,025	100%
Use of goods and services	2,220,460,669	740,288,271	2,960,748,940	2,033,783,858	926,965,082	69%
Transfers to Other Government Units	1,196,628,389	81,611,122	1,278,239,511	379,346,225	898,893,286	30%
Other grants and transfers	80,000,000	(30,000,000)	50,000,000	34,746,933	15,253,067	69%
Social Security Benefits		-			0	
TOTAL	6,182,091,401	1,071,782,043	7,253,873,444	5,419,617,034	1,834,256,410	75%
SURPLUS/(DEFICIT)	-	-	-	638,851,468		

The County Executive's financial statements were approved on 29th September 2023 and signed by


.....
Name: Achuora John Odoyo
Chief Officer -Finance

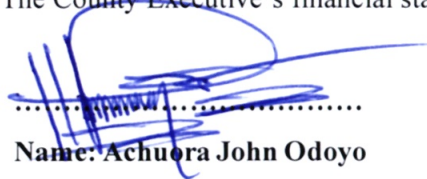

.....
Name: Eric Ochieng Jalang'o
Director Accounting Services
ICPAK M/No:14959

County Executive of Migori
Annual Report and Financial Statements for the year ended June 30, 2023

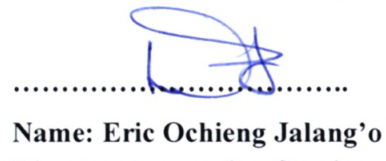
10B. STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: DEVELOPMENT FOR THE YEAR ENDED
JUNE 30, 2023

Receipt/expense item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS	Kshs	Kshs	Kshs	Kshs	Kshs	
Transfers from the CRF	2,790,891,527	109,622,557	2,900,514,084	1,701,909,136	1,198,604,948	59%
Opening balance for Non-refundable bank balances in special purpose deposits accounts	0	202,600,214	202,600,214	202,600,214	(0)	100%
TOTAL	2,790,891,527	312,222,771	3,103,114,298	1,904,509,350	1,198,604,948	61%
PAYMENTS				-	-	
Transfers to Other Government Units	230,384,367	64,972,187	295,356,554	121,447,635	173,908,919	41%
Other grants and transfers	322,708,021	157,887,555	480,595,576	275,604,091	204,991,485	57%
Acquisition of Assets	2,237,799,139	89,363,029	2,327,162,168	1,569,602,854	757,559,314	67%
TOTAL	2,790,891,527	312,222,771	3,103,114,298	1,966,654,580	1,136,459,718	63%
SURPLUS/(DEFICIT)	-	(0)	(0)	(62,145,230)		

The County Executive's financial statements were approved on 29th September 2023 and signed by:


.....
Name: Achuora John Odoyo

Chief Officer -Finance


.....
Name: Eric Ochieng Jalang'o
Director Accounting Services
ICPAK M/No:14959

County Executive of Migori
Annual Report and Financial Statements for the year ended June 30, 2023

20. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES FOR THE YEAR ENDED JUNE 30, 2023

MIGORI COUNTY				
BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES REPORT AS AT 30TH JUNE 2023(FY 2022/23)				
Program	Sub Program	Final Budget	Actual on comparable basis	% Budget utilization
Agriculture, Livestock Development and Fisheries Development				
Agriculture	Crop development and management	20,000,000	1,654,914	8%
	General administration, planning & support service	700,625,709	206,418,016	29%
Fisheries	Fisheries Development	9,775,756	9,494,000	97%
	General administration, planning & support service	19,015,244	18,584,067	98%
Livestock	Livestock Resources Management and Development	8,124,999	8,120,950	100%
	General administration, planning & support service	16,884,660	16,880,000	100%
Veterinary	General administration, planning & support service	10,292,640	10,207,060	99%
	Veterinary services	12,532,605	11,504,000	92%
Macalder Sheep & Goat Station	Cooperative development	780,000	779,440	100%
Sub total		798,031,613	283,642,447	36%
County Assembly				
General administration and support services	Administrative services	18,240,462		-
Oversight management services	Committee management services	130,200,000		-
Legislative services	Representation	102,200,000		-
General administration and support services	Administrative services	632,211,320		-
Pending bills	Pending bills	12,620,427		-
infrastructures development	infrastructures development	50,000,000		-
Sub total		945,472,209.00	0	-
County Attorney				

County Executive of Migori
Annual Report and Financial Statements for the year ended June 30, 2023

General administration, planning & support service- All Sectors	General administration	55,600,000	54,435,415	98%
	Pending bills	35,000,000	35,000,000	100%
	Statistics, research, information management and public relations	2,900,000	2,700,000	93%
	Law report and reviews	19,000,000	18,906,822	100%
Strategy and service delivery	Finance	50,000,000	49,638,030	99%
Sub total		162,500,000	160,680,267	99%
County Executive				
	General Administration & citizenry	333,640,288	229,813,176	69%
	Lake Region Economic Block	5,000,000	4,999,509	100%
	Council of Governors	5,000,000	5,000,000	100%
	Liason office - Nairobi	12,000,000	12,000,000	100%
	Chief of Staff	5,000,000	5,000,000	100%
	Protocol	5,000,000	4,998,655	100%
	Security Services	8,500,000	8,498,720	100%
	Communication and Press	5,000,000	4,999,600	100%
	Political Advisor	5,000,000	4,998,890	100%
	Economic Advisor	5,000,000	4,994,067	100%
	Pending bills	12,761,834	12,761,834	100%
	Special Programs and External Partnerships	34,950,000	34,546,173	99%
	Monitoring, Evaluation	29,838,000	27,178,844	91%
Governance and Excutive management(dep gov)	General Administration and Support Services(Executive)	42,807,226	41,907,765	98%
	Enhanced Management, Coordination & Supervision.	20,500,774	20,497,013	100%
Governance and Excutive management(county sec))	Governance and Excutive management(county sec))	43,004,494	42,995,024	100%
Sub total		573,002,616	465,189,269	81%
Education, Gender, Sports, Youth Development and Culture				
Education	External Funding	36,463,544	36,463,544	100%
	General administration, planning & support service-All Sectors	280,635,698	279,483,398	100%
	Education Support Services	190,000,000	189,828,089	100%
	ECDE centre	108,799,158	33,823,109	31%

County Executive of Migori
Annual Report and Financial Statements for the year ended June 30, 2023

	Child care support services	77,972,187	77,830,594	100%
	Pending Bills	28,105,023	8,948,501	32%
Sports	Gender and Equality Services	564,974	364,974	65%
	Sports Development	10,500,000	10,500,000	100%
	General administration, planning & support service-All Sectors	21,660,000	18,454,866	85%
	Culture Development Promotion and Arts	6,000,000	3,390,200	57%
	National arts and cultural services	9,000,000		0%
	Sub total		769,700,584	659,087,275
Environment, Natural Resource and Disaster Management				
Solid Waste Management	Solid Waste Management	26,300,000	14,840,550	56%
External Funding	Donor Funds	15,000,000	15,000,000	100%
Disaster Management Services	Disaster Management Services	29,179,214	22,394,041	77%
General Administration Support Services	General Administration Support Services	74,870,016	67,845,020	91%
Sub total		145,349,230	120,079,611	83%
Finance and Economic Planning				
General Administration	General Administration	339,808,349	339,808,349	100%
	Accounting Services	176,296,306	174,378,675	99%
Financial management services	Pending bills	20,099,519	20,099,519	100%
	Procurement Services	17,392,570	17,392,570	100%
	Revenue	36,953,148	36,953,148	100%
	Audit Services	16,840,000	16,840,000	100%
Economic policy and county planning	Policy and Plans Developments	132,667,309	132,661,705	100%
	General administration planning and support services	37,602,309	37,398,209	99%
Sub total		777,659,510	775,532,175	100%
Health-Medical services				
Curative, Rehabilitative and Referral services	Hospital Services	272,327,838	249,092,733	91%
Donor support services	Donor support services	153,297,872		0%
General administration, planning & support service- All Sectors	Pending bills	168,143,190	71,628,236	43%

**County Executive of Migori
Annual Report and Financial Statements for the year ended June 30, 2023**

	General administration	1,437,203,449	1,376,733,405	96%
Essential Health Products and Technologies	Essential Health Products and Technologies	35,014,374	33,414,174	95%
Preventive, promotive Health services and Disease Control	Preventive, promotive Health services and Disease Control	22,212,400	19,357,400	87%
Sub total		2,088,199,123	1,750,225,948	84%
Health - Public health				
Curative, rehabilitative and referral services	Essential Health Products and Technologies	152,693,385	91,062,986	60%
General administration, planning & support service-All Sectors	General administration, planning & support service-All Sectors	287,060,206	172,998,713	60%
Donor support services	Donor support services	96,971,223	32,776,697	34%
	Pending bills	44,584,972	34,730,290	78%
Preventive, promotive Health services and Disease Control	Preventive, promotive Health services and Disease Control	43,408,541	38,265,357	88%
Sub total		624,718,327	369,834,043	59%
Lands, Housing and Physical Planning				
Lands	General administration, planning & support service	59,838,797	41,996,345	70%
	Land development services	59,049,142	38,852,910	66%
Physical Planning	Physical planning services	105,666,908	85,343,756	81%
	General administration, planning & support service	290,271,236	17,916,177	6%
sub total		514,826,083	184,109,187	36%
Public Service Management				
Public Service Management	Human resources management and Development	15,051,469	15,051,469	100%
	Civic education and public participation	3,800,000	3,800,000	100%
	General administration and support services(PSM)	995,379,561	956,754,488	96%
	County security and compliance enforcement services	1,840,000	1,840,000	100%
Public Service Board	Personnel management	21,930,840	21,580,718	98%
	Pending bills	1,455,950	1,455,950	100%
	General administration and support services(PSM)	51,309,160	50,856,539	99%
Information Communication Technology - ICT	ICT Infrastructure	29,587,731		0%
	Pending Bills	14,259,113	14,159,013	99%
	General Administration and Support Services(ICT)	46,153,156	45,130,305	98%

County Executive of Migori
Annual Report and Financial Statements for the year ended June 30, 2023

sub total		1,180,766,980	1,110,628,482	94%
Roads, Transport and Public Works				
Roads	General administration, planning	88,044,494	70,442,838	80%
	Road Development, Maintenance and Management(roads)	724,361,241	722,005,997	100%
Transport	Road Development, Maintenance and Management (transport)	260,000,000	258,296,492	99%
Public Works	General administration, planning & support service-All Sectors	11,300,000	10,985,789	97%
	Transport Infrastructure Development	20,000,000	20,000,000	100%
Sub total		1,103,705,735	1,081,731,116	98%
Trade Tourism and Cooperative Development				
	Trade development	84,023,432	66,325,735	79%
	General administration, planning & support service-All Sectors	90,917,647	89,434,394	98%
Trade	Cooperative development services	1,400,000	1,400,000	100%
	Industrial and Enterprise Development	1,000,000		0%
	Alcoholic drinks and drug abuse control	2,500,000	2,250,318	90%
	Legal Metrology Services	2,000,000	1,699,621	85%
Industrialization	Industrial development and investment	20,000,000		0%
Tourism	Commerce and tourism development	4,000,000		0%
Sub total		205,841,079	161,110,067	78%
Water And Energy				
	General administration	113,853,690	66,681,845	59%
	Pending bills	28,832,675	27,160,053	94%
	Urban Water Supply & Mgt	256,202,241	128,660,584	50%
Alternative Energy Services	Alternative Energy Technologies	5,384,600	5,006,245	93%
	Energy development	41,020,600	19,863,600	48%
	Pending bills	17,920,846	17,049,400	95%
Sub total		463,214,652	264,421,726	57%
Grand total		10,352,987,741	7,386,271,614	71%

21. SIGNIFICANT ACCOUNTING POLICIES

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

a) Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with Cash-basis IPSAS financial reporting under the cash basis of accounting, as prescribed by the PSASB and set out in the accounting policy notes below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include deposits and retentions. The receivables and payables are disclosed in the Statement of Assets and Liabilities. The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the County Executive all values are rounded to the nearest Kenya Shilling. The accounting policies adopted have been consistently applied to all the years presented. The financial statements comply with and conform to the form of presentation prescribed by the PSASB.

b) Reporting entity

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

c) Recognition of receipts and payments

i) Recognition of receipts

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

ii) Transfers from the County Revenue Fund (CRF)

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

iii) Proceeds from sale of assets

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Recognition of payments

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

i) Compensation of employees

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

ii) Use of goods and services

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

iii) Interest on borrowing

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

iv) Repayment of borrowing (principal amount)

The repayment of principal amount of borrowing is recognized as payment in the period in which the repayment is made.

v) Acquisition of fixed assets

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) In-kind contributions

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

f) Third Party Payments

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

g) 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.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

h) Imprests and Advances

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

i) Third Party Deposits and Retention

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

j) Non-current assets

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

k) Pending bills

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

l) 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 recognised because:
 - i) It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
 - ii) The amount of the obligation cannot be measured with sufficient reliability.

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

The County Executive does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

m) Contingent Assets

The County Executive does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the County Executive in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

n) Budget

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The County Executive's budget was approved as required by Law and as detailed in the County Revenue Allocation Act. There were two supplementary budgets passed in the year.

o) Comparative figures

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

p) Subsequent events

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

q) Prior Period Adjustment

During the year, errors that have been corrected are disclosed under note 17 explaining the nature and amounts.

r) Related Party Transactions

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

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

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

County Executive of Migori
Annual Report and Financial Statements for the year ended June 30, 2023

22. NOTES TO THE FINANCIAL STATEMENTS

1. Transfer from the CRF

	2022-2023	2021-2022
Description	Kshs	Kshs
Total exchequer releases for quarter 1	772,994,392	1,387,655,374
Total exchequer releases for quarter 2	1,234,310,186	1,368,607,174
Total exchequer releases for quarter 3	1,523,007,233	1,412,282,374
Total exchequer releases for quarter 4	4,230,065,827	3,734,987,078
Total	7,760,377,638	7,903,532,000

2. Compensation of Employees

	2022-2023	2021-2022
Description	Kshs	Kshs
Basic salaries of permanent employees	2,638,928,925	2,633,948,002
Basic wages of temporary employees	34,807,530	40,630,191
Personal allowances paid as part of salary	0	0
Personal allowances paid as reimbursements	0	0
Personal allowances provided in kind	0	0
Employer Contribution to compulsory National Social Schemes	230,955,716	195,189,282
Employer Contribution to Compulsory National health Insurance Schemes	0	0
Pension and other social security contributions	0	0
Social benefit schemes outside government	0	0
Other personnel payments	67,047,847	97,001,288
Total	2,971,740,018	2,966,768,763

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3. Use of Goods and Services

	2022-2023	2021-2022
Description	Kshs	Kshs
Utilities, supplies and services	51,345,283	53,507,257
Communication, supplies and services	22,525,485	13,512,328
Domestic travel and subsistence	621,319,932	432,318,000
Foreign travel and subsistence	2,557,156	1,180,080
Printing, advertising and information supplies & services	54,789,769	103,747,568
Rentals of produced assets	11,833,869	21,242,557
Training expenses	57,022,775	124,430,629
Hospitality supplies and services	195,183,262	211,051,795
Insurance costs	47,738,838	34,022,741
Specialized materials and services	408,059,758	720,808,023
Office and general supplies and services	174,826,232	349,063,930
Fuel, oil and lubricants	87,477,599	109,468,786
Other operating expenses	167,544,568	291,877,773
Routine maintenance – vehicles and other transport equipment	68,823,364	91,386,708
Routine maintenance – other assets	62,735,968	86,847,443
Total	2,033,783,858	2,644,465,618

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. Transfer to other Government entities

	2022-2023	2021-2022
Description	Kshs	Kshs
Transfers to County Government entities		
Transfers to County Assembly of Migori	0	863,485,932
Vocational Polytechnics	49,448,460	18,411,255
ECDES	71,999,175	80,375,416
Ward Development Fund	120,000,004	7,575,125
Secondary schools	0	41,047,419
Climate change	10,000,000	0
Car Loan mortgage	178,000,000	0
Level iv hospitals	18,767,130	20,720,340
Municipalities	22,435,305	283,424,835
Dispensaries	30,143,786	0
Total	500,793,860	1,315,040,322

5. Other Grants and Transfers

	2022-2023	2021-2022
Description	Kshs	Kshs
Scholarships and other educational benefits	34,746,933	4,467,000
Other Current Transfers, Grants ,donations and Subsidies	275,604,091	230,983,369
Total	310,351,024	235,450,369

6. Social Security Benefits

	2022-2023	2021-2022
Description	Kshs	Kshs
Social security benefits	0	8,084,862.20
Total	0	8,084,862.20

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. Acquisition of Assets

<u>Non- financial assets</u>	2022-2023	2021-2022
	Kshs	Kshs
Purchase of Buildings		
Construction of Buildings	184,296,391	254,594,998
Refurbishment of Buildings	85,131,478	39,686,744
Construction of Roads	158,756,821	773,638,255
Construction and Civil Works	106,779,318	228,841,681
Overhaul and Refurbishment of Construction and Civil Works	690,803,283	14,662,001
Purchase of Vehicles and Other Transport Equipment	119,366,950	46,732,000
Overhaul of Vehicles and Other Transport Equipment	0	0
Purchase of Household Furniture and Institutional Equipment	0	0
Purchase of Office Furniture and General Equipment	67,958,334	16,806,468
Purchase of Specialised Plant, Equipment and Machinery	89,894,259	58,089,373
Rehabilitation and Renovation of Plant, Machinery and Equip.	0	0
Purchase of Certified Seeds, Breeding Stock and Live Animals	10,075,000	30,159,420
Research, Studies, Project Preparation, Design & Supervision	14,332,500	58,192,592
Specialised Materials and Supplies	6,590,900	74,891,140
Acquisition of Strategic Stocks and commodities	0	0
Acquisition of Land	35,617,620	21,620,000
Acquisition of Intangible Assets	0	0
Purchase of ICT Equipment	0	8,985,600
Total acquisition of assets	1,569,602,854	1,626,900,272

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. Cash and Bank Balances

8A. Bank Balances

Name of Bank, Account Number & currency	Details	2022-2023	2021-2022
		KShs	KShs
CBK – 1000170948, KES	Development	36,554,833.60	4,699.75
CBK – 1000171022, KES	Recurrent	3,378,448.00	477.90
CBK – 1000171537, KES	Revenue	895,602,125.00	234,994,438.55
CBK – 1000292482, KES	MCRML Fund	5,442,443.55	28,323,260.70
CBK – 1000315048, KES	Health Special	7,247,531.70	16,389,397.70
CBK – 1000365668, KES	County NARIGP		157,887,555.50
CBK – 1000365692, KES	ASDSP Special	-	-
CBK – 1000368586, KES	MC VETC	23,650.00	23,650.45
CBK-1000706357, KES	Migori County Retention AC		
CBK-1000704888, KES	Migori County NAT ARIC CHAIN DE AC	-	
CBK-1000398868, KES	Migori EU-IDEAS LED SWEET POTATO PR		
CBK- 1000547944, KES	Migori County Climate Change Fund		
CBK- 1000571818, KES	Migori County Primary Health Care	1,114,814.00	
CBK – 1000376791, KES	Migori County Urb. Inst,Urb. Dev Gr	1.00	
CBK – 1000398892, KES	Migori County Urban Development Gr.	-	0.40
CBK – 1000380683, KES	Comm.Proj. Sp	-	
KCB clearing account Assembly	Recurrent		
KCB – 1149215860, KES	Development	-	
KCB – 1140793454, KES	Operations	-	
KCB – 1153149869, KES	Salaries	4.00	671,705.63
KCB – 1140763881, KES	Revenue		2,715,851.45
EQUITY – 14302765223661, KES	Revenue		52,051,575.40
998140	Mpesa pay bill		3,198,698.00
KCB-1250196620	Awendo Municipality URB Dvt Grant		78,071,298.30
KCB-1250198321	Rongo Municipality URB Dvt Grant		37,811,013.25

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KCB-1250199514	Migori Municipality URB Dvt Grant		31,381,797.65
FAMILY BANK-074000011085	Migori County Public Health	561	13,257,027.53
NBK, 01071206881400	Migori NARIGP	49,558,600	9,310,726.70
KCB – 1240803036, KES	Migori Ideas Led Sweet Potato Project	5,706,627	2,400,566.95
KCB – 1126534986, KES	Thim Lich Disp	101,716	584,925.40
KCB – 111762699, KES	Makararangwe D	42,324	331,122.95
Co- op, 01141077178400	Suna Ragana	460,017	253,966.10
KCB-1205748245	Gosebe disp	1,543	237,003.50
KCB – 1151401129, KES	Kitere Disp.	161,456	94,089.00
KCB – 1105499693, KES	Fish Cess	-	89,342.89
NBK, 01001084011400	Midida Disp	692	79,881.22
NBK, 01071254541100	Migori County Fisheries and Blue Economy		
KCB – 1146721641, KES	Water Supply	-	73,602.00
Co- op, 01141204290300	Namba Kodero D	43,901	61,014.80
KCB – 1180336461, KES	MC Modern T	-	51,133.00
EQUITY-1160279098027	Migori ICT And E governance	0	30,131.90
Co- op, 01141750154300	Nyamanga Nyaliande	829	27,203.00
co-op-01141751574800	Apilo dispensary	41,069	1,310.00
co-op-01141751577900	Aego dispensary	40,935	25,695.00
KCB-1270777858	Boremagongo dispensary	40,166	27,031.00
KCB-1124782745	komasimo dispensary	331,483	181,902.70
KCB-119639751	Nyabokarange dispensary	70,319	1,180,005.25
Co-op- 01141751718100	Kokuro dispensary	1,844	4,055.00
KCB-1272575330	Rongo municipality	1,261	9,789.00
C-op- 01141751366800	Nyamongo dispensary	41,434	675.00
KCB – 1179977904, KES	Internal Audit	-	6,808.00
FAMILY BANK-074000010212	MIGORI EXEC	678	5,326.35
KCB – 1172812888, KES	Kamsaki Disp	4,202	5,175.00
Co- op, 01141048766300	Masaba HC	365,722	3,773.30

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KCB – 1152319108, KES	Thim Jope Dis	2,872	3,744.00
KCB – 1156901340, KES	Kemakoba Disp	47,105	3,708.00
KCB-1266001484	Nyamagongwe disp	41,843	3,625.00
NBK, 01001017575000	Water & Energy-	2,334	3,376.39
NBK, 01001095863600	Trade & Coop	-	3,101.01
KCB – 1220895849, KES	Kangeso dip	5,436	3,084.10
KCB – 1167057228, KES	Othoch Rakuom	41,657	3,036.50
KCB – 1134406568, KES	Kohanga Disp	41,221	2,787.00
Co- op, 01134482816200	Diruma Disp	42,498	2,731.78
KCB – 1118658418, KES	Kwoyo Kodalo D	1,336	2,638.50
KCB – 1136947515, KES	Iraha Dispensary	670	2,255.00
KCB – 1119164206, KES	Nyangoge HC	56,088	1,570.40
KCB – 1105652580, KES	Riat Dispensary	40,167	1,468.00
KCB-1250198666	Migori County Urban	495	1,455.00
KCB – 1171502761, KES	Robarisia	40,654	1,352.50
KCB – 1240753071, KES	PSM	120	1,221.00
Co- op, 01141048603400	Bande Disp	493	1,132.17
KCB – 1242739998, KES	Migori County Public Works	476	1,035.70
EQUITY- 1160261978741	Agric, Livestock	397	1,005.25
KCB – 1202800130, KES	Magacha Disp	399	1,003.50
KCB – 1157583156, KES	Lela Dispensary	2,884	703.90
KCB – 1181402786, KES	Kanga Dispens	1,227	672.00
NBK, 01001084058400	Piny Owacho Dis	39,105	643.60
NBK, 01001046632600	Ongito Disp.	39,167	593.00
KCB-1261535472	Migori County Phy Plan &Urban D	(51)	444.00
FAMILY BANK-074000011078	Migori county sports culture	14,291	410.33
Co- op, 01141481016701	Got-Kachola Dis	41,897	390.50
Equity, 1160283691064	Migori county special programme account		
EQUITY-1160270175485	Migori county monitoring and evaluation	2,370	
EQUITY- 1160262020813	Education	13,605	206.40

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FAMILY BANK-07400011153	Migori county livestock veterinary And IFisheries	3,263	33.05
FAMILY-074000019163	Migori county national agricultural vale chain development project	67,192,729	
KCB – 1203729731, KES	Econ Planning	1,148	-
NBK, 01071212911900	MCG Ministry of lands	1,380	(0.01)
KCB – 1217027521, KES	PSB	-	
KCB – 1170448143, KES	Retentions		42,382,487.57
KCB – 1158858221, KES	MC Referral		
KCB – 1113374861, KES	MOH HOSPITALS		1,534,668.55
KCB – 1158858299, KES	Rongo S/C FIF		379,244.00
KCB – 1158858310, KES	Macalder S/C H		288,816.75
KCB – 1158858353, KES	Kuria S/C Hosp		503,788.34
KCB – 1158858418, KES	Karungu S/C Hos		209,472.00
KCB – 1158858434, KES	Isibania S/C H		236,646.60
KCB – 1158858469, KES	Kegonga S/C H		2,484,905.85
KCB – 1158858485, KES	Ntimaru S/C H		2,650,709.00
KCB – 1165309890, KES	MCG ICT A/C	4,500	
KCB – 1171424299, KES	MC Health RBF		
KCB – 1120847028, KES	Muchebe Disp	41,862	4,342.90
KCB – 1125497637, KES	Motemorabu Dis	2,028	4,241.00
KCB – 1263317391, KES	Koringo dispensar	41,466	2,608.00
KCB – 1126066362, KES	Ngisiru Dispens	1,064	1,351.00
KCB – 1125711779, KES	Komosoko D	40,465	49,155.00
KCB – 1106376692, KES	Komomange D	41,090	3,229.30
KCB – 1135742588, KES	Kombe Dispen	5,046	8,374.60
KCB – 1119187435, KES	Tarang'anya D	2,075	54,157.70
KCB – 1126730106, KES	Nyaitara D	40,365	1,821.70
KCB – 1125370440, KES	Siabai Makonge	93,695	2,543.00
KCB – 1124655476, KES	Gairoro Disp	99,795	4,519.60
KCB – 1136923578, KES	Getambwega D	40,246	53,672.00
KCB – 1136271317, KES	Taragai Disp	40,161	1,047.90
KCB – 1135748837, KES	Nyametembe D	41,768	3,677.10

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KCB – 1137233079, KES	Agenga Disp	40,726	96,136.00
KCB – 1113514973, KES	Aneko Disp	40,386	75,124.00
KCB – 1126535761, KES	Kipingi Disp	40,027	1,527.00
KCB – 1126504815, KES	Nyamanga Disp	40,275	79,133.00
KCB – 1126421480, KES	Olasi Dispensary	40,869	1,593.00
KCB – 1144594790, KES	Wath Onger D	182,673	783,043.40
KCB – 1126535133, KES	Yago Dispensary	1,388	115,352.00
CO-OP-01141482916700	Ogongo Dispensary	1,749	110,743.15
KCB – 1117165639, KES	Minyenya Dis	41,292	75,210.00
KCB – 1136266658, KES	Nyasese Disp	40,129	2,029.90
KCB – 1139815547, KES	Nyamaranya Disp	40,679	907.00
KCB – 1126535265, KES	Winjo Dispens	41,063	488.00
KCB – 1142280861, KES	Girigiri Disp	41,855	87,165.00
KCB – 1158161220, KES	Nyasoko Disp	5,822	51,128.50
KCB – 1142280861, KES	Kochola Disp	11,539	69,155.00
KCB – 1148963383, KES	Ndege Oriedo	3,715	5,314.00
KCB – 1176959328, KES	Bondo Dispens	40,235	231,806.00
KCB – 1209767740, KES	nyaroha	43,880	6,202.00
KCB – 1176975978, KES	Masaria Disp	57,891	78,915.00
KCB – 113803861, KES	Nyankore H C	43,344	4,627.00
KCB – 1202660266, KES	Oruba Disp	40,723	113.00
KCB – 1119114381, KES	Kugitimo Disp	59,423	87,150.00
KCB – 1207007757, KES	Maeta	71,231	51,010.00
KCB – 1124782745, KES	Mogori H C	331,483	60,350.00
KCB – 1119639751, KES	waita		85,650.00
KCB – 1119586828, KES	Nyamataburo HC	59,102	90,350.00
KCB – 1118960173, KES	Tisinye HC	145,808	637,128.30
KCB – 1130227758, KES	Nyamaraga HC	1,009	5,960.00
KCB – 1130827623, KES	Ogwedhi HC	633,787	6,750.00
KCB – 1119688485, KES	Gwitembe HC	182,200	118,679.90

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KCB – 1119634393, KES	Chinato HC	65,896	160,155.90
KCB – 1240844379, KES	Migori County D Governor	1,202	0
Co- op, 01141481763500	Health Sector	1,116	2,005.33
Co- op, 01141203091000	Anjego Dispe	172,897	17,560.00
Co- op, 01141048713000	Arombe Disp	48,741	469,544.76
Co- op, 01141056242200	Giribe Disp	2,783	239,579.90
Co- op, 01141750525200	Got Orango disp	5,221	5,455.00
Co- op, 01141202033000	God-Kwer Disp	88	39,999.00
Co- op, 01141077147000	God-Jope Disp	91,974	113,007.95
Co- op, 01141077313500	Midoti Disp	40,900	80,150.00
Co- op, 01134204712300	Migori Prison Health	1,820	8,040.00
Co- op, 01141202278400	Nyarongi Disp	45,286	6,366.00
Co- op, 01141077450500	Ondong' Disp	4,420	90,150.00
Co- op, 01141203000000	Osingo Disp	588,294	2,957.60
Co- op, 01141481117701	Saro Disp	40,931	119.85
Co- op, 01141202876400	Suna Rabuor Dis	406,967	184,075.80
Co- op, 01141077152500	Kabuto Disp	40,467	43,689.00
Co- op, 01141077152500	Kituka Disp	1,508	341.83
Co- op, 01141204249100	Kombato Disp	82,495	1,546.80
Co- op, 01141202040000	Lwanda Disp	581,652	-
Co- op, 01141202276200	Ndiwa Disp	4,394	7,908.90
Co- op, 01141202040300	Otati Disp	42,235	2,268.47
Co- op, 01141202279000	Nyandago Kower	41,303	
Co- op, 01141077325000	Getongoroma Dis	51,573	56,127.00
Co- op, 01141481137200	Obware Disp	43,789	4,343.25
Co- op, 01141482809100	Nyamilu Disp	43,162	3,684.55
Co- op, 01141482916700	oyani HC		93,737.68
Co- op, 01141482965000	Nyakiringoto Dis	42,819	49,375.00
Co- op, 01141482962100	Mugabo Disp	4,227	50,570.00
Co- op, 01141202676300	Bugumbe HC	289,036	32,707.32

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Co- op, 01141202912700	Nyamekongoroto	124,975	340,806.28
Co- op, 01141202834300	Muhuru HC	1,000	839,931.11
NBK, 01001017544700	Othoro SCH FIF	1,001	18,738.70
NBK, 01001017544600	Awendo SCH FI	1,000	311,972.76
NBK, 01001095864200	Env & Disaster	2,570	
NBK, 01001084043300	Angaga Disp	1,107	70,025.00
NBK, 01001046609400	Dede Disp	35,389	67,125.00
NBK, 01248046510700	Kuja Disp	1,316	39,335.35
NBK, 01001045638500	Ngere Disp	353	644.39
NBK, 01001070016400	Ngodhe Disp	3,246	38,753.00
NBK, 01001095766300	Nyakuru Disp.	27,296	40,150.00
NBK, 01001079718600	Ombo-Mbita Dis	39,087	2,757.20
NBK, 01248046433000	Otacho Disp	555	5,060.00
NBK, 01001046734200	Rabondo Disp	2,172	80,230.00
NBK, 01001084039200	Sirutu Disp.	44,499	9,175.00
NBK, 01001046526600	Bware Disp.	56,619	10,150.00
NBK, 01001084032800	Koloo Disp	39,508	346.91
NBK, 01248080349900	Kolwal Disp.	43,458	799.00
NBK, 01001046434100	Nyamasare	39,406	450.38
NBK, 01001084042600	Ombo Kowiti Dis	886	495.00
NBK, 01071213895300	County Sec	1,932	1,263.95
NBK, 01001017542800	Osogo Disp.	2,137	105.00
NBK, 01001046487600	Sibuoche Disp	133	1,581.00
NBK, 01001084454800	Ngonga Disp	5,179	104,818.38
NBK, 01001017567300	Lwala Disp	209	105,320.00
NBK, 01001070065300	Wanginya Disp	40,498	70,150.00
NBK, 01248046484500	Mariwa HC	462	24,160.00
NBK, 01242045431400	Ongo HC	203,825	81,230.00
KCB-1207998109	Nyamagongwi disp	41,428	4,105.00
NBK-01020202548900	Angogo Dispensary	585,104	2,098.43

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NBK-01001129448300	Omullo disp	20	34.28
NBK-01001129487000	Kopanga disp	41,519	65,176.00
NBK-01001129416000	Nyamage Disp	3,155	4,627.90
NBK-01020202568000	Bonde disp	39,220	98.79
NBK-01001130943100	Obama disp	38,907	1,550.79
KCB-1237965365	Kitbul Disp	89,394	76,135.00
NBK, 01248046576600	Oyani HC	1,000	80,230.00
NBK, 01248045067700	Uriri HC	1,000	234,844.01
KCB -1274685052	Migori County Covid-19	-	
NBK -01071211630500	MIGORI COUNTY KDSP	839	
co-op bank-01141750908000	ASDSP	724,290	1,790,792.90
KCB-1264153562	Rae Kondiala Dis	40,764	
KCB-1271941937	Getonganya Dis	39,902	
KCB-1294467891	Nyamekoma Dis	26	
KCB-1286544149	Migori County Attorney operatios	2,114	
KCB-1293851698	Migori County Finance	1,448	260.00
NBK-01071254121000	Public works	1,380	
KCB-1154700062	Migori County Education Fund	4,643,881	
EQUITY-1160282762142	Migori County Climate Change Fund	6,615	
NBK-01071212911900	Migori County Min of Lands,Housing and physical planning	1,380	
KCB-1266907971	Migori County Aquaculture Bus De	3,056	
Total		1,086,773,881	732,083,084

8 B Cash in Hand

	2022-2023	2021-2022
	Kshs	Kshs
Cash in hand – Held in Domestic Currency	0	0
Cash in hand – Held in Foreign Currency	0	0
Total	0	0

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Notes to the Financial Statements (Continued)

9. Outstanding imprests and advances

<i>Description</i>	2022-2023	2021-2022
	Kshs	Kshs
Government Imprests	0	0
Salary Advance	0	0
Clearance accounts	0	0
Total	0	0

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Notes to the Financial Statements (Continued)

10. Deposits and Retention

	2022-2023	2021-2022
	Kshs	Kshs
Deposits	0	0
Retention monies(KCB)	20,338,638	42,382,488
Migori County Retention(CBK)	2,628,623	0
Total	22,967,261	42,382,488

11. Fund Balance Brought Forward

	2022-2023	2021-2022
	Kshs	Kshs
Bank accounts	732,083,084	1,715,152,007
Cash in hand	0	0
Accounts Receivables	0	0
Accounts Payables	(42,382,488)	(132,273,205)
Total	689,700,596	1,582,878,802

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12. Prior Year Adjustments

	Balance b/f from Previous FY as per audited financial statements	Adjustments during the year relating to prior periods	Adjusted ** Balance b/f For previous FY
Description Of the Error	Kshs	Kshs	Kshs
Bank account Balances	0	0	0
Cash in hand	0	0	0
Accounts Payables	0	0	0
Receivables	0	0	0
Total	0	0	0

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Notes to the Financial Statements (Continued)

13. Increase/ (Decrease) in Outstanding Imprests and Advances

	2022-2023	2021-2022
Description	Kshs	Kshs
Receivables as at 1 st July (a)	0	0
Receivables as at 30 th June (b)	0	0
Increase)/ Decrease in Receivables (c=(b-a))	-	-

14. Increase/ (Decrease) in Deposits and Retention

	2022-2023	2021-2022
Description	Kshs	Kshs
Payables as at 1 st July (a)	42,382,488	132,273,205
Payables as at 30 th June (b)	22,967,261	42,382,488
Increase/ (Decrease) in payables c= b-a	(19,415,227)	(89,890,717)

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15. OTHER IMPORTANT DISCLOSURES

1. PENDING ACCOUNTS PAYABLE (See Annex 2)

	Balance B/F 2021-2022	Additions for the year	Paid during the year	Balance C/F 2022-2023
Description	Kshs	Kshs	Kshs	Kshs
Construction of Buildings	49,891,391	192,226,357	63,298,355	178,819,393
Construction of Civil Works	35,394,213	346,193,228	44,308,848	337,278,593
Supply of Goods	296,549,364	256,303,659	375,992,228	176,860,795
Supply of Services	92,145,995	85,974,126	116,468,972	61,651,149
Total	473,980,963	880,697,370	600,068,403	754,609,930

2. RELATED PARTY DISCLOSURES

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

The following comprise of related parties to the County Executive:

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

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Related party transactions

	2022-2023	2022-2023
	Kshs	Kshs
<u>Transfers To Related Parties</u>		
Transfers to County Assembly of Migori	0	863,485,932
Vocational Polytechnics	49,448,460	18,411,255
ECDES	71,999,175	80,375,416
Ward Development Fund	120,000,004	7,575,125
Secondary schools		41,047,419
Climate change	10,000,000	0
Car Loan mortgage	178,000,000	0
Level iv hospitals	18,767,130	20,720,340
Municipalities	22,435,305	283,424,835
Dispensaries	30,143,786	
Total	500,793,860	1,315,040,322
<u>Transfers From Related Parties</u>		
Transfers From the CRF	7,760,377,638	7,903,532,000
Total Transfers From Related Parties	7,760,377,638	7,903,532,000

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OTHER IMPORTANT DISCLOSURES

3. ESTABLISHMENT OF OTHER COUNTY GOVERNMENT ENTITIES

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

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

4. LEASING OF MEDICAL EQUIPMENT

Amounts relating to leased medical equipment is included in the County Allocation Revenue Act and is budgeted for by the Counties. This amount is deducted at source and therefore not included in the exchequer. Since this is not a cash item, it is not included in the statement of receipts and payments In the current financial year ,amounts relating to leased medical equipment was Kshs153,297,872 and Kshs153,297,872 for the previous Financial year.

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5. PROGRESS ON FOLLOW UP ON PRIOR YEAR AUDITOR'S RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	<i>Performance of Own Generated Revenue</i>	<i>Various measures have been taken to maximize revenue collection in all streams including establishment of Revenue administration Board and Automation.</i>	<i>Ongoing</i>	
2	<i>Outdated Valuation Roll</i>	<i>The management budgeted for preparation of new valuation rolls for all major towns</i>	<i>Not Resolved</i>	<i>30.11.2023</i>
3	<i>Payments of Salaries Outside the Integrated Personnel and Payroll Database (IPPD) payroll</i>	<i>Starting March 2023, No payment of salaries outside IPPD</i>	<i>Resolved</i>	<i>31.03.2023</i>
4	<i>Lack of an Approved Staff Establishment</i>	<i>The document has since been completed and awaiting Cabinet approval</i>	<i>Work in progress</i>	<i>30.11.2023</i>
5	<i>Lack of Ethnic Diversity in Staff Composition</i>	<i>It is worth noting that Migori County is a cosmopolitan County and all communities are represented in the work place in line with National Cohesion and Integration Act</i>	<i>Ongoing</i>	
6	<i>Unjustified Legal Fees Expenditure</i>	<i>The management now itemizes and support all legal fees</i>	<i>Resolved</i>	<i>30.06.2023</i>
7	<i>Unsupported Cash and Cash</i>	<i>Cash and cash balances are now supported by bank</i>	<i>Resolved</i>	<i>30.06.2023</i>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<i>Equivalent Balances</i>	<i>statements, reconciliations and certificates</i>		
8	<i>Grounded Motor Vehicles and Machineries</i>	<i>The management is in the process of developing disposal plan and disposing of all grounded vehicles</i>	<i>Ongoing</i>	<i>31.12.2023</i>
9	<i>Lack of Risk Management Policy and Strategy</i>	<i>The document has since been completed and awaiting Cabinet approval</i>	<i>Ongoing</i>	<i>30.11.2023</i>
10	<i>Lack of Approved Information Technology Security Policy</i>	<i>The document has since been completed and awaiting Cabinet approval</i>	<i>Ongoing</i>	<i>30.11.2023</i>
11	<i>Failure to Maintain an Up-to-date Asset Register</i>	<i>The asset register is continuously updated and will be completed once the valuation of land is completed.</i>	<i>Ongoing</i>	<i>30.11.2023</i>

Guidance Notes:

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

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Wondwonga

County Executive Committee Member – Finance and Economic Planning

Date

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

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

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6. ANNEXES

Annex 1 – ANALYSIS OF TRANSFERS FROM THE CRF

Period 20xx	Quarter 1 (Kshs)	Quarter 2 (Kshs)	Quarter 3 (Kshs)	Quarter 4 (Kshs)	Total (Kshs)
Equitable Share	782,254,392	1,223,810,186	1,355,523,313	4,072,413,436	7,434,001,327
NARIGP			134695854	72,964,129.00	207,659,983
ASDSP		5,500,000.00	10,084,066.00		15,584,066
KUSP				4,729,033.00	4,729,033
Climate				10,000,000.00	10,000,000
Primary Health		7,704,000.00		8,506,500.00	16,210,500
NAV T				67,192,729.00	67,192,729
Total	782,254,392	1,237,014,186	1,500,303,233	4,235,805,827	7,755,377,638

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Annex 2 – ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier Of Goods Or Services	Date invoiced/contracted	Particulars	Original Amount	Balance at the beginning of the year	Addition During the year	Amount paid During the year	Outstanding Balance	Comments
				a	b	c	d=a+b-c	
Construction Of Buildings				49,891,391	192,226,357	63,298,355	178,819,393	Detailed list provided
1.								
2.								
Sub-Total								
Construction Of Civil Works				35,394,213	346,193,228	44,308,848	337,278,593	Detailed list provided
3.								
4.								
Sub-Total								
Supply Of Goods				296,546,364	256,303,659	375,992,228	176,860,795	
5.								
6.								
Sub-Total								
Supply Of Services				92,145,995	85,974,126	116,468,972	61,651,149	
7.								
Sub-Total								
Grand Total				473,980,963	880,697,370	600,068,403	754,609,930	
	<i>Note: Pending bills comprise goods and services rendered and invoiced but not yet settled and does not include commitments</i>							

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Annex 3– SUMMARY OF NON-CURRENT ASSET REGISTER

Asset Class	Historical Cost b/f (Kshs)	Additions during the year	Disposals during the year	Transfers in/(out) during the year	Historical Cost c/f
	2022-2023	(Kshs)	(Kshs)	(Kshs)	2020-2021
Land	23,870,000	35,617,620			59,487,620
Buildings and structures	6,922,053,146	1,225,767,290			8,147,820,436
Transport equipment	3,282,285,215	119,366,950			3,401,652,165
Office equipment, furniture and fittings	238,618,765	64,958,434			303,577,199
ICT Equipment, Software and Other ICT Assets	621,813,100	0			621,813,100
Other specialised Machinery and Equipment	872,091,270	115,892,792			987,984,062
Intangible assets	1,074,942,367	0			1,074,942,367
Total	13,035,673,863	1,561,603,086	0	0	14,597,276,949

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