

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, 2024**



17 DEC 2024



COUNTY GOVERNMENT OF MIGORI
ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2024

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 2024

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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 and is headed by the County Governor, who is responsible for the general policy and strategic direction of the County.

No,	Department	Major Responsibility
1	Finance and Economic Planning	Management of County treasury and Planning
2	Public Service Management	Overseeing citizenry services, HR functions and human capital strategy
3	Trade Tourism And Industry	Dealing with markets, maintenance of tourist sites, and cooperatives
4	Transport and Infrastructure	Road maintenance and overall civil works
5	Education, Sports, Culture, Gender and Social Services	ECD management, TVETs
6	Health Services	Offering health services and management of health facilities.
7	Lands and Physical Planning	Municipality services and land rating
8	Agriculture, Livestock and Fisheries	Agricultural policies enforcement
9	Environment, Climate Changer and Disaster Management	Climate regulation policies, Environmental protection
10	Water and Energy	Water delivery

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b) Key Management team

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

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

c) Fiduciary Management

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

No.	Designation	Name
1.	CECM Finance and Economic Planning	Mr Maurice Otunga
2.	Chief Officer-Finance and Economic Planning	Dr. Achuora John Odoyo
3.	Chief Officer-Environment, Natural Resources Climate Change and Disaster Management	Mr.Dalmas Otero
4.	Chief Officer-ICT, E-Governance and Innovation	Mr. Nelson Wasonga
5.	Chief Officer-Gender, Inclusivity, Culture and Social Services	Prof.Roseline Ogwang
6.	Chief Officer Medical Services	Mr. Samuel Atula
7.	Chief Officer Public Health	Mrs.Mabel Chanzu
8.	Chief Officer Lands, Housing Physical Planning and Urban Development	Mr.Andrew Mwera
9.	Chief Officer Agriculture Livestock	Mr. Elvis Odalo Kithine
10.	Chief Officer-Fisheries and Blue Economy	Mr.George Ochola
11.	Chief Officer- Education, Youth and Sports	Mrs.Roseline Atieno Otieno
12.	Chief Officer-Agriculture and Ag. Governance and Administration	Mr. John Michael Midwa

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No.	Designation	Name
13.	Chief Officer-Special Programmes	Mrs.Starlet Oduwuori
14.	Chief Officer-Trade, Tourism, Industrialization and Co-operatives Development	Mr.Victor Ouya
15.	Chief Officer-Public Service Management and Devolution	Mr.George Odhiambo Olieng
16.	Chief Officer Water and Energy	Mrs.Rhoda Nchangwa

d) Fiduciary Oversight Arrangements:

1. **County Assembly of Migori**-The Executive is answerable to the County assembly of Migori and its Annual audited financial reports are considered by the county assembly periodically. Whenever called upon, the executive files reports to relevant County Assembly Departmental committee e.g. Public Accounts Committee, Implementation Committee, Budget and Appropriation Committee whenever requested to do so.
2. **Audit committee** -Migori County has in place audit committee constituted as per PFM requirements which operates independently and reports to the Governor. They consider Internal Audit reports and the secretary of the Audit committee is the Director internal audit who presents all the internal audit reports to the committee. The Audit Committee considered several reports during their quarterly meetings during the year under review.
3. **Senate Assembly**-Considers Audited Financial statements for County Executive audit recommendations are implemented to ensure value for money for all funds invested

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

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

2. Kenya Commercial Banks

- I. Kenya Commercial Bank
Migori Branch
Migori Town
- II. Equity Bank
Migori Branch
- III. Co-operative Bank
Migori Branch
- IV. Family Bank
Migori Branch
- V. National Bank
Migori Branch

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

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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.

The County Executive committee works hand in hand with various stakeholders who includes the County Assembly, Audit committee and Senate, who offers the oversight role to the Executive. During the year under review the three committees discussed various report for the County Executive. Further the Audit Committee approved risk based internal audit work plan as guided by the risk management policy.

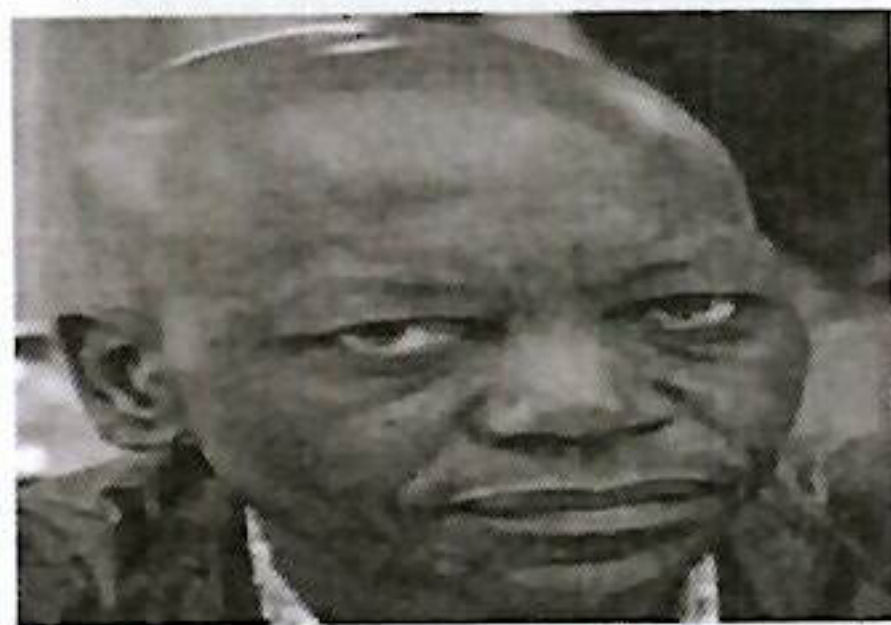
The County Executive also engaged the public in so much activities during the year. Some of the documents that went for public participation includes Budget estimates, Annual development plan, Spatial plan for Kehancha and the Finance bill. t

The County Executive

Name	Details of qualifications and experience
1. H. E Dr. George Mbogo Ochillo Ayacko 	Name: H.E Dr.George Mbogo Ochillo Ayacko Date of birth:10th September 1968 Qualifications: Advocate of High and Supreme Court of Kenya. PHD in leadership and change management Position: County Governor
2. H.E Dr.Joseph Gimunta Mahiri 	Name: H.E Dr.Joseph Gimunta Mahiri Date of birth:10th October 1979 Qualifications: Bachelor of Education In Geography and PHD in Land planning Position: Deputy County Governor

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3. Mr. Oscar Olima 	Name: Mr. Oscar Olima Date of birth: 07th September 1960 Qualifications: Bachelor Degree in Information Systems and Master's Degree in Business Information Systems. Master's degree in Digital forensic and cryptography He is a member of Migori County Executive Car Loan and Mortgage Fund Administration committee and currently serving as the County Secretary & Head of Public Service in Migori County
4. Mr. Maurice Otunga 	Name: Maurice Otunga Date of birth: 07th September 1960 Qualifications: Master's Degree in project planning and management from University of Nairobi. Position: CECM Finance & Economic Planning in Migori County, Water and Energy and chairperson of Migori County Executive Car Loan and Mortgage Fund Administration committee
5. Ms. Rahab Robi 	Name: Rahab Robi Date of birth: 24th December 1976 Qualifications: MA Sociology and BA Criminology. Member of Institute of HRM Position: She is a member of Migori County Executive Car Loan and Mortgage Fund Administration committee and currently serving as the CECM Education Sports, Gender and Culture in Migori County
3. Eng. John Kobado 	Name: Eng. John Kobado Date of birth: 06th December 1957 Qualifications: Civil Engineering Position: He is a member of Migori County Executive Car Loan and Mortgage Fund Administration committee and currently serving as the CECM Public Service Management.
4. Mr. John Oring'o 	Name: John Oring'o Date of birth: 12th December 1959 Qualifications: Bachelor's Degree in Education He is a member of Migori County Executive Car Loan and Mortgage Fund Administration committee and currently serving as the CECM Roads, Transport & Public Works in Migori County.

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5. Mr. Caleb Opondi 	Name: Caleb Opondi Oduor Date of Birth: 07th June 1965 Qualifications: Bachelor's Degree in Education County Currently serving as the CECM Health Services in Migori County. He served as a vital member of the Migori County Education Board in the Ministry of Education Science and Technology.
6. Ms Mercy Mwakio. 	Name: Mercy Mwakio Sau Date of Birth: 27th December June 1978 Qualifications: Qualifications: Bachelor's Degree in Education Currently serving as the CECM Lands & Physical Planning in Migori County.
7. Dr. Mogesi Samburu 	Name: Mogesi Betty Samburu Date of Birth: 15th August 1976 Qualifications: PHD in applied Human Nutrition, Masters of science in Food nutrition dietetics and Bachelor's degree in Education, Home Economics Currently serving as the CECM Trade Tourism and Industry In Migori County. She is a PhD holder from Kenyatta University on Nutrition, Dietetics and Food security
8. Mr. Julius Awuor 	Name: Julius Awuor Nyerere Date of Birth: 03rd December June 1961 Qualifications: Bachelor's degree in Education Serving as the CECM Environment & Natural Resources in Migori.
9. Mr. Lucas M. Chacha 	Name: Lucas Mosenda. Chacha Date of Birth: 10th October 1967 Qualifications: Bachelor's Degree in Agricultural Education and Extension, MBA Strategic Management 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.

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6. 10. Mr. Maurice Otunga 	Name: Maurice Otunga Date of birth: 07th September 1960 Qualifications: Master's Degree in project planning and management from University of Nairobi. Position: CECM Finance & Economic Planning in Migori County, Water and Energy and chairperson of Migori County Executive Car Loan and Mortgage Fund Administration committee
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4.Foreword. by the CECM Finance and Economic Planning

It gives me pleasure to present the County Executive of Migori financial statements for the financial year ending 30th June 2024. 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. The County Governments are mandated to carry out the devolved functions outline in the constitution and County Government Regulations.

Financing of the County Governments.

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

County's Financial Performance.

The County Government of Migori had an approved budget of Ksh. 11,473,037,521 for the year 2023/2024 comprising of Kshs 4,144,010,967 as development and Kshs 7,329,026,554 as recurrent expenditure. From the annual budget, county Assembly took Kshs. 1,103,508,709 for its development projects, personnel emoluments and office operations. Migori County, however, for the financial year, 2023/2024, received a total of Kshs 8,520,597,992 as transfers from the County Revenue Fund. The total expenditure for the County Government is summarised below.

Table: Overall expenditure review for FY 2023/24

	Budget Allocation (Kshs. Million)	Expenditure (Kshs. Million)	Absorption rate (%)
Development	4,144.01	2,352.71	56.77
Recurrent	7,329.02	6,299.31	86.95
Total	11,473.03	8,652.02	75.41

The development projects comprises three main flagship projects ongoing: County headquarter, Awendo Chamgiwadu Bitumen road and County Aggregation Park

County Executive of Migori

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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.

5. 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 2023-2027 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 23/24 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.

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	To increase Pharmaceutical and Non – pharmaceutical commodities	Reduced and eliminated disease burden: address treatable conditions	% increase in Drugs and non-pharms procured	Improved lifespan for the residents
	To improve emergency and Referral services	Improved referral Services	% increase in efficiency in referral services	Patients with Technical illnesses can access specialist services within a short time hence increased survival rates.
	To improve Infrastructure development	Improved service delivery	% increase in amenity wards constructed and equipped	Increased access to standard health services ie good clean facilities
			% increase in Sub County hospitals renovated (general)	Increased access to standard health services ie good clean facilities
			% completion in blood bank constructed and equipped	Inceased survival rate of patients
			% increase in health facilities with alternate sources of power e.g. solar installation	Increased access to standard health services ie good clean facilities
			% increase in health Centres and dispensaries renovated and face lifted	Increased access to standard health services ie good clean facilities
	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.
Environment and Disaster Management	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	Enhanced and effective	% increase of workforce and	Reduced magnitude of destruction due to timely

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	preparedness and response	disaster preparedness and response	voluntary workers trained on disaster response	responses to incidences with adequate and well 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.

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	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
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 programmes 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 programmes are executed on time.
		Improved debt Management	% improvement of debt management	Improved cashflow to the business community and safeguarding the county from incurring unplanned debts and their related costs
	To improve resource Mobilization	Increased revenue collected	% increase in equitable share	Increased resources means more service delivery to the residents.
	To improve Supply Chain Management	Improved procurement services	% implementation of procurement plan implemented within time and cost	Timely and smooth business transaction for goods and services .
	To improve audit Services	Efficient and timely, audit, monitoring and evaluation of staff and county	% level of audit reports implemented	Improved internal control systems for better financial management in the county
	To improve budget coordination and management	Budget prepared and approved	% county fiscal strategy papers adopted and implemented	Enhanced implementation of projects and programmes per financial management systems in place.
	Public Service Management	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	% increase of staff on performance	Increase service deliver

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		management of staff performance	management system	
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6/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.

7.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 Migori 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 Migori 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, 2024. This responsibility includes: (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the county 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 Migori 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, 2024, 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 Migori 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 Migori 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 30th September 2024.


C.E.C. MEMBER - FINANCE
MIGORI COUNTY
P.O. BOX 122-40000, SUNA-MIGORI
Date: Sign:

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

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
Email: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



Enhancing Accountability

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

REPORT OF THE AUDITOR-GENERAL ON COUNTY EXECUTIVE OF MIGORI FOR THE YEAR ENDED 30 JUNE, 2024

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of County Executive of Migori set out on pages 1 to 67, which comprise the statement of assets and liabilities as at

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of County Executive of Migori as at 30 June, 2024 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. Unsupported Expenditure on Wages

The statement of receipts and payments reflects compensation of employees expenditure of Kshs.3,255,148,943 as disclosed in Note 2 to the financial statements. The amount includes basic wages for temporary employees of Kshs.141,269,005. However, the letters of appointment for the temporary employees were not provided for audit review. Management explained that most of the temporary employees were inherited from the defunct local authorities and the process of regularising their engagements was ongoing.

In the circumstances, the accuracy, completeness and propriety of the basic wages for temporary employees' expenditure of Kshs.141,269,005 could not be confirmed.

2. Unsupported Legal Expenses

The statement of receipts and payments reflects use of goods and services amount of Kshs.2,543,005,831 which, as disclosed in Note 3 to the financial statements, includes other operating expenses amount of Kshs.152,175,180 out of which, Kshs.50,326,213 was utilized for payment for legal services. However, the fee notes provided for audit did not indicate the nature of work done for the amount claimed. In addition, no tabulation was provided to show how the fee notes conformed to the Advocates and Remuneration Order, 2014.

In the circumstances, the accuracy, completeness and propriety of the expenditure on legal services of Kshs.50,326,213 could not be confirmed.

3. Land Acquired without Title Deed

The statement of receipts and payments reflects acquisition of assets amount of Kshs.1,968,670,681 which, as disclosed in Note 7 to the financial statements, includes acquisition of land amount of Kshs.23,305,870 out of which, Kshs.1,500,000 was utilized by the Department of Trade, Tourism Industrialization and Cooperative to purchase land.

However, according to Management, the title deed was still being processed as at the time of audit.

In the absence of the title deed, it was not possible to confirm the accuracy and rightful ownership on the expenditure on acquisition of land of Kshs.1,500,000.

The audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the County Executive of Migori Management in accordance with ISSAI 130 on the 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. Budgetary Control and Performance

The statement of comparison of budget and actual amounts (recurrent and development combined) reflects final receipts budget and actual on comparable basis amounts of Kshs.11,473,037,521 and Kshs.8,667,087,798 respectively, resulting in an underfunding of Kshs.2,805,949,723 or 24% of the budget. However, Management spent a total of Kshs.8,652,021,734 out of actual receipts of Kshs.8,667,087,798 resulting to under-utilization of Kshs.15,066,004 of actual receipts.

In the circumstances, the under-funding affected planned activities which may have impacted negatively on service delivery to the residents of Migori.

2. Late Exchequer Releases

The statement of receipts and payments, and as disclosed in Note 1 to the financial statements, reflects transfers from County Revenue Fund (CRF) amount of Kshs.8,520,597,992. Included in transfers is an amount of Kshs.1,686,316,641 which was transferred from the CRF on diverse dates between 18 June, 2024 and 5 July, 2024.

The late exchequer releases may have adversely effected 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 judgement, are of most significance in the audit of the financial statements. Except for the matters described in the Basis for Qualified Opinion section of my report. I have determined that there are no other key audit matters to communicate in my report.

Other Matter

1.0. Unresolved Prior Year Matters

In the previous year's audit report, several issues were raised under Report on the Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, Management had not resolved these issues as at 30 June, 2024 and no satisfactory reasons were provided for failure to resolve them.

2. County Executive Preparedness to Transition to Accrual Accounting

County Executive of Migori had not implemented the prerequisites to accrual accounting, except training four (4) members of staff in the Finance Department and adoption of quarterly reporting template on accrual basis. Further, the National Treasury had not configured the Integrated Financial Management Information System (IFMIS) to support accrual accounting contrary to Paragraph 1.4 of the Guidelines on Transition from Cash Basis to Accrual Basis of Accounting by Ministries, Departments, Agencies (MDAs) and County Governments which states that on 7 March, 2024 the Cabinet approved the transition from cash basis of accounting to accrual basis of accounting with effect from 1 July, 2024 and that the transition is to be undertaken over a three-year period. This therefore means that the entity's financial statements for the year ended 30 June, 2025 shall be prepared on IPSAS accrual basis of accounting and reporting.

In the circumstances, the County Executive may not be adequately prepared to transition to accrual basis of accounting.

Other Information

The Management is responsible for the Other Information set out on page iii to xxii which comprises Key Entity Information and Management, Governance Statement, Foreword by CECM Finance and Economic Planning, Statement of Performance Against County Predetermined Objectives, Environment and Sustainability Reporting and Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on

Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1.0 Non-Compliance with the Public Sector Accounting Standards Board Reporting Framework

The budget execution by programmes and sub-programmes schedule has column headings for budget amounts indicated as Approved Budget, Approved Supplementary 1 and Approved Supplementary 2. This is contrary to the prescribed reporting template which requires columns for budget amounts to be titled Original Budget, Adjusted Budget and Final Budget.

Further, Annex 2 on analysis of pending accounts payable does not reflect names of suppliers of goods or services and the related dates invoiced/contracted, particulars, original amounts, balances at the beginning of the year, additions during the year, amounts paid during the year and outstanding balances.

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

In the circumstances, the financial statements as prepared and presented for audit do not comply with the reporting frameworks as prescribed by the Public Sector Accounting Standards Board.

2.0 Non-Compliance with Fiscal Responsibility Principle on Development Expenditure

The statement of comparison of budget and actual amounts (development) reflects total actual expenditure of Kshs.2,352,710,272 or 27% of the total expenditure of Kshs.8,652,021,734 reflected in the statement of receipts and payments. This is contrary to Regulation 25(1)(g) of the Public Finance Management (County Governments) Regulations, 2015, which requires development expenditure to be at least 30% of total expenditure.

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

3.0 Pending Accounts Payable

Annexure 2 to the financial statements reflects pending accounts payable balance of Kshs.1,763,314,575. During the year under review, the total pending accounts payable were Kshs.2,485,371,148, out of which, Management paid an amount of Kshs.722,056,573, leaving a balance of Kshs.1,763,314,575. This was 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.

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

4.0 Regularity of Human Resource Management Practices

Review of human resource records revealed the following irregularities:

4.1 Non-Compliance with Fiscal Responsibility Principle on Wage Bill

The statements of receipts and payment reflects an amount of Kshs.3,255,148,943 in respect of compensation of employees, while the County Revenue Fund-County Government of Migori indicates total revenue of Kshs.8,520,597,992. Therefore, compensation of employees represented 38% of the total revenue received, contrary to Regulation 25(1)(b) of the Public Finance Management (County Governments) Regulations, 2015, which stipulates that the County Governments' expenditures on wages and benefits for its public officers shall not exceed thirty-five (35%) of the County Government total revenue.

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

4.2 Delayed Confirmation in Employment

Analysis of the payroll for the month of June, 2024 revealed one thousand, one hundred and twenty-six (1126) officers who had been on probation for more than six (6) months, contrary to Section B.13(1) of the County Public Service Human Resource Manual which requires that an officer be put on probation for a period of six (6) months as provided for in the Employment Act, 2007.

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

4.3 Non-Compliance with Ethnic and Special Needs in the Staff Composition

Analysis of the Integrated Personnel and Payroll Database (IPPD) records for the month of June, 2024 revealed that the County Executive had a total workforce of 3368 out of whom, 2414 or 72% were members of the dominant community in the County. This was contrary Section 65(1)(e) of the County Government Act, 2012, which states that in selecting candidates for appointment, the County Public Service Board shall consider the need to ensure that at least thirty percent of the vacant posts at entry level are filled by candidates who are not from the dominant ethnic community in the county.

Further, there were fifty-five (55) persons with special needs working for the County Executive, representing 1.6% of the workforce, which is below the threshold of 5% provided for in Section 13 of the Persons with Disabilities Act, 2003. In addition, persons

with special needs were not represented in the County Executive Committee and among the chief officers appointed.

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

4.4 Violation of One-Third Rule on Net Pay

Analysis of the payroll for the month of June, 2024 revealed that a total of four hundred and sixty-three (463) officers earned less than a third of their respective basic salaries at various times during the year, contrary to Section 19(3) of the Employment Act, 2007 which provides that the total amount of all deductions which may be made by an employer from the wages of his employee at any one time shall not exceed two-thirds of such wages or such additional or other amount as may be prescribed by the Minister either generally or in relation to a specified employer or employee or class of employers or employees or any trade or industry.

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

4.5 Failure to Customize Schemes of Service to Suit the County Executive

Review of the County Executive's schemes of service revealed that they were prepared by the National Government for use by its officers before the commencement of the County Governments. The schemes of service do not address all the cadres of staff and do not incorporate the changes that have occurred within the County Executive's staff establishment over the years.

In the circumstances, the schemes of service are not able to effectively guide in the development of a coherent and integrated human resource for the County Executive.

4.6 Under Staffing of County Attorney's Office

Information provided for audit indicated that the Office of the County Attorney had an approved staff establishment of eight (8) officers and four (4) legal officers in place which represents 50% of its approved capacity. Further, no legal personnel were hired in the year under review despite there being a need to do so. This was contrary to Section 22(1) of the Office of the County Attorney Act, 2020 which stipulate that there shall be such officers and other members of staff of the Office as the County Attorney, in consultation with the County Public Service Board, considers necessary for the proper and efficient discharge of the functions of the Office.

In the circumstances, Management was in breach of the law, and the efficiency of the Office in discharging its functions could not be confirmed.

5.0 Non-Compliance with Access to Government Procurement Opportunities (AGPO)

The statement of receipts and payments reflects total expenditure of Kshs.8,652,021,734 out of which an amount of Kshs.3,093,707,805 related to the procurements. However, out of the latter amount, only an amount of Kshs.338,836,506 or 11% was categorized under

the AGPO program. This was contrary to Section 53(6) of the Public Procurement and Asset Disposal Act, 2015, which provides that all procurement and asset disposal planning shall reserve a minimum of thirty per cent of the budgetary allocations for enterprises owned by women, youth, persons with disabilities and other disadvantaged groups.

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

6.0 Payments to the Council of Governors

The statement of receipts and payments reflects other grants and transfers amount of Kshs.292,446,593 which, as disclosed in Note 5 to the financial statements, includes an amount of Kshs.269,345,193 in respect of other current transfers, grants, donations and subsidies. Included in the latter amount is Kshs.3,000,000 paid to the Council of Governors for the purpose of meeting its operational expenses. This was 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, and the services that the Kshs.3,000,000 were to finance may not have been provided.

7.0 Payment to the Lake Region Economic Bloc

The amount of Kshs.269,345,193 in respect of other current transfers, grants, donations and subsidies also includes a subscription of Kshs.2,000,000 paid to the Lake Region Economic Bloc. However, the law under which the payment was made was not provided for audit.

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

8.0 County Scholarship Programmes

The statement of receipts and payments reflects transfers to other Government Entities amount of Kshs.592,749,686 which, as disclosed in Note 4 to the financial statements, includes an amount of Kshs.120,000,000 transferred to the Migori County Ward Development Fund for bursaries. Further, the statement reflects other grants and transfers amount of Kshs.292,446,593 which includes scholarships and other educational benefits amount of Kshs.23,101,400 that relates to Inua Elimu scholarship programme. However, there were no regulations and scholarship policy used in identifying the beneficiaries.

In the circumstances, the criteria for the award of bursaries and scholarships amounting Kshs.143,101,400 could not be confirmed.

9.0 Regularity of Procurements and Award of Contracts-Acquisition of Assets

The statement of receipts and payments reflects acquisition of assets amount of Kshs.1,968,670,681 as disclosed in Note 7 to the financial statements. However, review of financial statements and records relating to procurements and contract management revealed the following unsatisfactory matters:

9.1 Inadequate Allocation of Funds for Major Road Works

The amount of Kshs.1,968,670,681 includes Kshs.51,008,304 spent on construction of roads out of which, Kshs.7,975,046 was an award in respect of a contract for the maintenance /opening of 29.9 km Osiri-Macalder-Migori-Migori-Slaughter-Magina-Nyasare Ochieng Orwa Primary Road. The project start date was 28 February, 2024 with a completion period of 120 days. However, physical verification of the project on 10 September, 2024 revealed that although the contractor provided the murram, spread and graded on several patches of the road that were impassable and compacted to form a camber formation as were provided in the Bill of Quantities, the drainage works were not done due to inadequate funds.

In the circumstances, the value for money realized from the expenditure of Kshs.7,975,046 and the effectiveness of the road in serving the public could not be confirmed.

9.2 Unexplained Contract Variations and Delayed Project Completion - Maternity Theater at Macalder Sub-County Hospital

The amount of Kshs.1,968,670,681 also includes construction of buildings expenditure of Kshs.389,145,106 out of which Kshs.3,579,702 was spent towards the construction of the maternity theater at Macalder Sub-County Hospital. The contract for the project was signed on 25 March, 2024 and the expected completion date was 25 July, 2024. On 28 March, 2024, three days after signing the contract, the project implementation committee proposed variations of works. The proposed variations were not quantified to assess how they would impact project cost and completion period. Further, physical verification conducted in the month of September, 2024, revealed that the project was incomplete.

In the circumstances, the value for money realized from the expenditure of Kshs.3,579,702 could not be confirmed.

9.3 Supply, Installation and Commissioning of Containers Fish Collection Centre (Cold Rooms)

The County Executive entered into a contract with a local Company on 1 March, 2024, for the supply, installation and commissioning of two (2) containers fish collection centres (cold rooms) at Uriri and Isibania markets at a contract sum of Kshs.9,981,023. The project included installation of two containers, freezers, elevated water tank, solar panels and construction of a toilet. The contract period was 120 days from the commencement

date of 1 March, 2024 with a completion date of 30 June, 2024. Physical verification carried out on 16 September, 2024 revealed that the project was not complete at the two project sites. Management has indicated that the project has since been completed and has provided photos which do not clearly show that the project is complete.

In the circumstances, value for money may not be achieved from the project.

9.4 Incomplete Projects - Market Sheds

9.4.1 Construction of Kwiriba Market Shed

The construction of buildings expenditure of Kshs.389,145,106 also includes Kshs.1,173,502 paid in relation to a contract signed on 26 May, 2023 to construct Kwiriba Market Shade to completion at a contract sum of Kshs.1,173,502. However, physical verification on 10 September, 2024 revealed that the project was incomplete. Further, the market was not branded with the County Executive's logo, the floor of the whole market was peeling off, the toilet door had been vandalized at the market and the market was not fenced, hence prone to vandalism.

In the circumstances, the value for money realized from the expenditure of Kshs.1,173,502 could not be confirmed.

9.4.2 Completion of Masaba Market Shed

The construction of buildings expenditure of Kshs.389,145,106 further includes Kshs.1,999,991 paid for the construction of Masaba market shed to completion at a contract sum of Kshs.1,999,991. However, physical verification on 10 September, 2024 revealed that the project was incomplete. In addition, the market was not branded with the County logo, drainage system was not done and the market was not secured, hence prone to vandalism.

In the circumstances, the value for money realized from the expenditure of Kshs.1,999,991 could not be confirmed.

9.4.3 Partial Completion of Midoti Market Shed

The construction of buildings expenditure of Kshs.389,145,106, includes Kshs.1,099,239 paid for the partial completion of Midoti Market Shed at a contract sum of Kshs.1,099,239. However, physical verification on 10 September, 2024 revealed that the project was incomplete as the drainage system, stalls tops and doors had not been done. Further, the market was not branded with the County Executive's logo. In addition, the market was not secured, hence prone to vandalism and there was no toilet.

In the circumstances, the value for money realized from the expenditure of Kshs.1,099,239 could not be confirmed.

9.4.4 Other Incomplete Market Sheds

The construction of buildings expenditure of Kshs.389,145,106 includes Kshs.21,614,695 spent in respect of a contracts for the construction of nine (9) market projects with contract sums totalling Kshs.21,614,695. However, physical verification revealed that the contractors were not on sites and the projects were not complete as indicated below:

Project name	Ward	Initial Contract Sum (Kshs.)	Outstanding Works
Opapo Auction Ring	East Kamagambo	1,151,882	Fencing
Oyani Masai Market	East Kanyamkago	2,500,000	Worktops and latrines
Mabera Market	Masaba	1,983,103	Worktops and latrines
Masangora Market	Gokeharaka/Getambw ega Kuria East	2,500,000	Worktops and latrines
Kugitimo Market Shade	Nyabasi East & Kuria East	2,100,000	Worktops and latrines
Maeta Market Shade	Nyabasi East & Kuria east	3,379,764	Worktops and latrines
Ikerege Market	Kuria West	2,500,000	Worktops and latrines
Olasi Market Shade	Kaler Ward	3,499,946	Worktops and latrines
Rongo Market	North Kamagambo	2,000,000	Worktops and latrines
Total		21,614,695	

In the circumstances, value for money realized from the expenditure of Kshs.21,614,695 could not be confirmed.

9.5 Un-Utilized Projects

The construction of buildings expenditure of Kshs.389,145,106 includes Kshs.7,925,086 spent on construction of four (4) market sheds and one (1) toilet/washroom at contract sums totalling Kshs.19,006,635 as summarized below:

Name of Project	Contract Sum (Kshs.)	Amount Paid During the Year (Kshs.)
Completion of Ombo Kowiti Market Shed	3,325,732	3,325,732
Completion of Bande Market Shed	4,599,354	4,599,354
Completion of Ndiwa Market Shed	4,799,848	0
Completion of Oyora Market Shed	2,999,737	0
Construction of Waterborne Toilet/Washing Room	3,281,964	0
Total	19,006,635	7,925,086

However, physical verification on 10 September, 2024 revealed that the constructions of the projects had been completed, but the projects were not in use by the community.

In the circumstances, the value for money realized from the expenditure of Kshs.7,925,086 could not be confirmed.

9.6 Rehabilitation of Kaknene Dam – Under FLLoCA Program

The County Executive entered into a contract with a company for the rehabilitation of Kaknene Dam in God Jope Ward at a contract sum of Kshs.6,992,032. The project was one of the projects implemented under the Financing Locally-Led Climate Action (FLLoCA) program. The contract entailed rehabilitation of the dam, repair of embankment and spillway, fencing, intake tower and valve chamber, two lockable bathrooms/toilets and cattle watering troughs. The contract period was 120 days beginning on 18 March, 2024 and ending on 17 July, 2024. No payments had been made to the contractor during the year under review. Physical verification in September, 2024 revealed that the project was not complete despite the contract period having lapsed. The outstanding works include clearing excavated soil, piping and access culverts.

In the circumstances, the expected benefits from the projects may not be realized in a timely manner.

9.7 Ablution Block Project Not in Use

The construction of buildings amount of Kshs.389,145,106 includes cost of Kshs.2,975,489 spent on construction of ablution block at Rongo Sub-County Hospital. However, physical verification conducted in the month of September, 2024 revealed that the ablution block was complete but not in use, awaiting handing over by the contractor. Management has indicated, without providing evidence, that the project has since been handed over and is in use.

In the circumstances, the value for money realized from the expenditure of Kshs.2,975,489 could not be confirmed.

9.8 Face-lifting Awendo Sub-County Hospital

The construction of buildings amount of Kshs.389,145,106 includes Kshs.4,983,070 spent on the face lifting of Awendo Sub-County Hospital. However, physical verification conducted in the month of September, 2024 revealed that the project was incomplete with no work done at the Maternal and Child Health (MCH) block, despite being in the bill of quantities. Management has explained that the projected cost of doing the maternity wing was diverted to cover the part of cost of roofing wards and ceiling since there is a projected new maternity and child block to be constructed at the hospital in the current Financial Year, but did not provide details including approval of the new project.

In the circumstances, the value for money realized from the expenditure of Kshs.4,983,070 could not be confirmed.

9.9 Proposed Construction of Maternity Block at Olasi Dispensary

The construction of buildings amount of Kshs.389,145,106 includes Kshs.4,796,200 spent on construction of a maternity block at Olasi Dispensary. The contract agreement

was signed on 29 February, 2024 for a period of one hundred and twenty (120) days, at a contract sum of Kshs.4,796,200. However, the Bill of Quantities and the certificate of practical completion were not provided for audit. Further, from the photos of the project provided for audit, it was not possible to determine that the project was complete, since construction materials are visible in the one of the photos. In addition, the building was not labeled.

In the circumstances, the value for money realized from the expenditure of Kshs.4,796,200 could not be confirmed.

9.10 Unsupported Completion of Project -Construction of Buembu Dispensary

The construction of buildings amount of Kshs.389,145,106 includes Kshs.1,300,603 spent on phase 1-construction of Buembu Dispensary. The contract agreement was signed on 8 June, 2023 for a period of one hundred and twenty (120) days, at a contract sum of Kshs.1,300,603. However, the photos provided to support completion of the project are those of a building under construction and have no label.

In the circumstances, the value for money realized from the expenditure of Kshs.1,300,603 could not be confirmed.

9.11 Unsupported Completion of Nyamware Dispensary

The construction of buildings amount of Kshs.389,145,106 includes Kshs.1,132,972 spent on the construction of Nyamware Dispensary. The contract was signed on 22 February, 2024 for a period of one hundred and twenty (120) days, at a contract sum of Kshs.1,132,972. However, the photos provided to support completion of the project have no label, and it has not been possible to determine from them if the project is complete.

In the circumstances, the value for money realized from the expenditure of Kshs.1,132,972 could not be confirmed.

9.12 Projects Not in Use – Department of Medical Services

The acquisition of assets amounts of Kshs.1,968,670,681 includes purchase of specialized plant, equipment and machinery amount of Kshs.119,792,604 out of which, Kshs.999,640 was utilized to purchase a dental equipment which was supplied to Rongo Sub-County Hospital. However, audit inspection conducted in September, 2024 revealed that the equipment was not in use because the facility lacked a dentist.

Further, the construction of buildings amount of Kshs.389,145,106 includes Kshs.3,998,955 spent on the expansion of the mortuary at Migori County Referral Hospital. However, audit inspection conducted in September, 2024 revealed that the mortuary was not being utilized because it had not been equipped.

In the circumstances, value for money realized from the expenditure on purchase of dental equipment and on expansion of the mortuary of Kshs.999,640 and Kshs.3,998,955 respectively could not be confirmed.

9.13 Bongu Raga Water Project

The acquisition of assets amount of Kshs.1,968,670,681 includes construction and civil works amount of Kshs.331,830,637 out of which, Kshs.25,999,880 was spent on a contract for the construction of the main water kiosks, and distribution pipelines at Bongu Raga Water Project Phase 4 at a cost of Kshs.24,999,880. The contract period was 120 days from 13 March, 2024 to 12 July, 2024. The costs of Phase 1 to 3 totalled Kshs.34,350,000 resulting to the total cost of the project to Kshs.59,349,880. However, physical verification conducted in the month of September, 2024 revealed that the project was incomplete. The pipes were not connected end-to-end because testing was yet to be completed. In addition, the lake had already destroyed the foundation of the control room at the water intake and the structure was being submerged in the lake.

In the circumstances, the value for money realized from the expenditure of Kshs.59,349,880 could not be confirmed.

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

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

Conclusion

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

Basis for Conclusion

1.0. Officers without Job Designations

Review of the Integrated Payroll and Personnel Database (IPPD) records for the month of June, 2024, revealed forty-four (44) officers whose job designations were not defined in the database.

In the circumstances, the effectiveness of internal controls over IPPD could not be confirmed.

2.0. Lack of Segregation of Duties in the Processing of Payments of Salary Arrears

The statement of receipts and payments reflects compensation of employees amount of Kshs.3,255,148,943 which includes an amount of Kshs.46,091,220 paid as salary arrears. However, review of the internal controls over payment of the salary arrears revealed that the tabulation, verification and payment authorizations were done by a single officer due to inadequacy of staff at the payroll section.

In the circumstances, the effectiveness of internal controls over the processing of salary arrears 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 to obtain assurance about whether effective processes and systems of internal controls, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of the Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

27 December, 2024

County Executive of Migori
Annual Report and Financial Statements for the year ended June 30 2024

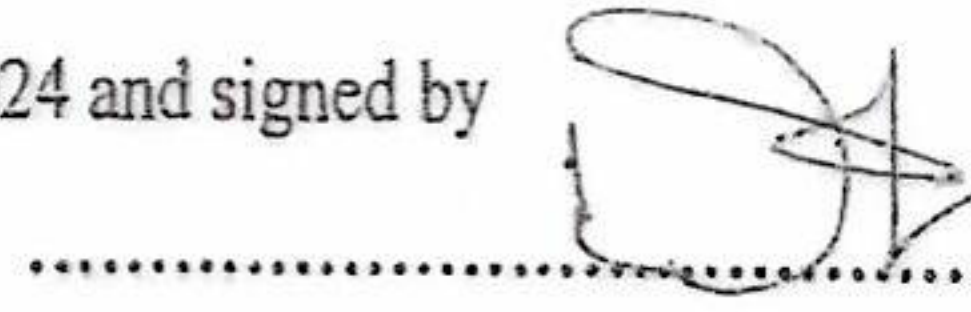
9.Statement of Receipts and Payments for the year ended 30th June 2024

		2023-2024	2022-2023
	Notes	Kshs	Kshs
Receipts			
Transfers from the CRF	1	8,520,597,992	7,760,377,638
Total receipts		8,520,597,992	7,760,377,638
Payments			
Compensation of Employees	2	3,255,148,943	2,971,740,018
Use of goods and services	3	2,543,005,831	2,033,783,858
Transfers to Other Government Units	4	592,749,686	500,793,860
Other grants and transfers	5	292,446,593	310,351,024
Social Security Benefits	6	-	-
Acquisition of Assets	7	1,968,670,681	1,569,602,854
Total payments		8,652,021,734	7,386,271,614
SURPLUS/(DEFICIT)		(131,423,742)	374,106,024

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 30th September 2024 and signed by


 Name: Achuora John Odoyo
 Chief Officer Finance


 Name: Erick Ochieng Jalang'o
 Head of Accounting Services
 ICPAK M/No:14959

County Executive of Migori
Annual Report and Financial Statements for the year ended June 30 2024

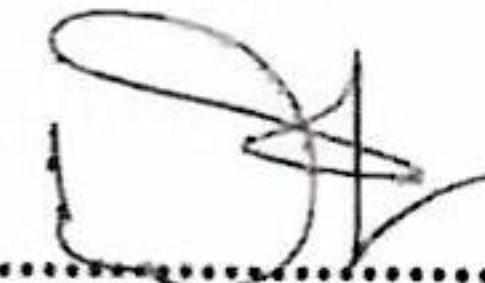
10. Statement of Assets and Liabilities as at 30th June 2024

		2023-2024	2022-2023
	Notes	Kshs	Kshs
Financial Assets			
Cash and Cash Equivalents			
Bank Balances	8A	585,685,099	1,086,773,881
Cash Balances	8B	-	-
Total Cash and cash equivalents		585,685,099	1,086,773,881
Outstanding imprest and Advances	9	-	-
Total Financial Assets		585,685,099	1,086,773,881
Financial liabilities			
Accounts Payables – Deposits and retentions	10	54,223,933	22,967,261
Net Financial Assets		531,461,166	1,063,806,620
Represented by			
Fund balance B/F	11	1,063,806,620	689,700,596
Prior year adjustments	12	(400,921,712)	
Surplus/Deficit for the year		(131,423,742)	374,106,024
Net Financial Position		531,461,166	1,063,806,620

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 30th September 2024 and signed by


 Name: Achuora John Odoyo
 Chief Officer Finance


 Name: Erick Ochieng Jalang'o
 Head of Accounting Services
 ICPAK M/No:14959

County Executive of Migori
Annual Report and Financial Statements for the year ended June 30 2024

11. Statement of Cash Flows for the period ended 30th June 2024

		2023-2024	2022-2023
	Note s	Kshs	Kshs
Receipts from operating income			
Transfers from the CRF	1	8,520,597,992	7,760,377,638
Payments for operating expenses			
Compensation of Employees	2	3,255,148,943	2,971,740,018
Use of goods and services	3	2,543,005,831	2,033,783,858
Transfers to Other Government Units	4	592,749,686	500,793,860
Other grants and transfers	5	292,446,593	310,351,024
Social Security Benefits	6	-	-
Adjusted for:			
Prior year adjustments	12	400,921,712	
Increase/ (Decrease) in Outstanding Imprests and Advances	13		-
Increase/ (Decrease) in Deposits and Retention	14	(31,256,672)	(19,415,227)
Total Adjustments		369,665,040	(19,415,227)
Net cash flows from operating activities		1,467,581,899	1,924,293,651
Cash flow from investing activities			
Acquisition of Assets	7	1,968,670,681	1,569,602,854
Net cash flows from investing activities		1,968,670,681	1,569,602,854
Net increase in cash and cash equivalents		(501,088,782)	354,690,797
Cash and cash equivalents at beginning of the year	8	1,086,773,881	732,083,084
Cash and cash equivalents at end of the year		585,685,099	1,086,773,881

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 30th September 2024 and signed by

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

.....
Name: Erick Ochieng Jalang'o
Head of Accounting Services
ICPAK M/No:14959

County Executive of Migori

Annual Report and Financial Statements For the year ended June 30 2024

12. Statement of Comparison of Budget & Actual Amounts (Recurrent and Development Combined) for the year ended 30th

June 2024

Receipt/Expense Item	Original Budget - 2023/24	Adjustments (Supplementary 2 FY 2023/24)	Final Budget (supplementary Budget 2 FY 2023/24)	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	10,036,460,597	1,290,087,118	11,326,547,715	8,520,597,992	2,805,949,723	75%
Opening balance for Non- refundable bank balances in special purpose deposits accounts		146,489,806	146,489,806	146,489,806	-	100%
TOTAL	10,036,460,597	1,436,576,924	11,473,037,521	8,667,087,798	2,805,949,723	76%
PAYMENTS						
Compensation of Employees	3,532,474,869	(43,233,039)	3,489,241,830	3,255,148,943	234,092,887	93%
Use of goods and services	2,446,127,828	444,087,353	2,890,215,181	2,543,005,831	347,209,350	88%
Transfers to Other Government Units	1,480,413,173	(196,494,702)	1,283,918,471	592,749,686	691,168,785	46%
Other Grants and Transfer	298,704,114	74,892,304	373,596,418	292,446,593	81,149,825	78%
Acquisition of Assets	2,278,740,613	1,157,325,008	3,436,065,621	1,968,670,681	1,467,394,940	57%
TOTAL	10,036,460,597	1,436,576,924	11,473,037,521	8,652,021,734	2,821,015,787	75%
Surplus/(Deficit)	-	0	0	15,066,064	(15,066,064)	

1. The under realization of receipts is due to late disbursed funds and unrealized Own Source Revenue

2. The underperformance is due to work in progress not paid. Further some of donor funding(FFLoCA and CIAP) were not received in full hence affecting transfer to other Government Entities

The County Executive's financial statements were approved on 30th September 2024 and signed by

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

.....
Name: **Erick Ochieng Jalang'o**
Head of Accounting Services
ICPAK M/No:14959

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

12A Statement of Comparison of Budget & Actual Amounts – Recurrent for the year ended 30th June 2024

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	6,963,250,696	365,775,858	7,329,026,554	6,326,524,935	1,002,501,619	86%
TOTAL	6,963,250,696	365,775,858	7,329,026,554	6,326,524,935	1,002,501,619	86%
PAYMENTS						
Compensation of Employees	3,532,474,869	(43,233,039)	3,489,241,830	3,255,148,943	234,092,887	93%
Use of goods and services	2,446,127,828	444,087,353	2,890,215,181	2,543,005,831	347,209,350	88%
Transfers to Other Government Units	440,328,500	(157,203,319)	283,125,181	99,446,493	183,678,688	35%
Other Recurrent	152,000,000	(12,000,000)	140,000,000	139,000,000	1,000,000	99%
Acquisition of Assets	392,319,499	134,124,863	526,444,362	262,710,095	263,734,267	50%
TOTAL	6,963,250,696	365,775,858	7,329,026,554	6,299,311,362	1,029,715,192	86%
SURPLUS/(DEFICIT)	-	-	-	27,213,573	(27,213,573)	

1. The under realization of receipts is due to late disbursed funds and unrealized Own Source Revenue

2. The underperformance is due to work in progress not paid.

The County Executive's financial statements were approved on 30th September 2024 and signed by

.....

Name: Achuora John Odoyo

Chief Officer Finance

.....

Name: Erick Ochieng Jalang'o

Head of Accounting Services

ICPAK M/No:14959

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

12B Statement of Comparison of Budget & Actual Amounts: Development for the year ended 30th June 2024

The County Executive's financial statements were approved on 30th September 2024 and signed by:

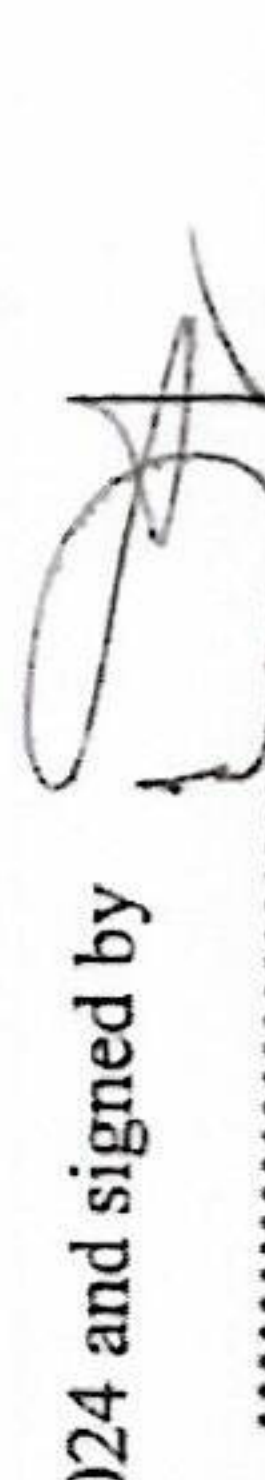
Receipt/expense item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	
RECEIPTS						
Transfers from the CRF	3,073,209,901	1,070,801,066	4,144,010,967	2,340,562,863	1,803,448,104	56%
Opening balance for Non-refundable bank balances in special purpose deposits accounts						
TOTAL	3,073,209,901	1,070,801,066	4,144,010,967	2,340,562,863	1,803,448,104	56%
PAYMENTS						
Transfers to Other Government Units	1,040,084,673	(39,291,383)	1,000,793,290	592,749,686	408,043,604	59%
Other Development	146,704,114	86,892,304	233,596,418	54,000,000	179,596,418	23%
Acquisition of Assets	1,886,421,114	1,023,200,145	2,909,621,259	1,705,960,586	1,203,660,673	59%
TOTAL	3,073,209,901	1,070,801,066	4,144,010,967	2,352,710,272	1,791,300,695	57%
SURPLUS/(DEFICIT)	-	0	0	(12,147,409)	12,147,409	

1. The under realization of receipts is due to late disbursed funds and unrealized Own Source Revenue

2. The underperformance is due to work in progress not paid. Further some of donor funding(FFLoCA and CIAP) were not received in full hence affecting transfer to other Government Entities.

The County Executive's financial statements were approved on 30th September 2024 and signed by

Name: Achuora John Odoyo
Chief Officer Finance

.....

Name: Erick Ochieng Jalang'o
Head of Accounting Services
ICPAK M/No:14959

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

13. Budget Execution by Programmes and Sub-Programmes for the year ended 30th June 2024

MIGORI COUNTY						
BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES REPORT AS AT 30TH JUNE 2024(FY 2023/24)						
S/No	Programme/Sub-Programme	Approved Budget FY 2023/24	Approved Supplementary 1 FY 2023/24	Approved Supplementary 2 FY 2023/24	Actual on comparable basis	% Budget utilization
Department of County Executive						
P1	General administration & support services	293,600,000	342,600,000	342,600,000	259,448,554	75.7%
SP1	General Administration	293,600,000	342,600,000	342,600,000	259,448,554	75.7%
P2	Governance & Administration Services	73,000,000	107,500,000	107,500,000	103,747,112	96.5%
SP1	Governor's Statehouse Services	24,000,000	24,000,000	24,000,000	23,517,478	98.0%
SP2	Co-ordination and Supervision Services	-	36,000,000	36,000,000	35,712,799	99.2%
SP3	Lake Region Economic Bloc	5,000,000	5,000,000	5,000,000	3,872,200	77.4%
SP4	Council of Governors	5,000,000	5,000,000	5,000,000	4,800,000	96.0%
SP5	Liason office - Nairobi	5,500,000	5,500,000	5,500,000	4,833,000	87.9%
SP6	Chief of Staff	5,000,000	5,000,000	5,000,000	4,800,000	96.0%
SP7	Protocol Office	5,000,000	5,000,000	5,000,000	4,850,000	97.0%
SP8	Security Services	8,500,000	8,000,000	8,000,000	7,499,875	93.7%
SP9	Communication and Press	5,000,000	5,000,000	5,000,000	5,000,000	100.0%
SP10	Political Advisor	5,000,000	4,500,000	4,500,000	4,500,000	100.0%
SP11	Economic Advisor	5,000,000	4,500,000	4,500,000	4,361,760	96.9%
P3	Pending Bills	-	6,365,257	6,365,257	5,681,840	89.3%
SP1	Pending Bills	-	6,365,257	6,365,257	5,681,840	89.3%