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**REPORT**

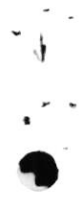
**OF**

**THE AUDITOR-GENERAL**

**ON**

**COUNTY ASSEMBLY OF MIGORI**

**FOR THE YEAR ENDED  
30 JUNE, 2020**





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**MIGORI COUNTY ASSEMBLY**

**REPORTS AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**

**JUNE 30, 2020**

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



**MIGORI COUNTY ASSEMBLY  
Reports and Financial Statements  
For the year ended June 30, 2020**

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**1. KEY ENTITY INFORMATION AND MANAGEMENT**

**(a) Background information**

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

**(b) Key Management**

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

- The Speaker;
- The County Assembly Service Board;
- The Clerk; and
- Heads of Departments

**(c) Fiduciary Management**

The key management personnel who held office during the year ended 30<sup>th</sup> June <sup>2020</sup>2018 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer	- Ag. Emmanuel Abala
2.	Chief Finance Officer	- Evans Ogutu Ouma

**(d) Fiduciary Oversight Arrangements**

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

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

**(e) Migori County Assembly Headquarters**

P.O. Box 985-40400 Suna-Kenya  
ISOLATED BUILDING  
Migori Level 4 hospital-Highway





**MIGORI COUNTY ASSEMBLY**  
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**For the year ended June 30, 2020**

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**(f) Migori County Assembly Contacts**

Telephone: (254) 0720801559

E-mail: [www.migorica.go.ke](http://www.migorica.go.ke)

Website: [www.migoricountyassembly.go.ke](http://www.migoricountyassembly.go.ke)

**(g) Entity Bankers**

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

**(h) Independent Auditors**

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

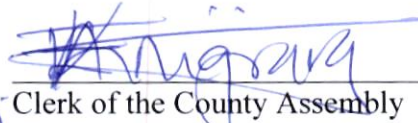


**MIGORI COUNTY ASSEMBLY**  
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**2. FORWARD BY THE CLERK OF THE ASSEMBLY**

<b>Budget performance</b>
Migori county assembly, defined by key constitutional mandate has largely recurrent budget estimate, Migori county assembly participates in non-core development for infrastructural development. During the financial year ended 30 <sup>th</sup> June 2020, Migori County Assembly's recurrent approved budget estimate was Kshs. 836,834,225.90, the actual exchequer issuer was KES 836,834,225.90, 100% recurrent budget funding. The development budget of Kshs. 62,094,147.25 was fully funded. Hence 100% funding. In addition, Migori County Assembly received additional imprest on special request from the county treasury for Kshs. 59,132,610 on special definite need.
<b>Operational Performance</b>
Migori County Assembly had defined key delivery units in its programmes for the financial year 2019/2020; these programmes were largely realized, Due to delay in exchequer funding for the first quarter 2019/2020, there were relocation of funds and borrowings to meet the operational needs of the county assembly. The county assembly for instance borrowed Kshs 25,310,000 from the balance of its development for personnel emoluments and operational needs during the 1 <sup>st</sup> quarter 2019/2020 Fy. Key budget lines were also relocated to meet the operational needs of the Assembly as approved by the Migori County Assembly Service Board.
<b>Performance of key development projects</b>
Migori County Assembly Development projects were accomplished as per the procurement plan for 2019/2020 FY, with key projects i.e. the construction of speakers' residence ongoing
<b>Comment on value-for-money achievements</b>
The fiduciary oversight arrangements and the internal control systems, ensured compliance for value for money. The county assembly hired audit committee members to strengthen the internal audit department.
<b>Challenges and Recommended Way Forward</b>
The key challenges during the financial year were; Inadequate Migori county Assembly's' motor vehicles, Inadequate office space for the personnel and MCAs Lack of strategic plan for the realization of the strategic objectives for the County Assembly Delayed funding during the 1 <sup>st</sup> quarter 2019/2020 financial year.

  
A3 Clerk of the County Assembly



**MIGORI COUNTY ASSEMBLY**  
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**For the year ended June 30, 2020**

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**3. STATEMENT OF MANAGEMENT RESPONSIBILITIES**

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

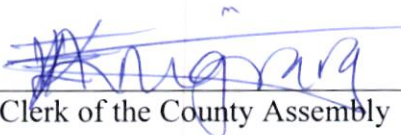
The Clerk of the County Assembly is responsible for the preparation and presentation of the County Assembly's financial statements, which give a true and fair view of the state of affairs of the County Assembly for the year ended June 30, 2020. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the County Assembly; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the County Assembly; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Clerk accepts responsibility for the County Assembly's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Clerk is of the opinion that the County Assembly's financial statements give a true and fair view of the state of the County Assembly's transactions for the year ended June 30, 2020, and of its financial position as at that date. The Clerk further confirms the completeness of the accounting records maintained for the County Assembly which have been relied upon in the preparation of the its financial statements as well as the adequacy of the systems of internal financial control.

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

**Approval of the financial statements**

The County Government's financial statements were approved and signed by the Clerk of the County Assembly on 30/09/2020 2020.

  
Clerk of the County Assembly



# REPUBLIC OF KENYA

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



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

## **REPORT OF THE AUDITOR-GENERAL ON COUNTY ASSEMBLY OF MIGORI FOR THE YEAR ENDED 30 JUNE, 2020**

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

#### **Qualified Opinion**

I have audited the accompanying financial statements of County Assembly of Migori set out on pages 7 to 33, which comprise the statement of financial assets and liabilities as at 30 June, 2020, and the statement of receipts and payments, statement of cash flows and statements 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, the financial position of the County Assembly of Migori as at 30 June, 2020, 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 County Governments Act, 2012 and the Public Finance Management Act, 2012.

#### **Basis for Qualified Opinion**

##### **1. Unreconciled Transfers from County Treasury Balance**

As disclosed in Note 1, 2 and 3 to the financial statements, the County Assembly received Kshs.836,834,226, 62,094,147 and Kshs.59,132,610 being recurrent, development and other receipts, respectively all amounting to Kshs.958,060,983 as Transfers from County Treasury being Exchequer Releases during the year under review. However, the financial statements of the County Executive of Migori reflects a consolidated balance of Kshs.1,036,886,081 as transfers to the County Assembly of Migori resulting to an unreconciled and unexplained variance of Kshs.78,825,098.

Consequently, the accuracy and completeness of receipts amounting to Kshs.958,060,983 for the year ended 30 June, 2020 could not be confirmed.

##### **2. Payments Made Outside the IPPD Payroll**

As disclosed in Note 4 to the financial statements, the statement of receipts and payments reflects a balance of Kshs.415,174,805 under compensation of employees which includes an amount of Kshs.408,707,421 in respect of basic salaries for

permanent employees and temporary employee wages. The payment constitutes a balance of Kshs.145,810,238 which was paid manually to MCAs and ward staff outside the Integrated Personnel Payroll Database System, IPPD. However, Management did not provide schedules sent to the banks on the two payrolls indicating the names and amounts of the payees. Management did not also give any assurance on the system which is prone to human error or reasons why payment was not made through the existing IPPD platform.

Further, the balance includes an amount of Kshs.20,140,275 paid as wages to one hundred and twenty (120) ward employees engaged in the forty (40) wards. Review of the personnel records maintained by the Human Resources Department revealed that no advertisement for ward office staff was made and therefore the requirements and competencies for the various posts could be confirmed.

In addition, records relating to recruitment process such as applications, shortlisting of candidates, interviews conducted and selection of successful candidates were not provided for audit review.

In the circumstances, the accuracy and propriety of the expenditure amounting to Kshs.415,174,805 for the year ended 30 June, 2020 could not be confirmed.

### 3. Unsupported Expenditure - Use of Goods and Services

As disclosed in Note 5 to the financial statements, the statement of receipts and payments reflects a balance of Kshs.520,470,341 in respect of use of goods and services. However, examination of records revealed that payments amounting to Kshs.63,127,020 were not supported as detailed below: -

Item	Expenditure (Kshs.)	Unsupported Balance (Kshs.)	Details
General Operating Expenses	40,689,344	24,639,770	Not supported with schedules, payment vouchers and ledgers
Hospitality Supplies and Services	24,566,955	13,495,615	Not supported with schedules, payment vouchers and ledgers
Training Expenses	15,226,635	15,226,635	supporting schedules, invoices, invitation letters and ledgers
Foreign Travel and Subsistence	13,628,700	9,765,000	invitation letters, work/bus tickets, certificate of attendance, attendance lists, check in registers, boarding passes, copies of passports and back to office reports
<b>Total</b>	<b>94,111,634</b>	<b>63,127,020</b>	



In the circumstances, the accuracy and validity of the expenditure amounting to Kshs.63,127,020 for the year ended 30 June, 2020 could not be confirmed.

#### **4. Irregular Payments on Rentals of Produced Assets**

As disclosed in Note 5 to the financial statements, the statement of receipts and payments reflects a balance of Kshs.520,470,341 under use of goods and services which includes a balance of Kshs.82,687,500 in respect to rentals of produced assets paid as ward operation expenses. However, Management did not provide expenditure returns and justification for the payments for the rental of offices despite the County Assembly having previously completed its ward offices.

In the circumstances, the propriety of expenditure of Kshs.82,687,500 incurred on rental of produced assets for the year ended 30 June, 2020 could not be ascertained.

#### **5. Unsupported Payments of Acquisition of Assets**

As disclosed in Note 6 to the financial statements, the statement of receipts and payments reflects a balance of Kshs.62,094,147 in respect of acquisition of assets which includes Kshs.29,550,390 for construction of buildings. The balance constitutes an amount of Kshs.13,400,300 paid for the construction of the Speaker's residence. However, Management did not provide supporting documents on the procurement process such as advertisements, evaluation minutes, Bills of Quantities and contract agreements for audit review. Further, Management did also not provide certificates of work done, inspection and acceptance to support the payments.

Physical verification of the project revealed that the contractor had only done the first slab and was not on site.

Consequently, the propriety and value for money of Kshs.13,400,300 spent on the project for the year ended 30 June, 2020 could not be ascertained.

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

#### **Emphasis of Matter**

##### **Unsupported Pending Bills**

Annex 1 of the financial statements reflects pending bills amounting to Kshs.121,478,922 which were outstanding as at 30 June, 2020. However, the balance was not supported with authentic and verifiable source documents such as invoices, inspection and acceptance reports, delivery notes and ledger. It has not been possible to confirm the existence and obligation on the amounts.

Failure to settle bills in the year for which they relate will adversely affect the implementation of the subsequent year's budgeted programs as the pending bills form a first charge to that year's budget provision.

My opinion is however not modified in respect of the above matter.

### **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. I have determined that there are no other key audit matters report during the year under review.

### **Other Matters**

#### **1. Budgetary Control and Performance**

The statement of comparative budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.898,928,373 and Kshs.958,060,983 respectively resulting to an over-funding of Kshs.59,132,610 or 6.6% above the budget. Similarly, the County Assembly expended an amount of Kshs.1,002,149,560 against an approved budget of Kshs.898,928,373 resulting to an over-expenditure of Kshs.103,221,188 or 11% of the budget. The over expenditure mostly occurred under use of goods and services and finance costs which overspent by Kshs.112,107,471 and Kshs.2,255,707, respectively.

#### **2. Unresolved Prior Year Matters**

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, the Management has not resolved the issues or given any explanation for failure to adhere to the provisions of the Public Sector Accounting Standards Board templates and The National Treasury's Circular Ref: No. AG.4/16/3 Vol.1(9) dated 24 June, 2020.

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

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Idle Resources - Acquisition of Assets**

As disclosed in Note 6 to the financial statements, the statement of receipts and payments reflects a balance of Kshs.62,094,147 in respect of acquisition of assets

which includes an amount of Kshs.29,550,390 for construction of buildings. The balance of Kshs.29,550,390 constitutes payments amounting to Kshs.13,940,732 paid to two (2) contractors for construction of two (2) offices for members of the County Assembly. However, physical verification revealed that the offices have been complete but have not been occupied.

Further, the balance of Kshs.62,094,147 which constitutes an amount of Kshs.20,429,917 for purchase of ICT equipment, software and other ICT assets out of which an amount of Kshs.14,000,000 was made to a contractor for the supply and installation of digital congress and communication system to the County Assembly. However, physical verification revealed that equipment were still lying idle in the store and had not been put to the intended purpose.

Consequently, the County Assembly and the public have not realized value for money on the Kshs.27,940,732 spent under acquisition of assets.

## **2. Staff Ethnic Composition**

### **Non-Compliance with Law on Ethnic Composition**

During the year under review, the total number of employees in the County Assembly was seventy (70) out of which fifty-five (55) or 78 % were members from the dominant community in the county. This is contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which states that, "all public offices shall seek to represent the diversity of the people of Kenya in employment of staff and that no public institution shall have more than one third of its staff establishment from the same ethnic community".

In the circumstance, Management is in breach of the Law.

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

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

#### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for 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 overall governance were not effective.

## **Basis for Conclusion**

### **1. Lack of Un-Updated Fixed Assets Registers**

Annex 4 - Summary statement of fixed assets to the financial statements reflects a balance of Kshs.378,319,845 in respect of historical cost of assets as at 30 June, 2020. However, fixed asset register maintained by the County Assembly was not up-dated and did not include the values, acquisition dates and historical costs of the fixed assets

In the circumstances, it has not been possible to determine whether the County Assembly has instituted proper mechanism to safeguard the assets.

### **2. Lack of Risk Management Policy and Report**

During the year under review, the County Assembly did not have a risk management policy and there was no documented formal risk assessment from the Internal Audit Unit. This is despite the provisions of Section 153(1)(b) of the Public Finance Management (County Governments) Regulations, 2015 that internal auditors have a duty to give reasonable assurance through the audit committees on the state of risk management, control and governance within the organization.

In the circumstances, it could not be established how the risks were identified, monitored and controlled to ensure correction/mitigation measures were implemented

### **3. Lack of an Approved Staff Establishment**

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

In the circumstances, it has not been possible to ascertained whether the County Assembly had engaged the optimal numbers of employees for all categories.

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 control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

## **Responsibilities of Management and those Charged with Governance**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards

(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.

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

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

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

Those charged with governance are responsible for overseeing the financial reporting process, reviewing the effectiveness of how County Assembly 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 County Assembly policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism 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.
- 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 ability of the County Assembly 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 County Assembly to cease sustaining its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the County Assembly to express an opinion on the financial statements.

- Perform such other procedures as I consider necessary in the circumstances.

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

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

  
Nancy Gathungu  
**AUDITOR-GENERAL**

**Nairobi**

**16 November, 2021**

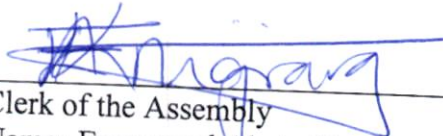
**MIGORI COUNTY ASSEMBLY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**


**5. FINANCIAL STATEMENTS**

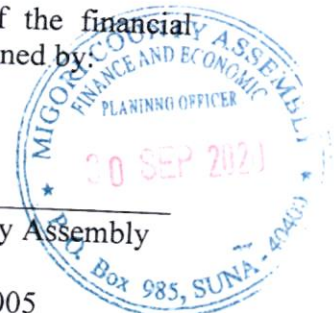
**5.1. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30 JUNE 2020**

	Note	2019/2020 KShs	2018/2019 KShs
<b>RECEIPTS</b>			
Transfers from the County Treasury/Exchequer Releases	1	836,834,226	828,127,065
Transfers from the County Treasury/Exchequer Releases (Development)	2	62,094,147	100,000,000
Other Receipts (Recurrent)	3	59,132,610	61,155,200
<b>TOTAL RECEIPTS</b>		<b>958,060,983</b>	<b>989,282,265</b>
<b>PAYMENTS</b>			
Compensation of Employees			
Use of goods and services	4	415,174,805	375,253,889
Acquisition of Assets	5	520,470,341	373,310,630
Finance Costs	6	62,094,147	78,488,603
Other Payments	7	4,410,267	4,501,578
	8		114,219,793
<b>TOTAL PAYMENTS</b>		<b>1,002,149,560</b>	<b>945,774,494</b>
<b>SURPLUS/DEFICIT</b>		<b>(44,088,577)</b>	<b>43,507,771</b>

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 31/09/2020 and signed by:

  
 Clerk of the Assembly  
 Name: Emmanuel Abala Kingwara

  
 Chief Finance Office – County Assembly  
 Name: Evans Ogutu Ouma  
 ICPAK Member Number: 20005

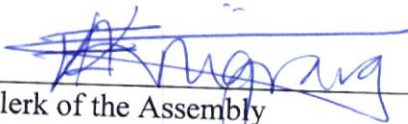





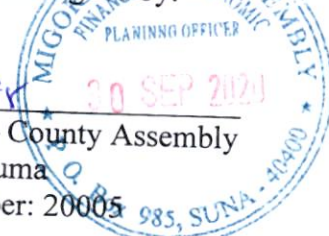
5.2. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES AS AT 30 JUNE 2020

		2019/2020	2018/2019
FINANCIAL ASSETS	Note	KShs	KShs
<b>Cash and Cash Equivalents</b>			
Bank Balances	9A	3,106	44,091,683
Cash Balances	9B		-
<b>Total Cash and cash equivalents</b>		<b>3,106</b>	<b>44,091,683</b>
Accounts receivables – Outstanding Imprests		-	-
<b>TOTAL FINANCIAL ASSETS</b>		<b>3,106</b>	<b>-</b>
<b>FINANCIAL LIABILITIES</b>			
Accounts Payables – Deposits and retentions	-	-	-
<b>NET FINANCIAL ASSETS</b>		<b>3,106</b>	<b>44,091,683</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd		44,091,683	583,912
Deficit for the year		(44,088,577)	43,507,771
<b>NET FINANCIAL POSITION</b>		<b>3,106</b>	<b>44,091,683</b>

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 30/09/2020 2020 and signed by:

  
 Clerk of the Assembly  
 Name: Emmanuel Abala Kingwara

  
 Chief Finance Officer – County Assembly  
 Name: Evans Ogutu Ouma  
 ICPAK Member Number: 20005 985, SUNA - 10400

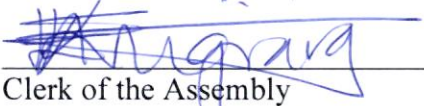



**5.3. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020**

		2019/2020	2018/2019
	Note	KShs	KShs
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts from operating income</b>			
Transfers from the County Treasury/Exchequer Releases -Recurrent	1	836,834,225	828,127,065
Transfers from the County Treasury/Exchequer - Development	2	62,094,147	100,000,000
Other Receipts	3	59,132,610	61,155,200
<b>Payments for operating expenses</b>			
Compensation of Employees	4	415,174,805	375,253,889
Use of goods and services	5	520,470,341	373,310,630
Acquisition of Assets	6	62,094,147	78,488,603
Finance Costs	7	4,410,267	4,501,578
Other Payments	8		114,219,793
<b>Adjusted for:</b>			
Adjustments during the year		-	-
<b>Net cash flows from operating activities</b>		<b>(44,088,577)</b>	<b>-</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets		-	-
<b>Net cash flows from investing activities</b>			<b>-</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(44,088,577)</b>	<b>43,507,771</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>		<b>44,091,683</b>	<b>583,912</b>
<b>Cash and cash equivalent at END of the year</b>		<b>3,106</b>	<b>44,091,683</b>

**Reports and Financial Statements  
For the year ended June 30, 2020**

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 20/09/20 2020 and signed by:

*Aj*  
  
Clerk of the Assembly  
Name: Emmanuel Abala Kingwara

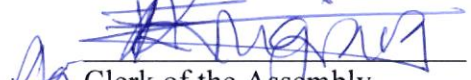
  
Chief Finance Office – County Assembly  
Name: Evans Ogutu Ouma  
ICPAK Member Number: 20005




**5.4. STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: RECURRENT AND DEVELOPMENT  
 COMBINED FOR THE YEAR ENDED 30 JUNE 2020**

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization difference	% Utilization difference
	KShs	KShs	c=a+b	e=d-c	e=c-d	KShs
<b>RECEIPTS</b>						
Transfers from the County Treasury/Exchequer Releases	898,928,373	-	898,928,373	898,928,373	0	100%
Proceeds from Sale of Assets	-	-	-	-		
Other Receipts	-	-	-	59,132,610		
<b>TOTAL</b>	<b>898,928,373</b>	<b>-</b>	<b>898,928,373</b>	<b>958,060,983</b>	<b>59,132,610</b>	<b>107%</b>
<b>PAYMENTS</b>					0	
Compensation of Employees	426,316,795	-	426,316,795	415,174,805	11,141,990	97%
Use of goods and services	408,362,870	-	408,362,870	520,470,341	112,107,471	127%
Subsidies	-	-	-	-		
Other grants and transfers	-	-	-	-		
Social Security Benefits					0	
Acquisition of Assets	62,094,147	-	62,094,147	62,094,147	0	100%
Finance Costs	2,154,560.00	-	2,154,560	4,410,267	2,255,707	205%
Other Payments–Car Loan& Mortgage	-	-	-	-		
<b>TOTAL</b>	<b>898,928.373</b>	<b>-</b>	<b>898,928,372</b>	<b>1,002,149,560</b>	<b>103,221,188</b>	<b>111%</b>
<b>DEFICIT</b>				<b>44,088,577</b>		

The entity financial statements were approved on 21/09/2020 2020 and signed by:

  
 Clerk of the Assembly  
 Name: Emmanuel Abala Kingwara

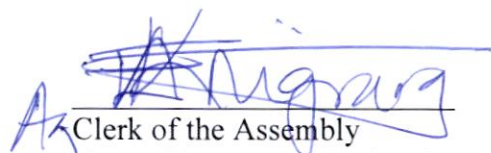
  
 Chief Finance Officer – County Assembly  
 Name: Evans Ogotu Ouma (ICPAK Member Number: 20005)




5.5. STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: RECURRENT FOR THE YEAR ENDED 30 JUNE 2020

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% Utilisation difference
	a	b	c=a+b	e=d-c		
<b>RECEIPTS</b>						
Transfers from the County Treasury/ Exchequer Releases	836,834,225	-	836,834,225	836,834,225	0	100%
Proceeds from Sale of Assets	-	-	-	-		-
Other Receipts	-	-		59,132,610	59,132,610	-
<b>TOTAL</b>	<b>836,834,225</b>	<b>-</b>	<b>836,834,225</b>	<b>895,966,835</b>	<b>59,132,610</b>	<b>-</b>
<b>PAYMENTS</b>					0	
Compensation of Employees	426,316,795	-	426,316,795	415,174,804	-11,141,991	85%
Use of goods and services	408,362,870	-	408,362,870	520,470,341	112,107,471	119%
Subsidies	-	-	-	-		-
Acquisition of Assets	-	-	-	-		-
Finance Costs	2,154,560.00	-	2,154,560.00	4,410,267	2,255,707	199%
Other Payments					0	
<b>TOTAL</b>	<b>836,834,225</b>	<b>-</b>	<b>836,834,225</b>	<b>940,055,412</b>	<b>103,221,187</b>	<b>-</b>
<b>DEFICIT</b>				<b>44,088,577</b>	<b>44,088,577</b>	

The entity financial statements were approved on 31/09/20 2020 and signed by:

  
Clerk of the Assembly  
Name: Emmanuel Abala Kingwara

  
Chief Finance Officer – County Assembly  
Name: Evans Ogutu Ouma  
ICPAK Member Number: 20005

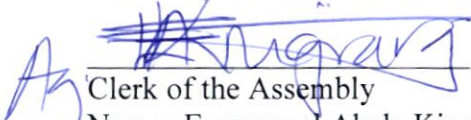





**5.6. STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: DEVELOPMENT FOR THE YEAR ENDED 30 JUNE 2020**

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% Utilization difference
	KShs	KShs	c=a+b	e=d-c	E=c-d	KShs
<b>RECEIPTS</b>						
Transfers from the County Treasury/ Exchequer Releases	62,094,147		62,094,147	62,094,147		100%
Proceeds from Sale of Assets	-	-	-	-		-
Other Receipts	-	-	-	-		-
<b>TOTAL</b>	62,094,147		62,094,147	62,094,147		<b>100%</b>
<b>PAYMENTS</b>						
Compensation of Employees	-	-	-	-		-
Use of goods and services	-	-	-	-		-
Subsidies	-	-	-	-		-
Transfers to Other Government Entities	-	-	-	-		-
Other grants and transfers	-	-	-	-		-
Social Security Benefits	-	-	-	-		-
Acquisition of Assets	62,094,147	-	62,094,147	62,094,147	0	100%
Finance Costs	-	-	-	-		-
Other Payments	-	-	-	-		-
<b>TOTAL</b>	<b>62,094,147.25</b>	<b>-</b>	<b>62,094,147.25</b>	<b>62,094,147</b>	<b>0.05</b>	<b>100%</b>
<b>SURPLUS/ DEFICIT</b>				<b>0</b>	<b>-0.05</b>	

The entity financial statements were approved on 30/09/20 2020 and signed by:

  
 Clerk of the Assembly  
 Name: Emmanuel Abala Kingwara

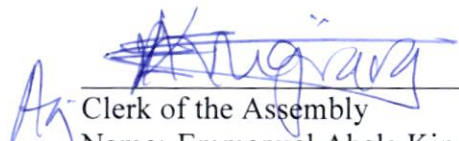
  
 Chief Finance Office – County Assembly  
 Name: Evans Ogotu Ouma  
 ICPAK Member Number: 20005




**5.7. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES FOR THE YEAR ENDED 30 JUNE 2020**

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	KShs	KShs	KShs	KShs	KShs
Programme 1					
General Administration and Supportive Services	704,147,017	(21,218,791)	682,928,226	709,795,722	104%
Programme 2					
Oversight Management Services	111,930,048	19,025,952	130,956,000	216,450,990	165%
Oversight Management Services	20,050,000	2,900,000	22,950,000	13,628,700	59%
Sub-programme 3					
Legislative Services					
Legislation development and approval services	50,000,000	12,094,147	62,094,147	62,094,147	100%
<b>Grand Total</b>	<b>886,127,065</b>	<b>12,801,308</b>	<b>898,928,373</b>	<b>1,002,149,560</b>	<b>111%</b>

The entity financial statements were approved on 21/09/20 2020 and signed by:

  
 Clerk of the Assembly  
 Name: Emmanuel Abala Kingwara

  
 Chief Finance Office – County Assembly  
 Name: Evans Ogotu Ouma  
 ICPAK Member Number: 20005







## **5.8. SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

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

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

### **2. Reporting entity**

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

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

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

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

#### **Tax receipts**

Tax Receipts is recognized in the books of accounts when cash is received. Cash is considered as received when notification of tax remittance is received.

#### **Transfers from the Exchequer/ County Treasury**

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

**SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Other Receipts**

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

**b) Recognition of payments**

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

**Compensation of employees**

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

**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.

**Acquisition of fixed assets**

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

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

**4. In-kind contributions**

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



**SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**5. 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.

**6. Accounts Receivable**

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

**7. Accounts Payable**

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

**8. Non-current assets**

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

**SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**9. 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 Migori county Assembly at the end of the year. Pending bill form a first charge to the subsequent year budget and when they are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

**10. Budget**

The budget is prepared on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The Migori County Assembly budget was approved as required by Law .A high-level assessment of the Migori County Assembly's' actual performance against the comparable budget for the financial year under review has been included in the Statement of Comparison between actual and budgeted amounts included in these financial statements.

**11. Comparative figures**

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

**12. Subsequent events**

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

**13. Errors**

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

**14. Related party transactions**

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

**MIGORI COUNTY ASSEMBLY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

**5.9. NOTES TO THE FINANCIAL STATEMENTS**

**1. Transfers from the County Treasury/Exchequer Releases**

	<b>2019/2020</b>	<b>2018/2019</b>
	<b>KShs</b>	<b>KShs</b>
Transfers from the County Treasury for Q1	-	40,000,000
Transfers from the County Treasury for Q2	350,000,000	250,000,000
Transfers from the County Treasury for Q3	270,000,000	156,000,000
Transfers from the County Treasury for Q4	216,834,226	382,127,065
<b>Cumulative Amount</b>	<b>836,834,226</b>	<b>828,127,065</b>

**2. Transfers from the County Treasury/Exchequer - Development**

	<b>2019/2020</b>	<b>2018/2019</b>
	<b>KShs</b>	<b>KShs</b>
Transfers from the County Treasury for Q1		
Transfers from the County Treasury for Q2		
Transfers from the County Treasury for Q3		
Transfers from the County Treasury for Q4	62,094,147	100,000,000
<b>Cumulative Amount</b>	<b>62,094,147</b>	<b>100,000,000</b>

**3. OTHER RECEIPTS**

	<b>2019/2020</b>	<b>2018/2019</b>
	<b>KShs</b>	<b>KShs</b>
Other Receipts from Migori County Treasury (specialized) - Recurrent	33,822,610	61,155,200
Other Receipts -Development	25,310,000	-
<b>Total</b>	<b>59,132,610</b>	<b>61,155,200</b>





**MIGORI COUNTY ASSEMBLY**  
**Reports and Financial Statements**  
**For the year ended 30 June 2020**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**4. COMPENSATION OF EMPLOYEES**

	<b>2019/2020</b>	<b>2018/2019</b>
	<b>KShs</b>	<b>KShs</b>
Payroll Expenses (gross salaries of permanent employees, Temporary employee wages, statutory deductions etc)	408,707,421	349,392,278
Basic wages of temporary employees		564,217
Personal allowances paid as part of salary		
Personal allowances paid as reimbursements		-
Personal allowances provided in kind		256,217
Pension and other social security contributions	6,467,384	25,041,177
Compulsory national social security schemes		-
Compulsory national health insurance schemes		-
Social benefit schemes outside government		-
Other personnel payments		-
<b>Total</b>	<b>415,174,805</b>	<b>375,253,889</b>

**5. USE OF GOODS AND SERVICES**

	<b>2019/2020</b>	<b>2018/2019</b>
	<b>KShs</b>	<b>KShs</b>
Utilities, supplies and services	5,900,107	4,905,767
Communication, supplies and services	4,636,030	4,600,000
Domestic travel and subsistence	234,539,567	139,291,382
Foreign travel and subsistence	13,628,700	20,050,000
Printing, advertising and information supplies & services	8,300,360	8,058,500
Rentals of produced assets	82,687,500	102,360,000
Travel Allowances/Training expenses	15,226,635	7,526,149
Hospitality supplies and services	24,566,955	4,700,000
Insurance costs	39,743,042	27,400,000
Membership Fees & Dues, Legal Fees & Contracted Professional Services	3,460,038	11,000,000
Education and Library Activities	1,465,000	1,165,000
Contracted Guard Allowances	12,763,500	5,208,000
General Operating Expenses	40,689,344	17,115,832
Fuels and Lubricants	5,506,609	6,200,000



**MIGORI COUNTY ASSEMBLY  
Reports and Financial Statements  
For the year ended June 30, 2020**

Other Operating Expenses	11,876,110	-
Routine maintenance – vehicles and other transport equipment	6,316,658	5,540,000
Routine maintenance – Buildings	3,457,100	3,880,000
Routine maintenance – Plant and Equipment	2,570,650	2,210,000
Routine maintenance – Office Furniture	1,822,436	700,000
Routine maintenance – Computers, Printers and Accessories	1,314,000	1,400,000
<b>Total</b>	<b>520,470,537</b>	<b>373,310,630</b>

**MIGORI COUNTY ASSEMBLY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**6. ACQUISITION OF ASSETS**

<b>Non Financial Assets</b>	<b>2019/2020</b>	<b>2018/2019</b>
	<b>KShs</b>	<b>KShs</b>
Purchase of Buildings		-
Construction of Buildings	29,550,390	17,211,908
Refurbishment of Buildings	4,545,650	21,323,508
Fencing Of Buildings	7,568,190	-
Construction and Civil Works		9,823,028
Overhaul and Refurbishment of Construction and Civil Works		-
Purchase of Vehicles and Other Transport Equipment		13,654,207
Overhaul of Vehicles and Other Transport Equipment		-
Purchase of Household Furniture and Institutional Equipment		1,257,000
Purchase of Office Furniture and General Equipment		3,548,247
Purchase of ICT Equipment, Software and Other ICT Assets	20,429,917	8,746,969
Purchase of Specialised Plant, Equipment and Machinery		-
Rehabilitation and Renovation of Plant, Machinery and Equip.		-
CCTV Installations		2,923,736
Research, Studies, Project Preparation, Design & Supervision		-
Rehabilitation of Civil Works		-
Acquisition of Strategic Stocks and commodities		-
Acquisition of Land		-
Acquisition of Intangible Assets		-
<b>Financial Assets</b>		-
Domestic Public Non-Financial Enterprises		-
Domestic Public Financial Institutions		-
<b>Total</b>	<b>62,094,147</b>	<b>78,488,603</b>



**MIGORI COUNTY ASSEMBLY**  
**Reports and Financial Statements**  
**For the year ended 30 June 2020**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**7. FINANCE COSTS**

	2019/2020	2018/2019
	KShs	KShs
Bank Charges	4,410,267	722,661
Exchange Rate Losses		-
Other Finance costs		-
Interest on borrowings		3,778,917
<b>Total</b>	<b>4,410,267</b>	<b>4,501,578</b>

**8. OTHER PAYMENTS**

	2019/2020	2018/2019
	KShs	KShs
Car Loan & Mortgage Revolving Fund		105,000,000
Civil Contingency Reserves		-
Capital Transfers to Non-Financial Public Enterprises		-
Capital Transfer to Public Financial Institutions and Enterprises		-
Capital Transfer to Private Non-Financial Enterprises		-
Other expenses		-
Pending Bills – Non Residential		9,219,793
<b>Total</b>		<b>114,219,793</b>

**9. CASH AND BANK BALANCES**

**9A. BANK BALANCES**

Name of Bank, Account No. & Currency	Indicated whether recurrent or development	2019/2020	2018/2019
		KShs	KShs
<i>Bank Balances B/F -1<sup>st</sup> July 2019</i>			583,912
CBK Migori County Assembly	Development Acc	0	43,436,819
CBK Migori County Assembly	Recurrent Acc	486	37,903
Migori County Assembly Operation II	Commercial Bank Accs.	2,620	33,048
<b>Total</b>		<b>3,106</b>	<b>44,091,683</b>

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**9B. CASH IN HAND**

	<b>2019/2020</b>	<b>2018/2019</b>
	<b>KShs</b>	<b>KShs</b>
Cash in Hand – Held in domestic currency		122,601
Cash in Hand – Held in foreign currency	-	-
<b>Total</b>		<b>122,601</b>

Cash in hand should be analysed as follows:

	<b>2019/2020</b>	<b>2018/2019</b>
	<b>KShs</b>	<b>KShs</b>
Petty Cash Office	-	-
Location 2	-	-
<b>Total</b>	<b>-</b>	<b>-</b>





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**5.10. OTHER DISCLOSURES**

**1. PENDING ACCOUNTS PAYABLE (See Annex 1)**

	<b>2019/2020</b>	<b>2018/2019</b>
	<b>KShs</b>	<b>KShs</b>
Construction of buildings		78,195,897
Construction of civil works		-
Supply of goods		29,197,482
Supply of services		
<b>Total</b>		<b>107,393,379</b>

**2. PENDING STAFF PAYABLES (See Annex 2)**

<b>Name of Staff</b>	<b>2019/2020</b>	<b>2018/2019</b>
	<b>KShs</b>	<b>KShs</b>
Administrative Committee allowances		4,405,600
<b>Total</b>		<b>4,405,600</b>

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

	<b>2019/2020</b>	<b>2018/2019</b>
	<b>KShs</b>	<b>KShs</b>
Ict infrastructure		
Amounts due to County Government entities	-	-
Amounts due to third parties	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**4. RELATED PARTY DISCLOSURES**

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

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

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**OTHER DISCLOSURES (CONTINUED)**

**Related party transactions:**

	<b>2019- 2020</b>	<b>2018- 2019</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>Compensation to Key Management</b>		
Compensation to the Speaker, Deputy Speaker and the MCAs	-	-
Key Management Compensation (Clerk and Heads of departments)	-	-
<b>Total Compensation to Key Management</b>	-	-
<b><u>Transfers to related parties</u></b>		
Transfers to other County Government Entities such as car and mortgage schemes	-	-
Transfers to County Corporations	-	-
Transfers to non-reporting entities e.g ECD centres, welfare centres etc	-	-
<b>Total Transfers to related parties</b>	-	-
<b><u>Transfers from related parties</u></b>		
Transfers from the County Executive- Exchequer	-	-
Payments made on behalf of the County Assembly by other Government Agencies	-	-
(Insert any other transfers received)	-	-
<b>Total Transfers from related parties</b>	-	-

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**5. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

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

<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Focal Point person to resolve the issue (Name and designation)</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>

**Guidance Notes:**

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

Clerk of the County Assembly

Sign. *[Signature]*

Date. 30/07/2020

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**ANNEXES**

**ANNEX 1 – ANALYSIS OF PENDING ACCOUNTS PAYABLE**

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2019/20	Outstanding Balance 2018/19	Comments
	A	B	c	d=a-c		
<b>Construction of buildings</b>						
1. MCAs Buildings				78,195,897	78,195,897	
2.						
3.						
<b>Sub-Total</b>				78,195,897	78,195,897	
<b>Construction of civil works</b>						
4. Construction of civil works						
5.						
6.						
<b>Sub-Total</b>						
<b>Supply of goods</b>						
7. Supply awaiting certification/old debts	29,197,482	14,085,543	-	43,283,025	29,197,482	
8.						
9.						
<b>Sub-Total</b>	29,197,482	14,085,543	-	43,283,025	29,197,482	
<b>Supply of services</b>						
10. current suppliers						
11.						
12.						
<b>Sub-Total</b>						
<b>Grand Total</b>	<b>29,197,482</b>	<b>14,085,543</b>	<b>-</b>	<b>121,478,922</b>	<b>107,393,379</b>	

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**ANNEX 2 – ANALYSIS OF PENDING STAFF PAYABLES**

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2018/19	Outstanding Balance 2019/20	Comments
		a	b	c	d=a-c		
1. Allowances Perdiem							
2. Tender Committee arrears							
3. Tender Opening Committee arrears							
4. Acceptance Committee							
5. Procurement Committee							
6.							
7.							
8.							
9.							
10.							
11.							
12.							
<b>Sub-Total</b>							
<b>Grand Total</b>							

**ANNEX 3 – ANALYSIS OF OTHER PENDING PAYABLES**

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2018/19	Outstanding Balance 2019/20	Comments
		a	b	c	d=a-c		
<b>Amounts due to National Govt Entities</b>							
1.							
2.							
3.							
	<b>Sub-Total</b>						
<b>Amounts due to County Govt Entities</b>							
4.							
5.							
6.							
	<b>Sub-Total</b>						
<b>Amounts due to Third Parties</b>							
7.							
8.							
9.							
	<b>Sub-Total</b>						
<b>Others (specify)</b>							
10.							
11.							
12.							
	<b>Sub-Total</b>						
	<b>Grand Total</b>						

## ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (KShs) 2018/2019	Additions during the year (KShs)	Disposals during the year (KShs)	Historical Cost c/f (KShs) 2019/2020
Land	-			-
Buildings and structures	210,884,955	41,664,230		252,549,185
Transport equipment	-			
Office equipment, furniture and fittings	21,622,000			21,622,000
ICT Equipment, Software and Other ICT Assets	5,230,140	20,429,917		25,660,057
Other Machinery and Equipment	-			
Heritage and cultural assets	-			
Intangible assets	-			
Other Asset acquired during the year	78,488,603			78,488,603
<b>Total</b>	<b>316,225,698</b>	<b>62,094,147</b>		<b>378,319,845</b>

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



**ANNEX 5 – ANALYSIS OF OUTSTANDING IMPRESTS**

*County Assembly Imprest Holders*

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

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**ANNEX 6 – BANK RECONCILIATION/FO 30 REPORT**

*(Attach FO 30 Reports from IFMIS)*

