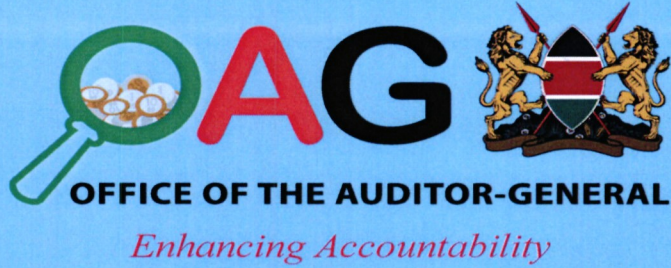
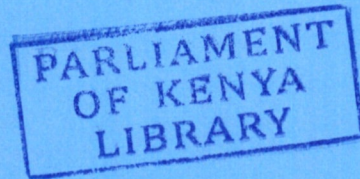


REPUBLIC OF KENYA



REPORT



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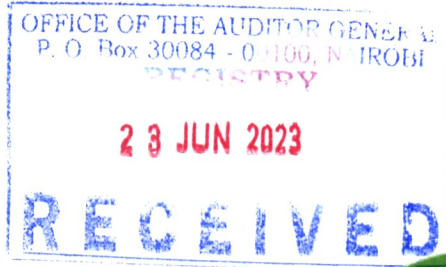
THE AUDITOR-GENERAL

ON

COUNTY REVENUE FUND

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

COUNTY GOVERNMENT OF TURKANA



COUNTY REVENUE FUND

(County Government of TURKANA)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2022.

County Government of Turkana
County Revenue Fund
Annual Report and Financial Statements for the Financial Year ended 30th June 2022.

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County Government of Turkana
County Revenue Fund
Annual Report and Financial Statements for the Financial Year ended 30th June 2022.

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1. Key Entity Information and Management

a) Background information

Article 207 of the Constitution of Kenya provides for the establishment of the County Revenue Fund into which shall be paid all money raised or received by or on behalf of the County Government.

b) Key Management

The County Revenue Funds day-to-day management is under the following key organs:

- CECM Finance and Economic planning
- C.O Finance
- Director Accounting Services

c) Fiduciary Management

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

No.	Designation	Name
1.	CECM Finance and Economic Planning	JENNIPHER NAWOI LONGOR
2.	Accounting Officer in charge of Finance	ABRAHAM LOSINYEN EKAI
3.	Director Accounting Services	NICHOLAS KEETE MAYO

d) Fiduciary Oversight Arrangements

Audit committee activities

The PFM Act, 2012 Section 155 (5) requires a County Governments to establish audit committee the department is headed by Director of internal audit who reports directly to audit committee on execution of its mandates ,makes follows and review recommendations by the external auditors to see whether they are implemented.

Senate Committee Activities

The County in the financial year 2020/2021 appeared before Senate Public Accounts Committee to answer queries on the financial statement for the financial year 2018/2019.

County Assembly

The county Engaged with Budget and Appropriation committee on approval of county Budget estimates 2020/2021, Finance committee during submission and Approval of Finance Act 2022 .

- Development partner oversight activities

Various collaborations have been done with various development partners.

Controller of Budget

The office of the controller of budget granted authorization of withdrawal of funds from County Revenue fund, reviewed our bills in enactment of various county Funds legislation, processing of our exchequer requisitions and finally reviewing our expenditure report and giving necessary feedbacks.

Office of the Auditor General

The office of the Auditor General audited the financial statements for the financial year 2019/2020, queries which various departments submitted their audit responses.

e) County Headquarters

P.O. Box 11-30500

TREASURY Building

Nawoitrong Road

Lodwar, Kenya

f) County Contacts

Telephone: (254) 729305555

E-mail: Countysecretary@turkana.go.ke

Website: www.turkana.go.ke

g) County Bankers

Central Bank of Kenya

Haile Selassie Avenue

P.O. Box 60000

City Square 00200

NAIROBI, KENYA

h) Independent Auditors

Auditor General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084- 00100

NAIROBI, KENYA

i) Principal Legal Adviser

The County Attorney

P.O. Box 11-30500

Lodwar, KENYA

Email: Erastus.ethekon@turkana.go.ke

2. Statement by the CECM Finance

In the Financial year 2021/2022 the County had projected revenues estimate of ksh **16,188,835,692** as approved by County Assembly, Comprising of **Ksh12,609,305,994** from the Equitable share allocation , **Ksh, 2,338,840,345** being balance brought forward from County Revenue fund for the period 2020-2021, **ksh1,060,693,353** from conditional grants and ksh **180,000,000** being own source Revenues. Total receipt of ksh **11,998,307,379** was received to the County Revenue Fund , the total major receipts included ksh **11,600,561,515** being the actual equitable share received ,conditional grants of Kshs **200,402,081** was received from development partners and ksh **204,236,887** from own source revenues collected during the year.

The Turkana County Supplementary Appropriation Act 2022 distributed ksh **9,880,508,897.70**

towards financing Recurrent Costs and **Ksh 6,308,326,794.50** towards financing capital expenditure for financial year 2021/2022,

From the County Revenue Fund Kshs **9,962,073,711** and **992,067,650** were disbursed to County Executive and Assembly respectively to finance the capital expenditure and recurrent operations.

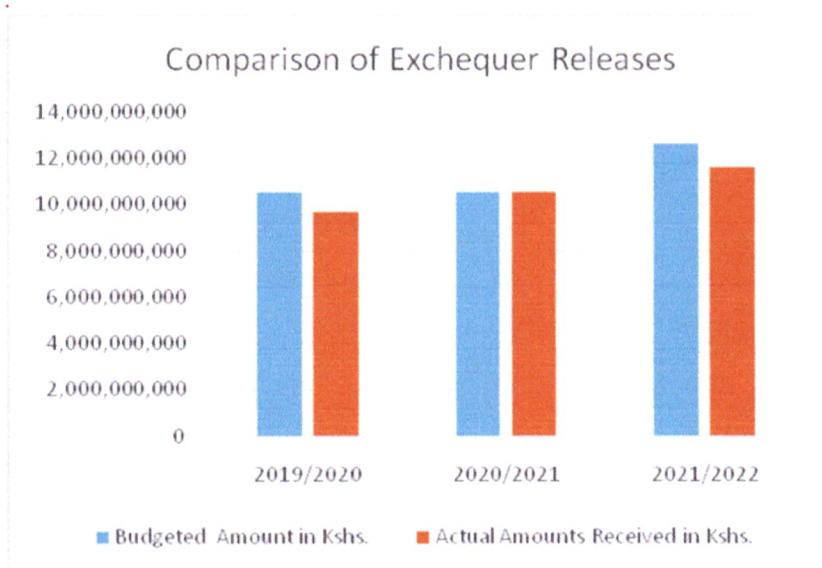
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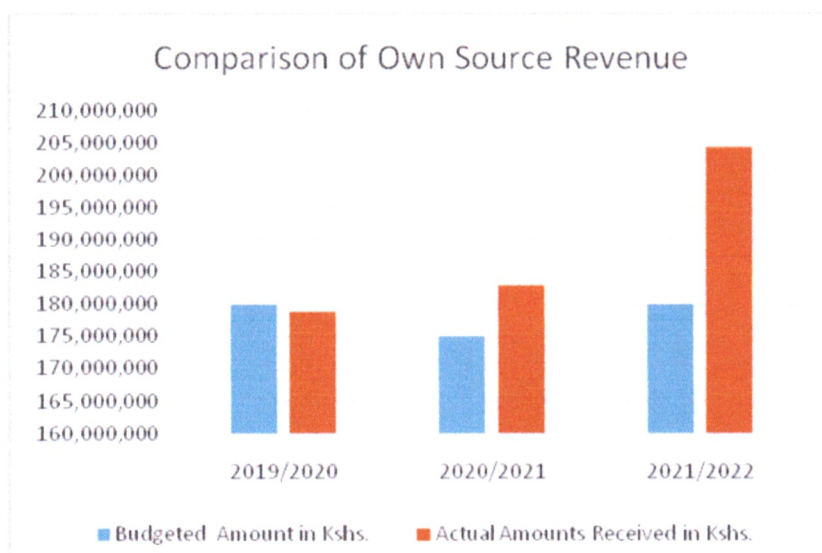
CECM Finance and Economic Planning

County Government of Turkana

3. Management Discussion and Analysis



The County Government has been receiving equitable share on timely manner for the last 3 years however, the equitable share of 2019 /2020 was not fully financed to the tune of ksh.1,008,744,479 which was later received in August 2021 in the current year, **ksh 1,008,744,479** of June 2022 exchequer was not financed again.



The own source revenue has been exhibiting an upward trend where the department has continuously exceed their targets despite challenges arising from Covid 19 pandemic and external factors affecting the collection of revenue. The revenue collection has been fully automated and more effort is being put to seal any areas where there could be revenue leakages.

4. Statement of Management Responsibility

Article 207 of the Constitution, Sections 109 and 167 of the Public Finance Management Act, 2012 requires a County Revenue Fund established by the Constitution, an Act of Parliament or county legislation shall prepare financial statements for the Fund for each financial year in a form prescribed by the Public Sector Accounting Standards Board and submit to the Auditor General and a copy to the Commission on Revenue Allocation and the Controller of Budget.

The Accounting Officer of the County Government is responsible for the preparation and presentation of the County Revenue Fund financial statements, which give a true and fair view of the state of affairs of the Fund as at the end of the financial year ended on June 30, 2022. This responsibility includes: (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the County Revenue Fund; (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 Accounting Officer accepts responsibility for the County Revenue Fund'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 Accounting Officer is of the opinion that the County Revenue Fund's financial statements give a true and fair view of the state of the County Revenue Fund's transactions during the financial year ended June 30, 2022, and of its financial position as at that date.

The Accounting Officer further confirms the completeness of the accounting records maintained for the County Revenue Fund which have been relied upon in the preparation of its financial statements as well as the adequacy of the systems of internal financial control. The Accounting Officer confirms that the County Revenue Fund has complied fully with applicable Government Regulations and the terms of external financing covenants. Further, Accounting Officer confirms that the County Revenue Fund'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 Revenue Fund's financial statements were approved and signed on 20.3.2023

Signature _____



Name : ABRAHAM LOSINYEN EKAI

Chief Officer - Finance

County Government of Turkana

5. Overview of the County Revenue Fund Operations

Background

Article 207 of the Constitution of Kenya provides for the establishment of a County Revenue Fund into which shall be paid all money raised or received by or on behalf of the County Government. As outlined under Section 109 of the Public Finance Management (PFM) Act, 2012 the County Treasury is responsible for administration of the County Revenue Fund. The County Revenue Fund is maintained as the County Exchequer Account at the Central Bank of Kenya.

Receipts into the County Revenue Fund

County Government revenue is received through appointed County Receiver of Revenue by the County Executive Committee Member for finance to the County Treasury pursuant to Section 157 (1) of the PFM Act 2012. Other receipt includes Exchequer releases, grants from development partners, proceeds from domestic and foreign borrowings, and other miscellaneous deposits in the County Revenue Fund Account.

Transfers from the County Revenue Fund

The withdrawal of funds from the County Revenue Fund is authorized by the County appropriation Act. The County Treasury is required to seek the Controller of Budget's approval for withdrawal of funds from the County Revenue Fund to the County Executive and County Assembly bank accounts. These entities are responsible for the administration of their respective approved budgets.

Financial Reporting requirements

The Accounting Officer for the County Revenue Fund is required to prepare and submit the financial statements to the Auditor-General and a copy to the Controller of Budget, and the Commission on Revenue Allocation.

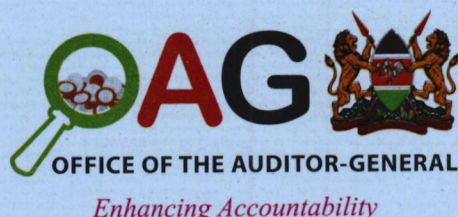
This statement therefore covers the operations of the County Exchequer Account for the financial year ended 30th June 2022.



.....
Name: ABRAHAM LOSINYEN EKAI
Chief Officer –Finance

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 REVENUE FUND FOR THE YEAR ENDED 30 JUNE, 2022 - COUNTY GOVERNMENT OF TURKANA

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of County Revenue Fund - County Government of Turkana set out on pages 1 to 13, which comprise the statement of receipts and payments, statement of comparison of budget and actual amounts, 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, the financial statements present fairly, in all material respects, the financial position of County Revenue Fund as at 30 June, 2022 and of its financial performance 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 of Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of County Revenue Fund 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 opinion.

Key Audit Matters

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

Other Matter

Late Exchequer Releases

The statement of receipts and payments reflects exchequer releases amount of Kshs.11,600,561,515 for the year ended 30 June, 2022 equivalent to 92% of county equitable share of Kshs.12,609,305,994 for the year ended 30 June, 2022. However, the funds were not transferred to the County Revenue Fund in accordance with a payment schedule approved by the Senate and published in the gazette by the Cabinet Secretary; the National Treasury under-disbursed funds in quarter 1 to 3 and over disbursed in quarter 4 as indicated below:

Quarter	Amount as Per Disbursement Schedule (Kshs.)	% of Total Disbursement as Per Schedule	Actual Disbursement (Kshs.)	Under/(Over) Disbursement (Kshs.)	% Total Actual Disbursements
1	3,152,326,498	25	2,080,535,488	1,071,791,010	16.5
2	3,089,279,969	25	2,080,535,490	1,008,744,479	16.5
3	3,152,326,498	25	2,080,535,490	1,071,791,008	16.5
4	3,215,373,028	25	5,358,955,047	(2,143,582,019)	42.5
Total	12,609,305,994	100	11,600,561,515	1,008,744,479	92

Further, an amount of Kshs.1,008,744,478 or 8% of county's equitable share was not disbursed by National Treasury on or before 30 June, 2022 contrary to Section 4(2) of the County Allocation of Revenue Act, 2021 which states that each county government's allocation under Subsection (1) shall be transferred to the respective County Revenue

Fund - in accordance with a payment schedule approved by the Senate and published in the gazette by the Cabinet Secretary in accordance with section 17 of the Public Finance Management Act, 2012.

Late disbursement of equitable share affected timely implementation of approved budget for the County Government of Turkana.

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, I confirm that, nothing 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

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, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

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 maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue as a going concern/ sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the County Government is aware of the intention to terminate the fund 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 Fund's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that

might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.


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

As part of an audit conducted in accordance with ISSAIs, I exercise professional 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 controls.
- 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 to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease 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 fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathunge, CBS
AUDITOR-GENERAL


Nairobi


15 June, 2023

County Government of Turkana
 County Revenue Fund
 Financial Statements for the financial year ended 30th June 2022

7. Statement of Receipts and Payments Statement for the year ended 30th June, 2022.

		2021/22	2020/21
	Notes	Kshs.	Kshs.
Receipts			
Exchequer releases	1	11,600,561,515	11,445,842,700
Transfers from other government agencies	2	200,402,081	1,160,698,373
Other grants	3	-	-
Proceeds from Domestic Borrowing	4	-	-
Proceeds from Foreign Borrowing	5	-	-
Own Source Revenue	6	204,236,887	182,858,171
Return to CRF issues	7	425,438	-
Total Receipts		12,005,625,921	12,789,399,244
Payments			
Transfers to County Executive	8	9,962,073,711	10,109,292,776
Transfers to County Assembly	9	992,067,650	1,037,164,757
Other Transfers	10	-	-
Total Payments		(10,954,141,361)	(11,146,457,533)
Net increase (decrease) in cash for the year		1,051,484,560	1,642,941,711
Add Opening fund balance b/f	11	2,628,348,878	985,407,167
Closing Fund balance for the period	11	3,679,833,438	2,628,348,878


 Name: ABRAHAM LOSINYEN EKAI
 Chief Officer - Finance
 ICPAK Member No.....
 Date:20/3/2023


 Name: NICHOLAS KEETE MAYO
 Director Accounting Services
 ICPAK Member :11784
 Date: 20/3/2023

County Government of Turkana
County Revenue Fund
Financial Statements for the financial year ended 30th June 2022

8. Statement of Comparison of Budget Actual Amounts for the year ended 30th June, 2022.

Receipts/Payments	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Realisation Difference	% of Realisation
	A	B	e=a+b	D	e=c-d	f=d /c %
Receipts	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	
Exchequer releases	12,609,305,994,	-	12,609,305,994	11,600,561,515	1,008,744,479	92
Transfers from other government agencies	786,247,616	274,441,737	1,060,689,353	200,402,081	860,287,272	19
Other conditional grants	-	-	-	-	-	0
Proceeds from Domestic Borrowing	-	-	-	-	-	0
Proceeds from Foreign Borrowing	-	-	-	-	-	0
Own Source Revenue	180,000,000	-	180,000,000	204,236,887	(24,236,887)	113
Return to CRF issues	-	-	-	425,438	(425,438)	0
Balance B/F from County Revenue fund	452,052,239	1,886,788,106	2,338,840,345	2,338,840,345	0	100
Total Receipts	14,027,605,849	2,161,229,843	16,188,835,692	14,344,466,266	1,844,369,46	89
Payments						
Transfers to County Executive	13,050,655,685	2,161,229,843	15,211,885,528	9,962,073,711	5,249,811,817	65
Transfers to County Assembly	976,950,164	-	976,950,164	992,067,650	(15,117,486)	102
Others	-	-	-	-	-	0

County Government of Turkana
County Revenue Fund
Financial Statements for the financial year ended 30th June 2022

Receipt/Payments	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Realisation Difference	% off realisation
	A	B	c=a+b	D	e=c-d	f=d/c %
Total Payments	(14,027,605,849)	(2,161,229,843)	(16,188,835,692)	(10,954,141,361)	(5,234,694,331)	68
Balance	-	-	-	3,390,324,905	(3,390,324,905)	

9. Significant Accounting Policies

a) Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with Cash-basis IPSAS financial reporting under the Cash-Basis of accounting, as prescribed by the PSASB and Section 167 of the PFM Act 2012.

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

b) Reporting entity

This report relates to financial operations of the County Revenue Fund domiciled at the County Treasury and bank account maintained at Central Bank of Kenya.

c) Receipts

Receipts include funds deposited in the County Revenue Fund pursuant to Article 207 of the Constitution of Kenya and Section 109 of the PFM Act 2012.

The receipts collected include Exchequer releases, own source revenue, grants from development partners, proceeds from domestic and foreign borrowings, and other miscellaneous deposits in the County Exchequer Account.

Transfers from the exchequer are 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.

County own source revenue is recognized as receipts when the funds are received in the County Exchequer Account.

d) Payments

Payments are based on the County Government Appropriation Act. The exchequer requests are received by County Treasury, which rationalizes the requests based on the available balance, consolidates the requests and forwards them to Controller of Budget (COB) for approval. Once the approval of COB is obtained, the funds are released to the County Assembly and County Executive operational accounts appropriately.

County Government of Turkana
County Revenue Fund
Financial Statements for the financial year ended 30th June 2022

Significant Accounting Policies (Continued)

e) Fund Balances

Fund balances comprise bank balances in County Exchequer Account held at Central Bank of Kenya.

f) 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. There were no other restrictions on cash during the year.

County Government of Turkana
County Revenue Fund
Financial Statements for the financial year ended 30th June 2022

10. Notes to the Financial Statements

1. Exchequer releases

The following is an analysis by revenue type of the receipts collected in the County Revenue Fund:

	2021/22	2020/21
	Kshs.	Kshs.
Equitable Share (a)	11,600,561,515	11,445,842,700
Level 5 hospitals (b)	-	-
Others (<i>Specify</i>) (c)	-	-
Total (d=a+b+c)	11,600,561,515	11,445,842,700

2. Transfers from other government agencies**

	2021/22	2020/21
	Kshs.	Kshs.
Road Maintenance Levy	-	389,863,390
Covid-19	-	-
Development of Youth Polytechnics-State Department of TVETS	-	12,709,894
User Fees Foregone -Ministry of Health	-	25,634,941
World Bank -Transforming Health Systems for Universal Care Project (THUSP)-Ministry of Health	-	299,737,428
World Bank-NARIGP-State Department of Crop Development	136,571,955	173,242,631
World Bank Kenya Climate Smart Agriculture (KCSAP) -State Department of Crop Development	-	-
DANIDA Grant -Primary Health care in devolved context -Ministry of Health	11,204,203	29,970,000
IDA (World Bank) Credit: Water & Sanitation Development Project (WSDP)-Min. Water, Sanitation and Irrigation	-	-
SIDA Agricultural Sector Development Support Programme II (ASDSP II)-State Department of Crop Development	3,551,942	18,306,003
World Bank-Emergency Locust Response Project (ILRP) State Department of Crop Development	46,573,981	-
World Bank-Kenya Informal settlement improvement	-	-

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	2021/22	2020/21
project (KISIP 11)-State Department of Housing & Urban Development		
UNFPA-9th County Programme Implementation - Ministry of Health	-	-
EU Grant (Instruments for Devolution Advice and Support- (IDEAS)-State Department of Devolution	-	-
KfW German Development Bank- Drought Resilience Programme in Northern Kenya (DRPNK)- Min. Water, Sanitation and Irrigation	-	-
FAO	-	979,200
Kenya devolution support programme	-	157,815,048
Kenya urban support programme	-	52,439,839
TOTAL	200,402,081	1,160,698,373

RMLF was previously classified under note 3 in the FY 20-21 BUT currently classified under note 2. We introduced Kenya devolution support programme, FAO-animal health and Kenya urban support programme for comparative purpose of the previous year's figures.

3. Other grants**

	2021/22	2020/21
	Kshs.	Kshs.
Donor 1 (<i>Specify</i>)	-	-
Donor 2 (<i>Specify</i>)	-	-
Donor 3 (<i>Specify</i>)	-	-
Others (<i>Specify</i>)	-	-
	-	-

*** These are funds received from development partners directly through CRF*

4. Proceeds from Domestic borrowing

	2021/22	2020/21
	Kshs.	Kshs.
Borrowing within General Government	-	-
Borrowing from Monetary Authorities (Central Bank)	-	-
Other Domestic Depository Corporations (Commercial Banks)	-	-
Borrowing from Other Domestic Financial Institutions	-	-
Borrowing from Other Domestic Creditors	-	-
Domestic Currency and Domestic Deposits	-	-
Others (<i>Specify</i>)	-	-
Total	-	-

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Notes to the Financial Statements (Continued)

5. Proceeds from Foreign Borrowing

	2021/22	2020/21
	Kshs.	Kshs.
Foreign Borrowing – Draw downs Through Exchequer	-	-
Foreign Borrowing - Direct Payments	-	-
Foreign Currency and Foreign Deposits	-	-
Others (<i>Specify</i>)	-	-
Total	-	-

6. Own Source Revenue

Description	2021/22	2020/21
	Kshs.	Kshs.
Cess	90,565,338	80,980,350
Land/Poll rate	10,093,550	14,307,015
Single/Business permits	41,019,012	38,592,700
Property rent	1,522,960	2,622,210
Parking fees	2,631,560	2,527,700
Market fees	17,211,475	9,846,808
Advertising	146,200	-
Hospital fees	12,240,912	14,387,228
Public health service fees	2,644,780	4,591,851
Physical planning and development	-	-
Hire of County Assets	-	-
Conservancy administration	-	-
Administration control fees and charges	26,337,460	15,002,309
Park fees	-	-
Other fines, penalties, and forfeiture fees	-	-
Miscellaneous	-	-
Others (<i>Specify</i>)	-	-
Total	204,236,887	182,858,171

Note: Due to the change of template some revenues streams that were audited under different revenue streams in fy 2020/2021 such as County Natural Resources of ksh **21,303,206** have been



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included now under the category of Cess. Local levies of ksh **5,190,849** and slaughter fees of ksh **8,625,460** have been classified under administrative control fees and charges.

7. Return to CRF Issues

	2021/22	2020/21
	Kshs.	Kshs.
Recurrent Account (<i>County Executive</i>)	25,873	-
Development Account (<i>County Executive</i>)	398,988	-
Recurrent Account (<i>County Assembly</i>)	577	-
Development Account (<i>County Assembly</i>)	-	-
Others (<i>Specify</i>)	-	-
Total	425,438	-

Previous years balance returned to County Revenue Fund at beginning of the financial year 2021/2022

8. Transfers to County Executive

	2021/22	2020/21
	Kshs.	Kshs.
Recurrent Account	7,452,830,388	7,272,314,241
Development Account	2,030,112,051	1,833,850,756
Special purpose Accounts	479,131,272	1,003,127,779
Others (<i>Specify</i>)	-	-
Total	9,962,073, 711	10,109,292,776

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Notes to the Financial Statements (Continued)

9. Transfers to County Assembly

	2021/22	2020/21
	Kshs.	Kshs.
Recurrent Account	821,906,074	941,884,562
Development Account	170,161,576	161,829,367
Special purpose accounts	-	-
Others (<i>Specify</i>)	-	-
Total	992,067,650	1,037,164,757

10. Other Transfers

Description	2021/22	2020/21
	Kshs.	Kshs.
Agency Notices	-	-
Others (<i>Specify</i>)	-	-
Total	-	-

(*Explain as per County Appropriation Act*)

11. Fund balance


	2021/22	2020/21
	Kshs.	Kshs.
TURKANA COUNTY REVENUE FUND - (1000171658)	3,679,833,438	2,628,348,878
Total	3,679,833,438	2,628,348,878

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11. Annexes
Annex 1: Progress on follow up of Auditor's Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
2	Late exchequer releases: the statement of receipts and payments reflects exchequer releases amounting to ksh 11,445,842,700 for the year ended 30 june 2021 comprising of 2019/2020 financial year unremitted funds of kshs 906,392,700 and the County Executives 2020/2021 equitable share of Kshs.10,539,450,000. However, the funds were not transferred to County Revenue Fund in accordance with a payment schedule approved by the senate and published in the gazette by the Cabinet Secretary	The equitable share balance were subsequently received in the financial year 2021/2022,	Resolved, issue addressed by National treasury	

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 Name
 Chief Officer Finance
 ICPAK Member No
 Date

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Annex 2. Analysis of Receipts from the National Treasury Exchequer Releases

Period (2021/22)	Quarter 1 (Kshs.)	Quarter 2 (Kshs.)	Quarter 3 (Kshs.)	Quarter 4 (Kshs.)	Total (Kshs.)
Equitable Share	2,080,535,488	2,080,535,490	2,080,535,490	5,358,955,047	11,600,561,515
DANIDA - Universal Healthcare in Devolved Units Programme	-	-	-	11,204,203	11,204,203
World Bank – THUSCP	-	-	-	-	-
National Agricultural & Rural Inclusive Growth Project (NARIIGP)	-	-	-	136,571,955	136,571,955
Kenya Devolution Support Programme	-	-	-	-	-
Youth Polytechnic support grant	-	-	-	-	-
Abolishment of user fees in health centres and dispensaries	-	-	-	-	-
Kenya Urban Support Programme	-	-	-	-	-
Agriculture Sector Development Support Project (ASDSP)	-	2,500,000	-	3,551,942	6,051,942
Kenya Climate Smart Agriculture Project (KCSAP)	-	-	-	-	-
Water and Sanitation Development Project	-	-	-	-	-
Emergency Locust Response Programme	-	-	-	46,573,981	46,573,981
Total	2,080,535,488	2,083,035,490	2,080,553,490	5,556,857,128	11,800,963,596

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Annex 3: Analysis of Transfers from the County Revenue Fund

Period (2021/22)	Quarter 1 (Kshs.)	Quarter 2 (Kshs.)	Quarter 3 (Kshs.)	Quarter 4 (Kshs.)	Total (Kshs.)
County Executive –Rec	1,100,391,044	2,082,477,033	1,841,151,982	2,428,810,329	7,452,830,388
County Executive –Dev	270,000,000	99,048,712	391,390,936	1,269,672,403	2,030,112,051
County Assembly –Rec	328,371,701	152,578,997	166,216,324	192,620,862	821,906,074
County Assembly –Dev	-	73,070,191	48,684,649	30,524,926	170,161,576
Special Purpose A/c (Specify)	-	112,815,048	175,118,346	191,197,878	479,131,272
Total	1,698,762,745	2,519,989,981	2,622,562,237	4,112,826,398	10,954,141,361

