

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

OF



THE AUDITOR-GENERAL

ON

RECEIVER OF REVENUE

**FOR THE YEAR ENDED
30 JUNE, 2024**

COUNTY GOVERNMENT OF TURKANA

PAPERS LAID	
DATE	03/2025
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COMMITTEE	
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**RECEIVER OF REVENUE
COUNTY GOVERNMENT OF TURKANA**

**REVENUE STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2024**

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

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**Receiver Of Revenue
County Government Of Turkana
Revenue Statements for the Period Ended 30th June 2024**

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1. Acronyms and glossary of terms

a) Acronyms

CA	County Assembly
COB	Controller of Budget
CRF	County Revenue Fund
FY	Financial Year
IPSAS	International Public Sector Accounting Standards
NT	National Treasury
OSR	Own Source Revenue
PFMA	Public Finance Management Act
PSASB	Public Sector Accounting Standards Board
ROR	Receiver of Revenue

b) Glossary of terms

Comparative FY	Comparative Prior Financial Year
Fiduciary Management	The key management personnel who had financial responsibility

2. Key Entity Information and Management

(a) Background information

The Turkana County Receiver of Revenue is under the Department of Revenue. At the County Executive Committee level, the Turkana County Receiver of Revenue is represented by the County Executive committee member for Finance and Economic planning, who is responsible for the general policy and strategic direction of the receiver of revenue. The County Executive Committee member for Finance, in accordance with section 157 of the PFM Act, designates the receiver of revenue as a receiver on county government revenue.

(b) Principal activities

The receiver of revenue collects revenue and remits to the County Revenue Fund (CRF).

(c) Key Management Team

The County Government of Turkana day-to-day management of revenue is under the following:

- County Executive Committee Member for Finance
- Chief Officer, Finance
- Chief Officers, in charge of departments collecting revenue
- Director, Revenue
- Head of Revenue Reporting...

Key Entity information and Management (continued)

(d) County Headquarters

P.O. Box 11-30500
Turkana County Headquarters
Kitale-Nawoitorong Road
Lodwar
Kenya

(e) Entity Contacts

Telephone: (254)7299 666 55
E-mail: revenue@turkana.go.ke
Website: www.turkana.go.ke

(f) Independent Auditor

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

(g) Principal Legal Adviser

Office of the County Attorney
Telephone: (254) 720982310
E-mail: Erastus.ethekon@turkana.go.ke
Website: www.turkana.go.ke

(h) Bankers

a) Kenya Commercial Bank-Lodwar branch
Telephone: (054)2221082/221083
Mobile :(254)700881391
E-mail: info@kcb.co.ke
Website: www.kcb.co.ke

b) Equity Bank Lodwar branch
Mobile no: 0763000000
E-Mail:Info@equitybank.co.ke
Website: www.equitybankgroup.com

**Receiver Of Revenue
County Government Of Turkana
Revenue Statements for the Period Ended 30th June 2024**

3. Foreword by the CECM Finance and Economic Planning

The performance of own source revenue for the period was excellent with a total collection of Kshs 542,230,880 representing 246% realization. The over realization was contributed by payment of Land lease by Tullow Oil of Kshs 258, 000, 0000. Over the years, the highest contributions have been received from Cess, Single business permits and LCRH Facility Improvement Financing.

The passing of Facility Improvement Act, 2023 gave public health facilities express authority to incur expenditure as indicated in the revenue collection summary.

NO	HOSPITAL	DESCRIPTION	AMOUNT
1	Lodwar County referral Hospital	Transfer form Health administrative fund	5,500,000.00
		National Hospital insurance fund	77,374,145
		Insurance companies	9,370,299.00
2	Lopiding Subcounty Hospital	Transfer from institute	2,429,800.00
3	Lokitaung Subcounty Hospital	National Hospital insurance fund	699,600.00
	TOTAL		95,373,844.00

The collection can be attributed to cashless mode of collection and automation of most revenue streams, which was embraced by the staff hence, minimised leakages and pilferages. The automated system also ensured all collections were automated resulting into timely revenue and real time processing of reports.

**Receiver Of Revenue
County Government Of Turkana
Revenue Statements for the Period Ended 30th June 2024**

The county performed as follows in the last five years

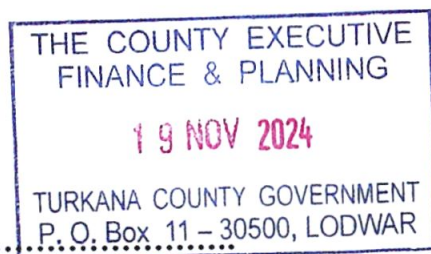
FY	Target	Achieved	%Realized	CRF Disbursement
2023/2024	220,000,000	542,230,880	246%	440,839,407
2022/2023	198,000,000	177,717,811	90%	174,374,614
2021/2022	180,000,000	204,349,844	114%	204,060,527
2020/2021	180,000,000	182,858,171	102%	182,858,170
2019/2020	175,000,000	178,840,112	102%	178,840,112

The county has been making complete disbursement to the CRF from its collection account at KCB and Equity bank Lodwar.

County departments have an obligation to oversee revenue collection accruing from their respective units to achieve departmental targets. The streams vary from department to department and collectors are assigned for the purposes of collection, accounting and reporting. Despite the over realization in revenue collection, the department faced challenges which are not limited to Lack of ministerial coordination, Ineffective management and supervision- revenue leakage, Poor resource mobilization strategy and coherent strategies among donors and project management groups, Untapped sources of revenue e.g. mining and forestry, Inadequate evidence to support the share framework, Lack of human resources and capacities

Mitigating measures

- i. Deployment of more staff to the department.
- ii. Engage the public more to embrace cashless mode of payments to minimize revenue leakages.

CECM Finance and Economic Planning

County Government of Turkana

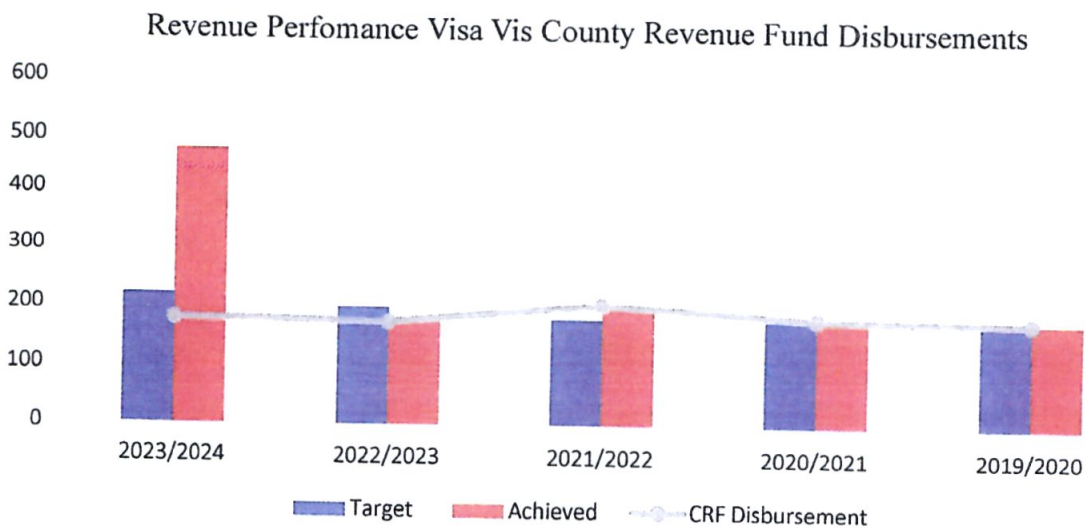
**Receiver Of Revenue
County Government Of Turkana
Revenue Statements for the Period Ended 30th June 2024**

4. Management Discussion and Analysis

The department has been performing well thereby contributing to fulfilment of budget-planned estimates for implementing County programmes and developments.

For the last three years, the department has maintained an upward trajectory of revenue collected thanks to gradual use of automation, which improves efficiency and effectiveness besides sealing revenue leakages.

The graph below shows the performance of revenue collection for the last five years.



In the Financial year 2019/20, the department collected Kshs.178, 840,112

In the Financial year 2020/21, the department collected Kshs. 182,858,171

In the Financial year 2021/22, the department collected Kshs. 204,349,844

In the Financial year 2022/23, the department collected Kshs. 177,717,811

In the Financial year 2023/24, the department collected Kshs. 542,230,880

The department has a robust plan of meeting relevant departments and passing legislations, which will legalize collection for dormant streams and have a legal basis to charge specific revenues.

The department of trade in partnership with the department have put market, days in various wards to help boost revenue collection which was not there before.

**Receiver Of Revenue
County Government Of Turkana
Revenue Statements for the Period Ended 30th June 2024**

Analysis of revenue performance per stream

MINISTRY	REVENUE STREAM	ACTUAL	ACTUAL	ACTUAL	ACTUAL
		FY20/21	FY21/22	FY22/23	FY23/24
TRADE	Single Business Permit	36,072,300	37,850,080	46,158,143	37,406,830
	MARKET FEE (Barter, Fish, Market Stall Fees, Offloading)	3,994,430	17,211,475	7,809,870	9,524,291
	Weights And Measures	718,320	188,800	71,520	287,700
	Single Business Permit - Refugees	2,520,400	3,168,932	2,357,207	2,199,939
LANDS	ROYALTY-CESS (Murram, hardcore sand, ballast, Exploitation)	21,303,206	18,184,040	11,572,821	17,673,203
	ADVERTISEMENT(Sign posts)	1,040,460	146,200	5,061,383	4,367,185
	PARKING FEE (All Vehicles)	2,527,700	2,631,560	2,763,210	3,514,490
	Land Survey/Application/ Building Approval	14,307,015	10,093,550	8,899,540	262,416,008
	Property rent ,House Rent/Kiosks/Stalls	2,199,210	1,346,600	3,100,000	2,670,000
TRANSPORT	CESS (Agricultural,Transport ,Hide & skin, charcoal cess, firewood, miraa cess,scrap metal,Fish)	50,906,505	71,547,848	65,687,966	53,667,953
PASTORAL	SLAUGHTER/AUCTION FEES (Small and Big Animals)	8,625,460	10,086,300	8,363,695	19,529,335
ROADS	TRANSPORT OPERATION FEE -Entry/Exit (Taxi, Bodaboda, Matatu, Canter, Lorry, and buses)	8,702,667	801,450	148,400	12,472,870
HEALTH	LIQUOR LICENCES (Liquor License and Application Fee)	1,186,000	179,850	1,131,000	6,754,705
	PUBLIC HEALTH SERVICES (Inspection of building/institutions,hygiene licence,vaccination,medical examination,sanitation inspection for schools,permits,fumigation)	18,979,079	14,885,692	2,133,270	1,949,320
FINANCE	OTHER FEES AND CHARGES	4,093,598	3,134,846	3,780,775	1,033,451
	Corporates	5,190,849	12,860,621	8,679,011	11,346,756
TOURISM	Charcoal Cess/Permits and Park fees	44,000	32,000		43,000
LCRH	Facility Improvement Financing				95,373,844
TOTAL		182,411,199	204,349,844	177,717,811	542,230,880.0

5. Statement of Receiver of Revenue's responsibilities

Section 165 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, a receiver of revenue for a county government shall prepare an account in respect of the revenue collected, received and recovered by the receiver during that financial year.

The Receiver of Revenue is responsible for the preparation and presentation of the County Government of Turkana receiver of revenue account, which gives a true and fair view of the state of affairs of the receiver of revenue for and as at the end of the financial year ended on June 30, 2024. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the statement of assets and liabilities of the entity, (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 entity, (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

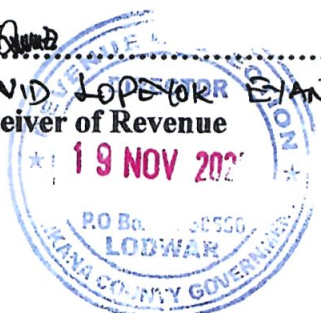
The Receiver of Revenue in charge accepts responsibility for the County Government of Turkana receiver of revenue accounts, which have been prepared on the Cash Basis method of financial reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS) and relevant legal framework of the Government of Kenya. The Receiver of Revenue is of the opinion that the County Government of Turkana receiver of revenue account gives a true and fair view of the state of entity's receiver of revenue transactions during the financial year ended June 30, 2024, and of the entity's statement of assets and liabilities as at that date. The Receiver of Revenue further confirms the completeness of the accounting records maintained, which have been relied upon in the preparation of the receiver of revenue account as well as the adequacy of the systems of internal financial control.

The Receiver of Revenue confirms that the County Government of Turkana has complied fully with applicable Government Regulations and the terms of external financing covenants. The Receiver of Revenue confirms that the revenue statements have been prepared in a form that complies with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the Revenue Statements

The revenue statements were approved and signed by the Receiver of Revenue on 19/11/2024

.....
Name **DAVID LOPSOOR EYANNE**
County Receiver of Revenue



REPUBLIC OF KENYA



Enhancing Accountability

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REPORT OF THE AUDITOR-GENERAL ON RECEIVER OF REVENUE FOR THE YEAR ENDED 30 JUNE, 2024 - 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 the 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 the Government achieves value for money and that such funds are applied for the intended purpose; and,
- C. Report on the Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE REVENUE STATEMENTS

Qualified Opinion

I have audited the accompanying revenue statements of Receiver of Revenue - County Government of Turkana set out on pages 1 to 17 which comprise of the statement of financial assets and liabilities and statement of arrears of revenue as at 30 June, 2024, and the statement of receipts and disbursements and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the revenue statements present fairly, in all material respects, the financial position of Receiver of Revenue - County Government of Turkana as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the County Governments Act, 2012 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Inaccuracies in Own Source Revenue

The statement of receipts and disbursements for Receiver of Revenue - County Government of Turkana reflects own source revenue amount of Kshs.446,857,036. However, review of the collection systems revealed that the County Executive had not fully automated its revenue streams. In addition, the County Executive did not have an updated valuation roll. Further, physical verification through spot checks conducted on 10 October, 2024, revealed that no collection of revenue was made from on-street parking due from vehicles parked daily within the town and on parking slots marked by the County Government as vehicles parked did not have daily or monthly receipt/sticker as evidence of payment. The Management failed to maintain a register of the parking slots within the municipality for effective management and collection of revenue from street and bus stage parking.

In the circumstances, the accuracy and completeness of the County's own source revenue amount of Kshs.446,857,036 could not be confirmed.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Receiver of Revenue - County Government of Turkana Management in accordance with ISSAI 130 on the Code of

Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects total revenue budget of Kshs.220,000,000 against actual revenue amount of Kshs.542,230,880 resulting in over-realization of revenue amounting to Kshs.322,230,880 or 146% of the budget. Failure to correctly estimate the budgeted revenue may result into loss or lack of accountability of collected revenue.

My opinion is not modified in respect of this matter.

Other Matter

Unresolved Prior Year Matters.

The audit report for the year ended 30 June, 2023 highlighted issues under the Report on Financial Statements and the Report on Lawfulness and Effectiveness in Use of Public Resources. Although Management has indicated in the report on progress made in follow up of auditor's recommendations that the matters were resolved immediately, the actual status of the matters could not be confirmed.

Other Information

Management is responsible for the other information set out on page iii to ix which comprise of Key Entity Information and Management, Foreword by the CECM Finance and Economic Planning, Management Discussion and Analysis, Statement of Receiver of Revenue Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

My Opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion.

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

The Enforcement Department of the County Executive issues enforcement notices and undertakes enforcement actions. However, review of records which included reports on notices, demolitions and complaints revealed that, though critical to the operations of the department and to the Receiver of Revenue, these were not serially filed to enable ease of retrieval. This was contrary to Section 63(1) of the Public Finance Management Act, 2012 which states that an accounting officer and a receiver of revenue are personally responsible for ensuring that adequate safeguards exist and are applied for the prompt collection and proper accounting for all county government revenue and other public moneys relating to their county departments or agencies.

In the circumstances, Management was in breach the law.

2. Delays in Transfer of Own Source Revenue

Review of the own source revenue records revealed that the Receiver of Revenue delayed to transfer revenue from the collection accounts to the County Revenue Fund Account as detailed below:

- i. Transfer of Kshs.5,755,000 was done on 3 November, 2023 with the next transfer of Kshs.6,350,000 being done on 22 November, 2023, fourteen (14) working days after preceding transfer.
- ii. Transfer of Kshs.5,300,000 was done on 7 March, 2024 with the next transfer of Kshs.8,000,000 being done on 19 March, 2024, nine (9) working days after preceding transfer.

- iii. Transfer of Kshs.8,469,322 was done on 12 April, 2024 with the next transfer of Kshs.5,660,000 being done on 24 April, 2024 nine (9) working days after the preceding transfer.
- iv. Transfer of Kshs.5,527,302 was done on 7 May, 2024 with the next transfer of Kshs.6,191,926 being done on 20 May, 2024, nine (9) working days after the preceding transfer.

The delays in transfers meant that collections were not being transferred promptly and within five days. This was contrary to Regulation 81(2) of the Public Finance Management (County Governments) Regulations, 2015 which requires that, the receivers of revenue shall promptly pay the revenue received into the County Revenue Fund, as soon as possible and in any case not later than five (5) working days after receipt thereof.

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

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

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

Conclusion

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

Basis for Conclusion

1. Inadequate Internal Controls and Legislations

Review of records provided for audit revealed that the County Executive did not have policies on conveyancing, renewal of subleases, land use and management of property. Further, Management did not prepare the County revenue procedure manual which, in addition to the Finance Act 2023, would provide for the primary own source revenue laws such as the County Valuation and Rating Act, County Revenue Administration Act, and Mining Act to focus on specific revenue streams. These laws would serve as the

foundation for determining various rates, fees and charges for services and other revenue generating sources.

In the circumstances, the effectiveness of policies and procedures in respect of collection and accountability of own generated revenue could not be confirmed.

2. Inefficiencies of the Revenue Automation System

Review of records revealed that Management awarded a contract to a local company to supply, deliver and customize a revenue collection management system at a contract sum of Kshs.35,930,979 on 3 March, 2015. Although the contract sum was fully paid, the following unsatisfactory matters were noted;

- i. On querying the system, it failed to produce reports on all arrears of revenue or outstanding invoices relating to land rates and rent, county property rentals that includes county houses, market shops, market stall and slaughter houses.
- ii. The system progress implementation report dated February, 2021 provided that the developer was to integrate the already existing manual process of revenue collection on land rates that was to assist in generating invoices. However, there was no evidence that integration to the system was done.
- iii. Structured modules including liquor license and Facilities Improvement Fund (FIF) were not configured to the system.
- iv. The system was not linked to the IFMIS system; instead excel manual preparation of revenue streams collection is used and then posted to IFMIS.

In the circumstances, the effectiveness of the internal controls on the revenue collection system could not be confirmed.

3. Failure to Renew Annual Maintenance of the Revenue Automation System

Review of the systems used in the collection of revenue revealed that contract for annual maintenance of revenue automation system expired on 28 September, 2020. However, the vendor has continued performing the annual maintenance services without a valid contract.

In the circumstances, the system's integrity, confidentiality and availability for service delivery could not be confirmed.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The Standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk Management and overall governance

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

Responsibilities of the Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards requires that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a

material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi


18 December, 2024


**Receiver Of Revenue
County Government of Turkana
Revenue Statements for the Period Ended 30th June 2024**

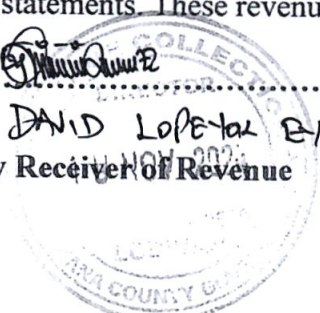
7. Statement of Receipts and Disbursements for the year ended 30th June 2024

Description	Note	Period ended 30 June ,2024	Period ended 30 June,2023
		Kshs	Kshs
County Own Source Revenue			
Cess	1	83,814,026	76,938,507
Land Rate	2	262,021,008.00	6,447,740
Single/Business Permits	3	39,606,769.00	48,515,350
Property Rent	4	2,670,000.00	3,100,000
Parking Fees	5	3,514,490.00	2,763,210
Market Fees	6	9,524,291.00	7,809,870
Advertising	7	4,367,185.00	5,061,383
Public Health Service Fees	8	1,949,320.00	2,133,270
Physical Planning and Development	9	395,000.00	2,451,800
Hire Of County Assets	10	-	1,000
Conservancy Administration	11	223,250.00	238,680
Administration Control Fees and Charges	12	38,728,697	22,048,001
Park Fees	13	43,000.00	209,000
Total County Own Source Revenue		446,857,036.00	177,717,811
Total Receipts		446,857,036.00	177,717,811
Balance b/f at the beginning of the year		3,668,136.00	346,710
Disbursements To CRF		(440,839,407.00)	(174,374,614)
Bank Charges	14	(8,984.00)	(21,771)
Balance Due for Disbursement as at the end of the period		9,676,782.00	3,668,136

The accounting policies and explanatory notes to these revenue statements form an integral part of the revenue statements. These revenue statements were approved on 19/11 2024 and signed by:

.....

 Name **DAVID LOPEZAL EIMWAE**
 County Receiver of Revenue

.....

 Name **Wajen Peter**
 Head of Revenue Reporting
 ICPAK M/No. 22331

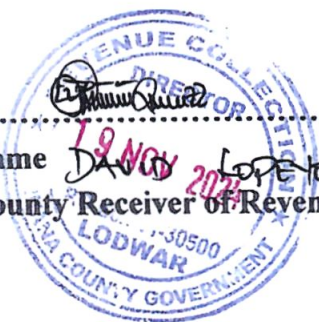


Receiver Of Revenue
 County Government Of Turkana
 Revenue Statements for the Period Ended 30th June 2024


8. Statement of Financial Assets and Liabilities As at 30th June 2024

Description	Note	Period ended 30 June ,2024 Kshs	Period ended 30 June,2023 Kshs
Financial Assets			
Cash And Cash Equivalents			
Bank Balances	15	9,676,782.00	3,529,656.00
Cash In Hand/Paybill	16	-	138,480.00
Total Financial Assets		9,676,782.00	3,668,136.00
Financial Liabilities			
Payables-Due to CRF	17	9,676,782.00	3,668,136.00
Total Financial Liabilities		9,676,782.00	3,668,136.00

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 19/11 2024 and signed by:



 Name DANCY LOPEOK EYADAE
 County Receiver of Revenue



 Name LOPELEM PELO
 Head of Revenue Reporting
 ICPAK M/No 22331

**Receiver Of Revenue
County Government Of Turkana
Revenue Statements for the Period Ended 30th June 2024**

9. Statement of Comparison of budget vs Actual Amounts for the Period Ended 30th June 2024

Description	Original annual Target	Adjustments	Final Target	Actual On Comparable Basis	Budget Realization Difference	% Of realization of revenue
	A	B	C=A+B	D	E=C-D	F=D/C %
County Own Source Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	
CESS	75,547,848.00		75,547,848	53,667,953	21,879,895	71%
TRANSPORT OPERATION FEE	2,801,450.00		2,801,450	12,472,870.0	(9,671,420)	445%
SLAUGHTER/AUCTION FEE	13,086,300.00		13,086,300	19,529,335.0	(6,443,035)	149%
ADVERTISEMENT	3,146,200.00		3,146,200	4,367,185.0	(1,220,985)	139%
PARKING FEE	4,631,560.00		4,631,560	3,514,490.0	1,117,070	76%
LAND SURVEY/APPLICATION/ BUILDING APPROVAL FEE	12,093,550.00		12,093,550	262,416,008.0	(250,322,458)	2170%
HOUSE RENT/KIOSKS/STALLS	1,346,600.00		1,346,600	2,670,000.0	(1,323,400)	198%
ROYALTY	18,184,040.00		18,184,040	17,673,202.7	510,837	97%
CORPORATES	12,860,621.00		12,860,621	11,346,756	1,513,865	88%
LIQUOR LICENCES	179,850.00		179,850	6,754,705.0	(6,574,855)	3756%
HEALTH(Public health & cost sharing)	14,535,848.00		14,535,848	1,949,320.0	12,586,528	13%
SINGLE BUSINESS PERMIT	37,850,080.00		37,850,080	37,406,830.0	443,250	99%
MARKET FEE	17,211,475.00		17,211,475	9,524,291.0	7,687,184	55%
WEIGHTS AND MEASURES	188,800.00		188,800	287,700.0	(98,900)	152%
OTHER FEES AND CHARGES	3,134,846.00		3,134,846	1,076,451.0	2,058,395	34%
Charcoal CESS/Permits	32,000.00		32,000		32,000	0%
SBP Mass Collection Kakuma Refugee Camp	3,168,932.00		3,168,932	2,199,939.0	968,993	69%
Facility improvement Financing				95,373,844.0	(95,373,844)	
Total Receipts	220,000,000.00	-	220,000,000	542,230,880	322,230,880	246%

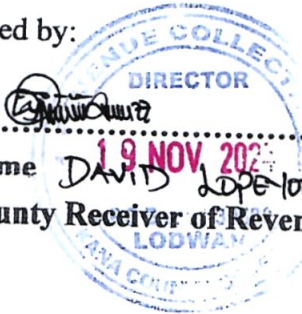
**Receiver Of Revenue
County Government Of Turkana
Revenue Statements for the Period Ended 30th June 2024**

Comments on under & Over realization of revenue

Description	Original Annual Target	Actual On Comparable Basis	Budget Realization Difference	% Of Realization Of Revenue	Remarks
	A	D	E=C-D	F=D/C %	
County Own Source Revenue	Kshs	Kshs	Kshs		
Cess	75,547,848.00	53,667,953	21,879,895	71%	Construction in the county has slowed down as major projects are complete. Weighbridge patrols have made transporters shy away as penalties are huge on road users.
Parking Fee	4,631,560.00	3,514,490.00	1,117,070	76%	Most drivers park from undesignated areas
Health (Public Health & Cost Sharing)	14,535,848.00	1,949,320.00	12,586,528	13%	The target includes Facility improvement Financing
Market Fee	17,211,475.00	9,524,291.0	7,687,184	55%	Market Construction made traders operate from undesignated areas
Other Fees and Charges	3,134,846.00	1,076,451.00	2,058,395	34%	The targets were set inclusive in the administration control fees and Charges
Charcoal Cess/Permits	32,000.00		32,000	0%	Charcoal cess is included in the CESS revenue stream
SBP Mass Collection Kakuma Refugee Camp	3,168,932.00	2,199,939.00	968,993	69%	Slow business activities brought by a depressed economy
Transport Operation Fee	2,801,450.00	12,472,870.00	(9,671,420)	445%	Proper enforcement on collection of Transport fees
Slaughter/Auction Fee	13,086,300.00	19,529,335.00	(6,443,035)	149%	Proper enforcement on collection of Slaughter fees
Land Rates, Survey/Application/ Building Approval Fee	12,093,550.00	262,416,008.0	(250,322,458)	2170%	Payment of accrued land rates and levies by Tullow Oil
Advertisement	3,146,200.00	4,367,185.00	(1,220,985)	139%	Proper enforcement on collection
House Rent/Kiosks/Stalls	1,346,600.00	2,670,000.00	(1,323,400)	198%	Proper enforcement on collection
Liquor Licenses	179,850.00	6,754,705.0	(6,574,855)	3756%	Proper enforcement on collection
Weights And Measures	188,800.00	287,700.00	(98,900)	152%	Proper enforcement on collection

**Receiver Of Revenue
County Government Of Turkana
Revenue Statements for the Period Ended 30th June 2024**

The County Receiver of revenue's financial statements were approved on 19/11/ 2024 and signed by:




.....
Name **DAVID LOPELOK EYANAE**
County Receiver of Revenue


.....
Name **W. PETER**
Head of Revenue Reporting
ICPAK M/No 22331


**Receiver Of Revenue
County Government Of Turkana
Revenue Statements for the Period Ended 30th June 2024**

10. Statement of Arrears of Revenue As at 30th June 2024

Classification Of Receipts (Indicate As Applicable)	Balance as at The beginning of the current year (1 st July 2023) A	Arrears received during the year. B	Additions in arrears for the current year to June 30, 2024 C	Total arrears as at 30 June 2024 D=A+(B)+C	Measur es taken to recover the arrears	Assessme nt to the recoverab ility of arrears ...
Single/Business Permits	6,820,660		4,335,391	11,156,051		
Total Arrears				11,156,051		



 Name **DAVID NDLUVU**
 County Receiver of Revenue




 Name **WAPELEM PETER**
 Head of Revenue Reporting
 ICPAK M/No 22331

11. Significant Accounting Policies

The principal accounting policies adopted in the preparation of these revenue statements are set out below:

1. Statement of Compliance and Basis of Preparation

The revenue statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) with particular emphasis on Cash Basis Financial Reporting under the Cash Basis of Accounting and relevant legal framework of the County Government of Turkana. The financial statements comply with and conform to the form of presentation prescribed by the Public Sector Accounting Standards Board of Kenya.

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the County Government of Turkana. The accounting policies adopted have been consistently applied to all the years presented.

The revenue statements have been prepared on the cash basis following the standard chart of accounts. The cash basis of accounting recognises transactions and events only when cash is received or paid by the County Government of Turkana.

2. Recognition of Receipts

The County Government of Turkana recognises all receipts from the various sources when the related cash has been received.

3. Budget

The County Revenue budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The County budget was approved as required by law. The original budget was approved by the County Assembly on Turkana for the period 1st July 2023 to 30 June 2024 as required by law. There was 2 number of supplementary budgets passed in the year. A high-level assessment of the County's actual performance against the comparable budget for the financial year under review has been included in these financial statements.

4. 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 revenue collection accounts held at Kenya Commercial bank of ksh 101,241 as at 16.7.2024 due to cut off, Turkana Liquor account of Ksh 6,473,684 and ksh 3,101,857 swifted on 19th June, 2024 from KCB but not credited to CRF Account as at the time of reporting.

5. Revenue in Arrears

This relates to revenue earned and is yet to be received or collected by the receiver of revenue. These arrears are disclosed under the statement of arrears as required under the PFM Act, 2012 Section 165 (2) (b) which is a memorandum statement.

6. Disbursements to CRF

The Receiver of Revenue has an arrangement for transfer of funds from its bank account to the CRF account. Total disbursements to the CRF are as a result of the transfer arrangement during the year.

7. Comparative Figures

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

8. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the revenue statements for the year ended June 30, 2024

Receiver Of Revenue
 County Government Of Turkana
 Revenue Statements for the Period Ended 30th June 2024

12. Notes to the Financial Statements

1. Cess

Description	Period ended 30 June 2024	Period ended 30 June 2023
	Kshs	Kshs
Quarrying	17,673,203	11,572,821
Transportation	66,140,823	65,365,686
Total	83,814,026	76,938,507

2. Land rates

Description	Period ended 30 June 2024	Period ended 30 June 2023
	Kshs	Kshs
Land rates	262,021,008.00	6,447,740.00
Total	262,021,008.00	6,447,740.00

3. Single /Business Permits

Description	Period ended 30 June 2024	Period ended 30 June 2023
	Kshs	Kshs
Annual Business permit fees	39,606,769.00	48,515,350.45
Total	39,606,769.00	48,515,350.45

4. Property Rent

Description	Period ended 30 June 2024	Period ended 30 June 2023
	Kshs	Kshs
County Housing	2,670,000.00	3,100,000.00
Total	2,670,000.00	3,100,000.00

5. Parking Fees

Description	Period ended 30 June 2024	Period ended 30 June 2023
	Kshs	Kshs
Bus Park fees	3,514,490.00	2,763,210.00
Total	3,514,490.00	2,763,210.00

**Receiver Of Revenue
County Government Of Turkana
Revenue Statements for the Period Ended 30th June 2024**

Notes to the Financial Statements (Continued)

6. Market Fees

Description	Period ended 31 March 2024 Kshs	Period ended 31 March 2023 Kshs
Barter Fees	9,524,291.00	7,809,870.00
Total	9,524,291.00	7,809,870.00

7. Advertising

Descriptions	Period ended 30 June 2024 Kshs	Period ended 30 June 2023 Kshs
Branding		
Billboard advertising	4,367,185.00	5,061,383.00
Total	4,367,185.00	5,061,383.00

8. Public Health Service Fees

Description	Period ended 30 June 2024 Kshs	Period ended 30 June 2023 Kshs
Inspection for issuance of hygiene license	1,949,320.00	2,133,270.00
Total	1,949,320.00	2,133,270.00

9. Physical Planning and Development

Description	Period ended 30 June 2024 Kshs	Period ended 30 June 2023 Kshs
Building plans approval	395,000.00	2,451,800.00
Total	395,000.00	2,451,800.00

10. Hire Of County Assets

Description	Period ended 30 June 2024 Kshs	Period ended 30 June 2023 Kshs
Hire Chairs		1,000.00

**Receiver Of Revenue
County Government Of Turkana
Revenue Statements for the Period Ended 30th June 2024**

Total	-	1,000.00
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Notes to the Financial Statements (Continued)

11. Conservancy Administration

Description	Period ended 30 June 2024 Kshs	Period ended 30 June 2023 Kshs
Dumpsite fees	223,250.00	238,680.00
Total	223,250.00	238,680.00

12. Administration Control Fees and Charges

Description	Period ended 30 June 2024 Kshs	Period ended 30 June 2023 Kshs
Weights and measures	287,700	71,520
Fire Services	-	22,000
Liquor licenses	6,754,705	1,131,000
Slaughter fee	19,529,335	8,363,695
Corporates	11,46,756	8,679,011
Other fees	810,201	3,780,775
Total	38,728,697.00	22,048,001

13. Park Fees

Description	Period ended 30 June 2024 Kshs	Period ended 30 June 2023 Kshs
Park entry fees	43,000.00	209,000.00
Total	43,000.00	209,000.00

14. Bank Charges

Description	Period ended 30 June 2024 Kshs	Period ended 30 June 2023 Kshs
Bank Charges & commissions	8,984.00	21,171.00
Total	8,984.00	21,171.00

**Receiver Of Revenue
County Government Of Turkana
Revenue Statements for the Period Ended 30th June 2024**

Notes to the Financial Statements (Continued)

15. Bank Balances

Name of Bank, Account No. & currency	Amount in bank account currency	Period ended 30 June 2024	Period ended 30 June 2023
		Kshs	Kshs
KCB Lodwar BranchA/c no.1140763687-Kes	Kshs	3,203,098.00	3,529,656.00
KCB Lodwar BranchA/c no.1225118484-Kes	Kshs	6,473,684.00	
Total		9,676,782.00	3,529,656

15(a)Balance carried forward as at 30 June,2024 was subsequently transferred

Name of Bank, Account No. & currency	Amount	Date subsequently transferred
KCB Lodwar BranchA/c no.1140763687-Kes	3,203,098.00	5 July,2024
Total	3,203,098.00	

16. Cash in hand

Description	Period ended 30 June 2024	Period ended 30 June 2023
	Kshs	Kshs
Mobile Money/Pay bill 4232323	-	138,480.00
Total	-	138,480.00

**Receiver Of Revenue
County Government Of Turkana
Revenue Statements for the Period Ended 30th June 2024**

Notes to the Financial Statements (Continued)

17. Payables- Due To CRF

Payables	Period ended 30 June 2024	Period ended 30 June 2023
	Kshs	Kshs
Balance b/f at the beginning of the year	3,668,136	346,710
Amount collected during the period	446,857,036	177,717,811
Amounts disbursed to CRF during the period	(440,839,407)	(174,374,614)
Bank charges during the period	(8,984.00)	(21,771)
Balance c/d at the end of the period	9,676,782.00	3,668,136

18. Analysis of Revenue in Arrears

Description (indicate as applicable)	Less than 1 year	Between 1-2 years	Between 2-3 years	Over 3 years	Total
Single/business permits	4,335,391	6,820,660			11,156,051

Revenue
County Government Of Turkana
Revenue Statements for the Period Ended 30th June 2024

19. Appendices

Appendix 1: Progress on follow up of prior Year Auditor 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)
Report on Financial statements				
1.Accuracy Of Revenue From Property Rent, Physical Planning And Development	The statement of receipts and disbursement includes revenue receipts of Kshs 3,100,000 and Kshs 2,451,800 in respect of property rent and physical Planning and Development respectively. However, Lease agreements, rent assessment/Valuation reports and records of rent arrears for the County's rented houses/kiosks/stalls: and register of received land survey/application/building approval applications, summary of issued invoices during the year, field inspection and enforcement reports were not provided for audit review. In the circumstances the accuracy and completeness of the revenue from property rent and physical planning and development of kshs 5,551,800 Could not be confirmed.		Resolved	

County Government Of Turkana
Revenue Statements for the Period Ended 30th June 2024

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)
<p>2.Accuracy of the statement of arrears of Revenue</p>	<p>The statement of arrears in revenue reflects a balance of 6,820,660 as at 30 June,2023,comprising of uncollected single business permit revenue in arrears for the year under review of kshs 2,387,008 and arrears brought forward from prior years for kshs 4,433,52.However,the detailed analysis of the arrears was no provided for audit to establish their completeness and aging analysis.In addition, records of arrears in respect to Land rates, Property rent ,advertising ,Hospital fees and other revenue streams were not provided for audit review. In the circumstances, the accuracy and completeness of the statement of revenue arrears of kshs 6,820,660 as at 30 June, 2023 could not be confirmed.</p>		Resolved	
<p>Report on Lawfulness and Effectiveness in use of Public Resources</p>				
<p>1.Local revenue under collection</p>	<p>The Turkana Executive Local revenue Collections from various revenue streams for the year ended 30 June,2023 amounted to Kshs 177,717,811 representing a 90% performance against the budgeted amount of kshs 198,000,000 resulting in under collection of kshs .20,282,189 or 10% of budgeted amount.Further,the Local revenue Collection amount of kshs 177,717,811 for the year reduced by Kshs 26,632,033 from kshs. 204,349,844 collected in the year ended 30 June,2022 and the Management has not provided measures being put in place to ensure that Local revenue targets are met to enhance service delivery to the residents of Turkana County</p>		Resolved	

County Government Of Turkana
Revenue Statements for the Period Ended 30th June 2024

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. Delay in Transfer of Own Source revenue to CRF	The statement of receipts and payments reflects disbursement to County Revenue Fund amount of Kshs. 174,374,614 for the year ended 30 June 2023. However, the amount of Kshs. 174,374,614 was transferred into the county revenue fund in eighteen (18) tranches as indicated in the Appendix 1 instead of on a weekly basis, contrary to regulation 81(2) of the public Finance Management (County Government) Regulation, 2015 which states that the receivers of revenue shall promptly pay the revenue received into the County Revenue Fund, as soon as possible and in any case not later than five (5) working days after receipt thereof. In the Circumstances, the Management was in breach of the law and affecting funding of approved budget as funds are held outside CRF for longer periods than required.		Resolved	
3. Non Compliance with the Reporting Template	The independent Auditor details on page V erroneously reflect the Kenya National Audit Office. Management have not complied with the Kenya Accounting Standards Board Reportig Template		Resolved	

[Signature]

Name **DAVID LOPEYOK EIANAE**
 County Receiver of Revenue

Date **19 NOV 2024**



[Signature]

Name **LOPELON PELEN**
 Head of Revenue Reporting

ICPAK M/No 22331

Date **19/11/2024**