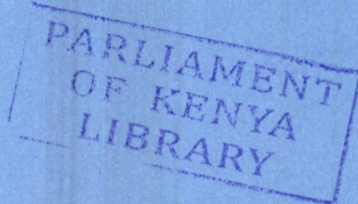


REPUBLIC OF KENYA



Enhancing Accountability



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REPORT

OF

THE AUDITOR-GENERAL

ON

COUNTY ASSEMBLY OF TURKANA

**FOR THE YEAR ENDED
30 JUNE, 2023**



TURKANA COUNTY ASSEMBLY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2023

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

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TURKANA COUNTY ASSEMBLY

Annual Report and Financial Statements for the year ended 30th June 2023

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TURKANA COUNTY ASSEMBLY
Annual Report and Financial Statements for the year ended 30th June 2023

1. Acronyms and Glossary of Terms

a) Acronyms

ADP	Annual Development Plan
AIE	Authority to Incur Expenditure
CA	County Assembly
CARA	County Allocation of Revenue Act
CECM	County Executive Committee Member
CE	County Executive
CG	County Government
CIDP	County Integrated Development Plan
CRA	Commission on Revenue Allocation
CRF	County Revenue Fund
CT	County Treasury
IFMIS	Integrated Financial Management Information systems
IPSAS	International Public Sector Accounting Standards
KCB	Kenya Commercial Bank
KRA	Kenya Revenue Authority
MCA	Member of County Assembly
MOH	Ministry of Health
NGO	Non-Governmental Organization
OCOB	Office of the Controller of Budget
OAG	Office of the Auditor General
PAYE	Paye As You Earn
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
NT	National Treasury
WB	World Bank
Kshs	Kenya Shillings

b) Glossary of Terms

Comparative FY Means the financial year preceding the current financial year.

TURKANA COUNTY ASSEMBLY
Annual Report and Financial Statements for the year ended 30th June 2023

MCA's Means Member of County Assembly
ICT Means Information Communication Technology

TURKANA COUNTY ASSEMBLY

Annual Report and Financial Statements for the year ended 30th June 2023

2. Key Entity Information and Management

(a) Background information

The County Assembly is constituted as per the constitution of Kenya. The Speaker, who is responsible with the policies and strategic direction of the institution, heads it. The County Assembly constitutes 30 Members of County Assembly (MCAs) elected to represent members of the public from their respective wards and another 17 nominated members representing interested parties and organizations. 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 Team

The county assembly day-to-day management is under the following key organs:

No.	Designation	Name
1.	Speaker of the County Assembly	Rt.Hon.Christopher Doye Nakuleu
2.	Clerk of the County Assembly	Mr.Linus Lokawa Miinyan
3.	Deputy Clerk County Assembly	Mr. John Komol Ekonit
4.	Director Finance and Accounting	CPA Caiphias Ngasike Ekatorot
5	Director Legislative, procedure and committee services	Mr. Patrick Tioko Engori
6	Director Human Resource and Development	Mr,George Lobaró Ereng
7	Director Administration	CPA Columbus Lokwei Epetet
8	Director Serjent at arms and security services	Mr James Sirite
9	Director Hansard Research and Information services	Mr.Pius Kayu Eiton
10	County Assembly Service Board Member	Mr.Mathew Alany Lonyait
11	County Assembly Service Board Member	Mr.Willy Nalimo
12	County Assembly Service Board Member	Mr. Benedict Lokamar
13	County Assembly Service Board Member	Mrs. Elizabeth Lokoel

TURKANA COUNTY ASSEMBLY
Annual Report and Financial Statements for the year ended 30th June 2023

(c) Fiduciary Management

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

No.	Designation	Name
1.	Accounting Officer- Clerk	Mr.Linus Lokawa Miinyan
2.	Deputy Clerk	-Mr.John Komol Ekonit
3.	Director Finance and Accounting	-CPA Caiphas Ngasike Ekatorot
4	Deputy Director Finance and Accounting	-Mr.Timothy Ekidor Ekal

(d) Fiduciary Oversight Arrangements

Audit Committee - The main functions are

- Support the Executive Management, Accounting Officers, Boards, and Board Chairs by monitoring and reviewing the risk, control and governance processes that have been established in the entity pursuant to Board policies.

Committee on Finance, Planning Trade and ICT

- The Committee play a critical role in ensuring that funds are ring-fenced through processing of critical legislations for operationalization of all funds in the County.
- Oversight on the County Funds ie Youth and Women Empowerment Fund, Turkana County Biashara Fund and Cooperative Enterprise Development Fund.
- Scrutiny of the County Department of Finance expenditure reports & Emergency Funds reports

Committee on Public Accounts and Investment

- Scrutiny of the Auditor General reports & Other Emergency Funds reports.
- Request to appear/summons to County officials on the expenditure of funds on various County projects
- Field visits on various County Projects funded by County exchequers and Any Emergency Funds (Project verification)

TURKANA COUNTY ASSEMBLY
Annual Report and Financial Statements for the year ended 30th June 2023

County Budget and Appropriation Committee

- Investigate, inquire into and report on all matters related to coordination, control and monitoring of the county budget
- Discuss and review the estimates and make recommendations to the county assembly
- Examine the county budget policy statement presented to the County Assembly
- Examine Bills related to the county Government budget, including Appropriation Bills

(e) Entity Headquarters

P.O. Box 25, 30500
County Assembly Building
Lodwar, KENYA

(f) Entity Contacts

E-mail: turkanaassembly.go.ke
Website: www.turkanaassembly.go.ke

(g) Entity Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
NAIROBI, KENYA
2. Kenya Commercial Bank
P.O Box 150-30500
Lodwar, Kenya

Cooperative Bank of Kenya Limited
P.O Box 366-30500
Lodwar, Kenya

(h) Independent Auditor

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

TURKANA COUNTY ASSEMBLY

Annual Report and Financial Statements for the year ended 30th June 2023

(i) Principal Legal Adviser

The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

County Attorney

The County Attorney
Turkana County Government
P.O. Box 11-30500
Lodwar, Kenya

TURKANA COUNTY ASSEMBLY
Annual Report and Financial Statements for the year ended 30th June 2023

3. Governance Statement

The County Assembly

The County Assembly is constituted by the MCAs of Turkana County Assembly. It is headed by the Speaker who is elected by the MCAs. The speaker is also the chairperson of the county assembly service board while the county assembly clerk is the secretary.

Section 10 (4) of the county governments 2012 provides that a county assembly shall observe the following order of precedence.

- a) The speaker of the county assembly.
- b) The leader of the majority party; and
- c) The leader of the minority party.

The Roles of the county assembly are outlined in Section 8 of the County Governments Act 2012 and they include:

- a) Vet and approve nominees for appointment to county public office as may be provided for in this Act or any other law.
- b) Perform the roles set out under Article 185 of the Constitution.
- c) Approve the budget and expenditure of the county government in accordance with Article 207 of the Constitution, and the legislation contemplated in Article 220(2) of the Constitution, guided by Articles 201 and 203 of the Constitution.
- d) Approve the borrowing by the county government in accordance with Article 212 of the Constitution.
- e) Approve county development planning; and
- f) Perform any other role as may be set out under the Constitution or legislation.

The County Assembly executes its mandate, through committees which are broadly classified into two.

a) Select Committees

Select committees are generally responsible for overseeing the work of government departments and agencies.

b) Sectoral Committees

The mandate of Sectoral Committees is in respect to the subject matter assigned by the Standing Orders and is exercised within the limits contemplated under Part 2 of the Fourth Schedule to the Constitution.

The County Assembly has the following Select and Sectoral committees:

- a) Committee of Powers and Privileges
- b) Audit Committee
- c) Public Accounts/Investment Committee
- d) Budget and Appropriations Committee

TURKANA COUNTY ASSEMBLY

Annual Report and Financial Statements for the year ended 30th June 2023

a) Committee of Powers and Privileges

There is established committee known as the Committee of Powers and Privileges consisting of the Speaker, who shall be the chairperson of the Committee; and such other members of the county assembly as may be provided in the Standing Orders of the county assembly. The functions of the Committee of Powers and Privileges shall be to inquire into the conduct of a member whose conduct is alleged to constitute a breach of privileges accorded to the county assembly members by any legislation or standing orders and perform such other functions as may be specified by enabling legislation. The committee held 0 meetings in FY 2023. The committee members during FY 2023 were:

Member	Designation	Ward
Rt. Hon. Christopher Doye Nakuleu	Chairperson	Speaker
Hon. Christoher Gacibi	Member	Nominated
Hon. Lydia Ejore	Member	Nominated
Hon. Esther Apetet	Member	Nominated
Hon. James Ikeny	Member	Kanamkemer
Hon. Michael Ekaale	Member	Kaputir
Hon. Anarclet Lemuya	Member	Lobei/Kotaruk

b) Public Accounts/Investment Committee

The committee was formed to provide oversight on the County's finances. The committee held quarterly mandatory meetings during the year. Additionally, it also held three extra sittings to deal with arising matters. The members who served in the committee during the year were:

Member	Designation	Ward
Hon. Abdifatah Kapua	Chairperson	Kaaleng/Kaikor
Hon. Julius Edung	Vice/Chair	Kalobeyei
Hon. Samwel Lomodo	Member	Lokichar
Hon. Jecinta Abenyo	Member	Nominated
Hon. David Ekod	Member	Kerio

TURKANA COUNTY ASSEMBLY
Annual Report and Financial Statements for the year ended 30th June 2023

Hon. Amina Loitanit	Member	Nominated
Hon. Rebeca Esekon	Member	Nominated

c) Budget and Appropriations Committee

The budget and appropriations committee provides guidance in the budgetary process. It is charged with the budget making process and ensuring that there is public participation in the budget process. The members who served in the committee during the period were:

Member	Designation	Ward
Hon. Patrick Napion	Chairperson	Kaeris
Hon. Lawrence Lopayo	Vice/Chair	Lokiriana/Lorengippi
Hon. Dedan Kalimapus	Member	Nakalale
Hon. Lydia Ejore	Member	Nominated
Hon. Bethwel Kobongin	Member	Songot
Hon. Stephen Edukon	Member	Turkwel
Hon. Lynet Abok	Member	Nominated
Hon. William Etubon	Member	Katilu
Hon. Dorcas Epusiye	Member	Nominated

In addition to the above committees of the County Assembly, the County Assembly has an independent Audit Committee which was constituted in 2022 to comply with the PFM (County Government) regulations (2015) on the formation of audit committees for all Counties.

Communication with all Stakeholders

The County is committed to ensuring that all its stakeholders are provided with full and timely information about its programmes and performance. They are also given an opportunity to give feedback. In this regard, the County held an Annual consultative meeting in 2022/2023 where the different stakeholders were invited for information sharing. This communication is important in ensuring that stakeholder expectations are aligned to the County's service delivery charter.

TURKANA COUNTY ASSEMBLY**Annual Report and Financial Statements for the year ended 30th June 2023**

The County Assembly also subjected 3 bills through public participation

	Bill	Sponsor	Dated	Status
1	The Turkana County Environmental Management Policy,2021	Hon Samuel Lomodo Leader of Minority	2021	Approved
2	The Turkana County supplementary Appropriations Bill(Bill No.1) of 2023	Hon Patrick Napion, Chairperson Budget and Appropriations Committee	2023	Approved
3	The Turkana County Appropriations Bills,2023	Hon Patrick Napion, Chairperson Budget and Appropriations Committee	2023	Approved

TURKANA COUNTY ASSEMBLY
Annual Report and Financial Statements for the year ended 30th June 2023

4. Foreword By the Clerk of The Assembly

(i) Budget performance

In the financial year 2022/2023, The County Assembly of Turkana approved their Original budget of Kshs. 1,021,950,163 which includes the recurrent budget of kshs 853,950,163 and Development budget of kshs 168,000,000.

In addition, during the same financial year 2022/2023, the County Assembly approved one supplementary budget of kshs 1,192,468,006. The recurrent budget for the supplementary was kshs 1,024,468,006 against the actual performance of kshs 1,006,962,731 and Development budget was kshs 168,000,000 against the actual performance of kshs 72,935,935. All this in response to the payment of its daily operations, pending bills, administrative and development issues.

(ii) Operational Performance

The County Assembly of Turkana is established by the Constitution under Article 176 with a mandate to have legislative power of the County. The roles of the County Assembly include:

- Vet and approve nominees for appointment to County Public Offices as may be provided for in The County Government Act or any other law;
- Carry out county legislation in accordance with Art. 185 of the Constitution;
- Approve the budget and expenditure of the County Government in accordance with Article 207 of the Constitution, and the legislation contemplated in Article 220(2) of the Constitution, guided by Articles 201 and 203 of the Constitution;
- Approve the borrowing by the County Government in accordance with Article 212 of the Constitution;
- Approve the County Development Planning;
- Perform any other role as may be set out under the Constitution or legislation.

During the year under review, the County Assembly passed three Bills. The County Assembly passed the The Turkana County Environmental Management Policy, 2021, The Turkana County Appropriations Bills, 2023 and The Turkana County Appropriations Bills.

TURKANA COUNTY ASSEMBLY
Annual Report and Financial Statements for the year ended 30th June 2023

(iii) Performance of key development projects

There was significant progress in the development projects with most projects, which includes the new assembly building and the ward offices nearing completion. In general, the Assembly performed exemplary based on the budget allocation for this financial year.

(iv) Comment on value-for-money achievements

The new assembly building once completed will also house both staff and members providing spacious and conducive environment for working. Our members for the first time will have an office that will bring assembly services to the people thus reducing the distance to be covered by the citizens to look for their representatives.

(v) Challenges and Recommended Way Forward

The above notwithstanding the assembly is looking forward with optimism to the next assembly. In addition to the routine activities the assembly is planning to have an inaugural senate mashinani programme and work with other stakeholders to create awareness and involvement of citizens in institutions activities.

.....
Name: *Linus Bokawa miinyan*
Clerk of the County Assembly

CLERK
6 6 DEC 2023
COUNTY ASSEMBLY OF TURKANA
P. O. Box 25 - 30800, LODWAR

TURKANA COUNTY ASSEMBLY
Annual Report and Financial Statements for the year ended 30th June 2023

5. Statement Of Performance Against County Assembly Predetermined Objectives

Guidance

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

Strategic development objectives

The key mandate of the County Assembly of Turkana is legislation, oversight, and representation. To achieve this, the assembly's program was document in terms of objective, key performance indicators, and output. Below were the expected outputs of the assembly in FY 2022/2023

Program 1	Objective	Outcome	Indicator	Performance	Remarks (Explain the reasons underperformance/ Over performance)
Legislation, oversight and representation	3 Bills passed into Acts of the County Assembly	Improved service delivery to citizens	No of bills passed in the County Assembly	In FY 2022-2023 three number of bills were passed.	The honourable members were trained on how to present bills for easy approvals in the chamber.
	Enhanced professional development of MCAs – Review standing orders	Review standing orders	% Increase in efficient Assembly operation	2 standing orders were reviewed and resulted to 2 of them being reviewed.	Bench marking on the correct standard of standing orders
Program 2	Objective	Outcome	Indicator	Performance	Remarks (Explain the reasons underperformance/ Over performance)
General Administration, Planning and Support	To Create Enabling Environment and Enhance	Timely Legislation of Laws Competent	%Technical support to Legislation services	Establishment and operationalization of various County Assembly	Efficiency and effectiveness at work

TURKANA COUNTY ASSEMBLY

Annual Report and Financial Statements for the year ended 30th June 2023

Services	Institutional Efficiency	Personnel in handling Legislative Services		technical offices. Establishment of Assembly website, Email portal and intercom land line phones and internet services. Staff Trained on Legislative Skills and knowledge on Financial management	
Program 3	Objective	Outcome	Indicator	Performance	Remarks (Explain the reasons underperformance/ Over performance)
Hansard, Research and Information Services	To provide Timely and reliable research, documentation and information services	Enhanced timely and reliable research, documentation and information services	-Hansard for all sittings transcribed. -Hansard reports published -All sessions streamed Live for members of the public to follow -Document management System developed	All Hansard reports available Published Hansard reports available All Videos of streamed sessions are available online	

TURKANA COUNTY ASSEMBLY

Annual Report and Financial Statements for the year ended 30th June 2023

6. Corporate Social Responsibility Statement/Sustainability Reporting

Turkana County Assembly exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on three pillars: putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a brief highlight of our achievements in each pillar

a) Sustainability strategy and profile

Turkana County Assembly has embarked on the program to ensure information access through storage of Hansard record in both soft and hard copies.

b) Environmental performance

The county assembly encourages its members adhere to efforts to plant trees in their areas of jurisdiction and develop waste management policies.

c) Employee welfare

The County Assembly Service Board has been using the County human resource manual and the schemes of services developed as per public service commission guidelines. The County Assembly has exposed some of the staff to refresher and on job trainings to improve skills and competence. CASB has a scheme of rewarding best performance through issuance of letters of appreciation and award of trophies to best performing departments.

The County Assembly is in the process of developing occupational and safety policy, however the county assembly is in compliance with MOH national framework on health safety.

d) Market place practices-

The suppliers are competitively sourced and invitations are made in national newspapers with wider circulation.

The County Assembly has embraced e-procurement platform, where all the suppliers are registered and given fair opportunity to compete.

Once the suppliers have been delivered the payment process commences through IFMIS, which ensures that suppliers are paid on time and government taxes are withheld and remitted.

TURKANA COUNTY ASSEMBLY

Annual Report and Financial Statements for the year ended 30th June 2023

In order to avoid related party transaction, The County Assembly advises its Members, staff and their close associates to disclose and register any incidents of conflict of interest.

e) Community Engagements-

Due to the growing threat of the fast spread of the corona virus in the country, Turkana County Assembly did supplementary budget to raise funds to purchase essential supplies like Soaps, Hand Washing Tanks, Sanitizers and Masks for public hospitals and social groups like churches, Community based organizations, women groups, and government departments among others.

Turkana County Assembly Supported women and girls in acquisition of Sanitary towels and other basic things. This was done through partnership with sister to sister Initiative and other groups in the county.

Public participations of legal and policy frameworks are consistently held to collect views of the public where they are systematically received and considered in the development of legislations. This is done through social media platforms and live local radio coverage.

f) Others

The Institution also ensures that the county is a drug free zone and fewer drops out of schools by youth through speakers' Educational Outreach programme and radio talk shows organized by Women Caucus.

The schools and other institutions regularly visit the Assembly (Reverse outreach). Speakers outreach programme to learning institutions initiated to reach out to learners.

TURKANA COUNTY ASSEMBLY

Annual Report and Financial Statements for the year ended 30th June 2023

7. 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, 2023. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the County 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, 2023, 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 its financial statements as well as the adequacy of the systems of internal financial control.

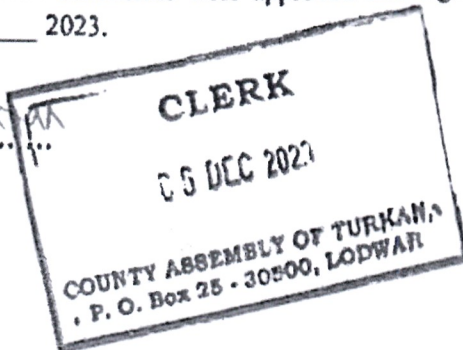
The Clerk confirms that the County Assembly has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the County Assembly's funds received during the year under audit were used for the eligible purposes for which they were intended 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.

TURKANA COUNTY ASSEMBLY
Annual Report and Financial Statements for the year ended 30th June 2023

Approval of the financial statements

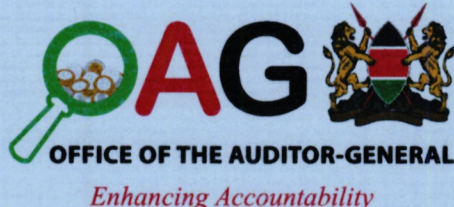
The County Government's financial statements were approved and signed by the Clerk of the County Assembly on 6/12 2023.

LINDA KOKAWA MIINJA
Name: ANNAN ON
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 TURKANA FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, 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.
- 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.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of County Assembly of Turkana set out on pages 1 to 39, which comprise of the statement of financial assets and liabilities as at 30 June, 2023, and the statement of receipts and payments, statement of cash flows

Report of the Auditor-General on County Assembly of Turkana for the year ended 30 June, 2023

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of County Assembly of Turkana as at 30 June, 2023 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unreconciled Variance between the Financial Statement Amount and the Payroll

The statement of receipts and payments for the year ended 30 June, 2023 reflects compensation of employees amount of Kshs.468,454,468 with a comparative prior year balance of Kshs.619,723,205 as disclosed in Note 4 to the financial statements.

However, included in the amount of Kshs.468,454,632 was an amount of Kshs.62,375,359 which was not supported by the payroll as analyzed below:

Employee Cost	Financial Statement Amount (Kshs.)	Payroll Amount (Kshs.)	Variance (Kshs.)
Basic Salaries of Permanent Employees	105,507,900	106,056,938	(549,038)
Basic Wages of Temporary Employees	59,937,600	58,996,737	940,863
Personal Allowances Paid as Part of Salary	221,039,390	141,630,470	79,408,920
Personal Allowances Paid as Reimbursements (Sitting & Mileage)	25,561,000	79,173,230	(53,612,230)
Personal Allowances Provided in Kind	560,400		560,400
Employer Contribution to Compulsory National Social Schemes	15,552,975	402,000	15,150,975
Employer Contribution to Compulsory National Health Insurance Schemes	431,890		431,890
Pension and other Social Security Contributions	4,873,500	19,819,734	(14,946,234)
Other Personnel Payments	34,989,813		34,989,813
Total	468,454,468	406,079,109	62,375,359

In the circumstance, the accuracy and completeness of the expenditure on compensation of employees could not be confirmed.

2. Summary of Non-Current Assets Register

As previously reported, the summary of non-current assets register at Annex 4 to the financial statements reflects a balance of Kshs.1,598,953,511 (2021/2022 Kshs. 1,526,017,594) which did not include the undetermined value of land and buildings inherited by the Assembly from the defunct Municipal Council of Turkana. In addition, the Assembly had not maintained fixed assets' register in the required format and manner. The assets register provided for audit did not have a record of fixed assets such as land, buildings and motor vehicles and did not have information such as the acquisition costs, opening balances at the start of the year, disposals and the closing balances at the end of the year, with others missing serial numbers, models and makes.

In addition, there was no evidence that the Assembly carried out annual physical verification of the assets, matching the recorded assets with physical existence and condition. The management had also not tagged/branded its assets as required under regulation 132(1) of the Public Finance Management (County Government) Regulations, 2015.

Under the circumstances, the propriety, accuracy and completeness of the non-current assets balance of Kshs.1,598,953,511 could not be confirmed.

3. Un-accounted for Imprests

The statement of financial assets and liabilities reflects imprest and advances balance of Kshs.10,835,245 as at 30 June, 2023. However, examination of imprest records provided for audit revealed other imprests of Kshs.8,373,500 outstanding in 2020/2021 but not included in the imprest register and the financial statements.

In the circumstances, the accuracy and completeness of imprests and advances balance could not be confirmed.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the County Assembly 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

Authenticity of Pending Bills

The pending bills as disclosed in other disclosures (1) amount to Kshs.95,064,065 comprised of construction of buildings of Kshs.15,021,665 and supply of goods of Kshs.80,042,400. However, the analysis in annex 1 to the financial statements does not

include details of the date of invoice/contract, description of the particulars and movement in the pending balances as required by the reporting standards.

Further, records maintained by Kenya Revenue Authority indicated that the County Assembly had outstanding taxes amounting to Kshs.486,172,760 which had not been disclosed or included in the pending bills.

The Assembly therefore had not maintained proper records for pending bills and failed to settle amounts as required by regulation 41(2) of the Public Finance Management (County Government) Regulations, 2015 which requires debt service payments to be a first charge on the county revenue fund and the accounting officer shall ensure this is done to the extent possible that the county government does not default debt obligations.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Audit Matters on Recommendations of Legislative Oversight Committees

Recommendations from the oversight legislative committees on the issues raised in the audit report for 2021/2022 and previous financial years were not submitted for audit verification hence the audit could not confirm whether the audit reports were discussed and recommendations implemented. This was contrary to Section 31(1) (a) of the Public Audit Act, 2015 states that within three months after Parliament or the County Assembly has debated and considered the final report of the Auditor General and made recommendations, a state organ or a public entity that had been audited shall, as a preliminary step, submit a report on how it has addressed the recommendations and findings of the previous year's audit. Also, Section 149(2)(l) of the Public Finance Management Act, 2012 requires accounting officers designated for county government entities to try to resolve any issues resulting from an audit that remain outstanding.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution and 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. Regularity of Imprest Management

1.1 Long Outstanding Imprests

Scrutiny of available records revealed outstanding imprests amounting to Kshs.19,208,745. Out of this amount, imprests amounting to Kshs.8,373,500 related to 2021/2022 while outstanding imprests of Kshs.10,835,245 were issued between 15 August, 2022 and 04 May, 2023. The imprests had not been surrendered by the time of audit in September, 2023 and there was no evidence of efforts made to recover the amounts owing contrary to Regulation 93 of the Public Finance Management (County Government) Regulations, 2015 which requires a holder of a temporary imprest to account or surrender the imprest within seven (7) working days after returning to duty station failure to which the Accounting Officer shall take immediate action to recover the full amount from the salary of the defaulting officer with an interest at the prevailing Central Bank Rate.

1.2 Issuance of Multiple Imprests

The County Assembly did not adhere to the controls on issuance of imprests and allowed nine (9) members and staff of the County Assembly to be issued with multiple imprests amounting to Kshs.4,716,900 before surrender of the previous imprests. This is contrary to Regulation 93(8) of the Public Finance Management (County Government) Regulations, 2015.

In the circumstances, the County Assembly was in breach of law.

2. Irregularities in Purchase of Document Management System

The County Assembly procured a document management system from a vendor at a cost of Kshs.7,957,6001 during the year under review. The system was delivered and as the time of audit in August, 2023, it was in use. However, the following anomalies were observed;

- (i) There was no evidence of contract or agreement between the County Assembly and the vendor stipulating the system specifications and terms of engagement.
- (ii) An inspection and acceptance report was not provided for audit review to confirm that the system conformed with the terms and specifications of the contract.
- (iii) There was no evidence of warranty provided on the system.

In the circumstances, it was not possible to confirm whether value for money was obtained from the procurement.

3. Delayed Completion of Projects and Non-recovery of Liquidated Damages from Contractors

The County Assembly of Turkana awarded contracts to five (5) contractors to undertake construction projects namely; Proposed Construction of Library Block; Construction of Speaker's Guest House, Home Office and Garage; Completion of Speaker's residence; County Assembly Annex Building and Refurbishment of Former Survey Offices and Proposed Administration Block between June, 2016 and July, 2022 at a total contract sum of Kshs.272,726,159 with various commencement dates and completion dates.

As at the time of audit in August, 2023, the project status of work done was estimated to be between 30% and 90% and the five projects were on-going. Review of the project files revealed that the contract period for all the projects had elapsed for between One (1) and fifty (50) months and no extension of time was requested by the contractors.

Contract	Contract Amount (Kshs)	Start Date	Expected Date of Completion	Time Elapsed after expected Completion date (Months)	% of Completion as at August 2023
Proposed Construction of Library Block (CAT/2/2021-2022)	44,218,122	18/07/2022	18/07/2023	1	50%
Proposed Construction of Speaker's Guest House, Home Office and Garage (CAT/NEG1007272/2021-2022)	19,930,500	15/07/2022	14/04/2023	4	Gust House-60% Garage-30%
Proposed Completion of Speaker's residence (CAT/NEG1007278/2021-2022)	29,910,000	18/07/2022	18/05/2023	3	50%
County Assembly Annex Building- -Refurbishment of former survey offices (TCA/4/2015/2016)	65,000,020	27/06/2016	27/06/2019	50	90%
Proposed Administration Block- (CAT/2/2020-2021)	113,667,517	19/07/2021	18/06/2021	26	50%
	272,726,159				

The works were therefore irregularly ongoing without an approval from the accounting officer.

Further, the contract agreements provided that if a contractor failed to complete the works by the date for practical completion or such extended time, he/she shall pay the employer liquidated damages for the period during which the works shall remain or have remained

incomplete. However, the County Assembly had not recovered any liquidated damages accrued from the contractors as at the time of audit in August, 2023.

In addition, the County Assembly contracted a private consultant as the project manager for the five projects. The following unsatisfactory matters were however observed;

- i) The signed contract with the projects' consultant (Project Manager) for Proposed Construction of Speaker's Guest House, Home Office and Garage was not provided for audit verification. This was contrary to Section 135(1) of the Public Procurement and Asset Disposal Act, 2015 which states that the existence of a contract shall be confirmed through the signature of a contract document incorporating all agreements between the parties and such contract shall be signed by the accounting officer or an officer authorized in writing by the accounting officer of the procuring entity and the successful tenderer.
- ii) The County Assembly had not appointed a project implementation team to oversight each of the five projects and ensure implementation of contracts was in accordance with the terms and conditions of the contracts. And therefore, no site minutes and progress reports were provided to show how the projects have been implemented over the years.
- iii) The County Assembly did not appoint clerk of works to help in project supervision. Also, there is no evidence of engagement of personnel from the department of public works to assist in development of architectural drawings, bills of quantities and general oversight of the five projects.

In the circumstances, the County Assembly was in breach of the law, failed to enforce the contract terms to their disadvantage and no value had been derived from the expenditure on the delayed projects.

4. Irregular Construction of Speaker's Residence

The Assembly entered into a contract for construction of the Speaker's residence on 11 July, 2016 at an unclear contract sum indicated as "Kshs.75,016,755,63.9/= in figures and seventy million and sixteen thousand, seven hundred and fifty five hundred and sixty eight shillings" in words. No clarification or corrective documentation was provided to confirm the actual contract sum. The works were to commence on 11 August, 2016 and complete on 11 August, 2019. The contract period lapsed after the contractor had been paid an undetermined amount of money and a new contract was entered into for completion of the residence at a contract sum of Kshs.29,910,000. Another contract for Proposed Construction of Speaker's Guest House, Home Office and Garage was also entered into a contract sum of Kshs.19,930,500.

The contract cost for the two projects at the Speakers residence was therefore cumulatively above the authorized limit of Kshs.35 million provided for by the Salaries and Remuneration Commission.

In the circumstances, the Assembly was in breach of regulations.

5. Projects Implementation Status

During the audit in August – September, 2023, six (6) projects with total contract sum of Kshs.494,994,127 were inspected. One (1) project with a contract sum of Kshs.222,267,968 was found to be complete but not in use and five (5) projects with a total contract sum of Kshs.272,726,15 were partially done as detailed in the **appendix**.

In the circumstances, there was no value for money for the idle and incomplete projects.

6. Legal Expenses

Review of IFMIS payment details revealed that three (3) firms were paid legal expenses amounting Kshs.27,357,135. However, the payments were not supported with user requisitions, evidence of competitive bidding from the list of prequalified legal firms, professional opinions from the head of procurement unit, notification of awards and acceptance letters, the itemized instructions made to the lawyers on the services required, copies of judgement summaries where applicable, and certificates of costs on which the legal fee notes were based. In addition, there was no opinion and letter of no objection for engagement of private legal firms by either the designated principal legal advisor to the County Assembly or the county attorney who is indicated in the annual report and financial statements as the principal legal advisor.

In the circumstances, the occurrence and validity of the legal expenses could not be confirmed

7. Regularity of Human Resource Management Practices

7.1. Lack of Approved Staff Establishment

The County Assembly recruited sixteen (16) new staff without an approved staff establishment to guide on the number and cadres of staff authorized. Management has not explained the basis of the recruitment contrary to Section B. 5 (2) of the County Public Service Human Resource Manual, 2013 which requires that all vacancies must be declared in a prescribed format which must include: the number of vacancies; when the vacancy occurred; whether the vacancy is within the authorized establishment and other relevant details.

The Assembly was therefore in breach of Human Resource Manual that may have resulted in over-employment or filling of positions not necessary in supporting the achievement of goals and objectives of the Assembly thus increasing expenditure on personnel emoluments.

7.2. Non-Compliance with the Law on Ethnic and Regional Distribution

Analysis of the Integrated Personnel and Payroll Database (IPPD) and other human resource records provided for audit verification revealed that 96.4% of the County Assembly staff are from one (1) dominant community contrary to Section 7(1) and (2) of

the National Cohesion and Integration Act, 2008 which requires that all public establishments shall seek to represent the diversity of the people of Kenya in the employment of staff and no public establishment shall have more than one third of its staff from the same ethnic community.

Further, out of the sixteen (16) new staff recruited during the year, fifteen (15) or 94% were from the dominant ethnic community.

7.3. Non-Adherence to One Third Basic Salary Requirement

Examination of Integrated Personnel and Payroll Database (IPPD) payroll provided for audit verification revealed that in the months of July, 2022, January, 2023 and June, 2023, seven (7), five (5) and four (4) officers respectively were drawing net salary less than a third of their respective basic salaries in contravention of Section 19(3) of the Employment Act, 2007 which states that deductions made by an employer from the wages of his employee at any one time shall not exceed two-thirds.

7.4. Over-expenditure on Wage Bill

The statement of receipts and payments reflects an expenditure of Kshs.468,454,468 on compensation of employees which represents 46% of the total receipts of Kshs.1,019,841,530. This is contrary to the provisions of Regulation 25(i)(a) of the Public Finance Management (County Governments) Regulations, 2015 which provides that expenditure on wages and benefits should not exceed 35% of the total revenue.

In the circumstances, the County Assembly was in breach of the law.

The audit was conducted in accordance with the International Standards of Supreme Audit Institutions (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 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 and 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 has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Failure to Constitute Audit Committee

The County Assembly of Turkana was yet to constitute an audit committee as at 30 June, 2023, contrary to the provisions of Regulation 167(1) and (2) of the Public Finance Management (County Government) Regulations, 2015 which requires every county government entity to establish an audit committee.

The Assembly was therefore in breach of law and the oversight role of the committee was not carried out during the year under review.

2. Weak Internal Audit Function

The County Assembly Management has an internal audit function for reviewing the governance mechanisms and operations of the County Assembly for transparency and accountability with regard to the finances and assets of the entity. However;

- (i) There is no evidence that the internal audit department reviewed and evaluated budgetary performance, financial management, transparency and accountability mechanisms and processes in County Assembly.
- (ii) There was no audit committee hence the internal audit could not get the necessary support for them to provide reasonable assurance on the state of risk management, control and governance within the County Assembly.
- (iii) There was no approved internal audit workplan for the year. In addition, there was no report provided from internal audit department of the County Assembly during the year under review.

In the circumstances, the internal audit department was not performing functions envisaged under Section 155 (3) of the Public Finance Management Act, 2012.

3. Lack of Risk Assessment Policy

The County Assembly has not developed a risk management policy and risk assessments were not performed for the year ended 30 June, 2023 contrary to Regulation 158(1) and 163(1) of the Public Finance Management (County Government) Regulations, 2015 which requires each county government entity to develop risk management strategies and a system of risk management.

In the circumstance, there was no assurance over risk management and governance in the County Assembly.

The audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAIs) 2315 and 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 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 overall governance.

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

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and overall 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 controls 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 controls 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 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 Management.
- Conclude on the appropriateness of Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the County Assembly's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the County Assembly to cease to continue to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the County Assembly to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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



FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

09 February, 2024

Appendix: Projects Physical Verification and Status

S/N	Project Activity/Number	Contract Number	Contract Sum (Kshs.)	Results of Project Verification
A	Ongoing Projects			
1	Proposed Construction of a two-storey Library Block	CAT/2/2021-2022	44,218,122	Foundation and foundation slab, ground floor walling complete. Shuttering of first floor done but slab works not yet done. At the time of audit in August 2023, the contractor was not on site and no work was ongoing.
2	Proposed Construction of a one storey Speaker's Guest House, Home Office and Garage	CAT/NEG 1007272/2021-2022	19,930,500	The foundation and foundation slab, walling and roofing of the speaker's guest house and home office complete. Works on the Speaker's garage were on going and the foundation and foundation slab and erection of pillars were complete but walling not yet done. At the time of audit in August 2023, the contractor was on site and work was ongoing.
3	Proposed Completion of a two storey Speaker's residence	CAT/NEG 1007278/2021-2022	29,910,000	Foundation and foundation slab, ground floor walling complete but roofing not yet done. At the time of audit in August 2023, the contractor was on site and work was ongoing.
4	Refurbishment of a two storey former survey offices	TCA/4/2015/2016	65,000,020	The ground floor and first floor foundation slabs, walling, roofing, fixing of metal doors and windows complete. At the time of audit in August 2023, the contractor was on site and work was ongoing and painting, electrical, plumbing works, fixing of wood doors and tiling were not complete.
5	Proposed construction of a two storey Administration Block	CAT/2/2020-2021	113,667,517	Foundation and foundation slab, ground floor walling complete. At the time of audit in August 2023, the contractor was not on site and no work was ongoing.
			272,726,159	
B	Completed but Not in Use			
6	Proposed Construction of a two storey ultra-modern Assembly		222,267,968	The project is complete but not in use
			494,994,127	

TURKANA COUNTY ASSEMBLY
Annual Report and Financial Statements for the year ended 30th June 2023

9. Statement of Receipts and Payments for the Year Ended 30th June 2023

		2022-2023	2021-2022
	Note	KShs	KShs
Receipts			
Transfers from the CRF	1	1,006,962,730	992,067,651
Proceeds from sale of assets	2	-	-
Other receipts	3	12,878,800	60,478,780
Total receipts		1,019,841,530	1,052,546,431
Payments			
Compensation of employees	4	468,454,468	619,723,205
Use of goods and services	5	378,626,632	278,264,998
Subsidies	6	-	-
Transfers to other government entities	7	98,000,000	-
Other grants and transfers	8	-	-
Social security benefits	9	-	-
Acquisition of assets	10	72,935,935	152,279,766
Finance costs	11	15,087	3,951
Other payments	12	-	-
Total payments		1,018,032,122	1,050,271,920
Surplus/deficit		1,809,407	2,274,511

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 06/12/2023 and signed by:

Linus Lokawa Mwangi
 Name: Linus Lokawa Mwangi
 Clerk of the Assembly
 25 DEC 2023
 COUNTY ASSEMBLY OF TURKANA
 P. O. Box 25 - 30500, LODWAR

Ngasiko Aiphas
 Name: Ngasiko Aiphas
 Director Finance and Accounting – County Assembly
 ICPAK Member Number: 05106

TURKANA COUNTY ASSEMBLY
Annual Report and Financial Statements for the year ended 30th June 2023

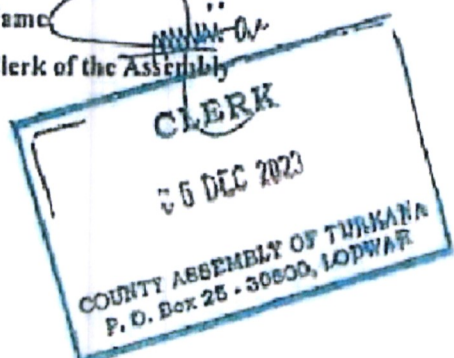
10. Statement Of Financial Assets and Liabilities As At 30th June 2023

Financial assets	Note	2022-2023	2021-2022
		KShs	KShs
Cash and cash equivalents			
Bank balances	13A	14,732,439	36,621,796
Cash balances	13B		
Total cash and cash equivalents		14,732,439	36,621,796
Imprests and Advances	14	10,835,245	9,023,500
Total financial assets		25,567,684	45,645,296
Financial liabilities			
Third party deposits and retention	15	(14,732,438)	(36,619,456)
Net financial assets		10,835,246	9,025,840
Represented by			
Fund balance b/fwd	16	9,025,840	6,751,327
Prior year adjustment	17		-
Surplus/(deficit) for the year		1,809,407	2,274,511
Net Financial Position		10,835,246	9,025,840

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 06/12/2023 and signed by:

Name: LINDA LOKAWA MLIANTAN

Name: ANNA O.
 Clerk of the Assembly



Name: Ngasike Aiphac

Name: Ngasike Aiphac
 Director Finance and Accounting – County Assembly

ICPAK Member Number: 25106

TURKANA COUNTY ASSEMBLY
Annual Report and Financial Statements for the year ended 30th June 2023

11. Statement Of Cash Flows for The Period Ended 30th June 2023

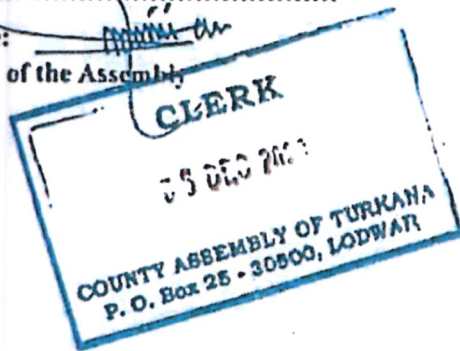
		2022-2023	2021-2022
	Note	KShs	KShs
Cash flows from operating activities			
Receipts from operating income			
Transfers from the CRF	1	1,006,962,730	992,067,651
Other receipts	3	12,878,800	60,478,780
Total receipts from operating income		-	-
Payments for operating expenses		-	-
Compensation of employees	4	(468,454,468)	(619,723,205)
Use of goods and services	5	(378,626,632)	(278,264,998)
Subsidies	6	-	-
Transfers to other government entities	7	(98,000,000)	-
Other grants and transfers	8	-	-
Social security benefits	9	-	-
Finance costs	11	(15,087)	(3,951)
Other payments	12	-	-
Total payments for operating expenses		-	-
Net receipts/(payments) from operating activities			
Adjusted for:		-	-
Prior year adjustment	17		
Decrease/(increase) in accounts receivable:	18	(1,811,745)	(2,273,000)
Increase/(decrease) in accounts payable:	19	(21,887,018)	3,796,762
Net cash flows from operating activities		51,046,580	156,078,038
Cashflow from investing activities		-	-
Proceeds from sale of assets	2	-	-
Acquisition of assets	10	(72,935,935)	(152,279,766)
Net cash flows from investing activities		(72,935,935)	(152,279,766)
Cash flow From Financing Activities			

TURKANA COUNTY ASSEMBLY
Annual Report and Financial Statements for the year ended 30th June 2023

Repayment of principal on domestic and foreign borrowing		-	-
Net cash flow from financing activities		-	-
Net increase in cash and cash equivalents		(21,889,355)	3,798,272
Cash & cash equivalent at Start of the year		36,621,793	32,823,521
Cash & cash equivalent at end of the year		14,732,438	36,621,793

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 06/12/2023 and signed by:

Linus Lokawa Miinyan
Name: Linus Lokawa Miinyan
Clerk of the Assembly



Ngasike Caiphae
Name: Ngasike Caiphae
Director Finance and Accounting – County Assembly
ICPAK Member Number 25706

LUKKANA COUNTY ASSEMBLY
Annual Report and Financial Statements for the year ended 30th June 2023

12. Statement Of Comparison of Budget & Actual Amounts: Recurrent and Development for year ended 30th June 2023

Receipt/expense item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	(%)
Receipts						
Transfers from the CRF	1,021,950,163	2,5717,843	1,024,468,006	1,006,962,731	17,505,275	98 %
Cash Equivalents Brought forward	-	9,025,838	9,025,838	9,025,838	0	100 %
Other receipts	-	12,878,800	12,878,800	12,878,800	0	100 %
Total	1,021,950,163	24,422,481	1,046,372,644	1,028,867,369	17,505,275	99 %
Payments						
Compensation of employees	557,910,278	(89,455,810)	468,454,468	468,454,632	0	100%
Use of goods and services	264,039,885	114,586,747	378,626,632	378,626,632	0	100%
Subsidies	-	-	-	-	0	-
Transfers to other government entities	32,000,000	156,441,210	188,441,210	98,000,000	90,441,210	52 %
Other grants and transfers	-	-	-	-	0	-
Social security benefits	-	-	-	-	0	-
Acquisition of assets	168,000,000	0	168,000,000	72,935,935	95,064,065	43%
Finance costs	-	15,087	15,087	15,087	0	100%
Other payments	-	-	-	-	-	-
Total	1,021,950,163	181,572,146	1,203,537,397	1,018,032,123	185,505,275	98%
Surplus/ deficit		(157,149,666)	(157,164,753)	(10,835,247)	(168,000,000)	

The entity financial statements were approved on 06/12/2023 and signed by:

Name: W. CLERK
Clerk of the Assembly

Name: Ngasira Giphax
Director Finance and Accounting— County Assembly
ICPAK Member Number: 25106

W. CLERK
35 DEC 2023
COUNTY ASSEMBLY OF LUKKANA
P. O. Box 25 • 50800, LODWAR &

TURKANA COUNTY ASSEMBLY

Annual Report and Financial Statements for the year ended 30th June 2023

12B Statement Of Comparison of Budget & Actual Amounts: Development for the year ended 30th June 2023

Receipt/expense item	Original Budget		Adjustments		Final Budget		Actual on Comparable Basis		Budget Utilization Difference		% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %					
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
Receipts											
Transfers from the CRF	168,000,000	-	168,000,000	-	168,000,000	72,935,935	152,064,065	32%			
Proceeds from sale of assets	-	-	-	-	-	-	-	-			
Other receipts	-	-	-	-	-	-	-	-			
Total	-	-	-	-	-	-	-	-			
Payments											
Compensation of employees	-	-	-	-	-	-	-	-			
Use of goods and services	-	-	-	-	-	-	-	-			
Subsidies	-	-	-	-	-	-	-	-			
Transfers to other government entities	-	-	-	-	-	-	-	-			
Other grants and transfers	-	-	-	-	-	-	-	-			
Social security benefits	-	-	-	-	-	-	-	-			
Acquisition of assets	168,000,000	-	168,000,000	-	168,000,000	72,935,935	152,064,065	32%			
Finance costs	-	-	-	-	-	-	-	-			
Total	168,000,000	-	168,000,000	-	168,000,000	72,935,935	152,064,065	32%			
Surplus/ deficit											

TURKANA COUNTY ASSEMBLY
Annual Report and Financial Statements for the year ended 30th June 2023

Name: Wanjau Ak
Clerk of the Assembly CLERK

23 DEC 2023
COUNTY ASSEMBLY OF TURKANA
P. O. Box 28 - 30500, LODWAR

Name: Ngasire Ciphos
Director Finance and Accounting – County Assembly
ICPAK Member Number: 25106

TURKANA COUNTY ASSEMBLY

Annual Report and Financial Statements For the year ended 30th June 2023

13. Budget Execution By Programmes And Sub-Programmes

Programme/Sub-Programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	% Budget utilization
	2022-2023 Kshs	2022-2023 Kshs	2022-2023 Kshs	2022-2023 Kshs	2022-2023 Kshs
PROGRAMME 1: General Administration and Support Services					
SP 1.1 Finance and Shared Services	825,435,840	-	825,435,840	825,435,840	100%
SP 1.2 Hansard, Research and Information Services	14,520,586	-	14,520,586	14,520,586	100%
SP1.3 County Assembly Service Board	19,520,586	-	19,520,586	19,520,586	100%
SP1.4 County Assembly Infrastructure Development	184,800,000		184,800,000	184,800,000	
PROGRAMME 2: Legislative services					
SP 2.1: Legislatives Services	8,646,000	-	8,646,000	8,646,000	100%
SP 2.2: Office of the Speaker	11,619,364	-	11,619,364	11,619,364	100%
SP 2.3: Partnerships	1,320,000	-	1,320,000	1,320,000	100%
PROGRAMME 3: OVERSIGHT					
SP 3.1 Committee Services	57,672,802	-	57,672,802	57,672,802	100%
SP 3.2 Audit and M & E Services	500,586		500,586	500,586	100%
Totals	1,124,145,180		1,124,145,180	1,124,145,180	100%

TURKANA COUNTY ASSEMBLY
Annual Report and Financial Statements For the year ended 30th June 2023

14. Significant Accounting Policies

The Significant 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 third party 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 some classes of receivables and payables as outlined above.

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 Turkana 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 been received by the Assembly.

TURKANA COUNTY ASSEMBLY
Annual Report and Financial Statements for the year ended 30th June 2023

Significant Accounting Policies (Continued)

i) 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.

ii) 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.

i) Compensation of employees

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

ii) Use of goods and services

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

iii) 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.

TURKANA COUNTY ASSEMBLY
Annual Report and Financial Statements for the year ended 30th June 2023

Significant Accounting Policies (Continued)

4. In-kind contributions

In-kind contributions are donations that are made to the county assembly in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the County assembly 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.

5. Third Party Payments

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

6. 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.

7. Restriction on cash

Restricted cash represents amounts that are limited /restricted from being used to settle a liability for at least twelve months after the reporting period. This cash is limited for direct use as required by stipulation.

Amounts maintained in deposit bank accounts are restricted for use in refunding third party deposits. As at 30th June 2022, this amounted to KShs 14,732,439 compared to KShs 36,621,796 in prior period as indicated on note 15. *There were no other restrictions on cash during the year.*

TURKANA COUNTY ASSEMBLY
Annual Report and Financial Statements for the year ended 30th June 2023

Significant Accounting Policies (Continued)

8. Imprests and Advances

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

9. Third party deposits and retention

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

10. 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.

11. 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 *entity* 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.

TURKANA COUNTY ASSEMBLY
Annual Report and Financial Statements for the year ended 30th June 2023

Significant Accounting Policies (Continued)

12. Contingent Liabilities

A contingent liability is:

- a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- b) A present obligation that arises from past events but is not recognised because:
 - i) It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
 - ii) The amount of the obligation cannot be measured with sufficient reliability.

Some of contingent liabilities may arise from: litigation in progress, guarantees, indemnities. Letters of comfort/ support, insurance, Public Private Partnerships. The Entity does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote. Annex 6 of this financial statement is a register of the contingent liabilities in the year.

13. Contingent Assets

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

TURKANA COUNTY ASSEMBLY
Annual Report and Financial Statements for the year ended 30th June 2023

Significant Accounting Policies (Continued)

14. Budget

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The County Executive's budget was approved as required by Law and as detailed in the County Revenue Allocation Act. The original budget was approved by the County Assembly on 26/06/2022 for the period 1st July 2022 to 30 June 2023 as required by law. There was one supplementary budget passed in the year. The supplementary budgets were approved on 19/01/2023. A high-level assessment of the County Executive's actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

15. Comparative figures

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

16. Subsequent events

Events after 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.

17. Prior Period Adjustment

During the year, errors that have been corrected are disclosed *under note 26* explaining the nature and amounts.

18. Related Party Transactions

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

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

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

TURKANA COUNTY ASSEMBLY
Annual Report and Financial Statements for the year ended 30th June 2023

15. Notes to the Financial Statements

1. Transfer From CRF

	2022- 2023	2021- 2022
	Kshs	Kshs
Transfers from the county treasury for Q1	117,299,013	228,873,766
Transfers from the county treasury for Q2	231,788,087	311,422,235
Transfers from the county treasury for Q3	274,773,788	210,744,052
Transfers from the county treasury for Q4	383,101,842	241,027,598
Cumulative amount	1,006,962,730	992,067,651

2. Proceeds From Sale of Assets

	2022- 2023	2021- 2022
	Kshs	Kshs
Receipts from the Sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
Receipts from Sale of Certified Seeds and Breeding Stock	-	-
Receipts from the Sale of Strategic Reserves Stocks	-	-
Receipts from the Sale of Inventories, Stocks and Commodities	-	-
Disposal and Sales of Non-Produced Assets	-	-
Total	-	-

TURKANA COUNTY ASSEMBLY
Annual Report and Financial Statements for the year ended 30th June 2023

Notes to the Financial Statements

3. Miscellaneous receipts

	2022- 2023	2021- 2022
	Kshs	Kshs
Other Receipts III-Salary paid by Turkana County Executive on behalf of Turkana County Assembly(March-June 2020 Salary)	-	-
Other Receipts IV-Borrowings(Car Loan and Mortgage)	12,878,800	60,478,780
Total	12,878,800	60,478,780

4. Compensation Of Employees

	2022- 2023	2021- 2022
	Kshs	Kshs
Basic salaries of permanent employees	106,056,938	108,652,025
Basic wages of temporary employees	58,996,737	67,376,864
Personal allowances paid as part of salary	141,630,470	219,495,839
Personal allowances paid as reimbursements	79,173,230	17,465,462
Personal allowances provided in kind	17,647,331	240,000
Employer Contribution to compulsory National Social Schemes	21,021,857	19,969,503
Employer Contribution to Compulsory National health Insurance Schemes	402,000	311,800
Pension and other social security contributions		36,810,006
Social benefit schemes outside government		
Other personnel payments	43,525,904	149,401,706
Total	468,454,632	619,723,205

(Explain what other personnel costs relate to.)

TURKANA COUNTY ASSEMBLY
Annual Report and Financial Statements for the year ended 30th June 2023

Notes To The Financial Statements (Continued)

5. Use Of Goods And Services

	2022- 2023	2021- 2022
	Kshs	Kshs
Utilities, supplies and services	2,465,813	2,247,135
Communication, supplies and services	760,540	5,839,100
Domestic travel and subsistence	195,530,158	182,929,743
Foreign travel and subsistence		
Printing, advertising and information supplies & services	1,413,450	3,021,645
Rentals of produced assets	726,000	180,000
Training expenses	10,003,471	
Hospitality supplies and services	11,206,950	17,084,325
Insurance costs	36,498,171	34,118,980
Specialized materials and services		
Office and general supplies and services	14,641,830	13,515,780
Fuel, oil and lubricants	24,583,024	2,451,850
Other operating expenses	4,563,149	11,454,240
Routine maintenance – vehicles and other transport equipment	3,976,381	3,295,450
Routine maintenance – other assets	3,907,075	2,126,750
Domestic Payables	18,341,331	
Ward Operations	50,009,288	
Total	378,626,632	278,264,998

TURKANA COUNTY ASSEMBLY
Annual Report and Financial Statements for the year ended 30th June 2023

Notes To The Financial Statements (Continued)

6. Subsidies

Description	2022- 2023	2021- 2022
	Kshs	Kshs
Subsidies To County Corporations		
<i>See List Attached</i>	-	-
(Insert Name)	-	-
Subsidies To Private Enterprises		
<i>See List Attached</i>	-	-
(Insert Name)	-	-
Total	-	-

7. Transfers To Other Government Entities

Description	2022- 2023	2021- 2022
	Kshs	Kshs
Transfers to national government entities	-	-
	-	-
Transfers to other county assembly entities	-	-
Transfers to National Government entities	-	-
Transfers to other County Assembly entities	-	-
Transfer to Turkana County Assembly Car and Mortgage Fund	98,000,000	-
	-	-
Total	98,000,000	-

TURKANA COUNTY ASSEMBLY
Annual Report and Financial Statements for the year ended 30th June 2023

Notes To The Financial Statements (Continued)

8. Other Grants And Transfers

	2022- 2023	2021- 2022
	Kshs	Kshs
Scholarships and other educational benefits	-	-
Membership fees and dues and subscriptions to organizations	-	-
Emergency relief and refugee assistance	-	-
Subsidies to small businesses, cooperatives, and self employed	-	-
Total	-	-

9. Social Security Benefits

	2022- 2023	2021- 2022
	Kshs	Kshs
Government Pension and Retirement Benefits	-	-
Social Security Benefits	-	-
Employer Social Benefits	-	-
Total	-	-

(Give explanations and distinguish between NSSF benefits and contributions made to other entities on behalf of staff.)

TURKANA COUNTY ASSEMBLY
Annual Report and Financial Statements for the year ended 30th June 2023

Notes To The Financial Statements (Continued)

10. Acquisition Of Assets

Non- financial assets	2022- 2023	2021- 2022
	Kshs	Kshs
Purchase of buildings	-	-
Construction of buildings	64,978,335	152,279,766
Refurbishment of buildings	-	-
Construction of roads	-	-
Construction and civil works	-	-
Overhaul and refurbishment of construction and civil works	-	-
Purchase of vehicles and other transport equipment	-	-
Overhaul of vehicles and other transport equipment	-	-
Purchase of household furniture and institutional equipment	-	-
Purchase of office furniture and general equipment	-	-
Purchase of specialized plant, equipment and machinery	-	-
Rehabilitation and renovation of plant, machinery and equip.	-	-
Purchase of certified seeds, breeding stock and live animals	-	-
Purchase of ICT Equipment-Software	7,957,600	-
Rehabilitation of civil works	-	-
Acquisition of strategic stocks and commodities	-	-
Acquisition of land	-	-
Acquisition of intangible assets	-	-
Total acquisition of non- financial assets	72,935,935	152,279,766
Financial assets		
Domestic public non-financial enterprises	-	-
Domestic public financial institutions	-	-
Total acquisition of financial assets	-	-
Total acquisition of assets	72,935,935	152,279,766

TURKANA COUNTY ASSEMBLY
Annual Report and Financial Statements for the year ended 30th June 2023

Notes To The Financial Statements (Continued)

11. Finance Costs

	2022- 2023	2021- 2022
	Kshs	Kshs
Bank charges	15,087	3,951
Interest payments on foreign borrowings	-	-
Interest payments on guaranteed debt taken over by govt	-	-
Interest on domestic borrowings (non-govt)	-	-
Interest on borrowings from other government units	-	-
Total	15,087	3,951

12. Other Payments

	2022- 2023	2021- 2022
	Kshs	Kshs
Budget Reserves	-	-
Civil Contingency Reserves	-	-
Other Payments	-	-
Total	-	-

TURKANA COUNTY ASSEMBLY
Annual Report and Financial Statements for the year ended 30th June 2023

Notes To The Financial Statements (Continued)

13. Cash And Bank Balances

13A. Bank Balances

Name Of Bank, Account Name & Currency	Account Number	Indicate whether Rec, Dev, Dep e.t.c	2022- 2023	2021- 2022
			Kshs	Kshs
CBK-Turkana County Assembly,Kshs	1000244248	Reccurent	-	-
CBK-Turkana County Assembly,Kshs	1000244248	Development Acc	-	-
KCB – Lodwar,Kshs	1148594596	Recurrent Acc	1	2340
CBK-Turkana County Assembly	1000439823	Deposits and Retentions	14,732,438	36,619,456
Total			14,732,439	36,621,796

13B. Cash In Hand

	2022- 2023	2021- 2022
	Kshs	Kshs
Cash In Hand – Held In Domestic Currency	-	-
Cash In Hand – Held In Foreign Currency	-	-
Total	-	-

TURKANA COUNTY ASSEMBLY
Annual Report and Financial Statements for the year ended 30th June 2023

Notes To The Financial Statements (Continued)

Cash in hand should be analysed as follows:

Description	2022- 2023	2021- 2022
	Kshs	Kshs
Location 1	-	-
Location 2	-	-
Total	-	-

14. Imprests and Advances

Description	2022- 2023	2021- 2022
	Kshs	Kshs
Government Imprests	10,835,245	9,023,500
Salary Advance		-
Clearance accounts		-
Total	10,835,245	9,023,500

Breakdown Of Imprest And Salary Advance Per Department	2022- 2023	2021- 2022
	Kshs	Kshs
Imprests		
Directorate of Finance and Accounting	4,775,795	1,870,000
Directorate of Hansard/ICT/Library and PR	1,960,300	2,224,000
Directorates of Legislative services	244,000	4,929,500
Directorate of Human Resource and Administration	3,855,150	-
Sub-Total	10,835,245	9,023,500
Salary Advance		
Department of County Assembly	-	-
Department County Assembly	-	-
Sub-Total	-	-
Grand Total	10,835,245	9,023,500

TURKANA COUNTY ASSEMBLY

Annual Report and Financial Statements for the year ended 30th June 2023

Notes To The Financial Statements (Continued)

15. Third Party Deposits and Advances

Description	2022- 2023		2021- 2022	
	Kshs		Kshs	
Deposits	-		-	
Retentions	14,732,439		36,621,796	
Total	14,732,439		36,621,796	
Ageing analysis (third party deposits and advances)	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (tie to above total)	-		-	

16. Fund Balance Brought Forward

Description	2022- 2023		2021- 2022	
	Kshs		Kshs	
Bank Accounts	14,732,439		36,621,796	
Cash In Hand			-	
Imprests and advances	10,835,245		9,023,500	
Third party deposits and retentions	(14,732,439)		(36,619,456)	
Total	10,835,245		9,025,838	

TURKANA COUNTY ASSEMBLY
Annual Report and Financial Statements for the year ended 30th June 2023

17. Prior Year Adjustments

	Balance b/f from FY 2021/2022 as per audited financial statements	Adjustments during the year relating to prior periods	Adjusted ** Balance b/f FY 2022/2023
Description Of The Error	Kshs	Kshs	Kshs
Bank Account Balances	-	-	-
Cash In Hand	-	-	-
Imprests and advances	-	-	-
Third party deposits and retention	-	-	-
Others (<i>Specify</i>)	-	-	-
	-	-	-

18. Changes In Imprests and Advances

Description	2022- 2023	2021- 2022
	Kshs	Kshs
Opening Imprests and Advances As At 1 st July 2022	9,023,500	6,750,500
Closing Imprests and Advances As At 30 th June 2023	10,835,245	9,023,500
Change In Imprests and Advances	(1,811,745)	(2,273,000)

19. Changes In Third Party Deposits and Retentions

Description	2022- 2023	2021- 2022
	Kshs	Kshs
Opening Third Party Deposits and Retention As At 1 st July 2022	(14,732,439)	(32,822,694)
Closing Third Party Deposits and Retention As At 30 th June 2023	(36,619,456)	(36,621,796)
Change In Third Party Deposits and Retention	(21,887,017)	3,796,762

TURKANA COUNTY ASSEMBLY
Annual Report and Financial Statements For the year ended 30th June 2023

Notes To The Financial Statements (Continued)

Other Disclosures

1. Pending Accounts Payable (See Annex 1)

Description	Balance b/f	Additions for the year	Paid during the year	Balance c/f
	2021/2022 FY			2022/2023 FY
	Kshs	Kshs	Kshs	Kshs
Construction Of Buildings	266,572	80,000,000	(64,978,335)	15,021,665
Construction Of Civil Works	-	-	(-)	-
Supply Of Goods	25,772,561	88,000,000	(7,957,600)	80,042,400
Supply Of Services	-	-	(-)	-
Total	26,039,133	168,000,000	(72,935,935)	95,064,065

2. Pending Staff Payables (See Annex 2)

Description	Balance b/f	Additions for the year	Paid during the year	Balance c/f
	2021/2022 FY			2022/2023
	Kshs	Kshs	Kshs	Kshs
Senior Management	-	-	-	-
Middle Management	-	-	-	-
Unionisable Employees	-	-	-	-
Others	-	-	-	-
Total	-	-	-	-

TURKANA COUNTY ASSEMBLY
Annual Report and Financial Statements for the year ended 30th June 2023

Notes To The Financial Statements (Continued)

3. Other Pending Payables (See Annex 3)

Description	Balance b/f	Additions for the year	Paid during the year	Balance c/f
	2021/2022 FY			2022/2023
	Kshs	Kshs	Kshs	Kshs
Amounts due to National Government entities	-	-	-	-
Amounts due to County Government entities	-	-	-	-
Amounts due to third parties	-	-	-	-
Total	-	-	-	-

4. External Assistance

Description	2022- 2023	2021- 2022
	Kshs	Kshs
External assistance received in cash	-	-
External assistance received as loans and grants	-	-
External assistance received in kind- as payment by third parties	-	-
Total	-	-

(Total here to tie to line 2 of note 4)

a) External assistance relating loans and grants

Description	2022- 2023	2021- 2022
	Kshs	Kshs
External assistance received as loans	-	-

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External assistance received as grants	-	-
Total	-	-

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Notes To The Financial Statements (Continued)

b) Undrawn external assistance

Description	Purpose for which the undrawn external assistance may be used	2022- 2023		2021- 2022	
		Kshs		Kshs	
Undrawn External Assistance - Loans		-	-	-	-
Undrawn External Assistance - Grants		-	-	-	-
Total		-	-	-	-

(This is a disclosure of the assistance not yet received as per donor agreements)

c) Classes of providers of external assistance

Description	2022- 2023		2021- 2022	
	Kshs		Kshs	
Multilateral Donors	-	-	-	-
Bilateral Donors	-	-	-	-
International Assistance Organization	-	-	-	-
NGOs	-	-	-	-
National Assistance Organization	-	-	-	-
Total	-	-	-	-

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Notes To The Financial Statements (Continued)

d. Non-Monetary External Assistance

Description	2022-2023 Kshs	2021-2022 Kshs
Goods	-	-
Services	-	-
Total	-	-

e. Purpose and use of external assistance.

Payments Made By Third Parties	2022-2023 Kshs	2021-2022 Kshs
Description		
Compensation Of Employees	-	-
Use Of Goods and Services	-	-
Subsidies	-	-
Transfers To Other Government Units	-	-
Other Grants and Transfers	-	-
Social Security Benefits	-	-
Acquisition Of Assets	-	-
Finance Costs, Including Loan Interest	-	-
Repayment Of Principal On Domestic & Foreign Borrowing	-	-
Other Payments	-	-
Total	-	-

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Notes To The Financial Statements (Continued)
f. External Assistance paid by Third Parties on behalf of the Entity by Source

Description	2022- 2023 Kshs	2021- 2022 Kshs
National Government	-	-
Multilateral Donors	-	-
Bilateral Donors	-	-
International Assistance Organization	-	-
NGOs	-	-
National Assistance Organization	-	-
Total	-	-

5. PAYMENTS BY THIRD PARTY ON BEHALF OF THE COUNTY ASSEMBLY

5.1 Classification by Source

Description	2022- 2023 Kshs	2021- 2022 Kshs
National government	-	-
Multilateral donors	-	-
Bilateral donors	-	-
NGOs	-	-
National Assistance Organization	-	-
Total	-	-

TURKANA COUNTY ASSEMBLY
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Notes To The Financial Statements (Continued)

5.2 Classification of payments made by Third Parties by Nature of expenses.

Payments made by third parties	2022-2023	2021-2022
Description	Kshs	Kshs
Compensation of employees	-	-
Use of goods and services	-	-
Subsidies	-	-
Transfers to other government units	-	-
Other grants and transfers	-	-
Social security benefits	-	-
Acquisition of assets	-	-
Finance costs, including loan interest	-	-
Other payments	-	-
Total	-	-

N/B The above subclassification will be adopted based on the appropriate county's operations.

6. 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:

- i) Members of County Assembly.
- ii) Key management personnel that include the Clerk of the Assembly and heads of departments.
- iii) The County Executive.
- iv) County Ministries and Departments.

TURKANA COUNTY ASSEMBLY

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- v) Other County Government entities including corporations, funds and boards.
- vi) The National Government.
- vii) Other County Governments; and
- viii) State Corporations and Semi-Autonomous Government Agencies.

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Related party transactions:

	2022-2023	2021-2022
	Kshs	Kshs
Compensation to Key Management		
Compensation to the Speaker, Deputy Speaker and the MCAs	120,450,060	115,597,045
Key Management Compensation (Clerk and Heads of departments)	78,600,800	90,150,210
Total Compensation to Key Management	199,050,860	205,747,255
<u>Transfers to related parties</u>		
Transfers to other County Government Entities such as car and mortgage schemes	98,000,000	-
Transfers to other entities under the Assembly	-	-
Total Transfers to related parties	-	-
<u>Transfers from related parties</u>		
Transfers from the CRF	1,006,962,730	992,067,651
Payments made on behalf of the County Assembly by other Government Agencies	-	-
(Insert any other transfers received)	12,878,800	60,478,780
Total Transfers from related parties	1,019,841,530	1,052,546,431

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Annual Report and Financial Statements for the year ended 30th June 2023

7. Contingent Liabilities

Contingent liabilities	2022-2023	2021-2022
	Kshs	Kshs
Court case against the entity	-	-
Bank guarantees in favour of subsidiary	-	-
contingent liabilities arising from PPPs	-	-
Total	-	-

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16. Progress On Follow On Prior Year Auditor's Recommendations

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

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)
OAG/NRRO/TCA/2021/3	Pending Bills	The office of Auditor General had conducted two special audits on pending bills where the pending bills were classified as eligible and ineligible. The eligible pending bills have been processed for payment while the assembly will form a pending bills committee to verify the ineligible bills.	Resolved	30 th June 2023
OAG/NRRO/TCA/2021/3	Lack of Authorized Staff Establishment	The Turkana County Assembly Service Board had approved the staff establishment.	Resolved	30 th June 2023

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
OAG/RRRO/TCA/2021/3	Failure to Account for Income Tax Deductions	The County Assembly of Turkana does has NIL balance pending with Kenya Revenue Authority (KRA) since we have paid all taxes. In any case, outstanding PAYE amounts are deducted at the source (Central Bank of Kenya County Revenue Fund account. We therefore treat the difference of Kshs., 200,467 has a miscalculation. Kindly review.	Resolved	30 th June 2023
OAG/RRRO/TCA/2021/3	Non-implementation of e-Procurement	Except for the cash procurement mentioned above, the e-procurement has been fully implemented.	Resolved	30 th June 2023
OAG/RRRO/TCA/2021/3	Lack of Land Ownership Documents	The documents are available for audit verification	Resolved	30 th December 2022

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OAG/NIRRO/TCN/2021/3	Stalled and Unused Motor Vehicles	At the time of the visit, the vehicles are waiting for insurance to be affixed. The vehicles are now up and running	Resolved	30 th June 2023
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HINDS LAKAYDA NAIINYAN

Clerk of the County Assembly **CLERK**

Date *06/12/2023*

COUNTY ASSEMBLY OF TURKANA
P. O. Box 26 - 30800, LAIPWARI

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Annexes

Annex 1 – Analysis Of Pending Accounts Payable

Supplier of Goods or Services	Date invoiced/ contracted	Particulars	Original Amount	Balance at the beginning of the year	Addi tion Duri ng the year	Amount paid During the year	Outstandi ng Balance
			A	B	c	d=a+b-c	
Construction Of Buildings							
1. Non-Residential Buildings (offices, schools, hospitals, etc..)			20,000,000			16,484,705	
2. Refurbishment of Non- Residential Buildings			30,000,000			24,220,682	
3. Other Infrastructure and Civil Works			15,000,000			14,980,500	
Sub-Total			65,000,000			55,685,884	
Construction Of Civil Works							
4. Other Infrastructure and Civil Works	15,000,000		15,000,000			9,292,449	
Sub-Total			15,000,000			9,292,449	
Supply Of Goods							
5. Purchase of Software			8,000,000			7,957,600	
Purchase of Office Furniture and Fittings			35,000,000				
Purch. of Office Furn. & Gen. - Other (Budget)			10,000,000				
Domestic Payables - from Previous							

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Supplier of Goods or Services	Date invoiced/ contracted	Particulars	Original Amount	Balance at the beginning of the year	Addi tion Duri ng the year	Amount paid During the year	Outstandi ng Balance
Financial Years			-				
Purchase of Police and Security Equipment			15,000,000				
Purchase of ICT Networking and Communication Equipment			20,000,000				
Sub-Total			88,000,000			0	
Supply Of Services							
6.							
Sub-Total			0				
Grand Total			168,000,000			72,935,935	95,064,065

Note: Pending bills comprise goods and services rendered and invoiced but not yet settled as at the end of the year.

Annex 2 – Analysis Of Pending Staff Payables

Name of Staff	Job Group	Date Contracted	Original Amount	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Comparative FY	Comments
Senior Management			A	b	c=a-b		
1.							

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Name of Staff	Job Group	Date Contracted	Original Amount	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Comparative FY	Comments
Sub-Total							
Middle Management							
2.							
Sub-Total							
Unionisable Employees							
3.							
Sub-Total							
Others (<i>specify</i>)							
4.							
Sub-Total							
Grand Total							

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Annex 3 – Analysis Of Other Pending Payables

Name	Brief Transaction Description	Date Contracted	Original Amount	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Comparative FY	Comments
			a	B	c=a-b		
Amounts Due To National Govt Entities							
1.							
Sub-Total							
Amounts Due To County Govt Entities							
2.							
Sub-Total							
Amounts Due To Third Parties							
3.							
Sub-Total							
Others							
4.							
5.							
6.							
Sub-Total							
Grand Total							

TURKANA COUNTY ASSEMBLY
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Annex 4 – Summary Of Non-Current Asset Register

Asset class	Historical Cost b/f (Kshs) Previous Year	Additions during the year (Kshs)	Disposals during the year (Kshs)	Transfers in/(out) during the year (Kshs)	Historical Cost c/f (Kshs) 2023
Land	28,000,000				28,000,000
Buildings and structures	776,138,624	64,978,335	-	-	841,116,959
Transport equipment	76,689,551				76,689,551
Office equipment, furniture and fittings	4,170,000				4,170,000
ICT equipment	30,930,072	7,957,600			38,887,672
Machinery and equipment					
Biological assets					
Infrastructure assets					
Heritage and cultural assets					
Intangible assets	8,174,498				8,174,498
Work in progress	601,914,831				601,914,831
Total	1,526,017,594	72,935,935			1,598,953,511

TURKANA COUNTY ASSEMBLY
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Annex 5 – Analysis Of Accounts Receivables
(a) Government Imprest

Name Of Officer Or Institution	Date Imprest Taken	Amount Taken KShs	Amount Surrendered KShs	Balance KShs
James Ikimat	8/15/2022	50,000	-	50,000
James Ikimat	8/15/2022	14,400	-	14,400
James Ikimat	8/15/2022	90,000	-	90,000
James Ikimat	8/15/2022	50,000	-	50,000
Roseline Aite	8/15/2022	337,000	-	337,000
George Robaro	8/15/2022	50,000	-	50,000
James Sirite	8/15/2022	577,000	-	577,000
James Sirite	8/15/2022	112,000	-	112,000
Wilson Ikimar	8/15/2022	80,000	-	80,000
Pius Eiton	8/15/2022	118,000	-	118,000
James Lokwang	9/29/2022	87,675	-	87,675
Daniel Etapar	10/3/2022	29,700	-	29,700
George Lotesiro	10/11/2022	285,000	-	285,000
James Ikimat	11/4/2022	577,000	-	577,000
David Esinyen	11/9/2022	40,000	-	40,000
George Lotesiro	11/12/2022	178,500	-	178,500
Titus Narubu	11/15/2022	126,000	-	126,000

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David Esinyen	11/16/2022	200,000	-	200,000
Bonface Ekutan	11/19/2022	305,000	-	305,000
George Lotesiro	11/22/2022	350,000	-	350,000
John Nakuleu	11/28/2022	81,000	-	81,000
Veronica Lokwei	11/28/2022	472,450	-	472,450
James Ikimat	11/30/2022	250,000	-	250,000
James Ikimat	11/30/2022	339,500	-	339,500
James Sirite	11/30/2022	49,000	-	49,000
Wilson Ikimar	11/30/2022	35,000	-	35,000
Bonface Ekutan	11/30/2022	39,500	-	39,500
George Robaro	12/2/2022	45,900	-	45,900
Wilson Ikimar	12/2/2022	120,000	-	120,000
John Komol	12/6/2022	200,000	-	200,000
Charles Ekori	12/20/2022	88,500	-	88,500
Jane Nyang'a	12/20/2022	651,000	-	651,000
John Ichor	12/20/2022	664,900	-	664,900
Nelson Ngwawe	12/20/2022	601,920	-	601,920
Catherine Asimit	12/30/2022	616,000	-	616,000
George Lotesiro	1/5/2023	445,000	-	445,000
Francina Lochoch	1/18/2023	21,000	-	21,000
Chame Godfrey	3/3/2023	34,300	-	34,300
Josephat Nangole	3/6/2023	50,000	-	50,000

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Kevina Logilae	3/7/2023	648,000	-	648,000
Onesmus Lobuno	3/10/2023	326,200	-	326,200
James Lokwang	3/16/2023	30,000	-	30,000
George Lotesiro	3/29/2023	530,000	-	530,000
Ngala Ekal	4/26/2023	550,000	-	550,000
Scolastica Auren	5/4/2023	288,800	-	288,800
Totals		10,835,245		10,835,245

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(b) Salary Advance

<i>Name of Officer</i>	<i>Date Advanced</i>	<i>Amount Advanced</i> Kshs	<i>Amount Recovered</i> Kshs	<i>Balance</i> Kshs
<i>Name Of Officer</i>	-	-	-	-
<i>Name Of Officer</i>	-	-	-	-
<i>Name Of Officer</i>	-	-	-	-
<i>Name Of Officer</i>	-	-	-	-
Total	-	-	-	-

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Annex: 6 Reporting of Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities	Project				Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		

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Annex 7 Reporting on Disaster Expenditure

Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments

TURKANA COUNTY ASSEMBLY

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Annex 8: Contingent Liabilities Register

	Nature of contingent liability	Payable to	Currency	Estimated Amount Kshs	Expected date of payment	Remarks
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						
11.						
12.						