

REPUBLIC OF KENYA



Enhancing Accountability

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REPORT

PARLIAMENT
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THE AUDITOR-GENERAL

ON

**COUNTY ASSEMBLY OF
TURKANA**

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





TURKANA COUNTY ASSEMBLY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2022

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

TURKANA COUNTY ASSEMBLY
Annual Report and Financial Statements For the year ended 30th June 2022

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1. 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

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

No.	Designation	Name
1.	Speaker of the County Assembly	Rt.Hon.Erastus Ekitela Lokaale
2.	Clerk of the County Assembly	Mr.Linus Lokawa Miinyan
3.	Deputy Clerk County Assembly	Mr. John Komol Ekonit
4.	Director Finance and shared services	CPA Columbus Lokwei Epetet
5	Director Legislative services	Mr. Patrick Tioko Engori
6	Director ICT/Hansard,Library and PR/Media	Mr.Pius Kayu Eiton
7	County Assembly Service Board Member	Mr.Patrick Imana Esukuku
8	County Assembly Service Board Member	Mr.Stephen Edukon
9	County Assembly Service Board Member	Fr. Rev Linus Ekai
10	County Assembly Service Board Member	Ms.Jane Nashida

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(c) Fiduciary Management

The key management personnel who held office during the year ended 30 June 2022 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 shared services	-CPA Columbus Lokwei Epetet
4.	Deputy Director Finance and shared services	-Mr.Timothy Ekidor Ekal

Key Entity Information and Management (Continued)

(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)

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

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(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

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

Kenya Commercial Bank
P O Box 150, 30500
Lodwar, Kenya

Co-operative Bank 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

(i) Principal Legal Adviser

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

2. Foreword By the Clerk Of The Assembly

2.1 Budget performance

In the financial year 2021/2022, The County Assembly of Turkana approved a budget of Kshs. 976,950,164 against the actual performance of 992,067,651 utilization rate of 101.5 %. In addition, the County Assembly approved one supplementary budget. All this in response to the payment of pending bills, administrative and development issues.

2.2 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 four laws and seven regulations. The County Assembly passed the Turkana County Supplementary Appropriations Bill 2022, Turkana County Frontier Counties Development Fund Bill 2022, Turkana County Peace Building and conflict Management Bill 2022 and Turkana County Appropriation Bill 2022. The following policies and regulations were also passed during the financial year 2020/2021. The County Fiscal strategy paper 2021, Turkana County Climate Change policy 2021, PFM(Turkana County Climate Change fund) Regulations 2021, Annual Development Plan 2022-2023, county fiscal strategy paper 2022, Turkana County Peace Building and Conflict Management Policy, and PFM(Turkana County water services fund regulations 2022.

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2.3 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.

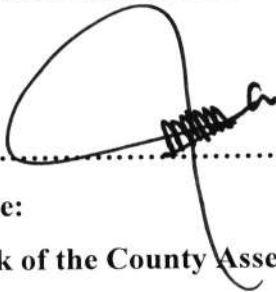
2.4 Comment on value-for-money achievements

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.

2.5 Challenges and Recommended Way Forward

In the year under review, the county assembly faced some challenges which included: inability of the members to concentrate on legislative work due to disruptive nature of preparation of the general election, the assembly also felt financially constrained because of the need to pay the members their arrears necessitated by the court order reinstating the use of SRC 2013 circular on remuneration of members and the challenges of following COVID 19 protocols on the assembly work.

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 Bunge la mashinani programme and work with other stakeholders to create awareness and involvement of citizens in institutions activities.



.....
Name:

Clerk of the County Assembly

3. Statement of Performance Against County Assembly Predetermined Objectives

Guidance

Introduction

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

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 2021/2022

Program 1	Objective	Outcome	Indicator	Performance
<i>Legislation, oversight and representation</i>	<i>Enhanced professional development of MCAs – Provide ongoing professional development of MCAs</i>	<i>Increased ability of MCA in legislation</i>	<i>No of bills passed in the County Assembly CAT Passed 4 Laws and 7 policy’s and regulations during the year in Review</i>	<i>In FY 21/22 MCA’s were trained on DIALS (Declaration of Income Assets and Liabilities) by EACC. Clerk Assistants were trained on parliamentary procedures. Women Caucus trained on women Empowerment, Human rights & Developing motion & statements</i>
	<i>Enhanced professional development of MCAs – Review standing orders</i>	<i>Review standing orders</i>	<i>% increase in efficient Assembly</i>	<i>County Assembly of Turkana standing orders</i>

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			<i>operation</i>	<i>were reviewed and resulted to Members being conversant with the critical operating procedures of the County Assembly. The committees of the County Assembly were also reshuffled to improve efficiency</i>
Program 2	Objective	Outcome	Indicator	Performance
<i>General Administration, Planning and Support Services</i>	<i>To Create Enabling Environment and Enhance Institutional Efficiency</i>	<i>Timely Legislation of Laws</i> <i>Competent Personnel in handling Legislative Services</i>	<i>%Technical support to Legislation services</i>	<i>Establishment and operationalization of various County Assembly technical offices.</i> <i>Establishment of Assembly website, Email portal and intercom land line phones and internet services.</i> <i>Staff Trained on Legislative Skills and knowledge on Financial management</i>

4. 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.

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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 in various institutions.

5.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, 2022. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the County 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, 2022, 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.

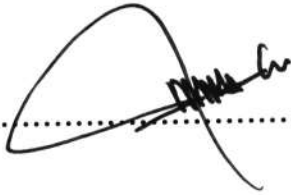
The Clerk confirms that the County Assembly has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the County Assembly's funds received during the quarter under audit were used for the eligible purposes for which they were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

TURKANA COUNTY ASSEMBLY
Annual Report and Financial Statements For the year ended 30th June 2022

County Assembly's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The County Government's financial statements were approved and signed by the Clerk of the County Assembly on _____ 2022.



.....
Name:

Clerk of the County Assembly

REPUBLIC OF KENYA

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON COUNTY ASSEMBLY OF TURKANA FOR THE YEAR ENDED 30 JUNE, 2022

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of County Assembly of Turkana set out on pages 1 to 50, which comprise the statement of assets and liabilities as at 30 June, 2022, and the statement of receipts and payments and statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects 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, 2022, and 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 and County Governments Act, 2012.

Basis for Qualified Opinion

1. Inaccuracies in the Annual Reports and Financial Statements

1.1 Cash and Cash Equivalents

The statement of financial assets and liabilities reflects cash and cash equivalents balance of Kshs.36,621,796 as at 30 June 2022 as supported by the statement of cashflows for the period. However, comparative balances for the statement of cashflows are not correct as they indicate cash and cash equivalents at the end of the previous year of Kshs.6,751,327 instead of the reported balance of Kshs.32,823,521 resulting into an unexplained variance of Kshs.26,072,194.

In addition, comparison of previous year audited financial statements and cashbook opening balances revealed unexplained cumulative misstatement of Kshs.464,747 as shown below;

Account Name	Comparative Figure as Per Certified Financial Statements (Kshs)	Opening Balance as Per Cashbook (Kshs)	Variance (Kshs)
Development	-	3,515	(3,515)
Recurrent	577	-	577
Deposit	32,822,694	33,284,501-	(461,808)
	32,823,271	3,515	(464,746)

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.36,621,796 as at 30 June, 2022 could not be confirmed.

1.2 Summary of Non-Current Assets Register

The summary of non-current assets register at Annex 4 to the financial statements reflects a balance of Kshs.1,526,017,594 which however does not include an unknown value of land and buildings inherited by the Assembly from the defunct Municipal Council. In addition, the Assembly has not maintained a fixed assets' register showing breakdown of the assets, location, status, cost and other details of the assets owned.

In the circumstances, the propriety, accuracy and completeness of the non-current assets of Kshs.1,526,017,594 shown in the summary of non-current assets register as at 30 June, 2022 could not be confirmed.

2. Payments Outside IFMIS

Scrutiny of expenditure schedules revealed payments amounting to Kshs.77,719,921 out of the total expenditure of Kshs.258,684,301 which were not processed through the IFMIS system as summarized in the table below.

Description	IFMIS (Kshs.)	Outside IFMIS (Kshs.)	Total (Kshs.)
Utility supplies and services	2,005,664	241,471	2,247,135
Domestic travel and subsistence	108,490,256	58,598,840	167,089,096
Communication supplies and services	2,696,000	1,153,100	3,849,100
Printing and Advertisement supplies and services	2,945,395	676,250	3,621,645
Hospitality supplies and services	8,992,225	8,092,100	17,084,325
Fuel,oil and lubricants	911,040	1,540,810	2,451,850
Office and General expenses	10,703,430	2,812,350	13,515,780
Maintenance of Motor Vehicle	746,850	1,763,600	2,510,450
Other operating expenses	8,612,840	2,841,400	11,454,240
Insurance	34,118,980	-	34,118,980
Gratuity	621,700	-	621,700
Rental of produced assets	120,000		120,000
	180,964,380	77,719,921	258,684,301

In the circumstances, the propriety, accuracy and completeness of the expenditure of Kshs.77,719,921 not recorded in the basic accounting system and record of the Assembly for the year ended 30 June, 2022 could not be confirmed.

3. Un-Supported Domestic Travel and Subsistence Expenditure

Included in the use of goods and services balance of Kshs.278,264,998 is domestic travel and subsistence expenses of Kshs.182,929,743 as disclosed in Note 5 to the financial statements. A review of payment vouchers provided for audit revealed that a total of Kshs.13,905,300 was paid to various County Assembly staff and members as imprests and allowances. However, the payments were not supported by work tickets, records of work done, attendance registers, or committee approvals for the expenditures incurred.

In the circumstances, the propriety, accuracy and validity of the expenditure of Kshs.13,905,300 could not be confirmed.

4. General Office Supplies Expenditure

The Statement of receipts and payments reflects use of goods and services balance of Kshs.278,264,998 which includes office and general supplies and services expenditure of Kshs.13,515,780 as disclosed under note 5 to the financial statements. However, payments amounting to Kshs.1,227,650 were not supported by the relevant supporting documents such as approved requisitions, Local Purchase Orders, request for quotations, evaluation minutes, delivery notes, professional opinion and inspection and acceptance reports.

In the circumstances, propriety, accuracy and completeness of expenditure on office and general supplies and services of Kshs.1,227,650 could not be confirmed.

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

Key Audit Matters

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

Other Matters

1. Budgetary Control and Performance

The statement of comparison of budget and actual amounts: recurrent and development combined reflects final expenditure budget and actual on comparable basis of Kshs.253,128,979 and Kshs.278,264,998 respectively for use of goods and

services resulting in an over-expenditure of Kshs.25,136,019 or 10%. No reason or explanation has been provided for the over-expenditure.

The budget overutilization is an indication of failure by the Assembly to implement its planned programmes efficiently.

2. Pending Bills

The financial statements reflect under Annex 1 pending accounts payables amount of Kshs.25,772,561 as at 30 June, 2022. However, review of the supporting documents revealed that payments for goods and services delivered and works done amounting to Kshs.11,595,151 have been accumulated since 2016 while pending bills amounting to Kshs.14,177,410 lacked evidence or information about the date the suppliers/contractors were contracted or aging analysis. No explanation was provided by management for the delayed payment of suppliers.

In the circumstances, the Assembly acted in breach of the Treasury Circular No 10/2020 of 16 June, 2020 Ref DGIPE/A/80 which required all accounting officers to ensure that pending bills are treated as first charge on their 2020/2021 financial year approved budget and to separate disputed pending bills from eligible pending bills and prepare a plan for resolving them.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Unauthorized Internal Borrowings from the Funds

As previously reported the financial statements and available records indicate that the Assembly borrowed a total of Kshs.60,478,780 and Kshs.73,594,986 for 2020-2021 and 2021-2022 financial years respectively from The Members and Staff Car Loan and Mortgage Funds. The total amount of Kshs.134,073,766 for the two financial years has not been refunded contrary to Section 142(1) and (3) of the Public Finance Management Act, 2012 which provides that County Assembly may authorize short term borrowing by county government entities for cash management purposes only and a county government entity that has any such borrowing shall ensure that the money borrowed is repaid within a year from the date on which it was borrowed. No explanation has been given on why the inter entity borrowing was not cleared within the financial years. Further, the board minutes and County

Report of the Auditor-General on County Assembly of Turkana for the year ended 30 June, 2022

Assembly notification approving the borrowings have not been availed for audit review.

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

2. Compensation of Employees

2.1 Lack of Authorized Staff Establishment

The Assembly does not have an approved staff establishment to form the basis under which vacancies were declared and filled 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.

In the circumstances, the Assembly was in violation of the County Public Service Human Resource Manual, 2013.

2.2 Staff Recruited and Promoted Without Proper Procedures

The Assembly recruited thirteen (13) staff and promoted seventeen (17) staff during year 2021/2022 without following due process. There was no evidence of advertisement for seven (7) of the staff recruited while there were no recommendations from the respective supervisors to County Assembly Service Board as well as appointment letters for six (6) staff promoted.

In addition, recruitment files containing; advertisements for the jobs, list of applicants, shortlisting panel, shortlisting list, interview selection panel, interview list with dates and location of interview, individual score sheets and combined evaluators score sheets were not provided to support the recruitment process. Further, verification of personal files revealed instances where there were no curriculum vitae, application letters, relevant certificates and testimonials and non-conformity to advertisement criteria.

In the circumstances, it was not possible to ascertain the propriety and validity of the recruitment of the seven (7) staff and six (6) promoted.

2.3 Failure to Account for Income Tax Deductions

The Assembly deducted a total of Kshs.132,109,705 from staff salaries as Pay as You Earn (PAYE) out of which Kshs.131,909,239 was remitted to Kenya Revenue Authority resulting to an unexplained balance of Kshs.200,467 not accounted for as required by Section 37(1) of the Income Tax Act, which stipulates that, an employer paying emolument to an employee shall deduct therefrom, and account for tax thereon, to such extent and in such manner as may be prescribed.

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

2.4 Members of County Assembly (MCAs) Sitting Allowance

The statement of receipts and payments reflects compensation of employees' balance of Kshs.619,723,205 as analyzed in Note 4 to the financial statements to include other personnel payments of Kshs.149,401,706. However, the other personnel payments include MCA sitting allowances of Kshs.28,127,200 for which audit review of the biometric system which uses Member's finger prints to monitor attendance of plenary meetings by clocking in and out of the Assembly chambers revealed that MCAs were paid sitting allowances for meetings where they just checked in and checked out immediately without attending or participating.

In this circumstance, the validity of the Members of County Assembly sitting allowance expenditure could not be ascertained.

3 Use of Goods and Services

3.1 Payment of Legal Fees

The County Assembly incurred Kshs.2,000,000 as legal dues/fees, arbitration and compensation payments. No explanation has been given for not seeking guidance from the County Attorney who is their principal legal advisor in breach of Section 7 of the Turkana County Office of the County Attorney Act, 2018 which provides that the county attorney shall advise and represent the county government in court or any other legal proceedings. Further, the Assembly has a legal department that would have played the same role. Also, the basis upon which legal fee was arrived at was not explained.

In this circumstance, the propriety of the expenditure could not be confirmed and the Assembly is in breach of the law.

3.2 Irregular Payment of Subscription Fees

As disclosed in Note 5, expenditure on use of goods and services included other operating expenses of Kshs.11,454,240 out of which Kshs.1,500,000 was paid to Society of Clerks and County Assemblies Forum. However, the basis of the payments was not stated and supported by the enabling legislation that created the Society of Clerks and County Assemblies Forum for them to receive public funds. This contravenes Section 149 (1)(a) of the Public Finance Management Act, 2012.

In this circumstance, the Assembly is in breach of law.

3.3 Irregular Cash Procurement of Hospitality Supplies and Services

The County Assembly incurred expenditure on hospitality supplies and services as indicated in note 5 of Kshs.17,084,325 which included expenditure amounting to

Report of the Auditor-General on County Assembly of Turkana for the year ended 30 June, 2022

Kshs.2,185,500 relating to payments for conference facilities that were done in cash in excess of the low value cash purchase limit of Kshs.50,000 as prescribed in Section 92(a) of the Public Procurement and Asset Disposal Regulations, 2020 which provides that A procuring entity may use low value procurement method under Section 107(b) of the Act, where the estimated cost of the goods, works or services being procured per item per financial is as per the threshold matrix in the Second Schedule.

In this circumstance, the Assembly is in breach of the law.

4. Accounts Receivables - Outstanding Imprests

The statement of financial assets and liabilities indicates imprests and advances as ta 30 June 2022 of Kshs.9,023,500 as analyzed in Note 14 and Annex 5 to the financial statements. However, no reason has been provided for the failure to surrender the long-outstanding amounts issued between 18 October, 2021 and 10 June, 2022 as required by Regulation 93(5) of the Public Finance Management (County Government) Regulations, 2015.

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

5. Acquisition of Non-Financial Assets

5.1 Stalled and Unused Motor Vehicles

Audit verification revealed that eight (8) vehicles belonging to County Assembly of Turkana were either stalled or remained parked and wasting in the County Assembly premises or in garages in Eldoret. No reports were provided of the status of the vehicles contrary to Section 149 (2)(m) of the Public Finance Management Act, 2012.

In the circumstances, it was not possible to ascertain that the best options had been exercised in the management of the stalled or parked vehicles and that value for money was derived from the cost of the vehicles.

5.2 Refurbishment of County Assembly of Turkana - Former Survey Offices

The County Assembly awarded a contract for refurbishment of former survey offices in Turkana at a cost of Kshs.65,000,020 through a contract agreement dated 27 May, 2016. The date of commencement of the works was on 27 June, 2016, the expected date of completion was 27 June, 2019 and the expiry of the contract was 26 June, 2020 after payment of the retention fee. However, the tender documents of the bidders, progress reports and interim payment certificates for the project were not provided for audit verification. It was therefore impossible to determine the percentage of completion and the projected completion dates for the project.

Further, physical verification in August, 2022 revealed that refurbishment of the County Assembly of Turkana - Former Survey Offices was not complete despite the contract period having lapsed more than 26 months after the expiry date.

In the circumstances, value for money has not be realized from the expenditure on the project so far.

6. Non-implementation of e-Procurement

The County Assembly of Turkana did not use e-procurement as stipulated in Regulation 49(2) of the Public Procurement and Assets Disposal Act Regulations, 2020 that the conduct of e-procurement procedures for the supply of goods, works and services shall be carried out by a procuring entity using an e-procurement system which is integrated to the state portal; and Part IV of the Executive Order no 2/2018 which required that by 01 January, 2019 all public procuring entities to undertake all their procurement through the e-procurement module in IFMIS.

In the circumstances, the County Assembly was in contravention of the law and administrative orders.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Information Technology

A review of the information technology internal controls revealed that an IT continuity and disaster recovery plan was not in place to ensure that the assembly recovers its functionality in case of an unplanned incident or disaster.

Further, even though appointment of members to the IT steering committee was done on 8 July, 2021, no meeting was held by the members during the year, an indication that the committee was not active.

In the circumstances, there is no assurance over IT risk management.

2. Management of Cash and Cash Equivalents

Review of the controls over cash and cash equivalents revealed the internal control weaknesses over cash books and bank reconciliations; The cashbooks are not signed by the preparer to show ownership of the document and the officer who prepares the cash book is the same officer who prepares the monthly bank reconciliation statements and which are not signed by both the preparer and the approver as evidence of being prepared and checked by responsible personnel. Further, transactions in the cashbooks were similar with those in the bank statements including the dates, evidence that the cashbook was prepared using the bank statement contrary to the best practice that stipulates that the cashbook should be an original book of entry and prepared using the receipt and payment vouchers.

In addition, spoilt cheques were not marked and fixed securely to the cheque counterfoil or register contrary to Section 85 (5) of the Public Finance Management (County Government) Regulations, 2015 which provides that Spoilt cheques shall be marked prominently with the stamp "cancelled", and fixed securely to the cheque-list used for controlling the cheques issued each day.

From the foregoing, the Assembly does not observe proper controls over cash and cash equivalents.

3. Lack of Land Ownership Documents

County Assembly of Turkana has in their possession three pieces of land hosting County Assembly headquarters, Modern Assembly Building and the Speakers' Residence. However, the County Assembly of Turkana does not have the ownership documents such as letter of allotment or title deeds for the parcels of land owned. It was therefore impossible to ascertain the Land Identification/LR Number/Parcel Numbers, the Location or description of the areas and the sizes of the parcels of land.

Similarly, County Assembly of Turkana did not provide the original motor vehicle log book for vehicle registration number 23CG010A for audit verification.

In the circumstances, there is no assurance that Assembly owns the assets and that they are safeguarded against unwarranted claims.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standard requires that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

Those charged with governance are responsible for overseeing the financial reporting process, reviewing the effectiveness of how the entity 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 County Assembly of Turkana financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from

fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the County Assembly of Turkana 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 of Turkana to cease 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 of Turkana to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

09 March, 2023

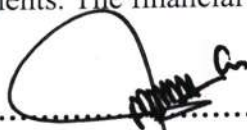
TURKANA COUNTY ASSEMBLY

Annual Report and Financial Statements For the year ended 30th June 2022

7. Statement of Receipts and Payments for The Year Ended 30th June 2022

		2021-2022	2020-2021
	Note	KShs	KShs
Receipts			
Exchequer releases	1	992,067,651	1,145,564,758
Proceeds from sale of assets	2	-	-
Other Receipts	3	60,478,780	73,594,986
Total receipts		1,052,546,431	1,219,159,744
Payments			
Compensation of employees	4	619,723,205	539,417,527
Use of goods and services	5	278,264,998	291,788,193
Subsidies	6	-	-
Transfers to other government entities	7	-	216,857,000
Other grants and transfers	8	-	-
Social security benefits	9	-	-
Acquisition of assets	10	152,279,766	163,919,476
Finance costs	11	3,951	7,175
Other payments	12	-	-
Total payments		1,050,271,920	1,211,989,621
Surplus/deficit		2,274,511	7,170,373

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on _____ 2022 and signed by:



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



.....
Name: CPA Columbus Lokwei Epetet
Director Finance and Shared Services –
County Assembly
ICPAK Member Number: 14749

6. Report of the Auditor General

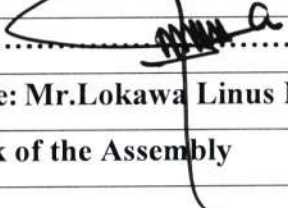

TURKANA COUNTY ASSEMBLY

Annual Report and Financial Statements For the year ended 30th June 2022

8. Statement of Financial Assets and Liabilities as At 30th June 2022

Financial assets	Note	2021-2022	2020-2021
		Kshs	Kshs
Cash and cash equivalents			
Bank balances	13A	36,621,796	32,823,521
Cash balances	13B		-
Total cash and cash equivalents		36,621,796	32,823,521
Imprests and Advances	14	9,023,500	6,750,500
Total financial assets		45,645,296	39,574,021
Financial liabilities			
Third party deposits and retention	15	(36,619,456)	(32,822,694)
Net financial assets		9,025,840	6,751,327
Represented by			
Fund balance b/fwd	16	6,751,327	(419,046)
Prior year adjustment	17	-	-
Surplus/(deficit) for the year		2,274,511	7,170,373
Total Net Financial Assets and Liabilities		9,025,840	6,751,327

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on _____ 2022 and signed by:

.....  
Name: Mr.Lokawa Linus Miinyan	Name: CPA Columbus Lokwei Epetet
Clerk of the Assembly	Chief Finance Officer – County Assembly
	ICPAK Member Number: 14749

TURKANA COUNTY ASSEMBLY
Annual Report and Financial Statements For the year ended 30th June 2022

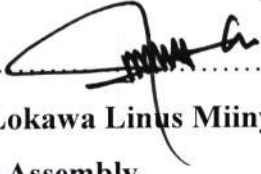
9. Statement Of Cash Flows for The Period Ended 30th June 2022

		2021-2022	2020-2021
	Note	KShs	KShs
Cash flows from operating activities			
Receipts from operating income			
Exchequer releases	1	992,067,651	1,145,564,758
Other receipts	3	60,478,780	73,594,986
Payments for operating expenses			
Compensation of employees	4	(619,723,205)	(539,417,527)
Use of goods and services	5	(278,264,998)	(291,788,193)
Subsidies	6	-	-
Transfers to other government entities	7	-	(216,857,000)
Other grants and transfers	8	-	-
Social security benefits	9	-	-
Finance costs	11	(3,951)	(7,175)
Other payments	12	-	-
Adjusted for:			
Prior year adjustment	17		
Decrease/(increase) in accounts receivable:	18	(2,273,000)	-
Increase/(decrease) in accounts payable:	19	3,796,762	
Net cash flows from operating activities		156,078,039	171,089,849
Cash flow from investing activities			
Proceeds from sale of assets	2	-	-
Acquisition of assets	10	(152,279,766)	(163,919,476)
Net cash flows from investing activities		(152,279,766)	(163,919,476)
Net increase in cash and cash equivalents		3,798,273	7,170,373
Cash & cash equivalent at Start of the year			(419,046)
	13	32,823,521	
Cash & cash equivalent at end of the year	13	36,621,794	6,751,327

TURKANA COUNTY ASSEMBLY

Annual Report and Financial Statements For the year ended 30th June 2022

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on _____ 2022 and signed by:



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



.....
Name: CPA Columbus Lokwei Epetet
Chief Finance Officer – County Assembly
ICPAK Member Number: 14749

TURKANA COUNTY ASSEMBLY
Annual Report and Financial Statements For the year ended 30th June 2022

10. Statement Of Comparison Of Budget & Actual Amounts: Recurrent and Development


Receipt/expense item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% Utilization difference
	Kshs	Kshs	c=a+b	e=d-c	Kshs
Receipts					
Transfers from the County Treasury/Exchequer Releases	976,950,164		976,950,164	992,067,651	102%
Cash and cash Equivalents Brought forward	-	6,751,327	6,751,327	6,751,327	100%
Other Receipts	-	60,478,780	60,478,780	60,478,780	100%
Total	976,950,164	67,230,107	1,044,180,271	1,059,297,758	99%
Payments					
Compensation of employees	629,299,965	-	629,299,965	619,723,205	98%
Use of goods and services	192,650,199	60,478,780	253,128,979	278,264,998	110%
Subsidies	-	-	-	-	-
Transfers to other government entities	-	-	-	-	-
Other grants and transfers	-	-	-	-	-
Social security benefits	-	-	-	-	-
Acquisition of assets	155,000,000	6,751,327	161,751,327	152,279,766	94 %
Finance costs	-	3,951	3,951	3,951	100%
Other payments	-	-	-	-	-
Total	976,950,164	67,230,107	1,044,184,222	1,050,271,920	98%
Surplus/ deficit	-	-	-	9,025,838	-

The entity financial statements were approved on _____ 2022 and signed by:

.....


Name: Mr. Lokawa Linus Miinyan

Clerk of the Assembly

.....


Name: CPA Columbus Lokwei Epetet

Chief Finance Officer – County Assembly

ICPAK Member Number: 14749

TURKANA COUNTY ASSEMBLY
Annual Report and Financial Statements For the year ended 30th June 2022

11. Statement Of Comparison Of Budget & Actual Amounts: Recurrent


Receipt/expense item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% Utilisation difference
	A	B	c=a+b	e=d-c	
Receipts					
Exchequer releases	821,950,164	17,837,723	839,787,887	839,787,887	99%
Cash and cash Equivalents Brought forward	-	6,751,327	6,751,327	6,751,327	100%
Other receipts	-	60,478,780	60,478,780	60,478,780	100%
Total	821,950,164	85,067,830	907,017,994	907,017,994	99 %
Payments					
Compensation of employees	629,299,965	-	629,299,965	619,723,205	98%
Use of goods and services	192,650,199	60,478,780	253,128,979	278,264,998	110%
Subsidies	-	-	-	-	-
Transfers to other government entities	-	-	-	-	-
Other grants and transfers	-	24,589,050	24,589,050	24,589,050	-
Social security benefits	-	-	-	-	-
Acquisition of assets	-	-	-	-	-
Finance costs	-	-	3,951	3,951	100%
Other payments	-	-	-	-	-
Total	821,950,164	85,067,830	907,021,945	922,581,204	98 %
Surplus/ deficit	-	0	(3,951)	(15,563,210)	-

The entity financial statements were approved on _____ 2022 and signed by:

.....


Name: Mr. Lokawa Linus Miinyan

Clerk of the Assembly

.....


Name: CPA Columbus Lokwei Epetet

Chief Finance Office – County Assembly

ICPAK Member Number: 14749

12. Statement Of Comparison of Budget & Actual Amounts: Development

Receipt/expense item	Original Budget Kshs	Adjustments Kshs	Final Budget c=a+b	Actual on Comparable Basis e=d-c	% Utilization difference Kshs
Receipts					
Treasury/ exchequer releases	155,000,000	-	155,000,000	152,279,766	99%
Proceeds from sale of assets	-	-	-	-	-
Other receipts	-	-	-	-	-
Total	155,000,000	-	155,000,000	152,279,766	98%
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	155,000,000	-	155,000,000	152,279,766	98%
Finance costs	-	-	-	-	-
Other payments	-	-	-	-	-
Total	155,000,000	-	155,000,000	152,279,766	98%
Surplus/ deficit	-	-	-	-	-

The entity financial statements were approved on _____ 2022 and signed by:

.....

Name: Mr. Lokawa Linus Miinyan

Clerk of the Assembly

.....

Name: CPA Columbus Lokwei Epetet

Chief Finance Office – County Assembly

ICPAK Member Number: 14749

13. Budget Execution By Programmes And Sub-Programmes

Programme/Sub-Programme	Final Budget	Indicators	Outcomes	Actual on comparable basis	Budget utilization difference
	Kshs	%/ number	%/ number	Kshs	Kshs
PROGRAMME 1: General Administration and Support Services					
SP 1.1 Finance and Shared Services	721,851,629	-	-	721,851,629	100%
SP 1.2 Hansard, Research and Information Services	13,900,531	-	-	13,900,531	100%
SP1.3 County Assembly Service Board	18,800,000	-	-	18,800,000	100%
SP1.4 County Assembly Infrastructure Development	155,000,000	-	-	155,000,000	100%
PROGRAMME 2: Legislative services					
SP 2.1: Legislatives Services	8,060,000	-	-	8,060,000	100%
SP 2.2: Office of the Speaker	18,313,059	-	-	18,313,059	100%
SP 2.3: Assembly stakeholders	1,500,000	-	-	1,500,000	100%
PROGRAMME 3: OVERSIGHT					
SP 3.1 Committee Services	39,024,410	-	-	39,024,410	100%
SP 3.2 Audit and M & E Services	500,000	-	-	500,000	100%
Total	976,950,164	-	-	976,950,164	100%

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 deposits and retentions. The statement of assets and liabilities, although not a requirement of the IPSAS Cash Standard, has been included to disclose information on receivables and payables.

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

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

2. Reporting entity

The financial statements are for the 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 2022

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.

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 is 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 36,621,796 compared to KShs 32,822,694 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 2022

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

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 2022

Significant Accounting Policies (Continued)

14. Budget

The budget is prepared on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The Turkana County Assembly budget was approved as required by Law. The original budget was approved by the County Assembly on 23/06/2022 for the period 1st July 2021 to 30 June 2022 as required by law. There was one number of supplementary budgets passed in the year. The supplementary budgets were approved on 25/01/2022. A high-level assessment of the county assembly actual performance against the comparable budget for the financial year under review has been included in the Statement of Comparison between actual and budgeted amounts included in these financial statements.

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 17 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.

Relates party transaction is a transfer of resources of 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 2022

15. Notes to the Financial Statements

1. Exchequer Releases

	2021-2022	2020-2021
	Kshs	Kshs
Transfers from the county treasury for q1	228,873,766	238,663,933
Transfers from the county treasury for q2	311,422,235	353,557,909
Transfers from the county treasury for q3	210,744,052	360,148,382
Transfers from the county treasury for q4	241,027,598	193,194,534
Cumulative amount	992,067,651	1,145,564,758

2. Proceeds From Sale Of Assets

	2021-2022	2020-2021
	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 2022

Notes to the Financial Statements

3. Other Receipts

	2021-2022	2020-2021
	Kshs	Kshs
Tender Fees Received	-	-
Other Receipts II	-	-
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)	60,478,780.00	73,594,986
Total	60,478,780.00	73,594,986

4. Compensation Of Employees

	2021-2022	2020-2021
	Kshs	Kshs
Basic salaries of permanent employees	108,652,025	110,231,594
Basic wages of temporary employees	67,376,864	56,072,728
Personal allowances paid as part of salary	219,495,839	296,139,393
Personal allowances paid as reimbursements	17,465,462	26,360,807
Personal allowances provided in kind	240,000	245,000
Employer Contribution to compulsory National Social Schemes	19,969,503	10,063,192
Employer Contribution to Compulsory National health Insurance Schemes	311,800	317,400
Pension and other social security contributions	36,810,006	4,997,600
Social benefit schemes outside government		
Other personnel payments	149,401,706	34,989,813
Total	619,723,205	539,417,527

TURKANA COUNTY ASSEMBLY
Annual Report and Financial Statements For the year ended 30th June 2022

Notes To The Financial Statements (Continued)

5. Use Of Goods And Services

	2021 – 2022	2020 - 2021
	Kshs	Kshs
Utilities, supplies and services	2,247,135	2,216,917
Communication, supplies and services	5,839,100	4,996,850
Domestic travel and subsistence	182,929,743	164,951,348
Foreign travel and subsistence		
Printing, advertising and information supplies & services	3,021,645	4,658,761
Rentals of produced assets	180,000	1,330,000
Training expenses		1,740,000
Hospitality supplies and services	17,084,325	16,348,764
Insurance costs	34,118,980	34,984,016
Specialized materials and services		1,192,392
Office and general supplies and services	13,515,780	18,258,238
Fuel, oil and lubricants	2,451,850	7,499,871
Other operating expenses	11,454,240	21,525,541
Routine maintenance – vehicles and other transport equipment	3,295,450	6,649,586
Routine maintenance – other assets	2,126,750	5,435,906
Total	278,264,998	291,788,193

Notes To The Financial Statements (Continued)

6. Subsidies

Description	2021-2022	2020-2021
	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	2021-2022	2020-2021
	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	-	216,857,000
Total	-	216,857,000

TURKANA COUNTY ASSEMBLY
Annual Report and Financial Statements For the year ended 30th June 2022

Notes To The Financial Statements (Continued)

8. Other Grants And Transfers

	2021-2022	2020-2021
	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

	2021 – 2022	2020-2021
	Kshs	Kshs
Government Pension and Retirement Benefits	-	-
Social Security Benefits	-	-
Employer Social Benefits	-	-
Total	-	-

Notes To The Financial Statements (Continued)

10. Acquisition Of Assets

Non- financial assets	2021 - 2022	2020 - 2021
	Kshs	Kshs
Purchase of buildings	-	-
Construction of buildings	152,279,766	158,007,732
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	-	-
Research, studies, project preparation, design & supervision	-	-
Rehabilitation of civil works	-	-
Acquisition of strategic stocks and commodities	-	-
Purchase of ICT Equipment	-	5,911,743
Acquisition of land	-	-
Acquisition of intangible assets	-	-
Total acquisition of non- financial assets	152,279,766	163,919,475
Financial assets		
Domestic public non-financial enterprises	-	-
Domestic public financial institutions	-	-
Total acquisition of financial assets	-	-
Total acquisition of assets	152,279,766	163,919,475

TURKANA COUNTY ASSEMBLY
Annual Report and Financial Statements For the year ended 30th June 2022

Notes To The Financial Statements (Continued)

11. Finance Costs

	2021- 2022	2020 - 2021
	Kshs	Kshs
Bank charges	3,951	7,175
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	3,951	7,175

12. Other Payments

	2021 - 2022	2020 - 2021
	Kshs	Kshs
Budget Reserves	-	-
Civil Contingency Reserves	-	-
Other Payments	-	-
	-	-

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	2021 - 2022	2020 - 2021
			Kshs	Kshs
CBK-Turkana County Assembly, Kshs	1000244248	Recurrent	-	577
CBK-Turkana County Assembly, Kshs	1000244248	Development Acc	-	-
KCB – Lodwar, Kshs	1148594596	Recurrent Acc	2340	250
CBK-Turkana County Assembly	1000439823	Deposits and Retentions	36,619,456	32,822,694
Total			36,621,796	32,823,521

13B. Cash In Hand

	2021 - 2022	2020 - 2021
	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 2022

Notes To The Financial Statements (Continued)

Cash in hand should be analysed as follows:

Description	2021 – 2022	2020 – 2021
	Kshs	Kshs
Location 1	-	-
Location 2	-	-
Location 3	-	-
Total	-	-

14. Imprests and Advances

Description	2021 – 2022	2020 – 2021
	Kshs	Kshs
Government Imprests	9,023,500	6,750,500
Salary Advance	-	-
Clearance accounts	-	-
Total	9,023,500	6,750,500

Breakdown Of Imprest And Salary Advance Per Department	2021 – 2022	2020 – 2021
	Kshs	Kshs
Imprests		
Directorate Legislative services	1,870,000	4,485,000
Directorate of Hansard /ICT/PR Media	2,224,000	2,234,000
Directorate of Finance and shared services	4,929,500	31,500
Sub-Total	9,023,500	6,750,500
Salary Advance	-	-
Department of County Assembly	-	-
Department County Assembly	-	-
Sub-Total	-	-
	9,023,500	6,750,500

TURKANA COUNTY ASSEMBLY
Annual Report and Financial Statements For the year ended 30th June 2022

TURKANA COUNTY ASSEMBLY
Annual Report and Financial Statements For the year ended 30th June 2022

Notes To The Financial Statements (Continued)

15. Third Party Deposits and Advances

Description	2021 – 2022	2020 – 2021
	Kshs	Kshs
Deposits	-	-
Retentions	36,621,796	32,822,694
Total	36,621,796	32,822,694

16. Fund Balance Brought Forward

Description	2021 – 2022	2020 – 2021
	Kshs	Kshs
Bank Accounts	36,621,796	32,823,521
Cash In Hand	-	-
Accounts Receivables	9,023,500	6,750,500
Accounts Payables	(36,619,456)	(32,822,694)
Total	9,025,838	6,751,327

17. Prior Year Adjustments

Description Of The Error	Balance b/f FY 2020-2021 as per audited financial statements	Adjustments during the year relating to prior periods	Adjusted ** Balance b/f FY 2020-2021
	Kshs	Kshs	Kshs
Bank Account Balances	-	-	-
Cash In Hand	-	-	-
Accounts Payables	-	-	-
Receivables	-	-	-
Others	-	-	-
	-	-	-

(Prior period adjustment applies to the correction of an error in the financial statements of a prior period.

TURKANA COUNTY ASSEMBLY
Annual Report and Financial Statements For the year ended 30th June 2022

18. Changes In Imprests and Advances

Description	2021-2022	2020-2021
	Kshs	Kshs
Opening Account Receivables As At 1 st July 2021	168,900,550	159,000,060
Closing Account Receivables As At 30 th June 2022	159,877,050	152,249,560
Change In Account Receivables	9,023,500	6,750,500

19. Changes In Third Party Deposits and Retention

Description	2021-2022	2020-2021
	Kshs	Kshs
Opening Accounts Payables As At 1 st July 2021	32,822,694	-
Closing Accounts Payables As At 30 th June 2022	36,621,796	-
Change In Accounts Payables	3,799,102	-

**Turkana County Assembly
Annual Report and Financial Statements For the year ended 30th June 2022**

Notes To The Financial Statements (Continued)

Other Disclosures

1. Pending Accounts Payable (See Annex 1)

	Balance b/f FY 2020-2021	Additions for the period	Paid during the year	Balance c/f FY 2021-2022
Description	Kshs	Kshs	Kshs	Kshs
Construction Of Buildings	-	155,000,000	152,279,766	266,572
Construction Of Civil Works	-	-	-	-
Supply Of Goods	26,115,914	-	343,353	25,772,561
Supply Of Services	-	-	-	-
Total	26,115,914	155,000,000	152,623,119	26,039,133

2. Pending Staff Payables (See Annex 2)

	Balance b/f FY 2020-2021	Additions for the period	Paid during the year	Balance c/f FY 2021-2022
Description	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 2022

Notes To The Financial Statements (Continued)

3. Other Pending Payables (See Annex 3)

	Balance b/f FY 2020-2021	Additions for the period	Paid during the year	Balance c/f FY 2021-2022
Description	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	FY 2021-2022 Kshs	FY 2020-2021 Kshs
External assistance received in cash	-	-
External assistance received as loans and grants	-	-
External assistance received in kind- as payment by third parties	-	-
Total	-	-

a) External assistance relating loans and grants

Description	FY 2021-2022 Kshs	FY 2020-2021 Kshs
External assistance received as loans	-	-
External assistance received as grants	-	-
Total	-	-

TURKANA COUNTY ASSEMBLY
Annual Report and Financial Statements For the year ended 30th June 2022

Notes To The Financial Statements (Continued)

b) Undrawn external assistance

Description	Purpose for which the undrawn external assistance may be used	FY 2021-2022	FY 2020-2021
		Kshs	Kshs
Undrawn External Assistance - Loans		-	-
Undrawn External Assistance - Grants		-	-
Total		-	-

c) Classes of providers of external assistance

Description	FY 2021-2022	FY 2020-2021
	Kshs	Kshs
Multilateral Donors	-	-
Bilateral Donors	-	-
International Assistance Organization	-	-
Ngos	-	-
National Assistance Organization	-	-
Total	-	-

TURKANA COUNTY ASSEMBLY
Annual Report and Financial Statements For the year ended 30th June 2022

Notes To The Financial Statements (Continued)

d. Non-Monetary External Assistance

Description	FY 2021-2022	FY 2020-2021
	Kshs	Kshs
Goods	-	-
Services	-	-
Total	-	-

e. Purpose and use of external assistance.

Description	FY 2021-2022	FY 2020-2021
	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	-	-
Repayment Of Principal On Domestic & Foreign Borrowing	-	-
Other Payments	-	-
Total	-	-

TURKANA COUNTY ASSEMBLY
Annual Report and Financial Statements For the year ended 30th June 2022

Notes To The Financial Statements (Continued)

f. External Assistance paid by Third Parties on behalf of the Entity by Source

	FY 2021-2022	FY 2020-2021
Description	Kshs	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

Classification by Source

	FY 2021-2022	FY 2020-2021
Description	Kshs	Kshs
National government	-	-
Multilateral donors	-	-
Bilateral donors	-	-
International assistance organization	-	-
NGOs	-	-
National Assistance Organization	-	-
Total	-	-

TURKANA COUNTY ASSEMBLY**Annual Report and Financial Statements For the year ended 30th June 2022***Classification of payments made by Third Parties by Nature of expenses*

Payments made by third parties	FY 2021-2022	FY 2020-2021
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	-	-

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.
- 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.

TURKANA COUNTY ASSEMBLY
Annual Report and Financial Statements For the year ended 30th June 2022

Related party transactions:

	2021-2022	2020-2021
	Kshs	Kshs
Compensation to Key Management		
Compensation to the Speaker, Deputy Speaker and the MCAs	115,597,045	120,450,060
Key Management Compensation (Clerk and Heads of departments)	90,150,210	78,600,800
Total Compensation to Key Management	205,747,255	199,050,860
<u>Transfers to related parties</u>		
Transfers to other County Government Entities such as car and mortgage schemes	-	216,857,000
Transfers to County Corporations	-	-
Transfers to non-reporting entities e.g ECD centres, welfare centres etc	-	-
Total Transfers to related parties	-	216,857,000
<u>Transfers from related parties</u>		
Transfers from the County Executive- Exchequer	992,067,651	1,145,564,758
Payments made on behalf of the County Assembly by other Government Agencies	-	-
(Insert any other transfers received)	60,478,780	73,594,986
Total Transfers from related parties	1,052,546,431	1,219,159,744

7. Contingent Liabilities

Contingent liabilities	2021-2022	2020-2021
	Kshs	Kshs
Court case against the entity	-	-
Bank guarantees in favour of subsidiary	-	-
contingent liabilities arising from PPPs	-	-
Total	-	-

(Give details- Update ANNEX 6 Contingent liabilities register)

TURKANA COUNTY ASSEMBLY

Annual Report and Financial Statements For the year ended 30th June 2022

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)
NRRO/TCA/2020-2021-2-02-0023-00/(2)	Failure to submit accounts of the county assembly service Board	In respect to the audit observations, the management prepared a separate budget for County Assembly Service Board (CASB). The Office of the Controller of Budget recommended that the CASB should not have a separate budget.		30/6/2022
NRRO/TCA/2020-2021-2-02-0023-00/(2)	Over expenditure on wage bill			30/6/2022
NRRO/TCA/2020-2021-2-02-0023-00/(2)	Employment of persons with disabilities			30/6/2022
NRRO/TCA/2020-2021-2-02-0023-00/(2)	Overpayment of mileage allowances to the nominated members			30/6/2022

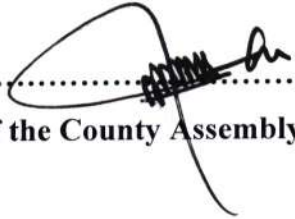
TURKANA COUNTY ASSEMBLY
Annual Report and Financial Statements For the year ended 30th June 2022

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)
NRRO/TCA/2020-2021-2-02-0023-00(2)	Non-Compliance to the law on ethnicity	The compliance on law on ethnicity is progressive. Management have made attempts to give a chance to a person of minority ethnic group from outside the county. The candidates declined.	Not Resolved	30/6/2022
NRRO/TCA/2020-2021-2-02-0023-00(2)	Lack of IT Steering committee	IT steering committee is in place	Resolved	30/6/2022
NRRO/TCA/2020-2021-2-02-0023-00(2)	Lack of Risk Management policy	This is planned for the next financial year	Not Resolved	30/6/2022
NRRO/TCA/2020-2021-2-02-0023-00(2)	Failure to tag fixed assets	This is planned for the next financial year	Not Resolved	30/6/2022

Guidance Notes:

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

TURKANA COUNTY ASSEMBLY
Annual Report and Financial Statements For the year ended 30th June 2022

A handwritten signature in black ink, consisting of a large loop on the left and a series of vertical strokes followed by a small flourish on the right. The signature is written over a horizontal dotted line.

.....
Clerk of the County Assembly

Date

**Turkana County Assembly
Annual Report and Financial Statements For the year ended 30th June 2022**

17. Annexes

Annex 1 – Analysis Of Pending Accounts Payable

Supplier of Goods or Services	Date Contracted	Original Amount	balance at the beginning of the year	Addition During the year	Amount paid During the year	Outstanding Balance	Comments
Construction Of Buildings			a	B	C	d=a+b-c	
Construction of ultra-modern County Assembly staff and house Leadership offices (Administration Block)		-					
Completion of the Ultra-Modern Chamber		40,000,000	40,000,000		39,997,328	2,672	
Completion of the Official Speaker's Residence		30,000,000	30,000,000		29,979,648	20,352	
Construction and completion of Speaker's lounge and visitor's residence		25,000,000	25,000,000		24,857,744	142,257	
Construction of the Assembly modern library and Research Centre		20,000,000	20,000,000		19,993,442	6,558	
Construction of ward Offices		40,000,000	40,000,000		37,451,604	2,548,396	
Construction Of Civil		155,000,000	155,000,000		152,279,766	2,720,235	

TURKANA COUNTY ASSEMBLY

Annual Report and Financial Statements For the year ended 30th June 2022

Supplier of Goods or Services	Date Contracted	Original Amount	balance at the beginning of the year	Addition During the year	Amount paid During the year	Outstanding Balance	Comments
Works							
1.		-	-	-	-	-	
Sub-Total		-	-	-	-	-	-
Supply Of Goods		-	26,115,914	-	-	343,353	25,772,561
2.		-	-	-	-	-	-
Sub-Total		-	-	-	-	-	-
Supply Of Services		-	-	-	-	-	-
3.		-	-	-	-	-	-
Sub-Total		-	-	-	-	-	-
Grand Total			26,115,914	-	-	343,353	25,772,561
Note: Pending bills comprise goods and services rendered and invoiced but not yet settled and does not include commitments							

Annex 2 – Analysis Of Pending Staff Payables

Name of Staff	Job Group	Date Contracted	Original Amount	Amount Paid To-Date	Outstanding Balance 2021-2022	Outstanding Balance 2020-2021	Comments
			A	B	c=a-b		
Senior Management							
1.							
Sub-Total							
Middle Management							

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Name of Staff	Job Group	Date Contracted	Original Amount	Amount Paid To-Date	Outstanding Balance 2021-2022	Outstanding Balance 2020-2021	Comments
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 2021-2022	Outstanding Balance 2020-2021	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 (Specify)							
4.							
5.							
6.							
Sub-Total							
Grand Total							

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Annex 4 – Summary Of Non-Current Asset Register

Asset class	Historical Cost b/f (KShs) 2020-2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Transfers in/(out)	Historical Cost c/f (KShs) 2021-2022
Land	28,000,000				28,000,000
Buildings and structures	623,858,876	152,279,766			776,138,624
Transport equipment	76,689,551				76,689,551
Office equipment, furniture and fittings	4,170,000				4,170,000
Ict equipment	30,930,072				30,930,072
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	1,373,737,828	152,279,766			1,526,017,594

NB: The balance as at the end of the year is the cumulative cost of all assets bought and inherited by the County Assembly.. Additions during the year should tie to note 10 on acquisition of assets during the year. Ensure a complete fixed asset register is separately prepared in line with guidelines from The National Treasury.

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Annex 5 – Analysis Of Accounts Receivables

(a) Government Imprest

Name Of Officer Or Institution	Date Imprest Taken	Amount Taken	Amount Surrendered	Balance
		KShs	KShs	KShs
John Ewoi	3/4/2022	660,000	-	660,000
John Ichor	7/5/2022	425,000	-	425,000
Jane Nyanga	8/4/2022	100,000	-	100,000
Wilson Ikamar	10/5/2022	100,000	-	100,000
Roseline Aite	10/6/2022	592,000	-	592,000
John Komol	11/5/2022	400,000	-	400,000
Ngala Ekal	11/5/2022	500,000	-	500,000
Kevinah Logilae	11/5/2022	750,000	-	750,000
Pascal Ewesit	12/1/2022	432,000	-	432,000
Boniface Ekutan	14/4/2022	460,000	-	460,000
David Esinyen	14/4/2022	650,000	-	650,000
James Ikimat	15/3/2022	427,500	-	427,500
Kennedy Lorot	16/3/2022	632,000	-	632,000
Nelson Ngwawe	17/3/2022	435,000	-	435,000
George Lotesiro	17/5/2022	445,000	-	445,000
Millicent Lokaale	18/10/2021	140,000	-	140,000
Mark Mekede	20/4/2022	275,000	-	275,000
Immaculate Imana	21/4/2022	450,000	-	450,000
Joseph Ekaru	27/12/2021	500,000	-	500,000
Isaac Nakali	29/12/2021	650,000	-	650,000
Total		9,023,500		9,023,500

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(b) Salary Advance

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

Name of the Organization
 Telephone Number
 Email Address
 Name of CEO/MD/Head

Name and contact details of contact person (in case of any clarifications)

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

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Annex 7 Disaster Expenditure Reporting Template

Date:						
Entry:						
Period to which this report refers (FY)	Year			Quarter		
Name of Reporting Officer						
Contact details of the reporting officer:	Email			Telephone		
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

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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.						

Annex 9 – Bank Reconciliation/FO 30 Report

(Attach FO 30 Reports from IFMIS)