REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

REPORT

OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF COUNTY EXECUTIVE OF TURKANA

FOR THE YEAR ENDED 30 JUNE 2016

KENYA NATIONAL AUDIT OFFICE
RIFT VALLEY PROVINCE
RECEIVED
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COUNTY GOVERNMENT OF TURKANA

AMENDED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED JUNE 30, 2016

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

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II. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The County is constituted as per the constitution of Kenya is headed by the County Governor, who is responsible for the general policy and strategic direction of the County.

(b) Key Management

The County Government of Turkana day-to-day management is under the County Executive Committee.

(c) Fiduciary Management

The County Government of Turkana does not have Audit Committee in place as selection process is still ongoing.

The key management personnel who held office during the financial year ended 30th June 2015 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Governor	Hon. Josphat Nanok
2.	Deputy Governor	Hon. Peter Ekai
3.	County Secretary	Mr. Peter Eripete
4.	CECM – Finance and Planning	Hon. Paul Ekwom
5.	CECM – Pastoral, Economy & Fisheries	Hon. Linus Ebenyo
6.	CECM – Energy and Natural Resources	Hon. Rhoda Loyor
7.	CECM – Health Services	Hon. Jane Ajele
8.	CECM – Lands, Physical Planning and Urban Areas Management	Hon. Jane Ajele Ag.
9.	CECM – Trade and Tourism	Hon. Paul Ekwom Ag.
10.	CECM – Roads, Transport and Infrastructure	Hon. Margaret Kuchal Ag.
11.	CECM – Water, Agriculture and Irrigation	Hon. Linus Ebenyo Ag.
12.	CECM – Public Service, Decentralized Administration and Disaster Management	Hon. Charles Lokiyoto
13.	CECM – Education, Sports and Human Resource Development	Hon. Margaret Kuchal
14.	Clerk County Assembly	Mr. Linus Lokawa

(d) Fiduciary Oversight Arrangements

The County Government of Turkana has the following body for fiduciary oversight arrangements:

- County Assembly Committees

(e) Entity Headquarters

P.O. Box 11-30500
Lodwar

(f) Entity Contacts

E-mail: turkana@.go.ke
Website: www.go.ke

(g) Entity Bankers

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

2. Kenya Commercial Bank
   Lodwar

(h) Independent Auditors

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

(i) Principal Legal Adviser
The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

III. FORWARD BY THE CEC

In the Financial Year FY15/16, Turkana County had approved budget of KSh 13,383,307,695 to be financed by National Treasury (exchequer), Donations and Grants and Local Revenues. During the year, the County received KSh 12,124,833,581.00 from Equitable National Income from National Treasury, 13,770,000 as donation from DANIDA Funding and collected local revenue of 133,843,654.85 resulting in County's income of Ksh 12,272,447,235.85.The total expenditure for FY15/16 amounted to KSh **10,238,157,312.71 comprising** of KSh **1,814,916,338** for recurrent and KSh. **8,423,240,974.26 for** development.

The County faced a number of challenges that affected budget implementation during the FY15/16 reporting period. These challenges include:

- Inadequate staffing in procurement department which affected budget execution in other departments due to lengthy procedures,
- Lack of monitoring and evaluation framework to coordinate implementation and reporting of projects.

The County has taken the following measures to address the challenges and improve budget execution in the period under review.

- Institute M&E framework to guide implementation and reporting,
- Fast track recruitment of staff in various departments to carry out respective duties and responsibilities to timely implement planned activities.

Sign

County Executive Committee Member, Finance and Economic Planning
Turkana County Government

IV. STATEMENT OF MANAGEMENT RESPONSIBILITIES

Sections 163,164 and 165 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the County Treasury shall prepare financial statements of each County Government entity, receiver of revenue and consolidated financial statements for all County Government entities in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The County Executive Committee (CEC) member for finance of the County Government is responsible for the preparation and presentation of the County Government's financial statements, which give a true and fair view of the state of affairs of the County Government for and as at the end of the financial year ended on June 30, 2016. 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 Government; (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 Government; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The CEC member for finance accepts responsibility for the County Government'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 CEC member for finance is of the opinion that the County Government's financial statements give a true and fair view of the state of the County Government's transactions during the financial year ended June 30, 2016, and of its financial position as at that date. The CEC member for finance further confirms the completeness of the accounting records maintained for the County Government which have been relied upon in the preparation of the its financial statements as well as the adequacy of the systems of internal financial control.

The CEC member for finance confirms that the County Government has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the County Government's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the CEC member for finance confirms that the County Government'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 CEC member for finance on 24/4/2017.

County Executive Committee member – Finance and Planning

REPUBLIC OF KENYA

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OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON COUNTY EXECUTIVE OF TURKANA FOR THE YEAR ENDED 30 JUNE 2016

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of County Executive of Turkana set out on pages 7 to 49, which comprise, statement of assets and liabilities as at 30 June 2016, and the statement of receipts and payments, statement of cash flows, summary statement of appropriation 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.

Management's Responsibility for the Financial Statements

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

The 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.

Auditor-General's Responsibility

My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the report in compliance with Article 229(7) of the Constitution. The audit was conducted in accordance with International Standards of Supreme Audit Institutions. Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County Executive's internal control. An audit also includes evaluating the

appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

Because of the matters described in the Basis for Disclaimer of Opinion paragraph, however, I am not able to obtain sufficient and appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

1.0 Inaccuracies in the Financial Statements

1.1 Differences between Summary Statement of Appropriation and IFMIS

The Summary statement of appropriation reflects balances which are at variance with identical account balances reflected in budget execution reports extracted from IFMIS as summarized below:

Development budget	**Budget (Kshs.)**	**Actual Expenditure (Kshs.)**	**Variance (Kshs.)**
As per financial statements	9,352,950,350	8,423,240,974	**929,709,376**
As per extracted report from IFMIS	4,517,237,337	4,858,407,554	**(341,170,217)**
Variance	**4,835,713,013**	**3,564,833,420**	**1,270,879,593**
Recurrent budget	**Budget (Kshs.)**	**Actual expenditure (Kshs.)**	**Variance (Kshs.)**
As per financial statements	4,131,751,068	1,814,916,338	**2,316,834,730**
As per extracted report from IFMIS	1,905,344,027	1,756,053,239	**149,290,788**
Variance	**2,226,407,041**	**58,863,099**	**2,167,543,942**

In the circumstance, the accuracy, validity and completeness of the balances in financial statements for the year ended 30 June 2016 could not be confirmed.

2.0 Exchequer Releases

The statement of receipts and payments for the year ended 30 June 2016 reflects exchequer releases of Kshs.12,124,833,581 while the report of the Controller of Budget for the same period indicates that a total of Kshs.11,563,980,000 was released to the County Government comprising recurrent exchequer of Kshs.4,130,100,000 and

development exchequer of Kshs.7,433,880,000 resulting in an aggregate variance of Kshs.560,853,581 which however has not been explained.

Under the circumstance, the validity, accuracy and completeness of the exchequer releases of Kshs.12,124,833,581 in the statement of receipts and payments for the year ended 30 June 2016 cannot be confirmed.

3.0 Conditional Grants

3.1 Proceeds from Domestic and Foreign Grants – Danida Grants

The statement of receipts and payments and as disclosed in Note 3 to the financial statements indicates that the County Executive received a total of Kshs.13,770,000 as conditional grants (Danida) which is at variance with the balance of Kshs.12,070,000 reflected in the report of the Controller of Budget for the year ended 30 June 2016 resulting in unreconciled or unexplained variance of Kshs.1,700,000. As a result, the accuracy and completeness of Danida Grants of Kshs.13,770,000 reflected in the statement of receipts and payments cannot be confirmed.

3.2 Un accounted for Conditional Grants

The statement of receipts and payments for the year ended 30 June 2016 and Note 3 to the financial statements reflects nil balance for Conditional Grants for the Road Maintenance Fuel Levy Fund, free maternal health-care and forgone user-fees. However, the report of the Controller of Budget for the year ended 30 June 2016 indicates that a total of Kshs.176,267,092 was disbursed to the County Executive comprising of Kshs.133,118,571 Road Maintenance Fuel Levy Fund grants, Kshs.23,209,200 free maternal health care and Kshs.19,939,321 user fees forgone. Consequently, the validity, accuracy and completeness of the nil Conditional Grants balance in the financial statements for the year ended 30 June 2016 cannot be confirmed.

4.0 Cash and Cash Equivalent

4.1 Bank Accounts

Note 22A to the financial statements discloses that the County Executive had twenty one (21) bank accounts as at 30 June 2016. However, Board of Survey reports and bank confirmation certificates of all the twenty one (21) bank accounts were not availed for audit verification. Further, out of the twenty one (21) bank accounts, bank reconciliation statements for eighteen (18) bank accounts were not provided for audit review. In addition, bank statements for sixteen (16) bank accounts were not availed for audit examination. Also bank account numbers for nine (9) bank accounts were not indicated in Note 22A to the financial statements. Consequently, the validity, accuracy and completeness of the bank balance of Kshs.3,188,593,687 reflected in the statement of financial assets as at 30 June 2016 could not be confirmed.

4.2 Omitted Cash balance

Note 22A to the financial statements reflects a bank balance of Kshs.3,188,593,687 as at 30 June 2016. Although Finance and Economic Planning Account No. 1157497373 reflects nil balance, the cash book availed for audit examination reflected a closing balance of Kshs.881,303.66. Further, Revenue Collection Account No. 1140763687 reflects nil balance which varies from the cash book balance of Kshs.33,831,107.21 at the close of the financial year on 30 June 2016 thus resulting in unreconciled or unexplained variance of Kshs.33,831,107.21. The anomaly has not been explained. Consequently, the bank balance of Kshs.3,188,593,687 as at 30 June 2016 has therefore been understated by a total of Kshs.34,712,410.87 being the amount excluded from the balance of 3,188,593,687 reflected in the statement of financial assets as at 30 June 2016.

4.3 Variances between Bank Reconciliation Statement, Cash Book and Financial Statement Figures

Examination of the cash books and bank reconciliation statements revealed variances in the balances in the Cash book balance, bank reconciliation statement balance and balances reflected in financial statement for CBK Revenue account No.1000171658 and CBK Development Account No.1000171243 as summarized below:

Bank	Account Number	Bank Reconciliation Statement balance Kshs	Cash book balance Kshs	Financial Statements balance Kshs
CBK - Revenue Account	1000171658	931,707,202.15	1,807,463,468.00	1,965,996,378
CBK Development Account	1000171243	260,097,197.00	125,403,358.20	6,097,830
Total		**1,191,804,399**	**1,932,866,826**	**1,972,094,208**

Consequently, the accuracy and completeness of the bank balance of Kshs.3,188,593,687 reflected in the statement of financial assets as at 30 June 2016 cannot be confirmed.

4.4 Commercial Bank Accounts not Disclosed in the Financial Statements

Available information revealed that the County Executive had eleven (11) bank accounts which are not disclosed under Note 22A to the financial statements. Further, cash books, bank statements and bank reconciliation statements for the eleven (11) bank accounts were not presented for audit review.

Consequently, the accuracy and completeness of the cash and cash equivalents balance of Kshs.3,188,593,687 reflected in the statement of financial assets as at 30 June 2016 cannot be confirmed.

4.5 Management of Cash Books

Examination of the cash books maintained by the County Executive revealed that the cash books for the bank accounts operated by the County Executive were not closed at the end of the year. Also there was no evidence to show that the cash books are reviewed by an authorized officer regularly as prescribed in Section 5.9.1 of the Government Financial Regulations and Procedures which requires cash books to be written-up and balanced daily and cash in hand verified. In addition, no Board of Survey was conducted as required by financial regulations. Consequently, the County Executive breached the law and the accuracy of the bank balance of Kshs.3,188,593,687 reflected in the statement of financial assets cannot be confirmed as at 30 June 2016.

4.6 Revenue Cashbook

The County Executive maintained a revenue collection account with Kenya Commercial Bank, Lodwar, account number 1140763687. However, the cashbook entries were posted from the bank statements instead of receipts and no bank reconciliation statements were presented for audit review. Further, the counter-foil receipt register was not properly written and issuance of receipt books was also done in a haphazard manner that risked loss of receipt books and revenue.

Consequently, the County Executive breached Government Financial Regulations and Procedures which stipulate that updated cash books be maintained and monthly bank reconciliations statements be prepared.

5.0 Summary of Fixed Assets Register

Annex 4 to the financial statements reflects summary of fixed assets register balance of Kshs.5,013,625,233 for 2015/2016 which varies from the acquisition of assets balance of Kshs.5,721,485,333 reflected in the statement of receipts and payments thus resulting to a variance of Kshs.707,860,100 and which has not been explained. Under the circumstance, the validity, accuracy and completeness of the acquisition of assets balance of Kshs.5,721,485,333 in the statement of receipts and payments for the year under review cannot be confirmed.

6.0 Unsupported Expenditure on Acquisition of Assets

The statement of receipts and payments for the year ended 30 June 2016 and Note 18 reflects acquisition of assets balance of Kshs.5,721,485,333 out of which a balance of Kshs.1,505,687,766, as summarized below was not supported with documentary evidence:

S/NO		Amount Kshs
1	Overhaul and Refurbishment of Construction and Civil Works	141,650,960.39
2	Overhaul of Vehicles and Other Transport Equipment	183,456,782.00
3	Purchase of Household Furniture and Institutional Equipment	91,088,979.39
4	Purchase of Office Furniture and General Equipment	26,677,040.00
5	Purchase of ICT Equipment	127,896,158.20
6	Purchase of Specialized Plant, Equipment and Machinery	135,968,766.68
7	Rehabilitation and Renovation of Plant, Machinery and Equip.	91,088,979.39
8	Purchase of Certified Seeds, Breeding Stock and Live Animals	95,137,529
9	Research, Studies, Project Preparation, Design & Supervision	434,377,950
10	Rehabilitation of Civil Works	377,275.86
11	Acquisition of Strategic Stocks and commodities	177,967,345
	Total	**1,505,687,766**

Consequently, the propriety of expenditure totalling Kshs.1,505,687,766 for the year ended 30 June 2016 cannot be confirmed.

7.0 Use of Goods and Services

7.1 Un-supported Expenditures on Other Operating Expenses

Included under use of goods and services balance of Kshs.1,684,203,704, and as disclosed in Note 13 to the financial statements, is expenditure on other operating expenses amounting to Kshs.406,786,198 out of which Kshs.7,301,800 was paid to County residents for attending meetings. However, the policy guidelines governing such payments detailing how the participants are identified and the rate to be applied were not presented for audit review.

Consequently, the propriety of the expenditure of Kshs.7,301,800 reportedly paid to County residents and included in other operating expenses balance of Kshs.406,786,198 for the year under review cannot be confirmed.

7.2 Unsupported Expenditure on Contracted Professional Services

Included in Note 13 to the financial statements under use of goods and services balance of Kshs.1,684,203,703 is an amount of Kshs.176,090,471 under specialised materials and services. The balance of Kshs.176,090,471 also includes an amount of Kshs.75,065,520 paid to a company for consultancy services in digital topographical mapping and integrated strategic urban development presentation in eight (8) towns in Turkana County at a contract sum of Kshs.334,131,000. However, payment vouchers and other support documents for the expenditure of Kshs.75,065,520 was not availed for audit review. Further, the contract agreement provided indicated that the project was to be done within eighteen (18) months from March 2015. The project had also not been completed as at the time of audit review in October 2016. In addition, tender evaluation meeting minutes dated 5 February, 2015 did not indicate other bidders. It was therefore not possible to confirm whether the procurement was subjected to competitive bidding as required by the Public Procurement and Disposal Act, 2015.

Consequently, the propriety of expenditure of Kshs.75,065,520 for the year ended 30 June 2016 cannot be confirmed.

7.3 Legal Fees

Included in Note 13 to the financial statements under use of goods and services balance of Kshs.1,684,203,703 is legal dues and arbitrations amount of Kshs.112,711,032. However, no evidence was provided for audit review to confirm that the County Executive complied with circular AD/6/D/144 Vol. 1 dated 2 October 2014 and Section 43 of the County Government Act, 2015 and Article 156 (4) of the Constitution of Kenya 2010 on the procurement of private legal services which states that where need arises for engagement of private advocates, the Attorney General must be consulted for approval and issuance of no objection. Similarly, the legal fees payable to any private law firm under such an arrangement must be approved and authorized by the Attorney General and shall be paid for by the requesting institution. The County Government is therefore in breach of the law.

8.0 Use of Goods and Services

8.1 Valuation Services on Plot Number 475B Nawoitorong Area

Included in Note 13 to the financial statements under use of goods and services balance of Kshs.1,684,203,703 is a sum of Kshs.176,090,471 incurred on purchase of specialised materials and services. The balance of Kshs.176,090,471 includes an amount of Kshs.30,180,000 paid to a consultant for valuation services of all County assets. According to letter Ref No. TCG/F&P/22/2015 – 2016 dated 3 August 2015, the valuation services for all County assets were awarded to a consultant on 3 October 2015 at a total cost of Kshs.30,180,000.00 and Local Service Order (LSO) issued on 5 August 2015. As at 1 October 2015, the payment of Kshs.30,180,000 had been made in full vide cheque number 2980. Available information indicates that on 30 March 2016 (vide letter Ref No. TCG/F&P/799/2015) another consultant was awarded a valuation service

contract on plot No 475B Nawoitorong area, Kanamkemer Location in Lodwar town at a total cost of Kshs.2,875,000.00. The consultant invoiced the County Executive on 29 March 2016, one day before he was awarded the contract vide Local Service Order No.1180284 dated 30 March 2016 and notification award letter dated the same day, an indication that the order was irregularly raised after completion of service. Since all the County assets were included in the contract to the first consultant, it is not clear why another consultant was paid to value plot No 475B.

Consequently, the propriety of expenditure of Kshs.2,875,000.00 incurred on valuation of plot No 475B could not be confirmed.

8.2 Procurement of Animal Drugs

Included in use of goods and services balance of Kshs.1,684,203,703 as disclosed in Note 13 to the financial statements is an amount of Kshs.176,090,471 under specialised materials and services out of which a balance of Kshs.32,302,212 was paid to various suppliers for animal drugs. However, user requisition, a copy of the advertisement, tender opening and evaluation committee Minutes and tender award Minutes were not availed for audit verification. Further, certificates of inspection and acceptance committee for the drugs were also not availed for audit verification contrary to Part II Section 17(3) (b) of Public Procurement and Disposal Act, 2015 which states that, the inspection and acceptance committee shall inspect and review the goods, works or services in order to ensure compliance with specifications of the contract, ensure that goods, works or services meet technical standards defined in the contract and issue interim or completion certificates or goods received notes as appropriate and in accordance with the contract.

Consequently, it has not been possible to confirm the validity of the contracts and propriety of the sum of Kshs.32,302,212 incurred on procurement of animal drugs during the year under review.

8.3 Procurement of Farm Seeds

Included in use of goods and services balance of Kshs.1,684,203,703 disclosed in Note 13 to the financial statements is an amount of Kshs.176,090,471 under specialised materials and services out of which a sum of Kshs.7,010,630 was paid to various suppliers of assorted seeds through the Ministry of Water and Irrigation. Audit review of stores records revealed that, although the seeds were received in store and issued, the distribution list of farmers who benefited and the criteria of identifying them was not provided for audit verification. Consequently, the propriety of expenditure of Kshs.7,010,630 for the year ended 30 June 2016 cannot be confirmed.

8.4 Repair and Maintenance of Various Water Points in Turkana County

Included in Note 13 to the financial statements under use of goods and services balance of Kshs.1,684,203,703 is an amount of Kshs.62,156,184.40 under routine maintenance – other assets. The balance of Kshs.62,156,184.40 also includes an amount of

Kshs.9,571,280 paid to Catholic Diocese of Lodwar for providing repair and maintenance services of various water points in Turkana County. The County Executive of Turkana signed a memorandum of understanding (MOU) with the Catholic Diocese of Lodwar to provide repair and maintenance of various water points in Turkana County due to the scarcity of human resources in the water department. The diocese repaired and maintained various bore holes at a cost of Kshs.9,571,280 paid vide cheque No.2993 dated 5 October 2015 without being subjected to a competitive bidding process. Further, certificates of inspection and acceptance committee for the repair and maintenance of these water points were not availed for audit verification contrary to Part II Section 17(3) (b) of Public Procurement and Disposal Act, 2015 which states that, the inspection and acceptance committee shall inspect and review the goods, works or service in order to ensure compliance with specifications of the contract, ensure that goods, works or services meet technical standards defined in the contract and issue interim or completion certificates or goods received notes as appropriate and in accordance with the contract.

As a result of these anomalies, it has not been possible to confirm the validity of this contract and consequently, the propriety of the expenditure of Kshs.9,571,280 expended on the repair and maintenance of various water points during the year under review.

9.0 Acquisition of Assets

9.1 Assets Taken Over From Defunct Local Authorities

Annex 4 to the financial statement reflects summary of fixed assets register balance of Kshs.5,013,625,233 acquired during the year ended 30 June 2016. However, the balance excludes assets taken over from the defunct local authorities such as land, buildings, motor vehicles, computers and other equipment which were handed to and taken over by the County Government of Turkana. The assets were not entered in the fixed assets register and are thus not disclosed in these financial statements. Consequently, the ownership, accuracy, completeness and existence of the assets reportedly owned by the County Government of Turkana amounting to Kshs.11,204,292,737 as at 30 June 2016 could not be confirmed.

9.2 Drilling and Equipping of Bore Holes

Included in Note 18 to the financial statements under acquisition of assets balance of Kshs.5,721,485,333 is an amount of Kshs.654,059,787.74 under construction and civil works. The balance of Kshs.654,059,787.74 also includes an amount of Kshs.84,495,972 paid to three contractors who drilled and equipped bore holes within the County.

However, the payment vouchers lacked supporting documents such as interim or completion certificates and inspection and acceptance committee reports and handing over reports. Further, the bore holes drilled were not branded by the County Executive to differentiate them from those done by donors or the National Government in the County.

Therefore, it has not been possible to confirm the ownership and completion of the bore holes.

Consequently, the propriety of expenditure of Kshs.84,495,972 incurred in the drilling of bore holes during the year ended 30 June 2016 could not be confirmed.

9.3 Fencing of County Planning Unit Offices

Included in the acquisition of assets balance of Kshs.5,721,485,333 reflected in the statement of receipts and payments and disclosed in Note 18 to the financial statements is expenditure totalling Kshs.141,650,960.39 on overhaul and refurbishment of construction and civil works out of which Kshs.10,179,696.61 was paid to a contractor who was awarded a contract in April 2016 to fence the County Planning Unit offices for a contract sum of Kshs.14,542,423. During the audit verification of the project on 16 November 2016, the project appeared to have stalled as no construction was taking place. Also, field inspection reports were not availed for audit review and therefore it was not possible to confirm the status of the projects and their due dates of completion.

Consequently, the propriety of expenditure totalling Kshs.10,179,696.61 for the year ended 30 June 2016 could not be confirmed.

9.4 Single Pole Solar Street Lighting

Included in the acquisition of assets balance of Kshs.5,721,485,333 reflected in the statement of receipts and payments and as disclosed in Note 18 to the financial statements is purchase of specialised plant, equipment and machinery expenditure of Kshs.135,968,766.68 out of which Kshs.3,549,377 was paid to a contractor vide cheque No.3979 for supply, delivery, installation, testing and commissioning of seventy five(75) single pole solar powered street lights at Lowareng Town at a contract sum of Kshs.13,651,450.The project was scheduled to take twelve (12) weeks to complete from 10 February 2016. However, a copy of the advertisement was not availed for audit review and therefore it was not possible to confirm that the contract was procured through competitive bidding. In addition, physical verification in November 2016 revealed that a total of nineteen (19) street lights had been installed instead of seventy five (75) indicated in the contract agreement. Further, seven (7) out of nineteen (19) street lights installed were not working and completion of the works was behind schedule by six (6) months.

Consequently, the propriety of expenditure totaling Kshs.3,549,377 incurred on installation of street lights during the year ended 30 June 2016 could not be confirmed.

9.5 Construction of Office Block for the Ministry of Tourism, Trade and Industrialization

Included in Note 18 to the financial statements under acquisition of assets balance of Kshs.5,721,485,333 is a sum of Kshs.1,568,859.84 incurred on construction of buildings

out of which an amount of Kshs.6,826,525.10 was in respect of the construction of an office block for the Ministry of Tourism, Trade and Industrialization at a contract sum of Kshs.19,683,605.00. However, user requisition, a copy of the advertisement, tender opening and evaluation committee Minutes and tender award Minutes were not availed for audit. Further, audit verification of the project on 21 November 2016 revealed that the project had stalled and the contractor had abandoned the site.

Consequently, the validity of the contract and propriety of expenditure of Kshs.6,826,525.10 incurred thereof cannot be confirmed.

9.6 Construction of Stadium

Included in Note 18 to the financial statements is acquisition of assets balance of Kshs.5,721,485,333 under overhaul and refurbishment of construction and civil works balance of Kshs.141,650,960.39 is an amount of Kshs.11,999,381.10 paid to a contractor in respect of the construction of a stadium whose tender was procured at a contract sum of Kshs.39,997,937. However, the contract agreement availed for audit review did not specify the commencement dates and completion for the contract. Verification of the project on 16 November 2016 revealed that only fencing work had begun but was incomplete. Further, there were no materials on site and the contractor was also not on site, thus indicating that the project had stalled. However, no reason was provided as to why the project had stalled. Consequently, the County Executive did not obtain value-for-money in respect of the sum of Kshs.11,999,381.10 paid to the contractor. Further, the government could incur additional costs in price variations due to delays in project completion.

9.7 Construction of the County Revenue Resource Centre at Lokiriama

Included in Note 18 to the financial statements in acquisition of assets balance of Kshs.5,721,485,333 under overhaul and refurbishment of construction and civil works balance of Kshs.141,650,960.39 is an amount of Kshs.38,357,780.00 paid to a contractor on 14 June 2016 who was awarded a contract on 3 June 2016 for the construction of County Revenue Resource Centre at Lokiriama for a contract sum of Kshs.95,894,450. Audit verification of the project on 17 November 2016, revealed that no construction was taking place and only about 30% of the work was complete. Further, the structures on the construction site were different from the ones in the Bills of Quantities (BOQ). Management did not provide any explanation for the change of the project design. Consequently, the County Government did not obtain value-for-money in respect of the sum of Kshs.38,357,780.00 paid and could incur additional costs in form of price variations that are associated with change of the design of the project and delay in project completion.

9.8 Procurement of Motor Vehicles through Single Sourcing

Included in Note 18 to the financial statements in the acquisition of assets balance of Kshs.5,721,485,333 under purchase of vehicles and other transport equipment balance of Kshs.256,128,552.70 is an amount of Kshs.15,852,364.00 relating to purchase of two

double cabin motor vehicles from Toyota Kenya, Lodwar Branch through single sourcing. No reason was provided for failure to use competitive bidding in the procurement as required by Section 62 of the Public Procurement and Disposal Regulations, 2006 (Revised 2013). Further, at the time of the audit in November 2016, the two vehicles had not been delivered despite the full payment having been made in June 2016 vide cheque number 003963.

Consequently, the propriety of expenditure of Kshs.15, 852,364 incurred on purchase of motor vehicles for the year ended 30 June 2016 could not be confirmed.

9.9 Construction of Eco-Lodge Hotels

As previously reported, included in Note 18 to the financial statements in acquisition of assets balance of Kshs.5,721,485,333, under construction of buildings is an amount of Kshs.1,568,568,859.84 paid to two construction companies bringing the total expenditure to Kshs.122, 391,259.70 in respect of construction of Eco Lodge Hotels in Kataboi beach and Kainuk game reserve. However, the minutes of the Executive Committee approving investment in the projects as required by Section 183 of the Public Finance Management Act, 2012 were not availed for audit verification. Further, feasibility study report on viability of the projects, contract documents for the two tenders and the details of management and operations of the eco-lodge hotels after completion were not availed for audit review.

Consequently, viability of the investments in the eco-lodge hotels and the propriety of the expenditure of Kshs.122, 391,259.70 cannot be confirmed.

9.10 Construction of the Governor's Residence

As reported in the previous year, included in Note 18 to the financial statements in acquisition of assets balance of Kshs.5,721,485,333 under construction of buildings amount of Kshs.1, 568,568,859.84 is an amount of Kshs.206,959,624.60 paid to various firms between September 2014 and June 2016 in relation to construction of the Governor's residence. However, approved structural plans and Bills of Quantities for the building, tender advertisement, tender opening and evaluation Minutes, tender award, field inspection reports on the progress of the project and payment vouchers among other records, were not availed for audit verification. Although the documents were said to have been submitted to another government agency, documentary evidence disclosing the Agency was not availed for audit review.

Consequently, the propriety of the expenditure of Kshs.206,959,624.60 cannot be confirmed.

10.0 Temporary Employees

Included in the compensation of employees balance of Kshs.1,811,796,338 reflected in the statement of receipts and payments were basic wages of temporary employees totalling Kshs.21,220,161 incurred in the year under review (2015/2016) having increased from Kshs.9,782,379.00 incurred in 2014/2015. The County Government

engaged casual employees continuously in the year ended 30 June 2016 contrary to County Human Resource Manual 2013 which requires casual employees to be engaged only on urgent short-term tasks with the approval of the County Public Service Board. The manual further requires casual employees to be engaged for not more than three months as stipulated in the Employment Act, 2007.

The County Executive has therefore not complied with the County Human Resource Manual and is in breach of the Employment Act, 2007.

11.0 Budgetary control and Performance

11.1 Budget Absorption

During the year under review, the County Government had a total budget of Kshs.13,484,701,418 comprised of a recurrent budget of Kshs.4,131,751,067.82 and Development Budget of Kshs.9,352,950,350. Further, the total budget reflected overall under absorption of Kshs.3,246,544,106 as detailed below:

Item	Approval Budget for 2015/16 Amount (Kshs)	Actual Expenditure for 2015/2016	Under Absorption (Kshs)	Under absorption (%)
Development Expenditure for 2016	9,352,950,350	8,423,240,974	929,709,376	10
Recurrent Expenditure for 2016	4,131,751,068	1,814,916,338	2,316,834,730	56
Total	**13,484,701,418**	**10,238,157,312**	**3,246,544,106**	**17**

The under-absorption of the approved budget is an indication that some activities in the annual work plan were not implemented by the County Government which situation is likely to have a negative impact on delivery of goods and services by the County Executive. There is need therefore, for the management to re-look at the budgetary mechanism with a view to focus on priority areas and which enhance service delivery to citizens of Turkana County.

11.2 Under/Over Expenditure Budget Analysis

The budget analysis of the County Executive expenditure is as shown below:

Item	Budget 2015-2016 Kshs	Actuals 2015-2016 Kshs	Over Expenditure Kshs	Under Expenditure Kshs
Compensation of employees	2,862,934,225	1,811,796,338		1,051,137,887

Use of goods and services	1,717,938,530	1,684,203,704		33,734,827
Transfer to other governments units	1,084,672,510	54,524,360		1,030,048,150
Other grants and transfers	1,853,027,577	963,027,577		890,000,000
Social security benefits	6,120,000	3,120,000		3,000,000
Acquisition of assets	5,693,488,186	5,721,485,334	27,997,148	
Total	**13,218,181,028**	**10,238,157,313**	**27,997,148**	**3,007,920,864**

The County Executive under-spent on five (5) expenditure heads with a total under-absorption of Kshs.3,007,920,864 and over spent on one (1) expenditure head by Kshs.27,997,148 without the approval from the County Assembly. The under-expenditure of the approved budget is likely to have negative impact on delivery of goods and services by the County Executive to the citizens of Turkana County negatively.

11.3 Revenue Budget

Revenue records availed for audit review indicated that the County Executive collected internally generated revenue totalling Kshs.133,843,654.85 against a budget of Kshs.200,000,000, resulting in a shortfall of Kshs.66,156,345.15 or 33% during the year under review. The management did not provide satisfactory explanation for the big shortfall. The under collection indicates possible weaknesses in collection and recording of revenue and enforcement of revenue control systems. Under collection of revenues affects service delivery and execution of programs planned for the citizens of Turkana County.

11.4 Projects

11.4.1 Project Implementation

Record availed for audit indicated that a total of Kshs.8,833,264,808 was allocated to (11) eleven Ministries to finance two hundred and fifty nine (259) projects during the year under review. However, according to project status reports, the projects were behind schedule with only Kshs.3,560,937,419 or 40% having been spent on 230 projects as detailed below contrary to Section 113 (1) of the County Government Act, 2012 which requires the County's budget to be based on annual development priorities and objectives and the performance targets set by the County.

Department	No of Budgeted Projects	Budget Kshs	Actual Expenditure Kshs	No of Projects implemented	% Level of Implementation
Governance	15	545,810,825	396,420,961	15	73
Finance and planning	30	841,088,827	536,223,635	25	64
Pastoral, Economy & fisheries	27	328,550,648	211,119,429	27	64
Health services & sanitation	32	1,025,275,528	414,973,587	29	40
Roads, Transport and Public Works	14	1,145,433,906	258,597,148	13	23
Education and social services	30	1,748,492,219	293,810,801	30	17
Lands and physical planning	19	591,378,735	344,925,785	15	58
Trade, culture & tourism	36	396,590,295	150,839,145	25	38
Water, irrigation and agriculture	30	1,232,075,456	321,426,229	27	26
Energy, environment and natural resources	11	278,729,739	179,178,318	11	64
Public service	15	699,838,630	453,422,381	13	65
Total	**259**	**8,833,264,808**	**3,560,937,419**	**230**	**40**

Delayed implementation of projects denies the public goods and services they deserve to enjoy. Further, the delays may cause escalation due to inflationary factors of project costs.

11.4.2 Project Status

From a sample of projects verified, the audit revealed the following anomalies:

No.	Name Of Project	Budget (Kshs)	Payments To Date (Kshs)	Observation
	Ministry of Lands & Planning			
1	Supply and Delivery of Survey Equipment	13,000,000.00	12,997,000.00	Project completed but machines not in use
2	Supply and Installation of street lights at Lokitaung town	14,995,000	13,495,500.00	Project is ongoing. It was at advanced stages of completion, Project file.
3	Supply and Installation of street lights at Lokichoggio town	14,240,000	9,968,000.00	Ongoing. It was at advance stages of completion.
	Ministry of Health			
4	Casualty/Emergency Unit at LCRH.	23,918,745.00	19,134,996	Project was at advanced stages of completion, However project file was not availed.
5	Doctors Flats at Lodwar	36,580,398.00	21,948,238.80	The project was on going. However project file was not maintained/availed.
6	Ministry of Health Headquarters-Admin Block.	38,756,050	23,893,732	Project on going, However Project file was not availed.
7	St. Marys Dispensary and Staff House.	7,843,205	7,843,205	Project was almost complete, though it was not branded
8	Nabulon Dispensary and Staff House.	7,934,400	7,934,400	Project was complete and operational. However, it had not been commissioned.
9	Loturerei Staff House.	3,650,500	3,650,500	Project was complete and operational, however branding not done and project file was not availed.
10	ICU-HTU	8,182,686	0	The project was at advance stages of completion. Project file was not availed.
	Ministry of Energy			
11	Street lighting- Lowareng	13,651,450.00	13,651,450.00	26% complete. Another contractor awarded to complete. It was on going, though full payment was made
	Water			
12	Drilling and equipping of boreholes	305,401,159.6	83,633,000	Project on going, however there were no completion certificates, inspection and acceptance reports for the completed bore holes. Also, the list of bore holes to be done by each contractor as well as the completed ones were not availed. They were 30% complete
	TOTAL	**458,918,593.60**	**436,300,043.6.80**	

These observations denote delayed project benefits to the residents as the projects were not completed within the stipulated time frame.

In addition, most of the projects were not branded and it was therefore not possible to confirm whether the projects were funded by the County Government or other Government Agencies.

11.4.3 Projects not started

The project status report availed for audit revealed that the following projects had not commenced as at 30 June 2016 although they were included in the budget for the year then ended:

	Title and Details Printed	Approved Estimate(Net)
		Kshs
	Finance and Planning	
1.	Purchase of Software	28,500,000
2.	Refurbishment of Non-Residential Buildings	54,154,422
3.	Purchase of Motor Vehicles	15,000,000
4.	Purchase of ICT Networking and communication equipment	1,291,709
	Sub-Total	**98,946,131**
	Water and Irrigation	
1.	Purchase of Motor Vehicles	15,576,902
2.	Maintenance of Buildings and Stations -non residential	9,104,060
3.	Other Infrastructure and Civil Works	7,283,248
4	Purchase of Trucks and Trailers	8,193,654
5	Other Infrastructure and Civil Works	183,240,964
6.	Purchase of Survey Equipment	910,406
	Sub-Total	**224,309,234**
	Ministry of Health	
1	Purchase of Safety Gear	365,609
2	Purchase of Trucks and Trailers	2,642,892
3.	Purchase of Exchanges and other COMM EQUIP	6,023,560
	Sub-Total	**9,032,061**
	Ministry of Tourism	
1.	Rentals of Produced Assets	4,800,000
2.	Construction of Buildings	27,961,037
3.	Non-Residential Buildings (offices, schools, hospitals	9,104,060

4.	Purchase of Motor Vehicles	6,372,842
5.	Purchase of Office Furniture and Fittings	4,557,488.00
6.	Non-Residential Buildings (offices, schools, hospitals etc	498,468,435
7.	Other Infrastructure and Civil Works	93,474,569.00
8.	Purchase of Software	3,283,248.00
9.	Engineering and Design Plans	2,276,015.00
	Sub-Total	**650,297,694.00**
	Public Service	
1	Purchase of Motor Vehicles	49,000,000
2	Purchase of Exchanges and other COMM EQUIP	5,283,248
	Sub-Total	**54,283,248**
	Ministry of Transport And Infrastructure	
1	Maintenance of Civil Works	145,844,867
	Sub-Total	**145,844,867**
	Ministry of lands	
1	Maintenance of Buildings and Stations -NON RESIDENIAL	1,043,816
2	Rehabilitation & Renovation	1,820,812
3	Other Infrastructure and Civil Works	5,462,436
4	Purchase of Vehicles	14,566,496
	Sub-Total	**22,893,560**
	Public Service Board	
1	Purchase of Motor Vehicles	5,007,233
	Sub-Total	**5,007,233**
	GRAND TOTAL	**1,210,614,028**

It is not clear why the projects were not undertaken yet the total County budget reflected overall under-absorption balance of Kshs.3,246,544,106. As a result, the objectives of these project have not been achieved.

12.0 Governance Framework

12.1 Failure to Establish an Audit Committee

The County Government of Turkana has not established an audit committee contrary to Section 167(1) of the Public Finance Management (County Governments) Regulations 2015 which requires County Government entities to establish Audit Committees in accordance with prescribed regulations to monitor the entity governance process, accountability processes and control systems, offer objective advice on issues concerning risk, control, regulatory requirements and governance of the County. The County Government is therefore in breach of the law.

12.2 Lack of Independent Internal Audit Function

Review of the operations of the Internal Audit Department revealed that the County Government has established an internal audit unit to oversee governance mechanisms and promote transparency and accountability in the management of resources of the County. The internal audit function has a director, deputy director and five officers who report to the CEC Finance instead of an Audit Committee or any other independent or oversight body. In addition, the Internal Audit Charter has not been prepared and approved detailing the scope, responsibilities and purpose of the internal audit function. This is contrary to the provisions of Section 155(2) of the Public Financial Management (County Governments Regulations, 2015) which stipulate that an Accounting Officer shall ensure that an internal audit unit is facilitated with sufficient authority to promote independence and ensure broad internal coverage, and adequate consideration of audit reports. The internal audit unit therefore lacks independence to execute its mandate.

12.3 County Government Land Ownership

The County Government has no record and values of the parcels of land occupied by the County Offices. The County headquarters and the departments are located in different land parcels within Lodwar town. In addition, the County Government has offices in all sub-counties and Wards. The parcels, especially sub-county offices and ward offices were, not fenced to show boundaries and prevent possible encroachment. Further, land tittles or ownership documents were not availed for audit verification. Therefore it has been not to confirm that the parcels were owned by the Turkana County Executive. In addition, the value of land occupied by the County Government have not been included in these financial statements.

Disclaimer of Opinion

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, I do not express an opinion on the financial statements.

FCPA Edward R. O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

15 August 2017

I. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE PERIOD ENDED 30TH JUNE 2016.

	Note	2015-2016 Kshs	2014-2015 Kshs
RECEIPTS			
Tax Receipts	1		
Social Security Contributions	2		-
Proceeds from Domestic and Foreign Grants	3	13,770,000.00	9,890,000
Exchequer releases	4	12,124,833,581.00	8,187,330,289
Transfers from Other Government Entities	5		-
Proceeds from Domestic Borrowings	6		-
Proceeds from Foreign Borrowings	7		-
Proceeds from Sale of Assets	8		-
Reimbursements and Refunds	9		-
Returns of Equity Holdings	10		-
Other Receipts	11	133,843,654.85	126,542,247
TOTAL REVENUES		**12,272,447,235.85**	**8,323,762,536**
PAYMENTS			
Compensation of Employees	12	1,811,796,338	1,621,687,319
Use of goods and services	13	1,684,203,704	1,408,639,905
Subsidies	14	-	-
Transfers to Other Government Units	15	54,524,360.00	670,559,377
Other grants and transfers	16	963,027,576.94	1,041,046,018
Social Security Benefits	17	3,120,000.00	32,584,804
Acquisition of Assets	18	5,721,485,333.78	5,535,974,747

Finance Costs, including Loan Interest	19	-	-
Repayment of principal on Domestic and Foreign borrowing	20	-	-
Other Payments	21	-	104,501,137
TOTAL PAYMENTS		**10,238,157,312.71**	**10,414,993,307**
SURPLUS/DEFICIT		**2,034,289,923.14**	**- 2,091,230,771**

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on _____2017 and signed by:

Chief Officer – Finance

Head of Treasury Accounting

II. STATEMENT OF ASSETS AND LIABILITIES AS AT 30TH JUNE 2016

	Note	2015-2016 Kshs	2014-2015 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	22A	3,188,593,687	1,052,910,040.58
Cash Balances	22B	-	
Total Cash and cash equivalent		**3,188,593,687**	**1,052,910,040.58**
Accounts receivables – Outstanding Imprests	23	140,856,757	-
TOTAL FINANCIAL ASSETS		**3,329,450,444**	**1,052,910,040.58**
FINANCIAL LIABILITIES			
Accounts Payables – Deposits and retentions	24	242,250,480	-
NET FINANCIAL ASSETS		**3,087,199,964**	**1,052,910,040.58**
REPRESENTED BY			
Fund balance b/fwd	25	**1,052,910,040.58**	**3,144,140,811**
Surplus/Deficit for the year		**2,034,289,923.14**	**-2,091,230,771**
NET FINANCIAL POSITION		**3,087,199,964**	**1,052,910,040.58**

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

_____ _____

Chief Officer-Finance Head of Accounting

III. STATEMENT OF CASHFLOW

	Note	2015-2016 Kshs	2014-2015 kshs
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts for operating income			
Tax Revenues	1	-	-
Social Security Contributions	2	-	-
Proceeds from Domestic and Foreign Grants	3	13,770,000	9,890,000.00
Exchequer Releases	4	12,124,833,581	8,187,330,289.00
Transfers from Other Government Entities	5	-	
Reimbursements and Refunds	9	-	
Returns of Equity Holdings	10	-	
Other Receipts	11	133,843,655	126,542,247.00
Payments for operating expenses			
Compensation of Employees	12	- 1,811,796,338	- 1,621,687,319.00
Use of goods and services	13	- 1,684,203,704	- 1,408,639,905.00
Subsidies	14	-	
Transfers to Other Government Units	15	- 54,524,360	- 670,559,377.00
Other grants and transfers	16	963,027,576.94	- 1,041,046,018.00
Social Security Benefits	17	- 3,120,000	- 32,584,804.00

Finance Costs, including Loan Interest	19	-	
Other Payments	21	-	- 104,501,137.00
Adjusted for:			
Adjustments during the year			
Net cash flow from operating activities		**7,755,775,256.92**	**3,444,743,976**
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	8	-	
Acquisition of Assets	18	- 5,721,485,334	- 5,535,974,747
Net cash flows from Investing Activities		**5,721,485,334**	**- 5,535,974,747**
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from Domestic Borrowings	6	-	
Proceeds from Foreign Borrowings	7	-	
Repayment of principal on Domestic and Foreign borrowing	20	-	
Net cash flow from financing activities		-	
NET INCREASE IN CASH AND CASH EQUIVALENT		**2,034,289,923.14**	**3,144,140,811**
Cash and cash equivalent at BEGINNING of the year	25	1,052,910,040	**-2,091,230,771**
Cash and cash equivalent at END of the year	25	**3,087,199,964**	**1,052,910,040**

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on _____ 2017 and signed by:

Chief Officer – Finance

Head of Treasury Accounting

IV. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisatior
	a	c=a+b	d	e=c-d	f=d/c %
RECEIPTS					
Tax Receipts	-	-	-	-	#DIV/0!
Social Security Contributions	-	-	-	-	#DIV/0!
Proceeds from Domestic and Foreign Grants	-	-	13,770,000	13,770,000	#DIV/0!
Exchequer releases	13,383,307,695	13,383,307,695	12,124,833,581	1,058,474,114	91%
Transfers from Other Government Entities	-	-	-	-	#DIV/0!
Proceeds from Domestic Borrowings	-	-	-	-	#DIV/0!
Proceeds from Foreign Borrowings	-	-	-	-	#DIV/0!
Proceeds from Sale of Assets	-	-	-	-	#DIV/0!
Reimbursements and Refunds	-	-	-	-	#DIV/0!
Returns of Equity Holdings	-	-	-	-	#DIV/0!
Other Receipts	-	-	133,843,654.85	-	#DIV/0!
TOTAL RECEIPTS	**13,383,307,695.00**	**13,383,307,695**	**12,272,447,235.85**	**1,044,704,114.00412**	91%
PAYMENTS					

Compensation of Employees	2,862,934,225	2,862,934,225	1,811,796,338	1,051,136,887	63%
Use of goods and services	1,717,938,530.54	1,717,938,530.54	1,684,203,704	33,734,827	98%
Subsidies	266,620,390	266,620,390	-	266,620,390	0%
Transfers to Other Government Units	1,084,672,510	1,084,672,510	54,524,360	1,030,048,150	5%
Other grants and transfers	1,853,027,576.94	1,853,027,576.94	963,027,576.94	890,000,000	52%
Social Security Benefits	6,120,000	6,120,000	3,120,000	3,000,000	51%
Acquisition of Assets	5,693,488,186	5,693,488,186	5,721,485,334	- 27,997,148	100%
Finance Costs, including Loan Interest			-	-	#DIV/0!
Repayment of principal on Domestic and Foreign borrowing	-	-	-	-	#DIV/0!
Other Payments	-	-	-	-	#DIV/0!
TOTAL PAYMENTS	**13,484,701,418.2841**	**13,484,701,418.2841**	**10,238,157,312.71**	**3,246,544,105.57411**	**76%**

The entity financial statements were approved on 24/4 2017 and signed by:

CECM-Finance and Planning

24/4/2017
Date

V. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Tax Receipts	-	-	-	-	-	0%
Social Security Contributions	-	-	-	-	-	0%
Proceeds from Domestic and Foreign Grants	-	-	-	-	-	0%
Exchequer releases	4,131,751,068	-	4,131,751,068	3,073,276,954	1,058,474,114	74%
Transfers from Other Government Entities	-	-	-	-	-	0%
Proceeds from Domestic Borrowings	-	-	-	-	-	0%
Proceeds from Foreign Borrowings	-	-	-	-	-	0%
Proceeds from Sale of Assets	-	-	-	-	-	0%
Reimbursements and Refunds	-	-	-	-	-	0%
Returns of Equity Holdings	-	-	-	-	-	0%
Other Receipts	-	-	-	-	-	0%
TOTAL RECEIPTS	4,131,751,068	-	4,131,751,068	3,073,276,954	1,058,474,114	74%
PAYMENTS						
Compensation of Employees	2,862,934,225		2,862,934,225	1,811,796,338	1,053,755,566	63%

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
Use of goods and services	-		-	-	-	#DIV/0!
Subsidies	266,620,390		266,620,390		266,620,390	0%
Transfers to Other Government Units	106,076,453		106,076,453	-	106,076,453	0%
Other grants and transfers	890,000,000		890,000,000	-	890,000,000	0%
Social Security Benefits	6,120,000		6,120,000	3,120,000	3,000,000	51%
Acquisition of Assets	-		-		-	0%
Finance Costs, including Loan Interest			-	-	-	0%
Repayment of principal on Domestic and Foreign borrowing			-	-	-	0%
Other Payments			-		-	0
TOTALS	**4,131,751,068**	**-**	**4,131,751,068**	**1,814,916,338**	**2,316,834,729**	**44%**

The entity financial statements were approved on 24/4 2017 and signed by:

CECM-Finance and Planning

24/4/2017
Date

VI. SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Tax Receipts	-	-	-	-	-	0%
Social Security Contributions	-	-	-	-	-	0%
Proceeds from Domestic and Foreign Grants	-		-	13,770,000	-13,770,000	#DIV/0!
Exchequer releases	9,051,556,627		9,051,556,627	9,051,556,627	-	100%
Transfers from Other Government Entities	-		-	-	-	0%
Proceeds from Domestic Borrowings	-	-	-	-	-	0%
Proceeds from Foreign Borrowings	-	-	-	-	-	0%
Proceeds from Sale of Assets	-	-	-	-	-	0%
Reimbursements and Refunds	-	-	-	-	-	0%
Returns of Equity Holdings	-	-	-	-	-	0%
Other Receipts	200,000,000		200,000,000	133,843,655	66,156,345	0%
TOTAL RECEIPTS	**9,251,556,627**		**9,251,556,627**	9,199,170,282	**52,386,345**	**99%**
PAYMENTS						
Compensation of Employees						0%
Use of goods and services						0%

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
	1,717,938,530.54		1,717,938,530.54	1,684,203,703.54	33,734,827.00	
Subsidies	-		-	-	-	0%
Transfers to Other Government Units	978,496,057		978,496,057	54,524,360	923,971,697	6%
Other grants and transfers	963,027,576.94		963,027,576.94	963,027,576.94	- 0	100%
Social Security Benefits	-	-	-	-	-	0%
Acquisition of Assets	5,693,488,186		5,693,488,186	5,721,485,334	- - 27,997,148	99%
Finance Costs, including Loan Interest	-	-	-	-	-	0%
Repayment of principal on Domestic and Foreign borrowing	-	-	-	-	-	0%
Other Payments	-	-	-	-	-	0%
TOTALS	**9,352,950,350.46372**	-	**9,352,950,350.46**	**8,423,240,974.26**	**929,709,376**	**90%**

The entity financial statements were approved on 24/4/ 2017 and signed by:

CECM-Finance and Economic Planning

24/4/2017
Date

VII. SIGNIFICANT ACCOUNTING POLICIES

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

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

   The financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) with particular emphasis on Cash Basis Financial Reporting under the Cash Basis of Accounting and applicable government legislations and regulations. The financial statements comply with and conform to the form of presentation prescribed by the Public Sector Accounting Standards Board of Kenya.

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

   The financial statements have been prepared on the cash basis following the Government's standard chart of accounts.

2. **Recognition of revenue and expenses**

   The County Government of Turkana recognises all revenues from the various sources when the event occurs and the related cash has actually been received by the County Government of Turkana. In addition, the County Government of Turkana recognises all expenses when the event occurs and the related cash has actually been paid out by the County Government of Turkana.

3. **In-kind contributions**

   In-kind contributions are donations that are made to the County Government of Turkana 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 Government of Turkana includes such value in the statement of receipts and payments both as revenue and as an expense in equal and opposite amounts; otherwise, the contribution is not recorded.

4. **Cash and cash equivalents**

   Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year.

5. Accounts Receivable

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year is treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as expenditure 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.

6. Accounts Payable

For the purposes of these financial statements, deposits and retentions held on behalf of third parties has 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 by National Government Ministries and agencies. Other liabilities including pending bills are disclosed in the financial statements.

7. 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.

8. 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 Government of Turkana 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.

9. Budget

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The County Government of Turkana's budget was approved as required by Law and as detailed in the Government of Kenya Budget Printed Estimates. A high-level assessment of the County Government of Turkana's actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

10. Comparative figures

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

11. Subsequent events

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

VIII. NOTES TO THE FINANCIAL STATEMENTS

1 TAX REVENUES

	2014 - 2015 Kshs	2013 - 2014 Kshs
Taxes on Income, Profits and Capital Gains	-	-
Taxes on Property	-	-
Taxes on Goods and Services	-	-
Taxes on International Trade and Transactions	-	-
Other Taxes (not elsewhere classified)	-	-
	-	-
Total	-	-

2 SOCIAL SECURITY CONTRIBUTIONS

	2014 - 2015 Kshs	2013 - 2014 Kshs
Receipts for Health Insurance Contribution	-	-
Receipts to NHIF for Health Insurance Contributions	-	-
Receipts from Govt Employees to Social & Welfare Schemes in Govt	-	-
	-	-
Total	-	-

3. PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS

Name of Donor	Date received	2015 - 2016	2014 - 2015	2013 - 2014
			Kshs	Kshs
Grants Received from Bilateral Donors (Foreign Governments)				
Grants Received from Multilateral Donors (International Organisations)				
DANIDA	6/11/2015		9,890,000	-
World Food Program	14/02/2014		-	3,625,570
DANIDA	23/06/2016	13,770,000		
Grants Received from other levels of government				
Total		**13,770,000**	**9,890,000**	**3,625,570**

4. EXCHQUER RELEASES

Description and reference of the transfer		Date of transfer	2015-2016	2014-2015
			Kshs	Kshs
Total Exchequer Releases for quarter 1		3-Jul-15	1,645,800,155.00	689,796,236
Total Exchequer Releases for quarter 1		22-Sep-15	838,322,674.00	1,142,916,776
Total Exchequer Releases for quarter 2		22-Oct-15	943,113,008.00	822,900,079
Total Exchequer Releases for quarter 2		10-Nov-15	838,322,674.00	-
Total Exchequer Releases for quarter 2		10-Dec-15	890,717,841.00	685,750,066
Total Exchequer Releases for quarter 3		16-Feb-16	943,113,008.00	777,183,408
Total Exchequer Releases for quarter 3		10-Mar-16	838,322,674.00	777,183,408
Total Exchequer Releases for quarter 3		31-Mar-16	-	822,900,079
Total Exchequer Releases for quarter 3		31-Mar-16	838,322,674.00	-
Total Exchequer Releases for quarter 4		26-Apr-16	943,113,008.00	777,183,408
Total Exchequer Releases for quarter 4		4-May-16	838,322,674.00	822,900,079
Total Exchequer Releases for quarter 4		27-May-16	890,717,841.00	868,616,750
Total Exchequer Releases for quarter 4		8-June-16	838,322,674	
Total Exchequer Releases for quarter 4		23-June-16	838,322,676	
Total			**12,124,833,581.00**	**8,187,330,289**

5. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description	2015 - 2016 Kshs	2014 - 2015 Kshs
Transfers from Central government entities		
Transfers from Counties	-	-
TOTAL	-	-

6. PROCEEDS FROM DOMESTIC BORROWINGS

	2015 - 2016 Kshs	2014 - 2015 Kshs
Borrowing within General Government	-	-
Borrowing from Monetary Authorities (Central Bank)	-	-
Other Domestic Depository Corporations (Commercial Banks)	-	-
Borrowing from Other Domestic Financial Institutions	-	-
Borrowing from Other Domestic Creditors	-	-
Domestic Currency and Domestic Deposits	-	-
Total	-	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. PROCEEDS FROM FOREIGN BORROWINGS

	2015 - 2016 Kshs	2014 - 2015 Kshs
Foreign Borrowing – Draw-downs Through Exchequer	-	-
Foreign Borrowing - Direct Payments	-	-
Foreign Currency and Foreign Deposits	-	-
Total	-	-

8. PROCEEDS FROM SALE OF ASSETS

	2015 - 2016 Kshs	2014 – 2015 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	-	-
Receipts from the Sale of Strategic Reserves Stocks	-	-
Total	-	-

9. REIMBURSEMENTS AND REFUNDS

	2015 - 2016 Kshs	2014 – 2015 Kshs
Refund from World Food Programme (WFP)	-	-
Reimbursement of Audit Fees	-	-
Reimbursement on Messing Charges (UNICEF)	-	-
Reimbursement from World Bank – ECD	-	-
Reimbursement from Individuals and Private Organisations	-	-
Reimbursement from Local Government Authorities	-	-
Reimbursement from Statutory Organisations	-	-
Reimbursement within Central Government	-	-
Reimbursement Using Bonds	-	-

10. RETURNS OF EQUITY HOLDINGS

	2015 - 2016 Kshs	2014 - 2015 Kshs
Returns of Equity Holdings in Domestic Organisations	-	-
Returns of Equity Holdings in International Organisations	-	-
	-	-
Total	-	-

11. OTHER REVENUES

	2015 - 2016 Kshs	2014 - 2015 Kshs
Interest Received	-	-
Profits and Dividends	-	-
Rents	-	-
Other Property Income	-	-

Sales of Market Establishments	-	-
Receipts from Administrative Fees and Charges	-	
Receipts from Administrative Fees and Charges - Collected as AIA		-
		126,542,247
Receipts from Incidental Sales by Non-Market Establishments	-	-
Receipts from Sales by Non-Market Establishments	-	-
Receipts from Sale of Incidental Goods	-	-
Fines Penalties and Forfeitures	-	-
Receipts from Voluntary transfers other than grants	-	-
	20,900,880	
Business permits	-	-
Cesses	-	-
Poll rates	-	-
Plot rents	-	-
	52,194,932	
Other local levies		
Administrative services fees	-	-
	54,951,723	
Various direct fees		-
Council's natural resources	-	-
Exploitation	-	-
Sales of council assets	-	-
Lease / rental of council's	-	-
Infrastructure assets	-	-
Other miscellaneous revenues	-	-
Other miscellaneous revenues	-	-
Insurance claims recovery	-	-
Medium term loans (1-3 yr repayment)	-	-
Long term loans (over 3 yr rpayment)	-	-
Transfers from reserve funds	-	-

Donations	-	-
Fund raising events	-	-
Other revenues from financial assets loan	-	-
	2,387,510	
Market/trade centre fee	2,499,580	-
Vehicle parking fees	-	-
Housing	-	-
Social premises use charges	-	-
School fees	-	-
Other education-related	-	-
Other education revenues	-	-
Public health services	-	-
Public health facilities operations	-	-
Environment & conservancy	-	-
Administration	-	-
Slaughter houses administration	909,030	-
Water supply administration	-	-
Sewerage administration	-	-
Other health & sanitation	-	-
Technical services fees	-	-
External services fees	-	-
	133,843,654.85	**126,542,247**

12. COMPENSATION OF EMPLOYEES

	2015 - 2016 Kshs	2014 - 2015 Kshs
Basic salaries of permanent employees	1,787,456,177	1,581,307,818
Basic wages of temporary employees	21,220,161	9,782,379
Personal allowances paid as part of salary		29,129,068
Personal allowances paid as reimbursements	-	
Personal allowances provided in kind	-	
Pension and other social security contributions	-	
Compulsory national social security schemes		1,468,055
	3,120,000.00	
Compulsory national health insurance schemes		-
Social benefit schemes outside government	-	-
Other personnel payments	-	
Total	**1,811,796,338**	**1,621,687,319**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. USE OF GOODS AND SERVICES

	2015-2016 Kshs	2014-2015 Kshs
Utilities, supplies and services	15,505,642.85	21,900,064.61
Communication, supplies and services	24,275,552.88	25,920,916.86
Domestic travel and subsistence	219,067,829.00	234,101,798.51
Foreign travel and subsistence	76,963,819.98	70,491,331.40
Printing, advertising and information supplies & services	54,640,208.00	87,214,319.39
Rentals of produced assets	8,082,000.00	2,328,261.04
Training expenses	60,451,047.02	27,253,768.81
Hospitality supplies and services	35,714,150.33	55,012,789.43
Insurance costs	104,929,973.00	76,225,299.65
Specialized materials and services	176,090,471.72	176,067,809.12
Office and general supplies and services	64,473,326.11	50,732,009.21
Other operating expenses	406,786,198.00	378,872,305.23
Routine maintenance – vehicles and other transport equipment	91,521,930.25	73,189,384.27
Routine maintenance – other assets	62,156,184.40	42,260,863.14
Fuel, oil and lubricants	142,821,017.00	62,880633.94

Members fees dues and subscriptions		1,336,297.04
Legal dues and arbitrations	112,711,032.00	7,570,272.69
Contracted professional services	28,013321.00	2,425,798.49
Temporary Committee		12,855,982.17
Total	**1,684,203,703.54**	**1,408,639,905.00**

14. SUBSIDIES

Description	2015 - 2016 Kshs	2014 - 2015 Kshs
Subsidies to Public Corporations	-	-
Subsidies to Private Enterprises	-	-
TOTAL	-	-

15. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description			2015-2016	2014-2015
			Kshs	Kshs
Turkana Youth and Women Empowerment Fund			-	220,000,000.00
Car Loan and Mortgage fund-MCAs				150,000,000.00
Other capital grants and transfers				300,559,377.00
Biashara fund			54,524,360	
TOTAL		8	**54,524,360.00**	**670,559,377.00**

16. OTHER GRANTS AND OTHER PAYMENTS

			2015-2016	2014-2015
			Kshs	Kshs
Scholarships and other educational benefits			474,730,977.94	342,659,090.00
Emergency relief and refugee assistance			291,606,159.00	462,100,355.00
Cooperative Development Fund			35,690,440.00	48,286,573.00
Turkana Emergency Fund			161,000,000.00	188,000,000.00
Total			**963,027,576.94**	**1,041,046,018.00**

17. SOCIAL SECURITY BENEFITS

	2015 - 2016 Kshs	2014 - 2015 Kshs
Government pension and retirement benefits		
Social security benefits in cash and in kind	3,120,000-	32,584,804
Employer Social Benefits in cash and in kind	-	-
Total	**3,120,000**	**32,584,804**

18. ACQUISITION OF ASSETS

Non Financial Assets

	2015-2016 Kshs	2014-2015 Kshs
Non Financial Assets		
Purchase of Buildings	-	-
Construction of Buildings	1,568,568,859.84	2,343,397,588.67
Refurbishment of Buildings	581,433,419.82	439,067,649.67
Construction of Roads	1,155,606,947.56	1,057,394,639.32
Construction and Civil Works	654,059,787.74	600,911,814.00
Overhaul and Refurbishment of Construction and Civil Works	141,650,960.39	-
Purchase of Vehicles and Other Transport Equipment	256,128,552.70	297,120,370.00

Overhaul of Vehicles and Other Transport Equipment	183,456,782.00	174,821,505.00
Purchase of Household Furniture and Institutional Equipment	91,088,979.39	-
Purchase of Office Furniture and General Equipment	26,677,040.00	31,198,555.00
Purchase of ICT Equipment	127,896,158.20	-
Purchase of Specialised Plant, Equipment and Machinery	135,968,766.68	54,491,993.00
Rehabilitation and Renovation of Plant, Machinery and Equip.	91,088,979.39	-
Purchase of Certified Seeds, Breeding Stock and Live Animals	95,137,529.18	51,258,064.00
Research, Studies, Project Preparation, Design & Supervision	434,377,950	484,095,568.00
Rehabilitation of Civil Works	377,275.86	-
Acquisition of Strategic Stocks and commodities	177,967345.05	-
Acquisition of Land	-	2,217,000.00
Acquisition of Intangible Assets	-	-
Financial Assets	-	-
Domestic Public Non-Financial Enterprises	-	-
Domestic Public Financial Institutions	-	-
Foreign financial Institutions operating Abroad	-	-

	-	
	5,721,485,333.78	
Total		5,535,974,746.65

19. FINANCE COSTS, INCLUDING LOAN INTEREST

	2015 - 2016 Kshs	2014 - 2015 Kshs
Exchange Rate Losses	-	-
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	-	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

20. REPAYMENT OF PRINCIPAL ON DOMESTIC LENDING AND ON-LENDING

	2015 - 2016 Kshs	2014 - 2015 Kshs
Repayments on Borrowings from Domestic	-	-
Principal Repayments on Guaranteed Debt Taken over by Government	-	-
Repayments on Borrowings from Other Domestic Creditors	-	-
Repayment of Principal from Foreign Lending & On – Lending	-	-
Total	-	-

21. OTHER EXPENSES

	2015 - 2016 Kshs	2014 - 2015 Kshs
Budget Reserves	-	-
Civil Contingency Reserves	-	104,501,137-
Other expenses	-	-
	-	**104,501,137-**

22A: Bank Accounts

Name of Bank, Account No. & currency	Account Number	Indicate whether recurrent, Development, deposit, revenue e.t.c	2015-2016	2014-2015
Balance brought forward from FY14-15			**1,052,910,040.58**	
Central Bank of Kenya (Revenue Account)	1000171658	xxx	1,965,996,378.00	**956,872,180.15**
Central Bank of Kenya (Development Account)	1000171243		6,097,830.00	**100.00**
Central Bank of Kenya (Recurrent Account)	1000171286		609.00	
Kenya Commercial Bank (Development Account)			137,572,995.63	
Turkana Gratuity			-	**96,382,870.00**
Kenya Commercial Bank (Imprest Account)		xxx	26,015,833.80	**2,650,344.00**
Turkana County Assembly		xxx	-	**36,679.10**
Finance and Economic planning	1157497373		-	**100.00**
Education,HRD and Sports	1157096581		-	-
Public Service and Decentralized Administration			-	-
Office of the Governor-Recurrent			-	**544,095.20**
Office of the Governor-Development			-	**605,627.03**
Office of Deputy Governor			-	**2,557.00**
Department of health and Sanitation KCB 1157125867			-	**1,154.00**
Turkana Health Program	1163205931		-	-
Ministry of Tourism-Co-op Bank			-	**0.02**
Ministry of energy-Equity	0990262660762		-	**165.00**

Ministry of Pastoral Economy-CO-OP			-	30,830.00
Ministry of Lands-KCB	1156274389		-	20,574.60
Ministry of Water KCB	1157608868		-	0.48
Turkana County Revenue Account	1140763687			20,927,742.00
Total			**3,188,593,687.01**	**1,052,910,040.58**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

22B: CASH IN HAND

	2015 - 2016 Kshs	2014- 2015 Kshs
Cash in Hand – Held in domestic currency	-	-
Cash in Hand – Held in foreign currency	-	-
Total	-	-

Cash in hand should also be analysed as follows:

	2015 - 2016 Kshs	2014- 2015 Kshs
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (*specify)*	-	-
Total	-	-

23: ACCOUNTS RECEIVABLE - OUTSTANDING IMPRESTS

Description	2015 - 2016	2014- 2015
	Kshs	Kshs
Government Imprests	140,856,757.00	-
Clearance accounts	-	-
Total	**140,856,757.00**	**-**

[Include a breakdown of the outstanding imprest below or as an annex to the notes if the list is longer than 1 page.]

Name of Officer or Institution	*Date Imprest Taken*	*Amount Taken*	*Amount Surrendered*	*Balance*
		Kshs	*Kshs*	*Kshs*
Name of Officer or Institution	dd/mm/yy	xxx	Xxx	Xxx
Name of Officer or Institution	dd/mm/yy	xxx	Xxx	Xxx
Name of Officer or Institution	dd/mm/yy	xxx	Xxx	Xxx
Name of Officer or Institution	dd/mm/yy	xxx	Xxx	Xxx
Name of Officer or Institution	dd/mm/yy	xxx	Xxx	Xxx
Name of Officer or Institution	dd/mm/yy	xxx	Xxx	Xxx
Total				**Xxx**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

24. ACCOUNTS PAYABLE

	2015 - 2016 Kshs	2014- 2015 Kshs
Deposits	242,250,480.29	-
Total	**242,250,480.29**	**-**

[Provide short appropriate explanations as necessary]

25. FUND BALANCE BROUGHT FORWARD

	2015 - 2016 Kshs	2014- 2015 Kshs
Bank accounts	1,052,910,040.58	1,052,910,040.58
Cash in hand	-	-
Accounts Receivables	-	-
Accounts Payables	-	-
Total	1,052,910,040.58	1,052,910,040.58

26. OTHER IMPORTANT DISCLOSURES

26.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	Kshs	Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
	-	-

26.2: PENDING STAFF PAYABLES (See Annex 2)

	Kshs	Kshs
Senior management	-	-
Middle management	-	-
Unionisable employees	-	-
Others (*specify*)	-	-
	-	-

26.3: OTHER PENDING PAYABLES (See Annex 3)

	Kshs	Kshs
Amounts due to National Government entities	-	-
Amounts due to County Government entities	-	-
Amounts due to third parties	-	-
Others (*specify*)	-	-
	-	-

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Outstanding Balance As at 30th June 2016
Construction of buildings	
Kerioucon company limited	6,421,732
Kerioucon company limited	2,789,600
Naipa Building cont ltd	37,459,276
Kalokol Engineering	184,489
Take1 production	1,193,090
Sandfields lodwar camp	150,000
Sub-Total	**48,198,187**
Construction of civil works	
Kekorongole contractors investments ltd	8,908,725
Ekeny construction and general supplies limited	6,355,457
Davis & Shirtliff	1,846,321
Lodwar Chomazone hotel	993,972
Kekorongole contractors investments limited	1,719,036
Ecotechno wind pumbs	511,410
Sub-Total	**20,334,921**
Supply of goods	
Wambani Godwin	153,500
Leonard Lumbasi	51,060
Yohana Chegem	115,000
Andrew Mukanda	328,060
Loree J. Miramoe	280,000
Samuel lokemer	322,000
Jacob Nalukeu	329,000

Supplier of Goods or Services	Outstanding Balance As at 30th June 2016
Partrick kelengwe	283,000
Stanley Makori	129,200
Dr Ongaki Dominic	521,100
Sub-Total	**2,511,920**
Supply of services	
Reformed Church of East Africa	463,500
Kenya school of government	1,875,740
Namwar John	165,400
Lawrence Ekaale	398,060
Robert Edukon	309,400
Peter loolimo	326,200
Lucas Lokolonyei	338,000
John Etabo	312,400
David lokoro	171,200
Boroke Tours And Travels ltd	615,100
Edward Wanyama	1,122,200
Galoma contractors &transport co.ltd	2,319,146
Kebo paul mzee	765,800
Evans kemboi	344,850
Thomas ngitia	14,000
John Ngasike	11,200
Samuel w. njalale	319,200
Sub-Total	**9,871,396**
Grand Total	**80,916,424**

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2014	Outstanding Balance 2013	Comments
		a	b	c	d=a-c		
Senior Management							
1.							
2.							
3.							
Sub-Total							
Middle Management							
4.							
5.							
6.							
Sub-Total							
Unionisable Employees							
7.							
8.							
9.							
Sub-Total							
Others (*specify*)							
10.							
11.							
12.							
Sub-Total							
Grand Total							

ANNEX 3 - ANALYSIS OF OTHER PENDING PAYABLES

	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2014	Outstanding Balance 2013	Comments
		a	b	c	d=a-c		
unts due to National Govt ities							
Sub-Total							
unts due to County Govt Entities							
Sub-Total							
unts due to Third Parties							
Sub-Total							
ers (*specify*)							
Sub-Total							
Grand Total							

I. SUMMARY STATEMENT OF PROVISIONINGS

Details of General Accounts On Vote

	2015-2016 Kshs	2014 - 2015 Kshs
GAV Provisioning account balance	12,124,833,581	9,696,698,197
A.I.A	147,613,654.85	136,432,247.00
Total	**12,272,447,236**	**9,833,130,444**
Less Exchequer Releases	12,124,833,581	8,187,330,289
UNDER ISSUE		**1,645,800,155**

Details of Exchequer Account

	2015- 2016 Kshs	2014 - 2015 Kshs
Exchequer Provisioning account balance	12,124,833,581	8,187,330,289
A.I.A	147,613,654.85	136,432,247.00
Total	**12,272,447,236**	**8,323,762,536**
LESS EXPENSES	**10,238,157,312.71**	**10,414,993,307**
	2,034,289,923.14	**2,091,230,771**