REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

REPORT

OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF TURKANA COUNTY ASSEMBLY

FOR THE YEAR ENDED 30 JUNE 2018

OFFICE OF THE AUDITOR GENERAL
ELDORET HUB
17 DEC 2018
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TURKANA COUNTY ASSEMBLY

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED JUNE 30, 2018

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

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1. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

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

- Office of the Speaker
- Office of the Clerk
- Committee Services and
- County Assembly Service Board

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2018 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer	-Mr.Linus Miinyan Lokawa
2.	Deputy Clerk	-Mr.John Komol Ekonit
3.	Principal Finance Officer	-Mr.Timothy Ekidor Ekal

(d) Fiduciary Oversight Arrangements

County Budget and Appropriation Committee - The main functions are

- 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 and
- Evaluate tax estimated, economic and budgetary policies and programmes with direct budget outlays

(e) Entity Headquarters

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

Entity Contacts

Website: www.turkanaassembly.go.ke

(f) 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
366, 30500
Lodwar, Kenya

(g) Independent Auditors

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

(h) Principal Legal Adviser

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

2. FORWARD BY THE CLERK OF THE ASSEMBLY

In the FY 2017/18 the Turkana County Assembly approved a budget of ksh. 1,185,931,320. The actual expenditure of ksh 1,028,455,963 was used as expenditure during the year which resulted to a utilization difference of ksh.157, 475,357. The utilization percentage on the performance was reported as 86.72%.

Turkana County Assembly targets at setting legislations in all sectors that are geared towards transforming Turkana County into an economic power house in the region. The County Assembly constitutes the legislative organ of government in the County Government.

Roles of the Turkana County Assembly

The County Assembly 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;
- Do 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.

The Assembly in this financial year had challenges in late disbursements of funds and major budget cuts by the Commission on Revenue Allocation which affected the performance and delivery of services of the Assembly.

During the year, the Assembly embarked in the Construction of the Speaker's House and continuous improvement of the Assembly building. All development projects are currently undertaken by the County executive.

In general, the Assembly performed exemplary based on the budget allocation for this financial year.

Sign

Clerk of the County Assembly

3. 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, 2018. 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, 2018, 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 the its financial statements as well as the adequacy of the systems of internal financial control.

The Clerk confirms that the County Assembly has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the County Assembly's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Clerk confirms that the County Assembly's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The County Assembly financial statements were approved and signed by the Clerk of the County Assembly on 10/12 2018.

Clerk of the County Assembly

REPUBLIC OF KENYA

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Fax: +254-20-311482
E-Mail: oag@oagkenya.go.ke
Website: www.kenao.go.ke

P.O. Box 30084-00100
NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON TURKANA COUNTY ASSEMBLY FOR THE YEAR ENDED 30 JUNE 2018

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Turkana County Assembly set out on pages 1 to 23, which comprise the statement of assets and liabilities as at 30 June 2018, and the statement of receipts and payments, statement of cash flows and summary statement of comparison of budget and actual combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Turkana County Assembly as at 30 June, 2018, 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.

Basis for Opinion

1.0 Financial Statements Presentation and Disclosure

The financial statements for the year ended 30 June 2018 submitted for audit does not include Progress on follow up on all auditor's recommendations arising from auditor's report for the year ended 30 June 2017. Under the circumstances, the financial statements for the year ended 30 June 2018 do not conform to the revised financial statement reporting templates approved by the Public Sector Accounting Board Vide Circular Ref AG/4/16/1/Vol.IV/76 dated 13 July 2017.

Consequently, the financial statements presentation and disclosure could not be confirmed.

2.0 Acquisition of Assets

2.1 Construction of Speaker's Residence

The statement of receipts and payments reflects asset acquisition figure of Kshs.47,334,168 for year ended 30 June 2018 as disclosed in note 10 to the financial statements which includes an amount of Kshs.19,504,356 paid on 18 May 2018 to a construction company for construction of Speaker's residence.

Turkana County Assembly advertised tender No.TCA/8/2015-2016 in a local daily of 10 June 2016 for the construction of Speaker's residence main works. The tender was awarded to the construction firm at a contract sum of Kshs.75,016,755.68. The letter of notification of award was issued on 27 June 2016 and letter of acceptance received on 1 August 2016.

Physical verification of the project carried out in November 2018 revealed that the Speaker's Residence works is about 40% complete, the contractor was not on site and it's not known when the work will be completed. Consequently, the propriety of the expenditure of Kshs.19,504,356 could not be confirmed for the year ended 30 June 2018.

2.2 Construction of New County Assembly Offices

The construction of buildings figure of Kshs.47,334,168 includes an amount of Kshs.21,931,724 paid to a construction company towards construction of new County Assembly offices.

Turkana County Assembly advertised tender No.TCA/9/2015-2016 in a local daily of 10 June 2016, for the construction of New County Assembly Offices Main works. The tender was awarded to a construction company at a contract sum of Kshs.179,736,282. The contract agreement was signed on 28 June 2016. The letter of notification of award was issued on 27 June 2016 and letter of acceptance received on 28 June 2016.

There was no evidence that the Turkana County assembly notified unsuccessful tenderers in writing contrary to section 87(2) of Public Procurement and Asset Disposal Act, 2015.The contract signed on 28 June 2016 does not have clause indicating the expected start date and the period to complete the works contrary to Section 129 (2) of the Act.

Physical verification carried out in November 2018 revealed that the restaurant works is about 70% and the county assembly building is about 35% complete. Consequently, the propriety of the expenditure of Kshs.21,931,724 could not be confirmed for the year ended 30 June 2018.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Turkana County Assembly in accordance with ISSAI 30 on code of ethics. I have fulfilled other ethical responsibilities in accordance with ISSAIs 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

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. Except for the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

1.0 Budget Control and Performance

1.1 Budget Absorption

During the year under review, Turkana County Assembly had an approved budget of Kshs.1,232,465,219 comprising of recurrent vote budget of Kshs1,027,533,899 and a development vote budget of Kshs.204,931,320 out of which an amount of Kshs.1,059,923,442 was spent during the year. At the end of the financial year ended 30 June 2018, the budget performance reflected an overall under-absorption of Kshs.172,541,777 or 14% as indicated below.

Vote	Approved 2017/18 Budget (Kshs)	Actual Expenditure 2017/18 (Kshs)	Under-absorption (Kshs)	%
Development	204,931,320	47,334,168	157,597,152	77
Recurrent	1,027,533,899	1,012,589,275	14,944,624	1
Total	**1,232,465,219**	**1,059,923,443**	**172,541,777**	**14**

1.2 Development Budget

The county assembly had a development budget of Kshs.204,931,320 for year ended 30 June 2018 for construction of; speakers residence, county assembly offices and ward offices and for purchase of CCTV cameras and ICT equipment. During the year, an amount of Kshs.47,334,168 or approximately 23% of development budget was utilized to construct speakers residence resulting in an under absorption of development budget by Kshs. 157,597,152 or approximately 77%. This is likely to hamper service delivery to residents of Turkana County.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the 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 money has not been applied lawfully and in an effective way.

Basis for Conclusion

1.0 Compensation of Employees

1.1 Expenditure on Salary Emoluments and Benefit

The statement of receipts and payments reflects compensation of employee's figure of Kshs.487,638,593 which is approximately 47% of the total revenue of Kshs.1,033,455,964 and thus exceeds the recommended ratio of 35% stipulated in Section 25 (1) of the Public Finance Management (County Governments) Regulations 2015. Consequently, the County Government is in breach of the law and the wage bill may not be sustainable unless adequate measures are put in place to contain the rising wage bill.

1.2 Employees Receiving Net Pay of Less Than One Third

Included in compensation of employees' amount of Kshs.487,638,593 is basic salaries of permanent employees amount of Kshs.117,048,980. A review of the Assembly's payroll for the year ended 30 June 2018 revealed instances of employees of the County Assembly receiving net salaries which were less than a third of their respective basic salaries contrary to Section 19(3) of the Employment Act 2007, which states that without prejudice to any right of recovery of any debt due, and notwithstanding the provisions of any other written law, the total amount of all deductions which under the provisions of subsection (1), may be made by an employer from the wages of his employee at any one time shall not exceed two-thirds of such wages or such additional or other amount as may be prescribed by the Minister either generally or in relation to a specified employer or employee or class of employers or employees or any trade or industry.

1.3 Employment of New Staff Members

During the year, the County Assembly Service Board recruited one hundred and two (102) new staff members comprising of ten (10) county staff and ninety-two (92) wards staff. The Board did not advertise the one hundred and two (102) vacant positions and there were no interviews conducted to determine the suitability of staff recruited contrary to section 65 (1) (f)County Governments Act, 2012 requires open and transparent recruitment of public servants and section 66 of the Act that requires the Board invites applications through advertisement and other modes of communication so as to reach as wide a population of potential applicants as possible and especially persons who for any reason have been or may be disadvantaged. Management was therefore in breach of the law.

1.4 Failure to Observe One Third Staff Establishment Rule

Audit review of personnel records revealed that as at 30 June 2018, Turkana County Assembly had a total of two hundred and twelve employees (212) excluding members of county assembly, out of whom two hundred and four (204) or 96% of staff were from the dominant community leaving 8 (eight) or 4 % from other communities contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 that requires all public establishments to seek to represent the diversity of the people of Kenya in employment of

staff and that no public establishment shall have more than one third of its establishment from the same ethnic community for promotion of national unity.

1.5 Non- Remittance LAPFUND Salary Deductions

The statement of receipts and payments reflects compensation of employees' figure of Kshs.487,638,593.66 which includes pension and other social security contributions of amount Kshs.37,792,495. Audit review of personnel records and payment records revealed that LAPFUND deductions for the months of October 2017 and March 2018 totaling to Kshs.3,354,257 was not remitted to LAPFUND contrary to Section (3) of Local Authorities Provident Fund Act, Cap 272 which requires every employer to contribute to the Fund monthly, in addition to the sums deducted from its employees pursuant to section 9 of this Act.

1.6 Irregular Staffing

According to the Commissioner on Revenue Allocation (CRA), the recommended total number of staff for Turkana County Assembly which is in category II with 30 wards is 88. However, as at 30 June 2018, the Assembly had a total of 212 staff excluding the Hon members and therefore the Assembly is over staffed by 124 staff members. Further, there was no service scheme developed by the Assembly to regulate grading structures and remunerations. The County assembly is therefore in breach of the law.

2.0 Unutilized Gymnasium Equipment

As reported in the previous year, the County Assembly awarded a contract to a firm for the supply and delivery of gym equipment and paid a total of Kshs.7,500,000. However, the management did not avail important support documents such as bid documents, contract agreements, report of the inspection and acceptance committee to confirm that the goods received had the correct specification and the right quantities as per the tender documents and evidence of any testing on the equipment conducted to confirm they were working before effecting the payment. Audit review during 2017/2018 financial year revealed that the County Assembly did not have a gym room and the equipment were lying idle and had not been installed. Consequently, the objective of procuring the gym equipment has not been achieved and no value for money spent on the equipment has been obtained.

3.0 Outstanding Imprest

The statement of financial assets and liabilities reflects account receivables- Outstanding Imprests amounting to Kshs.14,887,942 as at 30 June 2018 as disclosed in note 14 to the financial statements. The outstanding imprest includes an amount of Kshs.9,864,556 held by various officers that was due for surrender before 30 June 2018. It also includes an amount of Kshs.10,290,706 held by various officers with multiple imprest contrary to Section 93(5) of public Finance Management (County Governments) Regulations, 2015 which stipulates that a holder of a temporary imprest shall account or surrender the imprest within seven (7) working days after returning to duty station and section 93(8) that require accounting officer or AIE Holder to ensure that no second imprest is issued to any officer before the first imprest is surrendered or recovered in full from his or her salary.

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, GOVERNANCE AND RISK MANAGEMENT SYSTEMS

Conclusion

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

Basis for Conclusion

Information Communication Technology (ICT)

An audit review of the Information and Communication Technology systems (ICT) of Turkana County Assembly revealed that the Assembly did not have data recovery and business continuity plans and approved IT security policy. Such policies are vital in effective and efficient management of the entity's IT resources.
Further, the County Assembly did not have an IT steering committee which is important in performing the oversight function and formulation of policies to ensure that IT department functions properly to assist in achievement of organizational objectives in an economic, efficient and effective way.

The audit was conducted in accordance with ISSAI 1315 and ISSAI 1330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and 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.

In preparing the financial statements, management is responsible for assessing the Turkana County Assembly ability to continue as a going concern/ sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the management either intends to liquidate the Turkana County Assembly or to cease operations, or have no realistic alternative but to do so.

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 money is applied in an effective manner.

Those charged with governance are responsible for overseeing the Turkana County Assembly 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 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 review is planned and performed to express a conclusion with limited assurance as to 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 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. The nature, timing and extent of the compliance work is limited compared to that designed to express an opinion with reasonable assurance on the financial statements.

Further, in planning and performing the audit of the financial statements and review 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 Turkana County Assembly 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 going concern 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 Turkana County Assembly ability to continue as a going concern or 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 Turkana County Assembly to cease to continue as a going concern or to sustain its services.

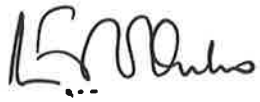
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Turkana County Assembly 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.



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

Nairobi

18 February 2019

5. FINANCIAL STATEMENTS

5.1. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2017/18 KShs	2016/17 KShs
RECEIPTS			
Transfers from the County Treasury/Exchequer Releases	1	1,028,455,963	763,428,475
Proceeds from Sale of Assets	2	-	-
Other Receipts-Borrowings	3	5,000,000	146,245,505
TOTAL RECEIPTS		**1,033,455,963**	**909,673,980**
PAYMENTS			
Compensation of Employees	4	487,638,593	459,401,490
Use of goods and services	5	305,909,736	402,328,776
Subsidies	6	-	-
Transfers to Other Government Entities	7	219,000,000	-
Other grants and transfers	8	-	-
Social Security Benefits	9	-	-
Acquisition of Assets	10	47,334,168	-
Finance Costs	11	40,945	-
Other Payments	12	-	-
TOTAL PAYMENTS		**1,059,923,443**	**861,730,266**
SURPLUS/DEFICIT		**(26,467,480)**	**47,943,714**

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 10/12/ 2018 and signed by:

Clerk of the Assembly
Name: L. Lindus Miimaar

Principal Finance Officer – County Assembly
Name: TIMOTHY EKIDOR
ICPAK Member Number:

.2. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES AS AT 30TH JUNE 2018

		2017/2018	2016/17
FINANCIAL ASSETS	**Note**	**KShs**	**KShs**
Cash and Cash Equivalents			
Bank Balances	13A	10,737,544	41,535,899
Cash Balances	13B	-	-
Total Cash and cash equivalents		10,737,544	41,535,899
Accounts receivables – Outstanding Imprests	14	14,887,942	10,557,066
TOTAL FINANCIAL ASSETS		**25,625,486**	**52,092,965**
FINANCIAL LIABILITIES			
Accounts Payables – Deposits and retentions	15	-	-
NET FINANCIAL ASSETS		25,625,486	52,092,965
REPRESENTED BY			
Fund balance b/fwd	16	52,092,965	4,149,251
Prior year adjustments	17	-	-
Surplus/Deficit for the year		(26,467,480)	47,943,714
NET FINANCIAL POSITION		**25,625,485**	**52,092,965**

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 10/12/ 2018 and signed by:

Clerk of the Assembly
Name: L. LINUS MIINYAN.

Principal Finance Officer – County Assembly
Name: TIMOTHY EKIDOR
ICPAK Member Number:

5.3. STATEMENT OF CASH FLOWS

	Note	2017/18 KShs	2016/17 KShs
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from operating income			
Transfers from the County Treasury/Exchequer Releases	1	1,028,455,963	763,428,475
Other Receipts-Borrowings	3	5,000,000	146,245,505
Payments for operating expenses			
Compensation of Employees	4	(487,638,593)	(459,401,490)
Use of goods and services	5	(305,909,736)	(402,328,776)
Subsidies	6	-	-
Transfers to Other Government Entities	7	(219,000,000)	-
Other grants and transfers	8	-	-
Social Security Benefits	9	-	-
Finance Costs	11	(40,945)	-
Other Payments	12	-	-
Adjusted for:			
Adjustments during the year		-	-
Net cash flows from operating activities		**20,866,689**	**47,943,714**
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	10	(47,334,168)	-
Net cash flows from investing activities		**(47,334,168)**	-
NET INCREASE IN CASH AND CASH EQUIVALENTS		**(26,467,480)**	**47,943,714**
Cash and cash equivalent at BEGINNING of the year	13	**52,092,965**	**4,149,251**
Cash and cash equivalent at END of the year		**25,625,485**	**52,092,965**

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 10/12/ 2018 and signed by:

Clerk of the Assembly
Name: L. LINUS MIINYAN

Principal Finance Officer – County Assembly
Name: TIMOTHY EKIDOR
ICPAK Member Number

5.4. STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: RECURRENT AND DEVELOPMENT COMBINED

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	1,185,931,320	-	1,185,931,320	1,028,455,963	86.72%
Proceeds from Sale of Assets	-	-	-	-	-
Other Receipts-Borrowings	-	5,000,000	5,000,000	5,000,000	100%
Bank balances B/F		41,533,899	41,533,899	41,533,899	100%
TOTAL	**1,185,931,320**	**46,533,899**	**1,232,465,219**	**1,074,989,862**	**-**
PAYMENTS					
Compensation of Employees	522,054,478	-	522,054,478	487,638,593	99.60%
Use of goods and services	239,945,522	46,533,899	286,479,421	305,909,736	106.78%
Subsidies	-	-	-	-	-
Transfers to Other Government Entities	219,000,000	-	219,000,000	219,000,000	100.00%
Other grants and transfers	-	-	-	-	-
Social Security Benefits	-	-	-	-	-
Acquisition of Assets	204,931,320	-	204,931,320	47,334,168	23.10%
Finance Costs	-	-	40,945	(40,945.00)	-
Other Payments	-	-	-	-	-
TOTAL	**1,185,931,320**	**46,533,899**	**1,232,465,219**	**1,059,923,442**	**-**
SURPLUS/ DEFICIT				**15,066,419**	

The entity financial statements were approved on 10/12/ 2018 and signed by:

Clerk of the Assembly
Name: L. LINUS MIINYAN

Principal Finance officer – County Assembly
Name: TIMOTHY EKIDUR
ICPAK Member Number:

5.5. 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					
Transfers from the County Treasury/ Exchequer Releases	981,000,000	0	981,000,000	980,455,963	99.90%
Proceeds from Sale of Assets	-	-	-	-	-
Other Receipts-Borrowings	-	5,000,000.00	5,000,000	5,000,000	100%
Bank balance B/F	0	41,533,899.00	41,533,899	41,533,899	100%
TOTAL	981,000,000	46,533,899.00	1,027,533,899	1,026,989,862	-
PAYMENTS					
Compensation of Employees	522,054,478	-	522,054,478	487,638,593	93.40%
Use of goods and services	239,945,522	46,533,899.00	286,479,421	305,909,736.00	106.78%
Subsidies	-	-	-	-	
Transfers to Other Government Entities	219,000,000		219,000,000	219,000,000	100%
Other grants and transfers	-	-			-
Social Security Benefits	-	-	-	-	-
Acquisition of Assets	-	-	-	-	-
Finance Costs	-	-	40,945	(40,945)	-
Other Payments	-	-			-
TOTAL	**981,000,000**	**46,533,899**	**1,027,533,899**	**1,012,589,274**	
Surplus/ Deficit	**0**	**0**	**0**	**14,400,587**	-

The entity financial statements were approved on 10/12 2018 and signed by:

Clerk of the Assembly
Name: L. LINUS MIINYAN

Principal Finance Officer – County Assembly
Name: TIMOTHY EKIDUR
ICPAK Member Number:

5.6. STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: 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	204,931,320	-	204,931,320	48,000,000	23.42%
Proceeds from Sale of Assets	-	-	-	-	-
Other Receipts	-	-	-	-	-
TOTAL	**204,931,320**	-	**204,931,320**	**48,000,000**	-
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	204,931,320	-	204,931,320	47,334,168	-
Finance Costs	-	-	-	-	-
Other Payments	-	-	-	-	-
TOTAL	**204,931,320**	-	**204,931,320**	**47,334,168**	**23.04%**
SURPLUS/ DEFICIT	-	-	-	**665,831**	

The entity financial statements were approved on 10/12/ 2018 and signed by:

Clerk of the Assembly
Name: L. LINUS MIINYAN

Principal Finance Officer – County Assembly
Name: TIMOTHY EKIDUR
ICPAK Member Number.

5.7 BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	KShs	KShs	KShs	KShs	KShs
P1 GENERAL ADMINISTRATION AND SUPPORT SERVICES	901,435,401	-	980,455,963		
SP 1.1 Office of the Clerk	423,897,086	-	423,897,086	423,897,086	100%
SP 1.2 Office of the Speaker	379,990,072	-	451,378,120	451,378,120	100%
SP1.3 County Assembly Service Board	8,028,642	-	20,161,157	20,161,157	100%
SP 1.4 Committee Services	89,519,600	-	85,019,600	85,019,600	100%
SP 1.5 Construction of Buildings	150,000,000	(130,000,000)	20,000,000	0	0%
SP1.6 Assembly Audit and Budget Services	3,000,000	-	3,000,000	3,000,000	100%
P 2 COMMITMENTS/PENDING BILLS	-		184,931,320.00		0%

5.7. 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 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 actually been received by the Assembly.

Tax receipts

Tax Receipts is recognized in the books of accounts when cash is received. Cash is considered as received when notification of tax remittance is received.

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.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Compensation of employees

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

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.

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.

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.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5. 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.

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

6. 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 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.

7. Accounts Payable

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.

8. 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.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

9. 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.

10. 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 county assembly of Turkana budget was approved as required by Law .The original budget was approved by the County Assembly on 30th June 2018 for the period 1st July 2017 to 30 June 2018 as required by law. There were two (2) number of supplementary budgets passed in the year. 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.

11. Comparative figures

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

12. Subsequent events

Events subsequent to 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.

13. Errors

Material prior period errors shall be corrected retrospectively in the first set of financial statements authorized for issue after their discovery by: i. restating the comparative amounts for prior period(s) presented in which the error occurred; or ii. If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.

14. Related party transactions

Related party transactions involve cash and in kind transactions with the National Government, National Government entities and County Government entities. Specific information with regards to related party transactions is included in the disclosure notes.

5.8. NOTES TO THE FINANCIAL STATEMENTS

1. Transfers from the County Treasury/Exchequer Releases

	2017/18	2016/17
	KShs	KShs
Transfers from the County Treasury for Q1	100,000,000	207,922,940
Transfers from the County Treasury for Q2	180,000,000	200,870,969
Transfers from the County Treasury for Q3	250,000,000	257,634,566
Transfers from the County Treasury for Q4	498,455,963	97,000,000
Cumulative Amount	**1,028,455,963**	**763,428,475**

2. PROCEEDS FROM SALE OF ASSETS

	2017/18	2016/17
	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	-	-
Receipts from the Sale of Strategic Reserves Stocks	-	-
Total	-	-

3. OTHER RECEIPTS

	2017/18	2016/17
	KShs	KShs
Tender fees received	-	-
Other Receipts II	-	-
Other Receipts III	-	-
Other Receipts IV-Borrowings(Car Loan and Mortgage)	5,000,000	146,245,505
Total	**5,000,000**	**146,245,505**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. COMPENSATION OF EMPLOYEES

	2017/18	2016/17
	KShs	KShs
Basic salaries of permanent employees	149,000,257	104,237,134
Basic wages of temporary employees	25,413,593	35,996,400
Personal allowances paid as part of salary	43,703,726	36,195,408
Personal allowances paid as reimbursements	83,760,609	93,091,878
Personal allowances provided in kind	44,982,579	31,736,416
Pension and other social security contributions	37,792,495	17,594,590
Compulsory national social security schemes	21,370,850	37,562,624
Compulsory national health insurance schemes	7,835,300	29,500,000
Social benefit schemes outside government	43,726,815	59,933,531
Other personnel payments	30,052,368	13,553,509
Total	**487,638,593**	**459,401,490**

5. USE OF GOODS AND SERVICES

	2017/18	2016/17
	KShs	KShs
Utilities, supplies and services	1,190,495	2,256,418
Communication, supplies and services	2,292,775	4,294,950
Domestic travel and subsistence	146,937,958	190,388,579
Foreign travel and subsistence	5,326,200	15,333,497
Printing, advertising and information supplies & services	10,070,037	5,095,436
Rentals of produced assets	600,000	-
Training expenses	15,752,000	10,866,595
Hospitality supplies and services	15,225,788	11,171,455
Insurance costs	57,530,550	23,771,634
Office and general supplies and services	10,641,628	35,129,463
Other operating expenses	25,743,963	77,719,989
Fuel	5,951,821	13,603,920
Routine maintenance – vehicles and other transport equipment	6,229,610	10,397,768
Routine maintenance – other assets	2,416,911	2,299,072
Total	**305,909,736**	**402,328,776**

6. SUBSIDIES

Description	2017/18	2016/17
	KShs	KShs
Subsidies to County Corporations		
See list attached	-	-
(insert name)	-	-
Subsidies to Private Enterprises		
See list attached	-	-
(insert name)	-	-
TOTAL	-	-

(Provide explanations as to what subsidies relate to)

7. TRANSFERS TO OTHER GOVERNMENT ENTITIES

Description	2017/18	2016/17
	KShs	KShs
Transfers to Other Counties Government Entities		
Transfer to Water and Sewerage Company		
Transfer to Turkana County Assembly Car and Mortgage Fund	219,000,000	-
TOTAL	**219,000,000**	-

(Explain what the transfers relate to and whether they are to be refunded by the institution referred to)

8. OTHER GRANTS AND TRANSFERS

	2017/18	2016/17
	KShs	KShs
Scholarships and other educational benefits	-	-
Emergency relief and refugee assistance	-	-
Subsidies to small businesses, cooperatives, and self employed	-	-
Total	-	-

(Give explanations on what other grants and transfers relate to and who the beneficiaries are)

9. SOCIAL SECURITY BENEFITS

	2017/18	2016/17
	KShs	KShs
Government pension and retirement benefits	-	-
Social security benefits in cash and in kind	-	-
Employer Social Benefits in cash and in kind	-	-
Total	-	-

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

10. ACQUISITION OF ASSETS

Non Financial Assets	2017/18	2016/17
	KShs	KShs
Purchase of Buildings	-	-
Construction of Buildings	47,334,168	-
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 ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialised 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	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
Financial Assets	-	-
Domestic Public Non-Financial Enterprises	-	-
Domestic Public Financial Institutions	-	-
Total	**47,334,168**	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. FINANCE COSTS

	2017/18	2016/17
	KShs	KShs
Bank Charges	-	-
Exchange Rate Losses	-	-
Other Finance costs	-	-
Interest on borrowings	-	-
Bank Charges	40,945	-
Total	**40,945**	-

12. OTHER PAYMENTS

	2017/18	2016/17
	KShs	KShs
Budget Reserves	-	-
Civil Contingency Reserves	-	-
Capital Transfers to Non-Financial Public Enterprises	-	-
Capital Transfer to Public Financial Institutions and Enterprises	-	-
Capital Transfer to Private Non-Financial Enterprises	-	-
Other expenses	-	-
Domestic Accounts	-	-
Total	-	-

13A. BANK BALANCES

Name of Bank, Account No. & Currency	Amount in bank account currency*	Indicated whether recurrent or development	Ex. rate (if in foreign currency)	2017/2018	2016/17
			KShs		KShs
CBK-Turkana County Assembly A/c 1000244248	Ksh	Reccurrent	-	9,888,537	41,535,813
CBK-Turkana County Assembly	Ksh	Development Acc	-	666,232	-
KCB – Lodwar –a/c 1148594596	Ksh	Recurrent Acc	-	182,775	86
Total				**10,737,544**	**41,535,899**

13B. CASH IN HAND

	2017/18	2016/17
	KShs	KShs
Cash in Hand – Held in domestic currency	-	-
Cash in Hand – Held in foreign currency	-	-
Total	-	-

Cash in hand should be analysed as follows:

	2017/18	2016/17
	KShs	KShs
Location 1	-	-
Location 2	-	-
Location 3	-	-
Total	-	-

14. ACCOUNTS RECEIVABLE

	2017/18	2016/17
	KShs	KShs
Government Imprests	14,887,942	10,557,066
Clearance Accounts	-	-
Staff Advances	-	-
Other Advances	-	-
Total	**14,887,942**	**10,557,066**

**See Annex 5 for a detailed analysis of the outstanding imprests.*

15. ACCOUNTS PAYABLE

	2017/18	2016/17
	KShs	KShs
Deposits and Retentions	-	-
Total	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. FUND BALANCE BROUGHT FORWARD

	2017/18	2016/17
	KShs	KShs
Bank accounts	10,737,544	41,536,899
Cash in hand	-	-
Accounts Receivables	14,887,942	10,557,066
Accounts Payables	-	-
Total	**25,625,486**	**52,092,965**

17. PRIOR YEAR ADJUSTMENTS

Description of the adjustment	2017/18	2016/17
	KShs	KShs
Adjustments on bank account balances	-	-
Adjustments on cash in hand	-	-
Adjustments on payables	-	-
Adjustments on receivables	-	-
Others (*specify*)	-	-
Total	-	-

5.9. OTHER DISCLOSURES

1. PENDING ACCOUNTS PAYABLE (See Annex 1)

	2017/18	2016/17
	KShs	KShs
Construction of buildings	355,005,696	-
Construction of civil works	-	-
Supply of goods	58,474,246	-
Supply of services	14,676,926	-
Total	**428,156,869**	**-**

2. PENDING STAFF PAYABLES (See Annex 2)

Name of Staff	2017/18	2016/17
	KShs	KShs
Lap fund	3,354,257	-
Total	**3,354,257**	**-**

3. OTHER PENDING PAYABLES (See Annex 3)

	2017/18	2016/17
	KShs	KShs
Amounts due to National Government entities	-	-
Amounts due to County Government entities	-	-
Amounts due to third parties	-	-
Total	-	-

4. 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.

- Members of County Assembly;
- Key management personnel that include the Clerk of the Assembly and heads of departments;
- The County Executive;
- County Ministries and Departments;
- The National Government;
- Other County Governments; and
- State Corporations and Semi-Autonomous Government Agencies.

OTHER DISCLOSURES (CONTINUED)

Related party transactions:

	2017- 2018	2016- 2017
	Kshs	Kshs
Compensation to Key Management		
Compensation to the Speaker, Deputy Speaker and the MCAs	153,818,053	-
Key Management Compensation(Clerk and Heads of departments)	27,234,530	-
Total Compensation to Key Management	**181,052,583**	**-**
Transfers to related parties		
Transfers to other County Government Entities such as car and mortgage schemes	219,000,000	-
Transfers to County Corporations	-	-
Transfers to non-reporting entities e.g. ECD centres, welfare centres etc	-	-
Total Transfers to related parties	**219,000,000**	**-**
Transfers from related parties		
Transfers from the County Executive- Exchequer	1,028,455,963	763,428,475
Payments made on behalf of the County Assembly by other Government Agencies	-	-
Turkana county assembly car loan and mortgage	5,000,000	146,245,505
Total Transfers from related parties	**1,033,455,963**	**909,673,980**

5. PROGRESS ON FOLLOW UP OF AUDITOR 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	Focal Point person to resolve the issue *(Name and designation)*	Status: *(Resolved / Not Resolved)*	Timeframe: *(Put a date when you expect the issue to be resolved)*
ELD/TURCA/32/17/2	Lack of an independent audit function	The CASB has advertised the positions of the audit committee member's through the daily newspapers. The internal audit function is also in the process of developing the audit charter detailing scope, responsibilities and purpose of internal audit function	CASB,Clerk	Resolved	The fourth quarter of 2017/2018 by 30th June 2018

Clerk of the County Assembly

Sign.....

Date.....10/12/2018.....

ANNEXES

ANNEX 1 – ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
	A	b	c	d=a-c		
Construction of buildings			0			
1. Construction of MCAs offices			0	158,000,000	-	
2. Construction of New County Assembly			28,000,000	152,000,000	-	
3. Construction of New speakers residents			69,011,059	6,005,696	-	
4. Construction of Refurbished survey offices			26,000,000	39,000,000	-	
Sub-Total			**123,011,059**	**355,005,697**	-	
Construction of civil works						
5.						
6.						
7.						
Sub-Total						
Supply of goods						
8. Supply of goods to County Assembly	-		0	58,474,246	-	
9.						
10.						
Sub-Total				**58,474,246**	-	
Supply of services						
11. Supply of services to county assembly	-		1,188,574	14,676,926	-	
12.						
13.						
Sub-Total			**1,188,571**	**14,676,926**	-	
Grand Total				**428,156,869**	-	

ANNEX 2 – ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
		a	b	c	d=a-c		
Lapfund	-			3,354,257	3,354,257		
Sub-Total					**3,354,257**		
Grand Total					**3,354,257**		

ANNEX 3 – ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
		a	b	c	d=a-c		
Amounts due to National Govt Entities							
1.							
2.							
3.							
Sub-Total							
Amounts due to County Govt Entities							
4.							
5.							
6.							
Sub-Total							
Amounts due to Third Parties							
7.							
8.							
9.							
Sub-Total							
Others (*specify*)							
10.							
11.							
12.							
Sub-Total							
Grand Total							

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (KShs) 2016/2017	Additions during the year (KShs)	Disposals during the year (KShs)	Historical Cost c/f (KShs) 2017/2018
Land	28,000,000	-	-	28,000,000
Buildings and structures	576,524,708	47,334,168	-	623,858,876
Transport equipment	76,689,551	-	-	76,689,551
Office equipment, furniture and fittings	4,170,000	-	-	4,170,000
ICT Equipment, Software and Other ICT Assets	17,236,337	-	-	17,236,337
Other Machinery and Equipment	-	-	-	-
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	**702,620,595**	**47,334,168**	-	**749,954,764**

ANNEX 5 – ANALYSIS OF OUTSTANDING IMPRESTS

Government Imprest Holders as at 30th June 2018

Name of Officer or Institution	*Date Imprest Taken*	*Amount Taken*	*Amount Surrendered*	*Balance*
		KShs	*KShs*	*KShs*
David Echoto	4/10/2017	191,000	-	191,000
Benard Lennon	6/6/2018	370,000	-	370,000
Francis Lochuch	5/10/2017	2,348,000	-	2,348,000
Ekal Lokuruka	19/2/2018	131,000	-	131,000
Hellen Arot	19/10/2017	444,000	-	444,000
Lochuch Ekai	8/9/2017	87,000	-	87,000
Ekai Nicholas	8/9/2018	56,000	-	56,000
James Lopeto	30/11/2017	130,000	-	130,000
John Nakuleu	22/01/2018	156,000	-	156,000
Lotukoi John	7/3/2018	138,000	-	138,000
James Kuya Ebei	14/11/2017	133,000	-	133,000
Francis Lochuch	18/9/2017	640,000	-	640,000
Lochuch ekai	19/10/2017	1,700,000	-	1,700,000
Nasia Joram	14/2/2017	719,000	-	719,000
Lokaale Dorcas	25/6/2018	63,000	-	63,000
Jane Walwenda	19/1/2018	28,000	-	28,000
Ekal Lokuruka	14/11/2017	42,000	-	42,000
Dimphine Apuu	7/3/2018	391,600	-	391,600
Moru longorio	17/05/2018	35,000	-	35,000
Ekoroupus Michael Ekai	12/4/2018	36,500	-	36,500
Francis Lochuch	16/11/2017	1,800,000	-	1,800,000

Francis Ekai		1,550,000	-	1,550,000
Gabriel Naspaan		174,442	-	174,442
Totals		**14,887,942**		**14,887,942**

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REPUBLIC OF KENYA

BANK RECONCILIATION

as at 30th JUNE, 2018 Station Development

	Sh.	cts.	Sh.	cts.	Sh.	cts.
Balance as per Bank Certificate ..					665831	65
Less—						
1. Payments in Cash Book not yet recorded in Bank Statement (Unpresented Cheques) ..						
2. Receipts in Bank Statement not yet recorded in Cash Book ..						
Add—						
3. Payments in Bank Statement not yet recorded in Cash Book ..						
4. Receipts in Cash Book not yet Recorded in Bank Statement ..						
Bank Balance as per Cash Book					665831	65

I certify that I have verified the Bank Balance in the Cash Book with the Bank Statement and that the above Reconciliation is correct.

Signature	Designation	Date
	Accounts Assistant	

1. PAYMENTS IN CASH BOOK NOT YET RECORDED IN BANK STATEMENT (UNPRESENTED CHEQUES)

Cheque No.	Cheque Date	Payee	Amount Sh.	Amount cts.	Cheque No.	Cheque Date	Payee	Amount Sh.	Amount cts.

1. Payments in Cash Book not Yet Recorded in Bank Statement (Unpresented Cheques)

Cheque		Payee	Amount	
No.	Date		Sh.	cts.

2. Receipts in Bank Statement not Yet Recorded in Cash Book

Details	Amount	
	Sh.	cts.

3. Payments in Bank Statement not Yet Recorded in Cash Book

Details	Amount	
	Sh.	cts.

4. Receipts in Cash Book not Yet Recorded in Bank Statement

Details	Amount	
	Sh.	cts.

F.O 30

REPUBLIC OF KENYA

BANK RECONCILIATION

as at 30TH JUNE, 2018 Station TCA (CBK-RECURRENT)

	Sh.	cts.	Sh.	cts.	Sh.	cts.
Balance as per Bank Certificate ..					111,476,705	20
Less—						
1. Payments in Cash Book not yet recorded in Bank Statement (Unpresented Cheques) ..			101,478,167	95		
2. Receipts in Bank Statement not yet recorded in Cash Book ..			110,000	00	(101,588,167	95)
Add—						
3. Payments in Bank Statement not yet recorded in Cash Book ..						
4. Receipts in Cash Book not yet Recorded in Bank Statement ..						
Bank Balance as per Cash Book					9,888,537	25

I certify that I have verified the Bank Balance in the Cash Book with the Bank Statement a... the above Reconciliation is correct.

Signature	Designation	Date
	Accounts Assistant	6/07/2018

1. PAYMENTS IN CASH BOOK NOT YET RECORDED IN BANK STATEMENT (UNPRESENTED CHEQUES)

Cheque No.	Cheque Date	Payee	Amount Sh.	Amount cts.	Cheque No.	Cheque Date	Payee	Amount Sh.	Amount cts.

(LIST ATTACHED)

1. Payments in Cash Book not Yet Recorded in Bank Statement (Unpresented Cheques)

Cheque No.	Cheque Date	Payee	Amount Sh.	Amount cts.

2. Receipts in Bank Statement not Yet Recorded in Cash Book

Details	Amount Sh.	Amount cts.
Reversed RTGS for		
Telcom Ltd	110,000	=
	110,000	=

3. Payments in Bank Statement not Yet Recorded in Cash Book

Details	Amount Sh.	Amount cts.

4. Receipts in Cash Book not Yet Recorded in Bank Statement

Details	Amount Sh.	Amount cts.

TURKANA COUNTY ASSEMBLY

PAYMENTS IN CASH BOOK NOT YET RECORDED IN BANK STATEMENT

S/NO	REF.NO/CHQ NO	DESCRIPTION	AMOUNT
1	FT181832VC3Z	TRFS Payments KRA	11,402.70
2	FT181833F6F8	TRFS Payments KRA	7,150,095.50
3	FT1818338V2V	TRFS Payments KRA	7,150,380.05
4	FT18184BXSWZ	KENYA COUNTY GOVERNMENT WORKERS UNI	2,500.00
5	FT18184MHFBY	TIMOTHY EKAL EKIDOR	2,500.00
6	FT18184Z4GY0	UNION OF KENYA CIVIL SERVANTS	2,561.25
7	FT18184857DZ	SHERIA SACCO LTD	3,195.00
8	FT18184N0WP9	BRITISH AMERICAN INSURANCE LTD	6,790.00
9	FT181848MCG5	LODWAR WATER AND SANITATION COMPANY	7,210.00
10	FT18184H11JT	HAZINA SACCO SOCIETY LTD	8,590.00
11	FT181843YH11	SAUTI SACCO	10,809.00
12	FT18184FXRZC	david titia esinyen	12,600.00
13	FT18184K3LMM	MAGEREZA CO OPERATIVE SOCIETY LIMIT	13,285.00
14	FT181844L1W2	ELIMU SACCO SOCIETY LIMITED	13,487.55
15	FT18184RFT1L	JUBILEE INSURANCE	16,297.95
16	FT181840PSRS	LIBERTY LIFE ASSURANCE KENYA LIMITE	18,028.40
17	FT18184Z6N8D	ALEX NGIKURUKA	19,600.00
18	FT18184MNTSD	MARIKO ESEKON	21,000.00
19	FT18184QCK3J	KIAPA ELIJAH MEYEN	21,000.00
20	FT18184NKDF1	SAMMY ELIM KAROI	21,000.00
21	FT181843C15G	william pera moru	34,500.00
22	FT18184VXM46	BARCLAYS BANK OF KENYA	34,722.00
23	FT18184MQ7NW	IZWE LOANS KENYA LIMITED	44,394.00
24	FT181847GNYP	KENYA POWER AND LIGHTING COMPANY	44,807.00
25	FT18184NZTH7	BONIFACE EKUTAN	47,000.00
26	FT18184PTPZN	jane walwenda	48,800.00
27	FT18184C960G	lucas samal	48,800.00
28	FT181843RF0L	james nakadeli ebenyo	48,800.00
29	FT181842N7YN	HARAMBEE SACCO	49,903.35
30	FT181846Y8CY	IGIRA PATRICK	50,280.00
31	FT18184DQMC1	TIMOTHY EKAL EKIDOR	52,500.00
32	FT1818454VH7	KENYA POWER AND LIGHTING COMPANY	56,930.00
33	FT18184KBG08	MARGARET AKIRU	60,000.00
34	FT1818450FZ8	MADISON INSURANCE COMPANY LTD	66,930.00
35	FT18184H1PPS	HIGHER EDUCATION LOANS BOARD	72,411.90
36	FT181844BGBS	JAMES KINJANZI SIRITE	78,400.00
37	FT181844Y9FW	TELKOM KENYA LTD	110,200.00
38	FT181847WXPW	TELKOM KENYA LTD	110,200.00
39	FT181842LD3R	TELKOM KENYA LTD	110,200.00
40	FT18184X6HT9	NATIONAL SOCIAL SECURITY FUND	112,000.00
41	FT18184S2Y39	Domo Central Auto Garage Limited	113,004.10
42	FT18184CBDJC	ECHOTO DAVID	128,800.00
43	FT18184046QF	ANJELINA LORE	141,000.00

44	FT18184JMV2V	JAMES KINJANZI SIRITE	168,000.00
45	FT18184NSFC1	JUBILEE PARTY	172,000.00
46	FT18184FRVB9	PLATINUM CREDIT LIMITED	178,540.00
47	FT1818464LNC	KAALAIT ENTERPRISES	182,068.70
48	FT18184HK3SK	NATION MEDIA GROUP LIMITED	201,300.00
49	FT18184Q8X07	THE STANDARD GROUP	205,920.00
50	FT18184YSXPV	Domo Central Auto Garage Limited	215,600.00
51	FT18184G9QX9	KAALAIT ENTERPRISES	245,793.10
52	FT1818472QRV	Lomalia Ngisikiria Building And Con	250,000.00
53	FT18184GPJCD	STEGRA HOTEL LIMITED	259,500.00
54	FT1818496G1G	KAALAIT ENTERPRISES	288,000.00
55	FT181841HH1S	NATIONAL HOSPITAL INSURANCE FUND	437,700.00
56	FT18184V2DVP	AMATA CIVIL CONSTRUCTION LTD	594,000.00
57	FT181849ZJNT	KAALAIT ENTERPRISES	1,124,655.00
58	FT18184FZX83	EKAL GICHRIST NGALA	1,213,300.00
59	FT18184PMDS0	LAPTRUST PENSION TRUST	1,525,000.00
60	FT18184YRY7Z	COOPERATIVE BANK SUSPENSE SALARY AC	2,500,700.90
61	FT18184CHKCB	COOPERATIVE BANK SUSPENSE SALARY AC	2,555,254.65
62	FT181845D4PH	Akicha Alo Turkan Travels Limited	2,900,000.00
63	FT1818445BC6	LAPFUND	3,105,044.00
64	FT18184KHRJ0	TURKANA COUNTY ASSEBLY IMPREST ACCO	8,328,038.05
65	FT18184P37FK	TURKANA COUNTY ASSEBLY IMPREST ACCO	8,380,230.90
66	FT18184ST1RV	EQUITY BANK	8,602,411.90
67	FT181841C32T	TURKANA COUNTY ASSEBLY IMPREST ACCO	15,000,000.00
68	FT181847KDJW	TURKANA COUNTY ASSEMBLY CAR AND MOR	20,000,000.00
69	FT18185X2F1R	TAX NOTICE FROM KRA VIDE LETTER REF	6,668,196.00
		P051433067C DD 09052018	
		TOTALS	**101,478,167.95**

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REPUBLIC OF KENYA

BANK RECONCILIATION

as at 30TH JUNE, 20.18 Station COUNTY ASSEMBLY OF TURKANA (LODWAR)

	Sh.	cts.	Sh.	cts.	Sh.	cts.
Balance as per Bank Certificate ..					152,289	58
Less—						
1. Payments in Cash Book not yet recorded in Bank Statement (Unpresented Cheques) ..			31,728,038	05	(31,728,038	05)
2. Receipts in Bank Statement not yet recorded in Cash Book ..			40,945			
Add—						
3. Payments in Bank Statement not yet recorded in Cash Book ..						
4. Receipts in Cash Book not yet Recorded in Bank Statement ..			31,717,578	95	31,758,523	95
Bank Balance as per Cash Book					182,755	48

I certify that I have verified the Bank Balance in the Cash Book with the Bank Statement a... the above Reconciliation is correct.

Signature	Designation	Date
	Snr Accountant	6/07/18

1. Payments in Cash Book not Yet Recorded in Bank Statement (Unpresented Cheques)

Cheque No.	Cheque Date	Payee	Amount Sh.	Amount cts.	Cheque No.	Cheque Date	Payee	Amount Sh.	Amount cts.
3216	26/6/18	The Clerk (Ekal)							
3217	26/6/18	Clerk-Staff Rosh	3,[illegible]						
3218	26/6/18	T. Ekidor	3,600,000						
3219	27/6/18	L. Lokaria (CBK)	2,238,000						
3220	26/6/18	G. Ekal - H.O.D	2,300,000						
3221	29/6/18	K.C.B - Salaries	8,[illegible]						
3222	29/6/18	Lokaria (Clerk)	4,[illegible]						
3223	29/6/18	J. Kamol	4,[illegible]						
3313	29/6/18	Ana Nagola	100,000						
			31,728,038/05						

1. Payments in Cash Book not Yet Recorded in Bank Statement (Unpresented Cheques)

Cheque No.	Cheque Date	Payee	Amount Sh.	Amount cts.

2. Receipts in Bank Statement not Yet Recorded in Cash Book

Details	Amount Sh.	Amount cts.

3. Payments in Bank Statement not Yet Recorded in Cash Book

Details	Amount Sh.	Amount cts.
Bank Charges	40,945	
	40,945	

4. Receipts in Cash Book not Yet Recorded in Bank Statement

Details	Amount Sh.	Amount cts.
Inward cuff 29/6/18	15,000,000	
29/6/18	8,350,230	90
29/6/18	8,328,038	05

Results 1 - 1 of 1

1218 CA 41 BRANCHES
CERTIFICATE OF BALANCE

KCB Bank Limited
(Incorporated in Kenya)

CERT1827111240

KCB LODWAR 28 SEP 2018

Certified that the balance at the CREDIT Of TURKANA COUNTY ASSEMB

A/C 1148564594

at the close of business on 30 JUN 2018 Was KES

ONE HUNDRED AND FIFTY TWO THOUSAND TWO HUNDRED AND EIGHTY NINE CENTS FIFTY EIG

KES 152,289.58

Examined by

For: KCB BANK KENYA LTD.
Manager SQC
LODWAR

Manager Service Quality $ Compliance Branch Manager