REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

COUNTY ASSEMBLY OF TURKANA

FOR THE YEAR ENDED 30 JUNE, 2019

OFFICE OF THE AUDITOR GENERAL
ELDORET HUB
10 JAN 2020
RECEIVED
P. O. Box 2774 - 30100, ELDORET

TURKANA COUNTY ASSEMBLY

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED JUNE 30, 2019

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. It is headed by the Speaker, who is responsible with the policies and strategic direction of the institution. 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 2019 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.	Director Finance and shared services	–Mr.Columbus Lokwei Epetet
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

Entity Contacts

P.O. Box 25, 30500
County Assembly Building
Lodwar, KENYA
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
P.O. Box 366, 30500
Lodwar, Kenya

(g) Independent Auditors

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

(h) County Legal Adviser

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

2. FORWARD BY THE CLERK OF THE ASSEMBLY

In the FY 2018/19, Turkana County Assembly approved budget amounted to Kshs.1,291,581,888. The amount was revised in supplementary budget to Ksh.1,153,581,888 out of which recurrent budget amounted toKsh.839,300,000 and development budget amounted to Kshs.314,281,887. The final budget for the year amounted to Kshs.1,230,122,459. The amount includes domestic borrowing of Kshs.50,915,085 and cash and cash equivalents of Kshs.25,625,486 as at 30 June 2018. During the year, an amount of Kshs.1,205,304,186 or 98% of final budget was utilized resulting to budget underutilization amount of Kshs.24,818,273 or 2%.

Turkana County Assembly targets at setting legislations in all sectors that are geared towards transforming Turkana County into an economic powerhouse 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 and approved consultant.

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, 2019. 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, 2019, 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 Government's financial statements were approved and signed by the Clerk of the County Assembly on 07.01. 2020.

Clerk of the County Assembly

REPUBLIC OF KENYA

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Enhancing Accountability

HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON COUNTY ASSEMBLY OF TURKANA FOR THE YEAR ENDED 30 JUNE, 2019

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of County Assembly of Turkana set out on pages 1 to 23, which comprise the statement of financial assets and liabilities as at 30 June, 2019, statement of receipts and payments, statement of cash flows and the statement of comparison of budget and actual amounts: recurrent and development 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 the County Assembly of Turkana as at 30 June, 2019, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and County Governments Act, 2012.

Basis for Qualified Opinion

1. Unreconciled Cash Balance

The statement of financial assets and liabilities as at 30 June, 2019 reflects an aggregate cash and cash equivalents balance of Kshs.14,408,333, as further disclosed in Note 13A to the financial statements. However, the amounts for the three (3) bank accounts included in the balance do not tally with the respective Integrated Financial Management System (IFMIS) Cashbook balances as detailed below:

Account Name	Financial Statements Balance (Kshs.)	IFMIS Cashbook Balance (Kshs.)	Unexplained Difference (Kshs.)
Development Account	14,373,918	(189,588,206)	203,962,124
Recurrent CBK	191	2,095,062.55	2,094,871
Recurrent KCB	34,224	Not disclosed	
Total	**14,408,333**		

No reconciliations have been provided for the differences. Further, contrary to the reporting format prescribed by the Public Sector Accounting Standards Board(PSASB), the financial statements do not include bank reconciliation statements for the three (3) bank accounts as at 30 June, 2019.

As a result of these anomalies, the accuracy and completeness of the cash and cash equivalents balance of Kshs.14,408,333 reflected in the statement of assets and liabilities as at 30 June, 2019 has not been confirmed.

2. Unsupported Acquisition of Assets

The statement of receipts and payments reflects acquisition of assets payments totalling Kshs.317,050,664, as further disclosed in Note 10 to the financial statements. The balance includes Kshs.39,570,881 paid for construction of the County Assembly's office building. Payments made in respect to the project totaled Kshs.65,570,881 as at 30 June, 2019, including Kshs.26,000,000 paid on behalf of the County Assembly by the County Executive in 2017/18.

The ongoing works were assessed by Management as 70% complete in November, 2019. However, the contract agreement and progress of works reports, were not availed for audit review. As a result, it was not possible to verify the reported level of works completed and whether these were done as provided for in the contract agreement.

In addition, the acquisition of assets balance, includes Kshs.95,431,284 spent on construction of twenty-five (25) Member of County Assembly (MCA) Ward Offices under contracts valued at Kshs.295,752,194 in aggregate. However, Management did not avail status reports on five (5) MCAs Ward Offices. As a result, the works completion rates attained by the projects could not be confirmed.

The balance further includes retention payments totalling Kshs.14,314,510 shown as brought forward from the previous year. However, no deposit payables were included in the financial statements for the year ended 30 June, 2018. Therefore, the source and nature of the retention payments reflected in the financial statements for the year under review has not been confirmed.

In view of these anomalies, the accuracy and validity of the acquisition of assets payments totalling Kshs.317,050,664 reflected in the statement of receipts and payments for the year ended 30 June, 2019 has not been confirmed.

3. Unconfirmed Pending Bills

Note 1.2 of Other disclosures to the financial statements reflects pending accounts payables in respect to construction of buildings and supplies of goods and services totalling Kshs.71,251,247. However, invoices and certificates for the balance were not availed by Management.

Consequently, the valuation, validity and accuracy of the pending accounts payables balance of Kshs.71,251,247 as at 30 June, 2019 has not been confirmed.

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. I have determined that there were no key audit matters to report in the year under review.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Stalled and Incomplete Projects

Fourteen (14) projects contracted at an aggregate cost of Kshs.462,121,832 with payments totalling Kshs.304,488,679 made to the respective contractors as at 30 June, 2019, were reviewed during the audit.

Eight (8) of the projects contracted at Kshs.82,323,122 were not completed. Payments made to the respective contractors at the time of the audit totaled Kshs.26,155,324, equivalent to 32% of the contracts sum. Similarly, one (1) project for construction of the Speaker's residence at Kshs.75,016,756 had stalled with payments totalling Kshs.45,610,187 or approximately 61% of the contract sum having made to the contractor. Additional observations made during the audit inspections are outlined in the Appendix to this report.

Management has not disclosed the actions it has taken to revive and complete the stalled projects.

In view of the stalled works, the residents of Turkana County have not obtained any value for money on the funds invested in the stalled projects.

2. Failure to Pay Borrowed Funds

The statement of receipts and payments for the year ended 30 June, 2019 reflects other receipts comparative (2018/2019) balance of Kshs.5,000,000. The sum was borrowed in 2017/2018 financial year from Turkana County Assembly's Car Loan and Mortgage Members Fund and used to meet the County Assembly's financial obligations. It was to be repaid upon receipt of exchequer releases from The National Treasury. However, the repayment had not been made as at 30 June, 2019.

There was no evidence to show that the borrowing of funds was authorized by the County Assembly and further, no explanation has been provided by Management for failure to repay the funds.

3. Non-Compliance with Law on Wage Bill

The statement of receipts and payments reflects compensation of employees expenditure totalling Kshs.436,983,615 equivalent to 38% of the total revenue for the year under review amounting to Kshs.1,189,677,492.The balance exceeds the recommended threshold of 35% prescribed for compensation of employees expenditure in Regulation 25 (1) of the Public Finance Management (County Government) Regulations, 2015. No explanation has been provided by Management for the breach of the wage bill limit.

Consequently, the Management is in breach of the regulations.

4. Failure to Observe One-Third Staff Establishment Rule

Review of personnel records revealed that, the County Assembly had a total of three hundred and twenty-four (324) employees out of whom three hundred and twelve (312) or approximately 97% were from the dominant community in the County. Further, during the year under review, the County Assembly's Public Service Board recruited twenty (20) new staff all of whom were from the dominant community in the County. The appointments flouted Section 65(e) of the County Governments Act, 2012 which prescribes that at least 30% of the vacant posts at entry level be filled by candidates who are not from the dominant ethnic community in a County.

Consequently, the Management is in breach of the law.

5. Non Compliance with the One-Third Rule on Basic Savings

Section 3 of the Employment Act, 2007 (First Schedule) provides that the wages paid to an employee shall not be less than one-third of the monthly pay after statutory and other deductions.

However, sampled review of the County Assembly's payroll indicated that some employees received net salaries that were less than one-third of their respective basic salaries after Management allowed excessive non-statutory deductions for loans and other check-off payments.

No explanation has been provided by Management for the anomaly that put the staff at risk of pecuniary embarrassment.

Consequently, the Management is in breach of the law.

6. Delay in Construction of New County Assembly Offices

During the year under review, the County Assembly paid Kshs.126,030,410 to a contractor for construction of new County Assembly offices at a contract sum of Kshs.179,736,282. As at 30 June, 2019, cumulative payments to the contractor amounted to Kshs.147,962,134, including payments totalling Kshs.21,931,724 made during the 2017/2018 financial year.

The tender for the works was awarded in June, 2016. However, as previously reported, the contract did not specify the dates which the works were to start and end. Audit verification carried out in December, 2019 revealed that the restaurant works were approximately 70% complete. However, the expected completion date was not disclosed by Management.

Consequently, I am unable to confirm when the construction works will be completed and the expected value for money obtained on public funds spent on the project.

7. Outstanding Imprests

Regulation 93(5), (8) of the Public Finance Management (County Governments) Regulations, 2015 requires a holder of a temporary imprest to account for or surrender the imprest within seven (7) working days after returning to the duty station. In addition, a second imprest should not be issued to any officer before the previous one is surrendered or recovered in full.

However, review of imprest records indicated that all of the imprests, totalling Kshs.21,675,715, reflected in the statement of assets and liabilities as at 30 June, 2019 were overdue for surrender. Further, the imprest balance included Kshs.14,644,700 held by several officers issued with multiple imprests, contrary to regulations.

Consequently, the Management is in breach of regulations on management of temporary imprests. Further, I am unable to confirm whether the outstanding imprests were used for their intended purposes.

8. Irregular Banking of Deposits and Retentions

Examination of deposits and retentions records indicated that the County Assembly had deposits totalling Kshs.26,085,257, as reflected in the statement of financial assets and liabilities as at 30 June, 2019, under account payables-deposits and retentions. However, the deposits were held in the County Assembly's Development Vote bank account contrary to Clause 6.11 of National Treasury Accounting and Financial Reporting manual for County Governments which prescribes a separate bank account for deposits and retentions.

Consequently, Management is in breach of regulations on accountable management of cash balances.

9. Use of Manual Payroll

Records availed for audit indicated that during the year under review, staff salaries and allowances were processed through both the Integrated Personnel and Payroll Database (IPPD) and non-IPPD spread sheets. The payments made through the two systems amounted to Kshs.418,079,390 and Kshs.18,904,225 respectively. No explanation has been provided by Management for failure to process all the payments through the prescribed IPPD system.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance sections 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

Lack of Risk Management Policy

Section 158(1) of the Public Finance Management (County Governments) Regulations, 2015 requires each County Government entity to establish a system of risk management that supports robust business operations. However, Management has not availed evidence that it has established a risk management system to manage unfavorable events that may disrupt the operations of the County Assembly.

In the circumstances, I am unable to confirm whether the County Assembly has capacity to manage risks in an effective way.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those charged with Governance

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

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

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

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

Those charged with governance are responsible for overseeing the financial reporting process, reviewing the effectiveness of how the County Assembly 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 overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in

compliance with the authorities that govern them in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal 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 non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the County Assembly to express an opinion on the financial statements.

- Perform such other procedures as I consider necessary in the circumstances.

I communicate with 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 communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

Nancy Gathungu
AUDITOR-GENERAL

Nairobi

25 January, 2021

Appendix: Stalled and Incomplete Projects

No	Project Name	Contract Sum	Total Payments as at 30 June, 2018 Kshs.	Amount Paid in 2018/2019 Kshs.	Total Payment as at 30 June, 2019 Kshs.	Status	Observations
1	Construction and completion of MCA Ward Office at Kalobeyei Ward	12,489,756	-	4,448,509	4,448,509	97%	On-going
2	Construction and completion of MCA Ward Office at Kakuma Ward	11,821,571	-	4,866,286	4,866,286	85%	On-going. The contractor was on site. Roofing, walling, plastering. Fencing and ceiling not yet done
3	Construction and completion of MCA Ward Office at Lokichogio Ward	3,807,081	-	3,807,081	3,807,081	70%	On-going. The contractor was on site. Roofing and walling done. Plastering, ceiling, windows and doors not done.
4	Construction of County Assembly Ultra-Modern County Assembly Chamber	203,809,234	28,000,000	126,030,410	154,030,410	70%	On-going. The contractor was on site. Roofing, walling done. Plastering and ceiling, windows, doors were not done.
5	Construction and completion of MCA Ward Office at Kang'atotha Ward	12,413,140	-	4,450,723	4,450,723	80%	The contractor was not on site. Roofing, walling, plastering done. Ceiling was not done.
6	Construction and completion of MCA Ward Office at Kataboi in Lakezone Ward	11,958,900	-	4,087,910	4,087,910	70%	The contractor was not on site. Roofing, walling done. Plastering, fencing, windows & doors and ceiling not done.

No	Project Name	Contract Sum	Total Payments as at 30 June, 2018 Kshs.	Amount Paid in 2018/2019 Kshs.	Total Payment as at 30 June, 2019 Kshs.	Status	Observations
7	Construction and completion of MCA Ward Office at Song'ot Ward	11,853,089	-	1,248,500	1,248,500	90%	The contractor was not on site. Roofing, walling, plastering and ceiling are done. Fencing, windows and doors were not done
8	Construction of MCA Ward Office in Kalokol Ward	11,215,388	-	4,307,109	4,307,109	75%	The contractor was not on site. Roofing, walling, fencing and fitting of windows & doors done. Plastering and ceiling not done.
9	Construction and completion of MCA Ward Office in Township Ward	11,727,655	-	3,475,211	3,475,211	70%	The contractor was not on site. Roofing, walling and fitting of windows & doors done. Plastering and ceiling not done.
10	Construction and completion of MCA ward office at Township Kanamkemer	11,948,232	-	5,733,996	5,733,996	70%	The contractor was not on site. Roofing, walling done. Plastering, fencing, windows, doors and ceiling not done.
11	Construction and completion of MCA ward office in Nakalale Ward	11,206,718	-	2,851,876	2,851,876	70%	The contractor was not on site- Roofing, walling done and windows & doors fitted. Plastering, fencing and ceiling were not done.
12	Construction and completion of MCA Ward Office in Nanam Ward				-	50%	The contractor was not on site. Walling was done. Roofing, plastering, doors, windows,

No	Project Name	Contract Sum	Total Payments as at 30 June, 2018 Kshs.	Amount Paid in 2018/2019 Kshs.	Total Payment as at 30 June, 2019 Kshs.	Status	Observations
							fencing, ceiling done
13	Construction of County Assembly Office Annex-Treasury Building	72,854,312	26,000,000	39,570,881	65,570,881	70%	The contractor was not on site-Roofing, walling done. Plastering, windows, doors and ceiling not done.
14	Construction of Speaker's Residence	75,016,756	45,610,187	-	45,610,187	40%	The contractor was not on site-only walling is done
	Total	**462,121,832**	**99,610,187**	**204,878,492**	**304,488,679**		

5. FINANCIAL STATEMENTS

5.1. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2018/19 KShs	2017/18 KShs
RECEIPTS			
Transfers from the County Treasury/Exchequer Releases	1	1,138,762,407	1,028,455,963
Proceeds from sale of assets	2	-	-
Proceeds from Domestic Borrowings	3	50,915,085	5,000,000
TOTAL RECEIPTS		**1,189,677,492**	**1,033,455,963**
PAYMENTS			
Compensation of Employees	4	436,983,615	487,638,593
Use of goods and services	5	355,255,514	305,909,736
Subsidies	6	-	-
Transfers to Other Government Entities	7	96,000,000	219,000,000
Other grants and transfers	8	-	-
Social Security Benefits	9	-	-
Acquisition of Assets	10	317,050,664	47,334,168
Finance Costs	11	14,393	40,945
Other Payments	12	-	-
TOTAL PAYMENTS		**1,205,304,186**	**1,059,923,443**
SURPLUS/DEFICIT		**(15,626,694)**	**(26,467,480)**

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 07/01/ 2020 and signed by:

Clerk of the Assembly
Name: Lokawa Linus Miinyan

Director Finance – County Assembly
Name: Columbus Lokwee Epetet
ICPAK Member No: **14749**

5.2. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES AS AT 30 JUNE 2019

FINANCIAL ASSETS	Note	2018/19 KShs	2017/18 KShs
Cash and Cash Equivalents			
Bank Balances	13A	14,408,333	10,737,544
Cash Balances	13B	-	-
Total Cash and cash equivalents		14,408,333	10,737,544
Accounts receivables – Outstanding Imprests	14	21,675,715	14,887,942
TOTAL FINANCIAL ASSETS		**36,084,048**	**25,625,486**
FINANCIAL LIABILITIES			
Accounts Payables – Deposits and retentions	15	(26,085,257)	-
NET FINANCIAL ASSETS		**9,998,791**	**25,625,486**
REPRESENTED BY			
Fund balance b/fwd	16	25,625,485	52,092,965
Surplus/Deficit for the year		(15,626,694)	(26,467,480)
Prior Year Adjustment	17	-	-
NET FINANCIAL POSITION		**9,998,791**	**25,625,485**

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 07/01/ 2020 and signed by:

Clerk of the Assembly
Name: Lokawa Linus Miinyan

Director Finance – County Assembly
Name: Columbus Lokwee Epetet
ICPAK Member No: **14749**

5.3. STATEMENT OF CASH FLOWS

		2018/19	2017/18
	Note	KShs	KShs
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from operating income			
Exchequer releases	1	1,138,762,407	1,028,455,963
Proceeds from sale of assets	2	-	-
Proceeds from Domestic Borrowings	3	50,915,085	5,000,000
Payments for operating expenses			
Compensation of Employees	4	(436,983,615)	(487,638,593)
Use of goods and services	5	(355,255,514)	(305,909,736)
Subsidies	6	-	-
Transfers to Other Government Entities	7	(96,000,000)	(219,000,000)
Other grants and transfers	8	-	-
Social Security Benefits	9	-	-
Finance Costs	11	(14,393)	(40,945)
Other Payments	12	-	-
Adjusted for:			
Adjustments during the year			-
Net cash flows from operating activities		**301,423,970**	**20,866,689**
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	10	(317,050,664)	(47,334,168)
Net cash flows from investing activities		**(317,050,664)**	**(47,334,168)**
CASHFLOW FROM FINANCING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Net cash flows from financing activities			
NET INCREASE IN CASH AND CASH EQUIVALENTS		**(15,626,694)**	**(26,467,480)**
Cash and cash equivalent at BEGINNING of the year	13	**25,625,485**	**52,092,965**
Cash and cash equivalent at END of the year		**9,998,791**	**25,625,485**

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 27/07/ 2020 and signed by:

Clerk of the Assembly
Name:Lokawa Linus Miinyan

Director Finance– County Assembly
Name: Columbus Lokwee Epetet
ICPAK Member No: **14749**

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	Kshs	Kshs	
	a	b	c=a+b	e=d-c	F=e/c
RECEIPTS					
Transfers from the County Treasury/Exchequer Releases	1,153,581,888	-	1,153,581,888	1,138,762,407	99%
Cash Equivalents Brought forward	-	25,625,486	25,625,486	25,625,486	-
Proceeds from Domestic Borrowings	-	50,915,085	50,915,085	50,915,085	100%
TOTAL	**1,153,581,888**	**76,540,571**	**1,230,122,459**	**1,215,302,978**	**99%**
PAYMENTS					
Compensation of Employees	437,797,902	-	437,797,902	436,983,615	100%
Use of goods and services	305,002,098	50,915,085	355,917,183	355,255,514	100%
Subsidies	-	-	-	-	-
Transfers to Other Government Entities	96,000,000	25,625,486	121,625,486	96,000,000	79%
Other grants and transfers	-	-	-	-	-
Social Security Benefits	-	-	-	-	-
Acquisition of Assets	314,281,887	-	314,281,887	317,050,664	100.8 %
Finance Costs	500,000	-	500,000	14,393	3%
Other Payments	-	-		-	
TOTAL	**1,153,581,888**	**76,540,571**	**1,230,122,459**	**1,205,304,186**	**99%**
SURPLUS/ DEFICIT					

The entity financial statements were approved on 07/01 2020 and signed by:

Clerk of the Assembly
Name: Lokawa Linus Miinyan

Director Finance – County Assembly
Name: Columbus Lokwee Epetet
ICPAK Member No: **14749**

5.5. STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: RECURRENT

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% Utilisation difference
	Kshs	Kshs	Kshs	Kshs	
	a	b	c=a+b	e=d-c	F=e/c
RECEIPTS					
Transfers from the County Treasury/ Exchequer Releases	839,300,000	-	839,300,000	839,300,000	100%
Cash Equivalents Brought forward	-	25,625,486	25,625,486	25,625,486	100%
Proceeds from Domestic Borrowings	-	50,915,085	50,915,085	50,915,085	100%
TOTAL	**839,300,000**	**76,540,571**	**915,840,571**	**901,840,571**	**100%**
PAYMENTS					
Compensation of Employees	437,797,902	-	437,797,902	436,983,615	100%
Use of goods and services	305,002,098	50,915,085	355,917,183	355,255,514	100%
Subsidies	-	-	-	-	-
Transfers to Other Government Entities	96,000,000	25,625,486	121,625,486	96,000,000	79%
Other grants and transfers	-	-	-	-	-
Social Security Benefits	-	-	-	-	-
Acquisition of Assets	-	-	-	-	-
Finance Costs	500,000	-	500,000	14,393	3%
Other Payments		-			
TOTAL	**839,300,000**	**76,540,571**	**915,840,571**	**888,253,522**	**100%**

The entity financial statements were approved on 07/01/ 2020 and signed by:

Clerk of the Assembly
Name: Lokawa Linus Miinyan

Director Finance – County Assembly
Name: Columbus Lokwee Epetet
ICPAK Member No: **14749**

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	Kshs	Kshs	
	a	b	c=a+b	e=d-c	F=e/c
RECEIPTS					
Transfers from the County Treasury/ Exchequer Releases	314,281,887	-	314,281,887	299,462,406	95%
Proceeds from Sale of Assets	-	-	-	-	-
Proceeds from Domestic Borrowings	-	-	-	-	-
TOTAL	**314,281,887**	**-**	**314,281,887**	**299,462,406**	**95%**
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	314,281,887	-	314,281,887	317,050,664	100.8 %
Finance Costs	-	-	-	-	-
Other Payments	-	-	-	-	-
TOTAL	**314,281,887**	**-**	**314,281,887**	**317,050,664**	**100.8 %**
SURPLUS/ DEFICIT					

The entity financial statements were approved on 07/01/ 2020 and signed by:

Clerk of the Assembly
Name: Lokawa Linus Miinyan

Director Finance – County Assembly
Name:Columbus Lokwee Epetet
ICPAK Member No: **14749**

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
PROGRAMME 1: General Administration and Support Services					
SP 1.1 Finance and Shared Services	716,669,600.00	76,540,571	793,210,171	765,623,122.00	97%
SP 1.2 Hansard, Research and Information Services	10,000,000.00		10,000,000	10,000,000	100%
SP1.3 County Assembly Service Board	19,490,400.00		19,490,400.00	19,490,400.00	100%
PROGRAMME 2: Legislative services					
SP 2.1: Legislatives Services	52,320,000.00		52,320,000.00	52,320,000.00	100%
SP 2.2: Office of the Speaker	16,320,000.00		16,320,000.00	16,320,000.00	100%
PROGRAMME 3: OVERSIGHT					

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
SP 3.1 Committee Services	22,000,000.00		22,000,000.00	22,000,000.00	100%
SP 3.2 Audit and M&E **DEVELOPMENT**	2,500,000.00		2,500,000.00	2,500,000.00	100%
SP 1.4 County Assembly Infrastructure Development	314,281,887.60		314,281,887.60	317,050,664	101%
Totals	**1,153,581,888**	**76,540,571**	**1,230,122,459**	**1,205,304,186**	**98%**

5.8 SIGNIFICANT ACCOUNTING POLICIES

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.

1. 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)

2. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and 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.

3. 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.

4. 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.

5. 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)

6. 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.

7. Budget

The budget is prepared on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The Turkana County Assembly of budget was approved as required by Law. The original budget was approved by the Turkana County Assembly on 30th June 2018 for the period 1st July 2018 to 30 June 2019 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.

8. Comparative figures

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

9. 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.

10. 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.

11. 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.

1.1. NOTES TO THE FINANCIAL STATEMENTS

1. Transfers from the County Treasury/Exchequer Releases

	2018/19	2017/18
	KShs	KShs
Transfers from the County Treasury for Q1	146,000,000	100,000,000
Transfers from the County Treasury for Q2	330,000,000	180,000,000
Transfers from the County Treasury for Q3	335,601,398	250,000,000
Transfers from the County Treasury for Q4	327,161,009	498,455,963
Cumulative Amount	**1,138,762,407**	**1,028,455,963**

2. PROCEEDS FROM SALE OF ASSETS

	2018/19	2017/18
	KShs	KShs
Receipts from the Sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
Receipts from Sale of Certified Seeds and Breeding Stock	-	-
Receipts from the Sale of Strategic Reserves Stocks	-	-
Receipts from the Sale of Inventories, Stocks and Commodities	-	-
Disposal and Sales of Non-Produced Assets	-	-
Total	-	-

3. PROCEEDS FROM DOMESTIC BORROWING

	2018/19	2017/18
	KShs	KShs
Tender fees received	-	-
Other Receipts II	-	-
Other Receipts III	-	-
Other Receipts IV-Borrowings(Car Loan and Mortgage)	50,915,085	5,000,000
Total	**50,915,085**	**5,000,000**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. COMPENSATION OF EMPLOYEES

	2018/19	2017/18
	KShs	KShs
Basic salaries of permanent employees	106,057,810	149,000,257
Basic wages of temporary employees	127,379,787	25,413,593
Personal allowances paid as part of salary	148,994,562.11	43,703,726
Personal allowances paid as reimbursements	-	83,760,609
Personal allowances provided in kind	-	44,982,579
Pension and other social security contributions	19,193,583	37,792,495
Compulsory national social security schemes	392,200	21,370,850
Compulsory national health insurance schemes	-	7,835,300
Social benefit schemes outside government	-	43,726,815
Other personnel payments	34,965,673	30,052,368
Total	**436,983,615**	**487,638,593**

5. USE OF GOODS AND SERVICES

	2018/19	2017/18
	KShs	KShs
Utilities, supplies and services	2,120,126	1,190,495
Communication, supplies and services	3,712,296	2,292,775
Domestic travel and subsistence	206,335,235	146,937,958
Foreign travel and subsistence	6,591,020	5,326,200
Printing, advertising and information supplies & services	4,487,015	10,070,037
Rentals of produced assets	1,720,000	600,000
Training expenses	6,025,817	15,752,000
Hospitality supplies and services	23,233,102	15,225,788
Insurance costs	38,238,670	57,530,550
Specialized materials and services	-	-
Office and general supplies and services	26,055,556	10,641,628
Other operating expenses	23,163,277	25,743,963
Fuel, Oil and Lubricants	4,984,965	5,951,821
Routine maintenance – vehicles and other transport equip	5,103,965	6,229,610
Routine maintenance – other assets	3,484,470	2,416,911
Total	**355,255,514**	**305,909,736**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. SUBSIDIES

Description	2018/19	2017/18
	KShs	KShs
Subsidies to County Corporations		
See list attached	-	-
(insert name)	-	-
Subsidies to Private Enterprises		
See list attached	-	-
(insert name)	-	-
TOTAL	-	-

7. TRANSFERS TO OTHER GOVERNMENT ENTITIES

Description	2018/19	2017/18
	KShs	KShs
Transfers to National Government entities	-	-
Transfers to other County Assembly entities	-	-
Transfer to Turkana County Assembly Car and Mortgage Fund	96,000,000	219,000,000
TOTAL	**96,000,000**	**219,000,000**

8. OTHER GRANTS AND TRANSFERS

	2018/19	2017/18
	KShs	KShs
Scholarships and other educational benefits	-	-
Emergency relief and refugee assistance	-	-
Subsidies to small businesses, cooperatives, and self employed	-	-
Total	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. SOCIAL SECURITY BENEFITS

	2018/19	2017/18
	KShs	KShs
Government pension and retirement benefits	-	-
Social security benefits in cash and in kind	-	-
Employer Social Benefits in cash and in kind	-	-
Total	-	-

10. ACQUISITION OF ASSETS

Non- Financial Assets	2018/19	2017/18
	KShs	KShs
Purchase of Buildings	-	-
Construction of Buildings	317,050,664	47,334,168
Refurbishment of Buildings	-	-
Construction of Roads	-	-
Construction and Civil Works	-	-
Overhaul and Refurbishment of Construction and Civil Works	-	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and Equipment	-	-
Purchase of ICT Equipment	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Research, Studies, Project Preparation, Design & Supervision	-	-
Rehabilitation of Civil Works	-	-
Acquisition of Strategic Stocks and commodities	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
Total purchase of non-financial assets	-	-
Financial Assets	-	-
Domestic Public Non-Financial Enterprises	-	-
Domestic Public Financial Institutions	-	-
Total purchase of financial assets	-	-
Total	**317,050,664**	**47,334,168**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. FINANCE COSTS

	2018/19	2017/18
	KShs	KShs
Bank Charges	14,393	40,945
Exchange Rate Losses	-	-
Other Finance costs	-	-
Interest on borrowing	-	-
Total	**14,393**	**40,945**

12. OTHER PAYMENTS

	2018/19	2017/18
	KShs	KShs
Budget Reserves	-	-
Civil Contingency Reserves	-	-
Capital Transfers to Non-Financial Public Enterprises	-	-
Capital Transfer to Public Financial Institutions and Enterprises	-	-
Capital Transfers to Private Non-Financial Enterprises	-	-
Total	-	-

13. CASH AND BANK BALANCES

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)	2018/2019	2017/18
				KShs	KShs
CBK-Turkana County Assembly A/c 1000244248	Ksh	Reccurrent	-	191	9,888,537
CBK-Turkana County Assembly	Ksh	Development Acc	-	14,373,918	666,232
KCB – Lodwar – a/c 1148594596	Ksh	Recurrent Acc	-	34,224	182,775
Total				**14,408,333**	**10,737,544**

13B. CASH IN HAND

	2018/19	2017/18
	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:

	2018/19	2017/18
	KShs	KShs
Location 1	-	-
Location 2	-	-
Location 3	-	-
Total	-	-

14. ACCOUNTS RECEIVABLE

	2018/19	2017/18
	KShs	KShs
Government Imprests (Annex 5)	21,675,715	14,887,942
Clearance Accounts	-	-
Staff Advances	-	-
Other Advances	-	-
Total	**21,675,715**	**14,887,942**

15. ACCOUNTS PAYABLE

	2018/19	2017/18
	KShs	KShs
Deposits	-	-
Retentions	26,085,257	-
Total	**26,085,257**	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. FUND BALANCE BROUGHT FORWARD

	2018/19	2017/18
	KShs	KShs
Bank accounts	14,408,333	10,377,544
Cash in hand	-	-
Accounts Receivables	21,675,715	14,887,942
Accounts Payables	(26,085,257)	-
Total	**9,998,791**	**25,625,486**

17. PRIOR YEAR ADJUSTMENTS

Description of the adjustment	2018/19	2017/18
	KShs	KShs
Adjustments on bank account balances	-	-
Adjustments on cash in hand	-	-
Adjustments on payables	-	-
Adjustments on receivables	-	-
Others (*specify*)	-	-
Total	-	-

1.2. OTHER DISCLOSURES

1. PENDING ACCOUNTS PAYABLE (See Annex 1)

Description	Balance b/f FY 2017/2018 Kshs	Additions for the period Kshs	Paid during the year Kshs	Balance c/f FY 2018/2019 Kshs
Construction of buildings	355,005,696	-	285,754,321	69,251,375
Construction of civil works	-	-	-	
Supply of goods	58,474,246	-	56,750,800	1,723,446
Supply of services	14,676,926	-	14,400,500	276,426
Total	**428,156,868**	**-**	**362,116,707**	**71,251,247**

2. PENDING STAFF PAYABLES (See Annex 2)

Description	Balance b/f FY 2017/2018 Kshs	Additions for the period Kshs	Paid during the year Kshs	Balance c/f FY 2018/2019 Kshs
Senior management	-	-	-	-
Middle management	-	-	-	-
Unionisable employees	-	-	-	-
Lapfund	3,354,257	-	3,354,257	-
Total	**3,354,257**	**-**	**3,354,257**	**-**

3. OTHER PENDING PAYABLES (See Annex 3)

Description	Balance b/f FY 2017/2018 Kshs	Additions for the period Kshs	Paid during the year Kshs	Balance c/f FY 2018/2019 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;
- Other County Government entities including corporations, funds and boards;
- The National Government;
- Other County Governments; and
- State Corporations and Semi-Autonomous Government Agencies.

OTHER DISCLOSURES (CONTINUED)

Related party transactions:

	2018- 2019	2017- 2018
	Kshs	Kshs
Compensation to Key Management		
Compensation to the Speaker, Deputy Speaker and the MCAs	173,649,000	153,818,053
Key Management Compensation(Clerk and Heads of departments)	26,600,900	27,234,530
Total Compensation to Key Management	**200,249,900**	**181,052,583**
Transfers to related parties		
Transfers to other County Government Entities such as car and mortgage schemes	96,000,000	219,000,000
Transfers to County Corporations	-	-
Transfers to non reporting entities e.g ECD centres, welfare centres etc	-	-
Total Transfers to related parties	**96,000,000**	**219,000,000**
Transfers from related parties		
Transfers from the County Executive- Exchequer	1,138,462,407	1,028,455,963
Payments made on behalf of the County Assembly by other Government Agencies	-	-
Transfer from Car Loan and Mortgage fund scheme	50,915,085	5,000,000
Total Transfers from related parties	**1,189,677,492**	**1,033,455,963**

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-2017-2018-2-02-23-13	Non-remittance of LAPFUND salary Deductions	Management will ensure that all statutory and other deductions are remitted to the respective entities within the set statutory timelines.	Timothy Ekidor	Resolved	The Second quarter of 2019/2020 by 1st September 2019
ELD-TURCA-2017-2018-2-02-23-13	Irregular staffing	Management will ensure the irregular staffs will be identified and rationalization will be done.	Columbus Lokwei	Resolved	The first quarter of 2019/2020 by 1st June 2019
ELD-TURCA-2017-2018-2-02-23-13	Unutilized Gym Equipment	The construction of the gym is on going. This will ensure the gym equipment are utilized.	Linus Lokawa	Not Resoved	The fourth quarter of 2019/2020 by 30th June 2020
ELD-TURCA-2017-2018-2-02-23-13	Presentation of fianacial statements	The financial statements were presented in accordabce with the accepeted format of IPSAS cash basis.	Timothy Ekidor/Columbus Lokwei	Resolved	The Second quarter of 2018/209 by 30th December 2018
ELD-TURCA-2017-	Irregular staffing	The management has ensured a scheme of service	CASB/Linus Lokawa	Resolved	The Second quarter of 2019/2020

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)*
2018-2-02-23-13		is followed when emplying staff. The irregular staff were mainly ward staff and already they have been vetted a fresh.			by 1st September 2019
ELD-TURCA-2017-2018-2-02-23-13	Expenditure on salary emoluments and benefits	The management has put in place meaures to ensure the rising wage bill. A scheme of service is already in place.	Linus Lokawa/Columbus Lokwei	Resolved	The Second quarter of 2019/2020 by 1st September 2019
ELD-TURCA-2017-2018-2-02-23-13	Net earnings of less than a third of basic salaries	The management has put measure to ensure all members and staff salaries are not less than a third.	Linus Lokawa/Columbus Lokwei	Not resolved	The third quarter of 2019/2020 by 30th June 2020
ELD-TURCA-2017-2018-2-02-23-13	Failure to observe one third staff establishment rule	The CASB is in the process of ensuring one third staff establishment rule is applied in the county assembly.	CASB/Linus Lokawa	Not Resolved	The fourth quarter of 2019/2020 by 30th June 2020

Guidance Notes:

(i) Use the same reference numbers as contained in the external audit report;

(ii) Obtain the "Issue/Observation" and "management comments", required above, from final external audit report that is signed by Management;

(iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for implementation of each issue;

(iv) Indicate the status of "Resolved" or "Not Resolved" by the date of submitting this report to National Treasury.

Clerk of the County Assembly

Sign.....

Date.....07/01/2020.....

ANNEXES

ANNEX 1 – ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2018/19	Outstanding Balance 2017/18	Comments
	A	b	c	d=a-c		
Construction of buildings						
1. Construction of MCAs offices	158,000,000		121,335,393	36,664,607	158,000,000	
2. Construction of New County Assembly	152,000,000		119,413,232	32,586,768	152,000,000	
3. Construction of New speakers residents	6,005,696		6,005,696	-	6,005,696	
4. Construction of Refurbished survey offices	39,000,000		39,000,000	-	39,000,000	
Sub-Total	**355,005,696**		**285,754,321**	**69,251,375**	**355,005,697**	
Construction of civil works						
5.						
6.						
7.						
Sub-Total						
Supply of goods						
8. Supply of goods to County Assembly	58,474,246		56,750,800	1,723,446	58,474,246	
9.						
10.						
Sub-Total	**58,474,246**		**56,750,800**	**1,723,446**	**58,474,246**	
Supply of services						
11. Supply of services to county assembly	14,676,926		14,400,500	276,426	14,676,926	
12.						
13.						
Sub-Total	**14,676,926**		**14,400,500**	**276,426**	**14,676,926**	
Grand Total	428,156,868		356,905,621	71,251,247	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 2018/19	Outstanding Balance 2017/18	Comments
		A	b	C	d=a-c		
1. Lap fund Payroll Deductions		3,354,247		3,354,247	-	3,354,247	
2.							
3.							
4.							
5.							
6.							
7.							
8.							
9.							
10.							
11.							
12.							
Sub-Total		3,354,247		3,354,247	-	3,354,247	
Grand Total		3,354,247		3,354,247	-	3,354,247	

ANNEX 3 – ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2018/19	Outstanding Balance 2017/18	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) 2017/18	Additions during the year (KShs)	Disposals during the year (KShs)	Transfers in/(out)	Historical Cost c/f (KShs) 2018/19
Land	28,000,000	-	-	-	28,000,000
Buildings and structures	623,858,876	-	-	-	623,858,876
Transport equipment	76,689,551	-	-	-	76,689,551
Office equipment, furniture and fittings	4,170,000	-	-	-	4,170,000
ICT Equipment	17,236,337	-	-	-	17,236,337
Machinery and Equipment	-	-	-	-	-
Biological assets	-	-	-	-	-
Infrastructure Assets	-	-	-	-	-
Heritage and cultural assets	-	-	-	-	-
Intangible assets	-	-	-	-	-
Work In Progress	-	317,050,664	-	-	317,050,664
Total	**749,954,764**	**317,050,664**	-	-	**1,067,005,408**

NB: The balance as at the end of the year is the cumulative cost of all assets bought and inherited by the County Assembly since its inception. Additions during the year should tie to note 10 on acquisition of assets during the year and subsequently the statement of receipts and payments

ANNEX 5 – ANALYSIS OF OUTSTANDING IMPRESTS

Government Imprest Holders

Name of Officer or Institution	*Date Imprest Taken*	*Amount Taken*	*Amount Surrendered*	*Balance*
		KShs	*KShs*	*KShs*
RAPHAEL NYAZIO	02/05/019	537,600.00	-	537,600.00
DAVID ECHOTO	14/02/019	733,200.00	-	733,200.00
EDNA ERIPETE	2/5/2019	1,326,200.00	-	1,326,200.00
GEORGE ROBARO	03/12/018	1,623,400.00	-	1,623,400.00
GLADYS MORU	08/04/019	190,000.00	-	190,000.00
HELLEN EWOI	30/11/018	882,400.00	-	882,400.00
JACKSON LOWOTON	25/01/019	242,400.00	-	242,400.00
JAMES ERIPETE	13/11/018	49,900.00	-	49,900.00
JOHN NAKULEU	26/02/019	182,000.00	-	182,000.00
JOSEPHAT NANGOLE	10/12/018	289,800.00	-	289,800.00
VERONICAH LOKWEI	11/4/2019	150,500.00	-	150,500.00
MARK MEKEDE	19/2/19	975,700.00	-	975,700.00
PIUS EITON	15/02/019	303,000.00	-	303,000.00
KENNEDY LOROT	07/08/018	156,000.00	-	156,000.00
DAVID ESURON	20/06/019	92,400.00	-	92,400.00
EKAL LOKURUKA	08/10/018	123,500.00	-	123,500.00
JAMES SIRITE	2/4/2019	281,400.00	-	281,400.00
JUSTUS AJORE	04/09/018	1,792,300.00	-	1,792,300.00
KATHREEN ERENG	08/11/018	1,323,000.00	-	1,323,000.00
KATHREEN ERENG	11/10/018	535,000.00	-	535,000.00

LOKWEE JACOB IKOEL	28/01/019	224,400.00	-	224,400.00
MIRIAM ETHERI	07/08/018	341,200.00	-	341,200.00
NICHOLAS EKAI	29/04/019	386,200.00	-	386,200.00
PHOEBE EKALI	26/02/019	570,700.00	-	570,700.00
ROSELINE AITE	09/08/018	283,000.00	-	283,000.00
ROSELINE AITE	05/03/019	705,800.00	-	705,800.00
SIMON RUGU	20/11/018	367,315.00	-	367,315.00
KEVIN BREHONY AKERU	29/4/19	890,000.00	-	890,000.00
KEVINA LOGILAE	03/10/018	469,500.00	-	469,500.00
KEVINA LOGILAE	10/08/018	549,500.00	-	549,500.00
KEVINA LOGILAE	16/10/018	757,000.00	-	757,000.00
MOSES ITOM	22/11/018	145,400.00	-	145,400.00
WILSON IKAMAR	1/04/019	267,200.00	-	267,200.00
WILSON IKAMAR	06/11/018	931,600.00	-	931,600.00
WILSON IKAMAR	15/01/019	2,273,800.00	-	2,273,800.00
WILSON IKAMAR	19/03/019	723,400.00	-	723,400.00
Total		**21,675,715.00**	-	**21,675,715.00**

ANNEX 6 – BANK RECONCILIATION/FO 30 REPORT

(Attach FO 30 Reports from IFMIS)