

REPUBLIC OF KENYA



Enhancing Accountability

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REPORT

OF

THE AUDITOR-GENERAL

ON

**RECEIVER OF REVENUE - REVENUE
STATEMENTS**

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

COUNTY GOVERNMENT OF TURKANA





OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
REGISTRY

27 MAR 2023

RECEIVED

RECEIVER OF REVENUE
County Government of Turkana

REVENUE STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2022

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

**Receiver Of Revenue
County Government Of Turkana
Revenue Statements for the Period Ended 30th June 2022**

Table of Contents	Page
I. Key Entity Information and Management	iii
II. Foreword By the CECM Finance and Economic Planning.....	v
III. Management Discussion and Analysis	vi
IV. Statement of Performance against County Predetermined Objectives	ix
V. Statement of Receiver of Revenue's responsibilities.....	xxi
VI. Report of the Independent Auditors on the Turkana County government Receiver of Revenue..	xixii
VII. Statement of Receipts and Disbursements for the year ended 30th June 2022.....	1
VIII. Statement of Financial Assets and Liabilities As At 30 th June 2022	2
IX. Statement of Comparison of budget vs Actual Amounts for the Period Ended 30 th June 2022.....	3
X. Statement of Arrears of Revenue As At 30th June 2022	6
XI. Notes to the Financial Statements.....	8
XII. Appendices	18

I. Key Entity Information and Management

(a) Background information

The *receiver of revenue* is under the Department of revenue. At the County Executive Committee level, the *receiver of revenue* is represented by the County Executive committee member for Finance who is responsible for the general policy and strategic direction of the *receiver of revenue*. The *receiver of revenue* is designated as a receiver on 2020 by the County Executive Committee member for Finance, in accordance with section 157 of the PFM Act.

(a) Principal activities

The receiver of revenue collects revenue and remits to the County Revenue Fund (CRF).

(b) Key Management

The County Government of Turkana day-to-day management of revenue is under the following:

- County Executive Committee Member for Finance
- Chief Officer, Finance
- Chief Officers, in charge of departments collecting revenue
- Director, Revenue
- Head of Revenue Reporting

(c) County Headquarters

P.O. Box 11-30500
Turkana County Headquarters
Kitale Nawoitorong Road
Lodwar
KENYA

(d) Entity Contacts

Telephone: 254723697577
E-mail: revenue@turkana.go.ke
Website: www.turkana.go.ke

Receiver Of Revenue
County Government Of Turkana
Revenue Statements for the Period Ended 30th June 2022

(e) Independent Auditors

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

(f) Principal Legal Adviser

Telephone: 254720982310
E-mail: erastus.ethekon@turkana.go.ke
Website: www.turkana.go.ke

(g) Bankers Kenya commercial bank – Lodwar branch)

Telephone: (054)2221082/ 221083 Mobile: 254700881391
E-mail: info@kcb.co.ke
Website: www.kcb.co.ke

**Receiver Of Revenue
County Government Of Turkana
Revenue Statements for the Period Ended 30th June 2022**

II. Foreword By the CECM Finance and Economic Planning

The performance of own source revenue for the period under review was fairly good that informed the surpassing of the County Budget target 180,000,000. The county assembly has been working and passing the relevant county acts through public participation that incorporated their views in making those that have propelled better working environment which demystified resistance from the public on county Tax obligations.

The county Finance Act has various revenue streams among others single business permit, Royalties, Cess, Pastoral Economy and Markets. The enhanced revenue collection in these can be attributed to cashless mode of collection which was embraced by the staff hence minimised leakages and pilferages. The county acquired and implemented a revenue collection system that ensured all collections were automated resulting into timely revenue reports and real time reporting and enhanced supervision.

However, the county realised a drip in the following revenue streams due to various challenges i.e Land rates, Housing, Transport fee, liquor Licence and advertisement. The decrease can be attributed to insecurity in some parts of the county, post covid effects in the Market as well as decline in construction sector.

The county departments have an obligation to oversee revenues accruing from their respective units to achieve their departmental targets. The streams vary from unit to unit where revenue collectors are assigned/attached for the purpose of receipting in the system as the payments are cashless.

During financial year under view, the county performance is as follows;

Financial Year	Target	Achieved	% Realized	CRF disbursement
2021/2022	180,000,000	204,349,844	114	204,060,527
2020/2021	180,000,000	182,858,171	102	182,858,170
2019/2020	175,000,000	178,840,112	102	178,840,112

From the table above, the county has been making complete disbursement to the CRF from its local collection action at KCB Lodwar.

Despite the challenges, the county continuous to maintain an upward trajectory in collections as it endeavours to widens its revenue base.


Jennipher Nawoi Long'or

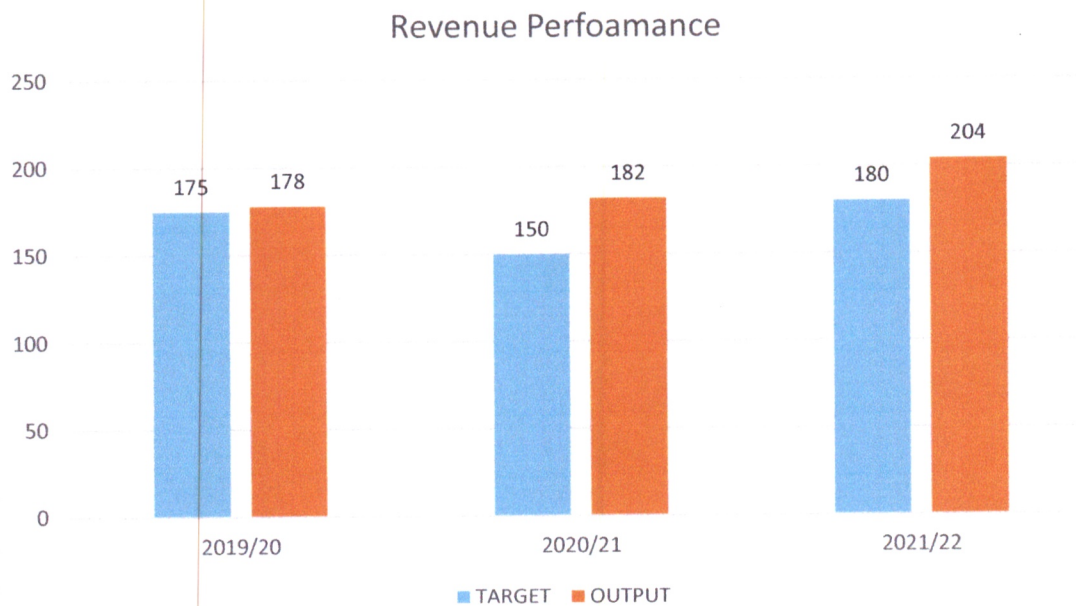
**CECM Finance and Economic Planning
County Government of Turkana**

III. Management Discussion and Analysis

The revenue department has continued to surpass annual targets thereby contributing to fulfilment of budget planned estimates for implementing County programmes and developments.

For the last three years the department has maintained an upward trajectory of revenue collected thanks to gradual use of automation which improves efficiency and effectiveness besides sealing revenue leakages.

The graph below shows the performance of revenue collection for the last three years.



In the financial year 2019/20 the department collected Ksh.**178,840,112**

In the financial year 2020/21 the department collected Ksh.**182,858,171**

In the financial year 2021/22 the department collected Ksh. **204,349,844**

Receiver Of Revenue
County Government Of Turkana
Revenue Statements for the Period Ended 30th June 2022

Analysis of Revenue Performance per stream

MINISTRY	REVENUE STREAM	ACTUAL FY17/18	ACTUAL FY18/19	ACTUAL FY19/20	ACTUAL FY20/21	ACTUAL FY21/22	
TRADE	Single Business Permit	24,337,650	35,088,370	28,575,300	36,072,300	37,850,080	
	MARKET FEE(Barter, Fish, Market Stall Fees, Offloading)	4,984,720	3,743,790	3,753,240	3,994,430	17,211,475	
	Weights And Measures	169,200	681,000	1,004,530	718,320	188,800	
	Trade Fair	-	-	1,942,620	-	-	
	Single Business Permit - Refugees	-	-	2,950,050	2,520,400	3,168,932	
	LANDS	ROYALTY(Murram, Hardcore, Sand, Ballast, Exploitation, Burrow Pit)	29,879,869	22,060,957	26,192,352	21,303,206	18,184,040
		ADVERTISEMENT(Sign Post, Sign Boards)	127,400	1,061,760	461,500	1,040,460	146,200
		PARKING FEE (All Vehicles)	2,734,450	4,098,640	1,052,320	2,527,700	2,631,560
		Land Survey/Application/ Building Approval	10,501,600	16,219,619	13,303,442	14,307,015	10,093,550
		House Rent/Kiosks/Stalls	1,636,390	902,950	2,864,480	2,199,210	1,346,600
	TRANSPORT	CESS(Transport , Charcoal Cess,Hide & Skin, Firewood, Miraa Cess)	37,398,850	43,267,800	41,907,005	50,906,505	71,547,848
PASTORAL	SLAUGHTER/AUCTION FEE(Small And Big Animals)	3,292,290	4,747,660	5,518,270	8,625,460	10,086,300	
ROADS	TRANSPORT OPERATION FEE (Taxi, Bodaboda, Matatu, Canter, Lorry, And Buses)	9,562,230	5,955,940	9,670,280	8,702,667	801,450	
HEALTH	LIQUOR LICENCES(Liquer SBP And Application Fee)	45,000	102,500	5,558,904	1,186,000	179,850	
FINANCE	HEALTH(LCRH, Public Health & Cost Sharing)	420,080	31,186,737	26,679,450	18,979,079	14,885,692	
	OTHER FEES AND CHARGES(Hides And Skins)	19,201,009	5,911,028	4,249,368	4,093,598.00	3,134,846	
	Corporates	-	-	5,126,801	5,190,849	12,860,621	
TOURISM	Charcoal Cess/Permits	-	-	1,066,780.00	44,000.00	32,000	
ENVIRONMENT	Environment	120,500.00	207,500.00	5,000.00	-	-	
TOTAL		144,411,238	175,236,251	181,881,692	182,411,199	204,349,844	

IV. Statement of Performance against County Predetermined Objectives

Introduction

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

Strategic development objectives

The County's 2021-2022 CIDP has identified five key strategic development objectives. Broadly, these objectives have been identified through a participatory process that reviewed the development priorities of the Governor's Manifesto, the National Government's "Big Four", NIUPLAN, SDGs and the MTP III.

The strategic objectives are a synthesised product of the afore-mentioned planning frameworks that amalgamate the thematic focus and development aspirations in these policy frameworks.

The key development objectives of the Turkana County's 2018-2022 CIDP are to;

- Enhance food and nutrition security
- Modernising pastoral economy
- Private sector development
- Tourism development
- Expanding investment in Oil and Gas

Below we present the progress made in attaining the objectives of the CIDP (2018-2022) for Turkana County.

**Receiver Of Revenue
County Government Of Turkana
Revenue Statements for the Period Ended 30th June 2022**

Ref	Objective as per CIDP	Performance/Progress made up since the start of CIDP planning period up to date	Remarks (Explain the reasons under performance/Overperformance)
1.	Sensitisation on importance of levying taxes	Annual public participation during Finance Bill preparations	Regular meetings and barazas with the public has improved taxpayer engagement
2.	Improve on revenue collection	Improved from collecting Ksh.129M in 2013/14 to Ksh.204M in 2021/22	Over 60% increase in revenue collection thanks to automation.
3.	Sealing revenue leakages	Gradual phasing out of manual collection and reporting to automated revenue collection thus improved collections.	Use of automation has greatly improved efficiency in revenue monitoring and reporting

Progress on attainment of Development Objectives from Annual Development Plan (Adopted from Turkana County ADP)

For purposes of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified for reasons of tracking progress and performance measurement: Below we provide the progress on attaining the stated objectives:

*Receiver Of Revenue
County Government Of Turkana
Revenue Statements for the Period Ended 30th June 2022*

Department	Objective	Outcome	Indicator	Performance
Revenue	Ward Public Participation	Annual public participation during Finance Bill preparation	Public participation meeting	Publication of Finance Act
Revenue	Timely delivery of reports	Monthly submission of reports	Monthly reports and reconciliation	Compliance in preparation of monthly reports
Revenue	Use of automated revenue system to seal leakages	Improved revenue collection	Revenue collected through automation	95% of total revenue collected through the system

Receiver Of Revenue
County Government Of Turkana
Revenue Statements for the Period Ended 30th June 2022

V. Statement of Receiver of Revenue’s responsibilities

Section 165 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, a receiver of revenue for a county government shall prepare an account in respect of the revenue collected, received and recovered by the receiver during that financial year.


The Receiver of Revenue is responsible for the preparation and presentation of the *receiver of revenue account*, which gives a true and fair view of the state of affairs of the *receiver of revenue* for and as at the end of the financial year (period) ended on June 30, 2022. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the statement of assets and liabilities of the entity, (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 entity, (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The Receiver of Revenue in charge accepts responsibility for the *entity’s receiver of revenue* accounts, 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) and relevant legal framework of the Government of Kenya. The Receiver of Revenue is of the opinion that the *entity’s receiver of revenue* account gives a true and fair view of the state of *entity’s receiver of revenue* transactions during the financial year ended June 30, 2022, and of the *entity’s* statement of assets and liabilities as at that date. The Receiver of Revenue further confirms the completeness of the accounting records maintained, which have been relied upon in the preparation of the *receiver of revenue account* as well as the adequacy of the systems of internal financial control.

The Receiver of Revenue confirms that the *entity* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable). The Receiver of Revenue confirms that the revenue statements have been prepared in a form that complies with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the Revenue Statements

The *revenue* statements were approved and signed by the Receiver of Revenue on 01-September 2022


.....
Name **Shemmy Ekuwom**
County Receiver of Revenue

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 RECEIVER OF REVENUE - REVENUE STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2022 - COUNTY GOVERNMENT OF TURKANA

PREAMBLE

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

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

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

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

REPORT ON THE REVENUE STATEMENTS

Qualified Opinion

I have audited the accompanying revenue statements of Receiver of Revenue County Government of Turkana set out on pages 1 to 17, which comprise of the statement of financial assets and liabilities as at 30 June, 2022, and the statement of receipts and

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

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the revenue statements present fairly, in all material respects, the financial position of Receiver of Revenue - Revenue Statements - County Government of Turkana as at 30 June, 2022, and of its financial performance for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Incorrect Comparative Figures

The following comparative figures were wrongly presented in the revenue statements;

- 1.1 The statement of receipts and disbursements reflects comparative cess revenue of Kshs.80,980,350 while the 2020/2021 audited revenue statements reflect Kshs.59,677,144 resulting to an unexplained variance of Kshs.21,303,206;
- 1.2 The statement of receipts and disbursements reflects comparative nil amount on miscellaneous receipts while the 2020/2021 audited revenue statements reflect Kshs.2,606,295 resulting to an unexplained variance of Kshs.2,606,295;
- 1.3 The statement of financial assets and liabilities reflects comparative nil balance on Payables due to CRF while the 2020/2021 audited revenue statements reflect Kshs.3,000 resulting to an unexplained variance of Kshs.3,000.

In the circumstances, the accuracy and completeness of the above comparative figures could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Receiver of Revenue - County Government 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 revenue 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 revenue statements. 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 matter 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

Non-Compliance with the Reporting Template

The revenue statements presented for audit omitted the GOK IFMIS comparison trial balance, GOK miscellaneous receipts register and FO 30 (Bank reconciliations) for all bank accounts as required by the reporting template. This was contrary to section 68(1) of the Public Finance Management (County Governments) Regulations, 2015 which states that the annual, quarterly and monthly statements by a receiver of revenue submitted to the County Treasury under sections 158(3) and 165 of the Act, shall be in the format gazetted by the Cabinet Secretary. This also contravened the National Treasury Circular Ref AG 4 /16/3 Vol.2(66) of 06 July, 2022 that issued revised revenue statement reporting templates for state organs and public entities effective 30 June, 2022.

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

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 revenue 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 procedures performed, except for the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing 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

1. Unrealized Revenue

During the year under review, single business permit invoices amounting to Kshs.46,058,811 were issued out of which only Kshs.41,625,159 was collected resulting

to unrealized revenue of Kshs.4,433,652. Management has not explained the measures put in place to recover the outstanding business permit arrears.

In the circumstances, the effectiveness of internal controls on invoicing and collection of single business permit revenue could not be confirmed.

2. Revenue Recording Weaknesses

The statement of receipts and disbursements reflects own source of revenue collections of Kshs.204,349,844 which includes Kshs.10,093,550 collected from land and poll rate and building plans charges. However, the counter book used to record these services omitted critical details of nature of transactions, size, type and location of land and buildings. In addition, the county physical and land use development plan was not provided for audit.

In the circumstances, the internal controls on revenue collection from land and poll rate and building plans could not be confirmed.

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 revenue 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 revenue 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 revenue statements, Management is responsible for assessing the Receiver of Revenue's ability 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 the intention to terminate the Receiver of Revenue or to cease operations.

Management is also responsible for the submission of the revenue 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 revenue statements described above, management is also responsible for ensuring that the activities, financial transactions and information reflected in the revenue 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 Receiver of Revenue's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the revenue 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 revenue statements.

In addition to the audit of the revenue 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 revenue statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

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

Because of its inherent limitations, internal controls may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with 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 revenue 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 Management.
- Conclude on the appropriateness of Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Receiver of Revenue's ability 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 revenue 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 Receiver of Revenue to cease its services.
- Evaluate the overall presentation, structure and content of the revenue statements, including the disclosures, and whether the revenue 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 Receiver of Revenue to express an opinion on the revenue statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

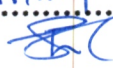
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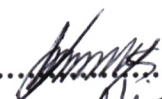
Receiver Of Revenue
County Government Of Turkana
Revenue Statements for the Period Ended 30th June 2022

VII. Statement of Receipts and Disbursements for the year ended 30th June 2022

	Note	2021/22	2020/21
		Kshs	Kshs
County Own Source Revenue			
Cess	1	90,565,338	80,980,350
Land/Poll Rate	2	10,093,550	14,307,015
Single/Business Permits	3	41,019,012	38,592,700
Property Rent	4	1,346,600	2,622,210
Parking Fees	5	2,631,560	2,527,700
Market Fees	6	17,211,475	9,846,808
Advertising	7	146,200	-
Hospital Fees	8	12,240,912	14,387,228
Public Health Service Fees	9	2,644,780	4,591,851
Physical Planning and Development	10	-	-
Hire Of County Assets	11	-	-
Conservancy Administration	12	-	-
Administration Control Fees and Charges	13	26,450,417	15,002,309
Park Fees	14	-	-
Other Fines, Penalties, And Forfeiture Fees	15	-	-
Miscellaneous receipts	16	-	-
Total County Own Source Revenue		204,349,844	182,858,171
Other Receipts			
Donations/Grants Not Received Through CRF	17	-	-
Total Other Receipts		-	-
Total Receipts		204,349,844	182,858,171
Balance b/f at the beginning of the year		88,410	97,565
Disbursements To CRF		(204,060,527)	(182,858,171)
Other miscellaneous –Bank Charges		-31,017	(9,165)
Balance Due for Disbursement		346,710	88,410

The accounting policies and explanatory notes to these revenue statements form an integral part of the revenue statements. These revenue statements were approved on 01-September 2022 and signed by:

.....SHEMMY EKUWOM
Name 
County Receiver of Revenue

.....
Name NICHOLAS MAYO
Head of Revenue Reporting
ICPAK M/No 18213

Receiver Of Revenue
County Government Of Turkana
Revenue Statements for the Period Ended 30th June 2022

VIII. Statement of Financial Assets and Liabilities As At 30th June 2022

	Note	2021/22	2020/21
		Kshs	Kshs
Financial Assets		-	-
Cash And Cash Equivalents		-	-
		-	-
Bank Balances	18	127,010	3,000
Cash In Hand/pay bill	19	219,700	85,410
Total Financial Assets		346,710	88,410
Total Financial Assets		346,710	88,40
Financial Liabilities			
		-	-
Payables-Due to CRF	20	346,710	88,410
Total Financial Liabilities		346,710	88,410

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 01-September 2022 and signed by:

.....
 Name STEMMY EKUWOM
 County Receiver of Revenue

.....
 Name NICHOLAS MAMO
 Head of Revenue Reporting
 ICPAK M/No 18213

*Receiver Of Revenue
County Government Of Turkana
Revenue Statements for the Period Ended 30th June 2022*

IX. Statement of Comparison of budget vs Actual Amounts for the Period Ended 30th June 2022

Receipt	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	Budget Realization Difference	% Of Realization
	A	B	C=A+B	D	E=C-D	F=D/C %
County Own Source Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	
Cess	32,334,622	-	32,334,622	90,565,338	(58,230,716)	180
Land/Poll Rate	15,958,692	-	15,958,692	10,093,550	5,865,142	63
Single/Business Permits	33,234,117	-	33,234,117	41,019,012	(7,784,895)	123
Property Rent	1,716,288	-	1,716,288	1,346,600	369,688.15	78
Parking Fees	49,612,460	-	49,612,460	2,631,560	46,980,900	5
Market Fees	2,905,663	-	2,905,663	17,211,475	(14,305,811)	592
Advertising	378,999	-	378,999	146,200	232,799	38
Hospital Fees	21,926,721	-	21,926,721	12,240,912	9,685,808	55
Public Health Service Fees		-	-	2,644,780	(2,644,780)	
Physical Planning and Development		-	-	-	-	-
Hire Of County Assets		-	-	-	-	-
Conservancy Administration		-	-	-	-	-
Administration Control Fees and Charges	21,932,438	-	21,932,438	26,450,417	(4,517,979)	120
Park Fees	-	-	-	-	-	-
Other Fines, Penalties, And Forfeiture Fees						
Miscellaneous Receipts						
+Total County Own Source Revenue	180,000,000	-	180,000,000	204,349,844	(24,349,844)	113.527
Other Receipts	-	-	-	-	-	-
Donations /Grants Not Received Through CRF	-	-	-	-	-	-
Total Other Receipts	-	-	-	-	-	-
Total Receipts	180,000,000	-	180,000,000	204,349,844	24,349,844	113.527

(a) Over realisation in the stream of parking fees due to increased traffic

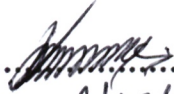
(b) Over realisation in the stream of single business permits due to improved county infrastructure and security

Receiver Of Revenue
County Government Of Turkana
Revenue Statements for the Period Ended 30th June 2022

The County Receiver of revenue's financial statements were approved on 01-September 2022 and signed by:



.....
Name **Stemmy Ekuwom**
County Receiver of Revenue




.....
Name **Nicholas Mayo**
Head of Revenue Reporting
ICPAK M/No **18213**

Receiver Of Revenue
County Government Of Turkana
Revenue Statements for the Period Ended 30th June 2022

X. Statement of Arrears of Revenue As At 30th June 2022

Classification Of Receipts (Indicate As Applicable)	Balance as at 1 st July 2021 ⁻¹	Arrears received during the year	Additions in arrears for the current year to June 30, 2022	Total arrears as at 30 June 2022	Measures taken to recover the arrears	Assessment to the recoverability of arrears
Cess	-	-	-	-	-	-
Land/Poll Rate	-	-	-	-	-	-
Single/Business Permits	-	-	-	4,433,652	-	-
Property Rent	-	-	-	-	-	-
Parking Fees	-	-	-	-	-	-
Market Fees	-	-	-	-	-	-
Advertising	-	-	-	-	-	-
Hospital Fees	-	-	-	-	-	-
Public Health Service Fees	-	-	-	-	-	-
Physical Planning And Development	-	-	-	-	-	-
Hire Of County Assets	-	-	-	-	-	-
Conservancy Administration	-	-	-	-	-	-
Administration Control Fees And Charges	-	-	-	-	-	-
Park Fees	-	-	-	-	-	-
Other Fines, Penalties, And Forfeiture Fees	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total Arrears	-	-	-	4,433,652	-	-


 Name STEPHEN EKUOM
 County Receiver of Revenue


 Name NICHOLAS MOYO
 Head of Revenue Reporting

XI. Notes to the Financial Statements

Accounting Policies

The principal accounting policies adopted in the preparation of these revenue statements are set out below:

1. Statement of Compliance and Basis of Preparation

The revenue statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) with particular emphasis on Cash Basis Financial Reporting under the Cash Basis of Accounting and relevant legal framework of the County Government of Turkana. The financial statements comply with and conform to the form of presentation prescribed by the Public Sector Accounting Standards Board of Kenya.

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

The revenue statements have been prepared on the cash basis following the standard chart of accounts. The cash basis of accounting recognises transactions and events only when cash is received or paid by the *entity*.

2. Recognition of Receipts

The *entity* recognises all receipts from the various sources when the related cash has been received by the *entity*.

3. Budget

The County Revenue budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The County budget was approved as required by law. The original budget was approved by the County Assembly for the period 1st July 2021 to 30 June 2022 as required by law. There was supplementary budgets passed in the year. A high-level assessment of the County's actual performance against the comparable budget for the financial year under review has been included in these financial statements.

4. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include revenue collection accounts held at Commercial banks.

XII. Notes to the Financial Statements (Continued)

5. Revenue in Arrears

This relates to revenue earned and is yet to be received or collected by the receiver of revenue. These arrears are disclosed under the statement of arrears as required under the PFM Act, 2012 Section 165 (2) (b) which is a memorandum statement.

6. Disbursements to CRF

The Receiver of Revenue has an arrangement for transfer of funds from its bank account to the CRF account. Total disbursements to the CRF are as a result of the transfer arrangement during the year. *As per the communication of CEC Finance to Revenue Collection Account KCB.*

7. Comparative Figures

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

8. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the revenue statements for the year ended June 30, 2022

Receiver Of Revenue
County Government Of Turkana
Revenue Statements for the Period Ended 30th June 2022

Notes To the Financial Statements (Continued)

1. Cess

Description	2021/22	2020/21
	Kshs	Kshs
Farm produce	-	-
Quarrying	19,017,490	21,303,206
Livestock	-	-
Fish farming	-	-
Others (<i>specify</i>) <i>Transport cess</i>	71,547,848	59,677,144
Total	90,565,338	80,980,350

2. Land/Poll rates

Description	2021/22	2020/21
	Kshs	Kshs
Land rates, Land Survey and Approvals	10,093,550	14,307,015
Land penalties and interest	-	-
Arrears	-	-
Total	10,093,550	14,307,015

3. Single /Business Permits

Description	2021/22	2020/21
	Kshs	Kshs
Business permit application fees	-	-
Annual Business permit fees	-	-
Business permit penalties and interest	41,019,012	38,592,700
Business permit fees arrears	-	-
Total	41,019,012	38,592,700

*Receiver Of Revenue
County Government Of Turkana
Revenue Statements for the Period Ended 30th June 2022*

Notes to the Financial Statements (continued)

4. Property Rent

Description	2021/22	2020/21
	Kshs	Kshs
County Housing	1,346,600	2,622,210
Plot Rent	-	-
Tenancy Agreement	-	-
Transfer of Property	-	-
Stalls/kiosks rent	-	-
Others (<i>Specify</i>)	-	-
Total	1,346,600	2,622,210

5. Parking Fees

Description	2021/22	2020/21
	Kshs	Kshs
Street parking fees	-	-
Monthly toll/sticker fees	-	-
Motorbike fees	-	-
Registration fees	-	-
Reserved parking	-	-
Bus Park fees	2,631,560	2,527,700
Others (-	-
Total	2,631,560	2,527,700

6. Market Fees

Description	2021/22	2020/21
	Kshs	Kshs
Market entry fees	-	-
Hawking fees	-	-
Others (<i>Barter</i>)	17,211,475	9,846,808
Total	17,211,475	9,846,808

Receiver Of Revenue
County Government Of Turkana
Revenue Statements for the Period Ended 30th June 2022

Notes to the Financial Statements (Continued)

7. Advertising

Descriptions	2021/22	2020/21
	Kshs	Kshs
Branding	-	-
Billboard advertising	146,200	-
Signage	-	-
Roadshows	-	-
Banners	-	-
Posters	-	-
Tent advertising	-	-
Street pole/clock advertising	-	-
others (<i>Specify</i>)	-	-
Total	146,200	-

8. Hospital Fees

Description	2021/22	2020/21
	Kshs	Kshs
Level 5 hospitals		
Level 4 hospitals	12,240,912	14,387,228
Others (<i>Specify</i>)		
Total	12,240,912	14,387,228

9. Public Health Service Fees

Description	2021/22	2020/21
	Kshs	Kshs
Inspection of buildings/premises/Institutions		
Inspection for issuance of hygiene license	2,644,780	4,591,851
Vaccination: Yellow fever, Typhoid, etc	-	-
Applications for medical examination	-	-
Sanitation inspection for schools	-	-
Public health permit	-	-
Rodent Control/Fumigation	-	-
Others (<i>Specify</i>)	-	-
Total	2,644,780	4,591,851

Receiver Of Revenue
County Government Of Turkana
Revenue Statements for the Period Ended 30th June 2022

Notes to the Financial Statements (Continued)

10. Physical Planning and Development

Description	2021/22	2020/21
	Kshs	Kshs
Sale of County planning documents	-	-
Land valuation and registration fees	-	-
Change / Renewal of user	-	-
Building plans approval	-	-
Signboards	-	-
Occupational Permits	-	-
Enforcement / Demolition	-	-
Architectural designs by county officers	-	-
Hoarding fees	-	-
Others (Land Survey Approval)	-	-
Total	-	-

11. Hire Of County Assets

Description	2021/22	2020/21
	Kshs	Kshs
Agricultural Mechanisation Services (AMS)	-	-
Hire of Machines and Equipment	-	-
Hire of County Stadia	-	-
Hire of County Halls	-	-
Conference facilities/Agricultural Training Centers (ATC)	-	-
Others (<i>Specify</i>)	-	-
Total	-	-

**Receiver Of Revenue
County Government Of Turkana
Revenue Statements for the Period Ended 30th June 2022**

Notes to the Financial Statement (Continued)

12. Conservancy Administration

Description	2021/22	2020/21
	Kshs	Kshs
Refuse disposal fees	-	-
Dumpsite fees	-	-
Sewerage fees	-	-
Sale of seedlings	-	-
Public cemetery	-	-
Disposal of carcasses	-	-
Noise control	-	-
Others (<i>Specify</i>)	-	-
Total	-	-

13. Administration Control Fees and Charges

Description	2021/22	2020/21
	Kshs	Kshs
Weights and measures	188,800	
Fire Services	-	-
Liquor licenses	179,850	1,186,000
Betting levy	-	-
Others (<i>Corporates</i>)	12,860,621	5,190,849
Others(<i>Slaughter</i>)	10,086,300	8,625,460
Other/ charges	3,134,846	
Total	26,450,417	15,002,309

14. Park Fees

Description	2021/22	2020/21
	Kshs	Kshs
Lodge Tariffs and levies	-	-
Park entry fees	-	-
Filming and Photography fees	-	-
Camping fees	-	-
Balloon landing fees	-	-
Others (<i>Specify</i>)	-	-
Total	-	-

Receiver Of Revenue
County Government Of Turkana
Revenue Statements for the Period Ended 30th June 2022

Notes to the financial statements (continued)

15. Other Fines, Penalties and Forfeitures

Description	2021/22	2020/21
	Kshs	Kshs
Impounding Fees	-	-
Towing Fees	-	-
Others		
Total		

16. Miscellaneous Receipts

Description	2021/22	2020/21
	Kshs	Kshs
Dividends	-	-
Interest	-	-
Commissions	-	-
Others		
Total		

17. Donations And Grants Not Received Through CRF

Description	2021/22	2020/21
	Kshs	Kshs
Donations <i>(Specify Based on Source)</i>	-	-
Grants <i>(Specify Based on Source)</i>	-	-
Others <i>(Specify)</i>	-	-
Total	-	-

**Receiver Of Revenue
County Government Of Turkana
Revenue Statements for the Period Ended 30th June 2022**

Notes To the Financial Statements (Continued)

18. Bank Balances

Name of Bank, Account No. & currency	Amount in bank account currency	Exc. rate (if in foreign currency)	2021/22	2020/21
			Kshs	Kshs
KCB Lodwar Branch A/c no.1140763687-Kes	-	-	127,010	3,000
Total			127,010	3,000

18 (a) Balance carried forward as at 30th June 2022 and subsequently transferred

Ref	Amount (Kshs)	Date subsequently transferred
	346,710	23 th July 2022
Total	346,710	

19. Cash in hand

Description	2021/22	2020/21
	Kshs	Kshs
Cash Balance (<i>Location</i>)		
Mobile Money-Mpesa paybill 4232323	219,700	-
Others (<i>Specify</i>)		
Total	219,700	

20. Payables- Due To CRF

Payables	2021/22	2020/21
	Kshs	Kshs
Balance b/f at the beginning of the year	88,410	97,565
Amount collected during the year	204,349,844	182,858,171
Amounts disbursed to CRF during the year	(204,060,527)	(182,858,171)
Bank charge	(31,017)	(9,155)
Balance c/d at the end of the year	346,710	88,410

Receiver Of Revenue
County Government Of Turkana
Revenue Statements for the Period Ended 30th June 2022

Notes To the Financial Statements (Continued)

21. Ageing Analysis of Revenue in Arrears


Description (indicate as applicable)	Less than 1 year	Between 1-2 years	Between 2-3 years	Over 3 years	Total
Cess	-	-	-	-	-
Land/poll rate	-	-	-	-	-
Single/business permits	4,433,652	-	-	-	4,433,652
Property rent	-	-	-	-	-
Parking fees	-	-	-	-	-
Market fees	-	-	-	-	-
Advertising	-	-	-	-	-
Hospital fees	-	-	-	-	-
Public health service fees	-	-	-	-	-
Physical planning and development	-	-	-	-	-
Hire of County Assets	-	-	-	-	-
Conservancy administration	-	-	-	-	-
Administration control fees and charges	-	-	-	-	-
Park fees	-	-	-	-	-
Other fines, penalties, and forfeiture fees	-	-	-	-	-
Miscellaneous receipts	-	-	-	-	-
Others (<i>Specify</i>)	-	-	-	-	-
Total (agree to statement of arrears)	4,433,652	-	-	-	4,433,652

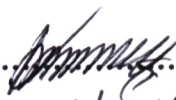
**Receiver Of Revenue
County Government Of Turkana
Revenue Statements for the Period Ended 30th June 2022**

Appendix 2: Progress on follow up of prior Year Auditor recommendations

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

Reference No. on the external audit Report	Issue Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)

.....

 Name **Shemmy Ekuwom**
 County Receiver of Revenue
 Date **23/03/2023**

.....

 Name **Nicholas Mayo**
 Head of Revenue Reporting
 Date **23/03/2023**

Appendix 3 - Reports Generated From IFMIS

The following Financial Reports generated from IFMIS should be generated and attached as appendices to these financial statements.

- i. GOK IFMIS Comparison Trial Balance
- ii. GOK Miscellaneous Receipts Register
- iii. FO30 (Bank reconciliations) for all bank accounts