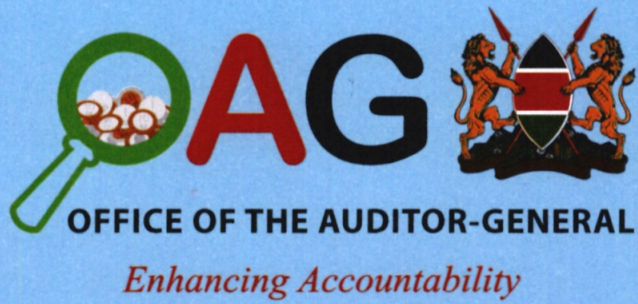


REPUBLIC OF KENYA



**REPORT**

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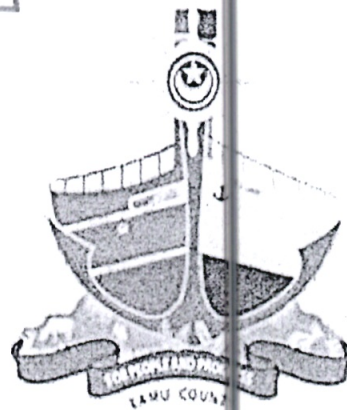
**LAMU COUNTY WOMEN EMPOWERMENT  
FUND**

**FOR THE YEAR ENDED  
30 JUNE, 2023**

	PAPERS LAID
DATE	27/6/24
TABLED BY	MW
COMMITTEE	CPL
CLERK AT THE TABLE	Angela



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**LAMU COUNTY WOMEN EMPOWERMENT FUND**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED  
JUNE 30, 2023**

---

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



**Lamu County Women Empowerment Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2023**

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<b>Table of Content</b>	<b>Page</b>
1. Acronyms and Glossary of Terms	iii
2. Key Information and Management	iv
3. Fund Administration Committee	vii
4. Management Team	ix
6. Report of The Fund Administrator	xii
7. Statement of Performance Against the County Fund's Predetermined Objectives	xiv
8. Corporate Governance Statement	xv
9. Management Discussion and Analysis	xvii
10. Environmental and Sustainability Reporting	xviii
11. Report of The Trustees	xix
12. Statement of Management's Responsibilities	xxi
13. Report of The Independent Auditor on the Financial Statements for Lamu Women Empowerment Fund.	xxiii
14. Statement of Financial Performance for The Year Ended 30 <sup>th</sup> June 2023	1
15. Statement of Financial Position as at 30 <sup>th</sup> June 2023	2
16. Statement of Changes in Net Assets for The year ended 30 <sup>th</sup> June 2023	3
17. Statement of Cash Flows for The Year Ended 30 June 2023	4
18. Statement of Comparison of Budget and Actual Amounts for The Period	5
19. Notes to the Financial Statements	6
20. Annexes	20



**Lamu County Women Empowerment Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2023**

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**1. Acronyms and Glossary of Terms**

a) Acronyms

BOM	Board of Management
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
Kshs	Kenya Shillings

b) Glossary of Terms

Fiduciary Management	The key management personnel who had financial responsibility
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Lamu County Women Empowerment Fund  
Annual Report and Financial Statements for the year ended June 30, 2023

**2. Key Information and Management**

**a) Background information**

Lamu Women Empowerment Fund is established by and derives its authority and accountability from Lamu County Gender and Social Development Act, 2018. The Fund is wholly owned by the County Government of Lamu and is domiciled in Kenya.

The Fund's principal activity is to ensure that women are economically empowered.

**b) Principal Activities**

The fund principal activity is to: -

- (a) Providing access to capital and financial facilities to the medium and small enterprises owned by at least seventy percent women.
- b) Spurring socio-economic development.
- c) Marketing products of small and medium enterprises for women
- d) Supporting entrepreneurship training for micro and small enterprise to groups benefitting from the Fund and
- e) To train men and women on fight against gender-based violence in the County.

**c) Fund Administration Committee**

Ref	Name	Position
1	Mrs. Hafswa Diffin	Chief Officer – Education, Youth, Gender, Sports Social Service and Vocational Training Centres – Fund Administrator
2	CPA Salma Omar	Chief Officer – Finance, Budget, Strategy and Economic Planning
3	Ms. Shamsa Omar Aboud	Chairlady
4	Ms. Cecilia Nganga	Secretary
5	Mr. Barike A. Aboud	Member
6	Mr. John Maina	Member



Lamu County Women Empowerment Fund  
Annual Report and Financial Statements for the year ended June 30, 2023

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d) Key Management Team

Ref	Name	Position
1	Mrs. Hafswa Diffin	Chief Officer – Education, Youth, Gender, Sports Social Service and Vocational Training Centres – Fund Administrator
2	CPA Salma Omar	Chief Officer – Finance, Budget, Strategy and Economic Planning
3	Ms. Shamsa Omar Aboud	Chairlady
4	Ms. Cecilia Nganga	Secretary

e) Fiduciary Oversight Arrangements

SN	Position	Name
1	Directorate of Accounting Services	CPA Mohamed Abbas Abubakar
2	Directorate Internal Audit	CPA David Njoroge
3	County Assembly of Lamu	Public Accounts Investment Committee
4.	Kenya Office of Auditor General	Office of Auditor General

f) Registered Offices

County Government of Lamu Headquarters  
P.O. Box 74- 80500  
Mokowe, Lamu.

g) Fund Contacts

Telephone: (254) 715555111  
E-mail: [treasury@lamu.go.ke](mailto:treasury@lamu.go.ke)  
Website: [www.lamu.go.ke](http://www.lamu.go.ke)

h) Fund Bankers

1. Cooperative Bank  
Mpeketoni Branch  
Lamu – Kenya.

**Lamu County Women Empowerment Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2023**

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**i) Independent Auditors**

Auditor General  
Office of the Auditor General  
Anniversary Towers, University Way  
P.O. Box 30084  
GOP 00100  
Nairobi, Kenya




**j) Principal Legal Adviser**

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






Lamu County Women Empowerment Fund  
Annual Report and Financial Statements for the year ended June 30, 2023

3. Fund Administration Committee

Name	Details of qualifications and experience
 <p data-bbox="300 945 625 1018">Ms. Shamsa Omar About <b>Chairlady</b></p>	<p data-bbox="730 565 1388 808">Ms. Shamsa Omar born year 1991 hails from Siu village in Patte Island. She is a business woman and volunteer social worker with a passion of improving lives of her community. She holds KCPE certificate and Certificate in computer applications.</p>
 <p data-bbox="293 1325 635 1408">Mr. John Wamathai Maina <b>Member</b></p>	<p data-bbox="730 1032 1391 1325">Born in 1997 Mr. Wamathai attended Bahari Primary and Mpeketoni secondary school for his O level education. He was appointed to be independent member for the Board in 2020 a position he held upto date. Mr. Wamathai also work as Supervisor for Lamu Conservation Trust</p>
 <p data-bbox="274 1724 667 1797">Ms. Cecilia Wanjiku Ng'ang'a <b>Member</b></p>	<p data-bbox="730 1432 1398 1846">Ms. Cecilia Wanjiku was born in 1960 and attended Kanjahi Primary School and Munyu Secondary School for Both Primary and Secondary School education. Later on She attended Kobujoi Social Development Institute for certificate in Community Development Course. She has over 30 years' experience in community work, political field and social development activism.</p>




Lamu County Women Empowerment Fund  
Annual Report and Financial Statements for the year ended June 30, 2023

 <p>Mrs. Barike Abdulla Abudu <b>Member</b></p>	<p>Mrs. Barike Abdulla Abudu was born in 1959 and holds Primary Education certificate. She brings to the board over 20 years' experience of community work. She is chairlady for Nasru Women Group, Mobilizer Maendeleo ya Wanawake and business woman in poultry farming.</p>
 <p>CPA Salma Omar <b>Chief Officer Finance, Budget, Strategy and Economic Planning</b></p>	<p>Born in 17.07.1985 Mrs. Salma Omar Ahmed is a Certified Public Accountant of Kenya and holds Bachelor's degree in Business Administration in Finance and Accounting from Moi University. She also holds certificate in Senior Management and Strategic Leadership from Kenya School of Government. She is a member of ICPA K. Prior to her appointment as Chief Officer, she was Ag. Director Accounting Service, Principal Finance Officer for the for the County Treasury and served. She is Redcross Lamu Branch Treasurer from year 2015 upto date. CPA Salma brings to the Board vast experience in technical and senior managerial skills having worked in both Private and Public Institutions</p>
 <p>Mrs. Hafswa Diffini <b>Chief Officer – Education, Youth, Gender, Sports Social Service and Vocational Training Centres – Fund Administrator</b></p>	<p>Born in 12.10. 1968 Having worked as the First Chief officer for Education after devolution in 2013, Mrs Hafswa Diffini brings to the Management vast experience of over 30 years in public service. She holds bachelor's degree in education.</p>



Lamu County Women Empowerment Fund  
Annual Report and Financial Statements for the year ended June 30, 2023

4. Management Team

Name	Details of qualifications and experience
 <p data-bbox="268 806 598 879">Ms. Shamsa Omar About <b>Chairlady</b></p>	<p data-bbox="678 567 1380 816">Ms. Shamsa Omar born year 1991 hails from Siu village in Patte Island. She is a business woman and volunteer social worker with a passion of improving lives of her community. She holds KCPE certificate and Certificate in computer applications.</p>
 <p data-bbox="215 1276 655 1386">CPA Salma Omar <b>Chief Officer Finance, Budget, Strategy and Economic Planning</b></p>	<p data-bbox="678 903 1385 1627">Born in 17.07.1985 Mrs. Salma Omar Ahmed is a Certified Public Accountant of Kenya and holds Bachelor's degree in Business Administration in Finance and Accounting from Moi University. She also holds certificate in Senior Management and Strategic Leadership from Kenya School of Government. She is a member of ICPAK. Prior to her appointment as Chief Officer, she was Ag. Director Accounting Service, Principal Finance Officer for the for the County Treasury and served. She is Redcross Lamu Branch Treasurer from year 2015 upto date. CPA Salma brings to the Board vast experience in technical and senior managerial skills having worked in both Private and Public Institutions</p>
 <p data-bbox="225 1968 662 2150">Mrs. Hafswa Diffini <b>Chief Officer – Education, Youth, Gender, Sports Social Service and Vocational Training Centres – Fund Administrator</b></p>	<p data-bbox="683 1651 1390 1902">Born in 12.10. 1968 Having worked as the First Chief officer for Education after devolution in 2013, Mrs Hafswa Diffini brings to the Management vast experience of over 30 years in public service. She holds bachelor's degree in education.</p>

**Lamu County Women Empowerment Fund  
Annual Report and Financial Statements for the year ended June 30, 2023**

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**5. Fund Chairperson's Report**

On behalf of the board, it is my pleasure to present Lamu County Women Empowerment Fund annual report and financial statements which reflect financial performance of the fund for the period ended June 30, 2023.

**Sustainability**

In our pursuit to ensure sustainability of the Lamu Women Empowerment Fund the Board in consultation with the CECM of education will develop embarks to develop a bill to change the fund from grant to a revolving fund.

**Board and Management Changes**

There were changes in the Board and Management as shown below.

Ref	Name	Position	Replaced By	Position
1	Joseph Nganga	Chief Officer -Youth, Gender and Sports (Fund Administrator – upto November 2023 )	Hafswa Diffin	Chief Officer - Education, Gender, Youth, Sports and Vocational Training (January 2023 to date)
2	Fadhil Maamun	Chief Officer – Finance ( served upto February 2023)	Salma Omar	Chief Officer – Finance, Budget, Strategy and Economic Planning. (March 2023 upto date)

**Review of performance**

**Revenue**

The Fund has an approved budget of Ksh. 9,928,499 which consist of transfers from County Executive through the department of Education, Gender, Youth, Sports and Vocational Training amounting to Ksh. 6,947,291 and an opening bank balance of Ksh. 2,981,208 during this reporting period.



**Lamu County Women Empowerment Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2023**

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**Expenditures**

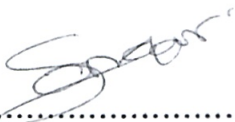
The total expenditures during the period amounting to Ksh 1,544,000 out of which are use of goods & services amounting to Ksh 404,000 and grant disbursements of Ksh. 1,140,000.

**Future outlook**

The Board focuses to build a robust and sustainable fund with a motivated workforce and structures that enhances efficiency and effectiveness in the service delivery. The fund looking forward to continued support from the county government and development partners to the realization of its mandate.

**Appreciation**

On behalf of Board Members of the fund, may I register our utmost appreciation for the tireless effort and input offered by various stakeholders making our work easier. More specifically, may I appreciate His Excellency the Governor, CECM Education, the County Treasury, Board Members, secretariat staff among others. It is their cooperation and contribution that has led us to the successful dispensation of our mandate.



.....

Shamsa Omar  
**Chairlady**  
**Lamu County Women Empowerment Fund .**

**Lamu County Women Empowerment Fund  
Annual Report and Financial Statements for the year ended June 30, 2023**

**6. Report of The Fund Administrator**

On behalf of the board, it is my pleasure to present Lamu County Women Empowerment Fund annual report and financial statements which reflect financial performance of the fund for the period ended June 30 ,2023.

**Compliance with statutory laws**

In our pursuit to improve on transparency and accountability in public financial management, the Lamu County Women Empowerment Fund has and will continue to manage its finances in accordance with the principles of fiscal responsibility as spelt out in the Public Finance Management Act (2012) and its regulations and any other applicable laws on public finance.

**Board and Management Changes**

There were changes in the Board and Management as shown below.

Ref	Name	Position	Replaced By	Position
1	Joseph Nganga	Chief Officer -Youth, Gender and Sports (Fund Administrator – upto November 2023 )	Hafswa Diffin	Chief Officer - Education, Gender, Youth, Sports and Vocational Training (January 2023 to date)
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**Review of performance**

**Revenue**

The Fund has an approved budget of Ksh. 9,928,499 which consist of transfers from County Executive through the department of Education, Gender, Youth, Sports and Vocational Training amounting to Ksh. 6,947,291 and an opening bank balance of Ksh. 2,981,208 during this reporting period.



**Lamu County Women Empowerment Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2023**

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**Expenditures**

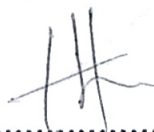
The total expenditures during the period amounting to Ksh 1,544,000 out of which are use of goods & services amounting to Ksh 404,000 and grant disbursements of Ksh. 1,140,000.

**Future outlook**

The Board focuses to build a robust and sustainable fund with a motivated workforce and structures that enhances efficiency and effectiveness in the service delivery. The fund looking forward to continued support from the county government and development partners to the realization of its mandate.

**Conclusion**

I take this opportunity to thank the board members for their support. I would also wish to thank all staff whom we have worked with hand in hand to ensure that Lamu County Women Empowerment Fund achieves its mission.



.....  
Hafswa Diffin  
Chief Officer -Education, Gender, Youth, Sports and Vocational Training  
**Fund Administrator**  
**Lamu County Women Empowerment Fund.**

**Lamu County Women Empowerment Fund  
Annual Report and Financial Statements for the year ended June 30, 2023**

**7. Statement of Performance Against the County Fund’s 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 entities in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the county government’s performance against predetermined objectives.

The key development objectives of the Fund as per the strategic plan is to:

- a) To promote gender mainstreaming in all development aspects of Lamu County.
- b) To enhance the capacity of communities to identify, plan, and implement sustainable socio-economic activities.
- c) To promote women entrepreneurship through the provision of Women Empowerment Fund.
- d) To promote women entrepreneurship through empowerment programs such as training.
- e) To ensure that both men and women enjoy equal rights, opportunities, and high quality of life.

**Progress on attainment of Strategic development objectives**

Below we provide the progress on attaining the stated objectives:

<b>Program</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>
Lamu County Women Empowerment Fund	To economically empower women	Increased number of women accessing grant in the county	Number of women doing business and small micro enterprises	Increased funding access by 30 percent.



**Lamu County Women Empowerment Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2023**

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**8. Corporate Governance Statement**

The Lamu County Gender and Social Development Act, 2018 established a Fund to be known as the Women Empowerment Fund to:

- a) To promote gender mainstreaming in all development aspects of Lamu County.
- b) To enhance the capacity of communities to identify, plan, and implement sustainable socio-economic activities.
- c) To promote women entrepreneurship through the provision of Women Empowerment Fund.
- d) To promote women entrepreneurship through empowerment programs such as training.
- e) To ensure that both men and women enjoy equal rights, opportunities and high quality of life.

The Fund is wholly owned by the county government of Lamu and is domiciled in Kenya

**Fund Meetings**

The board members are to meet at least three times a year in order to monitor the implementation of the funds strategic plan and achievement of the targets. However, as provided by the act the Chairman shall, upon requisition by members convene a special meeting of the board at any time. The members held 3 board meetings during the financial year 2022/2023.

**Risk Management**

The Fund target to develop a risk management framework which will guide the fund in identifying, assessing and managing the risks and prescribe mitigating measures of all the risks both external and internal which is facing the fund.

**Lamu County Women Empowerment Fund  
Annual Report and Financial Statements for the year ended June 30, 2023**

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**Management Team**

The management team headed by the Fund Administrator implements the committee decisions and policies through action plans. The team meets regularly to review these action plans to ensure that the fund's objectives are achieved effectively and efficiently.

**Auditor**

The Fund is audited by the Auditor-General.



**Lamu County Women Empowerment Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2023**

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**9. Management Discussion and Analysis**

**Revenue**

The Fund has an approved budget of Ksh. 9,928,499 which consist of transfers from County Executive through the department of Education, Gender, Youth, Sports and Vocational Training amounting to Ksh. 6,947,291 and an opening bank balance of Ksh. 2,981,208 during this reporting period.

**Expenditures**

The total expenditures during the period amounting to Ksh 1,544,000 out of which are use of goods & services amounting to Ksh 404,000 and grant disbursements of Ksh. 1,140,000.

**Sustainability**

In our pursuit to ensure sustainability of the Lamu County Women Empowerment Fund the Board in consultation with the CECM of Education, Gender, Youth, Sports and Vocational Training will develop embarks to develop a bill to change the fund from grant to a revolving fund.

**Future outlook**

The Board focuses to build a robust and sustainable fund with a motivated workforce and structures that enhances efficiency and effectiveness in the service delivery. The fund looking forward to continued support from the county government and development partners to the realization of its mandate.

## 10. Environmental and Sustainability Reporting

Below is a brief highlight of our achievements in areas of environmental sustainability.

### 1. Sustainability strategy and profile -

The Fund administrator have put in place sustainable efforts, broad trends in political and macroeconomic affecting sustainability priorities.

### 2. Environmental performance

The Board ensures conserving of environment use of environmentally friendly products.

### 3. Employee welfare

The Board continues to capacity build its staff for efficient and effective service delivery.

### 4. Market place practices-

Due to the shortage of funds allocated to the board, the board uses much of its administration funds to play for sitting and travelling allowance to the board members. The few items that require procurement include pens, printing papers as well as office stationaries. These ones are directly procured from some specific suppliers. Similarly, all the contracts signed by the respective suppliers are always honored.

### 5. Community Engagements-

On matters of community engagement, the Fund Administrator and Board Members engage with the community through public participation of the revolving fund and social protection policy.

*Figure 1: Public participation for Fund Regulations*





**Lamu County Women Empowerment Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2023**

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**11. Report of The Trustees**

The board members submit their report together with the audited financial statements for the year ended June 30, 2023, which show the state of the Fund affairs.

**Principal activities**

The principal activities of the Fund to provide funds for economic empowerment to women groups.

**Results**

The results of the Fund for the year ended June 30, 2023 are set out on page 1- 15

**Trustees**

The members of the Board of Trustees who served during the year are shown on page vii - ix. The changes in the Board during the financial year are as shown below:

Ref	Name	Position	Replaced By	Position
1	Joseph Nganga	Chief Officer -Youth, Gender, and Sports (Fund Administrator – upto November 2023)	Hafswa Diffin	Chief Officer - Education, Gender, Youth, Sports and Vocational Training (January 2023 to date)
2	Fadhil Maamun	Chief Officer – Finance (served upto February 2023)	Salma Omar	Chief Officer – Finance, Budget, Strategy and Economic Planning. (March 2023 upto date)

**Lamu County Women Empowerment Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2023**

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**Auditors**

The Auditor General is responsible for the statutory audit of the Fund in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board



.....  
Shamsa Omar  
Chairlady  
Lamu County Women Empowerment Fund .



**Lamu County Women Empowerment Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2023**

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**12. Statement of Management's Responsibilities**

Sections 163,164 and 165 of the Public Finance Management Act, 2012 requires that, at the Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a County Public Fund shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The Administrator of the Lamu Women Empowerment Fund is responsible for the preparation and presentation of the Fund's financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 2023. 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 Fund;
- (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 Fund;
- (v) selecting and applying appropriate accounting policies; and
- (vi) making accounting estimates that are reasonable in the circumstances.

The Administrator of the Lamu Women Empowerment Fund accepts responsibility for the Fund's financial statements, which have been prepared using appropriate accounting policies supported by

**Lamu County Women Empowerment Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2023**

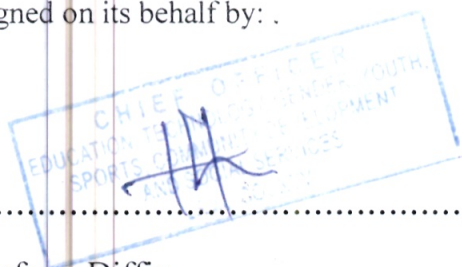
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reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and The Administrator of the Fund is of the opinion that the Fund's financial statements give a true and fair view of the state of Fund's transactions during the financial year ended June 30, 2023, and of the Fund's financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Administrator of the Lamu Women Empowerment Fund has assessed the Fund's ability to continue as a going concern and disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements. Nothing has come to the attention of the Administrator to indicate that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

**Approval of the financial statements**

The Fund's financial statements were approved by the Board on 30th November 2023 and signed on its behalf by: .

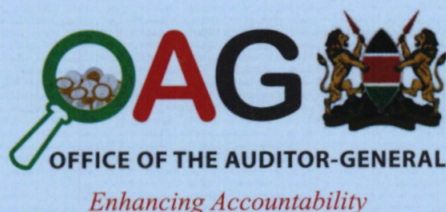


.....  
Hafswa Diffin  
Chief Officer - Education, Gender, Youth, Sports and Vocational Training  
**Fund Administrator**  
**Lamu County Women Empowerment Fund .**



# REPUBLIC OF KENYA

Telephone: +254-(20) 3214000  
E-mail: info@oagkenya.go.ke  
Website: www.oagkenya.go.ke



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

## REPORT OF THE AUDITOR-GENERAL ON LAMU COUNTY WOMEN EMPOWERMENT FUND FOR THE YEAR ENDED 30 JUNE, 2023

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### PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure that the 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 controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

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

### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of Lamu County Women Empowerment Fund set out on pages 1 to 20, which comprise of the statement of financial position as at 30 June, 2023, and the statement of financial performance, the statement of changes in net assets, statement of cash flows and the statement of comparison of



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

In my opinion, except for the effects of the matter 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 Lamu County Women Empowerment Fund as at 30 June, 2023, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the Lamu County Gender and Social Development Act, 2018.

### **Basis for Qualified Opinion**

#### **Unsupported Fund Balance**

The statement of financial position reflects a balance of Kshs.6,756,840 in respect of Lamu County Women Empowerment Fund. However, Management did not provide any supporting documents for the balance or provide a disclosure in the Notes to the financial statements to indicate the nature of the balance.

Further, the statement of changes in net assets reflects a balance of Kshs.6,756,840 in respect of Lamu County Gender and Social Development Fund. However, this is inconsistent with Section 2 of the Lamu County Gender and Social Development Act, 2018 which interprets the 'Fund' to mean 'the Lamu County Women Empowerment Fund'. Management has not explained this unsatisfactory situation.

In the circumstances, the accuracy and completeness of the balance of Kshs.6,756,840 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Lamu County Women Empowerment Fund 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.

### **Emphasis of Matter**

#### **Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.9,928,499 and Kshs.9,928,499 respectively, resulting in actual funding of 100% of the budget. Further, the Fund spent Kshs.1,544,000 against an approved budget of Kshs.9,928,499 resulting to an under-expenditure of Kshs.8,384,499 or 84% of the budget.



The under absorption is an indication of non-implementation of activities and projects in the annual work plan of the Fund which is likely to have a negative impact on delivery of services to the public.

My opinion is not modified in respect of this matter.

### **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. There were no key audit matters to report in the year under review.

### **Other Matter**

#### **Unresolved Prior Year Matters**

Various prior year audit issues remained unresolved as at 30 June, 2022. Although Management has indicated that the matters have been resolved, the evidence of their resolution has not been provided and therefore they remain unresolved.

## **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. Incomplete Board Composition**

Review of the Board information revealed that the Fund had six (6) Board Members instead of eleven (11) members contrary to Section 9(1) of the Lamu County Gender and Social Development Act, 2018. No explanation was provided by Management for the anomaly.

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

#### **2. Lack of Needs Assessment, Monitoring and Evaluation**

The statement of financial performance and Note 3 to the financial statement reflects grant disbursements totalling Kshs.1,140,000 as disclosed in Note 3 to the financial statements. However, needs assessment programmes were not provided contrary to Section 10 of the Lamu County Gender and Social Development Fund Act, 2018. Further, no follow ups or monitoring and evaluations were done or planned to ensure that the monies were spent as intended and that the objectives of the fund were being met.

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 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, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

### **Basis for Conclusion**

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 (Accrual Basis) and for maintaining effective internal controls 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 controls, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the Fund'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 the Management is aware of the intention to terminate the Fund or to cease operations.

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

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

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

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

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

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of 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 Fund's 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 Fund'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 Fund 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 Fund 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.

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

11 March, 2024

Lamu County Women Empowerment Fund  
Annual Report and Financial Statements for the year ended June 30, 2023

14. Statement of Financial Performance for The Year Ended 30<sup>th</sup> June 2023

Description	Note	2022-2023	2021-2022
		Kshs	Kshs
<b>Revenue From Non-Exchange Transactions</b>			
Transfers From the County Government	1	6,947,291	2,000,000
<b>Total Revenue</b>		<b>6,947,291</b>	<b>2,000,000</b>
<b>Expenses</b>			
Use of goods and services	2	404,000	5,246,897
Grant Disbursement	3	1,140,000	-
<b>Total Expenses</b>		<b>1,544,000</b>	<b>5,246,897</b>
<b>Other Gains/Losses</b>			
<b>Surplus/(Deficit) for the Period</b>		<b>5,403,291</b>	<b>(3,246,897)</b>

The notes set out on pages 6 to 19 form an integral part of these Financial Statements

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Lamu County Women Empowerment Fund financial statements were approved on 27<sup>th</sup> November 2023 and signed by:



.....  
Hafswa Diffini  
Administrator of the Fund



.....  
CPA Salma Omar  
Chief Officer Finance  
ICPAK Member Number:15009




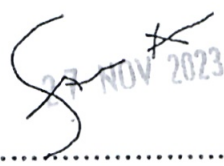
Lamu County Women Empowerment Fund  
Annual Report and Financial Statements for the year ended June 30, 2023

15. Statement of Financial Position as at 30<sup>th</sup> June 2023

Description	Note	2022-2023	2021-2022
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	4	8,384,499	2,981,208
<b>Total current assets</b>		<b>8,384,499</b>	<b>2,981,208</b>
<b>Non-Current Assets</b>		-	-
<b>Total Assets</b>		<b>8,384,499</b>	<b>2,981,208</b>
<b>Total Liabilities</b>		-	-
<b>Net Assets</b>		<b>8,384,499</b>	<b>2,981,208</b>
Lamu County Lamu Women Empowerment Fund		6,756,840	6,228,105
Accumulated Surplus		1,627,659	(3,246,897)
<b>Total Net Assets and Liabilities</b>		<b>8,384,499</b>	<b>2,981,208</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Lamu County Women Empowerment Fund financial statements were approved on 27<sup>th</sup> November 2023 and signed by:

  
 .....  
 Hafswa Diffini  
 Administrator of the Fund

  
 .....  
 CPA Salma Omar  
 Chief Officer Finance  
 ICPAK Member Number:15009

Lamu County Women Empowerment Fund  
Annual Report and Financial Statements for the year ended June 30, 2023

16. Statement of Changes in Net Assets for The year ended 30<sup>th</sup> June 2023

Description	Note	Lamu County Gender And Social Development Fund	Accumulated surplus	Total
		Kshs	Kshs	Kshs
Balance As At 1st July 2021		6,756,840	(528,735)	6,228,105
Surplus/(Deficit) For the Period		-	(5,246,897)	(5,246,897)
Funds Received During the Year		2,000,000	-	2,000,000
Balance As At 30 June 2022		8,756,840	(5,246,897)	2,981,208
Balance As At 1 July 2022		8,756,840	(5,246,897)	3,509,943
Prior year adjustment	6	(2,000,000)	1,471,265	(528,735)
Surplus/(Deficit) For the Period		-	5,403,291	5,403,291
Balance As At 30 June 2023		6,756,840	1,627,659	8,384,499



.....  
Hafswa Diffini  
Administrator of the Fund



.....  
CPA Salma Omar  
Chief Officer Finance  
ICPAK Member Number:15009

Lamu County Women Empowerment Fund  
Annual Report and Financial Statements for the year ended June 30, 2023

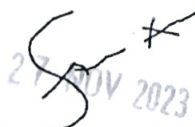
17. Statement of Cash Flows for The Year Ended 30 June 2023

Description	Note	2022-2023	2021-2022
		Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers From the County Government	1	6,947,291	2,000,000
<b>Total receipts</b>		<b>6,947,291</b>	<b>2,000,000</b>
<b>Payments</b>			
Use of goods and services	2	404,000	266,897
Grant Disbursement	3	1,140,000	4,980,000
<b>Total payments</b>		<b>1,544,000</b>	<b>5,246,897</b>
<b>Net cash flows from operating activities</b>	<b>5</b>	<b>5,403,291</b>	<b>(3,246,897)</b>
Cash flows from investing activities		-	-
Cash flows from financing activities		-	-
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>		<b>5,403,291</b>	<b>(3,246,897)</b>
Cash and cash equivalents at 1 July		2,981,208	6,228,105
<b>Cash and cash equivalents at 30 June</b>		<b>8,384,499</b>	<b>2,981,208</b>

(PSASB has prescribed the direct method of cash flow preparation/ presentation for all entities under the IPSAS accrual basis of accounting.)



.....  
Hafswa Diffini  
Administrator of the Fund



.....  
CPA Salma Omar  
Chief Officer Finance  
ICPAK Member Number:15009



Lamu County Women Empowerment Fund  
Annual Report and Financial Statements for the year ended June 30, 2023

18. Statement of Comparison of Budget and Actual Amounts for The Period

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% Utilisation
	2023	2023	2023	2023	2023	2023
	Kshs	Kshs	Kshs	Kshs	Kshs	%
Revenue						
Transfers From County Govt.	6,947,291	-	6,947,291	6,947,291	-	100
balance b/d	2,981,208	-	2,981,208	2,981,208	-	
<b>Total Income</b>	<b>9,928,499</b>	<b>-</b>	<b>9,928,499</b>	<b>9,928,499</b>		<b>100</b>
Expenses						
Employee Costs						
Use of goods and services	992,850	-	992,850	404,000	588,850	40.69
Grant disbursements	8,935,649	-	8,935,649	1,140,000	7,795,649	12.76
<b>Total Expenditure</b>	<b>9,928,499</b>	<b>-</b>	<b>9,928,499</b>	<b>1,544,000</b>	<b>8,384,499</b>	<b>15.65</b>
Surplus For The Period	-	-	-	8,384,499		
Capital Expenditure	-	-	-	-	-	

Lamu County Women Empowerment Fund  
Annual Report and Financial Statements for the year ended June 30, 2023

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**19. Notes to the Financial Statements**

**1. General Information**

Lamu County Women Empowerment Fund is established by and derives its authority and accountability from Lamu County Gender and Social Development Act, 2018. The Fund is wholly owned by the County Government of Lamu and is domiciled in Kenya.

The Fund's principal activity is to ensure that women are economically empowered.

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

The Fund's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the Fund. The accounting policies have been consistently applied to all the years presented. The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the direct method. The financial statements are prepared on accrual basis.

**3. Adoption of new and revised standards**

*(i) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2023*

Standard	Effective date and impact
IPSAS 41: Financial Instruments	<b>Applicable: 1<sup>st</sup> January 2023</b> The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of entity's future cash flows.



Lamu County Women Empowerment Fund  
Annual Report and Financial Statements for the year ended June 30, 2023

Standard	Effective date and impact
	<p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> <li>• Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held;</li> <li>• Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and</li> <li>• Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.</li> </ul>
<p><b>IPSAS 42: Social Benefits</b></p>	<p><b>Applicable: 1<sup>st</sup> January 2023</b></p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ul style="list-style-type: none"> <li>(a) The nature of such social benefits provided by the entity;</li> <li>(b) The key features of the operation of those social benefit schemes; and</li> <li>(c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows.</li> </ul>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p><b>Applicable: 1<sup>st</sup> January 2023</b></p> <ul style="list-style-type: none"> <li>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</li> <li>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</li> </ul>

Lamu County Women Empowerment Fund  
Annual Report and Financial Statements for the year ended June 30, 2023

Standard	Effective date and impact
	<p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>
Other improvements to IPSAS	<p><i>Applicable 1<sup>st</sup> January 2023</i></p> <ul style="list-style-type: none"> <li>• <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i></li> </ul> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> <li>• <i>IPSAS 39: Employee Benefits</i></li> </ul> <p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> <li>• <b>IPSAS 29: Financial instruments: Recognition and Measurement</b></li> </ul> <p>Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1<sup>st</sup> January 2023.</p>

(ii) *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2023.*

Standard	Effective date and impact:
IPSAS 43	<p><i>Applicable 1<sup>st</sup> January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non-	<i>Applicable 1<sup>st</sup> January 2025</i>



**Lamu County Women Empowerment Fund  
Annual Report and Financial Statements for the year ended June 30, 2023**

Standard	Effective date and impact:
Current Assets Held for Sale and Discontinued Operations	<p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>

**(iii) Early adoption of standards**

The Lamu County Women Empowerment Fund did not early – adopt any new or amended standards in the financial year 30 June 2019.

**Lamu County Women Empowerment Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2023**

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**1. Significant Accounting Policies**

**a) Revenue recognition**

**i. Revenue from non-exchange transactions**

**Transfers from other government entities**

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Lamu County Women Empowerment Fund and can be measured reliably.

**b) Budget information**

The original budget for FY 2022/2023 was approved by the County Assembly on 10<sup>th</sup> May, 2022. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Lamu Women Empowerment Fund upon receiving the respective approvals in order to conclude the final budget.

The Lamu Women Empowerment Fund budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.



**Lamu County Women Empowerment Fund  
Annual Report and Financial Statements for the year ended June 30, 2023**

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In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

**d) Nature and purpose of reserves**

The Lamu Women Empowerment Fund does not create and maintains reserves

**e) Changes in accounting policies and estimates**

The Lamu Women Empowerment Fund recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

**f) Related parties**

The Lamu Women Empowerment Fund regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the entity, or vice versa. Members of key management are regarded as related parties and comprise the directors, the CEO and senior managers.

**g) Cash and cash equivalents**

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

**Lamu County Women Empowerment Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2023**

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authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

**h) Comparative figures**

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

**5. Significant judgments and sources of estimation uncertainty**

The preparation of the Lamu Women Empowerment Fund financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

State all judgements, estimates and assumptions made e.g.

**a) Estimates and assumptions –**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Lamu Women Empowerment Fund based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140.



**Lamu County Women Empowerment Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2023**

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**b) Useful lives and residual values**

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- The condition of the asset based on the assessment of experts employed by the entity
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset
- Changes in the market in relation to the asset

**c) Provisions**

No Provisions were raised.

Lamu County Women Empowerment Fund  
Annual Report and Financial Statements for the year ended June 30, 2023

6. Notes to The Financial Statements

1. Transfers from County Government

Description	2022-2023	2021-2022
	Kshs	Kshs
Transfers From County Govt. –Operations	6,947,291	2,000,000
<b>Total</b>	<b>6,947,291</b>	<b>2,000,000</b>

2. Use of Goods and Services

Description	2022-2023	2021-2022
	Kshs.	Kshs.
Domestic Travel And Subsistence And Other Transp	60,000	-
Hire Transport & Venue	44,500	-
Hospitality	299,500	250,867
Bank Charges		16,030
<b>Total</b>	<b>404,000</b>	<b>266,897</b>

3. Grant disbursements

Description	2022-2023	2021-2022
	Kshs.	Kshs.
Grant disbursements	1,140,000	4,980,000
<b>Total</b>	<b>1,140,000</b>	<b>4,980,000</b>

4. Cash and cash equivalents

Description	2022-2023	2021-2022
	Kshs	Kshs
Current Account	8,384,499	2,981,208
<b>Total Cash And Cash Equivalents</b>	<b>8,384,499</b>	<b>2,981,208</b>

Detailed analysis of the cash and cash equivalents are as follows: --

Financial Institution	Account number	2022-2023	2021-2022
		Kshs	Kshs
<b>A) Current Account</b>			
Cooperative Bank	01141562514900	8,384,499	2,981,208
<b>Grand Total</b>		<b>8,384,499</b>	<b>2,981,208</b>



Lamu County Women Empowerment Fund  
Annual Report and Financial Statements for the year ended June 30, 2023

Notes to The Financial Statements (Continued)

5. Cash generated from operations

Description	2022-2023	2021-2022
	Kshs	Shs
<b>Surplus/ (Deficit) For the Year Before Tax</b>	<b>5,403,291.00</b>	<b>(3,246,897.00)</b>
<b>Adjusted For:</b>		
Depreciation	-	-
Amortisation	-	-
Gains/ Losses On Disposal Of Assets	-	-
Interest Income	-	-
Finance Cost	-	-
<b>Working Capital Adjustments</b>		
Increase In Inventory	-	-
Increase In Receivables	-	-
Increase In Payables	-	-
<b>Net Cash Flow From Operating Activities</b>	<b>5,403,291.00</b>	<b>(3,246,897.00)</b>

6. Prior Year Adjustments

A prior year adjustment really applies to the correction of an error in the financial statements of prior period. The errors were between the balances disclosed in the statement of changes in equity and the statement of financial position

Description of the Error	2022-2023	2021-2022
To correct error in Lamu County Women Grant due to posting of the transfer from county Government-Operation	(2,000,000)	-
Error on Accumulated Surplus	1,471,265	-
<b>Total</b>	<b>(528,735)</b>	<b>-</b>

Lamu County Women Empowerment Fund  
Annual Report and Financial Statements for the year ended June 30, 2023

Notes to The Financial Statements (Continued)

1. Related party balances

a) Nature of related party relationships

Entities and other parties related to the Fund include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions.

Related parties include management personnel, their associates and close family members.

The fund/scheme is related to the following entities:

- a) The County Government;
- b) The Parent County Government Ministry;
- c) Key management;
- d) Fund Administration Committee.

b) Related party transactions

Description	2022-2023	2022-2023
	Kshs	Kshs
Transfers From county government	6,947,291	2,000,000
<b>Total</b>	<b>6,947,291</b>	<b>2,000,000</b>

c) Key management remuneration

Description	2022-2023	2021-2022
	Kshs	Kshs
Board Committee allowances	109,500	-
Key Management Compensation	-	-
<b>Total</b>	<b>109,500</b>	<b>-</b>

2. Financial risk management

The Fund's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Fund's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable



**Lamu County Women Empowerment Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2023**

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levels of risk. The Fund does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

The Fund's financial risk management objectives and policies are detailed below:

**a) Credit risk**

The Fund has no exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors.

The fund administration committee sets the Fund's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

**b) Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the Fund Administrator, who has built an appropriate liquidity risk management framework for the management of the Lamu Women Empowerment Fund short, medium, and long-term funding and liquidity management requirements. The Lamu Women Empowerment Fund manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

**Lamu County Women Empowerment Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2023**

**Notes to The Financial Statements (Continued)**

**c) Market risk**

The board has put in place an internal audit function to assist it in assessing the risk faced by the Lamu Women Empowerment Fund on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the Lamu Women Empowerment Fund income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

There has been no change to the Lamu Women Empowerment Fund exposure to market risks or the manner in which it manages and measures the risk.

**d) Capital risk management.**

The objective of the Fund's capital risk management is to safeguard the Fund's ability to continue as a going concern. The Lamu Women Empowerment Fund capital structure comprises of the following funds:

Description	2022 -2023	2021 -2022
	Kshs	Kshs
Revaluation reserve	-	-
Lamu Women Empowerment Fund	6,756,840	6,228,105
Accumulated surplus	1,627,659	(3,246,897)
<b>Total funds</b>	<b>8,384,499</b>	<b>2,981,208</b>
Total borrowings	-	-
Less: cash and bank balances	(8,384,499)	(2,981,208)
Net debt/(excess cash and cash equivalents)	-	-
<b>Gearing</b>	-	-



**Lamu County Women Empowerment Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2023**

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**Notes to The Financial Statements (Continued)**

**3. Events after the reporting period**

There were no material adjusting and non- adjusting events after the reporting period.

**4. Ultimate and Holding entity.**

Lamu County Gender and Social Development Fund is established by and derives its authority and accountability from Lamu County Gender and Social Development Act,2018 under the Ministry of Education. Its ultimate parent is the County Government of Lamu.

**5. Currency**

The financial statements are presented in Kenya Shillings (Kshs).

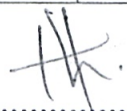
**Lamu County Women Empowerment Fund  
Annual Report and Financial Statements for the year ended June 30, 2023**

**20. Annexes**

**Annex I: Progress on Follow Up of Prior Year Auditor's Recommendations**

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

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)
1.	Inaccuracies in the Statements of Changes in Net Assets	The action has been taken	Resolved	30/06/2023
2.	Unsupported Expenditure	The Action has been taken.	Resolved	30/06/2023
	Budgetary Control and Performance	The Funds were made available almost the end of the Financial Year and it would have been impossible to go through the process of application vetting and disbursement in time.	Not resolved	30/06/2024
1.	Incorrect Naming of the Fund in the Financial Statements	The action has been taken.	Resolved	30/06/2023
2.	Incomplete Board Composition	The funds management is in the process of constituting the Boards afresh as per the Funds Act.	Not Resolved	30/06/2024



.....  
 Hafswa Diffin  
 Chief Officer - Education, Gender, Youth, Sports and Vocational Training  
**Fund Administrator**  
**Lamu Women Empowerment Fund.**



Lamu County Women Empowerment Fund  
Annual Report and Financial Statements for the year ended June 30, 2023

Annex II: Inter-Fund Confirmation Letter



THE COUNTY GOVERNMENT OF LAMU  
Finance, Strategy & Economic Planning  
COUNTY TREASURY



Telephone: +254-715555111/772576122  
E-mail: [treasury@lamu.go.ke](mailto:treasury@lamu.go.ke)

LAMU COUNTY  
P.O. Box 74-80500  
LAMU

Lamu Women Empowerment Fund  
P.O Box 74 – 80500,  
Lamu County, Mokowe.

The Lamu County Treasury wishes to confirm the amounts disbursed to you as at 30<sup>th</sup> June 2023 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

CONFIRMATION OF AMOUNTS RECEIVED BY LAMU WOMEN EMPOWERMENT FUND AS AT 30 <sup>TH</sup> JUNE 2023						
Ref. Number	Date Disbursed	Amounts Disbursed Lamu County Treasury (Kshs) as at 30 <sup>th</sup> June 2023			Amount Received by LAMU WOMEN EMPOWERMENT FUND (Ksh) as at 30 <sup>th</sup> June 2023 (E)	Differences (Ksh) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)		
		6,947,291			6,947,291	-
<b>Total</b>		<b>6,947,291</b>			<b>6,947,291</b>	<b>-</b>
In confirm that the amounts shown above are correct as of the date indicated.						
Fund Administrator: Name: Hafswa Diffini Sign ..... <i>HAFSWA</i> .....Date <i>30/6/23</i>						

Lamu County Women Empowerment Fund  
 Annual Report and Financial Statements for the year ended June 30, 2023

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Annex III: Reporting of Climate Relevant Expenditures

There were no climate change relevant expenditures

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



Lamu County Women Empowerment Fund  
 Annual Report and Financial Statements for the year ended June 30, 2023

**Annex IV: Reporting on Disaster Management Expenditure**

There were no disaster management relevant expenditures.

Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments

Lamu County Women Empowerment Fund  
 Annual Report and Financial Statements for the year ended June 30, 2023  
 Annex V: Bank Reconciliation F.O 30

LAMU COUNTY WOMEN EMPOWERMENT FUND- A/C NO. 01141562514900

F. O. 30

REPUBLIC OF KENYA

BANK RECONCILIATION

AS AT 30TH JUN 2023

STATION: LAMU COUNTY

	Sh	Sh	Sh
Balance as per bank statement			8,384,499.00
Less:-			
1 Payments in cash book not in bank statement (Unrepresented Cheques) :			-
2 Receipts in bank statement not recorded in cash book :			-
Add:-			
3 Payments in bank statement not in cash book :			-
4 Receipts in cash book not recorded in bank statement :			-
			8,384,499.00

Balance as per Cash book

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

Prepared by:

Signature

Accountant  
 Designation

10/7/2023  
 Date

Checked by:

Signature

A/C  
 Designation

10/7/23  
 Date

Approved by:

Signature

Co  
 Designation

10/7/23  
 Date