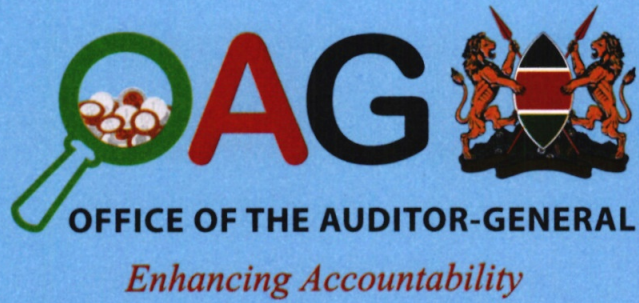
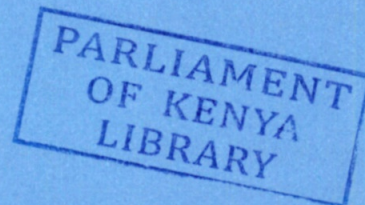


REPUBLIC OF KENYA



REPORT

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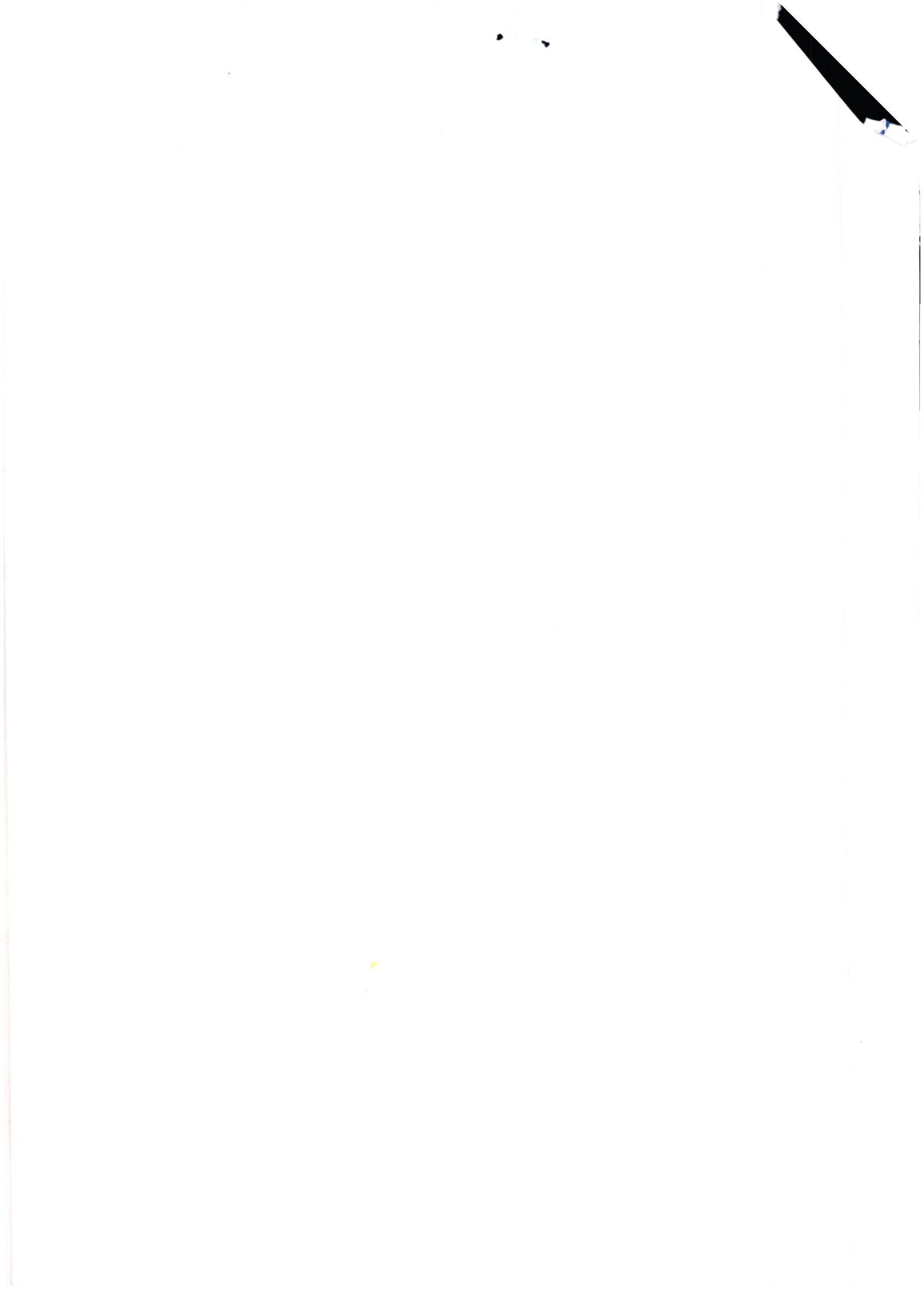


THE AUDITOR-GENERAL

ON

COUNTY ASSEMBLY OF LAMU

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



OFFICE OF THE AUDITOR GENERAL
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LAMU COUNTY ASSEMBLY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2023

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

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Count Government of Lamu
County Assembly of Lamu
Annual Report and Financial Statements For the year ended 30th June 2023

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1. Acronyms

ADP	Annual Development Plan
AIE	Authority to Incur Expenditure
CA	County Assembly
CARA	County Allocation of Revenue Act
CECM	County Executive Committee Member
CE	County Executive
CG	County Government
CIDP	County Integrated Development Plan
CRA	Commission on Revenue Allocation
CRF	County Revenue Fund
CT	County Treasury
IPSAS	International Public Sector Accounting Standards
MCA	Member of County Assembly
OCOB	Office of the Controller of Budget
OAG	Office of the Auditor General
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
NT	National Treasury
WB	World Bank
Kshs	Kenya Shillings

2. Key Entity Information and Management

(a) Background information

The County is constituted as per the constitution of Kenya is headed by the Speaker of the County Assembly, who is responsible for the general policy and strategic direction of the Assembly. The County Assembly constitutes 10 Members of County Assembly (MCAs) elected to represent members of the public from their respective wards and 10 Members of the County Assembly (MCAs) nominated. The MCAs are responsible for making laws for effective performance of the County Government, approving plans and policies and playing the oversight role over the County Executive.

(b) Key Management Team

The County Assembly of Lamu day-to-day management is under the following key management team:

No.	Designation	Name
1.	Speaker of the County Assembly	Azhar Mbarak
2.	Clerk of the County Assembly	Omar Ahmed
3.	Deputy Clerk	Kale Ahmed
4.	Director Finance	Mwarabu Salim
5.	Head of Procurement	Susan Kamau

(c) Fiduciary Management

The key management personnel who held office during the year ended 30th June 2023 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer- Clerk	Omar Ahmed
2.	Deputy Clerk	Kale Ahmed
3.	Director Finance	Mwarabu Salim
4.	Head of Procurement	Susan Kamau

Key Entity Information and Management (Continued)

(d) Fiduciary Oversight Arrangements

- The Senate
- County Assembly Public Accounts Committee
- County Assembly Budget Committee
- County Assembly Service Board
- Office of the Auditor General
- Controller of Budget.

(e) Entity Headquarters

P.O. Box 374-80500
Bunge Lane
Mokowe, Lamu, Kenya

(f) Entity Contacts

Telephone: (254) 722 966 766
E-mail: lamuassembly@gmail.com
Website: www.assembly.lamu.go.ke

(g) Entity Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
NAIROBI, KENYA
2. Kenya Commercial Bank
Kenyatta Road
P.O Box 121-80500
Lamu, Kenya
3. Gulf African Bank
Kenyatta Road
P.O Box 191-80500
Lamu, Kenya
4. Diamond Trust Bank
Lamu Branch, Kenyatta Road
Lamu, Kenya

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(h) Independent Auditor

Auditor General

Office of The Auditor General

Anniversary Towers, University Way

P.O. Box 30084, GPO 00100

Nairobi, Kenya

(i) Principal Legal Adviser

The Attorney General

State Law Office

Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya

3. Governance Statement

The County Assembly

The County Assembly is constituted by the MCAs of Lamu County Government. It is headed by the Speaker who is elected by the MCAs. The speaker is also the chairperson of the county assembly service board while the county assembly clerk is the secretary.

Section 10 (4) of the county governments 2012 provides that a county assembly shall observe the following order of precedence.

- a) The speaker of the county assembly.
- b) The leader of the majority party; and
- c) The leader of the minority party.

The Roles of the county assembly are outlined in Section 8 of the County Governments Act 2012 and they include:

- a) Vet and approve nominees for appointment to county public office as may be provided for in this Act or any other law.
- b) Perform the roles set out under Article 185 of the Constitution.
- c) Approve the budget and expenditure of the county government in accordance with Article 207 of the Constitution, and the legislation contemplated in Article 220(2) of the Constitution, guided by Articles 201 and 203 of the Constitution.
- d) Approve the borrowing by the county government in accordance with Article 212 of the Constitution.
- e) Approve county development planning; and
- f) Perform any other role as may be set out under the Constitution or legislation.

The County Assembly Executes its mandate, through committees which are broadly classified into two.

a) Select Committees

Select committees are generally responsible for overseeing the work of government departments and agencies.

b) Sectoral Committees

The mandate of Sectoral Committees is in respect to the subject matter assigned by the Standing Orders and is exercised within the limits contemplated under Part 2 of the Fourth Schedule to the Constitution.

The County Assembly has the following Select and Sectoral committees:

1. Agriculture, Fisheries, Natural Resources and Blue Economy

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2. Health Services, Water and Environment
3. Education, Culture and Social Welfare
4. Transport, Infrastructure and Public Works
5. Trade, Tourism, Information and Co-operatives Development
6. Lands, Physical Planning and Housing
7. Power, Privileges, Justice and Legal Affairs
8. Intergovernmental, Labour and Public Service
9. Committee on Appointment
10. Committee on Implementation
11. Finance, Budget and Appropriation Committee
12. Committee on Delegated County Legislation
13. County Assembly Business Committee
14. County Public Investment and Accounts Committee
15. Committee on Selection
16. County Assembly Procedure and Rules Committee

a) Committee of Powers and Privileges

There is established committee known as the Committee of Powers and Privileges consisting of the Speaker, who shall be the chairperson of the Committee; and such other members of the county assembly as may be provided in the Standing Orders of the county assembly. The functions of the Committee of Powers and Privileges shall be to inquire into the conduct of a member whose conduct is alleged to constitute a breach of privileges accorded to the county assembly members by any legislation or standing orders and perform such other functions as may be specified by enabling legislation. The committee held Two (2) meetings in FY 2022-2023. The committee members during FY 2022-2023 were:

Member	Designation	Ward
Hon. Azhar Ali Mbarak	Speaker/Chair	Speaker
MCA Paul Kimani Njuguna	Member	Mkunumbi
MCA Bwana Mohamed Bwana	Member	Kiunga
MCA Fahd Dini Adnan	Member	Nominated
MCA Husuni Mohamed	Member	Nominated

MCA Zahara Shee Mohamed	Member	Nominated
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b) County Public Investment and Accounts Committee

The committee was formed to provide oversight on the County's finances. The committee held quarterly mandatory meetings during the year. Additionally, it also held ten (10) extra sittings to deal with arising matters. The members who served in the committee during the year were:

Member	Designation	Ward
MCA Atwaa Salim Mohamed	Chair	Shella
MCA Beatrice Wamaitha Munge	Vice Chair	Nominated
MCA Fahd Dini Adnan	Member	Nominated
MCA James Mburu Gitonga	Member	Hongwe
MCA Rebecca Wambui Wainaina	Member	Nominated
MCA Husuni Mohamed	Member	Nominated
MCA Hope Wanjiku Mwaura	Member	Nominated

c) Finance, Budget and Appropriation Committee

The budget and appropriations committee provides guidance in the budgetary process. It is charged with the budget making process and ensuring that there is public participation in the budget process. The members who served in the committee during the period were:

Member	Designation	Ward
MCA Barisa Deko Bana	Chair	Basuba
MCA Bwana Mohamed Bwana	Vice Chair	Kiunga
MCA Paul Kimani Njuguna	Member	Mkunumbi
MCA Francis Ngure Gakonga	Member	Bahari
MCA Suleiman Farah	Member	Witu
MCA Mohamed Aboud Abubakar	Member	Faza
MCA Aisha Abdulrahman	Member	Nominated

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MCA Zahara Shee Mohamed	Member	Nominated
MCA Amina Hassan Bwanamkuu	Member	Nominated

d) County Assembly Procedure and Rules Committee

The County Assembly Procedure and Rules Committee shall consider and report on all matters relating to the Standing Orders. The County Assembly Procedure and Rules Committee may propose amendments to the Standing Orders and any such amendments shall upon approval by the County Assembly, take effect at the time appointed by the County Assembly. The members who served in the committee during the period were:

Member	Designation	Ward
Hon. Azhar Ali Mbarak	Speaker/Chair	Speaker
MCA Paul Kimani Njuguna	Vice Chair	Mkunumbi
MCA John Mburu Gitonga	Member	Hongwe
MCA Amina Hassan Bwanamkuu	Member	Nominated
MCA Zahara Shee Mohamed	Member	Nominated

e) Committee on Implementation

The Committee shall scrutinize the resolutions of the County Assembly (including adopted committee reports), petitions and the undertakings given by the County Executive Committee and examine –

- (a) whether or not such decisions and undertakings have been implemented and where implemented, the extent to which they have been implemented; and whether such implementation has taken place within the minimum time necessary; and
- (b) whether or not legislation passed by the County Assembly has been operationalised and where operationalised, the extent to which such operationalisation has taken place within the minimum time necessary.

The members who served in the committee during the period were:

Member	Designation	Ward
MCA James Njaaga Kariuki	Chair	Hindi
MCA Shekhuna Abbas	Vice Chair	Mkomani
MCA Beatrice Wamaitha Munge	Member	Nominated
MCA Husuni Mohamed	Member	Nominated

MCA Fahd Dini Adnan	Member	Nominated
MCA John Mburu Gitonga	Member	Hongwe
MCA Aisha Abdulrahman	Member	Nominated

f) Committee on Delegated County Legislation

The Committee scrutinise any statutory instrument whether it is in accord with the provisions of the Constitution, the Act pursuant to which it is made or other relevant written law and whether it infringes on fundamental rights and freedoms of the public.

The members who served in the committee during the period were:

Member	Designation	Ward
MCA Ahmed Omar Hamid	Chair	Nominated
MCA Rebecca Wambui Wainaina	Vice Chair	Nominated
MCA Bwana Mohamed Bwana	Member	Kiunga
MCA Atwaa Salim Mohamed	Member	Shella
MCA Barisa Deko Bana	Member	Basuba
MCA Amina Bwanamkuu	Member	Nominated
MCA Mercy Wangeci Nyambura	Member	Nominated

g) Lands, Physical Planning and Housing

The committee is mandated to all matters related to land, county planning and development, including statistics, land survey and mapping, boundaries and fencing, housing and electricity and gas reticulation and energy regulation. The members who served in the committee during the period were:

Member	Designation	Ward
MCA Husuni Mohamed	Chair	Nominated
MCA Amina Hassan Bwanamkuu	Vice Chair	Nominated
MCA Paul Kimani Njuguna	Member	Mkunumbi

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MCA Atwaa Salim Mohamed	Member	Shella
MCA Bwana Mohamed Bwana	Member	Kiunga
MCA Suleiman Farah	Member	Witu
MCA Zahara Shee Mohamed	Member	Nominated

h) Intergovernmental, Labour and Public Service

The committee is deals with all matters relating to intergovernmental relations, public service management, labour, trade union relations, manpower and or human resource planning, The members who served in the committee during the period were:

Member	Designation	Ward
MCA John Mburu Gitonga	Chair	Hongwe
MCA Barisa Deko Bana	Vice Chair	Basuba
MCA James Njaaga Kariuki	Member	Hindi
MCA Shekhuna Abbas	Member	Mkomani
MCA Beatrice Wamaitha Munge	Member	Nominated
MCA Suleiman Farah	Member	Witu
MCA Mercy Wangeci Nyambura	Member	Nominated

i) Health Services, Water and Environment

The committee is mandated to all matters related to county health services, including, in particular county health facilities. Water, Implementing national government policies in environmental conservation including soil and water and water conservation and sanitation services. The members who served in the committee during the period were:

Member	Designation	Ward
MCA Francis Ngure Gakonga	Chair	Bahari
MCA Mercy Wangeci Nyambura	Vice Chair	Nominated
MCA Paul Kimani Njuguna	Member	Mkunumbi

MCA John Mburu Gitonga	Member	Hongwe
MCA Fahd Dini Adnan	Member	Nominated
MCA Shekhuna Abbas	Member	Mkomani
MCA Amina Hassan Bwanamkuu	Member	Nominated

j) Transport, Infrastructure and Public Works

The committee is mandated to all matters related to county transport, including county roads, county public works and services including storm water management systems in built-up areas. The members who served in the committee during the period were:

Member	Designation	Ward
MCA Zahara Shee Mohamed	Chair	Nominated
MCA Ahmed Omar Hamid	Vice Chair	Nominated
MCA Husuni Mohamed	Member	Nominated
MCA James Njaaga Kariuki	Member	Hindi
MCA Fahd Dini Adnan	Member	Nominated
MCA Rebecca Wambui Wainaina	Member	Nominated
MCA Amina Hassan Bwanamkuu	Member	Nominated

l) Trade, Tourism, Information and Co-operatives Development

The Committee is mandated to all matters related to trade development and regulation, including markets, trade licences (excluding regulation of professions), e-government, fair trading practices, local tourism and cooperative societies. The members who served in the committee during the period were:

Member	Designation	Ward
MCA Amina Hassan Bwanamkuu	Chair	Nominated
MCA Hope Wanjiku Mwaura	Vice Chair	Nominated

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MCA Mohamed Aboud Abubakar	Member	Faza
MCA Mercy Wangeci Nyambura	Member	Nominated
MCA Francis Ngure Gakonga	Member	Bahari
MCA Rebecca Wambui Wainaina	Member	Nominated
MCA Fahd Dini Adnan	Member	Nominated

k) Agriculture, Fisheries, Natural Resources and Blue Economy

The committee is mandated to all matters related to agriculture, irrigation, livestock. Implementation of specific national government policies on natural resources, fisheries and forestry. The members who served in the committee during the period were:

Member	Designation	Ward
MCA Suleiman Farah	Chair	Witu
MCA Aisha Abdulrahman	Vice Chair	Nominated
MCA Mohamed Aboud Abubakar	Member	Faza
MCA Bwana Mohamed Bwana	Member	Kiunga
MCA Barisa Deko Bana	Member	Basuba
MCA John Mburu Gitonga	Member	Hongwe
MCA Beatrice Wamaitha Munge	Member	Nominated

l) Education, Culture and Social Welfare

The Committee is mandated to all matters related to pre-primary education, village polytechnics, home craft centres and childcare facilities, and all matters related to Cultural activities. The members who served in the committee during the period were:

Member	Designation	Ward
MCA Mohamed Aboud Abubakar	Chair	Faza
MCA Hope Wanjiku Mwaura	Vice Chair	Nominated

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MCA Bwana Mohamed Bwana	Member	Kiunga
MCA Ahmed Hamid Omar	Member	Nominated
MCA Barisa Deko Bana	Member	Basuba
MCA Atwaa Salim Mohamed	Member	Shella
MCA Beatrice Wamaitha Munge	Member	Nominated

m) County Assembly Business Committee

The committee prepare and, if necessary, from time to time adjust the County Assembly Calendar with the approval of the County Assembly;

(i) monitor and oversee the implementation of the County Assembly Business and programmes.

(ii) implement the Standing Orders respecting the scheduling or programming of the business of the County Assembly and the functioning of the Committees of the County Assembly;

(iii) determine the order in which the reports of Committees shall be debated in the County Assembly; The members who served in the committee during the period were:

Member	Designation	Ward
Hon. Azhar Ali Mbarak	Speaker/Chair	Speaker
MCA Paul Kimani Njuguna	Deputy Speaker	Mkunumbi
MCA Bwana M. Bwana	Majority Leader	Kiunga
MCA Fahd Dini Adnan	Minority leader	Nominated
MCA Barisa Deko Bana	Member	Basuba
MCA Suleiman Farah	Member	Witu
MCA Zahara Shee Mohamed	Member	Nominated
MCA Aisha Abdulrahman	Member	Nominated
MCA Hope Wanjiku Mwaura	Member	Nominated

n) Committee on Selection

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Annual Report and Financial Statements For the year ended 30th June 2023

Committee on Selection consisting of the Leader of the Majority party who is the chairperson, the Leader of the Minority party and not less than seven and not more than nine members, who shall be nominated by County Assembly parties and approved by the County Assembly. The Committee on Selection shall nominate members to serve in Committees, save for the membership of the County Assembly Business Committee and Committee on Appointments. The members who served in the committee during the period were:

Member	Designation	Ward
MCA Bwana M. Bwana	Majority Leader /Chair	Kiunga
MCA Fahd Dini Adnan	Minority leader	Nominated
MCA Paul Kimani Njuguna	Deputy Speaker	Mkunumbi
MCA Mohamed Aboud Abubakar	Member	Faza
MCA Ahmed Hamid Omar	Member	Nominated
MCA Suleiman Farah	Member	Witu
MCA Zahara Shee Mohamed	Member	Nominated
MCA Beatrice Wamaitha Munge	Member	Nominated
MCA Hope Wanjiku Mwaura	Member	Nominated

o) Committee on Appointments

The Committee on Appointments is consisting of the Speaker as a Chairperson, the Leader of the Majority Party, the Leader of the Minority party and not more than four other Members nominated by the County Assembly Business Committee. The Committee on Appointments shall consider, for approval by the County Assembly, appointments under Articles 179(2) (Members of County Executive Committees).

Member	Designation	Ward
Hon. Azhar Ali Mbarak	Speaker/Chair	Speaker
MCA Paul Kimani Njuguna	Deputy Speaker	Mkunumbi
MCA Bwana M. Bwana	Majority Leader	Kiunga

MCA Fahd Dini Adnan	Minority leader	Nominated
MCA Suleiman Farah	Member	Witu
MCA Aisha Abdulrahman	Member	Nominated
MCA Hope Wanjiku Mwaura	Member	Nominated

p) Communication with all Stakeholders

The County is committed to ensuring that all its stakeholders are provided with full and timely information about its programmes and performance. They are also given an opportunity to give feedback. In this regard, the County held an Annual consultative meeting in Assembly Headquarters parking ground where the different stakeholders were invited for information sharing. This communication is important in ensuring that stakeholder expectations are aligned to the County's service delivery charter.

The County Assembly also subjected 8 bills through public participation and also the social media handles are always active collecting views from the stakeholders.

Risk management

County Assembly of Lamu Strategic plans outlines the risk and mitigations measures that are taken. Among the measures taken are installing anti viruses and anti-spyware to all the computers, creating an iCloud storage back-up and saving the data in the servers. For the risk involving the building we have been able to instal firefighting equipment and instal security lights. Financial Risks are mitigated by ensuring there is proper budgeting and developing of workplans to ensure timely utilization of resources. Checks and balances are paramount in the Finance department with IFMIS roles distributed to different staff and approvals of entries to senior staff, with monthly cash books and reconciliations prepared.

4. Foreword By the Clerk of The Assembly

This is 1st year of the third County Assembly of Lamu, Members were sworn and the new Speaker elected in September 2022. Immediately the MCAs were sworn in work started and during the financial year 2022/2023 the County Assembly of Lamu, made great achievements in its operations and reporting. The improvement has seen the County Assembly perform its functions of oversight, legislation and representation properly by capacity building the new members, with proper induction they took their responsibility with dedication. The absorption rate of recurrent budget was 74% indicating that the resources were utilised efficiently considering it is the general election year. For the development budget, the absorption rate of development 0% due to the lack of bill of quantities because of the overwhelming work to the few structural engineers in County and it was the year of election with the new county government setting up structures.

We are still facing a lot of challenges with the implementation of e-procurement and IFMIS, where IFMIS department was not responding to emails and calls for any clarification or assistance we require. We also faced challenges associated with the general election and the anxiety that came with the presidential petition.

The County Assembly of Lamu has moved in to the new Chambers and offices at the County Headquarters in Mokowe and we have also completed the outside VIP toilets for the MCAs. The Access Road to County Assembly Headquarters is complete and operational. This is expected to have a positive impact in the performance of the Assembly and access by the public, hence improving service delivery.

The County Assembly of Lamu was able to establish the new County Assembly Service Board and has immediately embarked on fulfilling its mandate. We were able to pay all our suppliers and closed the financial year without any pending bills. Several procurement contracts were awarded to special category of Women, youth and people with disability, while also promoting local business and improving the livelihood of our people.

In the financial year 2022/2023 the County Assembly of Lamu vetted and approved all County appointments done by H.E. Governor, we also approved policy and planning documents prepared by the Lamu Municipality. County Assembly of Lamu also published six bills, thirty committee reports adopted, and fifty motions passed.

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Finally, we faced challenges with Internet Banking (IB) and IFMIS due to lack of high-speed internet in Mokowe, electricity power cuts, poor road network, insecurity and the slow release of funds by the National Treasury and long requisition process of funds by the Controller of Budget.

Sign

Omar Ahmed

Clerk of the County Assembly

5. Statement Of Performance Against County Assembly Predetermined Objectives

Guidance

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 is expected to include of the County Government entity performance of the its key mandate.

The key mandate of the County Assembly of Lamu is legislation, oversight and representation. On legislation part the County Assembly was able to publish six bills against a target of six bills, considering that this was a new county assembly and the members had to undergo trainings and inductions to be able pass quality laws.

On Oversight, the committees were able to table twenty committee reports surpassing the set target, the performance was good given the fact that general election was close but still there is always a room for improvement. Also, on the oversight role the committees vetted and approved all the appointments by H.E. the Governor Issa Timamy, considering this is a new government with the new executive committee members appointed and the new Chief Officers. The assembly committees also held several consultative meetings with County Executive Committee Members. The county assembly also approved all the policies and plans prepared by the Lamu Municipality.

On the representation mandate, the County Assembly continues to run the ward offices in all ten wards and we also have social media platforms through the department of communication and public relations that we are able inform the public and also receive the views from the public.

Overall, the performance was good notwithstanding the general election challenges and the anxiety of presidential petition in the Country, but there still room for improvement and the County Assembly of Lamu believes in continuous improvement and its pursuit to improve the livelihood of the people of Lamu more will be done.

6. Corporate Social Responsibility Statement/Sustainability Reporting

In the financial year 2022/2023 the County Assembly of Lamu embarked on improving the livelihoods of the residents of Lamu County through timely approval of new County Executive Committee Members and Chief Officers. The County Assembly approved all government policies and plans that were submitted, we have always pursued the strategy of customer first and improve our operations and access by the public. We continued to use the strategy of no wrong door/office in the County Assembly of Lamu, where citizens seeking any assistance will be provided with services by any officer or directed to the right office immediately.

We have provided attachments to the local youths in order for them to gain experience and participated in community environmental cleaning. We also received over 15 Primary schools that came for study tour at the County Assembly and the students were taken through a live debate session.

The County Assembly of Lamu has improved its efficiency in the payment process and we closed the financial year without a single pending bill. The efficiency in payments and the payments of pending bills improved the business, economic and livelihood of the people of Lamu which ultimately contributes to improved macroeconomic performance of Kenya. All procurements are done by e-procurement through the IFMIS system thus removing the unfair manipulation of manual procurement procedures and unethical procurement process. Many bidders are invited to participate in the procurement process enhancing competition and value for money. Several market surveys were conducted by procurement department to ascertain the market prices of the goods and services to be procured. All the payments were done to suppliers and service providers on time and withholding taxes submitted on time, hence enhancing tax collections and protecting the suppliers from unnecessary penalty and interest from Kenya Revenue Authority.

The County Assembly of Lamu has created a clean and safe working environment to staff and the public. The security has been enhanced with posting of Administration Police officers working together with our security guards to ensure security and safety is improved. We have been able to train our Members of County Assembly and staff, in order to improve their performance and skills. An induction was done for the members and a proper capacity building for the new elected and

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appointed MCAs. Medical insurance cover is provided to the staff and members of the County Assembly and all the vehicles are cover with comprehensive insurance cover. There is control entry and exit in to the Assembly premise with proper screening by the security officers and registration of all visitors.

The County Assembly of Lamu has made great achievement in creating an environment of ethical and honest behaviour in the procurement process by advertising through our official website, nationwide newspapers and the government portal. Our procurement plan sets aside tenders to the special categories including women, youth and people living with disability.

The County Assembly of Lamu engaged the Lamu community in public participation of all the bills and plans that are brought to the County Assembly for consideration and approval. Our social media handles are active and running while providing immediate media briefings to all the Assembly sessions, transmitted to the public in English and Kiswahili. The County Assembly staff participates in community sports and activities that creates cohesion and community harmony. The Office of the Speaker participated in the issuance of wheel chairs and other assistive devices to people living with disability in collaboration with Aga Khan Foundation and MWARP.

The County Assembly of Lamu participated in the annual County Assemblies Sports Activities (CASA) with all other county assemblies in Kenya held in Nakuru County and the staff participates in community games locally.



The Speaker of the County Assembly of Lamu Hon. Azhar Ali Mbarak greeting H.E. The President Dr. William Ruto in an official function in Lamu.



Primary school students on a study tour to the County Assembly of Lamu with Hon. Shekhuna Abbas (MCA Mkomani Ward) and Mr. Hussein About the Public Relations Officer.



Hon. Mohammed Abubakar 'Simba' (MCA Faza Ward) participating in the economic empowerment of local fishermen through distribution of modern fishing equipment and gears.



County Assembly of Lamu participating in the annual CASA games.

7. Statement Of Management Responsibilities

Sections 164 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting Officer of a County Government Entity to prepare financial statements in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The Clerk of the County Assembly is responsible for the preparation and presentation of the County Assembly's financial statements, which give a true and fair view of the state of affairs of the County Assembly for the year ended June 30, 20xx. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the County Assembly; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the County Assembly; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Clerk accepts responsibility for the County Assembly's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Clerk is of the opinion that the County Assembly's financial statements give a true and fair view of the state of the County Assembly's transactions for the year ended June 30, 2023, and of its financial position as at that date. The Clerk further confirms the completeness of the accounting records maintained for the County Assembly which have been relied upon in the preparation of its financial statements as well as the adequacy of the systems of internal financial control.

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

Count Government of Lamu

County Assembly of Lamu

Annual Report and Financial Statements For the year ended 30th June 2023

Approval of the financial statements

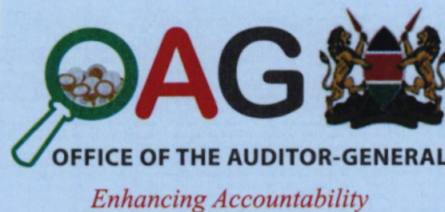
The County Assembly's financial statements were approved and signed by the Clerk of the County Assembly of Lamu on 29th September, 2023.


.....
Omar Ahmed

Clerk of the County Assembly

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 COUNTY ASSEMBLY OF LAMU FOR THE YEAR ENDED 30 JUNE, 2023

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 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 the County Assembly of Lamu set out on pages 1 to 29, which comprise of the statement of financial assets and liabilities

as at 30 June, 2023 and the statement of receipts and payments, statement of cash flows and 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 effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the County Assembly of Lamu as at 30 June, 2023 and of its financial performance and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (Cash Basis) and comply with the County Government Act, 2012 and Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccurate Cash and Cash Equivalents Balance

The statement of financial assets and liabilities reflects a balance of Kshs.41,209,560 in respect to cash and cash equivalents and as disclosed in Note 6A to the financial statements. However, the balance wrongly includes an amount of Kshs.40,399,995 in respect of car loan and mortgage Fund. In addition, review of the IFMIS bank reconciliation statements revealed that the Assembly's recurrent account had an overdraft of Kshs.85,945,356 as at 30 June, 2023 while the cash book reflected a balance of Kshs.806,314. Management attributed the discrepancy between the two set of records to prior year adjustments in IFMIS which they were unable to correct due to lack of adequate IFMIS training and limited user rights.

In the circumstances, the accuracy and completeness of cash and cash equivalents balance of Kshs.41,209,560 could not be confirmed.

2. Unsupported Payments to Ward Offices and Casual Workers

The statement of receipts and payments and Note 2 to the financial statements reflects payments totalling to Kshs.164,400,820 in respect of compensation of employees which includes payments totalling to Kshs.1,830,000 in respect of casual workers in ten (10) Ward offices for the month of November, 2022. However, the payment was not supported by a list of beneficiaries and a signed muster roll. In addition, Kshs.345,000 was transferred to each of the ten (10) Wards which translates to a total of Kshs.3,450,000. However, the expenditure returns supporting these transfers were not provided for audit review.

In the circumstances, the authenticity of these payments could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the County Assembly of Lamu 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 totalling to Kshs.564,250,000 and Kshs.362,476,400 respectively resulting to an underfunding of Kshs.201,773,600 or 36% of the budget. Similarly, the statement reflects expenditure budget and actual on comparable basis of Kshs.564,250,000 and Kshs.361,376,637 respectively resulting to budget underutilization of Kshs.202,873,363 or 36%.

The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery 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

1. Late Exchequer Releases

The statement of receipts and payments and Note 1 to the financial statements indicates that the County Assembly received exchequer receipts totalling to Kshs.362,476,400 from the County Revenue Fund. However, included in this amount are late disbursements totalling to Kshs.61,483,700 received in the month of June, 2023 as detailed below:

Date	Reference No.	Amount (Kshs)
27 June, 2023	FT23178YYHHS	5,500,600
27 June, 2023	FT231782C1KV	15,148,300
27 June, 2023	FT23178FM2ZK	13,834,800
30 June, 2023	FT23181C19MD	27,000,000
Total		61,483,700

Failure by the County Treasury to release money on time may have negatively impacted on service delivery by the County Assembly.

2. Project Implementation Status

During the year under review, the County Assembly of Lamu had budgeted to implement four (4) projects at a total cost of Kshs.94,800,000. The County Assembly made payments totalling to Kshs.18,837,999 towards the implementation of the projects. However, it was noted that none of the project was fully implemented.

Failure to implement planned projects may have negatively impacted on service delivery to the residents of Lamu County.

3. Unresolved Prior Year Matters

Various prior year audit issues remained unresolved as at 30 June, 2023. Management has not provided reasons for the delay in resolving the prior year audit issues. Further, the unresolved prior year issues are not disclosed under the progress on follow up of auditor's recommendations section of the financial statements as required by the Public Sector Accounting Standards Board.

4. Backlog in the Interrogation of Audit Reports

The County Assembly Public Accounts and Investment Committee (PAIC) had not deliberated on the Auditor-General's reports for County Executive of Lamu and its Funds, County Assembly of Lamu and its Fund and Lamu Water and Sewerage Company Limited for the financial years 2019/2020, 2020/2021 2021/2022.

In the circumstances, the County Assembly had not benefited from the expected recommendations from the County Assembly Public Accounts and Investment Committee.

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. Irregular Payment of Car Purchase Allowances

During the year under review, Management paid a total of Kshs.22,120,000 in respect of car purchase allowances to the Members of County Assembly (MCAs) of Lamu contrary to part 2(m) of Kenya Gazette Notice number 8795 dated 27 July, 2022 on remuneration and benefits for state officers in the County Assembly which states that transport

facilitation benefit in form of a car grant has been abolished and ceased to be paid with effect from 9 August, 2022.

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

2. Long Outstanding Imprest

The statement of financial assets and liabilities and Note 7 to the financial statements reflects a balance of Kshs.294,000 in respect of imprests and advances. However, review of records revealed that the imprests had been outstanding for five (5) months contrary to Regulation 93(5) of the Public Finance Management (County Governments) Regulations, 2015 which requires a holder of a temporary imprest to account or surrender the imprest within seven (7) working days after returning to duty station.

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

3. Failure to Deduct and Effect the New NSSF Rates

A review of the Integrated Payroll and Personnel Database (IPPD) revealed that the Management did not make deductions to the National Social Security Fund (NSSF) from one hundred and thirteen (113) members of staff. In addition, the new NSSF rates had not been affected as guided by a Gazette Notice dated 9 February, 2023.

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

4. Irregular Payment to Society of Clerks at the Table

The statement of receipts and payments reflects payments totalling to Kshs.151,137,818 in respect to use of goods and services which, as disclosed in Note 3 to the financial statements includes other operating expenses of Kshs.3,242,805. This amount in turn includes Kshs.750,000 paid to Society of Clerks at the Table during the year under review. However, no legal framework supporting this expenditure was provided for audit review.

In the circumstances, the validity of Kshs.750,000 paid to the Society of Clerks at the Table could not be confirmed.

5. Unauthorized Reallocation of Expenditure

The statement of receipts and payments reflects payments totalling to Kshs.361,376,637. However, payments in respect of eleven (11) budget line items totalling to Kshs.139,301,500 had an allocated budget of Kshs.85,162,000 resulting to unauthorized reallocation of Kshs.54,139,500. This was contrary to Section 147(1)(d) of Public Finance Management Act, 2012 which states that subject to the Constitution, the Accounting Officer of a County Assembly shall monitor, evaluate and oversee the management of their public finances, including ensuring proper management and control of, and accounting for, their finances in order to promote the efficient and effective use of budgetary resources.

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, 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. Lack of Risk Management Policy

Interview with key staff revealed that the Management had not established a risk management policy. Further, it was noted that Management did not carry out risk assessment during the year under review.

In the circumstances, the effectiveness of risk management and governance structures in the County Assembly could not be confirmed.

2. Lack of Internal Audit Function and an Audit Committee of the Board

The County Assembly of Lamu had not established an internal audit function and an Audit Committee of the Board. This was contrary to Section 155 of the Public Finance Management Act, 2012 which provides for the establishment of the internal audit function and an Audit Committee of the Board. As such, the County Assembly did not benefit from the assurance and advisory services from the internal audit function as well as oversight from the Audit Committee.

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

In preparing the financial statements, Management is responsible for assessing the County Assembly's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to dissolve the County Assembly 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 County Assembly's financial reporting process, reviewing the effectiveness of how the 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 policies and procedures may deteriorate.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the County Assembly's ability to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the County Assembly to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

05 February, 2024

9. Statement of Receipts and Payments for The Year Ended 30th June 2023

		2022-2023	2021-2022
	Note	Kshs	Kshs
Receipts			
Transfers from the CRF	1	362,476,400	346,897,160
Proceeds from sale of assets		-	-
Miscellaneous receipts		-	-
Total receipts		362,476,400	346,897,160
Payments			
Compensation of employees	2	164,400,820	162,584,403
Use of goods and services	3	151,137,818	155,543,398
Subsidies		-	-
Transfers to other government entities	4	27,000,000	-
Other grants and transfers		-	-
Social security benefits		-	-
Acquisition of assets	5	18,837,999	27,460,900
Finance costs		-	-
Other payments		-	-
Total payments		361,376,637	345,588,701
Surplus/deficit		1,099,763	1,308,459

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 30th September 2023 and signed by:

.....
Name: Omar Ahmed
Clerk of the Assembly

.....
Name: Mwarabu Salim
Director Finance
ICPAK Member Number:21616

10. Statement Of Financial Assets and Liabilities as at 30th June 2023

		2022-2023	2021-2022
Financial assets	Note	Kshs	Kshs
Cash and cash equivalents			
Bank balances	6A	41,209,560	16,889,980
Cash balances	6B	-	-
Total cash and cash equivalents		41,209,560	16,889,980
Imprests and Advances	7	294,000	-
Total financial assets		41,503,560	16,889,980
Financial liabilities			
Third party deposits and retention	8	-	2,178,630
Net financial assets		41,503,560	14,711,350
Represented by			
Fund balance b/fwd.	9	14,711,350	15,638,130
Prior year adjustment	12	(1,307,673)	(2,235,235)
Surplus/(deficit) for the year		1,099,763	1,308,459
Adjustment on Car Loan & Mortgage Transfer	4	27,000,000	
Net Financial Position		41,503,560	14,711,350

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 30th September 2023 and signed by:

.....
Name: Omar Ahmed
Clerk of the Assembly

.....
Name: Mwarabu Salim
Director Finance
ICPAK Member Number:21616


County Government of Lamu
County Assembly of Lamu
Annual Report and Financial Statements For the year ended 30th June 2023

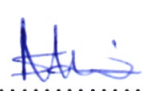
11. Statement Of Cash Flows for The Period Ended 30th June 2023

		2022-2023 22-23	2021-2022
	Note	KShs	KShs
Cash flows from operating activities			
Receipts from operating income			
Transfers from the CRF	1	362,476,400	346,897,160
Miscellaneous receipts		-	-
Total receipts from operating income		362,476,400	346,897,160
Payments for operating expenses			
Compensation of employees	2	164,400,820	162,584,403
Use of goods and services	3	151,137,818	155,543,398
Subsidies		-	-
Transfers to other government entities	4	27,000,000	-
Other grants and transfers		-	-
Social security benefits		-	-
Finance costs		-	-
Other payments		-	-
Total payments for operating expenses		342,538,638	318,127,801
Net receipts/(payments) from operating activities		19,937,762	28,769,359
Adjusted for:			
Prior year adjustment (Refund to CRF)	12	(1,307,673)	-
Adjustment for Outstanding Imprest	10	(294,000)	-
Adjustment on Mortgage Transfer	4	27,000,000	-
Adjustment on Car Loan to Car Grant	12		(2,235,235)
Decrease/(increase) in accounts receivable:		-	-
Increase/(decrease) in accounts payable: (Retention)	11	(2,178,510)	1,507,400
Net cash flows from operating activities		43,157,579	28,041,524
Cashflow from investing activities			
Proceeds from sale of assets		-	-

		2022-2023 22-23	2021-2022
	Note	KShs	KShs
Acquisition of assets	5	(18,837,999)	(27,460,900)
Net cash flows from investing activities		(18,837,999)	(27,460,900)
Cash flow From Financing Activities			
Repayment of principal on domestic and foreign borrowing		(-)	(-)
Net cash flow from financing activities		(-)	(-)
Net increase in cash and cash equivalents		24,319,580	580,624
Cash & cash equivalent at Start of the year		16,889,980	16,309,360
Cash & cash equivalent at end of the year		41,209,560	16,889,980

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 30th September 2023 and signed by:

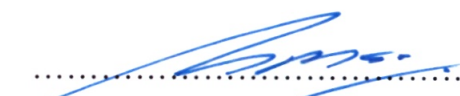

.....
Name: Omar Ahmed
Clerk of the Assembly



.....
Name: Mwarabu Salim
Director Finance – County Assembly
ICPAK Member Number 21616

12. Statement Of Comparison of Budget & Actual Amounts: Recurrent and Development for year ended 30th June 2023

Receipt/expense item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c= a+b	d	e=c-d	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	
Receipts						
Transfers from the CRF	588,000,000	(23,750,000)	564,250,000	362,476,400	201,773,600	64%
Proceeds from sale of assets	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total	588,000,000	(23,750,000)	564,250,000	362,476,400	201,773,600	64%
Payments						
Compensation of employees	197,319,710	1,068,000	198,387,710	164,400,820	33,986,890	83%
Use of goods and services	196,680,290	47,382,000	244,062,290	151,137,818	92,924,472	62%
Subsidies	-	-	-	-	-	-
Transfers to other government entities	-	-	-	-	-	-
Other grants and transfers	27,000,000	0	27,000,000	27,000,000	-	100%
Social security benefits	-	-	-	-	-	-
Acquisition of assets	167,000,000	(72,200,000)	94,800,000	18,837,999	75,962,001	20%
Other payments	-	-	-	-	-	-
Total	588,000,000	(23,750,000)	564,250,000	361,376,637	202,873,363	64%
Surplus/ deficit	0	-	0	1,099,763		-

The entity financial statements were approved on 30th September 2023 and signed by:

.....

Name: Omar Ahmed
Clerk of the Assembly

.....

Name: Mwarabu Salim- ICPAK Member Number:21616
Director of Finance

12A Statement of Comparison of Budget & Actual Amounts: Recurrent for the year ended 30th June 2023

Receipt/expense item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	
Receipts						
Transfers from the CRF	444,000,000	46,250,000	490,250,000	362,476,400	127,773,600	74%
Proceeds from sale of assets	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total	444,000,000	46,250,000	490,250,000	362,476,400	127,773,600	74%
Payments						
Compensation of employees	197,319,710	1,068,000	198,387,710	164,400,820	33,986,890	83%
Use of goods and services	196,680,290	47,382,000	244,062,290	151,137,818	92,924,472	62%
Subsidies	-	-	-	-	-	-
Transfers to other government entities	-	-	-	-	-	-
Other grants and transfers	27,000,000	0	27,000,000	27,000,000	-	100%
Social security benefits	-	-	-	-	-	-
Acquisition of assets	23,000,000	(2,200,000)	20,800,000	18,837,999	1,962,001	91%
Other payments	-	-	-	-	-	-
Total	444,000,000	46,250,000	490,250,000	361,376,637	128,873,363	74%
Surplus/ deficit	0	-	0	1,099,763		-

The entity financial statements were approved on 30th September 2023 and signed by:

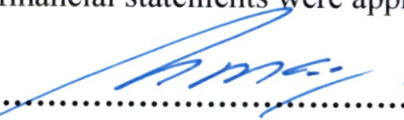
.....
 Name: **Omar Ahmed**
 Clerk of the Assembly


.....
 Name: **Mwarabu Salim - ICPAK Member Number:21616**
 Director of Finance– County Assembly

12B Statement of Comparison of Budget & Actual Amounts: Development for the year ended 30th June 2023

Receipt/expense item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	
Receipts						
Transfers from the CRF	144,000,000	(70,000,000)	74,000,000	0	74,000,000	0%
Proceeds from sale of assets	-	-	-	-	-	-
Total	144,000,000	(70,000,000)	74,000,000	0	74,000,000	0%
Payments						
Compensation of employees	-	-	-	-	-	-
Use of goods and services	-	-	-	-	-	-
Transfers to other government entities	-	-	-	-	-	-
Social security benefits	-	-	-	-	-	-
Acquisition of assets	144,000,000	(70,000,000)	74,000,000	0	74,000,000	0%
Other payments	-	-	-	-	-	-
Total	144,000,000	(70,000,000)	74,000,000	0	74,000,000	0%
Surplus/ deficit	-	-	-	-	-	-

The entity financial statements were approved on 30th September 2023 and signed by:

.....

Name: Omar Ahmed
Clerk of the County Assembly

.....

Name: Mwarabu Salim ICPAK Member Number:21616
Director Finance

13. Budget Execution by Programmes and Sub-Programmes

Programme/Sub-Programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	% Budget utilization
	2023	2023	2023	2023	2023
	Kshs	Kshs	Kshs	Kshs	Kshs
Programme 1	232,029,120	13,638,000	245,667,120	193,522,604	78%
Programme 2	355,970,880	(37,880,000)	318,582,880	167,854,033	53%
Total	588,000,000	(24,242,000)	564,250,000	361,376,637	64%

14. Significant Accounting Policies

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

1. Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with Cash-basis IPSAS financial reporting under the cash basis of accounting, as prescribed by the PSASB and set out in the accounting policy notes below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include third party deposits and retentions. The statement of assets and liabilities, although not a requirement of the IPSAS Cash Standard, has been included to disclose information on some classes of receivables and payables as outlined above.

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

The financial statements comply with and conform to the form of presentation prescribed by the PSASB.

2. Reporting entity

The financial statements are for the County Assembly of Lamu. The financial statements encompass the reporting entity as specified in section 164 of PFM Act 2012.

3. Recognition of receipts and payments

a) Recognition of receipts

The County Assembly recognises all receipts from the various sources when the event occurs, and the related cash has been received by the Assembly.

Significant Accounting Policies (Continued)

i) Transfers from the Exchequer/ County Treasury

Transfer from Exchequer is recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the receiving entity.

ii) Other Receipts

Other receipts relate to receipts such as tender fees among others. These are recognised in the financial statements when the associated cash is received.

b) Recognition of payments

The entity recognises all expenses when the event occurs, and the related cash has actually been paid out by the entity.

i) Compensation of employees

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

ii) Use of goods and services

Goods and services are recognized as payments in the period when the goods/services are consumed and paid for. Such expenses, if not paid during the period where goods/services are consumed, shall be disclosed as pending bills.

iii) Acquisition of fixed assets

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment. A fixed asset register is maintained by each public entity and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the consolidated financial statements.

Significant Accounting Policies (Continued)

4. In-kind contributions

In-kind contributions are donations that are made to the County Assembly of Lamu in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the County Assembly of Lamu includes such value in the statement of receipts and payments both as receipts and as an expense in equal and opposite amounts; otherwise, the contribution is not recorded.

5. Third Party Payments

This relates to payments done directly to supplier on behalf of the county governments such as; national government may fund the operation of health or education program; a donor may pay directly for construction of a given market etc. Details of payments by third parties on behalf of the county government is detailed in the notes to this financial statement.

6. 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.

7. Restriction on cash

Restricted cash represents amounts that are limited /restricted from being used to settle a liability for at least twelve months after the reporting period. This cash is limited for direct use as required by stipulation.

Significant Accounting Policies (Continued)

8. Imprests and Advances

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year is treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as payments when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

9. Third party deposits and retention

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized as accounts payables. This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted and prescribed by the Public Sector Accounting Standards Board. Other liabilities including pending bills are disclosed in the financial statements.

10. Non-current assets

Non-current assets are expensed at the time of acquisition while disposal proceeds are recognized as receipts at the time of disposal. However, the acquisitions and disposals are reflected in the entity fixed asset register a summary of which is provided as a memorandum to these financial statements.

11. Pending bills

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they are recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the County Assembly of Lamu at the end of the year. Pending bill form a first charge to the subsequent year budget and when they are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

Significant Accounting Policies (Continued)

12. Contingent Liabilities

A contingent liability is:

- a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- b) A present obligation that arises from past events but is not recognised because:
 - i) It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
 - ii) The amount of the obligation cannot be measured with sufficient reliability.

Some of contingent liabilities may arise from: litigation in progress, guarantees, indemnities. Letters of comfort/ support, insurance, Public Private Partnerships. The Entity does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote. Annex 6 of this financial statement is a register of the contingent liabilities in the year.

13. Contingent Assets

The County Assembly of Lamu does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

Significant Accounting Policies (Continued)

14. Budget

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The County Assembly's budget was approved as required by Law and as detailed in the County Revenue Allocation Act. The original budget was approved by the County Assembly on June 2022 for the period 1st July 2022 to 30 June 2023 as required by law. There was one supplementary budget passed in the year.

15. Comparative figures

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

16. Subsequent events

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

17. Prior Period Adjustment

During the year, errors that have been corrected are disclosed *under note 26* explaining the nature and amounts.

18. Related Party Transactions

Related party means parties are related if one party has the ability to:

- a) Control the other party or
- b) Exercise significant influence over the other party in making financial and operational decisions, or if the related party entity and another entity are subject to common control.

Related party transaction is a transfer of resources or obligations between related parties regardless of whether a price is charged.

15. Notes to the Financial Statements**1. Transfer From CRF**

	2022-2023	2021-2022
	Kshs	Kshs
Transfers from the county treasury for Q1	29,052,700	60,490,580
Transfers from the county treasury for Q2	76,312,400	79,804,600
Transfers from the county treasury for Q3	127,358,400	91,759,060
Transfers from the county treasury for Q4	129,752,900	114,842,920
Cumulative amount	362,476,400	346,897,160

2. Compensation Of Employees

	2022-2023	2021-2022
	Kshs	Kshs
Basic salaries of permanent employees	64,649,819	73,381,166
Basic wages of temporary employees	12,712,387	20,958,500
Personal allowances paid as part of salary	71,687,845	53,887,780
Personal allowances paid as reimbursements	1,194,054	1,236,000
Personal allowances provided in kind	-	-
Employer contribution to compulsory national social schemes	-	-
Employer contribution to compulsory national health insurance schemes	-	-
Pension and other social security contributions	14,156,715	13,120,957
Social benefit schemes outside government	-	-
Other personnel payments	-	-
Total	164,400,820	162,584,403

Notes to the Financial Statements (Continued)

3. Use Of Goods And Services

	2022-2023	2021-2022
	Kshs	Kshs
Utilities, supplies and services	854,269	1,220,779
Communication, supplies and services	3,364,597	2,731,397
Domestic travel and subsistence	35,374,279	54,289,180
Foreign travel and subsistence	46,103,885	38,403,768
Printing, advertising and information supplies & services	1,154,244	1,382,460
Rentals of produced assets	1,100,000	1,700,000
Training expenses	20,904,396	22,793,040
Hospitality supplies and services	6,671,480	5,977,620
Insurance costs	17,242,803	9,657,704
Specialized materials and services	-	999,000
Office and general supplies and services	2,995,460	2,400,000
Fuel, oil and lubricants	7,900,000	6,900,000
Other operating expenses (Include Bank charges)	3,242,805	2,490,255
Routine maintenance – vehicles and other transport equipment	879,800	3,949,200
Routine maintenance – other assets	3,349,800	648,995
Total	151,137,818	155,543,398

4. Transfers To Other Government Entities

Description	2022-2023	2021-2022
	Kshs	Kshs
Transfers to national government entities	-	-
Transfers to other county assembly entities		
Car Loan & Mortgage scheme/fund	27,000,000	-
Others (insert name of budget agency)	-	-
Total	27,000,000	-

Notes To the Financial Statements (Continued)

5. Acquisition Of Assets

Non- financial assets	2022-2023	2021-2022
	Kshs	Kshs
Purchase of buildings	-	-
Construction of buildings	-	9,799,950
Refurbishment of buildings	-	-
Construction of roads	-	5,273,950
Construction and civil works	-	-
Overhaul and refurbishment of construction and civil works	-	-
Purchase of vehicles and other transport equipment	16,270,000	-
Overhaul of vehicles and other transport equipment	-	-
Purchase of household furniture and institutional equipment	-	-
Purchase of office furniture and general equipment	2,567,999	5,121,000
Purchase of specialized plant, equipment and machinery	-	-
Rehabilitation and renovation of plant, machinery and equip.	-	-
Rehabilitation of civil works	-	-
Acquisition of strategic stocks and commodities	-	-
Acquisition of land	-	-
Acquisition of intangible assets	-	-
Purchase of ICT Equipment	-	7,266,000
Total acquisition of non- financial assets	18,837,999	27,460,900
Financial assets		
Domestic public non-financial enterprises	-	-
Domestic public financial institutions	-	-
Total acquisition of financial assets	-	-
Total acquisition of assets	18,837,999	27,460,900

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Notes To the Financial Statements (Continued)

6. Cash And Bank Balances

6A. Bank Balances

Name Of Bank, Account Name & Currency	Account Number	Indicate whether Rec, Dev, Dep etc.	2022-2023	2021-2022
			Kshs	Kshs
<i>Central Bank of Kenya, Development Account & Currency Ksh.</i>	1000210311	Development	61.95	61.95
<i>Central Bank of Kenya, Recurrent Account & Currency Ksh.</i>	1000210303	Recurrent	806,313.65	1,307,672.75
<i>Central Bank of Kenya, Deposit Account & Currency Ksh.</i>	1000390794	Deposit	120.05	2,178,630.05
<i>Kenya Commercial Bank, Lamu County Assembly & Currency Ksh.</i>	1150833025	Recurrent	3,070	3,620.00
<i>Gulf African Bank, Car Loan and Mortgage & Currency Ksh.</i>	0570057001	Car Loan & Mortgage Account	13,399,995.40	13,399,995.40
<i>Diamond Trust Bank, County Assembly of Lamu Car Loan and Mortgage & Currency Ksh.</i>	0148172001	Car Loan & Mortgage Account	27,000,000	-
Total			41,209,561	16,889,980

Note: Amount should be as per amount in the cash book and bank reconciliation statements prepared for each account held.

6B. Cash In Hand

	2022-2023	2021-2022
	Kshs	Kshs
Cash In Hand – Held in Domestic Currency	-	-
Cash In Hand – Held in Foreign Currency	-	-
Total	-	-

7. Imprests and Advances

<i>Description</i>	2022-2023	2021-2022
	Kshs	Kshs
Government Imprests	294,000	-
Salary Advance	-	-
Clearance accounts	-	-
Total	294,000	-

<i>Breakdown of Imprest and Salary Advance Per Department</i>	2022-2023	2021-2022
<i>Imprests</i>	Kshs	Kshs
MCA Mercy Nyambura	294,000	-
Sub-Total	294,000	-
Grand Total	294,000	-

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

Notes To the Financial Statements (Continued)

8. Third Party Deposits and Advances

Description	2022-2023		2021-2022	
	Kshs		Kshs	
Deposits	-		-	
Retentions	-		2,178,630	
Total	-		2,178,630	
Ageing analysis (third party deposits and advances)	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (tie to above total)	-		-	

9. Fund Balance Brought Forward

Description	2022-2023		2021-2022	
	Kshs		Kshs	
Bank Accounts	14,711,350		15,638,130	
Cash In Hand	-		-	
Imprests and advances	-		-	
Third party deposits and retentions	(-)		(-)	
Total	14,711,350		15,638,130	

10. Changes In Imprests and Advances

Description	2022-2023		2021-2022	
	Kshs		Kshs	
Opening Imprests and Advances as at 1 st July 2022	-		-	
Closing Imprests and Advances as at 30 th June 2023	294,000		-	
Change In Imprests and Advances	294,000		-	

11. Changes In Third Party Deposits and Retentions

Description	2022-2023	2021-2022
	Kshs	Kshs
Opening Third Party Deposits and Retention as at 1 st July 2022	(2,178,510)	1,507,400
Closing Third Party Deposits and Retention as at 30 th June 2023	0	
Change In Third Party Deposits and Retention	(2,178,510)	1,507,400

12. Prior Year Adjustment

Description	2022-2023	2021-2022
	Kshs	Kshs
Adjustments on bank account balances	0	0
Adjustments on payables	0	0
Adjustments on car loan to car grant	0	(2,235,235)
Adjustment refund to CRF Acc	(1,307,673)	0
Total	(1,307,673)	(2,235,235)

Notes To the Financial Statements (Continued)

Other Disclosures

1. Pending Accounts Payable (See Annex 1)

	Balance b/f 2021-2022	Additions for the year	Paid during the year	Balance c/f (2022-2023)
Description	Kshs	Kshs	Kshs	Kshs
Construction Of Buildings	-	-	(-)	-
Construction Of Civil Works	-	-	(-)	-
Supply Of Goods	-	-	(-)	-
Supply Of Services	-	-	(-)	-
Total	-	-	(-)	-

2. Pending Staff Payables (See Annex 2)

	Balance b/f 2021-2022	Additions for the year	Paid during the year	Balance c/f (2022-2023)
Description	Kshs	Kshs	Kshs	Kshs
Senior Management	-	-	(-)	-
Middle Management	-	-	(-)	-
Unionisable Employees	-	-	(-)	-
Others	-	-	(-)	-
Total	-	-	(-)	-

Notes To the Financial Statements (Continued)

3. Other Pending Payables (See Annex 3)

	Balance b/f 2021-2022	Additions for the year	Paid during the year	Balance c/f (2022-2023)
Description	Kshs	Kshs	Kshs	Kshs
Amounts due to National Government entities	-	-	(-)	-
Amounts due to County Government entities	-	-	(-)	-
Amounts due to third parties	-	-	(-)	-
Total	-	-	(-)	-

4. External Assistance

	2022-2023	2021-2022
Description	Kshs	Kshs
External assistance received in cash	-	-
External assistance received as loans and grants	-	-
External assistance received in kind- as payment by third parties	-	-
Total	-	-

a) External assistance relating loans and grants

	2022-2023	2021-2022
Description	Kshs	Kshs
External assistance received as loans	-	-
External assistance received as grants	-	-
Total	-	-

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Notes To the Financial Statements (Continued)

b) Undrawn external assistance

	Purpose for which the undrawn external assistance may be used	2022-2023	2021-2022
Description		Kshs	Kshs
Undrawn External Assistance - Loans		-	-
Undrawn External Assistance - Grants		-	-
Total		-	-

c) Classes of providers of external assistance

	2022-2023	2021-2022
Description	Kshs	Kshs
Multilateral Donors	-	-
Bilateral Donors	-	-
International Assistance Organization	-	-
NGOs	-	-
Total	-	-

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Notes To the Financial Statements (Continued)

d. Non-Monetary External Assistance

	2022-2023	2021-2022
Description	Kshs	Kshs
Goods	-	-
Services	-	-
Total	-	-

e. Purpose and use of external assistance.

Payments Made by Third Parties	2022-2023	2021-2022
Description	Kshs	Kshs
Compensation Of Employees	-	-
Use Of Goods and Services	-	-
Subsidies	-	-
Transfers To Other Government Units	-	-
Other Grants and Transfers	-	-
Social Security Benefits	-	-
Acquisition Of Assets	-	-
Finance Costs, Including Loan Interest	-	-
Repayment Of Principal on Domestic & Foreign Borrowing	-	-
Other Payments	-	-
Total	-	-

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Notes To the Financial Statements (Continued)

f. External Assistance paid by Third Parties on behalf of the Entity by Source

This relates to external assistance paid directly by third parties to settle obligations on behalf of the entity

	2022-2023	2021-2022
Description	Kshs	Kshs
National Government	-	-
Multilateral Donors	-	-
Bilateral Donors	-	-
International Assistance Organization	-	-
Total	-	-

5. PAYMENTS BY THIRD PARTY ON BEHALF OF THE COUNTY ASSEMBLY.

5.1 Classification by Source

	2022-2023	2021-2022
Description	Kshs	Kshs
National government	-	-
Multilateral donors	-	-
Bilateral donors	-	-
International assistance organization	-	-
NGOs	-	-
National Assistance Organization	-	-
Total	-	-

(Third party payments may be done by other entities that are not providers of external assistance)

5.2 Classification of payments made by Third Parties by Nature of expenses.

Payments made by third parties	2022-2023	2021-2022
Description	Kshs	Kshs
Compensation of employees	-	-
Use of goods and services	-	-
Subsidies	-	-
Transfers to other government units	-	-
Other grants and transfers	-	-
Social security benefits	-	-
Acquisition of assets	-	-
Finance costs, including loan interest	-	-
Other payments	-	-
Total	-	-

6. Related Party Disclosures

Related party disclosure is encouraged under non-mandatory section of the Cash Basis IPSAS.

The following comprise of related parties to the County Assembly:

- i) Members of County Assembly.
- ii) Key management personnel that include the Clerk of the Assembly and heads of departments.
- iii) The County Executive.
- iv) County Ministries and Departments.
- v) Other County Government entities including corporations, funds and boards.
- vi) The National Government.
- vii) Other County Governments; and
- viii) State Corporations and Semi-Autonomous Government Agencies.

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Related party transactions:

	2022-2023	2021-2022
	Kshs	Kshs
<u>Transfers to related parties</u>		
Transfers to other County Government Entities such as car and mortgage schemes	27,000,000	0
Transfers to other entities under the Assembly	0	0
Total Transfers to related parties	27,000,000	0
<u>Transfers from related parties</u>		
Transfers from the CRF	362,476,400	346,897,160
Payments made on behalf of the County Assembly by other Government Agencies	0	0
Total Transfers from related parties	362,476,400	346,897,160

7. Contingent Liabilities

Contingent liabilities	2022-2023	2021-2022
	Kshs	Kshs
Court case against the entity	-	-
Bank guarantees in favour of subsidiary	-	-
contingent liabilities arising from PPPs	-	-
Total	-	-

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16. Progress On Follow on Prior Year Auditor's Recommendations

The audit report for the year ended 30th June, 2022 has been received recently and tabled to the County Assembly of Lamu on 14th September, 2023. The County Public Accounts and Investment Committee has taken the report and working on it. As soon the recommendations by the Committee are out, we shall implement the recommendations as per the report and timelines.



.....
Omar Ahmed

Clerk of the County Assembly

Date

17. Annexes

Annex 1 – Analysis Of Pending Accounts Payable

Supplier of Goods or Services	Date invoiced/contracted	Particulars	Original Amount	Balance at the beginning of the year	Addition During the year	Amount paid During the year	Outstanding Balance
			a	b	c	d=a+b-c	
Construction Of Buildings	-		-	-	-	-	-
1.							
Sub-Total	-		-	-	-	-	-
Construction Of Civil Works	-		-	-	-	-	-
2.							
Sub-Total	-		-	-	-	-	-
Supply Of Goods	-		-	-	-	-	-
3.							
Sub-Total	-		-	-	-	-	-
Supply Of Services	-		-	-	-	-	-
4.							
Sub-Total	-		-	-	-	-	-
Grand Total	-		-	-	-	-	-

Note: Pending bills comprise goods and services rendered and invoiced but not yet settled as at the end of the year.

Annex 2 – Analysis of Pending Staff Payables

Name of Staff	Job Group	Date Contracted	Original Amount	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Comparative FY	Comments
			a	b	c=a-b		
Senior Management							
1.							
Sub-Total							
Middle Management							
2.							
Sub-Total							
Unionisable Employees							
3.							
Sub-Total							
Others (<i>specify</i>)							
4.							
Sub-Total							
Grand Total							

Annex 3 – Analysis of Other Pending Payables

Name	Brief Transaction Description	Date Contracted	Original Amount	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Comparative FY	Comments
			a	b	c=a-b		
Amounts Due to National Govt Entities							
1.							
Sub-Total							
Amounts Due to County Govt Entities							
2.							
Sub-Total							
Amounts Due to Third Parties							
3.							
Sub-Total							
Others (Specify)							
4.							
5.							
6.							
Sub-Total							
Grand Total							

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Annex 4 – Summary Of Non-Current Asset Register

Asset class	Historical Cost b/f (Kshs) Previous Year	Additions during the year (Kshs)	Disposals during the year (Kshs)	Transfers in/(out) during the year (Kshs)	Historical Cost c/f (Kshs) 2023
Land	122,027,040				122,027,040
Buildings and structures	263,298,198				263,298,198
Road and Other Civil Works	11,986,250				11,986,250
Transport equipment	50,905,894	16,270,000		14,642,000	52,533,894
Office equipment, furniture and fittings	95,911,245		9,205,624	7,030,500	79,675,121
ICT equipment	49,997,413	2,567,999	5,923,720		46,641,692
Machinery and equipment	6,946,000				6,946,000
Biological assets					
Infrastructure assets					
Heritage and cultural assets					
Intangible assets					
Work in progress					
Total	601,072,040	18,837,999	15,129,344	21,672,500	583,108,195

**County Government of Lamu
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**Annex 5 – Analysis Of Accounts Receivables
(a) Government Imprest**

Name Of Officer or Institution	Date Imprest Taken	Amount Taken	Amount Surrendered	Balance
Mercy Nyambura	01/02/2023	294,000	294,000	294,000
Total		294,000	294,000	294,000

Annex: 6 Reporting of Climate Relevant Expenditures

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

Annex 7 Reporting on Disaster Expenditure

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

Annex 8: Contingent Liabilities Register

	Nature of contingent liability	Payable to	Currency	Estimated Amount Kshs	Expected date of payment	Remarks
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						