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**REPORT**

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**OF**

**THE AUDITOR-GENERAL**

**ON**

**COUNTY EXECUTIVE OF LAMU**

**FOR THE YEAR ENDED  
30 JUNE, 2025**

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# LAMU COUNTY EXECUTIVE

## ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30<sup>TH</sup> JUNE 2025

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Transitional Financial Statements /Prepared in accordance with the Accrual Basis of Accounting Method Under International Public Sector Accounting Standards (IPSAS)

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## 1. Acronyms, Abbreviations, and Definition of Key Terms

### A. Acronyms and Abbreviations

ADP	Annual Development Plan
AIE	Authority to Incur Expenditure
CA	County Assembly
CARA	County Allocation of Revenue Act
CBK	Central Bank of Kenya
CECM	County Executive Committee Member
CE	County Executive
CG	County Government
CIDP	County Integrated Development Plan
COG	Council of Governors
CRA	Commission on Revenue Allocation
CRF	County Revenue Fund
CT	County Treasury
IPSAS	International Public Sector Accounting Standards
MCA	Member of the County Assembly
OAG	Office of the Auditor General
OCOB	Office of the Controller of Budget
OSR	Own Source Revenue
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
WB	World Bank
KRB	Kenya Roads Board
Kshs	Kenya Shillings
FY	Financial Year

### B. Definition of Key Terms

**Fiduciary Management:** The key management personnel who had financial responsibility

**2. Key Entity Information and Management**

**a) Background information**

The County Executive is constituted as per Article 176 of the Constitution of Kenya 2010. It is headed by the Governor, who is responsible for the general policy and strategic direction of the County. The County Executive is comprised of the following departments:

<b>No.</b>	<b>Department</b>	<b>Major Responsibility</b>
1.	Public Service Management and Administration	Effective organization and administration of the Human Resource Management Services, Enforcement of county by-laws, and safeguarding the county government property. Generation of County Executive Bills, Holding County Executive Committee Meetings, Generation of County Executive Memos and Executive Orders. Delivery of Annual State of County Address, Head of Public Service and Secretary to County Executive Committee, Dissemination of information to citizens and stakeholders.
2.	Finance, Strategy, and Economic Planning	Management of County Treasury and Planning, Submission of Annual Progress Reports to the County Assembly and Senate, Monitoring, approving, and controlling the use of funds to ensure accountability, preparing financial statements, management reports, and submissions to auditors, Ensuring adherence to financial laws, regulations, and standards (IPSAS, IFRS, PFM Act, etc.).
3.	Food Security & Co-operatives Development	Overseeing County Agriculture, animal husbandry, and Fish farming Promoting the use of technology for value addition and machines for energy management across the value chains of priority crops, Promoting the use of technology for value addition and machines for energy

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No.	Department	Major Responsibility
		management across the value chains of priority crops, to furnish farmers with critical knowledge and skills.
4.	Roads and Infrastructure	County Roads Development Policy Management, Development and maintenance of roads, Sea and Road Transport & Infrastructure Management and Transport Policy Management
5.	Medical Service	Provide leadership and quality health and sanitation services that are sustainable, affordable, acceptable, and accessible to the community.
6.	Tourism, Culture, Trade, and Investment	Development Planning, Policy & Strategy implementation, Trade Promotion & expansion of small businesses, Registration & supervision of Cooperatives, Consumer protection, Investment promotion & development, Construction & Maintenance of Markets.
7.	Education, Technology, Gender, Youth Affairs, Sports, Community Dev. & Social Services	Administration of early childhood education and standards, Development and management of education-related policies, technical education and ECDE infrastructure development, Management of youth training institutes, Promotion of youth literacy support, Promotion of skills development support for needy students. Conduct youth and women empowerment services and implement Sports and conduct Talent.
8.	Fisheries, Blue Economy, Livestock, and Co-operative Development	Identify strengths and limitations of sustainable development in Lamu county and promote development initiatives under an integrated approach, including different sectors such as fisheries, aquaculture and coastal and maritime development tourism. Develop knowledge of the main innovations

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No.	Department	Major Responsibility
		and management models for improving the seafood value chain, managing the environmental threats, and increasing the competitiveness of the fisheries, aquaculture, and coastal and maritime tourism sectors.
9.	Devolution, Disaster Management and Resource Mobilization	Planning and implementation of policies and programs that provide efficient services to county entities. To straighten the coordination of the county disaster management unit.
10	Natural Resources, Lands, Physical Planning, and Urban Development	Development control, survey and mapping, Policy formulation and research, provide essential infrastructural services to improve sustainable housing in unplanned settlements, Acquisition of titles for Government properties and plots.
11	Public Health, Environment & Sanitation	Preventive and primitive health services, implementation of health and environment legislation, and coordination and implementation of environment and health programs
12	Water and Energy	Improvement for access, quality, and storage of water for sustainable development within the County.
13	Budget, Strategy, and Economic Planning	Preparation of all budget documents and public participation on the same.
14	Information and Technology	Promotion of E-Government; Provision of ICT Technical Support to County Government agencies, Policy on Automation of County Government Services, and Development of County Communication Capacity and Infrastructure
15	County Public Service Board	Their responsibilities are as spelt out in Section 59 of the County Governments Act of 2012

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No.	Department	Major Responsibility
16	Municipality	As provided in the Lamu Municipal Charter, the Urban Areas and Cities (Amendment) Act, 2019, the responsibilities include formulation of plans, policies, and bylaws, cleaning and sanitation within municipal boundaries, resource mobilisation, enforcement compliance, and development control.

**b) Key Management team**

The County Government's day-to-day management is under the following key organs:

No.	Name	Designation/Office
1	H. E Hon. Issa Abdalla Timamy	The Governor
2	Hon. Mbarak Mohamed Mbarak	Deputy Governor CECM Health Services, Sanitation and Environment
3	Hon. Mohamed Mbwana Ali	CECM Finance, Budget, Strategy, and Economic Planning
4	Hon. Tashrifa Bakari Mohamed	CECM Lands, Physical Planning, Urban Development, Energy, Water and Natural Resources, Infrastructure and Public Works.
5	Hon. Owanga Sabastian Aduong'a	CECM Education, IT, Gender, Youth Affairs, Sports, Community Development, and Social Services
6	Hon. Aisha Abdalla Miraj	CECM Tourism, Culture, Trade, and Investment.
7	Hon. James Gichu	CECM Agriculture, Irrigation, and Food Security

**c) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2025 and who had direct fiduciary responsibility were:

No.	Designation	Name
1	Chief Officer - Public Service Management and Adm.	Mrs. Khadija Fumo Khalifa
2	Chief Officer - Finance	Mrs. Salma Omar

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3	Chief Officer - Food Security & Co-operatives Dev.	Mr. Fredrick Kaingu
4	Chief Officer - Roads and Infrastructure	Mr. Alex Jimbi
5	Chief Officer - Medical Service	Dr. Victor Tolle
6	Chief Officer - Tourism, Culture, Trade, and Investment	Mrs. Joyce Wanjiku Murimi
7	Chief Officer - Education, Technology, Gender, Youth Affairs, Sports, Community Dev. & Social Services	Mrs. Hafswa Abdalla Diffini
8	Chief Officer - Fisheries, Blue Economy, Livestock, and Co-operative Development	Mr. Shafii Issa
9	Chief Officer - Devolution, Disaster Management and Resource Mobilization	Mr. Mohamed Kassim Athman
10	Chief Officer - Natural Resources, Lands, Physical Planning, and Urban Development	Mr. Ahmed Mohamed Ali
11	Chief Officer - Public Health, Environment & Sanitation	Mr. Mohamed Rashid Dirie
12	Chief Officer - Water and Energy	Mr. Mohamed Ali
13	Chief Officer - Budget, Strategy, and Economic Planning	Mr. Harun Avukame
14	Chief Officer - Information and Technology	Mr. Ali Ahmed
15	Secretary/CEO - County Public Service Board	Mrs. Amina Bwanakombo
16	Manager - Municipality	Mr. Abduswamad Hussein

**d) Fiduciary Oversight Arrangements**

S/no.	Position	Name
1	Directorate of Accounting Service	The Directorate is headed by the Director of Accounting Services. It derives its mandate from the Constitution 2010, the Public Finance Management Act 2012. The main responsibility of the directorate is the monitoring of expenditure and projects through vote controls, including program implementation on a periodic basis and ensuring that timely corrective action is taken.
2	Directorate of Internal Audit	The Directorate is headed by the Ag. The Director Internal Audit is to provide independent assurance, advice, and insight in order to enhance and protect organisational value, contribute towards evidence-based decision making, and promote organisational learning, transparency, integrity and accountability.

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3	County Internal Audit Committee	<p>The committee is responsible for overseeing risk management, internal control, and governance in a county government through reviewing the county government's governance mechanisms, transparency, and accountability</p> <p>Conducting audits to strengthen internal control mechanisms; verifying the existence of county government assets and ensuring their protection; Ensuring the county government follows appropriate policies and procedures; Evaluating the reliability of information available to management; Overseeing the implementation of recommendations from internal and external auditors and recommending decisions to the Governing Body for approval</p>
4	County Assembly Public Accounts Investment Committee	<p>The committee is headed by the Chairperson with the primary mandate of overseeing the expenditure of public funds by Lamu County entities, to ensure value for money.</p>
5	Parliamentary committee activities	<p>Senate PAC &amp; PAIC, which oversight revenue allocated to County Governments, examines the report of the Office of the Auditor General on the annual accounts of the County Governments and exercises oversight on the County Public Funds.</p>
6	Office of the Auditor General	<p>The Office is mandated to audit and report on the use and management of public resources by public entities. Article 229 (6) of the Constitution requires the Auditor-General to confirm whether public money has been applied lawfully and in an effective way.</p>
7	Office of the Controller of Budget	<p>Overseeing the budget implementation of County Governments by authorizing withdrawals from public funds and reporting on their utilization. Ensuring that public funds are used in accordance with the law. Submit a report on the implementation of the budgets to each House of Parliament every four months.</p>
8	Development partner oversight activities	<p>Conditional grants conduct their own oversight activities for the projects implemented in the County.</p>

**e) County Executive Headquarters**

P.O. Box 74-80500  
Mokowe Headquarters  
Lamu - Garsen Road  
**MOKOWE, KENYA**

**f) County Executive Contacts**

Telephone: (254) 715555111/0758005005  
E-mail: [treasury@lamu.go.ke](mailto:treasury@lamu.go.ke)  
Website: [www.lamu.go.ke](http://www.lamu.go.ke)

**g) County Executive Bankers**

**1. Central Bank of Kenya**

Haile Selassie Avenue  
P.O. Box 60000  
City Square 00200  
**NAIROBI, KENYA**

**2. Other Commercial Banks**

- i. Kenya Commercial Bank  
P. O. Box 121-80500  
Kenyatta Avenue - **Lamu Branch.**
- ii. Equity Bank  
P. O. Box 60-80500  
Kenyatta Avenue - **Lamu Branch.**
- iii. Diamond Trust Bank  
P. O. Box 120-80500  
Kenyatta Avenue - **Lamu Branch.**

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- iv. Gulf African Bank  
P. O. Box 191-80500  
Kenyatta Avenue - **Lamu Branch.**
  
- v. Co-operative Bank  
Mpeketoni Branch - **Lamu, Kenya.**

**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 and Department of Justice  
Harambee Avenue  
P.O. Box 40112  
City Square 00200  
**NAIROBI, KENYA**

**j) County Legal Advisor.**


Director Legal Service  
P.O Box 74 – 80500,  
**County Government of Lamu.**

### **3. Governance Statement**

Lamu County is established as per Section 176 of the Constitution of Kenya, 2010. The County is headed by the Governor, who is responsible for the general policy and strategic direction of the County.

The County Executive is structured in terms of departments, headed by a County Executive Committee Member (CECM). The CECMs support the Governor and the Deputy Governor in executing the mandate of the County Government as stipulated in the Constitution. The County Secretary heads the County Public Service and is responsible for arranging the business of the county executive committee.

#### **The County Executive Members**

	<p>H. E Hon Issa A. Timamy EGH, OGW was the first Governor of Lamu upon promulgation of the devolution governance system in Kenya in the year 2013. He also holds the position of Chairman of the Blue Economy Committee of the Council of Governors. H.E. Timamy holds a Bachelor of Laws degree from the University of Nairobi. He is an Advocate of the High Court of Kenya and a member of the Institute of Certified Public Secretaries of Kenya. He previously was chairman of the National Museums of Kenya and held the position of board member in several publicly quoted companies. The experience in Management has helped the Governor achieve numerous milestones in Lamu County in the</p>
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**H.E. Hon Issa A. Timamy EGH, OGW**  
**Governor - Lamu County**

	<p>matters of development and service delivery for the people of Kenya</p>
<div data-bbox="220 506 687 853" data-label="Image"> </div> <p data-bbox="188 902 692 1093"> <b>Deputy Governor</b>  <b>Hon. Dr. Mbarak M. Mbarak</b>  <b>C.E.C.M - Health Services, Sanitation and Environment.</b> </p>	<p>Hon. Dr. Mbarak Mohamed Mbarak Holds a Master of Public Health Management from Egerton University, Kenya, and a Bachelor of Medicine and Bachelor of Surgery. Dr. Mbarak was the Medical Superintendent at Coast General Teaching and Referral Hospital, Mtongwe Satellite He was also the facility and program Manager at Lamu Rahab and Health Centre. He also worked at The Mombasa Hospital and Mombasa Dialysis Centre as a Physician's Associate and at Mewa Hospital as a Resident Clinical Officer</p>
<div data-bbox="236 1171 699 1507" data-label="Image"> </div> <p data-bbox="196 1599 683 1753"> <b>Hon. Mohamed Mbwana</b>  <b>C.E.C.M - Finance, Budget, Strategy and Economic Planning</b> </p>	<p>Hon. Mohammed Mbwana Ali is the CECM responsible for Finance, Budget Strategy, and Economic Planning in the County Government of Lamu. He holds a Bachelor (degree) of Science in Development Studies. Before his current position at CECM, he was a Lecturer at the Technical University of Mombasa. In 2013, Mohamed worked as the Personal Assistant to the Governor of Lamu County. He has grown over the years working with Lamu Education Development Foundation Trust - overseeing the creation of Village Banks under the Bengi Investment Group (BIG) model in Lamu County, and designed and implemented community projects to improve the livelihoods of the people of Lamu County. He also worked as the government</p>

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	<p>financial intermediary managing the Poverty Eradication Fund under the Department of Planning and Development</p>
<div data-bbox="245 501 715 842" data-label="Image"> </div> <div data-bbox="193 898 730 1144" data-label="Caption"> <p><b>Hon. Tashrifa Bakari</b> <b>C.E.C.M - Lands, Physical Planning, Urban Development, Energy, Water and Natural Resources, Infrastructure and Public Works</b></p> </div>	<p>Mrs. Tashrifa Bakari has a Bachelor of Arts in Archaeology and Sociology from Pwani University. Currently working as C.E.C.M of Lands, Physical Planning, Urban Development, Energy, Water and Natural Resources, Infrastructure, and Public Works in Lamu County. She worked in the Ministry of Interior and Coordination of National Government, Department of Correctional Services. In 2016-2017, she worked as an Administrator in Malindi Islamic Center for Orphans, a community organization. Also, she worked in Pwani University, Psychology Department (2015) as a Research Assistant</p>
<div data-bbox="245 1209 715 1550" data-label="Image"> </div> <div data-bbox="193 1615 730 1753" data-label="Caption"> <p><b>Hon. Aisha Miraj</b> <b>C.E.C.M - Tourism, Culture, Trade and Investment</b></p> </div>	<p>Mrs. Aisha Miraj, the County Executive Committee Member for Tourism, Culture, Trade and Investment, holds a Bachelor's Degree in Education. Before her appointment, she was a Deputy Principal at Wiyoni Secondary School. She was actively participating in different NGOs within Lamu in different capacities.</p>



**Hon. Owanga Sebastain**  
**C.E.C.M - Education, ICT, Gender,**  
**Youth Affairs, Sports, Community**  
**Development and Social Services**

He is a holder of a Master's in Business Administration (Finance option) from Kenya University and a Bachelor of Education (Arts) majoring in mathematics and Business studies. Before he was appointed CECM, he worked in the Ministry of Education as a Deputy Director of Education, where he was a team leader in the management of the National Education Management Information System (NEMIS). As a Deputy Director of Education, he was also appointed as head of the secretariat Presidential Working Party on Education Reforms in Kenya. He has a wealth of experience in financial matters, having been a member of a technical working group on financing of basic Education in Kenya



**Hon. James Gichu**  
**C.E.C.M - Agriculture, Irrigation and**  
**Food Security**

Hon. James Gichu holds a Bachelor's Degree of Science in Electrical and Electronics. Before his appointment, he participated in overseas preparation and actualisation of Jubilee Youth Group irrigation project, also planning and coordinating of Farm input distribution to farmers, participating in testing of Hybrid seeds variety pilot project



**Hon. Amb. Ali Abbas MBS**  
**County Secretary and Head of Public**  
**Service**

Hails from Faza Ward in Lamu East, Amb. Ali Abbas is a career diplomat having in the Ministry of Foreign Affairs of the Republic of Kenya for over 30 years. He holds a Bachelor's Degree in Arts from the University of Nairobi and a Postgraduate Diploma in International Relations and Economic Cooperation from Deutsche Stiftung für Internationale Entwicklung in West Berlin. He was awarded the title of Moran of the Order of the Burning Spear (MBS) by H.E. President Mwai Kibaki in 2011. He served as Ambassador of Kenya to the Islamic Republic of Iran and the State of Kuwait. He also served in Kenya Missions in Abu Dhabi, Islamabad, Canberra, and Dar es Salaam.

### **County Stakeholders Engagement.**

The county executive of Lamu deals with its stakeholders, especially on matters requiring public participation, communication policies, stakeholder engagement, and whistleblowing as shown below.

#### **1. Public Participation:**

##### **i. Public Meetings and Hearings:**

The County government of Lamu often holds public meetings and hearings at the ward level to gather input from residents on various issues project identification, budget allocations, and new policies. These meetings are typically advertised in advance, and citizens are encouraged to attend and voice their opinions.

##### **ii. Online Engagement:**

With the advancement of technology use of online surveys and social media channels facilitates discussions and gathers feedback, and engages with a wider audience.

The County government of Lamu has an interactive website and Facebook page for this purpose.

**iii. Advisory Committees:**

The County Government of Lamu has established advisory committees made up of community members to provide input and recommendations on specific topics. These allow for more in-depth discussions and expertise on issues. E.g., the established and gazetted Liquor Licence and Control Committee

**2. Communication Policies**

**i. Transparency:**

The County government of Lamu often has policies that emphasize transparency in its communication with stakeholders. This includes making information readily available to the public on the County website, such as budgets, meeting minutes, tenders, bursary and scholarship awards, and reports.

**ii. Official Channels:**

The County Government of Lamu has official communication channels, such as websites and email, and telephone numbers, where they share updates, news, and important information with residents. These platforms are essential for keeping the public informed.

**3. Stakeholder Engagement**

**Community Outreach:**

The County may engage in proactive outreach efforts to reach different segments of its population, including minority communities, senior citizens, and youth. This involves partnering with local organizations and holding events tailored to specific demographics.

**4. Whistleblowing Policies**

**i. Protection for Whistle-blowers**

The County relies on the National Government Policy for whistle-blowers who report misconduct, fraud, or other unethical behaviour within County Government.

These are to encourage employees and residents to come forward with information without fear of retaliation.

**ii. Reporting Mechanisms**

The County has established clear reporting mechanisms, such as hotlines or online reporting forms, to make it easy for individuals to report concerns confidentially.

**iii. Investigation and Accountability**

Once a report is made, there are typically established procedures for investigating and addressing the reported issues, including disciplinary actions if wrongdoing is substantiated

**Engagement with County Assembly**

The Lamu County Executive, as required by law, engages with the County Assembly Public Finance and Investment committee from time to time throughout the budget cycle in the financial year 2024/2025. Below is the number of bills presented by the County Executive to the County Assembly during the Financial Year 2024/2025.

- Lamu County Finance Bill 2024

**Risk management**

Lamu County Executive has adopted a robust risk management approach and practices aimed at ensuring achievement of its set objectives through continuous mitigation of risks that may hinder performance. The Lamu County Executive is enhancing this through the introduction of a risk management framework policy. The framework has an enhanced coordinated approach in reporting, monitoring, and mitigating risk.

**County Executive Internal Audit Committee.**

In accordance with the PFM Act 2012, section 167, each county government entity shall establish an audit committee with a minimum of three members, excluding a person who shall be appointed to represent the County Treasury in each audit committee and a maximum of five.

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The chairperson of an audit committee shall be independent of the County government entities, be knowledgeable of the organization, have the requisite business and leadership skills, and shall not be a political office holder. The majority of members appointed to the audit committee shall not be past or present employees of the entity and shall not have served as an employee or agent of a business organization that has carried out any business with the concerned entity in the last two years. All members of an audit committee shall have a good understanding of county government operating, financial reporting, or auditing; have a good understanding of the objects, principles, and functions of the entity to which they are to be appointed. For the financial year 2024/2025 Lamu County Executive Internal Audit Committee comprised the following.

<b>Name</b>	<b>Position</b>	<b>Date of appointment</b>
Mr. Anwar Mbarak Omar	Chairperson	1 <sup>st</sup> November 2024
Mr. Dulu Moses Komora	Member	1 <sup>st</sup> November 2024
Ms. Mariam Mohamed Shambe	Member	1 <sup>st</sup> November 2024
Ms. Aisha Said Abubakar	Member	1 <sup>st</sup> November 2024
CPA Mwalimu Mohamed Msham	Member - Represent County Treasury	1 <sup>st</sup> November 2024
Justine Dume	Secretary	1 <sup>st</sup> November 2024

The Audit Committee is supported by the internal audit unit, and its reports are disseminated to the Lamu County Governor.

**Compliance with Various Laws and Regulations**

The Lamu County Executive complied with the following requirements, but not limited to:

- Constitution of Kenya 2010
- County Government Act 2012
- Public Finance Management Act 2012
- Public procurement and disposal Act 2015
- Public Audit Act 2015

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It has also complied with other legal requirements, such as submission of statutory deductions, i.e, timely remittance of NHIF, NSSF, PAYE, HELB, withholding VAT, and withholding income tax. Such compliance is prepared and discussed at the relevant levels or other government offices.

**Conclusion**

The governance framework of the County Government of Lamu reflects the principles of **accountability, transparency, inclusivity, and integrity** as enshrined in the Constitution of Kenya, 2010. Through structured public participation, adherence to legal frameworks, strengthened risk management, and the establishment of independent oversight mechanisms, the County continues to demonstrate its commitment to effective service delivery and sustainable development.

The Lamu County Executive will remain vigilant in safeguarding public resources, deepening stakeholder engagement, and upholding ethical conduct as it strives to achieve its development agenda for the benefit of the citizens of Lamu County.

#### **4. Foreword by CECM Finance and Economic Planning.**

##### **Introduction**

In our pursuit to improve on transparency and accountability in Public Financial Management, I present the financial statements for the financial year ended June 30<sup>th</sup>, 2025, of the County Executive of Lamu. This report reflects our progress in resource mobilization, prudent utilization of public funds, and delivery of key services to our citizens in line with the Constitution of Kenya, 2010, and the County Governments Act, 2012. The County Executive of Lamu 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.

##### **Functions of the County Government**

Lamu County continues to deliver on its constitutional mandate as outlined in the **Fourth Schedule of the Constitution** and the **County Governments Act, 2012**. As stipulated in the County Governments Act 2012, the function of the County Government of Lamu is to be responsible for any function assigned to it under the Constitution or by an Act of Parliament. The County Government shall be responsible for

- i. County legislation in accordance with Article 185 of the Constitution.
- ii. Exercising executive functions in accordance with Article 183 of the Constitution.
- iii. Functions provided for in Article 186 and assigned in the Fourth Schedule of the Constitution.
- iv. Any other function that may be transferred to county governments from the national government under Article 187 of the Constitution.
- v. Any functions agreed upon with other county governments under Article 189(2) of the Constitution; and
- vi. Establishment and staffing of its public service as contemplated under Article 235 of the Constitution.

### **Financing of the County Executive of Lamu**

Article 202 of the Constitution of Kenya provides that revenue raised nationally shall be shared equitably among the National Government and the County Governments.

Each County Government's equitable share of revenue raised nationally is determined yearly through the County Allocation of Revenue Act (CARA). The revenue sharing formula is developed by the Commission on Revenue Allocation and approved by Parliament in accordance with Article 217 of the Constitution. The County also finances its operations through its own generated revenues. These are revenues collected within the County. The key local revenue sources for Lamu County included business permits, land rates, cesses, market fees, parking fees, administrative service fees, and public health facilities' fees, among others.

### **Physical Progress and Service Delivery Outcomes**

Since the advent of devolution, Lamu County has achieved significant milestones across all devolved sectors. Notable progress has been recorded in:

- **Healthcare** – Expansion and equipping of health facilities, recruitment of medical staff, and improved access to specialized care.
- **Education** – Construction and staffing of Early Childhood Development Education (ECDE) centers, and provision of bursaries to needy students.
- **Agriculture and Fisheries** – Distribution of farm inputs and fishing gear, training of farmers and fisherfolk, and establishment of cooperatives to improve market access.
- **Infrastructure** – Rehabilitation of rural access roads, establishment of markets, and expansion of ICT connectivity.

These achievements have enhanced access to services, improved livelihoods, and created opportunities for economic empowerment.

### **County Flagship Project**

The flagship project for the year focused on **strengthening healthcare delivery at Lamu County Hospital facilities**. Key achievements include:

- **Construction and equipping of a modern Intensive Care Unit (ICU)** to provide specialized critical care.
- **Development of an Inpatient Wing** to enhance bed capacity and improve patient management.
- **Installation of an Oxygen Plant**, ensuring a reliable medical oxygen supply for both the referral hospital and satellite facilities.
- **Upgrading of diagnostic and support services** has significantly reduced the need for patients to seek treatment outside the county.

This project has greatly improved the county's resilience in handling emergencies, reduced referrals to Mombasa, and enhanced access to quality healthcare for the people of Lamu.

### **Value-for-Money Achievements**

The County Government has consistently pursued **value for money** in all its operations by:

- Automating own-source revenue collection to minimize leakages.
- Strengthening procurement controls to ensure transparency and fairness.
- Prioritizing projects with high social and economic impact, such as health and water.
- Encouraging partnerships with development partners to leverage resources and technical support.

### **Challenges**

While progress has been made, challenges persist, including:

- Delays in the disbursement of the equitable share from the National Treasury.

- Rising wage bill, which limits fiscal space for development.
- Impacts of climate change, especially flooding and drought, threaten agriculture and food security.
- Limited human resource capacity in specialized service areas.

### **Risk Management Strategies**

The County has put in place robust measures to mitigate financial and operational risks, including:

- Strengthening the **Internal Audit function** and Audit Committee oversight.
- Enhancing **ICT-based monitoring tools** for project tracking and expenditure management.
- Implementing a **Disaster Management and Climate Response Strategy** to build resilience against external shocks.
- Strict adherence to the Public Finance Management Act, 2012 and related laws to safeguard public resources.

### **Conclusion**

Lamu County remains committed to **accountability, transparency, inclusivity, and service delivery** in line with the principles of devolution. The progress made, especially in transforming healthcare through the flagship project, demonstrates the County's determination to enhance the quality of life for its residents. On behalf of the County Executive Committee for Finance and Economic Planning, I express my sincere gratitude to our citizens, the County Assembly, national government agencies, development partners, and staff for their continued support and collaboration. Together, we will continue building a stronger, healthier, and more prosperous Lamu County.



**HON. MOHAMED MBWANA ALI**  
**COUNTY EXECUTIVE COMMITTEE MEMBER**  
**FINANCE, BUDGET, STRATEGY AND ECONOMIC PLANNING**

## 5. Statement of Performance against Predetermined Objectives

### Strategic development objectives

The County's 2023 -2027 CIDP has identified six key strategic development objectives. Broadly, these objectives have been identified through a participatory process that reviewed the development priorities of the Governor's Manifesto, the National Government's Vision 2030, SDGs and the MTP III. The strategic objectives are a synthesised product of the afore-mentioned planning frameworks that amalgamate the thematic focus and development aspirations in these policy frameworks.

The key development objectives of the 2023 - 2027 County's CIDP are to:

- i. Transformative Governance & Institutional Capacity**
  - Strengthen governance, transparency, and accountability.
  - Enhance institutional capacity for efficient service delivery.
- ii. Inclusive Social Development**
  - Improve access to quality health, education, and social protection.
  - Promote equity, gender mainstreaming, youth, and PWD empowerment.
- iii. Economic Growth & Wealth Creation**
  - Enhance agricultural productivity, fisheries, livestock, and the blue economy.
  - Promote trade, tourism, cooperative development, and industrialization.
- iv. Infrastructure Development & Urbanization**
  - Expand and modernize physical infrastructure (roads, ICT, energy, housing).
  - Support sustainable urbanization and human settlements.
- v. Environmental Management & Climate Resilience**
  - Protect natural resources (forests, water, marine ecosystems).
  - Promote climate-smart initiatives, renewable energy, and disaster risk reduction.
- vi. Peace, Security & Social Cohesion**
  - Enhance community safety, conflict resolution, and counter violent extremism.
  - Promote integration, cultural heritage, and social harmony.

Below, we present the progress made in attaining the objectives of the 2023 - 2027 CIDP for Lamu County.

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R3212: PUBLIC SERVICE MANAGEMENT AND ADMINISTRATION							
s.no	Outcome	Key performance indicators	Baseline 2023/24	CIDP Target 2023-2027	Target 2024/25	Achievement 2024/25	Remarks
<b>Programme: PSM &amp; Administration</b>							
1	Improved service delivery to the Public	Percentage level of public satisfaction	50%	100%	100%	90%	
2	Conducive working environment	No. of county offices constructed	1	1	1	0	The county headquarters annex is still under construction
3	Staff recruited	No. of staff recruited in terms of Gender, Ethnicity, Home County, Marginalized and PWD	44	50	50	25	The County Public Service Board recruited a number of casuals in this financial year. Lack of enough resources hindered the recruitment of additional personnel
4	Signed employee's performance Contracts	No. of employees who signed Performance Contracts	100%	100%	100%	0	The Contracts will be signed later in the year
5	Signed employees Staff Performance Appraisal	No. of employees signed the Staff Performance Appraisal	100%	100%	100%	0	The Staff Performance Appraisals will be signed later in the year

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6	Disciplinary cases handled and forwarded to PSB	No. of disciplinary cases handled and forwarded to PSB	1	0	0	0	There was no disciplinary case that was reported during this period in the Department
7	Timely processing of monthly salaries	Date of running payroll	12	12	12	10	Between 25 <sup>th</sup> & 28 <sup>th</sup> of every month.
8	Improved internal communication	No. of enforcement communication masts and switch boards erected/installed	1	1	1	0	Not achieved; improvement needed in implementation
9	Securing of county headquarter	NO. of county HQ fence constructed	0	1	1	1	County HQ at 100% complete.
10	Housing of the County Governor in the County's Official Residence	No. of Governors Residence Constructed	1	1	1	0	The Residence still under construction
11	Converting the Command Center into the Operation Emergency Center	No. of Swimming pool and walkways constructed	2	2	2	1	The swimming pool not yet been constructed

**R3213: FINANCE, BUDGET, STRATEGY AND ECONOMIC PLANNING**

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S.no	Outcome	Key performance indicators	Baseline 2023/24	CIDP Target 2023-2027	Target 2024/25	Achievement 2024/25	Remarks
<b>Programme: General Administration</b>							
1	Improve service delivery	No. of training sessions for staff	10	20	15	10	To be improved
		No. of personnel recruited	10	20	15	10	To be improved
		No. of offices equipped and working environment improved	10	20	15	10	To be improved
<b>Programme 2: Public Finance Management</b>							
2	Improved sustainability through own source revenue	Number of revenue streams automated	0	17	17	15	Roll out stage
		Number of legislations enacted to support various revenue streams	1	10	5	1	To be improved
		Number of Mapping of revenue conducted in Lamu county to establish revenue potential	1	1	1	0	On progress
		Number of weighbridges installed and operationalized	0	1	1	1	Done
		Number of revenues Decentralized to individual departments	1	1	1	3	Decentralized to the Municipality and level 4 hospitals
3		Number of Assets Disposed	0	20	20	0	On-progress

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	Prudent use of resources	Number of reports prepared and submitted for audit	12	12	12	12	
		Number of County integrated monitoring and evaluation systems operationalized	0	1	1	1	
		No. of staff recruited and placed to run the county statistical unit	1	4	3	3	
		Number of County statistics policy documents developed	0	1	1	0	
		Number of M&E committees established and reports developed and submitted	1	4	4	0	
<b>R3214: DEPARTMENT OF AGRICULTURE, IRRIGATION AND FOOD SECURITY</b>							
No.	Outcome	Key performance indicators	Baseline	CIDP Target 2023-2027	Target 2024/25	Achievement 2024/25 Targets	Remarks
<b>Programme: Agriculture, Irrigation and Food Security</b>							
1	Increased adoption of agricultural technologies by farmers	Number of farmers adopting agricultural technologies - Certified maize, cowpeas, cotton, and green grams	13,000	20,000	23,000	24,712	The department purchased about 89.9 Tons of seed that benefited about 24,712 farmers. Cotton benefited
		Number of farmers planting grafted cashew nut seeds	1000	1200	1200	445	11,500 grafted cashew nut seedlings distributed to 445 farmers

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		Number of farmers ploughing using tractor services per year	5000	7,000	1500	774	774 acres ploughed, each farmer ploughing an average of an acre
2	Extension staff recruited and deployed	Number of extension staff recruited and deployed	0	12	5	0	No staff recruited this financial year
3	Motorbikes purchased	Number of farmers reached by extension officers	0	30,000	30,000	32,512	24712 farmers received seeds, 5000 farmers attended field day, 2300 farmers reached during PICD training, 500 farmers during stakeholder meetings for FSRP
4	LKATC Modernized	Revenue raised from modernized LKATC	0	2	0.5m	0.6m	The newly renovated ATC raised 0.6m
5	Demonstration farm established at ATC	Number of acres established	2	3	3	10	The whole ATC farm was put under demos
6	Demonstration farms established in the wards	Number of demonstration farms established in the wards	0	10	10	15	These were established for Cotton and cashewnut
7	Lead farmers trained	Number of lead farmers trained	0	100	100	10	Trained under safe use, cotton and the orphan crops in conjunction with the national government
8	Increased crop production and incomes at farm levels	Quantity of maize produced per year	35,000	35,000	35,000	31,170	Both long and short rains.
		Acreage under maize, cowpeas and green grams	48000	48000	48,000	64,938	During the long-purchased seed achieved 10,000acres, Farmers own seeds – 30,000acres add 21600

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						acres were achieved in the short rains	
		Acreage under cashew nuts	11,000	11,000	11,000	11,825	11,825 acres of orchards and 445 acres newly planted
		Acreage under mangoes	2,800	2,800	6,500	6,594	Acres
		Production in tons of maize, cowpeas and green grams per year	79,200	79,200	79,200	82,405	64,938 acres producing 8 bags of 90kgs per acre.
		Production in tons of cashew nuts per year	3,500	3,500	3,500	3,546	11,825 acres by 30 trees per acre producing 5kg per tree for 2 seasons
		Production in tons of mangoes per year	12,000	12,000	12,000	32,970	There was a glut of mangoes production. 6,594 acres with 30 trees per acre. Production is 500 mangoes per tree and 3 mangoes = 1kg
		Value of maize, cowpeas and green grams produced	7,920	8,352	8,352	479m	
		Value of cashew nuts produced	280m	280m	280m	356m	Cashewnuts had short and long rain harvest. Production=355ton
		Value of mangoes produced	180m	180m	180m	296m	2 seasons of production
9	High quality certified seeds purchased and distribute	Quantity of seeds purchased	145	150	150	89.9	Maize, Sorghum, Cowpeas, Greengrams
		Acreage planted	23,750	23,750	23,000	13,338	

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		Production in tons	15,075	15,300	15,300	8,848	
		Value in Million Ksh.	1,508	1,530	0	556	
10	Tractors purchased	Number of tractors purchased	10	5	5	1	Tractor purchase 1
11	Stump grinder purchased	Number of stamp grinders purchased	0	1	1	1	1 stump grinder was purchased
12	Tractors serviced and maintained	Number of tractors serviced and maintained	24	24	15	24	Tractor services ongoing
13	Tractor ploughing operationalized	Number of acres ploughed	6000	5000	1500	774	Ongoing
14	Irrigation projects established	Number of irrigation projects established	2	2	2	1	At Witu TCN farm
15	Subsidized fertilizer purchased and distributed	Quantity of subsidized fertilizer purchased and distributed	0	2000	0	0	Not budgeted for, however farmers purchased over 8,000 bags of subsidized fertilizer at the NCPB
16	Coconut seedlings purchased and distributed	Number of coconut seedlings purchased and distributed	5000	10,000	10,000	11,500	Quality seedlings were purchased and distributed
17	Grafted cashew nuts seedlings purchased and distributed	Number of cashew nuts seedlings purchased and distributed	3333	10,000	10,000	0	Targeted for Q3
18	Farmers groups supported to implement	Number of groups supported	264	264	10	10	10 SACCOs and 10 cooperatives mobilized in the FSRP project

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	climate smart technologies						
19	Two groups supported to implement innovations in the cashew nut value chain	Number of innovations supported	2	2	1	0	ASDSP not funded
20	Increased returns from crop produce	Yearly earnings from maize and cereal crops in the county	699	700	700	3,645	
		Yearly earnings from horticulture crops	12,444	13,000	13,000	14,332	
		Yearly earnings from cash crops	3,311	3,400	3,400	3,621	
21	Five CIGs supported to establish cottage industries	Number of CIGs supported	0	1	1	0	ASDSP not funded
22	PPP for construction of fruit processing plant established	Number of PPP established	0	1	1	3	Equatorial Kenya currently establishing a plant under a PPP, two more PPPs achieved. 1 for coconuts and 1 for fruit processing
23	Producers information database established	Number of databases established	0	1	1	1	1 data base established and operated by agripreneurs under the FSRP project
24	Grain storage facilities activated	Number of grains storage facilities activated	0	1	0	0	No funds for activation

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25	Grain storage facilities Constructed	Number of grains storage facilities constructed	5	1	0	0	Project not funded
26	Farmers' groups trained on value addition and marketing	Number of groups trained on value addition	0	10	0	1	Lake Kenyatta Cooperative were trained on cotton ginning
27	Farmers organizations strengthened to market in bulk	Number of groups strengthened	0	2	0	0	FSRP project on strengthening of FPOs and SACCOs delayed funding led to no achievement
<b>R3215: LANDS AND PHYSICAL PLANNING</b>							
s.no	Outcome	Key performance indicators	Baseline 2023/24	CIDP Target 2023-2027	Target 2024/25	Achievement 2024/25	Remarks
<b>Programme: General Administration</b>							
1	Enhanced land tenure security	No. of parcels surveyed and adjudicated (Saadani, Sinambae, Kizingitini, Hindi, Rubu & Mwambore, Vipingoni, Koreni)	0	7 settlements surveyed	7	6 settlements surveyed (86%)	Kizingitini pending execution
2	Improved access to land ownership	No. of title deeds processed and issued	0	3,000 titles	0	0	Delays in verification and approvals
3	Strengthened physical and spatial planning	No. of spatial/urban development plans prepared/Reviewed	1 draft spatial plan	1	1	1 completed (67%)	County Spatial Plan reviewed

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4	Modernized land management systems	Establishment of GIS-based Land Information System	None	1	1	1 (100%)	ongoing
5	Enhanced land governance	% budget absorption	0%	≥70%	70%	46%	Low absorption due to delayed KISSP disbursements
6	Improved settlement planning and regularization	No. of settlement schemes regularized (e.g., Pangani Centre)	0	2	1	1 (100%)	Pangani Centre regularization completed
7	Strengthened inter-county and stakeholder collaboration	No. of public sensitization forums held	0	10	8	6 (75%)	Forums held in Faza, Hindi, Basuba, Bahari, Kiunga, Mkunumbi

**R3216: DEPARTMENT OF EDUCATION, YOUTH, GENDER, SPORTS VOCATIONAL, COMMUNITY DEVELOPMENT AND SOCIAL SERVICE**

No.	Outcome	Key performance indicators	Baseline	CIDP Target 2023-2027	Target 2024/25	Achievement 2024/25 Targets	Remarks
<b>Programme 1: ECDE</b>							
1	Improved accessibility to ECDE Education	Percentage increase in enrollment of ECDE	86%	88%	88%	90%	Resulting from the more classrooms constructed.
		Increased access to learning facilities	60%	70%	70%	80%	Text books and other learning materials purchased.
2		Increased rate of enrollment to ECDE	86%	88%	88%	90%	

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	Improved quality ECDE Education.	Increased rate of retention.	90%	95%	95%	95%	Teachers went through trainings on behavior modification
		Increased rate of transition from ECDE to primary.	90%	95%	95%	95%	Resulted from training transitions
		Increased levels of competency.	40%	45%	45%	45%	CBC trainings were conducted.
		Improved rate of teacher pupil ratio.	0.0868055 56	1:35	1:35	1:45	More teachers employed on permanent and pensionable terms.
<b>Programme 2: Vocational Training</b>							
3	Improved accessibility to TVET Education improved	Increased in the rate of enrollment to vocational training centers	35%	50%	50%	60%	Additional trainers recruited and more courses introduced.
		Percentage improvement in enrolment.	40%	50%	50%	70%	Additional trainers recruited and more courses introduced.
4	Employability and self-reliance among the people of Lamu county enhanced.	Enhanced rate of employability of TVET graduates	50%	60%	60%	65%	Many students have graduated.
<b>Programme 3: Primary, Secondary and Tertiary Education</b>							
5	Improved performance	Increased rate of enrollment in primary, secondary and tertiary institutions.	70%	75%	75%	80%	Award of Bursary and Scholarship to Secondary School Students.
		Increased rate of transition from secondary to tertiary.	40%	50%	50%	80%	Award of Bursary and Scholarship to Secondary School Students

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		Increased level of competencies	50%	60%	60%	70%	
<b>Programme 4: Sports Development</b>							
6	Sports infrastructure of Lamu County Enhanced	Number of residents using sports infrastructure	38,000	45,000	45,000	30,000	
		Increased rate of people taking sports for recreation and leisure.	50%	60%	60%	50%	
7	Sports Talent developed and promoted	Number of people whose talents are developed and promoted	11,000	13,000	13,000	10,000	
		Percentage of people utilizing sports	50%	60%	60%	50%	
<b>Programme 5: YOUTH AFFAIRS</b>							
8	Social capital of the youths enhanced.	Percentage of youths benefitting from social infrastructure and amenities.	40%	50%	50%	40%	
		Number of Youths rehabilitated and integrated in the community.	100	200	200	50	
9	Youths socially and economically empowered.	Number of Youths socially and economically empowered.	3,000	5,000	5,000	1,000	
<b>Programme 6: Gender and Social Services</b>							
10	Enhanced social capital.	Proportion of residents benefitting from social infrastructure and amenities.	30%	50%	50%	40%	

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		Percentage of cohesion and integration in Lamu County.	30%	50%	50%	40%	
11	Lamu County Residents Socially Empowered.	Rate of cohesion and integration	40%	50%	50%	40%	
		Rate of women and PWDS economically empowered through grants and other social support.	30%	40%	40%	40%	
<b>R3217: DEPARTMENT OF MEDICAL SERVICE</b>							
No.	Outcome	Key performance indicators	Baseline	CIDP Target 2023-2027	Target 2024/25	Achievement 2024/25 Targets	Remarks
<b>Programme 1: General Administration, Planning, M &amp; E</b>							
1	Annual work plans prepared	No. of planning units with annual work plans	45	45	45	45	
2	Annual Performance Report	No. of annual performance report available	1	1	1	0	The APR is due in the first quarter in the current financial
<b>Programme 2: Preventive and Promotive Health Services</b>							
3	Increased number of children protected from vaccine preventable diseases	% Of children below one year fully immunized	73	87	87	74	In the year under review, we had national stock out of key antigens affecting the county performance

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4	Decreased transmission of TB in the community	% of TB patients completing treatment	94	95	95	95	
5	Increased number of pregnant women attend the recommended number of antenatal clinic visits	Proportion of pregnant women attending at least 4 ANC visits	58	70	70	56	County still not doing well on community sensitization on the importance of starting ANC services in good time
6	Received FP commodities by Women of reproductive age	Percentage of women of reproductive age receiving FP commodities	44	55	55	45	Community negative perception on modern FP is still very high
<b>Programme 3: Curative and Rehabilitative Health Services</b>							
7	Increased access to primary health services	Outpatient utilization rate	269%	100	100	190	
8	Increased number of deliveries conducted by SBAs	% Of deliveries conducted by a skilled birth attendant	82	90	90	74	
9	Improved access to quality health care services	% Of public health facilities providing basic emergency obstetric and new-born care	45	45	45	45	
10	Reduction in facility based maternal deaths	Health facility maternal mortality ratio (per 100,000 live births)	119	80	80	157	

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<b>R3218: DEPARTMENT OF TOURISM, CULTURE ,TRADE AND INVESTMENT</b>							
<b>No.</b>	<b>Outcome</b>	<b>Key performance indicators</b>	<b>Baseline</b>	<b>CIDP Target 2023-2027</b>	<b>Target 2024/25</b>	<b>Achievement 2024/25</b>	<b>Remarks</b>
1	Improved business environment	No. of markets constructed		3	3	3	Availability of funds
2	A vibrant tourism sector with increased earnings	No. of cultural festivals held		6	6	4	Inadequate funding
3	Improved capacity for tourism stakeholders	No. of persons trained		50	50	70	Availability of funds
<b>R3220: FISHERIES ,LIVESTOCK AND CO-OPERATIVES</b>							
<b>s.no</b>	<b>Outcome</b>	<b>Key performance indicators</b>	<b>Baseline 2023/24</b>	<b>CIDP Target 2023-2027</b>	<b>Target 2024/25</b>	<b>Achievement 2024/25</b>	<b>Remarks</b>
<b>Programme: General Administration</b>							
<b>Programme 1: General administration, planning and support services</b>							

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1	Developed and implemented County Fisheries development policies	Number of Lamu County Fisheries Development policies developed and implemented		6	1	0	No budgetary allocation
2	Developed fisheries sub sector operational and development plans	Number of operational and development plans developed and implemented		20	4	0	
3	Rehabilitated fisheries and Blue economy offices	Number of fisheries offices rehabilitated		3	1	0	No budgetary allocation
4	Established Effective M&E system	Number of monthly fisheries Monitoring Conducted and reported		50	12		supported by KEMFSED
5	Developed and implemented Lamu County Fisheries Development policies	Number of Annual fisheries Evaluations conducted		5	1	0	
<b>Programme 2: Fisheries Development</b>							
6	Increased in Annual total fish landed and harvested.	Amount of tonnage of fish landed annually		16805	3500	3000	
		Number of fishermen supported to do Mari culture such as crab farming		1550	300		Supported by County Government

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7	Operationalized Fisheries Development revolving fund	Number of annual board meetings held	0	49	12	1	No budgetary allocation
8	Adopted Sustainable fishing methods	Number of Outboard engines purchased and distributed		345	70	0	Funds transfer was not possible because the act needed amendment
		Number of legal fishing gears distributed	2	5000	1000		Funded by the County Government
9	Adopted modern fishing technologies by Artisanal fishermen	Number of artisanal fishermen trained		1350	50	50	Funded by the County Government
		Number of GPS and Fish finder used for fishing		70	15	10	Funded by the County Government
	Revived ice plants and fish cold storage facilities at main fish landing sites.	Number of ice plants constructed		3	1	1	Funded by Go Blue Kenya
		Number of fish cooler boxes distributed		255	60	70	Funded by the County Government
	Rehabilitated fish landing sites	Number of infrastructural facilities constructed at selected fish landing sites		3	0	0	construction of Mokowe landing site by KEMFSED still in progress
10	Trained fishermen and fish traders on best fish handling practices.	Number of fishermen and traders trained on fish quality.		850	200	200	Training supported by WWF
	Improved value addition on fish and their products	Fish processing plant constructed		1	0	0	

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11	Improved compliance to Fish quality standards	Number of annual fish inspections done		50	12	5	The fish inspections were performed under the direct supervision of Kenya Fisheries service
12	Strengthened fisheries marketing organizations in the county	Number of fisher Marketing cooperatives formed		4	1	1	Undertaken with support of the Kenya fish marketing Authority
		Number of fish traders trained and adopting digital marketing platforms		210	50	60	Training supported by Blue Bizz project
13	Promoted Partnership and linkage among fish traders, fisheries MSMEs	Number of Fisheries investors conference held		4	1	1	
14	Operationalized County BMU network	Number of Co management structures (Networks) established		10	0	1	Amu Bay JCMA established
15	Trained BMU Officials on Management	Number of BMU officials trained		540	120	180	Training supported by KEMFSED
16	Established and operationalized County MCS unit	Number of patrols conducted by the MCS unit		53	10	5	

**R3221: LAMU COUNTY PUBLIC SERVICE BOARD**

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No.	Outcome	Key performance indicators	Baseline	CIDP Target 2023-2027	Target 2024/25	Achievement 2024/25 Targets	Remarks
<b>Programme 1: Human Resource Management</b>							
1	Enhanced staff capacity	No. of training sessions for Board Members & Secretariat	3	8	5	3	Training postponed due to budget constraints; remaining sessions planned for FY 25/26
2	Improved staffing levels	No. of personnel recruited	96	90%	Adequate staff per departmental needs	139 hires completed	Recruitment ongoing for additional positions
3	Increased career awareness	No. of career sensitization forums conducted	1	4	2	2	Career sensitization sessions successfully held targeting students, interns and early-career professionals
4	Succession planning framework	% of succession plan implemented	None	100%	100%	60%	Still under review by stakeholders
5	Digitized PSB data	% Completion of data digitization	0%	100%	100%	40%	Delays due to work overload
6	Strengthened HR policy framework	No. of policies developed & reviewed	1	5	3	2	Committees developing HR management policies; budget constraints

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7	Knowledge sharing & service improvement	No. of benchmarking visits conducted	0	1 annually	1	1	Benchmarking visit completed as planned
8	Timely resolution of staff complaints	No. of disciplinary cases resolved	5	Depends on cases received	5	4	All cases received were resolved within stipulated timelines
9	Promotion of governance values	No. of Chief Officers/Managers sensitized	13	15	15	15	All sensitization sessions completed
10	Compliance with National Values & Principles	No. of evaluations/advisories developed	1	1 annually	1	1	Final report on compliance due in Q2
11	Enhanced career progression	No. of personnel promoted	0	50	50	56	All promotions processed & concluded

**R3223: DEPARTMENT OF WATER**

No.	Outcome	Key performance indicators	Baseline	CIDP Target 2023-2027	Target 2024/25	Achievement 2024/25 Targets	Remarks
<b>Programme 1: Water Services</b>							
1	Kiunga-Ishakani Water Pipeline					Water accessibility to underserved village	<b>Project 90% completed</b>

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						· Water infrastructure extension	
2	Mokowe Pipeline Extension					· Improve water reticulation system	<b>Project 100% completed</b>
						· Water infrastructure extension	
3	Baragoni Water Project					· Water accessibility to underserved village	<b>Project 100% completed</b>
						· Water infrastructure extension	
4	Construction of Undersea piping Milimani Navy-Ras Kitau Zubedi					· Water accessibility to underserved village	<b>Project 100% completed</b>
						· Water infrastructure extension	

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5	Solarization of Mkokoni Desalination Plant					· Sustainable & Reliable solutions towards water services	<b>Project 90% completed</b>
						· Climate resilience solutions	
6	Supply & installation of smart water meters					· Improve revenue collection to sustain WSP	<b>Project 60% complete</b>
						· Reduce Non-Revenue Water	
7	Automation of Water Kiosk for Desalination Plants					· Improve revenue collection to sustain WSP	<b>Project 30% Complete</b>
						· Ease of access to clean, safe water	
<b>Programme 2: Energy</b>							
1	Rehabilitation of existing solar light					· Improving energy infrastructure	<b>Project 100% complete</b>

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2	Supply & installation of new solar streetlights					Lighting up underserved communities	Project 100% complete
<b>R3225: DEPARTMENT OF PUBLIC HEALTH, SANITATION AND ENVIRONMENT</b>							
No.	Outcome	Key performance indicators	Baseline	CIDP Target 2023-2027	Target 2024/25	Achievement 2024/25 Targets	Remarks
<b>Programme 1: General Administration, Planning, M&amp;E</b>							
1	Organized and coordinated public health services	County health sector annual work plan	0	1	1	1	Joint 2025/26 AWP for the Health Sector
2	Increased compliance to public health regulations and standards	% of trade premises inspected and issued with a health license	31	80	50	33	
3	Coordinated County Environment Management Programme	No. County Environmental Committee meetings held	0	4	2	0	
		County Environment Action Plan	0	1	1	1	
<b>Programme 2: Public Health and Sanitation</b>							
4	School health clubs strengthened	% of schools with active school health clubs	75	100	100	90	Almost all primary schools have health clubs

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5	School children protected from STH	% of school going children dewormed at least once a year	0	100	90	80	MDA for STH and Schisto
6	Increased awareness	% Households reached with health promotion messages	65	60	60	50	Household visits by CHVs
7	Increased demand for health services	No. of community units established	34	38	36	38	KHIS
8	Increased community participation in health programs	No. of health dialogue days	88	120	60	97	
		No. of community action days held				91	KHIS
9	Latrine coverage increased	% Latrine coverage	67	75	70	70	
10	Improved access to sanitation facilities	No. public toilets constructed	1	4	-	-	
		No. of villages certified ODF	0	50	25	35	CLTS Hub
11	Improved hand washing practices	% of households with hand washing facilities	60	70	70	54	
12	Improved water safety	No. of water samples analyzed	37	100	25	6	
13	Reduced Incidences of Communicable Diseases	% reduction of diarrheal cases	0%	10%	10%	12410-8274 (33%)	
<b>Programme 3: Environment</b>							
14	Improved waste management practices	Daily tonnage of waste disposed	5	8	8	6	
		No. of new dump sites secured	0	1	1	0	

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15	Sustainable management of forest resources	% of forest cover	32	35%	32	32	
<b>R3229: LAMU MUNICIPALITY</b>							
No.	Outcome	Key performance indicators	Baseline	CIDP Target 2023-2027	Target 2024/25	Achievement 2024/25 Targets	Remarks
<b>Programme 1: General Administration</b>							
1	Skills & Competencies development	Number of staff recruited	6	50	30	6	
<b>Programme 2: Waste Management</b>							
2	Construction of cemetery perimeter walling	Number of perimeters walling constructed	2	2	1	1	
3	Procurement of cleaning materials	Number of cleaning materials procured	1	1	1	1	
<b>Programme 3: Urban Planning &amp; Development</b>							
4	Improved physical planning & Infrastructure development	Number of Plans developed.	3	5	1	1	
		Number of plans Implemented	3	5	3	3	
<b>Programme 4: Municipal Urban development</b>							

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5	Enhanced infrastructure and accessibility.	Number of ring road constructed	0	5	1	0	Project ongoing
		Number of Access Road constructed	0	10	2	1	
<b>Programme 5: Municipal Urban Renewal</b>							
6	Enhanced safety and reduced energy costs.	Number of solar street lights installed.	0	25	70	68	
		Number of street signage's installed	0	10	120	117	
<b>R3228 : ROADS, TRANSPORT, INFRASTRUCTURE, PUBLIC WORKS AND ENERGY</b>							
SNO.	Key Outcome	Key performance indicators	Baseline 2023/24	CIDP Target 2023-2027	Planned Targets 2024/25	Achieved Targets 2004/25	Remarks
<b>Programme 1: Road's infrastructure development (routine maintenance)</b>							
1	Improved Connectivity by road users	Kilometers of roads maintained	14.4Kms	70Kms	70Kms	0Kms	None of the projects was implemented
		Kilometers of new roads constructed	25Kms	18Kms	18Kms	0Kms	None of the projects was implemented
<b>Programme 2: Footbridges</b>							
2	Improved access by providing crossings across water-ways	Number of new footbridges constructed	0	3	3	3	100% Complete
		Number of existing footbridges maintained	0	0	0	0	No planned project in period under review
<b>Programme 3: Cabro paving</b>							

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3	Improved accessibility by pedestrians	Square meters of cabro paving works undertaken	2,200 m <sup>2</sup>		7,895m <sup>2</sup>	7,895m <sup>2</sup>	100% Complete..
<b>R3230: DEVOLUTION ,RESOURCE MOBILIZATION AND DISASTER MANAGEMENT</b>							
s.no	Outcome	Key performance indicators	Baseline 2023/24	CIDP Target 2023-2027	Target 2024/25	Achievement 2024/25	Remarks
<b>Programme: General Administration</b>							
1	Improved coordination of disaster response	No. of disaster response activities coordinated (e.g., drought, fires)	4	6	6	6	Water trucking, food distribution, rescue missions, and fire responses successfully coordinated.
2	Strengthened institutional emergency response capacity	No. of new EOC equipment installed	0	2	2	2	Two video walls donated by Kenya Red Cross and installed at the Emergency Operations Centre.
3	Enhanced emergency preparedness and community resilience	No. of early warning tools or systems deployed	0	2	2	1	Earth and Windy weather-tracking software partially installed at EOC.
4	Improved infrastructure for devolved service delivery	No. of sub-county headquarters under construction	1	1	1	0	Faza Sub-County HQ under active construction after project resumption.

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5	Improved functionality of disaster training facilities	No. of disaster preparedness facilities developed	1	1	1	0	Swimming pool at Command Centre is ongoing.
6	Strengthened stakeholder engagement for resource mobilization	No. of development partners engaged	3	5	5	4	Kenya Red Cross among the key partners supporting response and technology integration.
7	Promotion of county resilience and reputation on disaster readiness	No. of national/international recognitions received	0	1	1	1	Lamu County received the 2024 Averted Disaster Award.
8	Improved support to disaster-affected households	No. of households assisted during emergencies	1,000	2,000	2,000	2,300	Through food, water trucking, and emergency response coordination in Witu, Kiunga, Hindi, etc.
9	Improved coordination of disaster response	No. of disaster response activities coordinated (e.g., drought, fires)	4	6	6	6	Water trucking, food distribution, rescue missions, and fire responses successfully coordinated.

**Progress on Attainment of Development Objectives from Annual Development Plan for FY 2024-2025**

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

Below, we provide the progress on attaining the stated objectives:

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<b>DEPARTMENT OF PUBLIC SERVICE MANAGEMENT AND ADMINISTRATION</b>												
No	Project Name	Location (Village/ Ward)	Description of Key Activities	Start Date (Month & Year)	End Date (Month & Year)	Cost Budgeted (Ksh)	Actual to Date (Kshs)	Beneficiaries	Status (Not-initiated/ On-going/ Completed)	Reasons why (Not-initiated/ On-going/Stalled)	Source of Funding	Remarks
1	County Annex-	H/Q	Construction	2020	2022	126,823,550.00	31,987,330.00	CGL	On Going	Had Stalled due to a lack of funds from the National Government	CGL	
2	Fire Station	Mkomani Ward	Construction	2017	2020	4,994,960.00	4,646,960.00	CGL	On Going	98% Complete	CGL	
3	Governor's Residence	Mkomani	Construction	2020	2022	44,090,373.00	22,197,478.70	CGL	Contract terminated	50% Complete	CGL	

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4	Parking And Walk Ways At Command Centre	Hindi Ward	Procurement	2023	2024	5,796,810.00	4,998,420.00	CGL	Completed	Completed	CG L	
5	Solar Street Lighting At Command Centre	Hindi Ward	Procurement	2023	2024	4,000,000.00	-	CGL	Not procured	Procurement stage	CG L	

**DEPARTMENT OF AGRICULTURE, IRRIGATION AND FOOD SECURITY**

No	Project Name	Location (Village/Ward)	Description of Key Activities	Start Date (Month & Year)	End Date (Month & Year)	Cost Budgeted (Ksh)	Actual to Date (Ksh)	Beneficiaries	Status (Not-initiated/ On-going/ Completed)	Reasons why (Not-initiated/ On-going/Stalled)	Source of Funding	Remarks
1	Renovation Of ATC Buildings	Bahari	Renovation Of ATC Buildings	24-Jul	25-Jun	5,000,000.00	3,000,000.00	Bahari ward but serves the whole County	Ongoing	To be completed current Financial Year	CG L	
2	Purchase Of Furniture For ATC	Bahari	Purchase Of Furniture For ATC	24-Jul	25-Jun	1,000,000.00	1,000,000.00	Bahari ward but serves the	Completed	Completed	CG L	

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								whole County				
3	Purchase Of Certified Seeds	Countywide	Purchase Of Certified Seeds	24-Jul	25-Jun	38,000,000.00	37,967,488.00	County wide	Completed	Completed	CG L	
4	Purchase Of Tractor And Plough For Faza	Faza	Purchase Of Tractor And Plough For Faza	24-Jul	25-Jun	5,000,000.00	4,980,000.00	Faza	Not started	Not funded in the supplementary budget	CG L	
5	Purchase Of De-Stumping Tractor	Countywide	Purchase Of Destumping Tractor	24-Jul	25-Jun	15,000,000.00	14,800,000.00	Bahari Ward	Completed	Completed	CG L	
6	Establish Irrigation Project At Mkomani	Mkomani	Establish Irrigation Project At Mkomani	24-Jul	25-Jun	3,000,000.00	-	Mkomani	Not started	Not funded	CG L	
7	Number Of Hybrid Coconut Seedlings Purchased	Countywide	Number Of Hybrid Coconut	24-Jul	25-Jun	5,000,000.00	4,962,000.00	County wide	Completed	Completed	CG L	

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	And Distributed		Seedlings Purchased And Distributed									
8	Purchase Of Coconut Seedlings	Countywide	Purchase Of Local Coconut Seedlings	24-Jul	25-Jun	2,000,000.00	-	County wide	Completed	Completed	CG L	
9	Purchase Of Grafted Cashew Nuts Seedlings	Countywide	Purchase Of Grafted Cashew Nuts Seedlings	24-Jul	25-Jun	2,000,000.00	1,999,950.00	County wide	Completed	Completed	CG L	
10	Departmental Contribution To Ffloc	Witu	Establishment Of Climate Smart Irrigation Project	24-Jul	25-Jun	10,000,000.00	10,000,000.00	Witu	Completed	Completed	World Bank	
11	Food Security Resilience Project	Countywide	Community Projects In Five	24-Jul	25-Jun	178,000,000.00	75,000,000.00	County wide	Not funded	Not funded	World Bank	

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			Value Chains Funded									
12	Kabdp Kenya Agricultura l Business Developme nt Project	Countywi de	Kabdp Kenya Agricul tural Busines s Develo pment Project	24-Jul	25-Jun	10,980,91 9.00	-	Not funded	Not started	Not funded	Not fund ed	
14	Purchase Of Farm Tools And Equipment For Basuba	Basuba	Purchas e Of Farm Tools And Equipm ent For Basuba	24-Jul	25-Jun	5,000,000 .00	5,000,00 0.00	Basuba	Completed	Comple ted	CG L	
<b>DEPARTMENT OF WATER AND ENERGY</b>												

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No	Project Name	Location (Village/ Ward)	Description of Key Activities	Start Date (Month & Year)	End Date (Month & Year)	Cost Budgeted (Ksh)	Actual to Date (Ksh)	Beneficiaries	Status (Not-initiated/ On-going/ Completed)	Reasons why (Not-initiated/ On-going/Stalled)	Source of Funding	Remarks
<b>WATER</b>												
1	Mokowe Pipeline Extension	Mokowe, Hindi Ward	Extension of Pipeline	2023	Jan-25	20,000,000.00	17,401,366.00		Completed	Approval from KENHA on micro-channeling caused delays	CG	Project Successfully implemented
2	Baragoni Water Project	Baragoni, Hindi Ward	*Pipeline Extension *Water Kiosk *Underground Tank *Overhead Tank	2024	45444	13,146,098.00	12,943,945.00		Completed	Transport & Logistics Insecurity	CG	Project Successfully implemented

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3	Construction Of Undersea Piping Milimani Navy-Ras Kitau Zubedi	Manda, Shella Ward	*Under sea Pipeline Extension	27/1/25	Apr-25	5,000,000.00	4,968,926.74		Completed			Project Successfully implemented
4	Kiunga-Ishakani Water Pipeline	Ishakani Village, Kiunga Ward	*Pipeline Extension	23/1/25	Ongoing	20,000,000.00			Ongoing	Insecurity at Kiunga-Ishakani Road	CGL	Project 90% Complete.
			*Water Kiosk									
			*Sump Tank Rehabilitation									
			*Solarized Pumping System									
5	Tewe Pipeline Extension	Tewe, Bahari Ward.	*Pipeline Extension	13/6/25	30/6/25	1,500,000.00	1,499,977.83		Completed	None		
			*Supply Submersible Pump									

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6	Solarization Of Mkokoni Desalination Plant (Flocca)	Mkokoni, Kiunga Ward	*Solar Panels	30/06/25	Ongoing	12,000,000.00	9,459,220.80		Ongoing	Logistics	CGL	Project 90% Complete
			*High Power Lithium Battery									
7	Automation Of Water Kiosk In Kiunga and Faza Ward (Flocca)	Faza And Kiunga Wards	*Construction Of 3No. Water Kiosk	21/5/25	Ongoing	14,000,000.00			Ongoing	Logistics	CGL	Project 30% Complete
			*Rehabilitation Of 4No. Kiosk									
8	Solarization Of Shela Well (Flocca)	Shela And Mkomani Wards	*Solar Panels	18/6/25	Ongoing	5,000,000.00	-		Ongoing	Logistics	CGL	Project 30% Complete
			*Hybrid Inverter									
			*Masonry Wall + Gate									
9	Supply And Installation Of Smart Prepaid Water Meters	Shela, Mkomani & Hindi Wards	*Smart Meters	21/5/25	Ongoing	5,000,000.00	3,000,000.00		Ongoing	API for pre-paid		Project 60% Complete
			*Chambers									
			*Plumbing Works									

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Energy												
			*Meter Boxes									
1	Rehabilitation Of Existing Solar Light	Bahari, Mkunumbi Wards	*Replacement of Solar light Unit with Panels	30/6/25	15 <sup>th</sup> May 2025	5,000,000.00	4,970,252.00		Completed	Logistics	CG L	100% Complete
2	Installation Of New Solar Street Lights	Faza And Kiunga Wards	*New Solar lights to Underserved Villages In Lamu East	21/5/25	30 <sup>th</sup> April 2025	5,000,000.00	4,990.00		Completed	Logistics	CG L	100% Complete
DEPARTMENT OF EDUCATION, GENDER, SPORTS, VOCATIONAL TRAINING, COMMUNITY DEVELOPMENT AND SOCIAL SERVICE												
No	Project Name	Location (Village/Ward)	Description of Key Activities	Start Date (Month & Year)	End Date (Month & Year)	Cost Budgeted (Ksh)	Actual to Date (Ksh)	Beneficiaries	Status (Not-initiated/ On-going/ Completed)	Reasons why (Not-initiated/ On-going/Stalled)	Source of Funding	Remarks

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1	Construction Of 2 ECDE Classrooms And 2 Toilets At Witu Primary School	Witu	Construction Of 2 Classrooms and Toilets at Witu Primary ECDE	Jan-25	Jun-25	3,000,000.00	2,997,402.83		Completed	None	CG L	Completed in Time
2	Construction Of 1 ECDE Classroom And 2 Toilets At Koreni ECDE	Mkunumbi	Construction Of 1 Classroom And 2 Toilets At Koreni ECDE	Jan-25	Jun-25	1,500,000.00	-		Tender Process going on	Repeated tendering	CG L	-
3	Construction Of 2 Toilets At Chalaluma	Witu	Construction Of 2 Toilets at Chalaluma	Jan-25	Jun-25	1,000,000.00	997,863.00		Completed	None	CG L	Completed in good time
4	Construction Of 2 Door Toilets At	Faza	Construction Of Toilets at	Jan-25	Jun-25	1,500,000.00	1,496,851.00		Completed	None	CG L	Done in time

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	Tchundwa ECDE		Tchund wa ECDE									
5	Constructio n Of 2 Door Toilets At Bahari ECDE	Bahari	Constru tion Of Toilets at Bahari ECDE	Jan-25	Jun-25	1,000,000 .00	998,438. 00		Completed	None	CG L	Done in Time
6	Purchase Of ECDE Learning And Teaching Materials	Countywi de	Procure ment Of ECDE Learnin g and Teachin g Materia ls	Jan-25	Jun-25	10,000,00 0.00	-		Tender Process going on	Market survey delayed the Process	CG L	-
7	Purchase Of VTC Learning And Teaching Materials	Countywi de	Procure ment of VTC Learnin g and Teachin g Materia ls	Jan-25	Jun-25	18,400,00 0.00	-		Completed	None	CG L	Done through the VTC

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8	Construction Of Workshops At Mokowe Vocational Training Centre	Hindi	Construction Of 3 Workshops at Mokowe VTC	Jan-25	Jun-25	8,000,000.00	-		Not Initiated	All contractors failed	CG L	-
<b>DEPARTMENT OF PUBLIC HEALTH, SANITATION, ENVIRONMENT &amp; NATURAL RESOURCES</b>												
No	Project Name	Location (Village/Ward)	Description of Key Activities	Start Date (Month & Year)	End Date (Month & Year)	Cost Budgeted (Ksh)	Actual to Date (Ksh)	Beneficiaries	Status (Not-initiated/ On-going/ Completed)	Reasons why (Not-initiated/ On-going/Stalled)	Source of Funding	Remarks
1.	Clearing and fencing of Muhamarani Damping Site	Mkunumbi	Construction of a perimeter fence around the designated dumping site	23-Feb	23-Apr	3,000,000.00	2,995,816.00	Mpektoni residents	Completed		CG L	

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2.	Community Health Volunteers Kits (Kizingitini, Sinambio, Katsakakairu and Kiunga)-120 kits	Faza, Hongwe, Witu, Kiunga	Purchase of standard MOH-CHV kit	23-Jan	23-Mar	2,400,000.00	2,398,800.00	Respective communities	completed		CG L	
3.	Purchase of 3 waste collection trailers - 2 for Mpeketoni and 1 for Faza	Bahari, Faza	Purchase of 3 waste collection and transportation trailers with respective operating accessories	23-Mar	23-Jun	3,600,000.00	3,556,368.00	Mpeketoni and Faza residents	Completed		CG L	
4.	Construction of public toilet at Widho	Mkunumbi	Construction of 4 door VIP toilets with	23-Mar	23-May	1,500,000.00	831,424.00	Widho village residents	Ongoing		CG L	

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<b>DEPARTMENT OF TOURISM, CULTURE, TRADE AND INVESTMENT</b>												
No	Project Name	Location (Village/ Ward)	Description of Key Activities	Start Date (Month & Year)	End Date (Month & Year)	Cost Budgeted (Kshs)	Actual to Date (Kshs)	Beneficiaries	Status (Not-initiated/ On-going/ Completed)	Reasons why (Not-initiated/ On-going/Stalled)	Source of Funding	Remarks
1	Proposed Extension Of Hongwe Market	Hongwe	Proposed Extension Of Hongwe Market	30 <sup>th</sup> May 2023	14 <sup>th</sup> Feb. 2025	1,000,000.00	974,560.00	Market users	100%		CG L	Complete
2	Rehabilitati on Of Market Toilets	Bahari	Rehabilitati on Of Market Toilets	21 <sup>st</sup> June 2024	14 <sup>th</sup> Oct, 204	154,517.00	148,828.00	Market users	100%		CG L	complete
3	Constructio n Of Bodaboda Shed At Bomani	Hongwe	Constructio n Of Bodaboda Shed At Bomani	17 <sup>th</sup> Oct. 2024	31 <sup>st</sup> march 2025	2,500,000.00	2,499,982.40	Bodaboda riders	100%		CG L	complete

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4	Access Road To Majembeni Market	Mkunumbi	Access Road To Majembeni Market	6 <sup>th</sup> March 2025	30 <sup>th</sup> June 2025	985,117.00	984,884.30	Market Users	100%		CG L	Complete
5	Witu Open Air Market Phase 2	Witu	Witu Open Air Market Phase 2	7 <sup>th</sup> May 2024	7 <sup>th</sup> July 2025	1,500,000.00	1,412,063.35	Market Users	100%		CG L	complete
6	Jua Kali Tools And Equipment	County	Jua Kali Tools And Equipment	29 <sup>th</sup> Jan. 2025	30 <sup>th</sup> Feb. 2025	3,000,000.00	2,999,399.55	Jua kali traders	100%		CG L	Complete
	Tanweel General Suppliers			5 <sup>th</sup> Feb. 2025	9 <sup>th</sup> May 2025	2,000,000.00	1,996,400.00	Weigh & Measures	100%		CG L	Complete
7	Construction Of Ablution, Borehole And Fencing Of Witu Market	Witu	Construction Of Ablution, Borehole And Fencing Of Witu Market	14 <sup>th</sup> Jan. 2025	30 <sup>th</sup> June 2025	7,000,000.00	5,372,949.00	Market Users	85%		CG L	On-going
8	Construction Of Jua	Witu	Construction Of Jua	14 <sup>th</sup> Jan. 2025	30 <sup>th</sup> June 2025	5,700,000.00	4,240,251.70	Jua kali traders	90%		CG L	On-going

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	Kali Shed At Witu		Kali Shed At Witu									
9	Cabro Paving At Hongwe Market	Hongwe	Cabro Paving At Hongwe Market	24 <sup>th</sup> Nov. 2024	11 <sup>th</sup> March 2025	5,000,000.00	4,980,094.60	Market Users	100%		CG L	complete
10	Cabro Paving Mpeketoni Market to Jua Kali	Bahari	Cabro Paving Mpeketoni Market to Jua Kali	16 <sup>th</sup> May 2025	30 <sup>th</sup> June 2025	1,300,000.00	1,200,472.40	Market Users	100%		CG L	complete
11	Construction of Worktops At Witu Market	Witu	Construction of Worktops At Witu Market	7 <sup>th</sup> May 2025	30 <sup>th</sup> June 2025	700,000.00	699,700.00	Market Users	100%		CG L	complete
12	Proposed Stall Doors and Gate Works at Hongwe Market	Hongwe	Proposed Stall Doors and Gate Works at Hongwe Market	12 <sup>th</sup> May 2025	30 <sup>th</sup> June 2025	750,000.00	749,793.70	Market Users	100%		CG L	complete

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13	Rehabilitati on Of Mpeketoni Market	Bahari	Rehabil itation Of Mpeket oni Market	15 <sup>th</sup> May 2025	30 <sup>th</sup> June 2025	2,550,000 .00	2,549,98 5.10	Market Users	100%		CG L	Complete
14	Training And Kitting Of Tour Guides	County	Trainin g And Kitting Of Tour Guides	11 <sup>th</sup> April 2025	19 <sup>th</sup> June 2025	2,500,000 .00	245,610. 00	Tour guides	100%		CG L	Complete
				20 <sup>th</sup> Sept. 2025	12 <sup>th</sup> Nov. 2024		413,000. 00	Tour guides	100%	CG L	Complete	
				3 <sup>rd</sup> Jan. 2025	30 <sup>th</sup> June 2025		1,841,00 0.00	Tour guides	0	CG L	Complete but not paid	

**DEPARTMENT OF FISHERIES DEVELOPMENT, LIVESTOCK AND CO-OPERATIVE**

No	Project Name	Location (Village/ Ward)	Description of Key Activities	Start Date (Month & Year)	End Date (Month & Year)	Cost Budgeted (Ksh)	Actual to Date (Ksh)	Beneficiaries	Status (Not-initiated/ On-going/ Completed)	Reasons why (Not- initiated/ On- going/Stalled)	Source of Funding	Remarks
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**FISHERIES**

1	Supply & delivery of diving set	All Wards	Supply & delivery of	4 <sup>TH</sup> NOV. 2024		3,000,000 .00	2,998,21 5.00	Fisherm en	Delivered	-	CG L	
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			diving set									
2	Supply and delivery of fishing lines and fishing hooks	All Wards	Supply and delivery of fishing lines and fishing hooks	4 <sup>TH</sup> NOV. 2024		3,000,000.00	2,997,054.90	Fishermen	Delivered	-	CG L	
3	Supply & delivery of branded cool boxes	All Wards	Supply & delivery of branded cool boxes	28 <sup>TH</sup> OCT. 2024		5,000,000.00	4,725,000.00	Fishermen	Delivered	-	CG L	
<b>LIVESTOCK CO-OPERATIVE</b>												
1	Construction of a slaughterhouse at Hindi Show Ground	Hindi Ward	Construction of a slaughterhouse at Hindi Show Ground	16 <sup>TH</sup> JAN. 2024		6,000,000.00	54,300,001.00	Community	complete	-	CG L	
2	Supply and Delivery of Veterinary Vaccines 1	All Wards	Supply and Delivery of Veterin	6 <sup>TH</sup> DEC. 2024		3,000,000.00	2,896,869.00	Livestock Farmers	Delivered	-	CG L	

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			ary Vaccine s 1									
3	Supply and Delivery of Veterinary Drugs	All Wards	Supply and Delivery of Veterinary Drugs	7 <sup>TH</sup> JAN. 2024		3,000,000.00	2,892,127.00	Livestock Farmers	Delivered	-	CG L	
4	Supply and Delivery of Veterinary Acaricides	All Wards	Supply and Delivery of Veterinary Acaricides	9 <sup>th</sup> DEC. 2024		2,000,000.00	1,949,827.00	Livestock Farmers	Delivered	-	CG L	
5	Supply and Delivery of Veterinary Artificial Insemination (AI)	All Wards	Supply and Delivery of Veterinary Artificial Insemination (AI)	13 <sup>TH</sup> DEC. 2024		1,050,000.00	1,038,000.00	Livestock Farmers	Delivered	-	CG L	

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6	Construction of Cattle Dip & Crush at Pangani	Witu ward	Construction of Cattle Dip at Pangani	17 <sup>TH</sup> JAN.2025		3,500,000.00	3,449,500.00	Livestock Farmers	complete	-	CG L	
7	Construction of Cattle Dip & Crush at Mokowe Kibokoni area	Hindi Ward	Construction of Cattle Dip at Mokowe Kibokoni area	17 <sup>TH</sup> JAN.2025		3,500,000.00	3,496,391.00	Livestock Farmers	complete	-	CG L	
8	Supply and Delivery of veterinary Vaccines 2		Supply and Delivery of veterinary Vaccines 2			2,500,000.00	2,475,000.00	Livestock Farmers	Delivered	-	CG L	

**DEPARTMENT OF LAMU MUNICIPALITY**

No	Project Name	Location (Village/Ward)	Description of Key Activities	Start Date (Month & Year)	End Date (Month & Year)	Cost Budgeted (Ksh)	Actual to Date (Ksh)	Beneficiaries	Status (Not-initiated/ On-going/ Completed)	Reasons why (Not-initiated/ On-going/Stalled)	Source of Funding	Remarks
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1	Construction of mini waste holding site at Mkomani and Hindi	Mkomani and Hindi	Establishment of designated waste holding facilities with drainage and access, supporting efficient collection, temporary storage, and improved solid waste management.	3\9\2024	23\4\2025	5,000,000.00	4,994,519.00	Shela Citizens	Completed		CG L	
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2	Construction of perimeter wall cemetery	Hindi Town	Erection of a secure perimeter wall with gates to protect and clearly demarcate the cemetery, enhancing security and orderly management of the site.	3/9/2024	29/5/2025	10,000,000.00	9,259,890.00	Hindi residents	Completed		LC G	
3	Construction of ring road phase 1	Amu Island	Upgrading and surfacing of the initial section of the Lamu Island ring	4/03/2025	29/6/2025	9,143,000.00	9,139,350.00	Amu Island Citizens	ongoing		LC G	

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			road with murram, including drainage works to improve connectivity and access.									
4	Construction of ring road phase 2	Amu Island	Extension and completion works on the ring road, involving murram paving, drainage improvements, and	14\10\2024	14\4\2025	14,463,750.00	14,463,750.00	Amu Island Citizens	ongoing		LCG	

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			installat ion of road signage for better mobilit y.								
5	Drilling of borehole and rehabilitation of public toilet in hindi	Wiyoni and Amu Island	Provisi on of a reliable water source through borehol e drilling and improv ement of public sanitati on facilitie s through compre hensive toilet rehabili tation.	12\9\2 024	9\12\2 024	1,000,000 .00	998,064. 00	Wiyoni and Amu Island	Completed		CG L

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6	Installation and commissioning of cctv surveillance system	Municipality	Deployment of CCTV cameras and control systems at strategic locations to enhance security, monitoring, and incident response within the municipality.	21/4/25	29\5\2025	5,000,000.00	4,636,520.00	Hindi, Mkoma ni and Shela Ward	Completed		LC G	
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7	Installation and maintenance of public solar street solar lights shela and hindi	Shela and Hindi	Provision and upkeep of solar-powered street lighting systems to improve nighttime visibility, enhance safety, and promote sustainable energy use.	18\12\2024	3\6\2025	5,000,000.00	4,999,210.00	Shela and Hindi	Completed		LC G	
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8	Installation and maintenance of public solar street solar lights at Mkomani	Mkomani	Installation and servicing of solar-powered street lights to improve safety, reduce energy costs, and provide reliable lighting in public spaces.	18/12/2024	6/5/2025	5,000,000.00	4,999,999.25	Mkomani	Completed		LCG	
9	Installation of signage phase 2 hindi	Hindi	Erection of directional, regulatory, and information signage to improv	13/1/2025	19/5/2025	1,000,000.00	998,000.00	Hindi	Completed		LCG	

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			e road navigati on, urban order, and safety for both motoris ts and pedestri ans.								
10	Opening of jua kali road		Clearin g and grading to create a functio nal access road that improv es mobilit y, support s local econom ic activitie s, and	7\10\2 024	3\2\20 25	4,943,630 .00	4,943,63 0.00	Hindi	Completed		LC G

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			enhance s commu nity connect ivity.								
11	Improvement of the drainage system and walkways along Amu market, and construction of a chicken cage	Mkomani	Upgrading of drainage and walkways to improve market accessibility and hygiene, alongside construction of a poultry holding structure for traders.	9\4\20 25		1,234,000 .00	1,232,61 6	Amu	Completed		World Bank
<b>DEPARTMENT OF ROADS, TRANSPORT, INFRASTRUCTURE, PUBLIC WORKS AND ENERGY</b>											

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No	Project Name	Location (Village/ Ward)	Description of Key Activities	Start Date (Month & Year)	End Date (Month & Year)	Cost Budgeted (Ksh)	Actual to Date (Ksh)	Beneficiaries	Status (Not-initiated/ On-going/ Completed)	Reasons why (Not-initiated/ On-going/Stalled)	Source of Funding	Remarks
1	Cabro Paving at Hindi Town	Hindi	Cabro Paving, Drainage Works and Concrete Paving Walkways	17 <sup>th</sup> Dec 2024	13 <sup>th</sup> Feb 2025	10,000,000.00	8,713,050.00	General Public	Completed		CG L	
2	Cabro Paving at Mkomani	Mkomani	Cabro Paving, Drainage Works and Concrete Paving Walkways	20 <sup>th</sup> Dec 2024	13 <sup>th</sup> March 2025	6,500,000.00	6,237,668.00	General Public	Completed		CG L	

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3	Cabro Paving at Hongwe	Hongwe	Cabro Paving, Drainage Works and Concrete Paving Walkways	15 <sup>th</sup> Jan 2025	29 <sup>th</sup> April 2025	8,569,251.00	7,801,667.00	General Public	Completed		CG L	
4	Concrete Paving Concrete Walkways at Ndau	Kiunga	Cabro Paving, Drainage Works and Concrete Paving Walkways	20 <sup>th</sup> Dec 2024	13 <sup>th</sup> Feb 2025	10,000,000.00	9,474,469.00	General Public	Completed		CG L	
5	Construction of Mbwajum wali Seawall & ladder	Faza	Construction of seawall, wave beam, Concrete Paving Walkway,	28 <sup>th</sup> Feb 2025	20 <sup>th</sup> Jun 2025	25,000,000.00	24,972,480.00	General Public	Completed		CG L	

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			Stairs Constru ction and boat slip, stone pitching and drainag e channel									
6	Concrete blocks (cabro) paving Walkways at Tchudwa	Faza	Cabro Paving, and Drainag e Works	21 <sup>st</sup> March 2025	29 <sup>th</sup> April 2025	10,000,00 0.00	8,889,25 4.00	General Public	Completed		CG L	
7	Cabro Paving at Shella	Shella	Cabro Paving, and Drainag e Works			5,000,000 .00	4,999,22 5.00	General Public	Completed		CG L	
8	Cabro Paving at Mkunumbi	Mkunumbi	Cabro Paving, and Drainag e Works	2 <sup>nd</sup> April 2025	29 <sup>th</sup> April 2025	3,000,000 .00	2,999,00 6.00	General Public	Completed		CG L	

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9	Cabro Paving at ATC	Bahari	Cabro Paving, and Drainage Works	15 <sup>th</sup> Jan 2025	13 <sup>th</sup> Feb 2025	2,000,000.00	1,948,104.00	General Public	Completed		CG L	
10	Construction of Seashore concrete ladder at Shanga Ishakani (Landing Site)	Faza	Construction of U-shaped sea/retaining wall, backfilling, casting of top deck slab, construction of staircase and wave beam	4 <sup>th</sup> Feb 2025	29 <sup>th</sup> April 2025	5,000,000.00	4,955,056.00	General Public	Completed		CG L	

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<b>DEPARTMENT OF MEDICAL SERVICE</b>												
No	Project Name	Location (Village/ Ward)	Description of Key Activities	Start Date (Month & Year)	End Date (Month & Year)	Cost Budgeted (Ksh)	Actual to Date (Ksh)	Beneficiaries	Status (Not-initiated/ On-going/ Completed)	Reasons why (Not- initiated/ On- going/Stalled)	Source of Funding	Remarks
11	Manda Yawi Board Walk	Shella	Constru ction of mini- walls, timber frame beam member s and laying boardw alk decking and ballustr ading	4 <sup>th</sup> April 2025	19 <sup>th</sup> Jun 2025	3,000,000 .00	2,992,01 1.20	General Public	Completed		CG L	
1	Renovation of Mkokoni dispensary	Kiunga	Renova tion and fencing	N/A	N/A	2,784,000 .00	-		Not initiated	Project was introduce d in the second supplem	CG L	

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										entary budget		
2	Proposed Mpeketoni SCH wards additional works	Bahari	Structural and mechanical finishes	25-Apr	25-Jun	2,900,000.00	2,899,930.00		Complete		CG L	Rollover project
3	Purchase of an electric tuk tuk	Mkomani	Customized electric tuk tuk	25-May	25-Jun	1,199,998.00	-		Delivered	Delivered late and payment could not be processed	CG L	
4	Essential medical equipment and furniture for health facilities	Countywide	Physiotherapy equipment	24-Nov	25-May	900,000.00	899,770.00		Complete		CG L	
5	Medical waste incinerators -Faza SCH, Witu HC,	Faza/Witu	Construction of De Monte Forte			2,731,758.00	-		Ongoing		CG L	Rollover project

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	Mokowe HC		incinerators									
6	Renovation of kitchen, main store and old buildings at Mpeketoni hosp	Bahari	General renovations, painting and replacement of the roof			1,500,000.00	1,499,510.00		Complete		CG L	
7	Lamu County Hospital Oxygen Plant	Mkomani	Supply, delivery, installation and commissioning of oxygen plant and construction of a plant house	24-Jan	25-Jun	38,500,000.00	36,666,335.00		Complete		CG L	Rollover project
8	Equipping and furnishing of New OPD at	Faza	Supply, delivery and installation of a	24-Nov	25-Jun	994,307.00	994,307.00		Complete		CG L	

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	Faza Hospital		dental unit									
9	Renovation of Old Mortuary building to a laundry block	Bahari	Renovations and electrical works			1,500,000.00	1,497,680.00		Complete		CG L	Rollover project
10	Renovation of King Fahd Hospital	Mkomani	General renovations of the theatre, wards and drainage system			2,700,000.00	-		Ongoing		CG L	Rollover project
11	Construction of In-patient wards for Mpeketoni Sub-County Hospital	Bahari	Construction of new wards			3,405,162.00	3,405,162.00		Complete		CG L	Rollover project
12	Renovation of the mortuary at Mpeketoni Sub-	Bahari	Renovation of the roof, floor			1,850,000.00	1,849,571.00		Complete		CG L	

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	County Hospital		and drainage system									
13	Construction and equipping of Kiunga Health centre theatre	Kiunga	Construction of an operating theatre	24-Jan	25-Jun	11,212,140.00	1,213,178.00		Ongoing		CG L	Rollover project
14	Construction and equipping of Kiunga Health Centre radiology unit	Kiunga	Supply and delivery of an ultrasound machine	24-Nov	25-Feb	2,997,600.00	2,997,600.00		Complete		CG L	
15	Equipping of Mangai dispensary	Basuba	Supply and delivery of medical equipment	24-Nov	25-Jun	498,704.00	498,704.00		Complete		CG L	Rollover project
16	Complete set-up of Soroko and Kona Njema	Witu	Soak pit and canopy for the patient	25-Apr	25-Jun	1,000,000.00	998,693.00		Complete		CG L	Rollover project

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	container clinics		waiting area									
17	Faza Hospital Djabia	Faza	Construction of a djabia	N/A		532,033.00	532,033.00		Complete		CG L	Rollover project
18	Procurement of Mpeketoni Subcounty hospital Radiology Equipment	Bahari	N/A	N/A		1,160,000.00	-		Not initiated	Inadequate budget	CG L	
19	Automation of Mpeketoni SC Hospital hardware for hospital management	Bahari	Local area network	24-Nov	25-Apr	2,975,748.00	2,975,748.00		Complete		CG L	
20	Lamu County Hospital power supply upgrade-phase II-315 KVA	Mkomani	Delivery, installation and commissioning of a 630KV A	24-Nov	25-Jun	6,378,593.00	6,378,593.00		Complete		CG L	

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			transformer									
21	Lamu County Hospital power supply upgrade-phase II-315 KVA	Mkomani	Upgrade electrical supply	25-Jan	25-Jun	1,599,640.00	1,599,640.00		Complete		CG L	
22	Medical equipment and furniture for Mpeketoni Sub-County Hospital-den	Bahari	Supply and delivery of medical equipment	25-Jan	25-Jun	4,559,527.00	4,251,042.00		Complete		CG L	
23	Medical equipment for Lamu County Hospital theatre and ICU	Mkomani	Supply and delivery of medical equipment	25-Jan	25-Jun	19,981,494.00	19,981,394.00		Complete		CG L	
24		Mkomani	Supply and delivery of medical	25-Mar	25-Jun				Delivered		CG L	

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			equipm ent									
25	Mokowe Hospital renovations (eye unit renovations , wards, electrical	Hindi	Renova tions of eye and physiot herapy unit	24-Dec	25-Jun	16,272,58 9.00	16,268,8 93.00		Complete		CG L	
26	Medical equipment for Mokowe Hospital eye unit	Hindi	Supply and delivery of medical equipm ent	25-Jan	25-Jun	4,493,890 .00	4,493,89 0.00		Complete		CG L	
27	Constructio n and equipping of private wards at Lamu County Hospital	Mkomani	Constru ction of private wards	24-Dec	25-Jun	19,772,83 8.00	19,134,8 37.00		Complete		CG L	
28	Medical equipment for Faza Sub-County Hospital	Faza	Supply and delivery of equipm ent	25-Jan	99430 7.1	994,307.0 0	994,307. 00		Delivered		CG L	

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		Faza	Supply and delivery of biochemistry analyzer	25-Jan	25-Apr	2,808,587.00	2,808,587.00		Delivered		CG L	
30	Medical equipment for Witu Health Centre	Witu	Supply and delivery of medical equipment	25-Oct	25-Jan	1,998,189.00	1,998,189.00		Complete		CG L	
31	Medical equipment and furniture for the primary health facilities	Countywide	Supply and delivery of microscopes	25-Feb	25-May	800,000.00	795,000.00		Complete		CG L	
32	Renovation and equipping of Kizingitini dispensary wards	Faza	Renovations of the inpatient wards	24-Dec	25-Jun	3,973,844.00	3,973,844.00		Complete		CG L	

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33	Kiunga Health Centre incinerator (De Monte Forte)	Kiunga	Construction of a De Monte Forte incinerator	N/A		1,200,000.00	-		Not initiated	Inadequate budget	CG L	
34	Electrical upgrade at Kiunga Health Centre	Kiunga	Renovation of electrical works in the generator house, OPD and wards	24-Dec	25-Jun	3,000,000.00	2,999,999.00		Complete		CG L	
35	Procurement of 150 Horsepower Engine for Kiwayuu boat	Kiunga	Supply and installation of 150hp outboard engine	24-Sep	24-Dec	2,000,000.00	2,000,000.00		Complete		CG L	

**DEPARTMENT OF DEVOLUTION**

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No	Project Name	Location (Village/ Ward)	Description of Key Activities	Start Date (Month & Year)	End Date (Month & Year)	Cost Budgeted (Ksh)	Actual to Date (Ksh)	Beneficiaries	Status (Not-initiated/ On-going/ Completed)	Reasons why (Not-initiated/ On-going/Stalled)	Source of Funding	Remarks
1	Refurbishment of Ward Offices	Acc	Construction	2020	2022	1,100,000.00	1,097,145.00	CGL	Completed		CG L & GO K	100% Complete
2	Supplement Construction of County Headquarters	Faza	Construction	2023	2025	10,000,000.00	9,322,252.00	CGL	On Going		CG L	Had Stalled due to a lack of funds from the National Government
3	Swimming Pool at Command Centre	Hindi	Construction	2024	2025	38,101,685.00	6,896,968.00	CGL	Contract terminated		CG L	20% Complete

## 6. Environmental and Sustainability Reporting

### a) Sustainability strategy and profile

Lamu County's unique coastline, mangrove ecosystems, UNESCO World Heritage assets and strategic mega-projects like the LAPPSET create both opportunity and risk. To build resilience, unlock green growth and meet Kenya's evolving disclosure and climate policy landscape, the County aligns its priorities with the National Climate Change Action Plan (NCCAP III, 2023–2027), the Climate Change (Amendment) Act, 2023 and the Climate Change (Carbon Markets) Regulations, 2024, while adopting international best practice (ISSB/IFRS S1 & S2 and TCFD) for governance, transparency and investor-readiness. Below are some of the strategies deployed by the County as part of its sustainability strategies:

- **Climate Resilience & Disaster Risk Reduction (DRR)** – Equipping and operationalization of the County Emergency Center.
- **Sustainable Infrastructure, Energy & Mobility-Solar Street** lighting and improve access through cabro paving and routine maintenance of roads.
- **Inclusive Livelihoods: Fisheries, CSA & Green Jobs (Youth/TVET)**- Through the World Bank-funded projects of KEMSFED, over 200 community initiative groups were funded. The County also invested in improving skills for employability to Lamu Youth by providing 100 percent sponsored courses that are accredited and examinable by the National Industrial Training Authority through the County Vocational Training Centers.
- **Governance, Finance & Trusted Disclosures** – Improve own source revenue collection, decentralize revenue collection, and introduce a revenue collection system to automate the services.

### b) Environmental performance

Lamu County Executive operationalized the Lamu County Climate Change Act, 2022, which establishes county-level climate governance and a County Climate Change Fund (CCCF) that enables the County to participate in Financing Locally-Led Climate Action (**FLLoCA**), Kenya's national

devolved climate-finance model backed by development partners. Some of the projects undertaken during the financial year are the establishment of green space at the Arboretum in Hindi and the rehabilitation of water pans in Mkunumbi

### **Ecosystem Stewardship & Blue Economy**

- **Mangrove restoration.** Lamu co-developed the Lamu Southern Swamp Mangrove Restoration Plan (2024–2029) with KFS, KEFRI, WWF-Kenya, KWS and local CFAs (LAMACOFA, MKUCOFA). The plan covers ~5,200 ha in the southern swamp and sets a multi-partner roadmap for protection and recovery.
- **Community conservancies & marine protection.** Active community institutions include Pate Marine Community Conservancy (PMCC) and NRT-Marine’s network (Kiunga, Pate, Awer, Lower Tana Delta) runs long-standing sea turtle nesting/tagging and LMMA activities.

### **Solid Waste, Plastics & Clean Towns**

- **Municipal policy base.** The Lamu Municipality Solid Waste Management Policy has been developed/adopted, and the county has mapped and fenced a dumpsite on Lamu Island to control encroachment and dumping.
- **Circular initiatives and CBO/NGO delivery-** Efforts in partnership with Non-Governmental Organisations like Flipflop, Lamu Environment Foundation, Save Lamu established a plastic recovery & recycling facility, removal of 44 tonnes of beach plastics, and behaviour-change/fisheries projects in Lamu serving a majority of the archipelago, and co-leads island waste innovations with EPR engagement and a municipality policy process.

### **c) Employee welfare**

#### **Policies and regulatory framework that guide hiring and HR practice**

- **County legislation and policy frameworks**

Lamu County Gender & Social Development Act (2018) requires gender mainstreaming across County development and staffing decisions (affirmative actions for women, PWDs, vulnerable groups). The County's CIDP (2023–2027) set out commitments to gender, youth, and social inclusion in workforce planning and capacity building. Also, the recruitment and selection policy, together with the Lamu County Human Resource Manual, which are developed by the Lamu County Public Service Board, provide a recruitment process and guidance for use in staffing at the Lamu County Executive.

➤ **Occupational safety rules**

Counties are bound by national occupational health law - Occupational Safety and Health Act (OSHA), 2007 - which requires employers/"occupiers" to prepare safety & health policy statements, establish safety committees and carry out safety audits, reporting and training. Counties must therefore adopt workplace safety policies and committees to comply.

**How Lamu County implements these policies in practice**

➤ **Hiring, gender ratio, and affirmative action**

**Public recruitment adverts and County vacancies** are published on the County careers page and County Public Service Board notices — indicating transparency of adverts and formal application requirements (IDs, certificates, clearance docs).

➤ **Skills improvement, career management, appraisal & rewards**

**Performance appraisal system:** The County publicly documents and runs appraisal sensitization forums (cascading performance contract objectives). This shows a functioning performance management framework used to assess staff and link to departmental objectives.

**Training & capacity building:** Departments prepare training schedules where staff are taken for capacity building workshops and training across the cadres.

**Career progression & rewards:** Recruitment, confirmation, promotion and disciplinary rules are governed by statutory County Public Service Board procedures and national HR manuals;

performance appraisals are the primary tool for assessing eligibility for promotion/transfers and for informing training needs.

➤ **Occupational Safety and Health (OSHA) - Policy and Practice**

**Statutory duty exists.** Under OSHA 2007, the County (as an employer/occupier) must prepare a safety & health policy statement, form workplace safety committees, and report dangerous situations; national guidance and ILO material outline these duties.

**County practice/visibility:** County public institutions (health facilities, works depots) typically run workplace safety committees and safety training as part of compliance

**d) Marketplace practices-**

The organisation should outline its efforts to:

➤ **Responsible for Supply chain and supplier relations-**

**Transparent Procurement Framework:** Guided by the Public Procurement and Asset Disposal Act (2015), the county uses open tendering and e-procurement platforms to ensure fairness, competitiveness, and value for money.

**Prompt Payments:** The County Treasury has made commitments under the Public Finance Management Act and national circulars to reduce pending bills and honour contracts within the stipulated timelines. Suppliers—especially youth, women, and PWD groups—benefit from the Access to Government Procurement Opportunities (AGPO) programme.

**Capacity Building for Local Suppliers:** Periodic supplier sensitisation forums are organised to orient contractors on compliance, contract management, and climate-friendly procurement requirements (e.g., under FLLoCA).

➤ **Responsible ethical practices-**

**Anti-Corruption Policies:** The county aligns with the Ethics and Anti-Corruption Commission (EACC) framework, requiring staff and suppliers to sign integrity pacts in procurement.

**Internal Audit & Integrity Unit:** The County Internal Audit Committee conducts routine compliance checks and risk assessments, while the County Public Service Board enforces the Leadership and Integrity Act (2012).

**Whistle-blower Channels:** Confidential reporting hotlines and complaint boxes allow staff, suppliers, and citizens to report corruption, favouritism, or misuse of funds.

**Sensitisation:** County staff and ward administrators are periodically trained on ethical leadership, public finance rules, and conflict-of-interest management.

➤ **Stewardship of goods and services**

**Asset Management Systems:** County assets—vehicles, equipment, land—are inventoried and monitored under Treasury guidelines to prevent misuse or loss.

**Service Delivery Charters:** Each department has a service charter displayed in offices outlining standards, rights, and expected timelines for services.

**Public Participation:** Through ward barazas and budget forums (as required by the County Governments Act, 2012), citizens influence how resources are allocated and services delivered.

**Accountability Reports:** Regular publication of Auditor-General’s reports, County Budget Implementation Review Reports (CBIRR), and departmental scorecards ensure that citizens can track performance.

**Social Safeguards:** In climate and development projects (e.g., FLLoCA), the county applies grievance redress systems and social safeguards to protect community interests and vulnerable groups.

e) **Community Engagements**

➤ **Charitable Giving (Cash & Material)**

**Emergency Relief Donations:** The County regularly provides food rations, non-food items, and financial support to households affected by droughts, floods, and other disasters.

**Bursary and Scholarship Fund:** Annual disbursements of bursary funds to thousands of needy students across secondary schools, colleges, and universities—ensuring equitable access to education for marginalized communities.

➤ **Community Social Investment (CSI)**

**Education Support:** Construction of Early Childhood Development and Education (ECDE) centres, recruitment of ECDE teachers, and equipping of vocational training centres (VTCs) to build youth skills.

**Sports Development:** Sponsorship of county tournaments (football, volleyball, and traditional sports such as dhow sailing) to nurture local talent and promote social cohesion.

**Health Sector Strengthening:** Expansion of Mokowe Sub-County Hospital, provision of medical supplies to dispensaries, support for maternal and child health programs, and campaigns for immunization and nutrition.

**Water and Sanitation:** Rehabilitation of community water pans (e.g., under FLLoCA in Mkunumbi Ward), sinking of boreholes, and installation of solar-powered desalination plants in Kiunga and other arid wards to improve access to clean water.

**Climate & Environment:** Engagement in mangrove restoration programs in partnership with NGOs (WWF, The Nature Conservancy) and support to community conservancies for sustainable livelihoods.

## 7. Management Discussion and Analysis

### a) Key Programs and Projects Implemented

During the period under review, Lamu County Executive continued to align its development agenda with the County Integrated Development Plan (CIDP), Vision 2030, and the Sustainable Development Goals (SDGs). Key programs and investments include:

#### Health Sector Improvements

- Completion of a **modern Intensive Care Unit (ICU)** and installation of an **oxygen plant** at Lamu Referral Hospital.
- Construction of an **inpatient wing** to expand bed capacity and reduce congestion.
- Procurement of medical equipment to improve diagnostic and treatment services.
- Equipping and staffing of medical facilities

#### Infrastructure and Transport

- Ongoing construction and upgrading of feeder roads to all-weather standards, improving connectivity and trade across the county.
- Rehabilitation of stormwater drainage systems in urban centers to mitigate flooding.

#### Education and Human Capital Development

- Expansion of Early Childhood Development Education (ECDE) facilities and recruitment of caregivers.
- Provision of bursaries and scholarships for needy students.
- Equipping and staffing of Vocational Training Centers
- Construction and equipping of social halls

**Agriculture, Fisheries, and Livestock**

- Subsidized farm inputs and mechanization support.
- Distribution of certified seeds
- Support to the fisheries sector through the provision of cold storage facilities and fishing gear.

**Water and Sanitation**

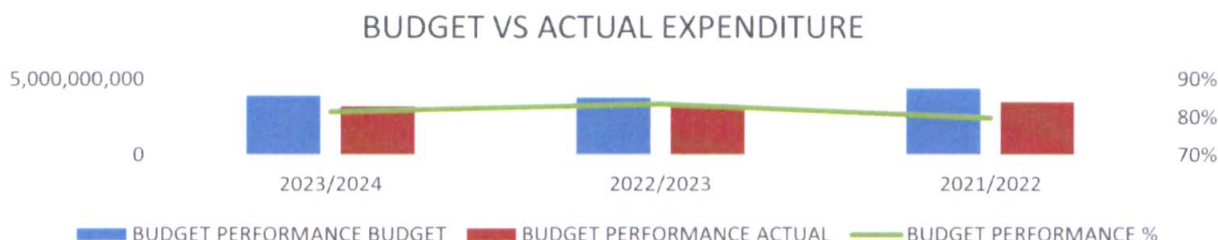
- Strengthened the institutional capacity of **Lamu Water and Sewerage Company (LAWASCO)** to enhance water distribution and service delivery.
- Initiated **desalination projects** to provide clean drinking water in areas with saline water sources, particularly in Lamu East.
- Construction and rehabilitation of **water pans and boreholes** to increase water storage, improve drought resilience, and expand access to clean and safe drinking water.

**b) Financial Performance**

The County’s financial performance over the past five years is summarized below:

**Revenue vs Expenditure**

<b>BUDGET PERFORMANCE</b>			
<b>FY</b>	<b>BUDGET</b>	<b>ACTUAL</b>	<b>%</b>
2023/2024	3,951,337,952	3,220,567,734	<b>82%</b>
2022/2023	3,803,384,672	3,175,840,686	<b>84%</b>
2021/2022	4,419,376,337	3,527,189,060	<b>80%</b>



**c) Compliance with Statutory Requirements**

Lamu County Government continues to comply with the provisions of the Constitution of Kenya 2010, the Public Finance Management Act, 2012, and other applicable laws. Key compliance measures include:

- Preparation and timely submission of annual financial statements.
- Regular publication of budget implementation reports.
- Adherence to procurement laws under the Public Procurement and Asset Disposal Act, 2015.
- Strengthening internal audit and audit committee functions to ensure accountability and transparency.

**d) Major Risks Facing the County**

The County faces several risks that affect service delivery and project implementation.

<b>Risk</b>	<b>Impact</b>	<b>Likelihood</b>
Delayed disbursement of funds from the National Treasury	High	High
Climate change impacts (drought, flooding, sea-level rise)	High	Medium
Rising wage bill pressures	Medium	High
Revenue underperformance (due to narrow tax base)	High	Medium
Health and security risks (terrorism, pandemics)	Medium	Medium

The County is addressing these risks through fiscal discipline, diversification of revenue sources, climate resilience programs, and enhanced security coordination.

**e) Review of the Economy and Sector**

The County economy has grown moderately, supported by the **Blue Economy**, agriculture, and the emerging role of the **LAPSSET corridor project**. The construction of roads, ports, and energy infrastructure is expected to accelerate growth. However, the economy remains vulnerable to external shocks such as global commodity price fluctuations, insecurity, and climatic variability.

**f) Future Developments and Outlook**

Looking ahead, Lamu County will continue prioritizing investments that have long-term, transformative impacts. Planned interventions include:

- Enhancing **infrastructure**, especially rural road connectivity and street lighting.
- Promoting the **blue economy and fisheries value chain development**, including the establishment of fish processing facilities.
- Strengthening **climate adaptation strategies**, including mangrove conservation and water harvesting.
- Expanding **digital governance systems** to improve efficiency, revenue mobilization, and citizen engagement.

**g) Conclusion**

Overall, Lamu County has made commendable progress in delivering on its strategic objectives as outlined in the CIDP. Health and infrastructure projects have significantly improved service delivery, while investments in education, agriculture, and water continue to uplift livelihoods. Despite challenges such as delayed disbursements, climate risks, and wage bill pressures, the County remains committed to prudent financial management, transparency, and inclusive development.

The outlook remains positive, with flagship projects in healthcare, infrastructure, and the blue economy expected to drive socio-economic transformation in line with the County's strategic plan.

## **8. Statement of Management Responsibilities**

Section 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 County Executive Committee (CEC) member for Finance, Budget, strategy and Economic Planning of the County Government of Lamu is responsible for the preparation and presentation of the County Executive's financial statements, which give a true and fair view of the state of affairs of the County Executive for and as at the end of the financial year ended on June 30, 2025. 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 Executive/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 Executive; (v) Selecting and applying appropriate accounting policies; and (iv) Making accounting estimates that are reasonable in the circumstances.

The CEC member for Finance, Budget, Strategy, and Economic Planning accepts responsibility for the County Executive's financial statements, which have been prepared on the Accrual Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The CEC member for Finance, Budget, Strategy, and Economic Planning is of the opinion that the County Executive's financial statements give a true and fair view of the state of the County Executive's transactions during the financial year ended June 30, 2025, and of its financial position as at that date.

The CEC member for Finance, Budget, Strategy, and Economic Planning further confirms the completeness of the accounting records maintained for the County Executive, which have been relied upon in the preparation of its financial statements, as well as the adequacy of the systems of internal financial control.

**County Government of Lamu**  
**Lamu County Executive**  
**Annual Report and Financial Statements for the year ended June 30, 2025.**

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The CEC member for Finance, Budget, Strategy and Economic Planning confirms that the County Executive has complied fully with applicable Government Regulations and the terms of external financing covenants and that the County Executive'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 CEC member for Finance, Budget, Strategy, and Economic Planning confirms that the County Executive's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

**Approval of the financial statements**

The County Executive of Lamu's financial statements were approved and signed by the CEC member, Finance, Budget, Strategy, and Economic Planning on 25<sup>th</sup> August 2025.



**HON. MOHAMED MBWANA ALI**  
**COUNTY EXECUTIVE COMMITTEE MEMBER**  
**FINANCE, BUDGET, STRATEGY AND ECONOMIC PLANNING**

## REPORT OF THE AUDITOR-GENERAL ON COUNTY EXECUTIVE OF LAMU FOR THE YEAR ENDED 30 JUNE, 2025

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### PREAMBLE

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

- A. Report on 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 the 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 the Government achieves value for money and that such funds are applied for the intended purpose; and,
- 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, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

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 transitional IPSAS financial statements of County Executive of Lamu set out on pages 1 to 64, which comprise of the statement of financial

position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, 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 transitional IPSAS financial statements present fairly, in all material respects, the financial position of County Executive of Lamu as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards-Accrual Basis (including the transitional provisions permitted Under IPSAS 33) and comply with the County Government Act, 2012, the Public Finance Management Act, 2012 and The National Treasury and Economic Planning Circular No.3 of 14 April, 2025.

### **Basis for Qualified Opinion**

#### **1. Unsupported Trade and Other Payables Balance**

The statement of financial position reflects trade and other payables balance of Kshs.31,529,691 as disclosed in Note 32 to the financial statements. Included in this balance is an amount of Kshs.8,663,719 or approximately 27% relating to payables outstanding for over three (3) years. However, the supporting ledgers lacked key information such as payment voucher numbers, invoice numbers, Local Purchase and Service Orders (LPO/LSO) numbers and chargeable account in support of the accounts payables balance.

In the circumstances, the accuracy and completeness of the trade and other payables balance could not be confirmed.

#### **2. Undisclosed Receivables from Non-Exchange Transactions**

The statement of financial position reflects Nil balance in respect of receivables from non-exchange transactions. However, exchequer releases totalling Kshs.675,122,501 was received after closure of the financial year resulting to misstatement of receivables from non-exchange transactions balance.

In the circumstances, the presentation and disclosure of receivables from non-exchange transactions could not be confirmed.

#### **3. Non-Compliance with Transitional IPSAS Reporting Template**

The cover page to the annual report and financial statements indicates "Transitional IPSAS financial statements/ Prepared in accordance with accrual basis of accounting method under international public sector accounting standards (IPSAS)". This is indicative

of Management failure to choose the method adopted to prepare the financial statements. Further, under Note 2 to Financial Statements on Statement of Compliance and Basis of Preparation of the financial statements, Management having taken advantage of the transitional provisions under IPSAS 33 have not indicated the elements of the financial statements that have not been recognized and the steps being taken towards full compliance with IPSAS Accrual.

In the circumstances, the financial statements as prepared and presented are not in compliance with IPSAS reporting framework.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the County Executive of Lamu Management in accordance with ISSAI 130 on the 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 revenue budget and actual on a comparable basis of Kshs.4,415,440,207 and Kshs.3,506,109,354 respectively resulting to an under-funding of Kshs.909,330,853 or 21% of the budget. Similarly, the County Executive made payments totalling Kshs.3,375,750,430 against actual receipts of Kshs.3,506,109,354 resulting to an under-utilization of Kshs.130,358,924.

The underfunding may have affected the planned activities and 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 judgement, are of most significance in the audit of the financial statements. Except for the effect of the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

### **Other Matter**

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

In the prior year audit reports several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in the Use of Public Resources, and Report on Effectiveness of Internal Control and Governance as shown in **Appendix I**.

However, the issues had not been resolved as at 30 June, 2025.

## **Other Information**

The Management is responsible for the Other Information set out on page iii to cviii which comprise of Key Entity Information and Management, Governance statement, Foreword by CECM Finance and Economic Planning, Statement of Performance against Predetermined Objectives, Environmental and Sustainability Reporting, Management Discussion and Analysis and the Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the County Executive's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES**

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the 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. Non-Compliance with the Law on Fiscal Responsibility Principles**

The statement of financial performance reflects compensation of employees expenditure amounting to Kshs.1,767,878,774 in respect of compensation of employees representing 53% of the total county revenue of Kshs.3,321,485,468 which exceeds the recommended percentage of 35% of the total revenue by 18 percent.

Further, the budget on compensation of employees was Kshs.1,679,188,727 which was 38% contrary to Section 107 (2) (c) the Public Finance Management Act, 2012 which provide that the County Government's expenditure for its public officers shall not exceed a percentage of the County Governments total revenue as prescribed by the County Executive Member for Finance in regulations and approved by the County assembly.

Regulation 25 (1) (a) and (b) of the Public Finance Management (County Governments) Regulations, 2015 provides that County Executive Committee Member with the approval of the County Assembly shall set a limit on the County Government's expenditure on wages and benefits for its public officers pursuant to Section 107(2) of the Act and that the limit set shall not exceed thirty-five (35) percent of the County Government's total revenue.

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

## **2. Failure to Adhere to Thresholds for Persons with Disabilities**

Review of the Human Resource Records revealed that the County Executive had, one thousand four hundred and sixty-one (1,461) staff. This number included twenty-four (24) members of staff from the special interest groups, which represents 1.6 % of the total members of staff instead of the required 5%. Further, the County Executive recruited one hundred and thirty (130) employees during the year. However, no persons living with disability were recruited. This was contrary to Section B 23 (2) of the Human Resource Policies and Procedures Manual for the Public Service, May 2016 on the rights and privileges of persons with disabilities on all appointments, which sets a threshold/Principle of 5% of positions to be filled by persons with disabilities.

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

## **3. Non-Compliance with the Law on Staff Ethnic Diversity**

Review of records provided for audit revealed that, the County Executive had one thousand, four hundred and sixty-one (1,461) employees out of whom, five hundred and thirty-five (535) staff are from the predominant ethnic community which represents (36.3%). This was contrary Section 7(2) of the National Cohesion and Integration Act, 2008 which requires public establishment not have more than one third of its staff from the same ethnic community.

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

## **4. Underpayment of Salaries**

Review of payroll records and payment of salaries for the year revealed that the gross salaries for the executive committee members was paid at rates applicable for 2023/2024 financial year as opposed to rates applicable for 2024/2025.

This was contrary to provisions of the Kenya Gazette Vol. CXXV – NO. 177 dated 9 August, 2023 on remuneration and benefits for state officers in the executive of the County Government provide the gross monthly remuneration structure to be implemented for the financial year 2024/2025, with effect from 1 July, 2024.

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

## **5. Avoidable Expenditure on Accrued Interest**

Review of records established that an amount of Kshs.5,749,700 was paid to a private legal practitioner as legal fees. The court had ruled that the County Executive pays the plaintiff an amount of Kshs.3,938,604 less PAYE by 1 October, 2021. However, Management paid a total of Kshs.5,749,700 as legal fees resulting to overpayment occasioned by accrued interest totalling Kshs.1,811,096 as a result of failure to settle the payment in time. This was contrary to Section 162 (2) (b) of the Public Finance Management Act, 2012 states that every public officer employed in or by the County Government shall ensure that the resources within the officer's area of responsibility are used in a way that is lawful and authorized; and effective, efficient, economical and transparent.

Further, review of records revealed that expenditure totalling Kshs.7,169,709 was made to a widow of a former member of staff under work injury benefit who died in the line of duty in June, 2014. The total amount payable was Kshs.15,848,544 determined by the Directorate of Occupational Health and Safety Services Ministry of Labour. However, the failure to maintain an insurance policy with an insurer was not explained. This was contrary to Section 7 (1) of the Work Injury Benefit Act, 2017 which provides that every employer shall obtain and maintain an insurance policy, with an insurer approved by the Minister in respect of any liability that the employer may incur under this Act to any of his employees.

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

## **6. Irregular Expenditure on Specialized Materials and Services**

The statement of financial performance reflects expenditure on use of goods and services totalling to Kshs.474,512,195 as disclosed in Note 10 to the financial statements. The expenditure includes an amount of Kshs.71,723,679 in respect of specialized materials and services out of which an amount of Kshs.9,407,455 was spent on knitting of tour guides, track suits, soccer ball, fishing nets and supply and delivery of jua kali tools and equipment.

However, even though the County Executive established a Youth Development Fund, Gender and Social Development Fund, Fisheries Development Agency and Disability Fund through specific Acts of the County Assembly, the expenditure was wrongly charged to the County Executive operations. This was contrary to Section 139 of the Public Finance Management Act, 2012 which provides that regulations approved by the County Assembly shall provide for the administration, control and management of grants, including requirements for grant agreements binding on grant recipients that specify the terms and conditions to which the grant is subject. A third party shall not receive, have custody of, or pay public money otherwise than in accordance with an authorization given in accordance with the regulations.

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

## **7. Irregular Procurement of Fuel, Oil and Lubricants**

The statement of financial performance reflects expenditure on use of goods and services totalling to Kshs.474,512,195 as disclosed in Note 10 to the financial statements. The expenditure includes an amount of Kshs.67,560,295 in respect to fuel, oil and lubricants. Review of the procurement documents revealed that the County Executive procured fuel, oil and lubricants through request for quotations. This was contrary to the provisions of Regulation 91 of the Public Procurement and Asset Disposal Regulations, 2020 which provides that a procuring entity that procures using the request for quotations method pursuant to Section 105 of the Act, shall be subject to the procurement threshold in the Second Schedule which provides that for goods, works and services, the maximum level of expenditure under this method is Kshs.3,000,000 per request for quotation.

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

## **8. Irregular Expenditure on Council of Governors and Frontier Counties Development Council**

Review of the documents provided for audit revealed that an amount of Kshs.3,000,000 was paid to the Council of Governors (COG) and an amount of 1,000,000 to the Frontier Counties Development Council (FCDC). This was contrary to Section 37 of the Intergovernmental Relations Act, 2012 which provides that the operational expenses in respect of the structures and institutions established in this Act shall be provided for in the annual estimates of the revenue and expenditure of the National Government to cater for the Summit, the Council of County Governors, the Technical Committee, Secretariat and the sectoral working group established by the Technical Committee and the sectoral working groups established by the Council.

In addition, the expenditure on FCDC was contrary to Section 139 of the Public Finance Management Act, 2012 of the Act which provides that regulations approved by the County Assembly shall provide for the administration, control and management of grants, including requirements for grant agreements binding on grant recipients that specify the terms and conditions to which the grant is subject. A third party shall not receive, have custody of, or pay public money otherwise than in accordance with an authorization given in accordance with the regulations.

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

## **9. Irregular Expenditure on Medical Expenses**

The statement of financial performance reflects expenditure totalling Kshs.1,767,878,774 in respect of employee costs as disclosed in Note 9 to the financial statements. Included in this expenditure is an amount of Kshs.10,583,965 on pension and other social security contributions. Review of records revealed that Management made two (2) payments totalling Kshs.9,000,000 to an insurance service provider in respect of excess medical bills for a former staff. However, even though the payments were approved by the County

Executive Committee as ex gratia payments and approval from the Controller of Budget sought to pay the same to Nairobi Hospital, the payments were instead made to the insurance service provider without a valid contract agreement. This was contrary to Section 135 (1) of Public Procurement and Asset Disposal Act, 2015 provides that the existence of a contract shall be confirmed through the signature of a contract document incorporating all agreements between the parties and such contract shall be signed by the Accounting Officer of the procuring entity and the successful tenderer.

In addition, the payments were wrongly charged to personnel allowances paid as reimbursements instead of being charged to Employer Contributions to Compulsory Health Insurance Schemes. This was contrary to Section 149(1) of the Public Finance Management Act, 2012 which states that an Accounting Officer is accountable to the County Assembly for ensuring that the resources of the entity for which the officer is designated are used in a way that is lawful and authorised; and effective, efficient, economical and transparent. Section 154 (1) (c) of Public Finance Management Act, 2012 states that an Accounting Officer shall not authorize the transfer of an amount that is appropriated for wages to non-wage expenditures.

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

## **10. Delayed Projects**

### **10.1. Delayed Construction of County Headquarters**

As previously reported, a contract to construct the County Headquarters at Mokowe was signed on 24 June, 2019 at a contract sum of Kshs.126,823,550 for a contract period of two (2) years up to 24 June, 2021. The construction was to be undertaken in partnership with the National Government through the State Department for Public Works according to a February, 2018 Memorandum of Understanding (MOU). The MOU provided that the project was to be implemented with funding by partners in the MOU where the County was to fund 30% of the cost of the project and National Government to provide counter funding of 70%. According to payment records, the County Executive had made payments of Kshs.31,987,330 while the National Government had paid an amount of Kshs.11,079,962 which translates to total payments of Kshs.43,067,292 or 34% of the contract sum. However, physical verification of the project carried out on 21 May, 2025 revealed that the contractor requested and obtained an extension of project contract period up to 2 November, 2023. However, no additional works had been done since contract extension period to date and extension of the contract beyond 2 November, 2023 was not provided for verification. Management did not also set aside funds in its budget estimates for implementation of the project, and no additional funding to the project was received from the National Government during the year under review.

### **10.2. Delay in the Construction of the Governor's Residence**

The County Executive paid a contractor was paid amount of Kshs.3,107,637 in respect to construction of the Governor's Residence. Review of the project file revealed that, a memorandum of understanding between the County Government and National

Government signed on 31 March, 2021 allocated two (2) acres of land for the construction of the residence. The contract was signed on 16 February, 2023 between the County Government and the contractor at a contract sum of Kshs.44,090,373 with a completion period of twelve (12) months. Further, the contract completion period was extended to 1 March, 2024. Audit inspection of the project done on 21 May, 2025 revealed that the project was still not complete. This was contrary to the Salaries and Remuneration Commission (SRC) Circulars Ref. No. SRC/TS/COG/6/61/48 VOL.II(64) dated 20 May, 2019 and Ref No. SRC/TS/CGOVT/3/61/VOL.V(44) dated 14 August, 2020, advised that the deadline for County Government paying rent for the Governor be 30 June, 2022.

In the circumstances, the public may not get the expected service delivery and the value for money for the expenditure may not be achieved.

### **10.3. Delay in Completion of Faza Sub-County Headquarters**

The County Executive paid a contractor an amount of Kshs.9,322,252 in respect to construction of the Faza Sub-County Headquarters bringing the total paid for the project to Kshs.106,307,170 or approximately 54% of the contract sum. As previously reported, review of the project file revealed that the Management signed a contract agreement on 23 January, 2023 for a contract sum of Kshs.195,219,070 and a contract completion period of twelve (12) Months. Further, a memorandum of understanding between the National Government and the County Government provided for audit indicated that the cost of the project was to be shared in the ratio of 7 to 3 between the National and County Governments. However, as at the time of the audit the project was still incomplete.

In the circumstances, the value for money on the projects may not be achieved and Management was in breach of the law.

### **11. Non-Compliance with Establishment of the Office of the County Attorney**

The County Executive has not established the Office of the County Attorney. This was contrary to Section 4 of the County Attorney Act, 2020 which guides that (1) There is established in each county the Office of the County Attorney, which is an office in the County Public Service. (2) The Office shall consist of (a) the County Attorney; (b) the County Solicitor; and (c) such other number of County Legal Counsel as the County Attorney may, in consultation with the County Public Service Board, consider necessary.

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

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The Standards require 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 comply 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, and 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 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 controls, 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 the 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 governance.

In preparing the financial statements, Management is responsible for assessing the County Government's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention 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 comply 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 Executive'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**

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The Standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. 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 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 conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not 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 addition, I consider the entity's control environment 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.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

04 December, 2025

## Appendix I: Unresolved Prior Year Audit Matters

No.	Audit Issue
1.	Inconsistencies and Inaccuracies in the Financial Statements
2.	Inaccurate Cash and Cash Equivalents Balance
3.	Long Outstanding Deposits and Retentions Balance
4.	Budgetary Control and Performance
5.	Late Exchequer Releases
6.	Failure to Adhere to Fiscal Responsibility Principles
7.	Payment of Salaries Outside the Integrated Personnel and Payroll Database (IPPD)
8.	Non-Competitive Hiring of Interns
9.	Non-Compliance with Law on Mandatory Retirement Age
10.	Irregular Procurement of Fuel, Oil and Lubricants
11.	Irregular Procurement of Food Stuffs
12.	Irregular Procurement of Consultancy Services
13.	Irregular Payment of Subscription Fees to County Public Service Board (CSPB) National Consultative Forum
14.	Irregular Payments to Council of Governors and Frontier Counties
15.	Payments Outside the Mandate of the County Government
16.	Misclassification of Payments on Other Grants and Transfers
17.	Acquisition of Assets
18.	Grounded Motor Vehicles and Transport Equipment
19.	Failure to Update Fixed Assets Register
20.	Non-Compliance with the Law on the Establishment of the Office of County Attorney
21.	Project Implementation Status on Acquisition of Assets
22.	Overstated Receipts
23.	Failure to Clear Long Outstanding Pending Bills
24.	Under-Staffed/Dysfunctional Internal Audit Unit

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10. Statement of Financial Performance for the year ended 30<sup>th</sup> June 2025

Description	Notes	FY 2024-2025 Kshs
<b>Revenue from non-exchange transactions</b>		
Transfers from CRF	6	3,321,485,468
Miscellaneous Revenue	7	-
<b>Total</b>		<b>3,321,485,468</b>
<b>Revenue from exchange transactions</b>		
Other income	8	-
<b>Total revenue</b>		<b>-</b>
<b>Expenses</b>		
Employee costs	9	1,767,878,774
Use of goods and services	10	474,512,195
Transfers to other Government Entities	11	437,527,615
Depreciation and amortization expense	12	178,640,754
Other Grants and Subsidies	13	79,846,158
Finance costs	14	-
Social Benefits	15	-
<b>Total expenses</b>		<b>2,938,405,495</b>
Gain/(loss) on sale of assets	16	-
Gain/Loss on Foreign Exchange	17	-
Gain/Loss on fair value of investments	18	-
Impairment loss	19	-
<b>Surplus/Deficit for the year</b>		<b>383,079,973</b>
Taxation	20	-
<b>Net Surplus/Deficit</b>		<b>383,079,973</b>

The Financial Statements set out were signed by:



Chief Officer Finance  
Name: CPA Salma Omar Ahmed  
ICPAK Member No: 15009



Director Accounting Services  
Name: CPA Mohamed A. Abubakar  
ICPAK Member No: 23585

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11. Statement of Financial Position as at 30 June 2025

Description	Notes	FY 2024-2025	Opening Statement
		Kshs	1 <sup>st</sup> July 2024 Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	21	114,568,792	119,200,786
Receivables from Exchange Transactions	22	36,410,123	-
Receivables from Non-Exchange Transactions	23	-	-
Inventories	24	63,458,406	-
Current portion of investments	25	-	-
<b>Total Current Assets</b>		<b>214,437,321</b>	<b>119,200,786</b>
<b>Non-Current Assets</b>			
Receivables from Exchange Transactions	22(b)	-	-
Non-current portion of investments	25	-	-
Property, Plant and Equipment	26	2,364,123,627	2,015,857,190
Intangible Assets	27	6,340,280	-
Investment Property	28	-	-
Right-of-use assets	29	-	-
Biological Assets	30	-	-
Tangible Natural Resources	31	-	-
<b>Total Non-Current Assets</b>		<b>2,370,463,907</b>	<b>2,015,857,190</b>
<b>Total Assets (A)</b>		<b>2,584,901,229</b>	<b>2,135,057,977</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	32	31,529,691	26,965,292
Refundable Deposits and Prepayments	33	106,298,820	93,087,410
Current Provision	34	-	-
Lease Liabilities	35	-	-
Deferred Income	36	-	-
Employee Benefit Obligation	37	6,502,904	7,637,597
Current Portion of Borrowings	38	-	-
<b>Total Current Liabilities</b>		<b>144,331,415</b>	<b>127,690,299</b>

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Description	Notes	FY 2024-2025	Opening Statement
		Kshs	1 <sup>st</sup> July 2024 Kshs
<b>Non-Current Liabilities</b>			
Non-Current Provisions	34	-	-
Lease Liabilities	35	-	-
Deferred Income	36	-	-
Non-Current Employee Benefit Obligation	37	-	-
Borrowings – Non-Current Portion	38	-	-
Service Concession Liability	39	-	-
<b>Total Non-Current Liabilities</b>		-	-
<b>Total Liabilities (B)</b>		<b>144,331,415</b>	<b>127,690,299</b>
<b>Net Assets (A-B)</b>		<b>2,440,569,814</b>	<b>2,007,367,678</b>
<b>Represented By:</b>			
Reserves		-	-
Accumulated Surplus		377,290,739	10,000,900
Capital Fund		2,063,279,075	1,997,366,779
<b>Net Assets</b>		<b>2,440,569,814</b>	<b>2,007,367,678</b>

The financial statements set out were signed by:



\_\_\_\_\_  
Chief Officer Finance  
Name: CPA Salma Omar Ahmed  
ICPAK Member No: 15009



\_\_\_\_\_  
Director Accounting Services  
Name: CPA Mohamed A. Abubakar  
ICPAK Member No: 23585

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12. Statement of Changes in Net Assets for the year ended 30 June 2025

Description	Accumulated Surplus	Reserves	Capital Fund	Total
As at 30 <sup>th</sup> June 2024 (cash basis)	291,172,904	-	-	291,172,904
<b>Adjustments:</b>				-
Recognition of assets	(272,697,125)	-	2,015,857,190	1,743,160,065
Recognition of liabilities	(8,474,880)	-	(18,490,412)	(26,965,292)
<b>As at July 1, 2025</b>	<b>10,000,899</b>	<b>-</b>	<b>1,997,366,779</b>	<b>2,007,367,678</b>
Surplus/ deficit for the year	383,079,973	-	-	383,079,973
Return to CRF	(15,790,133)	-	-	(15,790,133)
Recognition of Work in progress transferred to the class of assets	-	-	65,912,296	65,912,296
<b>As at June 30, 2025</b>	<b>377,290,739</b>	<b>-</b>	<b>2,063,279,075</b>	<b>2,440,569,814</b>

13. Statement of Cash Flows for the year ended 30 June 2025

Description	Notes	FY 2024-2025
		Kshs
<b>Cash flows from operating activities</b>		
<b>Receipts</b>		
Transfers from CRF		3,321,485,468
Miscellaneous Revenue		-
Other income		
<b>Total receipts</b>		<b>3,321,485,468</b>
<b>Payments</b>		
Employee costs		1,755,407,073
Use of goods and services		566,445,805
Transfers to other Government Entities		437,527,615
Other Grants and Subsidies		79,846,158
Finance costs		-
Social Benefits		-
<b>Total payments</b>		<b>2,839,226,650</b>
<b>Net cash flows from/ (used in) operating activities</b>	40	<b>482,258,818</b>
<b>Cash flows from investing activities</b>		
Purchase of PPE		(463,702,453)
Purchase Intangible assets		(7,398,226)
Proceeds from the sale of PPE		-
Proceeds from the sale of Biological Assets		-
Purchase of investments		-
Sale of investments		-
<b>Net cash flows from/(used in) investing activities</b>		<b>(471,100,679)</b>
<b>Cash flows from financing activities</b>		
Returns to CRF		(15,790,133)
Proceeds from borrowings		-
Repayment of borrowings		-
<b>Net cash flows from financing Activities</b>		<b>(15,790,133)</b>
<b>Net increase/(decrease) in cash &amp; Cash equivalents</b>		<b>(4,631,994)</b>
Cash and cash equivalents at 1 July 2024	21	119,200,786
<b>Cash and cash equivalents at 30 June 2025</b>	21	<b>114,568,792</b>

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14. Statement of Comparison of Budget and Actual Amounts for the Year ended 30 June 2025

Recurrent and Development Budgets Combined

Revenue/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 *100
<b>Revenues</b>						
Opening balance (Non-refundable special purpose accounts)	71,075,483	113,548,403	184,623,886	184,623,886	-	100%
Transfers from CRF	4,605,729,281	(374,912,960)	4,230,816,321	3,321,485,468	909,330,853	79%
Other income		-	-	-	-	0%
<b>Total revenues</b>	<b>4,676,804,764</b>	<b>(261,364,557)</b>	<b>4,415,440,207</b>	<b>3,506,109,354</b>	<b>909,330,853</b>	<b>79%</b>
<b>Expenses</b>						
Employee costs	1,725,876,890	(46,688,163)	1,679,188,727	1,755,407,073	(76,218,346)	105%
Use of goods and services	584,508,704	(16,836,218)	567,672,486	566,445,805	1,226,681	100%
Transfers to other Government Entities	1,030,015,659	248,355,335	1,278,370,994	437,527,615	840,843,379	34%
Other Grants and Subsidies	81,050,000	(577,692)	80,472,308	79,846,158	626,150	99%
Social Benefits	65,423,100	9,661,156	75,084,256	65,423,100	9,661,156	87%
<b>Total Expenses</b>	<b>3,486,874,353</b>	<b>193,914,418</b>	<b>3,680,788,771</b>	<b>2,904,649,750</b>	<b>776,139,021</b>	<b>79%</b>
<b>Capital items</b>						
Acquisition of PPE	1,182,532,185	(455,278,975)	727,253,210	463,702,453	263,550,757	64%
Acquisition of Intangible Assets	7,398,226	-	7,398,226	7,398,226	-	100%
Repayment of borrowings		-	-	-	-	0%
<b>Total Capital Items</b>	<b>1,189,930,411</b>	<b>(455,278,975)</b>	<b>734,651,436</b>	<b>471,100,679</b>	<b>263,550,757</b>	<b>64%</b>
<b>Grand Total</b>	<b>4,676,804,764</b>	<b>(261,364,557)</b>	<b>4,415,440,207</b>	<b>3,375,750,430</b>	<b>1,039,689,777</b>	<b>76%</b>
<b>Surplus/ deficit</b>	-	-	-	<b>130,358,925</b>	<b>(130,358,925)</b>	

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Reconciliation table

Description	Operating	Financing	Investing	Total
<b>Actual amounts on a comparable basis are presented in the budget and the actual comparative statement</b>	130,358,925	-	-	130,358,925
Basis difference	(15,790,133)	-	-	(15,790,133)
Timing differences	-	-	-	-
Entity differences	-	-	-	-
Classification differences	-	-	-	-
<b>Actual in the statement of cash flows</b>	<b>114,568,792</b>	<b>-</b>	<b>-</b>	<b>114,568,792</b>

*Budget Notes*

**1. Commentary on Significant Underutilization (IPSAS 24.14) - Overall, the County achieved 76% budget utilization against the final budget. The underutilization of 24% (Ksh. 1,039 million) was mainly attributable to:**

- **Delays in exchequer releases from the National Treasury constrained the timely implementation of planned activities and disbursements.**
- **Procurement delays**, especially in development projects under acquisition of property, plant, and equipment, result in low absorption (64%).
- **Transfers to other government entities** were affected by delays in implementing intergovernmental programmes, leading to only 34% utilization.
- **Non-receipt of some conditional grants** by the close of the financial year which reduced available resources and affected the implementation of related programmes.

**2. Explanation of Changes between Original and Final Budget (IPSAS 24.29) - In total, the final budget was reduced by Ksh. 261.4 million compared to the original budget. These changes were due to the supplementary budget.**

## **15. Notes to the Financial Statements**

### **1. General Information**

The Lamu County Executive is established by and derives its authority and accountability from the Constitution of Kenya 2010. The entity is domiciled in Kenya.

### **2. Statement of Compliance and Basis of Preparation**

#### **Statement of compliance**

The financial statements have been prepared in accordance with the Public Finance Management Act, 2012, and with the International Public Sector Accounting Standards (IPSAS).

#### **Guiding note during the transition period:**

The financial statements have been prepared in accordance with the PFM Act, and International Public Sector Accounting Standards (IPSAS), and the entity has taken advantage of the transitional provisions under IPSAS 33 and therefore these 1<sup>st</sup>/ 2<sup>nd</sup>/ 3<sup>rd</sup>/ years financial statements are transitional financial statements and the following elements of the financial statements have not been recognised as the entity has taken advantage of the transition provisions outlined in IPSAS 33. These financial statements were authorised for issue by the accounting officer on 25<sup>th</sup> August 2025

#### **Basis of Preparation**

These financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period. These financial statements have been prepared on an accrual basis unless otherwise specified (for example, the Statement of Cash Flows). Under an accrual basis, revenues are recognised when rights to assets are earned or levied rather than when cash is received, and expenses are recognised when obligations are incurred rather than when they are settled. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Entity. The accounting policies adopted have been consistently applied to all the years presented.

#### **Reporting period**

The reporting period for these financial statements is for the period ended 30<sup>th</sup> June 2025.

## Notes to the financial statements

### Critical accounting judgements

IPSAS requires accounting judgments to be made in determining accounting policies that impact the presentation of these financial statements. The most critical of these judgements, and their impact, are:

#### Recognition of revenue

Revenue is an increase in the net financial position, other than increases arising from ownership contributions. Revenue is required to be measured when the event occurs and when recognition criteria (probable inflow of resources and ability to reliably measure their value) are met. Judgment is required to determine if these criteria are met, particularly where limited evidence is available at the time the revenue is earned.

#### Recognition of non-exchange expenses and liabilities

A liability is a present obligation of an entity for an outflow of resources that results from a past event. Expenses (and other liabilities) are recognized when there is a present obligation (legal or constructive) as a result of a past event. An outflow of resources embodying economic benefits will probably be required to settle the obligation, and a reliable estimate of the obligation can be made. Judgment is required in assessing each of these conditions, and therefore reporting if an expense and a present obligation should be reported.

The Lamu County Executive pursues a number of policy targets and outcomes. However, the commitment to these targets and outcomes, generally, does not of itself constitute a present obligation unless the Lamu County Executive is clear on the cost it intends to incur, when payment will be made, and to whom, and as a consequence has raised a valid expectation. As a consequence, liabilities are not reported for costs associated with the entity's policy objectives and targets. Where a policy choice gives rise to an obligation that exists independently of the entity's future actions, expenses (and other related liabilities) are recognized for that policy.

#### Purpose and nature of financial instruments

Judgment is required in determining whether financial assets (including investment in securities and advances) and financial liabilities are held for trading or to provide a return through interest

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and principal transactions. Depending on that judgment, financial instruments will be reported at fair value or on an amortized cost basis.

**Climate change obligations**

Kenya’s current National Determined Contribution (NDC) to deliver on the goals of the Paris Agreement sets a headline target of a 32 per cent emission reduction by 2030 relative to the business-as-usual scenario of 143 MtCO<sub>2</sub>eq. Entities commitment to climate change action does not constitute a present obligation on the balance sheet but is disclosed separately.

**Physical assets**

An asset is a resource presently controlled by the entity as a result of a past event. The primary reason for holding property, plant, and equipment and other assets is for their service potential rather than their ability to generate cash flows. Because of the types of services provided, a significant proportion of assets used by public sector entities, including roads, national parks, heritage buildings etc are specialized in nature. There may be a limited market for such assets, and so judgment is required on measurement. Judgment is also required on whether assets are held for commercial purposes or public benefit purposes.

**3. Adoption of New and Revised Standards**

**i) New and amended standards and interpretations in issued effective in the year ended 30 June 2025.**

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 cash flows of an Entity. The new standard requires entities to recognise, measure, and present information on right-of-use assets and lease liabilities.</p>
IPSAS 44: Non-Current	<p><i>Applicable 1<sup>st</sup> January 2025</i></p> <p>The Standard requires,</p>

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Standard	Effective date and impact:
Assets Held for Sale and Discontinued Operations	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: 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.
IPSAS 45- Property, Plant and Equipment	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets, and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45; heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance, and illustrative examples. The standard has clarified existing principles, e.g, valuation of land over or under the infrastructure assets, under-maintenance of assets, and distinguishing significant parts of infrastructure assets.</p>
IPSAS 46 Measurement	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS;</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement, and measurement-related disclosures.</li> </ul> <p>The standard also introduces a public sector-specific measurement bases called the current operational value.</p>

**ii) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025**

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Standard	Effective date and impact:
IPSAS 47- Revenue	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non-exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
IPSAS 48- Transfer Expenses	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>
IPSAS 49- Retirement Benefit Plans	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans that provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><b><i>Applicable 1<sup>st</sup> January 2027</i></b></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"> <li>i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</li> <li>ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26.</li> <li>iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.</li> </ul>

**iii) Early adoption of standards**

The Entity did not early-adopt any new or amended standards in the financial year or the entity adopted the following standards early.

**4. Summary of 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 Entity and can be measured reliably. Recurrent grants are recognized in the statement of financial performance. Development/Capital grants are recognized in the statement of financial performance after meeting revenue recognition criteria. Conditional grants are recognized as revenue upon fulfilment of the set conditions.

**ii. Revenue from exchange transactions**

**Interest income**

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

**Dividends**

Dividends or similar distributions must be recognized when the shareholder's or the Entity's right to receive payments is established.

**Rental income**

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

**b) Budget information**

The original budget for FY 2024/2025 was approved by the County Assembly on 30<sup>th</sup> June 2024. 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 Entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Entity recorded additional appropriations of 2025 on the 2024/2025 budget following the governing body's approval. The Entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements.

**Budget information (continued)**

The financial statements are prepared on an 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. 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. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial cash flows has been presented under section of these financial statements.

**a) Investment property**

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a year period. Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

**b) Property, plant and equipment**

All property, plant, and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant, and equipment are required to be replaced at intervals, the Entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration, the asset is initially measured at its fair value.

**c) Right of use asset**

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Whenever the entity incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located, or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under IPSAS 21 or IPSAS 26. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories. Right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the entity expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease. The right-of-use assets are presented as a separate line in the statement of financial position.

**d) Tangible Natural Resources**

The entity recognises a tangible natural resource if, and only if: It is probable that service potential associated with the natural resource will flow to the entity; the entity controls the tangible natural resource as a result of past events; and the tangible natural resource can be measured reliably. Where this criterion is not met, the entity discloses the tangible natural resource in the notes to the financial statements. Where a tangible natural resource is recognized as an asset as the result of an event that is not a transaction in an orderly market, including non-exchange transactions, the

asset shall be measured initially at its deemed cost. An entity shall apply IPSAS 46, Measurement, when measuring the deemed cost of such a recognized tangible natural resource. A recognized tangible natural resource acquired through an exchange transaction shall be measured at its cost. The historical cost model is applied after initial recognition, less any depreciation and impairment losses.

### **Leases**

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the Entity. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Entity also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Entity will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

#### **e) Intangible assets**

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred. The useful life of the intangible assets is assessed as either finite or indefinite.

#### **f) Research and development costs**

The Entity expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Entity can demonstrate:

- i) The technical feasibility of completing the asset so that the asset will be available for use or sale;
- ii) Its intention to complete and its ability to use or sell the asset;
- iii) How the asset will generate future economic benefits or service potential;
- iv) The availability of resources to complete the asset;
- v) The ability to measure reliably the expenditure during development.

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

**g) Financial instruments**

IPSAS 41 addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

**i. Financial assets**

**Classification of financial assets**

The entity classifies its financial assets as subsequently measured at amortized cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the entity's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates

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to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made an irrevocable election at initial recognition for particular investments in equity instruments.

**Subsequent measurement**

Based on the business model and the cash flow characteristics, the entity classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity, subject to certain criteria being met.

**Amortized cost**

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

**Fair value through net assets/ equity**

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue, and foreign exchange gains and losses, which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

**Trade and other receivables**

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An

estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end.

#### **Fair value through surplus or deficit**

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/equity are measured at fair value through surplus or deficit. A business model where the entity manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

#### **Impairment**

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in the Note.

#### **ii. Financial liabilities**

##### **Classification**

The entity classifies its liabilities as subsequently measured at amortized cost, except for financial liabilities measured through surplus or deficit

##### **h) Inventories**

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition. Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

- i) Raw materials: purchase cost using the weighted average cost method.
- ii) Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

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After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Lamu County Executive.

**i) Provisions**

Provisions are recognized when the Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Where the Entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

**j) Contingent liabilities**

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.

**k) Contingent assets**

The Entity 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.

**l) Nature and purpose of reserves**

The Lamu County Executive have not created and maintains reserves in terms of specific requirements.

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

The Entity recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

**n) Employee benefits**

**Retirement benefit plans**

The Lamu County Executive provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an Entity pays fixed contributions into a separate Entity (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued triannually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on a proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

**o) Foreign currency transactions**

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. At each reporting date, foreign currency monetary items are translated using the closing rate. Non-monetary items measured in historical cost are translated using the exchange rate at the date of the transaction, and those measured at fair value are translated using the exchange rates at the date when the fair value was determined. Exchange differences arising from the settlement of monetary items or translation of monetary/non-monetary items at rates different from those at which they were initially reported are recognized in surplus or deficit in the period.

**p) Borrowing costs**

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

**q) Related parties**

The Lamu County Executive 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 Governor, Deputy Governor, County Secretary, County Executive Committee Members and Chief Officers, Speaker of the county assembly and, Clerk of the county Assembly, Directors and senior managers.

**r) Service concession arrangements.**

The Lamu County Executive analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the Lamu County Executive recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise, any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the Lamu County Executive also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

**s) 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.

**t) Comparative figures**

In preparing these financial statements the entity has elected to apply paragraph 79 of IPSAS 33, which allows for the election by an entity to present one statement of financial performance, one statement of cash flow, one statement of net assets and the statement of financial position and an opening statement of financial position as at the time of first-time adoption of the accrual basis of accounting.

**u) Subsequent events**

There have been no events subsequent to the financial year-end with a significant impact on the financial statements for the year ended June 30, 2025.

**5. Significant Judgments and Sources of Estimation Uncertainty**

The preparation of the Entity's 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:

**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. The Entity based its assumptions and estimates on parameters available when the 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.

**Useful lives and residual value**

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

- a) The condition of the asset based on the assessment of experts employed by the Entity.
- b) The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- c) The nature of the processes in which the asset is deployed.
- d) Availability of funding to replace the asset.
- e) Changes in the market in relation to the asset

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**Provisions**

No Provisions were raised, and management determined an estimate based on the information available.

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Notes to the Financial Statements (Continued)

6. Transfers from CRF

Nature of Transfer	Amount recognized in the Statement of Financial Performance. Kshs	Amount deferred under deferred income. Kshs	Total transfers 2024-2025
			Kshs
Recurrent	2,348,654,871	-	2,348,654,871
Development	630,570,783	-	630,570,783
Special-purpose transfers	342,259,814	-	342,259,814
<b>Total</b>	<b>3,321,485,468</b>	<b>-</b>	<b>3,321,485,468</b>

7. Miscellaneous Revenue

Nature of Revenue	FY 2024-2025
	Kshs
In-kind grants and donations	-
Refunds & Reimbursements	-
Revenues not classified anywhere else	-
<b>Total</b>	<b>-</b>

8. Other Incomes

Description	FY 2024-2025
	Kshs
Insurance recoveries	-
Sale of tender documents	-
Services concession income	-
Other incomes not specified elsewhere	-
<b>Total other income</b>	<b>-</b>

9. Employee Costs

Description	FY 2024-2025
	Kshs
Basic salaries of permanent employees	714,556,250
Basic wages of temporary employees	107,351,876
Personal allowances – part of salary	767,293,655
Pension and other social security contributions	10,583,965
Employer contributions to compulsory national social security schemes	93,008,772
Employer contributions to compulsory national health insurance schemes	-
Gratuity Payment	75,084,256
<b>Total Employee Costs</b>	<b>1,767,878,774</b>

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**10. Use of Goods and Services**

<b>Description</b>	<b>FY 2024-2025</b>
	<b>Kshs</b>
Utilities, supplies, and services	69,340,658
Communication, supplies, and services	6,449,018
Domestic travel and subsistence	68,513,541
Foreign travel and subsistence	2,566,301
Printing, advertising, and information supplies & services	13,824,753
Rentals of produced assets	4,127,841
Training expenses	4,301,001
Hospitality supplies and services	22,563,400
Insurance costs	50,577,354
Specialized materials and services	71,723,679
Other operating expenses, including bank Charges	52,513,986
Office and general supplies and services	17,543,499
Fuel Oil and Lubricants	67,560,295
Routine maintenance – Vehicles and other Transport Equipment	12,970,553
Routine maintenance – Other Assets	9,211,368
<b>Others</b>	
Purchase of Household Furniture and Institutional Equipment	217,015
Refurbishment of Buildings	66,750
Purchase of Office Furniture and General Equipment	410,383
Purchase of Specialized Plant, Equipment, and Machinery	30,800
<b>Total</b>	<b>474,512,195</b>

**11. Transfers to Other Government Entities**

<b>Description</b>	<b>FY 2024-2025</b>
	<b>Kshs</b>
Transfers to other County Government entities	391,650,431
Transfers to self-reporting projects	45,877,184
Transfers to car loans and mortgage schemes	-
<b>Total</b>	<b>437,527,615</b>

**12. Depreciation and Amortization Expense**

<b>Description</b>	<b>FY 2024-2025</b>
	<b>Kshs</b>
Property, plant and equipment	177,582,808
Intangible assets	1,057,946
Investment property carried at cost	-
<b>Total</b>	<b>178,640,754</b>

**13. Other Grants and Subsidies**

Description	FY 2024-2025
	Kshs
Scholarships and other educational benefits	79,422,308
Emergency relief and refugee assistance	423,850
Grants to small businesses, cooperatives, and self-employed	-
Subsidies to Public entities	-
Subsidies to Private entities	-
<b>Total Grants and Subsidies</b>	<b>79,846,158</b>

**14. Finance Costs**

Description	FY 2024-2025
	Kshs
Interest Payments on Guaranteed Debt Taken over by Govt	-
Interest on bank overdrafts	-
Interest on loans from commercial banks	-
<b>Total finance costs</b>	<b>-</b>

**15. Social Benefits**

Description	FY 2024-2025
	Kshs
Transfers to the elderly	-
Transfers to the physically challenged	-
<b>Total social benefit expenses</b>	<b>-</b>

**16. Gain/Loss on Sale of Assets**

Description	FY 2024-2025
	Kshs
Property, plant and equipment	-
Intangible assets	-
<b>Total gain on sale of assets</b>	<b>-</b>

**17. Gain/Loss on Foreign Exchange**

Description	FY 2024-2025
	Kshs
Gain or loss on foreign exchange transactions	-
Gain or loss on balances in foreign exchanges	-
<b>Total</b>	<b>-</b>

**18. Gain/Loss on Fair Value Investments**

Description	FY 2024-2025
	Kshs
Investments at Fair Value	-
<b>Total Gain</b>	<b>-</b>

**19. Impairment Loss**

Description	FY 2024-2025
	Kshs
Property, Plant and Equipment	-
Intangible Assets	-
<b>Total Impairment Loss</b>	<b>-</b>

**20. Taxation**

Description	FY 2024-2025
	Kshs
Current income tax charge	-
Tax charged on rental income	-
Tax charged on interest income	-
Original and reversal of temporary differences	-
<b>Income tax expense is reported in the statement of financial performance</b>	<b>-</b>

**21. Cash and Cash Equivalents**

Description	FY 2024-2025	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	Kshs
Recurrent Account	272,388	3,984,080
Development Account	301,584	1,005
Deposits Account	106,298,820	93,087,410
Special Purpose Accounts	1,048,630	11,572,003
Other Operating Commercial Bank Accounts	6,647,370	10,556,288
<b>Total</b>	<b>114,568,792</b>	<b>119,200,786</b>

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21 (a) Detailed Analysis of the Cash and Cash Equivalents

Description	Account number	FY 2024-2025	Opening Statement
		Kshs	1 <sup>st</sup> July 2024
Financial Institution		Kshs	Kshs
<b>Recurrent Accounts</b>			
CBK - Lamu County Recurrent Account	1000171146	272,388	3,984,080
<b>Sub Total</b>		<b>272,388</b>	<b>3,984,080</b>
<b>Development Accounts</b>			
CBK - Lamu County Development Account	1000171057	301,584	1,005
<b>Sub Total</b>		<b>301,584</b>	<b>1,005</b>
<b>Deposits Accounts</b>			
CBK - Lamu County Deposit Account	1000242857	106,298,820	93,087,410
<b>Sub Total</b>		<b>106,298,820</b>	<b>93,087,410</b>
<b>Special Purpose Accounts</b>			
CBK - Lamu County Village Polytechnic Project	1000367202	-	2
CBK - Lamu County Fuel Levy Account	1000247177	-	8,631,794
CBK - Lamu County, Kenya Urban Support Program	1000371234	-	-
CBK - Lamu County Covid-19 Response	1000457414	-	2,839,717
CBK - Lamu County Food Systems Resilience	1000745778	-	-
CBK - Lamu County KE Dev Supp Program II	1000745487	3,130	-
CBK - Lamu County Equalization Fund	1000737514	-	-
CBK - Lamu County Community Health Promoters	1000744537	-	-
CBK - Lamu County Govt Headquarters	1000744529	-	-
CBK - Lamu County Urban Institution Grant Account	1000419008	-	800
CBK - Lamu County Primary Health Care	1000567848	1,045,500	97,184
CBK - Lamu County, Kenya Devolution Support Program (KDSP)	1000371242	-	2,506
<b>Sub Total</b>		<b>1,048,630</b>	<b>11,572,003</b>
<b>Other Operating Commercial Bank Accounts</b>			
KCB - Standing Imprest Account	1140745603	139,197	1
KCB - Lamu County Salary Control Account	1179132424	31	47,558
DTB - County Executive Gratuity Account	30469001	6,502,904	7,637,597
GULF - Lamu County Salary Control Account	570000501	2,869	80,900
EQUITY - Lamu Municipality Urban Institutional Account	1590279012840	-	2,546,936
EQUITY - Lamu County, Kenya Urban Support Program	1590279012879	-	40,015
EQUITY - Lamu County Salary Account	1590265264437	2,370	203,281
<b>Sub Total</b>		<b>6,647,370</b>	<b>10,556,288</b>
<b>Total</b>		<b>114,568,792</b>	<b>119,200,786</b>

Notes to the Financial Statements (Continued)

22. Receivables from Exchange Transactions

Description	FY 2024-2025	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	Kshs
<b>Total receivables</b>		
Other Exchange Debtors	36,410,123	-
Less: impairment allowance	-	-
<b>Total receivables</b>	<b>36,410,123</b>	-
a) Current receivables	36,410,123	-
b) Non-current receivables	-	-
<b>Total Receivables (a+b)</b>	<b>36,410,123</b>	-

i) Ageing analysis for Receivables

Description	FY 2024-2025		Opening Statement 1 <sup>st</sup> July 2024	
	Kshs		Kshs	
	2024-2025	% of the total	Opening Balance	% of the total
Less than 1 year	36,410,123	100%	-	%
Between 1- 2 years	-	%	-	%
Between 2-3 years	-	%	-	%
Over 3 years	-	%	-	%
<b>Total (a+b)</b>	<b>36,410,123</b>	<b>100%</b>	-	%

ii) Reconciliation for Impairment Allowance on Receivables from Exchange Transactions

Impairment allowance	FY 2024-2025
	Kshs
At the beginning of the year	-
Additional allowance during the year	-
Recovered during the year	-
Written off during the year	-
At the end of the year	-

Notes to the Financial Statements (Continued)

23. Receivables from Non-Exchange Transactions

Description	FY 2024-2025		Opening Statement 1 <sup>st</sup> July 2024	
	Kshs		Kshs	
Other debtors (non-exchange transactions)	-		-	
Less: impairment allowance	-		-	
<b>Total receivables from non-exchange transactions</b>	-		-	
<b>Ageing Analysis-Receivables from non-exchange transactions</b>	<b>FY 2024-2025</b>	<b>% of the total</b>	<b>Opening Balance</b>	<b>% of the total</b>
Less than 1 year	-	%	-	%
Between 1-2 years	-	%	-	%
Over 3 years	-	%	-	%
<b>Total</b>	-	%	-	%

i. Reconciliation for Impairment Allowance on Receivables from Non-Exchange Transactions

Description	FY 2024-2025
	Kshs
At the beginning of the year	-
Additional provisions during the year	-
Recovered during the year	-
Written off during the year	-
At the end of the year	-

Notes to the Financial Statements (Continued)

24. Inventories

Description	FY 2024-2025	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	Kshs
Spare parts	-	-
Goods held for distribution	63,458,406	-
Less: allowance for impairment	-	-
<b>Total</b>	<b>63,458,406</b>	<b>-</b>

Detailed disclosure on inventories

Description	FY 2024-2025
	Kshs
Opening balance	-
Additional Inventory in the year	63,458,406
Inventory expensed in the year	-
Write-downs in the year	-
Others specify	-
<b>Closing balance</b>	<b>63,458,406</b>

25. Investments

Description	FY 2024-2025	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	Kshs
<b>a) Investment in Treasury bills and bonds</b>		
Financial institution		
CBK	-	-
CBK	-	-
Sub- total	-	-
<b>b) Investment with Financial Institutions/ Banks</b>	-	-
Sub- total	-	-
<b>c) Equity investments (specify)</b>	-	-
Sub- total	-	-
Grand total	-	-
<b>Analyzed as:</b>	-	-
Current portion of Investment	-	-
Non-current portion of investment	-	-

d) Movement of Equity Investments

Description	FY 2024-2025
	Kshs
At the beginning of the year	-
Purchase of investments in the year	-
Sale of investments during the year	-
Increase /(decrease ) in fair value of investments	-
At the end of the year	-

e) Shareholding in other entities

For investments in equity shares listed under note 25 above, list down the equity investments under the following categories.

Name of Entity where investment is held	No of shares			Nominal value of shares	Fair value of shares	Fair value of shares
	Direct shareholding	Indirect shareholding	Effective shareholding			
	%	%	%	Kshs	Kshs	Opening Statement 1 <sup>st</sup> July 2024 Kshs
Entity A	-	-	-	-	-	-
Entity B	-	-	-	-	-	-
Entity C	-	-	-	-	-	-
	-	-	-	-	-	-

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26. Property, Plant and Equipment

Description	Land	Buildings	Motor vehicles	Furniture and fittings	Computers	ICT and Other Equipment	Road Infrastructure	Plant and machinery	Other Infrastructure	Work in progress	Total
Depreciation Rate	-	3.50%	16.67%	12.50%	30.00%	30.00%	2.50%	20%	20%	-	-
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
As at 1st July 2024	398,062,094	933,079,376	555,172,299	24,988,340	30,749,379	28,990,831	583,578,790	97,294,395	243,361,182	120,053,971	3,015,330,657
Additions	-	128,326,106	25,935,816	4,849,848	2,708,350	43,082,800	111,009,798	-	132,998,483	134,213,623	583,124,824
Disposals	-	-	-	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	(33,788,661)	(222,500)	-	-	-	-	(48,725,897)	-	(82,737,058)
As At June 2025	398,062,094	1,061,405,482	547,319,454	29,615,688	33,457,729	72,073,632	694,588,588	97,294,395	327,633,767	254,267,593	3,515,718,423
Depreciation											
As at 1st July 2025	-	137,423,739	380,412,266	3,123,543	19,287,450	13,137,118	198,782,195	37,630,608	209,676,548	-	999,473,467
Additions	-	32,019,408	34,903,481	3,729,774	9,754,912	19,703,235	36,163,172	-	41,308,825	-	177,582,808
Disposals	-	-	-	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	(5,410,394)	(27,813)	-	-	-	-	(20,023,272)	-	(25,461,479)
As At June 2025	-	169,443,147	409,905,353	6,825,504	29,042,362	32,840,353	234,945,367	37,630,608	230,962,101	-	1,151,594,796
Net Book Values											-
Opening Bal as at 1st July 2024	398,062,094	795,655,637	174,760,033	21,864,798	11,461,929	15,853,713	384,796,595	59,663,787	33,684,634	120,053,971	2,015,857,190
As At June 2025	398,062,094	891,962,335	137,414,101	22,790,185	4,415,367	39,233,279	459,643,221	59,663,787	96,671,666	254,267,593	2,364,123,627

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**Note:**

The balance under Work in Progress represents expenditure on ongoing development projects of the Lamu County Executive, which were not completed as at the end of the financial year. These mainly relate to infrastructure and social projects such as roads, water supply systems, health facilities, and other capital works. Upon completion, the costs will be transferred to the relevant asset categories under Property, Plant and Equipment.

**26 (b) Property, Plant and Equipment at Cost**

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	398,062,094	-	398,062,094
Buildings	1,061,405,482	169,443,147	891,962,335
Motor Vehicles, Including Motorcycles	547,319,454	409,905,353	137,414,101
Furniture And Fittings	29,615,688	6,825,504	22,790,185
Computers And Related Equipment	33,457,729	29,042,362	4,415,367
ICT and Other Equipment	72,073,632	32,840,353	39,233,279
Road Infrastructure	694,588,588	234,945,367	459,643,221
Plant And Machinery	97,294,395	37,630,608	59,663,787
Other infrastructure	327,633,767	230,962,101	96,671,666
Work in Progress	254,267,593	-	254,267,593
<b>Total</b>	<b>3,515,718,423</b>	<b>1,151,594,796</b>	<b>2,364,123,627</b>

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Notes to the Financial Statements (Continued)

27. Intangible Assets

Description	FY 2024-2025
	Kshs
<b>Cost/Opening balance at the beginning of the year</b>	
Additions	7,398,226
Disposal	-
<b>At the end of the year</b>	<b>7,398,226</b>
Additions–internal development	-
Disposal	-
<b>At the end of the year</b>	<b>7,398,226</b>
<b>Amortization and impairment</b>	
<b>At the beginning of the year</b>	-
Amortization	1,057,946
<b>At the end of the year</b>	<b>1,057,946</b>
Impairment loss	-
<b>At the end of the year</b>	-
<b>NBV</b>	<b>6,340,280</b>

28. Investment Property

Description	FY 2024-2025
	Kshs
<b>Cost/Opening balance at the beginning of the year</b>	-
Additions	-
Disposal during the year	-
Depreciation	-
Impairment	-
<b>At the end of the year</b>	-

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29. Right-of-use assets

Description	Buildings	Motor vehicles	Plant and equipment	Total
	Kshs	Kshs	Kshs	Kshs
<b>Cost</b>				
As at 1 July 2024	-	-	-	-
Additions	-	-	-	-
As at 30 <sup>th</sup> June 2025	-	-	-	-
<b>Accumulated Depreciation</b>				
As at 1 July 2024	-	-	-	-
Charge for the year	-	-	-	-
As at 30 <sup>th</sup> June 2025	-	-	-	-
<b>Carrying Amount</b>				
As at 30 <sup>th</sup> June 2025	-	-	-	-

30. Biological Assets

Description	FY 2024-2025	Opening Statement 1 <sup>st</sup> July 2025
	Kshs	Kshs
<b>Total</b>	-	-

31. Tangible Natural Resources

Description	Sub-soil assets	Water	Wildlife	Total
	Kshs	Kshs	Kshs	Kshs
<b>Cost</b>				
As at 1 July 2024	-	-	-	-
Additions	-	-	-	-
As at 30 <sup>th</sup> June 2025	-	-	-	-
<b>Accumulated Depreciation</b>				
As at 1 July 2024	-	-	-	-
Charge for the year	-	-	-	-
As at 30 <sup>th</sup> June 2025	-	-	-	-
<b>Carrying Amount</b>				
As at 30 <sup>th</sup> June 2025	-	-	-	-

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Notes to the Financial Statements (Continued)

32. Trade and Other Payables

Description	FY 2024-2025		Opening Statement 1 <sup>st</sup> July 2024	
	Kshs		Kshs	
Trade payables	17,923,297		26,965,292	
Payments received in advance	-		-	
Employee payables	13,606,394		-	
Third-party payments	-		-	
Other payables	-		-	
<b>Total trade and other payables</b>	<b>31,529,691</b>		<b>26,965,292</b>	
<b>Ageing analysis: (Trade and other payables)</b>	<b>2024-2025</b>	<b>% of the Total</b>	<b>Opening balance</b>	<b>% of the Total</b>
Under one year	22,865,972	73%	9,588,029	36%
1-2 years	-	0%	-	%
2-3 years	-	0%	-	%
Over 3 years	8,663,719	27%	17,377,262	64%
<b>Total (tie to above total)</b>	<b>31,529,691</b>	<b>100%</b>	<b>26,965,292</b>	<b>100%</b>

33. Refundable Deposits and Prepayments

Description	2024-2025		Opening Statement 1 <sup>st</sup> July 2024	
	Kshs		Kshs	
Customer deposits	106,298,820		93,087,410	
Prepayments	-		-	
<b>Total deposits</b>	<b>106,298,820</b>		<b>93,087,410</b>	
<b>Ageing analysis: (Refundable deposits)</b>	<b>Current FY</b>	<b>% of the Total</b>	<b>Opening Balance</b>	<b>% of the Total</b>
Under one year	65,041,224	61%	45,024,514	48%
1-2 years	20,169,016	19%	22,145,426	24%
2-3 years	18,788,194	18%	23,447,094	25%
Over 3 years	2,300,386	2%	2,470,376	3%
<b>Total</b>	<b>106,298,820</b>	<b>100%</b>	<b>93,087,410</b>	<b>100%</b>

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Notes to the Financial Statements (Continued)

34. Provisions

Description	Leave provision	Gratuity Provision	Other provision	Total
	Kshs	Kshs	Kshs	Kshs
<b>Balance b/f</b>	-	-	-	-
Additional provisions	-	-	-	-
Provision utilised	-	-	-	-
Change due to discount and time value for money	-	-	-	-
<b>Total provisions year-end</b>	-	-	-	-
Current Provisions	-	-	-	-
Non-Current Provisions	-	-	-	-

35. Lease Liabilities

Description	FY 2024-2025	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	Kshs
<b>Balance at the beginning of the year</b>	-	-
Discount interest on lease liability	-	-
Paid during the year	-	-
<b>At the end of the year</b>	-	-

Maturity Analysis

Period	Amount
Year 1	-
Year 2	-
Year 3	-
Year 5 and onwards	-
Less: unearned Interest	-
<b>Total</b>	-

Analysed as:

Description	Amount
Current	-
Non-Current	-
<b>Total</b>	-

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Notes to the Financial Statements (Continued)

36. Deferred Income

Description	FY 2024-2025	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	Kshs
National Government	-	-
International Funders	-	-
Public Contributions and Donations	-	-
<b>Total Deferred Income</b>	-	-

The deferred income movement is as follows:

Description	National government	International funders	Public contributions and donations	Total
	Kshs	Kshs	Kshs	Kshs
Balance Brought Forward	-	-	-	-
Additions	-	-	-	-
Transfers To Capital Fund	-	-	-	-
Transfers To Income Statement	-	-	-	-
Other Transfers	-	-	-	-
Balance Carried Forward	-	-	-	-

Analysed as:

Description	Amount
Current	-
Non-Current	-
<b>Total</b>	-

Notes to the Financial Statements (Continued)

37. Employee Benefit Obligations

Description	Defined benefit plan	Post-employment medical benefits	Other Benefits	FY 2024-2025	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	-	-	6,502,904	6,502,904	7,637,597
Non-Current Benefit Obligation	-	-	-	-	-
<b>Total Employee Benefits Obligation</b>	-	-	<b>6,502,904</b>	<b>6,502,904</b>	<b>7,637,597</b>

**Retirement benefit Asset/ Liability (Applicable to Pensions)**

The Entity operates a defined benefit scheme for all full-time employees from July 1, 2024. The scheme is administered by those who are the custodians of the scheme.

An actuarial valuation to fulfil the financial reporting disclosure requirements of IPSAS 39 was carried out as at 30<sup>TH</sup> June 2025 by actuarial valuers. On this basis, the present value of the defined benefit obligation and the related current service cost and past service cost were measured using the Projected Unit Credit Method. The principal assumptions used for the purposes of valuation are as follows:

Description	FY 2024-2025	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	Kshs
Discount Rates	0%	0%
Future Salary Increases	0%	0%
Future Pension Increases	0%	0%
Mortality (Pre- Pre-Retirement)	0%	0%
Mortality (post-retirement)	0%	0%
Withdrawals	0%	0%
Ill Health	0%	0%
Retirement	00 years	00 years

Notes to the Financial Statements (Continued)

Recognition of Retirement Benefit Asset/ Liability

- a) Amounts recognised under other gains/ Losses in the statement of Financial Performance:

Description	FY 2024-2025	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	Kshs
The return on defined plan assets	-	-
Actuarial gains/ losses arising from changes in demographic assumptions	-	-
Actuarial gains/ losses arising from changes in financial assumptions	-	-
Actuarial gains and losses arising from experience adjustments	-	-
Adjustments for restrictions on the defined benefit asset	-	-
<b>Remeasurement of the net defined benefit liability (asset)</b>	-	-

- b) Amounts recognized in the Statement of Financial Position

Description	FY 2024-2025	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	Kshs
Present value of defined benefit obligations(a)	-	-
Fair value of plan assets(b)	-	-
Funded status (= a-b)	-	-
Restrictions on assets recognised	-	-
Others	-	-
Net asset or liability arising from a defined benefit obligation	-	-

The Entity also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The Entity's obligation under the scheme is limited to specific contributions legislated from time to time. Other than NSSF, the Entity also has a defined contribution scheme operated by the LAP Fund Pension Fund. Employer contributions are recognised as expenses in the statement of financial performance within the period they are incurred.

Notes to the Financial Statements (Continued)

38. Borrowings

Description	FY 2024-2025
	Kshs
<b>a) External borrowings</b>	
Balance at the beginning of the year	-
External borrowings during the year	-
Repayments during the year	-
<b>Balance at the end of the year</b>	-
<b>b) Domestic borrowings</b>	
Balance at the beginning of the year	-
Domestic borrowings during the year	-
Repayments during the year	-
<b>Balance at the end of the year</b>	-
<b>Balance at the end of the period- domestic and External borrowings c = (a+b)</b>	-

The analyses of both external and domestic borrowings are as follows:

Description	FY 2024-2025	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	Kshs
<b>External Borrowings</b>		
Dollar-Denominated Loan From 'X Organization'	-	-
Sterling Pound Denominated Loan From 'Y Organization'	-	-
Euro Denominated Loan from Z Organization'	-	-
<b>Domestic Borrowings</b>	-	-
Kenya Shilling Loan From KCB	-	-
Kenya Shilling Loan from Barclays Bank	-	-
Kenya Shilling Loan from Consolidated Bank	-	-
<b>Total /Balance at the end of The Year</b>	-	-

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Description	FY 2024-2025	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	Kshs
Short Term Borrowings (Current Portion)	-	-
Long-Term Borrowings	-	-
<b>Total</b>	-	-

39. Service Concession Arrangements Liability

Description	FY 2024- 2025	Opening Statement 1 <sup>st</sup> July 2025
	Kshs	Kshs
Fair value of service concession assets recognized under PPE	-	-
Accumulated depreciation to date	-	-
Net carrying amount	-	-
Service concession liability at the beginning of the year	-	-
Service concession revenue recognized	-	-
Service concession liability at the end of the year	-	-

40. Cash Generated from Operations

Description	FY 2024-2025
	Kshs
<b>Surplus for the year before tax</b>	<b>383,079,973</b>
<b>Adjusted for:</b>	
Depreciation	178,640,754
Non-cash grants received	-
Impairment	-
Gains and losses on disposal of assets	-
Contribution to provisions	-
<b>Working capital adjustments</b>	
Increase in inventory	(63,458,406)
Increase in receivables	(36,410,123)
Increase in deferred income	-
Increase in payables	20,406,620
Increase in payments received in advance	-
<b>Net cash flow from operating activities</b>	<b>482,258,818</b>

Notes to the Financial Statements (Continued)

**41. Financial Risk Management**

The Entity's activities expose it to a variety of financial risks, including credit and liquidity risks and effects of changes in foreign currency. The Entity'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 levels of risk. The Entity 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 Entity's financial risk management objectives and policies are detailed below:

**i) Credit risk**

The Entity has 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 amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Entity's management based on prior experience and their assessment of the current economic environment. The carrying amount of financial assets recorded in the financial statements representing the Entity's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

<b>Description</b>	<b>Total amount</b>	<b>Fully performing</b>	<b>Past due</b>	<b>Impaired</b>
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
<b>As at 30 June 2025</b>				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	114,568,792	-	-	-
<b>Total</b>	<b>114,568,792</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

**Financial Risk Management**

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Entity has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Entity has a significant concentration of credit risk on amounts due from. The board of directors sets the Entity's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

**ii) Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the Entity's directors, who have built an appropriate liquidity risk management framework for the management of the Entity's short, medium, and long-term funding and liquidity management requirements. The Entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

The table below represents cash flows payable by the Entity under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
<b>As at 30 June 2025</b>				
Trade payables	-	15,762,542	2,160,755	17,923,297
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	6,502,904	6,502,904
Employee Payable	-	13,606,394	-	13,606,394
<b>Total</b>	<b>-</b>	<b>29,368,936</b>	<b>8,663,659</b>	<b>38,032,595</b>

Notes to the Financial Statements (Continued)

**Financial Risk Management**

**iii) Market risk**

The Entity has put in place an internal audit function to assist it in assessing the risk faced by the Entity on an ongoing basis, evaluating and testing 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 rates, equity prices, and foreign exchange rates, which will affect the Entity's income or the value of its holdings 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. The Entity's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by the Audit and Risk Management Committee) and for the day-to-day implementation of those policies. There has been no change to the Entity's exposure to market risks or the manner in which it manages and measures the risk.

**a) Foreign currency risk**

The Lamu County Executive has transactional currency exposures. Such exposure arises through purchases of goods and services that are made in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice, and conversion at the time of payment is done using the prevailing exchange rate. The Lamu County Executive manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting expected sales proceeds and matching them with expected payments.

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

**Financial Risk Management**

The carrying amount of the Lamu County Executives' foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period is as follows:

**Current FY**

<b>Description</b>	<b>In Kshs</b>	<b>Other currencies</b>	<b>Total</b>
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
<b>As at 30 June 2024</b>			
<b>Financial Assets</b>	-	-	-
Investments	-	-	-
Debtors	-	-	-
<b>Total Financial Assets</b>	-	-	-
<b>Financial Liabilities</b>	-	-	-
Trade And Other Payables	-	-	-
Borrowings	-	-	-
<b>Total Financial Liabilities</b>	-	-	-
<b>Net Foreign Currency Asset/(Liability)</b>	-	-	-

**Financial Risk Management**

The following table demonstrates the effect on the Entity's statement of comprehensive income on applying the sensitivity for a reasonable possible change in the exchange rate of the three main transaction currencies, with all other variables held constant. The reverse would also occur if the Kenyan shilling appreciated with all other variables held constant.

<b>Description</b>	<b>Change in currency rate</b>	<b>Effect on Profit before tax</b>	<b>Effect on Equity/Net assets</b>
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
<b>2024</b>			
Euro	10%	-	-
USD	10%	-	-
<b>2025</b>			
Euro	10%	-	-
USD	10%	-	-

Notes to the Financial Statements (Continued)

**b) Interest rate risk**

Interest rate risk is the risk that the Entity's financial condition may be adversely affected as a result of changes in interest rate levels. The Entity's interest rate risk arises from bank deposits. This exposes the Entity to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the Entity's deposits.

**Management of interest rate risk**

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates.

**Financial Risk Management**

**Sensitivity analysis**

The Entity analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant.

**Fair value of financial assets and liabilities**

**a) Financial instruments measured at fair value.**

**Determination of fair value and fair value hierarchy**

IPSAS 30 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the *Entity's* market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.

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- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market data when available. The *Entity* considers relevant and observable market prices in its valuations where possible.

**Financial Risk Management**

The following table shows an analysis of financial and non-financial instruments recorded at fair value by level of the fair value hierarchy:

<b>Description</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
<b>As at 30 June 2024</b>				
<b>Financial Assets</b>				
Quoted Equity Investments	-	-	-	-
<b>Non-Financial Assets</b>	-	-	-	-
Investment Property	-	-	-	-
Land And Buildings	-	-	-	-
<b>Total</b>	-	-	-	-

There were no transfers between levels 1, 2 and 3 during the year. Disclosures of fair values of financial instruments not measured at fair value have not been made because the carrying amounts are a reasonable approximation of their fair values.

**iv) Capital Risk Management**

The objective of the Entity’s capital risk management is to safeguard the Entity’s ability to continue as a going concern. The Entity capital structure comprises of the following funds:

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Description	FY 2024-2025	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	Kshs
Revaluation Reserve	-	-
Retained Earnings	377,290,739	10,000,900
Capital Reserve	2,063,279,075	1,997,366,779
<b>Total Funds</b>	<b>2,440,569,814</b>	<b>2,007,367,678</b>
Total Borrowings	-	-
Less: Cash and Bank Balances	-	-
Net Debt/ (Excess Cash and Cash Equivalents)	-	-
<b>Gearing</b>	<b>0%</b>	<b>0%</b>

#### 42. Related Party Disclosures

##### Nature of related party relationships

Entities and other parties related to the Entity include those parties that have the 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.

##### Government of Kenya

The Government of Kenya is the principal shareholder of the Entity, holding 100% of the Entity's equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the Entity, both domestic and external.

##### Other related parties include:

- i) County Government Entities
- ii) National Government Entities
- iii) Key management.

Description	FY 2024-2025
	Kshs
<b>Transactions with related parties</b>	
<b>a) Sales to related parties</b>	
Others (specify), e.g., interest and bank charges	-
<b>Total</b>	<b>-</b>

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Description	FY 2024-2025
	Kshs
<b>c) Purchases from related parties</b>	
Purchases of electricity from KPLC	-
Purchase of water from govt service providers	-
Rent expenses paid to govt agencies	-
Training and conference fees paid to the government. Agencies	-
Others (specify)	-
<b>Total</b>	<b>-</b>
<b>d) Grants /transfers from the government</b>	
Grants from the National govt	342,259,814
Grants from the county government	
Donations in kind	
<b>Total</b>	<b>342,259,814</b>
<b>e) Expenses incurred on behalf of a related party</b>	
Payments of salaries and wages for employees	9,037,085
Payments for goods and services	13,947,489
<b>Total</b>	<b>22,984,574</b>
<b>f) Key management compensation</b>	
Compensation to key management	-
<b>Total</b>	<b>-</b>

#### 43. Segment Information

This is not applicable

#### 44. Contingent Assets and Contingent Liabilities

##### Contingent Assets

Description	FY 2024-2025
	Kshs
<b>Contingent Assets</b>	
Insurance Reimbursements	-
Assets Arising from Determination of Court Cases	-
Reimbursable Indemnities and Guarantees	-
Receivables From Other Government Entities	-
<b>Total</b>	<b>-</b>

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**Contingent Liabilities**

Description	FY 2024-2025
	Kshs
<b>Contingent Liabilities</b>	
Court Case against the Entity	-
Bank Guarantees in Favour of Subsidiary	-
Contingent Liabilities arising from Contracts, including PPPs	-
<b>Total</b>	-

**45. Capital Commitments**

Capital Commitments	FY 2024-2025
	Kshs
Authorised for	-
Authorised and contracted for	-
<b>Total</b>	-

**46. Program for Results (P for R) Disclosure**

This disclosure note is for entities implementing Programs for Results (P for R). Implementing entities are required to make disclosures in accordance with their respective financing agreements. The disclosure should capture the program's goal and expenditures designated in the expenditure framework.

Expenditure Details*	Name of P for R:		Name of Financing Partners:			
	Opening Cumulative for Previous FYs		Current FY		Total Cumulative	
	Budget	Actual	Budget	Actual	Budget	Actual
<b>Program code</b>						
Sub-program						
Sub-program						
<b>Sub-total</b>						
<b>Program code</b>						
Sub-program						
Sub-program						
<b>Sub-total</b>						
<b>Total</b>	<b>00</b>	<b>00</b>	<b>00</b>	<b>00</b>	<b>00</b>	<b>00</b>

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**47. Events after the Reporting Period**

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

**48. Ultimate And Holding Entity**

The Entity's ultimate parent is the Government of Kenya.

**49. Currency**

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

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16. Appendix

**Appendix 1: Implementation Status of Auditor-General'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	Inconsistencies and Inaccuracies in the Financial Statements	this discrepancy arose primarily due to the IFMIS modules, which were not working before. this hindered accurate data capture, specifically, the issues affected include the recording of opening balances and other key transactions.	Not Resolve	2025-2026
2	Inaccurate Cash and Cash Equivalents Balance	The County Executive has undertaken steps to ensure that all self-reporting entities within the County	Resolve	2025-2026

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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)
		Government report independently and accurately		
3	Long Outstanding Deposits and Retentions Balance	The management is actively working on resolving these issues and clearing the pending balances once the contracts are completed and the necessary obligations are fulfilled.	Resolve	2025-2026
1	Budgetary Control and Performance	the county will enhance engagement with the National Treasury for timely disbursements, improve financial planning, and align project execution with fund availability.	Resolved	2024-2025
2	Late Exchequer Releases	This adversely affected the utilization of funds and negatively impacted the	Resolved	2024-2025

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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)
		service delivery to the residents of Lamu County.		
1	Compensation of Employees	The Management is working to resolve the issue under the Compensation of Employees	Not resolved	2025-2026
2	Irregular Procurement of Fuel, Oil, and Lubricants	The procurement process adhered to the stipulated legal framework and operational requirements. The decision to engage the selected suppliers was guided by logistical and operational considerations unique to Lamu County.	Resolved	2024-2025
3	Irregular Procurement of Foodstuffs	The Lamu County Health Facility Improvement Financing Act, 2023, establishes public health facilities as	Resolved	2024-2025

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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)
		procurement entities. The procurements were all carried out on the IFMIS e-procurement module by the County Department of Health.		
4	Irregular Procurement of Consultancy Services	The subject procured was all consolidated in the plan as contracted technical services and cadastral land surveys, as given in the item codes, with subsequent integration with the department vote book.	Resolved	2024-2025
5	Irregular Payment of Subscription Fees to the County Public Service Board (CSPB) National Consultative Forum	The CSPB National Consultative Forum is a legally established public body incorporated to serve the interests of citizens by promoting economic efficiency and leveraging	Resolved	2024-2025

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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)
		economies of scale. Its primary purpose is to support County Public Service Boards through policy coordination, capacity building, and resource sharing, promoting efficiency in service delivery.		
6	Irregular Payments to Council of Governors and Frontier Counties	<p>The Council of Governors (COG) is established under section 19 of the Intergovernmental Relations Act, 2012.</p> <p>A resolution was passed on 12<sup>th</sup> September 2018, which mandates the 7 Counties to pay facilitation fees for FCDC operations</p>	Resolved	2024-2025

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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)
7	Payments Outside the Mandate of the County Government	Lamu established a special fund to support learners' access to education through the Lamu County Bursary Fund Act, 2019	Resolved	2024-2025
8	Misclassification of Payments on Other Grants and Transfers	The FLLoCA operational manual stipulates that the funds be treated as a special-purpose item within each county's annual budgeting and reporting cycle	Resolved	2024-2025
9	Acquisition of Assets	The acquisition of the asset on the project that management has made to resolve the issues	Resolved	2024-2025
10	Grounded Motor Vehicles and Transport Equipment	The Management is in the process of engaging the mechanical department	Not Resolved	2025-2026

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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)
		from the State Department of Roads & Infrastructure for the verification of the status of the county-owned grounded vehicles to determine whether it is economical to repair them		
11	Failure to Update Fixed Assets Register	Several reasons can contribute to differences between the historical cost of a fixed asset and its value on the financial statements: Assets inherited from Local Authority Improvement or Enhancements: cost incurred to improve or enhance an existing fixed asset like buildings. Revaluation: some assets are being revalued to fair value.	Not Resolved	2025-2026

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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)
12	Non-Compliance with the Law on the Establishment of the Office of County Attorney	The County Government of Lamu acknowledges the provisions of the Office of the County Attorney Act, 2020, which establish the Office of the County Attorney, define the functions and powers of the County Attorney, and outline the discharge of duties and exercise of powers by the County Attorney for connected purposes.	Not Resolved	2025-2026
13	Project Implementation Status on Acquisition of Assets	Out of 186 planned projects, a total 146 were implemented with 97 projects completed and paid. A total of 49 projects were ongoing at different stages of implementation and initial payment done. However, a	Resolved	2024-2025

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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)
		list of 40 projects were indicated as not initiated which is not entirely correct as some of the projects had already been completed at the closure of FY 2023-2024 and only payment was awaiting.		
14	Overstated Receipts	The transactions in question were initiated before the period-end but were delayed due to the approval process by the Controller of Budget and they were related to the Appropriation for the financial year 2023/2024.	Resolved	2024-2025
15	Failure to Clear Long Outstanding Pending Bills	The balance of the pending bills that have not been paid due to their	Resolved	2024-2025

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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)
		ineligibility. The ineligibility stems primarily from missing or incomplete documentation, which has prevented the necessary verification and processing of these bills.		
	Under-Staffed/Dysfunctional Internal Audit Unit	We commit to increase the staff in our Internal Audit Unit in the financial year 2024/2025 subject to the availability of funds	Resolved	2024-2025



HON. MOHAMED MBWANA ALI  
 COUNTY EXECUTIVE COMMITTEE MEMBER  
 FINANCE, STRATEGY AND ECONOMIC PLANNING

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Appendix II: Projects implemented by the Lamu County Executive

Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)

Status of Project Completion

*(Summarise the status of project completion at the end of each quarter, i.e., total costs incurred, stage the project is etc)*

Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds

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Appendix IV: Transfers from Other Government Entities

Name of the MDA/Donor: Transferring the funds	Date received as per the bank statement	Nature: Recurrent/Development/Others	Total Amount - KES	Statement of Financial Performance	Where Recorded/recognized			Total Transfers during the Year
					Deferred Income	Receivables	Others - must be specific	
DANIDA Grant -Primary Health care in a devolved context - Ministry of Health	26-Nov-24	Recurrent	4,428,000	4,428,000				
DANIDA Grant - Primary Health care in a devolved context - Ministry of Health	15-Jul-25	Recurrent	3,997,500	3,997,500				
Kenya Devolution Support Program (KDSP II)	19-Feb-25	Recurrent	3,000,000	3,000,000				
Lamu County Food Systems Resilience Project	19-Feb-25	Recurrent	5,000,000	5,000,000				
Lamu County Food Systems Resilience Project	30-Jun-25	Development	70,127,132	70,127,132				
Kenya Informal Settlement Improvement Project	11-Dec-24	Recurrent	7,500,000	7,500,000				
Kenya Informal Settlement Improvement Project	4-Apr-25	Recurrent	7,500,000	7,500,000				
Kenya Informal Settlement Improvement Project	30-Jun-25	Development	223,397,882	223,397,882				

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Appendix VI: Reporting of Climate-Relevant Expenditures

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

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**Appendix VII: Disaster Expenditure Reporting Template**

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

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Appendix VIII: Fixed 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	Historical Cost c/f (Kshs) Current Year
Land	398,062,094	-	-	-	398,062,094
Buildings and structures	933,079,376	128,326,106	-	-	1,061,405,482
Transport equipment	555,172,299	25,935,816	-	(33,788,661)	547,319,454
Office equipment, furniture, and fittings	24,988,340	4,849,848	-	(222,500)	29,615,688
ICT Equipment	59,740,211	45,791,150	-	-	105,531,361
Machinery and Equipment	97,294,395	-	-	-	97,294,395
Biological assets	-	-	-	-	-
Infrastructure Assets- Roads, Rails	826,939,972	-	-	(48,725,897)	778,214,074
Heritage and cultural assets	-	244,008,281	-	-	244,008,281
Intangible assets	7,398,226	-	-	-	7,398,226
Work in Progress	254,267,593	-	-	-	254,267,593
<b>Total</b>	<b>3,156,942,506</b>	<b>448,911,202</b>	<b>-</b>	<b>(82,737,058)</b>	<b>3,523,116,650</b>