

REPUBLIC OF KENYA



Enhancing Accountability



REPORT

OF

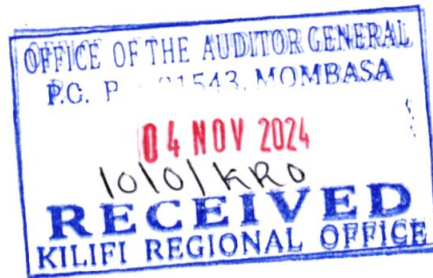
THE AUDITOR-GENERAL

ON

COUNTY EXECUTIVE OF LAMU

**FOR THE YEAR ENDED
30 JUNE, 2024**

PAPERS LAID	
DATE	5/3/2025
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COMMITTEE	—
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COUNTY GOVERNMENT OF LAMU

ANNUAL REPORT AND FINANCIA STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2024

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

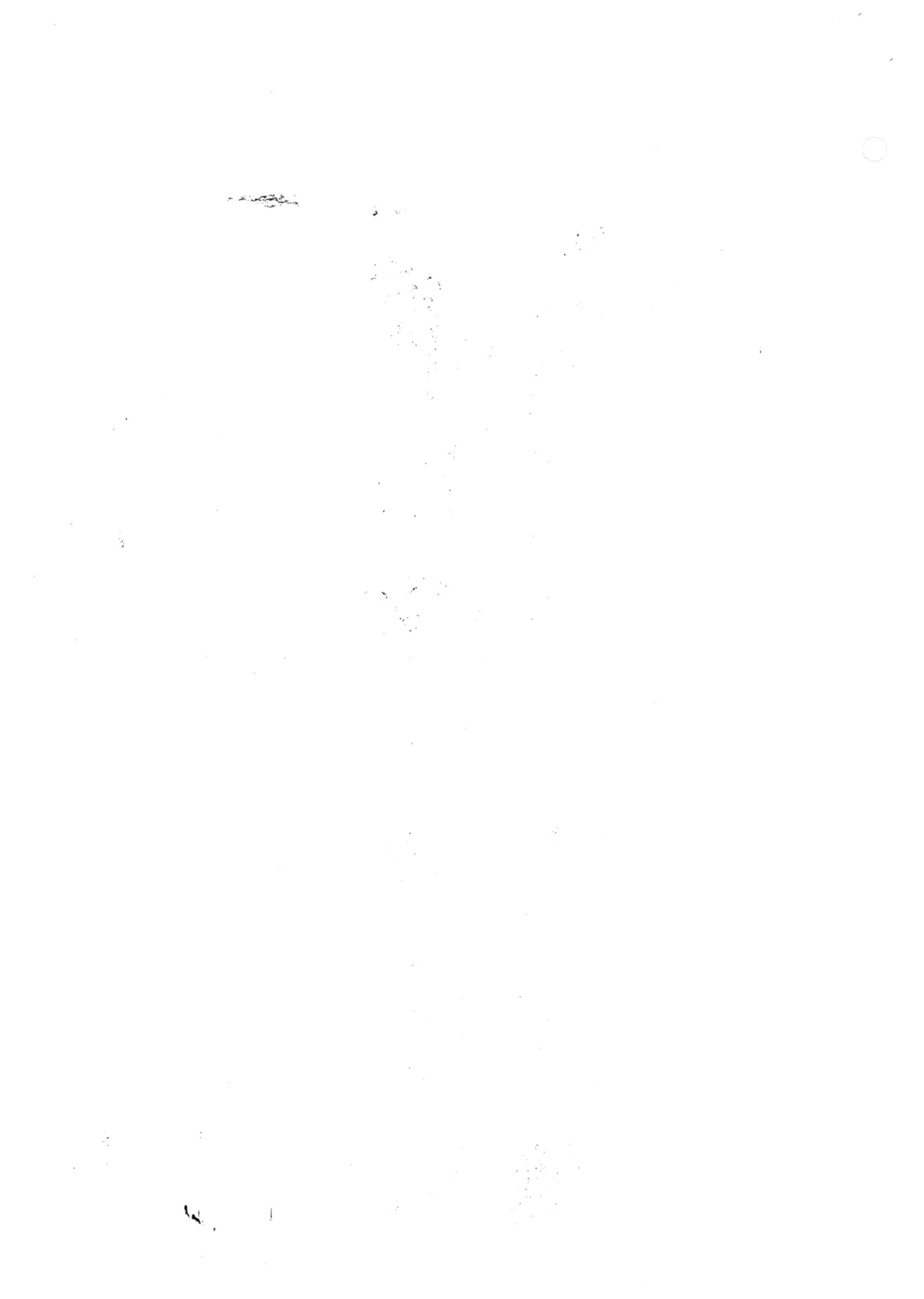


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1. Acronyms and Glossary of Terms

a) *Acronyms*

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

b) *Glossary of Terms*

Fiduciary Management	The key management personnel who had financial responsibility
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2. Key Entity Information And Management

a) Background information

The County is constituted as per the constitution of Kenya, 2010. It is charged with the responsibility of providing a variety of services to residents within its area of jurisdiction. These include the services that were hitherto provided by the Defunct County Council and the ones that have been transferred from the national government. The county is headed by the County Governor, who is responsible for the general policy and strategy direction of the county. The Governor is supported by an Executive Committee in carrying out the mandate as stipulated in the Constitution. The County Executive Committee Member for Finance, Strategy and Economic Planning is in charge of the County Treasury. One of the functions of the CEC Finance is financial reporting at the county level

Vision

A nationally competitive county offering good quality life for all its citizens through prudent use of resources, equitable provision of services and implementation of sustainable development.

Mission

To provide services and ensure socio-economic development to the people of Lamu County through prudent utilization of resources and the implementation of key projects and programmes.

The County Executive is comprised of the following departments:

No.	Department	Major Responsibility
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.
2.	Finance	Management of County Treasury and Planning, Generation of County Executive Bills, Holding County Executive Committee Meetings, Generation

No.	Department	Major Responsibility
		of County Executive Memos and Executive Orders, Submission of Annual Progress Reports to the County Assembly and Senate, Delivery of Annual State of County Address, Head of Public Service and Sectary to County Executive Committee, Dissemination of information to citizens and stakeholders.
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 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,	Administration of early childhood education and

No.	Department	Major Responsibility
	Youth Affairs, Sports, Community Dev. & Social Services	standard, 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-Bursary 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 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 policy and program that provide efficient services to county entities. To straighten the coordination of 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 &	Preventive and primitive health services,

No.	Department	Major Responsibility
	Sanitation	implementation of health and environment legislation and coordination and implementation environment and health programs
12	Water	Improvement for access, quality and storage of water for sustainable development within the County.
13	Budget, Strategy, and Economic Planning	Preparation of all budget document 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
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 by laws, cleaning and sanitation within municipal boundaries, resource mobilisation, enforcement compliance and development control.

b) Key Management team

The Lamu County Executive'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	H. E Hon. Raphael Munyua Ndungu	Deputy Governor, CECM Climate Change
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. Faiz Fankupi Abushiri	CECM Fisheries, Blue Economy, Livestock and Co-operative Development
7	Hon Mbarak Mohamed Mbarak	CECM Health Services, Sanitation and Environment
8	Hon. Aisha Abdalla Miraj	CECM Tourism, Culture Trade and Investment.
9	Hon. James Gichu	CECM Agriculture ,Irrigation and Food Security

c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2024 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
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. Kamalu Shariff Mzee
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	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
17	Director Accounting Services	Mr. Mohamed A. Abubakar
18	Ag. Director of Supply Chain Management	Mr. Swaleh Salad
19	Ag. Head of Internal Audit	Mr. David Njoroge Gicheru
20	Deputy Director of Human Resource	Mr. Paul Waluba

d) Fiduciary Oversight Arrangements

The County Executive fiduciary oversights are under the listed below:

Sno	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 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. Director Internal Audit 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.
3	County Internal Audit Committee	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. 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 recommend decisions to the Governing Body for approval
4	County Assembly Public Accounts Investment Committee	The committee is headed by the Chairperson with primary

		mandate of oversight the expenditure of public funds by Lamu County entities, to ensure value for money.
5	Parliamentary committee activities	Senate PAC & PAIC which oversight revenue allocated to County Government, examine report of the Office of the Auditor General on the annual accounts of the County Governments and to exercise oversight on the County Public Funds.
6	Kenya National Audit Office	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.
7	Office of the Controller of Budget	Overseeing 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.
8	Development partner oversight activities	Conditional grants conduct their own oversight activities for the projects implemented in the County.

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
Website: 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. Kenya Commercial Bank

P. O. Box 121-80500

Lamu Branch

Kenyatta Avenue

3. Equity Bank

P. O. Box 60-80500

Lamu Branch,

Kenyatta Avenue

4. Diamond Trust Bank

P. O. Box 120-80500

Lamu Branch

Kenyatta Avenue

5. Gulf African Bank

P. O. Box 191-80500

Lamu Branch

Kenyatta Avenue

6. 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

3. Governance Statement

County Government of Lamu is constituted as per the CoK, 2010. The County is headed by the Governor, who is responsible for the general policy and strategic direction of the County. The County is made up of a County Assembly, County Executive and seven numbers of County Government Entities.

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

a) The County Executive Governance Structure

As per the Constitution of Kenya 2010 Chapter Eleven Section 179 states that:

- i. The executive authority of the county is vested in, and exercised by, a County Executive Committee.
- ii. The County Executive Committee consists of;
 - a) The County Governor and the Deputy County Governor; and
 - b) Members appointed by the County Governor, with the approval of the Assembly, from among persons who are not members of the Assembly.
- iii. The number of members appointed under clause (2) (b) shall not exceed;
 - a) One-third of the number of members of the County Assembly, if the Assembly has less than thirty members; or
 - b) Ten, if the assembly has thirty or more members.
- iv. The County Governor and the Deputy County Governor are the Chief Executive and Deputy Chief Executive of the county, respectively.
- v. When the County Governor is absent, the Deputy County Governor shall act as the County Governor.
- vi. Members of a County Executive Committee are accountable to the County Governor for the performance of their functions and exercise of their powers.

vii. If a vacancy arises in the office of the County Governor, the members of the County Executive Committee appointed under clause (2) (b) cease to hold office

b) The management of the County Government of Lamu Comprises of the following with their educational back ground and working experience

H.E Hon Issa A. Timamy EGH, OGW
Governor - Lamu County



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 Law 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 matters of development and service delivery for the people of Kenya.

H.E Hon. Raphael Munyua
Deputy Governor - Lamu County



H.E Hon. Raphael Munyua is the Deputy Governor for Lamu County and also serves as CECM for Climate Change. His Excellency holds a Bachelor's degree in commerce in actuarial science and currently pursuing a Master's degree in strategic management. Before his appointment, he worked as CECM for CECM Health Services, Sanitation and Environment, Credit consultant at Kenya Commercial Bank (KCB) and Program Manager for Zinduka Africa

Hon. Mohamed Mbwana

C.E.C.M - Finance, Budget, Strategy and Economic Planning



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. With over 15 years of experience, leveraging the unique lessons he learned from working with the community, Mohamed made a seamless transition to the current position of County CEC. He has grown over the years working with Lamu Education Development Foundation Trust - he has overseen the creation of Village Banks under the Bengi Investment Group (BIG) model in Lamu County, designed and implemented community projects to improve the livelihoods of the people of Lamu County. He also worked as the government financial intermediary managing the Poverty Eradication Fund under the Department of Planning and Development.

Hon. Aisha Miraj

C.E.C.M - Tourism, Culture, Trade and Investment



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.

Hon. Dr. Mbarak M. Mbarak

C.E.C.M - Health Services, Sanitation and Environment



Hon. Dr. Mbarak Mohamed Mbarak Holds a Master of Public Health Management from Egerton University, Kenya, and Bachelor of Medicine and Bachelor of Surgery. Dr. Mbarak was the Medical Superintendent at Coast General Teaching and Referral Hospital Mtongwe Satellite also he was facility and program Manager at Lamu Rahab and Health Centre he also worked at The Mombasa Hospital and Mombasa Dialysis Centre as a Physicians Associate and at Mewa Hospital as a Resident Clinical Officer.

Hon. James Gichu

C.E.C.M - Agriculture, Irrigation and Food Security



Hon. James Gichu holds Bachelor Degree of Science in Electrical and Electronics before his appointment he participate in oversees 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. Faiz Fankupi

C.E.C.M - Fisheries, Blue Economy, Livestock and Cooperatives Development



Hon. Faiz Fankupi holds Bachelor of Education (arts) at Kenyatta University in 2013 attaining Second Class Donors. In 2016, he underwent both courses of Senior Management Course (SMC) and Strategic Leadership Development Programme (SLDP) at Kenya School of Government. In 2017 also, I have undergone a course on

Executive Senior Management Programme at Administrative Staff College of India (ASCI) in India. He has been appointed as CECM Fisheries, Blue Economy, Livestock and Cooperatives Development and before his appointment he was employed by County Government of Lamu as Youth Coordinator from 2014 to 2017 and by 2017 to 2022; he was employed by Kenya Ports Authority (KPA) as a Senior Operation Assistant.

Hon. Owanga Sebastain

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



He is a holder of a Masters 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 in Education Reforms in Kenya. He has a wealth of experience in financial matters having been a member of a technical working group financing of basic Education in Kenya.

Hon. Tashrifa Bakari

C.E.C.M - Lands, Physical Planning, Urban Development, Energy, Water and Natural Resources, Infrastructure and Public Works



Mrs. Tashrifa Bakari has 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 Ministry of Interior and Coordination of

National Government, Department of Correctional Services. In 2016-2017 she worked as Administrator in Malindi Islamic Center for Orphans, Community Based Organization. Also she worked in Pwani University, Psychology Department (2015) as Research Assistant.

Hon. Amb. Ali Abbas MBS

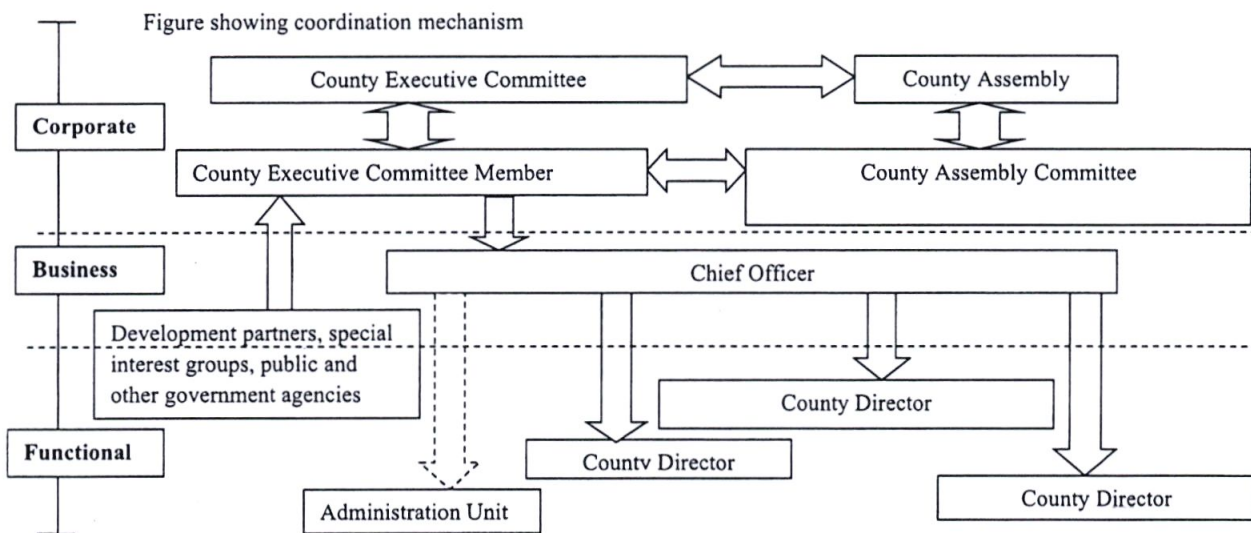
County Secretary and Head of Public Service



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 Bachelor Degree in Arts from university of Nairobi and Postgraduate Diploma in International Relations and Economic Cooperation from Deutsche stiftung Fur Internationale Entwcklung in West Berlin. He was awarded title of Moran

of the order of the Burning Spear (MBS) by H.E President Mwai Kibaki in year 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.

c) Lamu County organizational structure is as shown in the figure below.



d) Stakeholders Engagement and Public Participation

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:

County government of Lamu often hold public meetings and hearings at 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 to facilitate discussions and gather feedback and engage 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:

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

ii. Official Channels:

County Government of Lamu have official communication channels, such as websites and email and telephone number 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 their 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.

e) Engagement with the County Assembly of Lamu

The Lamu County Executive as required by law engages with County Assembly Public Finance and Investment committee from time to time throughout the budget cycle in the financial year 2023/2024.

f) 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 risk management framework policy. The framework will enhance coordinated approach in reporting, monitoring and mitigating risk. During this year the draft policy has been presented to staff and management and comments incorporated into the revised draft.

g) 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.

The chairperson of an audit committee shall be independent to the County government entities, be knowledgeable of the organization, have the requisite business and leadership skills and shall not be a political office holder. 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 which 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 2023/2024 Lamu County Executive Internal audit committee comprised of the following.

Name	Position	Date of appointment
Noor Abdulaziz	Chairperson	2 ND August 2021
Hashim Omar	Member	2 ND August 2021
Naim Kara	Member	2 ND August 2021
Joseph Gitau	Member	2 ND August 2021
Najma Ali	Member - Represent County Treasury	2 ND August 2021
Justine Dume	Secretary	2 ND August 2021

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

h) Compliance

The Lamu County Executive complied with the following listed 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

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 are prepared and discussed at the relevant levels or other government offices.

4. Foreword by the 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 30th, 2024 of the County Executive of Lamu. The County Executive of Lamu has and will continue to manage its finances in accordance with the principles of fiscal responsibilities as spelt out in the Public Finance Management Act, 2012.

Functions of the County Government

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 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.

Budgeted Revenue and Performance

In FY 2023/24 the County Executive of Lamu Approved Supplementary Budget amounted to **Ksh. 3,951,337,952** Comprising of **Ksh. 2,528,787,945** for recurrent expenditure, **Ksh. 1,422,550,007** for development expenditure. To Finance the budget, the county executive expected to receive **Ksh. 2,647,750,707 (67%)** as an equitable share of revenue raised nationally, **Ksh. 295,777,939.00 (7%)** as Conditional Allocations from Loans and Grants from Development Partners, **Ksh. 120,000,000 (3%)** as Own Source Revenue **Ksh. 60,000,000 (2%)** for Facility Improvement Fund, **Ksh. 72,153,291 (2%)** as Balance brought forward from Conditional Grants and **Ksh. 755,656,015 (19%)** being unspent balances from the previous Financial Year (2022/23).

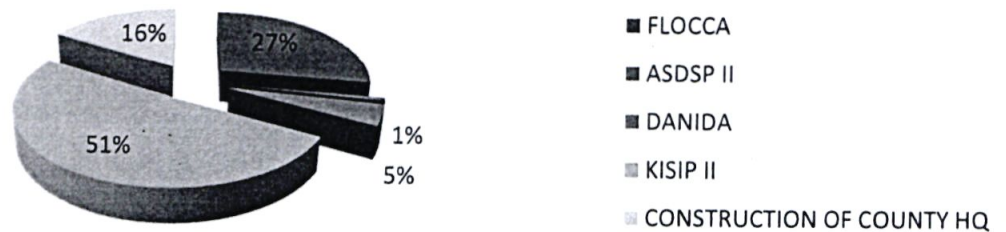
The expected sources of budget financing are shown in Figure 1.

Revenue Classification	Revenue Budget	Actual	Realization %
Equitable Share	2,647,750,707	2,232,740,540	84%
Proceeds from Domestic and Foreign Grants	295,777,939	227,054,314	77%
Own Source Revenue	120,000,000	121,968,817	102%
Facility Improvement Fund	60,000,000	60,000,000	100%
Balance Brought Forward Conditional Grant	72,153,291	72,153,291	100%
Balance Brought Forward Exchequer	755,656,015	755,656,015	100%
TOTAL	3,951,337,952	3,469,572,977	88%

Figure 2: Conditional Allocation from Loans and Grants from National Government and Development Partners.

Revenue Classification	Revenue Budget	Actual	Realization %
FLOCCA	81,196,114	70,196,114	86%
ASDSP II	2,122,700	2,122,700	100%
DANIDA	13,519,125	4,735,500.00	35%
KISIP II	150,000,000	150,000,000	100%
CONSTRUCTION OF COUNTY HQ	48,840,000	0	0%
TOTAL	295,677,939	227,054,314	77%

Conditional Allocation from Loans and Grants from National Government and Development Partners



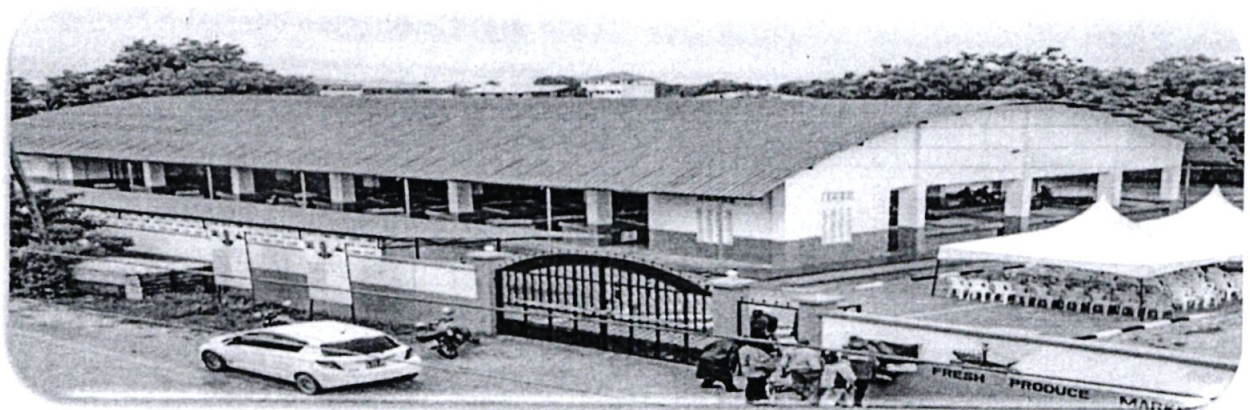
Physical progress on development projects

The county executive initiated many projects for the Agriculture and rural development Energy, Infrastructure and ICT, General economic affair, Health, Education, technology and vocational training, Public Administration and intergovernmental relation, Social Protection, culture and recreation, Environment, water and natural resource sectors. Below are some of the key projects completed during the financial year ended 30th June 2024.

❖ Construction of markets

During FY 2023-2024 County executive of Lamu constructed and commissions the Mpeketoni open air market which has increased access to market for farmers and buyers.

Figure 1: Aerial view of the newly constructed Mpeketoni Open Air Market



❖ **Upgrading of Hospitals and Health Centres**

During the financial year 2023/2024 the County Executive of Lamu upgraded the Mokowe Hospital and will also act as an annex of King Fahad for specialized services like orthopaedic and Ophthalmology theatre where the county successfully did first heap replacement at Mokowe hospital on July 2024. Other hospitals upgraded is

Faza Sub - County Hospital – In partnership with Safaricom foundation construction of a new born unit at Faza Sub - County hospital.

Lamu County Referral hospital- Establishment of corporate outpatient wing

Figure 2: Picture of and upgraded section of the Mokowe Health Center



Figure 3: Doctors undertaking first heap replacement at Mokowe hospital on July 2024



Value-for-money achievements

The County endeavoured to utilise Public Finance Management procedures and regulations, which included; Procurement and Disposals Act, Public Finance Management Act, 2012. The County Government considers cost effectiveness in tendering process. Firms that can deliver products of good quality at reasonable cost are considered.

Implementation challenges of strategic objectives of the County

1) Legal, institutional and policy framework:

Departments and directorates attributed low achievements to inadequate policy, legal and institutional framework. In some sectors efforts to develop policy and legal framework were delayed in their approval and enactment thus hindering delivery of services.

2) Resource Management:

Inadequacies in two key resources hindered the realization of targets:

a) Tools and Equipment:

Lack of necessary equipment and facilities was reported in various departments. In addition, there was inadequate office space which hampered efficient operations and performance.

b) Financial Resources:

Inadequate and untimely disbursement of funds led to delayed execution of programmes. Delays in payment of pending bills, and budget reviews negatively affected project implementation.

3) Acquisition of land for projects:

Various sectors experienced challenges in acquiring land for government projects. There were consistent land use conflicts and unavailability as well as the exaggerated value of the land. This led to delays in delivering on some projects.

4) Climate change:

The effects of adverse climatic changes which resulted in increased weather variability were experienced in this period. This affected food production, water supply, livestock production, infrastructural development, and general livelihoods of the people. There was need, therefore, for enhanced investments towards climate change mitigation and adaptation.

5) Low uptake/Utilization of Government Projects:

Low utilization of projects was experienced largely due to lack of a comprehensive participatory and coordination framework that allows for joint planning, ownership, monitoring and reporting of the sectors by the community.

6) Insecurity

The county faced security threats mainly related to Al-Shabaab militants making it difficult to offer some essential services in some parts of the County e.g. Basuba ward.

Risk Management Strategies.

The Management employs robust risk management strategies. While Risk Management has not matured in the County Government, the Management has developed the following structured approach in identifying and managing risks;

- 1) Risk registers, based on a standardized methodology, are used to identify, assess and monitor the key risks (both financial and non-financial) faced by the County Government
- 2) Risks are identified, assessed, evaluated, responded to depending on the risk ranking and monitored. Depending on the ranking of the risk, the management employs the following strategies as per the Approved Risk Management Policy Framework of the County;
 - i. Risks ranked as high - The event creating the risk is immediately stopped and a comprehensive action plan immediately prepared with appropriate risk responses that include transferring the risks, avoiding the risk or reducing the risk ii. iii. iv.

- ii. Risks ranked as significant - An action plan is developed and action taken within three months. The approved actions include transferring the risks, avoiding the risk or reducing the risk
 - iii. Risks ranked as moderate - An action plan is developed and action taken within six months. The approved actions include transferring the risks, avoiding the risk or reducing the risk. Where such risks are accepted, a contingency plan is immediately developed
 - iv. Risks ranked as low - An action plan is developed and action taken. The approved actions include reducing the risk or accepting the risks where it is deemed cost-effective. The risks ranked low are continuously monitored so as to assess the changed status
- 3) We have continuously enhanced our internal systems to mitigate risks such as fraud, poor service delivery, failed targets among others and to improve efficiency and effectiveness.
 - 4) The MDAs have set up the PFM Standing Committees with added responsibilities in monitoring the identified risks in the Departments

Conclusion

Our achievement during this financial year must be acknowledged in the context of those that supported as through the year. More specifically, may I appreciate His Excellency the Governor, CECMs, County Chief Officers and all county staff that rise through the challenge of making sure we achieve the County targets and improve the livelihoods of the people of Lamu County.



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

5. Statement of Performance against County Predetermined Objectives

Strategic development objectives

The County Government of Lamu County Integrated Development Plan (CIDP) 2023 -2027 has identified eight 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 IV.

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 Lamu County’s CIDP are:

S/no	Sector	Objectives
1	Agriculture and rural development	To promote and facilitate the development and management of Agricultural and Fisheries resources to achieve prosperity, wealth creation and food security in Lamu.
2	Energy, Infrastructure and ICT	To provide efficient, affordable, and reliable infrastructure and services for sustainable economic growth and development.
3	General economic affair	To promote, co-ordinate and implement integrated socio-economic policies and programs for a rapidly industrializing economy.
4	Health	To provide leadership and quality health and sanitation services those are sustainable, affordable, acceptable and accessible to the community.
5	Education, technology and vocational training	To provide and promote equitable quality education and training, integrating science, technology and innovation for sustainable

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		development.
6	Public Administration and intergovernmental relation	To provide leadership and policy direction in resource mobilization, public service management and accountability for service delivery.
7	Social Protection, culture and recreation	To provide quality skills and develop talents among Lamu residents as we conserve the rich culture and heritage.
8	Environment, water and natural resource	To effectively manage the environment, natural resources, water, solid and liquid waste for sustainable development in order to ensure a clean, healthy and safe environment for all in Lamu County.

Progress on Attainment of Development Objectives from Annual Development Plan for FY 2023/2024

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.

Department of Public Service Management & Administration

S/no	Outcome	Indicator	Baseline 2023/2024	Target 2023/2024	Achievements	Remarks
1.	Improved service delivery to the Public	Percentage level of public satisfaction	50%	100%	90%	Service Delivery has improved

2.	Conducive working environment	No. of county offices constructed	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	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	64	64	0	The Contracts
5.	Signed employees Staff Performance Appraisal	No. of employees signed Staff Performance Appraisal	100%	100%	0	The Staff Performance Appraisals will be signed later in the year

6.	Disciplinary cases handled and forwarded to PSB	No. of disciplinary cases handled and forwarded to PSB	0	0	1	There was one disciplinary case that was reported during this period in the Department
7.	Timely processing of monthly salaries	Date of running payroll	12	12	12	Between 25 th & 28 th of every month
8.	Improved internal communication	No. of enforcement communication masts erected	1	1	1	The Management has improved internal communication
9.	Securing of county headquarter	NO. of county HQ fence constructed	0	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	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	1	The swimming pool not yet been constructed

Department of Agriculture

No.	Outcome	Indicator	Baseline	CIDP Target 2023/24	Target 2023/24	Achievement 2023/24 Targets	Remarks
Programme 1: Extension Advisory Services							
1.0	Increased adoption of agricultural technologies by farmers	Number of farmers adopting agricultural technologies - Certified maize, cowpeas, cotton and green grams	13,000	13,000	13,000	22,211	The number includes 9375 beneficiaries of free seeds, 4836 beneficiaries of ploughing services, 8000 beneficiaries of cotton seeds
		Number of farmers planting grafted cashew nut seedlings	10,000	11,000	1000	987	The baseline target was over targeted
		Number of farmers ploughing using tractor services per year	5000	6,000	6,000	4836	The County achieved 4,836 acres assuming 1 acre per farmer
1.1	Extension staff recruited and deployed	Number of extension staff recruited and deployed	0	12	12	7	7 new staff recruited and deployed. 1 Faza ward, 1

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							Shella Ward, 1 Basuba
							Ward, 1 Hongwe, 2 Mkunumbi and 1 Lamu west sub county
1.2	Motorbikes purchased	Number of farmers reached by extension officers	0	6	6	0	The approved budget of 720000 was reallocated to other programs because the available motorbikes are serviceable and were supplemented by transport availed by the KCSAP project
1.3	LKATC Modernized	Revenue raised from modernized LKATC	0	2	2m	0.4m	The ATC is currently under renovations

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1.4	Demonstration farm established at ATC	Number of acres established	2	20	20	20	The whole farm has been put under irrigation and it is now being utilized
1.5	Demonstration farms established in the wards	Number of demonstration farms established in the wards	0	10	10	10	There are more farms under demonstration
1.6	Lead farmers trained	Number of lead farmers trained	0	100	100		Lead farmers trained on cotton seed bulking,
Programme 2: Crop Production and Productivity Improvement							
2.0	Increased crop production and incomes at farm levels	Quantity of maize produced per year	35,000	35,000	35,000	78390 Tons	The county achieved 55800 ha of maize, 9350ha of cowpeas and 14300ha of green grams
		Acreage under maize, cowpeas and green grams	48000	48000	48000	79,450 Ha	
		Acreage under cashew nuts	11,000	11000	11000	11,825 Ha	The county has a total of 11825 ha under cashewnuts
		Acreage under mangoes	2800	2800	2800	5,835Ha	The county has 5,835Ha under

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							mangoes
		Production in tons of maize, cowpeas and green grams per year	79,200	79,200	79,200	78,390 tons	Crops reports
		Production in tons of cashew nuts per year	3,500	3,500	3,500	5,321 tons	Crops reports
		Production in tons of mangoes per year	12,000	12,000	12,000	30,633 tons	Crops reports
		Value of maize, cowpeas and green grams produced	7,920	8,352	8,352	4,811m	Crops reports
		Value of cashew nuts produced	280	280	280	266m	Crops reports
		Value of mangoes produced	180,	180,	180,	919m	Crops reports

2.1	High quality certified seeds purchased and distributed	Quantity of seeds purchased	145	150	150	106tons	50 tons of PH1 maize of seeds, 13.5tons of Haraka maize seeds, 12.5 tons of KH500 maize seeds, 7 tons of cowpeas KK variety seeds, 7 tons of green gram KS20 seeds and 3 tons of sorghum Gadam seeds and 12tons cotton seeds
		Acreage planted	23,750	23,750	23,750	19650A cres	93,2 tons of maize, green grams and cowpeas planted

							11,650 ac and 12 tons of cotton planted 8000 acres
		Production in tons	15,075	15,300	15,300	16,640tons	6,750 tons maize, 1890tons of green grams and cowpeas and 8000tons of cotton
		Value in Million kshs	1,508	1,530	1,530	1,087m	Maize prices50/ per kg cowpea and green gram 100/ per kg cotton 70/per kg.
2.2	Tractors purchased	Number of tractors purchased	10	5	5	2	2 tractors and 1 disk plough purchased
2.3	Stump grinder purchased	Number of stamp grinders purchased	0	1	1	0	budget for distemper reviewed to the following year
2.4	Tractors serviced and maintained	Number of tractors serviced and maintained	24	24	24	19	!9 tractors are serviceable and functional
2.5	Tractor ploughing operationalized	Number of acres ploughed	6000	5000	5000	4836	The department achieved

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2.6	Irrigation projects established	Number of irrigation projects established	2	2	2	4	4 irrigation projects established
2.7	Subsidized fertilizer purchased and distributed	Quantity of subsidized fertilizer purchased and distributed	2000	2500	2500	0	The county benefited from the national program on subsidized fertilizer
2.8	Coconut seedlings purchased and distributed	Number of coconut seedlings purchased and distributed	10,000	10,000	10,000	0	The County received 3000 coconut seedlings from National government
2.9	Grafted cashew nuts seedlings purchased and distributed	Number of cashew nuts seedlings purchased and distributed	10,000	10,000	10,000	6866	The county Purchased 6866 grafted seedlings
2.10	Community megaprojects implemented	Number of megaprojects completed	0	0	0	0	The FSRP program was rolled out

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	Farmers SACCOs strengthened	Number of SACCOs strengthened and offering financial services to members	0	0	0	0	The FSRP program was rolled out
	Farmers cooperatives strengthened	Number of farmers cooperatives strengthened and offering cooperatives services to members	0	0	3	3	The FSRP program was rolled out
	Training and equipping of Agri-preneurs	Number of agri-preneurs capacity built and equipped	0	0	70	70	The FSRP program was rolled out
2.11	Commercialized agricultural value chains	Number of value chain actors earning incomes from agricultural	0	0	0	0	The new program KABDP was rolled out

		activities					
Programme 3: Value addition							
3.0	Increased returns from crop produce	Yearly earnings from maize and cereal crops in the county	699	700	700	4,811m	Data from the departmental crops report
		Yearly earnings from horticulture crops	12,444	13,000	13,000	2,217m	Data from the departmental crops report
		Yearly earnings from cash crops	3,311	3,400	3,400	16532m	Data from the departmental crops report
3.1	Five CIGs supported to establish cottage industries	Number of CIGs supported	0	1	1	2	1 cashew nut and 1 cotton cottage supported
3.2	PPP for construction of fruit processing plant established	Number of PPP established	0	1	1	1	1 PPP with equator foods for cashew nut processing at Hindi
3.3	Producers information database established	Number of databases established	0	1	1	1	1 database developed with help of national government
3.4	Grain storage facilities	Number of grains storage	0	1	1	1	1 grain store active in

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	activated	facilities activated					Majembeni
3.5	Grain storage facilities Constructed	Number of grains storage facilities constructed	5	1	1	0	No budget
3.6	Farmers' groups trained on value addition and marketing	Number of groups trained on value addition	0	10	10	10	Groups trained on cotton ginning
3.7	Farmers organizations strengthened to market in bulk	Number of groups strengthened	0	2	2		Cotton cooperatives LK cooperative, hindi cooperative and witu cooperatives strengthened to purchase cotton

Department of Water

No.	Outcome	Indicator	Baseline	CIDP Target 2023/27	Target 2023/24	Achievement 2023/24 Targets	Remarks
2.2.1 Water Services							
1	Rehabilitation of WIWA distribution	Improving water infrastructure and accessibility (Witu Ward)				<ul style="list-style-type: none"> • Improve water accessibility within Witu Ward • Improve water infrastructure 	Project completed
2	Bora Moyo Water Project	Rehabilitation of Water Reticulation system at Kasakairu and Boramoyo in Witu Ward				<ul style="list-style-type: none"> • Rehabilitation of Water reticulation system at Kasakairu and Boramoyo 	Project completed
3	Jericho Water Project	Pipeline extension to water points at Jericho, Hongwe Ward				Pipeline extension to water points at Jericho, Hongwe Ward	Project completed

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4	Kiwayu Chandani Water Projects	<ul style="list-style-type: none"> • Water storage • Solarized pumping system 	Completed phase 1 & II respectively			<ul style="list-style-type: none"> • Water storage • Solarized pumping system 	Project completed
5	Manda YawiRaskita u Water Project	<ul style="list-style-type: none"> • Undersea pipework from Shella to Manda Yawi • Manda Yawi shores to Water points 				<ul style="list-style-type: none"> • Water accessibility at Manda Maweni 	Project completed
6	Mwangaza Boreholes	<ul style="list-style-type: none"> • Drilling of borehole • Solarization of borehole • Overhead Storage 				Water accessibility at Mwangaza, Hongwe	Project completed
7	Construction of Water Pan- Kiangwe	Climate resilience project Reducing HumanHuman conflict				Water harvesting for domestic & Livestock	Project completed

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8	Construction of Water Pan-Vipingoni	Climate resilience project Reducing Human-Human-Wildlife conflict				Water harvesting Water for domestic & Livestock	Project completed
9	Water Pumps and Water meters	Increase revenue collection for WSP				Improve water infrastructure	Project completed
10	Equipping of Boreholes with Solar System	Smart Grid tie installation at Belebele Hindi Ward				Reduce the OPEX by reducing energy bills	Project completed
11	Basuba Water Project	Climate resilience project				Water storage and water harvesting	Project completed
12	Mokowe Water Pipeline Extension	Rehabilitation of pipeline, Hindi Ward				Rehabilitation of water distribution	80% Complete
13	Baragoni Water Project	Improve water reticulation within Baragoni, Hindi Ward	Project under termination process after contractor abandoned			Improve water reticulation	• Scope of remaining works to be review

			the site				wed • To be retendered
14	Sinambio Pumping Station	Improve water reticulation within Sinambio, Basuba Ward	Project under termination process after contractor abandoned the site			Improve water reticulation within Sinambio, Basuba Ward	• Scope of remaining works to be reviewed • To be retendered
15	Kiunga Ishakani Water Pipeline	Establish water infrastructure & storage to ishakani				Establish water infrastructure & storage to ishakani	Tendering process
16	Muhamarani Town Household Water Connection	Improve water reticulation within households	Project under termination process after contractor abandoned the site			Improve water reticulation	Scope of remaining works to be reviewed To be retendered

Department of Lands and physical planning

No.	Outcome	Indicator	Baseline	CIDP Target 2023/27	Target 2023/24	Achievement 2023/24 Targets	Remarks
Urban & Rural Planning							
1	Improved settlements	No. townships, Villages Market Centers planned.	18	30	10	5	(Note: Baseline data from Ministry of Lands, Lands & Physical Planning sector & NLC.)
2	Secure ownership rights	No. townships, Villages Market Centers surveyed.	16	15	5	2	(Note: Baseline data from Ministry of Lands, Lands & Physical Planning sector & NLC.)

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3	Secured ownership rights	No. of deed	7,500	30,000	16,500	2,855	Ministry of Lands, Lands & Physical Planning sector & NLC.)
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Department of Education, Gender, Social Service, Community Development and Vocational Training Center

S.NO	Key Outcome	Key performance indicators	Baseline 2022 /23	Planned Targets 2023/24	Achieved Targets 2023/24	Remarks
1	Improved accessibility to ECDE Education	1. Percentage increase in enrolment of ECDE	86%	88%	90%	Resulting from the more classrooms constructed.
		Increased access to learning facilities	60%	70%	80%	Text books and other learning materials purchased.
2	Improved quality ECDE	1. Increased rate of enrolment to ECDE	86%	88%	90%	

	Education.	2. Increased rate of retention.	90%	95%	95%	Teachers went through trainings on behavior modification
		3. Increased rate of transition from ECDE to primary.	90%	95%	95%	Resulted from training transitions
		4. Increased levels of competency	40%	45%	45%	CBC trainings were conducted.
		5. Improved rate of teacher pupil ratio.	1:65	1:35	1:45	More teachers employed on permanent and pensionable terms.
3	Improved accessibility to TVET Education	Increased in the rate of enrolment to vocational Training centers	35%	50%	60%	Additional trainers recruited and more courses introduced.
		Percentage improvement in enrolment.	40%	50%	70%	Additional trainers recruited and more courses introduced.

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4	Employability and self-reliance among the people of Lamu county enhanced.	Enhanced rate of employability of TVET graduates	50%	60%	65%	Many students have graduated.
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Department of Medical Service

No.	Outcome	Indicator	Baseline 2022/23	OIDP Target 2023/24	Target 2023/24	Achievement 2023/24	Remarks
General Administration, Planning, M &E							
1	Annual work plans prepared	No. of planning units with annual work plans	45	45	45	45	
2	Staff performance appraised	% of staff with complete performance appraisal records	25	30	50	40	
3	Reduced out of pocket expenditure on health	No. of households registered on the Lamu County sponsored NHIF cover	20,000	20,000	20,000	20,000	
4	Organized & coordinated public health services	County health sector annual work plan 2024/25	1	1	1	0	

Preventive and Promotive Health Services							
5	Increased number of children protected from vaccine preventable diseases	% Of children below one year fully immunized	86	90	90	73	KHIS
6	Decreased transmission of TB in the community	% of TB patients completing treatment	94	95	95	94	TIBU
7	Increased number of pregnant women attend the recommended number of antenatal clinic visits	Proportion of pregnant women attending at least 4 ANC visits	69	70	70	58	KHIS
8	Increased community demand for health services	No. of functional community health units (CHUs)	15	30	30	27	KHIS
Curative and Rehabilitative Health Services							
9	Increased access to primary health services	Outpatient utilization rate	298	100	100	140	KHIS
10	Increased number of deliveries conducted by	% of deliveries conducted by a skilled birth	88	90	90	82	KHIS

	SBAs	attendant					
11	Improved access to quality health care services	% Of public health facilities providing basic emergency obstetric and new-born care	40	45	45	45	
12	Reduction in facility based maternal deaths	Health facility maternal mortality ratio (per 100,000 live births)	95	80	80	118.6	KHIS

Department of Public Health, Sanitation and Environment

No.	Outcome	Indicator	Baseline	CIDP Target 2023/24	Target 2023/24	Achievement 2023/24	Remarks
2.2.1 Public Health, Sanitation, Environment and Natural Resources							
	Programme	General Administration, Planning, M & E					
1.	Organized and coordinated Public health services	County health sector annual work plan	0	1	1	1	Joint health sector AWP
2.	Increased compliance to public health regulations and	% of trade premises inspected and issued with	60	80	25% (2405)	31% (3278)	Weak linkage with the County

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	standards	health license					revenue unit
3.	Coordinated County Environment management Programme	No. County Environmental Committee meetings held	0	4	4	1	One meeting courtesy of Wetlands International
		County Environment Action Plan	0	1	1	1	Draft CEAP
	Programme	Public Health and Sanitation					
4.	School health clubs strengthened	No. of active school health clubs	40	60	60	75	Almost all schools have health clubs
5.	School children protected from STH	% of school going children dewormed at least once a year	93	100	95	0	Mass de-worming not conducted
6.	Increased awareness	% Households reached with health promotion messages	30	50	50	65	Household visits by CHVs
7.	Increased demand For health services	No. of community units established	15	5	12	34	KHIS
8.	Increased community participation in health programs	No. of health dialogue days No. of community action days held	10	40	43	88 113	KHIS

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9.	Reduced incidences	% reduction of malaria cases	317	10%	10%	24%	KHIS
10.	of vector borne diseases	% reduction of Bilharzia cases	4718	10%	10	48%	KHIS
11.	Latrine coverage increased	% Latrine coverage	67	75	80	76	
12.	Improved access to sanitation facilities	No. public toilets constructed	3	4	3	1	Ongoing
13.	Improved hand washing practices	% of households with hand washing facilities	30	60%	80	65	
14.	Improved water safety	No. of water samples analysed	24	100	100	37	bacteriological and chemical
15.	Reduced Incidences of Communicable Diseases	% reduction of diarrheal cases	10,338	10%	10%	0%	There was an increase of cases (26%) KHIS
	Programme	Environment					
16.	Improved waste management practices	Daily tonnage of waste disposed	4	5	5	5	Procured 3 additional waste collection trailers
17.		No. of new dump sites secured	0	2	2	1	Muhamarani dump site secured

18.	Sustainable management of forest resources	% of forest cover	34.5	35%	34	32	Launched forest policy and developed climate change Action plan
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Department of fisheries, livestock and co-operative development

No.	Key Outcome	Key Performance Indicator	Baseline 2017/2018	Target 2022/23	Target 2022/23	Achievement 2023/24	Remarks
Programme : Fisheries Development services							
Sub Programme 1: Fisheries production and productivity							
1	Outcome 1: Increased fisheries production	Tonnage of fish landed	3450	5600	4700	2860	
3	Output 1.2: Beach Management Unit trained	Number of BMUs trained	40	50	48	23	They were conducted in collaboration with NRT Coast, TNC, KeFS, WWF & KeCoFish
4	Output 1.3:	No. of outboard engines	135	50	0	50	Procurement completed

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		procured					
	Outboard engines, fishing gears, and fishing boats procured & issued	No. of fishers issued with fishing gears	1150	2000	1000	1200	Achieved target attained both through CGL and partners

6. Environmental and Sustainability Reporting

County Government of Lamu exists to transform lives. This is our purpose; the driving force behind everything we do. It is what guides us to deliver our strategy, which is founded on five pillars: putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a brief highlight of our achievements in each pillar.

a) Sustainability strategy and profile

Lamu County Executive strategic direction is anchored to the CIDP 2023- 2027 and linked to the Kenya Vision 2030, 2010 Constitution of Kenya and Sustainable Development Goals (SDG). The county target to increase its OSR to improve its financial sustainability.

b) Environmental performance

Toward environmental sustainability, Lamu County Executive has been implementing recommendations from the environmental impacts assessment reports. The Lamu County Executive has also been implementing the following:

- i. Conduct environmental assessments for all projects to be undertaken by the County.
- ii. Waste has been provided at all county offices. Colour coded dustbins are used to segregate different types of waste as a means of protecting environment.
- iii. Fire extinguishers have been installed in most section within office premises.

c) Employee welfare

Through the department of Public Service Board hiring process is in conformity with Recruitment and selection policies for Lamu County Public Service and labour laws of Kenya. County employees are continuously building with and effort to improve staff skills. The working environment is ensured to be conducive and friendly to employees. Furthermore, employees are timely paid and provided with medical cover together with their dependants.

d) Market place practices-

- i. Responsible Supply chain and supplier relations-

- ii. Promptly pay suppliers and ensure transparency in the procurement process through publishing of reports for the public to access. Tenders and requisition are public nationally and locally for potential suppliers to bid.
- iii. Responsible ethical practices-
- iv. County Headquarters offices entrances are marked as no Corruption free zone. The Lamu County Executive discourages any bribery and other corruption related acts at all county level.
- v. Stewardship of goods and services
- vi. Products and services that are non-conformity to ethical standards, cultural & citizen expectations and products standard as set by KEBS are identified and controlled to prevent their unintended use or delivery.

e) Community Engagements

The Lamu County Executive engages community through public participation and barazas in each project planning and implementation stage.

7. Statement of Management Responsibilities

Section 164 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the County Treasury shall prepare financial statements of each County Government entity in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The County Executive Committee (CEC) member for Finance and Economic planning of the County Government 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, 2024. 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; (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 accepts responsibility for the County Executive's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The CEC member for finance 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, 2024, and of its financial position as at that date.

The CEC member for finance 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.

The CEC member for finance confirms that the County Executive has complied fully with applicable Government Regulations and the terms of external financing covenants (where

applicable), 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 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

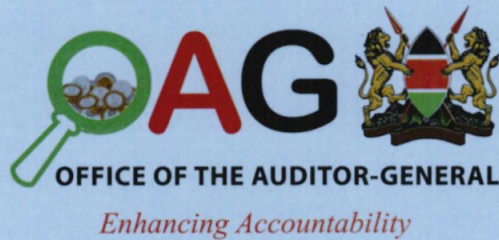
The County Executive's financial statements were approved and signed by the County Executive Committee Member for Finance on **24th September, 2024**



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

REPUBLIC OF KENYA

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REPORT OF THE AUDITOR-GENERAL ON COUNTY EXECUTIVE OF LAMU FOR THE YEAR ENDED 30 JUNE, 2024

PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on the 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 the Financial Statements should be read together with the report on the Lawfulness and Effectiveness in the Use of Public Resources, and the report on the 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 financial statements of County Executive of Lamu set out on pages 1 to 48, which comprise the statement of financial assets and liabilities as at 30 June, 2024 and the statement of receipts and payments, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of County Executive of Lamu as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the County Governments Act, 2012.

Basis for Qualified Opinion

1. Inconsistencies and Inaccuracies in the Financial Statements

Review of the financial statements revealed the following:

- a) The statement of assets and liabilities and IFMIS revealed unexplained variances as indicated below:

Item	Statement of Assets and Liabilities (Kshs)	IFMIS (Kshs)	Variance (Kshs)
Bank Balances	391,897,910	842,158,519	450,260,609
Cash Balances	-	7,702,307,729	7,702,307,729
Outstanding Imprests and Advances	-	27,342,539	27,342,539
Deposits and Retention	100,725,007	5,578,003,766	5,477,278,759
Fund Balance b/fwd	76,072,170	2,993,805,022	2,917,732,852
Prior year Adjustments	(11,751,217)	-	11,751,217
Surplus/Deficit for the year	226,851,950	264,009,562	37,157,612

- b) The statement of cashflows and IFMIS records revealed unexplained variances as indicated below:

Item	Statement of Cash Flows (Kshs)	IFMIS (Kshs)	Variance (Kshs)
Transfers to Other Government Units	(116,145,266)	(78,985,654)	37,159,612
Prior year Adjustment	(11,751,217)	1,165,817,678	1,154,066,461
Increase in Deposits and Retention	8,404,485	0	8,404,485
Net Cash Flow from Operating Activities	887,357,887	2,093,679,908	1,199,630,558
Net increase in Cash and Cash Equivalents	223,505,219	1,429,827,240	1,206,322,021

Item	Statement of Cash Flows (Kshs)	IFMIS (Kshs)	Variance (Kshs)
Cash and Cash Equivalents at Beginning of the year	168,392,692	7,114,639,009	6,976,246,317
Cash and Cash Equivalents at end of the year	391,897,911	8,544,466,249	8,162,568,338

The variances arose due to differences in the opening balances.

In the circumstances, the accuracy and completeness of the annual report and financial statements could not be confirmed.

2. Inaccurate Cash and Cash Equivalents Balance

The statement of assets and liabilities reflects cash and cash equivalents balance of Kshs.391,897,910 as disclosed in Note 13A of the financial statements all of which relate to bank balances. The balance is held in twenty-four (24) bank accounts. However, the balance includes Kshs.286,853,571 held in eight (8) bank accounts relating to fuel levy, conditional grants and special purpose accounts all of which are self-reporting and prepare separate financial statements.

In the circumstances, the accuracy of cash and cash equivalents balance of Kshs.391,897,910 could not be confirmed.

3. Long Outstanding Deposits and Retentions Balance

The statement of assets and liabilities and Note 15 to the financial statements reflects a balance of Kshs.100,725,007 in respect of deposits and retentions. Included in the balance is Kshs.93,087,410 in respect of deposits out of which Kshs.45,024,514 relate to deposits outstanding for prior periods of between one (1) year to over three (3) years. The balance of Kshs.7,637,597 relate to long outstanding gratuity for over three (3) years. Further, the retention registers and list of persons whose gratuity amounts are outstanding submitted, reflects a balance of Kshs.115,838,156 resulting to unexplained variance of Kshs.15,113,149.

In the circumstances, the accuracy and completeness of the deposits and retention balance of Kshs.100,725,007 could not be confirmed.

The audit was conducted in accordance with the International Standards for 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

1. Budgetary Control and Performance

The statement of comparative budget and actual amounts: recurrent and development combined reflects final receipts budget and actual on a comparable basis of

Kshs.3,951,337,952 and Kshs.3,469,572,977 respectively resulting to an under-funding of Kshs.481,764,975 or 12% of the budget. Similarly, the County Executive made payments totalling to Kshs.3,220,567,734 against an approved budget of Kshs.3,951,337,952 resulting to an under-performance of Kshs.730,770,218 or 18% of the budget.

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

2. Late Exchequer Releases

The statement of receipts and payments reflects total receipts of Kshs.3,447,419,685 in respect of transfers from the County Revenue Fund (CRF) and as disclosed in Note 1 to the financial statements. Review of the CRF bank statement revealed receipts totalling Kshs.716,219,255 were received near or after the closure of the financial year.

This means that 21% of all the County Executive's receipts were received near the closure of the year and this may have negatively impacted on service delivery. There is need for The National Treasury to release the Exchequers in good time for effective implementation of budgeted activities and programs.

My opinion is not modified in respect of these matters.

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 matters described in the Basis for Qualified Opinion section of my report, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Matters

In the previous audit report several issues were raised under Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Control, Risk Management and Governance. However, although the Management has indicated that some of the issues have been resolved and mechanisms put in place to resolve those outstanding, evidence of resolution has not been provided as a result of which the matters remained unresolved as at 30 June, 2024.

Other Information

The Management is responsible for the other information set out on page iii to ix which comprise of County Information, Governance statement, statement of performance against county predetermined objectives and Environmental and Sustainability Reporting. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the County Government of Lamu 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.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Compensation of Employees

The statement of receipts and payments reflects payments in respect of compensation of employees totalling Kshs.1,593,862,717 as disclosed under Note 3. Review of records revealed the following:

1.1 Failure to Adhere to Fiscal Responsibility Principles

The statement of comparison of budget and actual amounts reflects total payments budget for compensation of employees of Kshs.1,594,909,387, while the total revenue budget was Kshs.4,131,337,952 out of which Kshs.3,951,337,952 was in respect of equitable share while Kshs.180,000,000 was from own source revenue. The budget on compensation of employees was 39% contrary to Section 107 (2) (c) of 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.

1.2 Payment of Salaries Outside the Integrated Personnel and Payroll Database (IPPD)

Review of the payroll records during the year under review revealed that Management processed and paid salaries to staff outside the IPPD payroll system which Management acknowledge is due to delay by Directorate of Public Service Management (DPM) to issue new personal numbers upon request by the County.

1.3 Non-Competitive Hiring of Interns

According to the payroll records, the Management made payment totalling to Kshs.900,000 to nine (9) interns from July, 2023 to March, 2024. However, the needs assessment report and requisition from the departments, notices, applications, interview report and approval by the County Public Service Board were not provided for audit. Contrary to the Circular reference number PSC/ADM/14/V/105 issued by the Public Service Commission on 13 October, 2016 which describes approved stipends and subsistence allowances for interns in the public service. It provides that holders of at least Bachelor's Degree from a recognized university get Kshs.25,000 per month and Kshs.4,000 as Daily Subsistence Allowance (DSA) whenever the intern is required to undertake official assignments outside the assigned duty station. A review of Human Resource records indicated that interns were on the payroll, but they were receiving less monthly stipend than the amount provided for in the circular. Management indicate that the program was terminated due to budgetary issues and policy issues as a result of which the program was found unsustainable.

1.4 Non-Compliance with Law on Mandatory Retirement Age

Review of the Integrated Payroll and Personnel Database (IPPD), June 2024 Payroll, revealed that four (4) officers who had attained the mandatory retirement age of sixty (60) years were still in service as at 30 June, 2024 contrary the County Government of Lamu Human Resource Policies and Procedures Manual, April 2017, Mandatory retirement age for all officers shall retire from the Service on attaining the mandatory retirement age of sixty (60) years, sixty-five (65) years for persons with disabilities and or may be prescribed by the Government from time to time. The officers were paid emoluments totalling Kshs.3,559,416 in the year under review. Management indicated that they have been retained due to the rare knowledge, skills and competencies that are scarce, unique and not readily available in the job market. However, the details of these skills have not been provided.

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

2. Irregular Procurement of Fuel, Oil and Lubricants

The statement of receipts and payments as disclosed in Note 4 reflects use of goods and services totalling to Kshs.635,385,335. Included is payments totalling Kshs.81,594,900 in respect of fuel, oil and lubricants procured by use of quotations by the various departments. The payments were made to only two (2) companies of the thirty-nine (39) prequalified suppliers under the category contrary to Regulation 91 (5) of the Public Procurement and Asset Disposals Regulations, 2020 which provides that an accounting officer shall ensure a fair and equitable rotation amongst the persons on the list under Sections 57, 71 and 106 of the Act and these Regulations. In addition, evidence that the departments have been registered as procuring entities and have a procurement function was not provided contrary to Regulation 54 on procuring entity registration which states that The National Treasury shall ensure that all procuring entities are registered into the e-procurement system and that they have their respective facilities to carry out different activities of initiating the procurement process, annual procurement plan preparation, procurement document preparation, evaluation, professional opinion, contract award,

contract management, internal procurement process, workflow management, tracking payments, deliverables and other processes through the available features and modules of the e-procurement system.

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

3. Irregular Procurement of Food Stuffs

The statement of receipts and payments in Note 4 reflects use of goods and services totalling to Kshs.635,385,335. Included is payments totalling Kshs.136,682,249 on specialized materials and services out of which payments totalling Kshs.15,708,279 was in respect of purchase of food stuffs. The food stuffs were procured by the various hospitals through use of quotations. However, evidence that the entities have been registered as procuring entities and have a procurement function was not provided contrary to Regulation 54 on procuring entity registration which states that The National Treasury shall ensure that all procuring entities are registered into the e-procurement system and that they have their respective facilities to carry out different activities of initiating the procurement process, annual procurement plan preparation, procurement document preparation, evaluation, professional opinion, contract award, contract management, internal procurement process, workflow management, tracking payments, deliverables and other processes through the available features and modules of the e-procurement system.

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

4. Irregular Procurement of Consultancy Services

The statement of receipts and payments as disclosed in Note 4 under use of goods and services totalling to Kshs.635,385,335 reflects payments totalling Kshs.78,846,374 in respect of other operating expenses (including bank charges) out of which Kshs.66,718,344 was paid consultancy services to eleven (11) firms for planning, survey and regularization of farms, trading centres and towns. A further Kshs.5,933,942 was paid to an individual for preparation on a draft GIS based valuation roll for Lamu County (60% reports). However, the approved procurement plan was not specific on which projects were to be pursued in that financial year, the terms of reference of guiding the procurement did not specify the deliverables and basis of partial acceptance and an inspection and acceptance certificate in support of a payments were not provided contrary to the provisions of Section 53 (1) of the Public Procurement and Asset Disposal Act, 2015 which provides that all procurement by State organs and public entities are subject to the rules and principles of this Act and that an accounting officer shall prepare an annual procurement plan which is realistic in a format set out in the Regulations within the approved budget prior to commencement of each financial year as part of the annual budget preparation process. In addition, the specific parcels of farms, GIS based valuation roll and other reports have not been provided for review.

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

5. Irregular Payment of Subscription Fees to County Public Service Board (CSPB) National Consultative Forum

The statement of receipts and payments as disclosed in Note 4 under use of goods and services totalling to Kshs.635,385,335 reflects payments totalling Kshs.78,846,374 in respect of other operating expenses (including bank charges) out of which Kshs.597,000 was paid to CSPB National Consultative Forum being annual subscription. However, the authority upon which the payment was made has not been provided 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.

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

6. Irregular Payments to Council of Governors and Frontier Counties

The statement of receipts and payments reflects payments totalling Kshs.116,143,266 in respect of other current transfers, grants and subsidies and as disclosed in Note 6 to the financial statements. Included in these payments is Kshs.4,000,000 made to the Council of Governors and the Frontier Counties Development Council Limited each of which received Kshs.2,000,000 for subscription fees 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 the 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 sectorial working groups established by the Council.

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

7. Payments Outside the Mandate of the County Government

The statement of receipts and payments as disclosed in Note 7 reflects payments totalling Kshs.127,382,478 in respect of other grants and transfers which includes Kshs.126,977,782 in respect of scholarships and other educational benefits which are grant transfer for the purpose of issuance of bursary and scholarship. The scholarship is used to assist students to obtain education at such recognized institutions and to fund other education activities. However, contrary to the fourth Schedule (Article 185 (2), 186 (1) and 187 (2)) on distribution of functions between the National Government and the County Governments, part 2 under Paragraph 9 the County Governments are responsible for pre-primary education, village polytechnics, homecraft centres and childcare facilities. The activities funded by the Fund including provision of bursaries to needy students in Secondary Schools, Colleges and Universities fall under the mandate of National Government.

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

8. Misclassification of Payments on Other Grants and Transfers

The statement of receipts and payments as disclosed in Note 7 reflects payments totalling Kshs.127,382,478 in respect of other grants and transfers. Review of records revealed that the County Government allocated Kshs.104,108,574 for Financing Locally-Led Climate Action (FLLoCA) Programs while Kshs.17,637,689 was actually paid out for the same. However, the amount was budgeted and appropriated under recurrent sub vote and charged to information, communication and E-government department, instead of being charged under other grants and transfers.

In the circumstances, the payments under FLLoCA programs have been misclassified.

9. Acquisition of Assets

The statement of receipts and payments reflects payments on acquisition of assets totalling Kshs.663,852,668 and as disclosed in Note 9 to the financial statements. Review of documents revealed the following:

9.1 Delayed Road Construction Project

Included in these payments are payments totalling Kshs.109,668,106 in respect of construction of roads out of which Kshs.10,501,355 was paid to a local contractor for cabro paving of access road at Mpeketoni Market whose contract sum was Kshs.11,701,962. The contract was signed on 4 April, 2024. The physical verification exercise revealed that the access road projects were not completed as required and the contractor had left the site. Even though Management acknowledges the slow implementation of the project due to slow pace of the contractor and indicate that the contractor had resumed the works and committed to clear by 31 October, 2024, the proof of completion of the works was not provided by the date of this report.

9.2 Construction and Civil Works

Included in the payments on acquisition of assets are payments totalling Kshs.265,596,445 in respect of construction and civil works. Review of documents revealed the following:

a) Delay in Completion of Pipeline Extension Works at Mokowe

Payments totalling Kshs.14,793,542 were made in respect to construction of Mokowe pipeline extension works awarded to a local company for rehabilitation services and installation of specialized items. The contract was signed on 11 October, 2023 for a duration of sixteen (16) weeks. However, a project verification done on 2 October, 2024, almost one (1) year later, revealed that the project is not complete and the contractor was not on site and no hand over report was provided for audit review. Management attributed the delay to last year el-nino rains and the complexity of the rehabilitation works and asserts that the project would be completed by December, 2024.

b) Dormant Manda Yawi-Raskitau Water Project

Management engaged a local company in respect to Manda Yawi-Raskitau Water Project at a negotiated cost of Kshs.14,978,117. The contract works included Construction of 4.8 Km pipeline (including undersea), rehabilitation of existing water kiosks, testing and

commissioning as itemized in the Bill of Quantities. The contract was signed on 27 October, 2023 with a completion period of four (4) months. However, a project verification done on 2 October, 2024, one (1) year later, revealed that although the defect liability period of six (6) months (ending 27 August, 2024) was over and the retention monies due, the project was not yet operational, and had not served its intended purpose. Even though Management attribute the state to the vandalism of wells.

c) Irregular Variations of Contract on Construction Works for Faza Desalination Plant

Management paid amount is Kshs.7,527,386 during the year under review in respect of Faza desalination plant out of which Kshs.3,971,393 was in respect of price variations. Review of the documents provided for audit revealed that the County awarded the contract for supplying, delivery and installation of a plant house to a local firm in 2021/2022 financial year. However, minutes of the tender awarding authority recommending approval for price variations were not provided for audit review contrary to Section 139 (1) and (4) of the Public Procurement and Asset Disposal Act, 2015 which provides that an amendment or a variation to a contract resulting from a procurement proceeding is effective only if the variation or amendment has been approved in writing by the respective tender awarding authority within a procuring entity and the price variation is based on the prevailing consumer price index obtained from Kenya National Bureau of Statistics or the monthly inflation rate issued by the Central Bank of Kenya. In addition, a field verification done on 7 October, 2024 revealed that the project was not operational. Management attribute the failure to provide minutes to oversight during audit due to absence of relevant documentation.

9.3 Delay in the Construction of the Governor's Residence

Included in this amount are payments totalling Kshs.82,741,590 in respect to construction of buildings out of which Kshs.13,499,920.50 was paid to a construction company in respect to construction of the Governor's Residence. As previously reported, the project file revealed that a memorandum of understanding between County Government of Lamu and National Government had been signed on 31 March, 2021 allocating two (2) acres of land for the construction of the residence and the contract for the construction of the residence was signed on 16 February, 2023 between the County Government and contractor at a contract sum of Kshs.44,090,374 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 7 October, 2024 revealed that the project is still not complete. Delay in project implementation may be an indication of ineffectiveness in management of public resources and prolonged completion of the project may lead to unnecessary additional costs due to inflation.

9.4 Stalled Construction of Lamu County Headquarters

As previously reported, Management entered into contract to construct the County Headquarters at Mokowe on 24 June, 2019 at a contract sum of Kshs.126,823,550 and was to run for two (2) years up to 24 June, 2021. In the Memorandum of Understanding (MOU) entered into with the State Department for Public Works in January, 2021, the County was to fund 30% of the cost of the project and National Government to fund the balance of 70%. According to payment records, the County had made payments of

Kshs.31,987,330 while the National Government had paid 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 in October, 2024 revealed that the contractor requested and obtained an extension of project contract period to 2 November, 2023. However, no additional works had been done during the extension period. 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.

9.5 Delay in Completion of Faza Sub-County Headquarters

Included in the payments on construction of buildings totalling Kshs.82,741,590 is Kshs.48,365,894 made to a contractor in respect of construction of the Faza Sub-County Headquarters. Review of the project file revealed that the Management signed a contract agreement with 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, a field verification done on 7 October, 2024 revealed the project was not complete.

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

9.6 Unaccounted for Computers, Laptops, Printers and Photocopiers

The statement of receipts and payments as disclosed in Note 9 to the financial statements reflects payments on acquisition of assets totalling Kshs.663,852,668 which includes payments totalling Kshs.19,778,928 on purchase of office furniture and general equipment totalling Kshs.19,778,928. Included in this amount is Kshs.5,844,150 in respect to purchase of assorted items of computer desk tops, laptops, printers and photocopiers. However, the procurement documents were not clear on the specifications of the computers and laptops contrary to Section 60 (1) of the Public Procurement and Asset Disposal Act, 2015 which provides that an accounting officer of a procuring entity shall prepare specific requirements relating to the goods, works or services being procured that are clear, that give a correct and complete description of what is to be procured and that allow for fair and open competition among those who may wish to participate in the procurement proceedings.

In addition, the suppliers' delivery notes did not indicate, the model/brand, serial numbers of the computers supplied and similarly the inspection and acceptance committees' reports did not indicate the type of computer models and their serial numbers contrary to the provisions of Section 48 (3) of the Act that provides that the Inspection and Acceptance Committee shall immediately after the delivery of the goods, works or services inspect and where necessary, test the goods received; inspect and review the goods, works or services in order to ensure compliance with the terms and specifications of the contract. A distribution list of all the electronic items purchased was not provided and evidence of the inclusion of these items in the asset register was not provided.

In the circumstances, the authenticity of the payments on computers, laptops, printers and photocopiers could not be confirmed and Management was in breach of the law.

9.7 Irregular Procurement of Certified Seeds, Breeding Stock and Live Animals

The statement of receipts and payments reflects payments totalling Kshs.663,852,668 in respect of acquisition of assets and as disclosed in Note 9 to the financial statements. Included in these payments is Kshs.31,933,528 in respect of purchase of certified seeds, breeding stock and live animals. However, the process of registration of farmers and their acreage at the County Government level has not been documented to justify the distribution of the seeds to each beneficiary. Management avers that the process of registration of farmers was done in the month of September, 2023 through the National Government Food System Resilience Program (FSRP) coordinated by the FSRP County Co-ordinator to recruit 20,254 farmers across the County and the data was hosted by the Kenya Integrated Agricultural Management Information System (KIAMIS) database. The FSRP is a Government of Kenya Project focusing on ensuring food security and building resilience to complement and build on other interventions by the World Bank that support the Government's current Bottom Up Economic Transformation Agenda (BETA) and implemented under the State Department of Crops Development and Agricultural Research (SDC&AR), Ministry of Agriculture and Livestock Development (MoALD) and the integration and coordination between the two (2) levels of Government has not been provided.

In the circumstances, the authenticity of payments in respect of purchase of certified seeds, breeding stock and live animals could not be confirmed.

10. Grounded Motor Vehicles and Transport Equipment

As previously reported, audit inspection of the County assets revealed that the County motor vehicles, tractors, motorcycles, motor boats and tuk tuks whose details are as indicated in the table below:

Type	Total	Good Condition	Grounded
Motor Vehicles	68	17	51
Tractors	15	8	7
Motor Boats	19	6	13
Tuk Tuk	3	-	3
Motor Cycle	84	71	13
Total	189	102	87

Management did not provide measures put in place for ensuring that the grounded vehicles were repaired or disposed of to prevent further loss. In addition, the Management did not prepare an annual assets disposal plan contrary to Regulation 176(1) of the Public Procurement and Asset Disposal Regulations, 2020 which states that an Accounting Officer of a procuring entity shall ensure that an annual assets disposal plan is prepared of items declared as unserviceable, surplus or obsolete, obsolescence stores, asset or equipment unserviceable or obsolete stores, asset or equipment as set out under Section 53(4) of the Act.

In the circumstances, the effectiveness of internal controls on management of assets could not be confirmed.

11. Failure to Update Fixed Assets Register

Annex 6 to the financial statements on summary of non-current assets register reflects a balance of Kshs.2,653,724,595 which includes additions during the year of Kshs.221,330,692. However, the statements of receipts and payments reflects payments in respect of acquisition of assets totalling Kshs.663,852,668 resulting to an unexplained variance of Kshs.442,521,976. In addition, a review of the assets' register revealed unexplained variances between asset balances and corresponding disclosure in the summary as indicated below:

Asset Class	Financial Statements - Annex 6 (Kshs)	Asset Register (Kshs)	Variance (Kshs)
Land	-	36,775,900	36,775,900
Buildings and Structures	1,743,926,348	968,323,682	775,602,666
Transport Equipment	233,852,553	288,123,952	54,271,399
Office Equipment	287,318,557	18,306,895	269,011,662
ICT Equipment	-	55,603,201	55,603,201
Machinery and Equipment	214,741,968	-	214,741,968
Biological Assets	173,885,169	-	173,885,169

Further, review of the County asset register revealed that the County owns twenty (20) parcels of land which County has not obtained the ownership whose estimated value has not been provided contrary to Regulation 136 of the Public Finance Management (County Governments) Regulations, 2015 which provided that the Accounting Officer shall be responsible for maintaining a register of assets under his or her control or possession as prescribed by the relevant laws. The register of land and buildings shall record each parcel of land and each building and the terms on which it is held, with reference to the conveyance, address, area, dates of acquisition, disposal or major change in use, capital expenditure, lease hold terms, maintenance contracts and other pertinent management details.

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

12. Non-Compliance with the Law on the Establishment of the Office of County Attorney

Section 4 of the Office of the County Attorney Act, 2020 requires each County to establish the Office of the County Attorney, which is an office in the County Public Service. However, and as reported earlier, Management has not appointed the County Attorney and other officers and this was attributed to lack of financial resources. The legal department does not have the capacity to offer legal advice and the County is likely to incur avoidable and exorbitant legal charges.

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

13. Project Implementation Status on Acquisition of Assets

The statement of receipts and payments reflects payments totalling Kshs.663,852,668 on acquisition of assets as reflected in Note 9 to the financial statements. The 2023-2024 Annual Development Plan (ADP) prepared in February, 2023 indicated that one hundred and twenty-four (124) projects were lined up for implementation worth Kshs.1,492,820,000. However, the project implementation status indicates that one hundred and forty-six (146) projects worth Kshs.790,262,423 were implemented out of the one hundred and eighty-six (186) projects planned to be implemented worth Kshs.1,422,550,007. The details are as indicated below:

Department	ADP	Project Status	
		Estimates	Actual
County Executive	10	4	2
Finance	2	2	2
Agriculture and Food Security	14	12	10
Lands	5	16	14
Water and Energy	9	22	15
Education and Vocational Training	13	31	14
Medical Services	20	42	37
Trade and Tourism	5	12	11
Fisheries and Blue Economy, Livestock and Cooperatives	18	13	10
Public Works and Infrastructure	12	17	17
Lamu Municipality	9	8	8
Devolution, Disaster Management and Resource Mobilization	0	2	2
Public Health	7	5	4
Total Projects	124	186	146
Total Amounts (Kshs)	1,492,820,000	1,422,550,007	790,262,423

14. Overstated Receipts

The statement of receipts and payment and Note 1 to the financial statements reflects transfers from County Revenue Fund (CRF) totalling Kshs.3,447,419,685. However, Exchequer releases totalling to Kshs.715,569,720 were received after 30 June, 2024 out of which transfers totalling Kshs.685,971,663 was received on 2 July, 2024 while Kshs.29,598,057 was received on 5 July, 2024 but were accounted for as if they were received by the cutoff date contrary to Regulation 97 of the Public Finance Management (County Governments) Regulations, 2015 which states that the accounts of the County Government entities shall record transactions which take place during a financial year running from the 1 July to the 30 June and that an actual cash transaction taking place after the 30 June, shall not, however, be treated as pertaining to the previous financial year even though the accounts for that year may be open for the purposes referred to specified transactions in this regulation.

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

15. Failure to Clear Long Outstanding Pending Bills

Note 20 on other important disclosures reflects a balance of Kshs.49,122,593 in respect of pending accounts payable. Included in this balance is Kshs.9,588,029 relating to pending bills incurred during the year under review while Kshs.29,665,463 is indicated as having been cleared during the year under review leaving a balance of Kshs.49,122,593 out of which Kshs.39,534,564 relate to balance outstanding as at 30 June, 2023 and which should have been paid as a first charge in line with provisions of Regulation 41 (2) of the Public Finance Management (County Governments) Regulations, 2015 which provides that debt service payments shall be a first charge on the County Revenue Fund and the Accounting Officer shall ensure this is done to the extent possible that the County Government does not default on debt obligations. Even though Management acknowledge that the pending bills are due to their ineligibility that stems from missing or incomplete documentation, the County Executive risks incurring additional losses in form of interest and penalties arising from continued delay in the settlement of the bills. In addition, failure to settle bills during the year in which they relate to distorts the financial statements and adversely affects the budgetary provisions to the subsequent year as they form a first charge.

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

The audit was conducted in accordance with ISSAIs 3000 and 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, based on the audit procedures performed, except for the effects of the matter described in the Basis for Conclusion on the Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

Under-Staffed/Dysfunctional Internal Audit Unit

Review of Lamu County Government Internal Audit manual provided for audit revealed that, the audit department should have eight (8) officers headed by head of internal audit. However, the department has only two (2) officers headed by internal auditor who has been in acting capacity for a period of two (2) years. Further, review of the audit staff personal files revealed that the two (2) internal auditors were employed as internal auditor while the county staff establishment does not have the position. In addition, the unit could not perform all the audits for the year under review as per the internal audit work plan due to understaffing.

In the circumstances, the effectiveness of the internal controls could not be confirmed.

The audit was conducted in accordance with ISSAIs 2315 and 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 (Cash 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 Executive'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 INTOSAI Framework of Professional Pronouncements (IFPP). The Framework requires 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 IFPP 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

27 December, 2024

County Government of Lamu

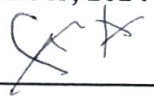
County Executive of Lamu

Annual Report and Financial Statements for the year ended June 30, 2024


9. Statement of Receipts and Payments for the year ended 30th June 2024

Description	Notes	2023-2024	2022-2023
		Kshs	Kshs
Receipts			
Transfers from the CRF	1	3,447,419,685	3,023,748,938
Miscellaneous receipts	2	-	-
Total receipts		3,447,419,685	3,023,748,938
Payments			
Compensation of employees	3	1,593,862,717	1,455,759,111
Use of goods and services	4	635,385,335	689,563,357
Subsidies	5	-	-
Transfers to other government entities	6	116,143,266	275,814,479
Other grants and transfers	7	127,382,478	133,361,228
Social security benefits	8	50,141,270	45,676,554
Acquisition of assets	9	663,852,668	560,798,092
Finance costs, including loan interest	10	-	-
Repayment of principal on domestic & foreign Borrowing	11	-	-
Other payments	12	33,800,000	31,000,000
Total payments		(3,220,567,735)	(3,191,972,821)
Surplus/deficit		226,851,950	(168,223,883)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The County Executive's financial statements were approved on 24th September, 2024 and 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

10. Statement of Assets and Liabilities as at 30th June 2024

Description	Notes	2023-2023	2022-2023
		Kshs	Kshs
Financial assets			
Cash and cash equivalents			
Bank balances	13A	391,897,910	168,392,692
Cash balances	13B	-	-
Total cash and cash equivalents		<u>391,897,910</u>	<u>168,392,692</u>
Outstanding imprests and advances	14	-	-
Total financial assets		391,897,910	168,392,692
Financial liabilities			
Deposits and retentions	15	100,725,007	92,320,522
Net financial assets		291,172,903	76,072,170
Represented by			
Fund balance b/fwd.	16	76,072,170	244,296,052
Prior year adjustments	17	(11,751,217)	-
Surplus/deficit for the year		226,851,950	(168,223,883)
Net financial position		291,172,903	76,072,169

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The County Executive's financial statements were approved on 24th September, 2024 and signed by:


 Chief Officer Finance
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 ICPAK Member No: 15009


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

County Government of Lamu
County Executive of Lamu
Annual Report and Financial Statements for the year ended June 30, 2024

11. Statement of Cash Flows for the period ended 30th June 2024

Description	Notes	2023-2024	2022-2023
		Kshs	Kshs
Receipts from operating income			
Transfers from the CRF	1	3,447,419,685	3,023,748,938
Miscellaneous receipts	2	-	-
Total receipts from operating income		3,447,419,685	3,,023,748,938
Payments for operating expenses			
Compensation of employees	3	1,593,862,717	1,455,759,111
Use of goods and services	4	635,385,335	689,563,357
Subsidies	5	-	-
Transfers to other government entities	6	116,143,266	275,814,479
Other grants and transfers	7	127,382,478	133,361,228
Social security benefits	8	50,141,270	45,676,554
Finance costs, including loan interest	10	-	-
Other payments	12	33,800,000	31,000,000
Total payments for operating expenses		2,556,715,066	2,631,174,728
Net receipts/ (payments) from operations		890,704,619	392,574,210
Adjusted for:			
Prior year adjustments	17	(11,751,217)	-
Decrease/(increase) in outstanding imprests & advances	18	-	166,100
Increase/(decrease) in deposits and retentions	19	8,404,485	(14,247,978)
Net cash flow from operating activities		887,357,887	378,492,332
Cash flow from investing activities			
Acquisition of assets	9	(663,852,668)	(560,798,092)
Net cash flows from investing activities		(663,852,668)	(560,798,092)
Cash flow from Financing activities			

County Government of Lamu
County Executive of Lamu
Annual Report and Financial Statements for the year ended June 30, 2024

Description	Notes	2023-2024	2022-2023
		Kshs	Kshs
Repayment of principal on domestic and foreign Borrowing	11	-	-
Net cash flow from financing activities		-	-
Net increase in cash and cash equivalents		223,505,219	(182,305,760)
Cash and cash equivalents at beginning of the year		168,392,692	350,698,452
Cash and cash equivalents at end of the year		391,897,911	168,392,692

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The County Executive's financial statements were approved on **24th September, 2024** and signed by:

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LAMU COUNTY EXECUTIVE
Annual Report and Financial Statements
For the year ended June 30, 2024

12. Statement of Comparison of Budget & Actual Amounts (Recurrent and Development Combined) for the year ended 30th June 2024

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	
Receipts						
Transfers from the CRF	4,037,913,973	(108,729,313)	3,929,184,660	3,447,419,685	481,764,975	88%
Other receipts	-	-	-	-	-	-
Opening balance for Non-Refundable Bank balances in special Purpose Account	-	22,153,292	22,153,292	22,153,292	-	100%
Total	4,037,913,973	(86,576,021)	3,951,337,952	3,469,572,977	481,764,975	88%
Payments						
Compensation of employees	1,528,657,771	66,251,616	1,594,909,387	1,593,862,717	1,046,670	100%
Use of goods and services	686,251,281	22,847,517	709,098,798	635,385,335	73,713,463	90%
Subsidies	-	-	-	-	-	-
Transfers to other government units	373,107,589	(154,627,342)	218,480,247	116,143,266	102,336,981	53%
Other grants and transfers	105,000,000	22,471,078	127,471,078	127,382,478	88,600	100%
Social security benefits	46,172,582	11,145,357	57,317,939	50,141,270	7,176,669	87%
Acquisition of assets	1,288,724,750	(78,464,247)	1,210,260,503	663,852,668	546,407,835	55%
Finance costs, including loan interest	-	-	-	-	-	-
Repayment of principal on borrowings	-	-	-	-	-	-
Other payments	10,000,000	23,800,000	33,800,000	33,800,000	-	100%
Total	4,037,913,973	(86,576,021)	3,951,337,952	3,220,567,734	730,770,218	82%
Surplus/(Deficit)	-	-	-	249,005,242	(249,005,242)	

The following reasons for under absorption:-

- 1. E - Procurement challenge such as unpredicted system upgrade i.e. introduction of network challenge and inadequate skills from our suppliers on E - procurement which resulted to underutilization of fund hence affect implementation of projects and programme.*

The County Executive's financial statements were approved on **24th September, 2024** and signed by:



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

County Government of Lamu
County Executive of Lamu
Annual Report and Financial Statements for the year ended June 30, 2024

A: Statement of Comparison of Budget & Actual Amounts – Recurrent for the year ended 30th June 2024

Receipt/expense item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	
Receipts						
Transfers from the CRF	2,226,171,972	289,135,689	2,515,307,661	2,384,428,774	130,878,887	95%
Other receipts	-	-	-	-	-	-
Opening balance for Non-Refundable bank balances in Special Purpose Account	-	13,480,284	13,480,284	13,480,284	-	100%
Total	2,226,171,972	302,615,973	2,528,787,945	2,397,909,058	130,878,887	95%
Payments						
Compensation of employees	1,528,657,771	66,251,616	1,594,909,387	1,593,862,717	1,046,670	100%
Use of goods and services	478,252,820	66,952,429	545,205,249	491,587,848	53,617,401	90%
Subsidies	-	-	-	-	-	-
Transfers to other government units	34,625,500	62,036,173	96,661,673	76,329,742	20,331,931	79%
Other grants and transfers	105,000,000	22,471,078	127,471,078	127,382,478	88,600	100%
Social security benefits	46,172,582	11,145,357	57,317,939	50,141,270	7,176,669	87%
Acquisition of assets	23,463,299	49,959,320	73,422,619	57,202,256	16,220,363	78%
Finance costs, including loan interest	-	-	-	-	-	-
Repayment of principal on borrowings	-	-	-	-	-	-
Other payments	10,000,000	23,800,000	33,800,000	33,800,000	-	100%
Total	2,226,171,972	302,615,973	2,528,787,945	2,430,306,311	98,481,634	96%
Surplus/(deficit)	-	-	-	(32,397,253)	32,397,253	

County Government of Lamu

County Executive of Lamu

Annual Report and Financial Statements for the year ended June 30, 2024

The County Executive's financial statements were approved on 24th September, 2024 and 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

County Government of Lamu
County Executive of Lamu
Annual Report and Financial Statements for the year ended June 30, 2024

B. Statement of Comparison of Budget & Actual Amounts: Development for the year ended 30th June 2024

Receipt/expense item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	
Receipts						
Transfers from the CRF	1,811,742,001	(397,865,002)	1,413,876,999	1,062,990,911	350,886,088	75%
Other receipts	-	-	-	-	-	-
Opening balance for Non-refundable bank balances in special purpose Account	-	8,673,008	8,673,008	8,673,008	-	100%
Total	1,811,742,001	(389,191,994)	1,422,550,007	1,071,663,919	350,886,088	75%
Payments						
Compensation of employees	-	-	-	-	-	-
Use of goods and services	207,998,461	(44,104,912)	163,893,549	143,797,487	20,096,062	88%
Subsidies	-	-	-	-	-	-
Transfers to other government units	338,482,089	(216,663,515)	121,818,574	39,813,524	82,005,050	33%
Other grants and transfers	-	-	-	-	-	-
Social security benefits	-	-	-	-	-	-
Acquisition of assets	1,265,261,451	(128,423,567)	1,136,837,884	606,650,412	530,187,472	53%
Finance costs, including loan interest	-	-	-	-	-	-
Repayment of principal on borrowings	-	-	-	-	-	-
Other payments	-	-	-	-	-	-
Total	1,811,742,001	(389,191,994)	1,422,550,007	790,261,423	632,288,584	56%
Surplus/(deficit)	-	-	-	281,402,496	(281,402,496)	

Comment on the above table

- 1. E - Procurement challenge such as unpredicted system upgrade i.e. introduction of , network challenge and inadequate skills from our suppliers on E - procurement which resulted to underutilization of fund hence affect implementation of projects and programme.*

The County Executive's financial statements were approved on **24th September, 2024** and 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

LAMU COUNTY EXECUTIVE
Annual Report and Financial Statements
For the year ended June 30, 2024

C. Budget Execution by Programmes and Sub-Programmes for the year ended 30th June 2024

Budget Execution by Program and Sub-Programmes - County Executives : RECURRENT							
Program	Sub Program	Description	Original Budget	Adjustments	Final Budget	Actual	% Budget utilization
			KShs	KShs	KShs	KShs	KShs
101003210		Administration, planning & support Services	196,583,122	(10,580,545)	186,002,577	169,531,833	91%
	101013210	Administration Services	196,583,122	(10,580,545)	186,002,577	169,531,833	91%
	101023210	Human Resource Development & Management	-	-	-	-	0%
102003210		Land Management	-	5,000,000	5,000,000	4,943,710	99%
	102023210	Physical planning	-	5,000,000	5,000,000	4,943,710	99%
104003210		Infrastructure Development	-	5,000,000	5,000,000	3,702,520	74%
	104013210	Infrastructure Development	-	5,000,000	5,000,000	3,702,520	74%
105003210		Water management, Conservation & Provision	46,121,238	28,039,620	74,160,858	71,842,494	97%
	105013210	Water management, Conservation & Provision	46,121,238	28,039,620	74,160,858	71,842,494	97%
106003210		Administration, Planning and Monitoring & Evaluation	57,401,948	(10,441,088)	46,960,860	45,783,419	97%
	106013210	Administration, Planning and Monitoring & Evaluation	57,401,948	(10,441,088)	46,960,860	45,783,419	97%
108003210		Co-management	575,000	-	575,000	422,220	73%
	108013210	Co-management	575,000	-	575,000	422,220	73%

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109003210		Fish farming	2,350,500	(375,000)	1,975,500	1,824,572	92%
	109013210	Fish farming	2,350,500	(375,000)	1,975,500	1,824,572	92%
111003210		1: Livestock Extension Services	963,350	(100,000)	863,350	519,990	60%
	111013210	Livestock Extension Services	963,350	(100,000)	863,350	519,990	60%
112003210		2 Veterinary Service Management	2,505,000	276,500	2,781,500	2,512,475	90%
	112013210	Veterinary Service Management	2,505,000	276,500	2,781,500	2,512,475	90%
201003210		Administration, planning & support Services	71,692,506	(5,398,819)	66,293,687	64,138,111	97%
	201013210	Administration, Personnel & Policy Formulation	71,692,506	(5,398,819)	66,293,687	64,138,111	97%
202003210		Public Participation & Platform	-	1,500,000	1,500,000	790,841	53%
	202023210	Communication & Citizen Participation	-	1,500,000	1,500,000	790,841	53%
203003210		ICT Infrastructure	-	6,297,000	6,297,000	4,643,273	74%
	203013210	Networking Infrastructure	-	6,297,000	6,297,000	4,643,273	74%
301003210		Administration, planning & support Services	24,516,897	(4,890,585)	19,626,312	19,397,332	99%
	301013210	Administration Services	24,516,897	(4,890,585)	19,626,312	19,397,332	99%
302003210		Tourism Promotion	1,794,556	(541,977)	1,252,579	1,247,554	100%
	302023210	Promotion & Marketing	1,794,556	(541,977)	1,252,579	1,247,554	100%
303003210		Trade Development	762,000	(323,080)	438,920	408,408	93%
	303013210	Trade Promotion	762,000	(323,080)	438,920	408,408	93%
304003210		Art & Culture	19,980,000	496,000	20,476,000	19,730,414	96%
	304013210	Cultural Festival	19,980,000	496,000	20,476,000	19,730,414	96%

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401003210		General Administration, Planning and Support Services	838,185,125	55,001,799	893,186,924	885,524,838	99%
	401013210	Human Resource & Development	838,185,125	55,001,799	893,186,924	885,524,838	99%
402003210		Curative Services	151,112,690	48,733,446	199,846,136	132,166,613	66%
	402013210	Primary Health Care Services	151,112,690	(11,266,554)	139,846,136	128,234,740	92%
	402043210	SP4 curative Services	-	60,000,000	60,000,000	3,931,873	7%
403003210		Preventive & Promotive Services	13,625,500	9,660,244	23,285,744	23,218,984	100%
	403043210	SP4 Preventive and Promotive Services	13,625,500	9,660,244	23,285,744	23,218,984	100%
501003210		General Administration, Planning and Support services	283,592,862	(13,399,638)	270,193,224	260,201,747	96%
	501013210	Administration Services	283,592,862	(13,399,638)	270,193,224	260,201,747	96%
502003210		Education and Training Programme	100,000,000	(22,218)	99,977,782	99,977,782	100%
	502013210	Promotion of Early Childhood Education	100,000,000	(22,218)	99,977,782	99,977,782	100%
503003210		Sports & Youth Development	-	7,548,400	7,548,400	7,548,400	100%
	503013210	Village Polytechnics	-	-	-	-	0%
	503023210	Development of Sports facilities	-	-	-	-	0%
	503043210	Youth and Sports	-	7,548,400	7,548,400	7,548,400	100%
504003210		Social Services	-	1,645,889	1,645,889	1,645,889	100%
	504023210	Woman Empowerment	-	1,645,889	1,645,889	1,645,889	100%

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703003210		Administration, planning and support services.	238,258,500	132,142,881	370,401,381	359,859,174	97%
	703013210	Administration Services	238,258,500	132,142,881	370,401,381	359,859,174	97%
709003210		Administration, planning and support services.	44,016,987	6,005,900	50,022,887	48,519,450	97%
	709013210	Administration Services	44,016,987	6,005,900	50,022,887	48,519,450	97%
710003210		0 Human Resource Management & Development	10,339,000	(459,279)	9,879,721	8,206,950	83%
	710053210	Human Resource Management and Development	10,339,000	(459,279)	9,879,721	8,206,950	83%
711003210		1 Administration, planning support services	107,091,573	34,270,100	141,361,673	134,845,809	95%
	711013210	Administration Services	107,091,573	34,270,100	141,361,673	134,845,809	95%
712003210		2 Control & management of Public Finance	8,060,163	6,425,433	14,485,596	13,613,979	94%
	712023210	Resource mobilization	-	1,513,427	1,513,427	1,513,427	100%
	712033210	Internal Audit	1,780,202	(389,500)	1,390,702	1,239,462	89%
	712043210	Procurement	2,193,705	(180,000)	2,013,705	1,629,782	81%
	712053210	Public Finance & Accounting	4,086,256	349,000	4,435,256	4,101,309	92%
	712063210	Management of Public finance	-	5,132,506	5,132,506	5,130,000	100%
713003210		3 Economic planning	6,643,455	1,104,990	7,748,445	6,398,818	83%
	713023210	Budget and Economic Planning	6,643,455	1,104,990	7,748,445	6,398,818	83%
Grand Total - Rec			2,226,171,972	302,615,973	2,528,787,945	2,393,148,700	95%

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Budget Execution by Program and Sub-Programmes - County Executives : DEVELOPMENT							
Program	Sub Program	Description	Original Budget	Adjustments	Final Budget	Actual	Budget utilization difference
			KShs	KShs	KShs	KShs	KShs
101003210		Administration, planning & support Services	190,144,051	41,552,874	231,696,925	90,265,270	39%
	101013210	Administration Services	190,144,051	41,552,874	231,696,925	90,265,270	39%
102003210		Land Management	77,998,461	8,895,088	86,893,549	67,599,286	78%
	102023210	Physical planning	67,998,461	8,895,088	76,893,549	59,655,606	78%
	102033210	Land Adjudication & Regularization	10,000,000	-	10,000,000	7,943,680	79%
104003210		Infrastructure Development	303,550,000	42,829,601	346,379,601	131,167,072	38%
	104013210	Infrastructure Development	303,550,000	42,829,601	346,379,601	131,167,072	38%
105003210		Water management, Conservation & Provision	149,000,000	(11,600,312)	137,399,688	88,471,174	64%
	105013210	Water management, Conservation & Provision	149,000,000	(11,600,312)	137,399,688	88,471,174	64%
109003210		Fish farming	79,764,809	(55,764,809)	24,000,000	20,044,463	84%
	109013210	Fish farming	79,764,809	(55,764,809)	24,000,000	20,044,463	84%
111003210		1: Livestock Extension Services	77,341,980	(63,341,980)	14,000,000	13,982,184	100%
	111013210	Livestock Extension Services	77,341,980	(63,341,980)	14,000,000	13,982,184	100%
112003210		2 Veterinary Service Management	9,000,000	(535,254)	8,464,746	5,956,381	70%
	112013210	Veterinary Service Management	9,000,000	(535,254)	8,464,746	5,956,381	70%

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116003210		6 Crop Development & Management	170,742,700	(107,300,000)	63,442,700	52,211,574	82%
	116013210	Agricultural Extension Research & Training	8,720,000	4,586,772	13,306,772	5,850,216	44%
	116023210	Promotion of Mechanized Agriculture	25,000,000	(15,000,000)	10,000,000	9,970,000	100%
	116033210	Promotion of Agro Processing & Value addition Technologies	94,122,700	(90,517,000)	3,605,700	2,461,235	68%
	116043210	Demonstration Farm Fund	2,000,000	-	2,000,000	1,996,595	100%
	116063210	Promotion of Cashew nuts Programme	1,300,000	500,000	1,800,000	1,799,900	100%
	116083210	Provision of Relief seeds to vulnerable farmers	39,600,000	(6,869,772)	32,730,228	30,133,628	92%
117003210		7 Irrigation & Drainage services	15,000,000	-	15,000,000	11,969,660	80%
	117023210	Irrigated Farming	15,000,000	-	15,000,000	11,969,660	80%
203003210		ICT Infrastructure	-	4,402,387	4,402,387	4,385,866	100%
	203013210	Networking Infrastructure	-	4,402,387	4,402,387	4,385,866	100%
303003210		Trade Development	25,000,000	16,224,926	41,224,926	36,885,271	89%
	303013210	Trade Promotion	5,000,000	-	5,000,000	4,598,600	92%
	303033210	Market development	20,000,000	16,224,926	36,224,926	32,286,671	89%
305003210		Industrial Development & Investment	200,000,000	(198,273,934)	1,726,066	955,723	55%
	305023210	SME Development	200,000,000	(198,273,934)	1,726,066	955,723	55%
402003210		Curative Services	184,800,000	12,257,689	197,057,689	128,619,528	65%
	402013210	Primary Health Care Services	-	5,071,593	5,071,593	3,901,840	77%
	402023210	Hospital Services	120,800,000	(17,594,848)	103,205,152	80,685,487	78%
	402043210	SP4 curative Services	64,000,000	24,780,944	88,780,944	44,032,201	50%

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403003210		Preventive & Promotive Services	89,000,000	(43,331,424)	45,668,576	44,938,422	98%
	403033210	Community Health	9,000,000	(3,331,424)	5,668,576	4,938,422	87%
	403043210	SP4 Preventive and Promotive Services	80,000,000	(40,000,000)	40,000,000	40,000,000	100%
404003210		Environmental health & Sanitation	3,000,000	7,568,549	10,568,549	8,503,919	80%
	404013210	Waste management	-	7,568,549	7,568,549	5,555,555	73%
	404023210	Public Health & licensing	3,000,000	-	3,000,000	2,948,363	98%
502003210		Education and Training Programme	76,200,000	(31,449,886)	44,750,114	21,610,489	48%
	502013210	Promotion of Early Childhood Education	76,200,000	(31,449,886)	44,750,114	21,610,489	48%
503003210		Sports & Youth Development	64,700,000	(25,201,901)	39,498,099	25,665,359	65%
	503013210	Village Polytechnics	36,000,000	(7,500,000)	28,500,000	21,258,946	75%
	503023210	Development of Sports facilities	8,700,000	298,099	8,998,099	2,461,413	27%
	503043210	Youth and Sports	20,000,000	(18,000,000)	2,000,000	1,945,000	97%
504003210		Social Services	13,000,000	565,462	13,565,462	7,476,278	55%
	504013210	Social Development	13,000,000	565,462	13,565,462	7,476,278	55%
703003210		Administration, planning and support services.	77,000,000	13,310,930	90,310,930	23,058,574	26%
	703013210	Administration Services	77,000,000	13,310,930	90,310,930	23,058,574	26%
712003210		2 Control & management of Public Finance	6,500,000	-	6,500,000	6,494,932	100%
	712023210	Resource mobilization	6,500,000	-	6,500,000	6,494,932	100%
Grand Total - Dev			1,811,742,001	(389,191,994)	1,422,550,007	790,261,423	56%
Grand Total - Combine			4,037,913,973	(86,576,021)	3,951,337,952	3,183,410,123	81%



Reconciliation

Final Actual Expenditure as per the Combine Budget Statement	3,220,567,735
Final Actual Expenditure as per the Budget Execution by Programmes and Sub-Programmes Combine	3,183,410,123
Difference: Transfer to CRF (Unspent Balances))	<u>37,157,612</u>

NB: This statement is a disclosure statement indicating the utilisation in the same format at the County budgets which are programmatic. Its totals tie to the combined budget statement in number 12 above.

13. Significant Accounting Policies

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

a) Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with Cash-basis IPSAS financial reporting under the cash basis of accounting, as prescribed by the PSASB and set out in the accounting policy notes below. This cash basis of accounting has been supplemented with accounting for; a) Receivables that include imprests and salary advances and b) Payables that include deposits and retentions. The receivables and payables are disclosed in the Statement of Assets and Liabilities. The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the County Executive all values are rounded to the nearest Kenya Shilling. The accounting policies adopted have been consistently applied to all the years presented. The financial statements comply with and conform to the form of presentation prescribed by the PSASB.

b) Reporting entity

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

c) Recognition of Receipts and Payments

i) Recognition of receipts

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

ii) Transfers from the County Revenue Fund (CRF)

Transfer from CRF is recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and a notification received by the entity.

iii) Proceeds from sale of assets

Proceeds from the sale of assets are recognised in the statement of receipts and payments when the related monies from the sale are received by the entity.

d) Recognition of payments

The County Executive recognises all expenses when the event occurs, and the related cash has been paid out.

i) Compensation of employees

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

ii) Use of goods and services

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

iii) Interest on borrowing

Borrowing costs that include interest are recognized as payment in the period in which they incurred and paid for.

iv) Repayment of borrowing (principal amount)

The repayment of principal amount of borrowing is recognized as payment in the period in which the repayment is made.

v) Acquisition of fixed assets

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is

recorded as receipt and as a payment. A fixed asset register is maintained by each public entity and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the consolidated financial statements.

e) In-kind contributions

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

f) Third Party Payments

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

g) Cash and cash equivalents

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

Restriction on cash

Restricted cash represents amounts that are limited /restricted from being used to settle a liability for at least twelve months after the reporting period. This cash is limited for direct use as required by stipulation. Amounts maintained in deposit bank accounts are restricted for use in refunding third party deposits. As at 30th June 2024, this amounted to KShs 93,087,410 compared to KShs

83,202,806 in prior period as indicated on note and the other restricted funding is gratuity this amount to Kshs 7,637,597 compared to Kshs 10,039,394 in prior period as indicated on note.

h) Imprests and Advances

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

i) Third Party Deposits and Retention

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

j) Non-current assets

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

k) Pending bills

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they are recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the County Executive at the end of the year. Pending bills

form a first charge to the subsequent year budget and when they are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

l) Contingent Liabilities

A contingent liability is:

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

Some of contingent liabilities may arise from: litigation in progress, guarantees, and indemnities. Letters of comfort/ support, insurance, Public Private Partnerships.

The County Executive 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. Note xx and *Annex 7* of this financial statement is a register of the contingent liabilities in the year.

m) Contingent Assets

The County Executive 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 County Executive 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.

n) Budget

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The County Executive's budget was approved as required by Law and as detailed in the County Revenue Allocation Act. The original budget was approved by the County Assembly on 30th June 2023 for the period 1st July 2023 to 30 June 2024 as required by law. There was 2 number of supplementary budgets passed in the year. A high-level assessment of the County Executive's actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

o) Comparative figures

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

p) Subsequent events

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

q) Prior Period Adjustment

During the year, errors that have been corrected are disclosed *under note 17* explaining the nature and amounts.

r) Related Party Transactions

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

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

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

14. Notes to the Financial Statements

1. Transfer from the CRF

Description	2023-2024	2022-2023
	Kshs	Kshs
Total exchequer releases for quarter 1	452,776,316	467,309,190
Total exchequer releases for quarter 2	839,468,607	531,865,193
Total exchequer releases for quarter 3	628,455,996	690,451,279
Total exchequer releases for quarter 4	1,526,718,766	1,334,123,276
Total	3,447,419,685	3,023,748,938

2. Miscellaneous Receipts

Description	2023-2024	2022-2023
	Kshs	Kshs
Total	-	-

3. Compensation of Employees

Description	2023-2024	2022-2023
	Kshs	Kshs
Basic salaries of permanent employees	670,185,119	610,240,538
Basic wages of temporary employees	77,952,526	63,802,665
Personal allowances paid as part of salary	758,547,538	725,972,187
Personal allowances paid as reimbursements	1,941,129	1,446,452
Employer contribution to compulsory national social schemes	85,236,405	54,297,270
Total	1,593,862,717	1,455,759,111

The increase of Compensation of Employees resulted from the new recruitment of employees, annual increment on the basic salary which also resulted to increase in pension and the review of salaries for County Public Service Board Members also contributed to change in total salaries paid to Employees.

Notes to the Financial Statements (Continued)

4. Use of Goods and Services

Description	2023-2024	2022-2023
	Kshs	Kshs
Utilities, supplies and services	51,656,148	58,688,810
Communication, supplies and services	14,852,027	13,237,768
Domestic travel and subsistence	66,950,394	91,719,188
Foreign travel and subsistence	4,434,941	1,263,330
Printing, advertising and information supplies & services	13,153,694	9,832,583
Rent and Rates	4,663,818	3,589,139
Training expenses	2,845,411	9,332,529
Hospitality supplies and services	18,593,145	31,917,200
Insurance costs	109,574,320	156,958,073
Specialized materials and services	136,682,249	160,716,103
Office and general supplies and services	20,755,136	10,592,357
Fuel, oil and lubricants	81,594,900	68,268,975
Other operating expenses (including bank charges)	78,846,374	43,504,014
Routine maintenance – vehicles and other transport equipment	21,178,198	22,546,652
Routine maintenance – other assets	9,604,580	7,396,636
Total	635,385,335	689,563,357

5. Subsidies

Description	2023-2024	2022-2023
	Kshs	Kshs
Total	-	-

Notes to the Financial Statements (Continued)

6. Transfer to other Government entities

Description	2023-2024	2022-2023
	Kshs	Kshs
Transfers to county government entities		
Transfer to CRF	37,157,612	16,132,134
Other current Transfers, Grant and subsidies	16,997,700	79,480,495
Other Capital Grant and Trans	61,987,954	180,201,851
Total	116,143,266	275,814,479

The Transfer to CRF is unspent Balance from the operational account transferred back to the CRF account at the end of the Financial Year.

7. Other Grants and Transfers

Description	2023-2024	2022-2023
	Kshs	Kshs
Scholarships and other educational benefits	126,977,782	131,997,978
Emergency relief and refugee assistance	404,696	1,363,250
Total	127,382,478	133,361,228

The Scholarship and Other Educational Benefits are grant transfer for the purpose of issuance of bursary and scholarship.

8. Social Security Benefits

Description	2023-2024	2022-2023
	Kshs	Kshs
Social Security Benefits	50,141,270	45,676,554
Total	50,141,270	45,676,554

These are employees pensions (Gratuity) who are on contract.

Notes to the Financial Statements (Continued)

9. Acquisition of Assets

Description	2023-2024	2022-2023
	Kshs	Kshs
Non - Financial Assets		
Purchase of buildings	-	-
Construction of buildings	82,741,590	22,506,956
Refurbishment of buildings	24,523,239	12,288,843
Construction of roads	109,668,106	137,515,953
Construction and civil works	265,596,445	168,736,701
Overhaul and refurbishment of construction & civil works	-	3,497,812
Purchase of vehicles and other transport equipment	11,468,000	57,674,160
Overhaul of vehicles and other transport equipment	-	-
Purchase of household furniture and institutional equipment	608,843	678,920
Purchase of office furniture and general equipment	19,778,928	23,669,876
Purchase of specialized plant, equipment and machinery	75,408,646	28,070,303
Rehabilitation and renovation of plant, machinery & Equip.	-	-
Purchase of certified seeds, breeding stock and live animals	31,933,528	32,999,397
Research, studies, project preparation, design & supervision	-	-
Rehabilitation of civil works	7,996,932	2,499,713
Purchase of Specialized Plant	16,790,030	27,394,099
Acquisition of ICT Equipment's	-	-
Acquisition of land	-	-
Acquisition of intangible assets		
Other domestic account receivables (Pending Bills)	17,338,381	43,265,359
Total acquisition of non- financial assets	663,852,668	560,798,092
Financial Assets		
Total acquisition of financial assets	-	-
Total acquisition of assets	663,852,668	560,798,092

Notes to the Financial Statements (Continued)

10. Finance Costs, including Loan Interest

Description	2023-2024	2022-2023
	Kshs	Kshs
Total	-	-

11. Repayment of Principal on Domestic Lending and On-Lending

Description	2023-2024	2022-2023
	Kshs	Kshs
Total	-	-

12. Other Payments

Description	2023-2024	2022-2023
	Kshs	Kshs
<i>Civil Contingency Reserves</i>	33,800,000	10,000,000
<i>Capital Transfer to Non-Financial Public Enterprises</i>	-	21,000,000
Total	33,800,000	31,000,000

Amount under Civil Contingency Reserves is a transfer to Emergency Fund.

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Notes to the Financial Statements (Continued)

13. Cash and Bank Balances

13A. Bank Balances

Name of Bank, Account Name & Currency	Account Number	Category	2023-2024	2022-2023
			Kshs	Kshs
CBK Lamu County Development Account	1000171057	Development	1,005	8,682,672
CBK Lamu County Recurrent Account	1000171146	Recurrent	3,984,080	28,305,522
CBK Lamu County Deposit Account	1000242857	Deposit	93,087,410	83,202,806
CBK Lamu County Special Purpose Account	1000268263	Special Purpose	-	-
CBK Lamu County Village Polytechnic Project	1000367202	Recurrent	2	2
CBK Kenya Devolution Support Program (KDSP)	1000371242	Recurrent	2,506	5,132,506
CBK Lamu County Fuel Levy Account	1000247177	Fuel Levy	8,631,794	8,631,794
CBK Lamu County Kenya Urban Support Program Account	1000371234	Special Purpose	-	-
CBK Kenya Climate Smart Agriculture Project Account	1000365757	Special Purpose	-	-
CBK Lamu County Urban Institution Grant Account	1000419008	Special Purpose	800	800
CBK Agriculture Sector Development Support Program II	1000365765	Special Purpose	-	307,175
CBK Lamu County – Covid-19 Response	1000457474	Conditional Grant	2,839,717	2,839,717
CBK Lamu County Primary Health care	1000567848	Conditional Grant	97,184	5,089,125
CBK Lamu County Climate Change Fund	1000649682	Conditional Grant	72,697,125	87,540
KCB Standing Imprest Account	1140745602	Recurrent	1	-
KCB Lamu County Salary Control Account	1179132424	Salary Control	47,558	-
KCB Kenya Climate Smart Agriculture Program Account	1226731414	Special Purpose	-	2,799
KCB Lamu County ASDSP II Account	1240334540	Special Purpose	-	11,444,042
DTB County Executive Gratuity Account	30469001	Gratuity Account	7,637,597	9,117,716

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EQUITY Lamu County Government Salary Account	1590265264437	Salary Control	80,900	-
EQUITY Lamu Municipality Urban Institutional Account	1590279012840	Special Purpose	2,546,936	5,507,261
EQUITY Lamu County Kenya Urban Support Program	1590279012879	Special Purpose	40,015	41,215
EQUITY Lamu County KISSIP II	1590282070407	Special Purpose	200,000,000	
Gulf Bank Lamu County Salary Account	570000501	Salary Account	203,281	-
Total			391,897,911	168,392,691

Note: Amounts are as per amounts in the Cash Book and bank reconciliation statements prepared for each account held. These balances do not include bank balances for self-reporting entities and revenue collection accounts (these are in CRF and ROR reports) as at reporting date.

13 B Cash in Hand

Description	2023-2024	2022-2023
	Kshs	Kshs
Total	-	-

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Notes to the Financial Statements (Continued)

Cash in hand should also be analysed as follows:

Description	2023-2024	2022-2023
	Kshs	Kshs
Total	-	-

14. Outstanding imprests and advances

Description	2023-2024	2022-2023
	Kshs	Kshs
Total	-	-

<i>Breakdown of Imprest and Salary Advance per Department</i>	2023-2024	2022-2023
<i>Imprest</i>	Kshs	Kshs
Grand Total	-	-

Notes to the Financial Statements (Continued)

15. Deposits and Retention

Description	2023-2024		2022-2023	
	Kshs		Kshs	
Deposits	93,087,410		83,202,806	
Retention Monies	7,637,597		9,117,716	
Total	100,725,007		92,320,522	
Ageing analysis for				
Ageing analysis: Retentions	Current FY 2023-2024	% of the Total	Comparative FY 2022-2023	% of the Total
Under one year	45,024,514	48%	31,914,320	38%
1-2 years	22,145,426	24%	46,771,443	56%
2-3 years	23,447,094	25%	2,497,698	3%
Over 3 years	2,470,376	3%	2,019,345	2%
Total (tie to above total)	93,087,410	100%	83,202,806	100%
Ageing analysis: Gratuity				
Ageing analysis: Gratuity	Current FY 2023-2024	% of the Total	Comparative FY 2022-2023	% of the Total
Under one year	-	0%	906,540	10%
1-2 years	-	0%	-	0%
2-3 years	-	0%	-	0%
Over 3 years	7,637,597	100%	8,211,176	90%
Total (tie to above total)	7,637,597	100%	9,117,716	100%

16. Fund Balance Brought Forward

Description	2023-2024	2022-2023
	Kshs	Kshs
Bank Accounts	168,392,692	250,629,392
Cash in Hand	-	69,060
Outstanding Imprests and Advances	-	166,100
Third party deposits and retention	(92,320,522)	(106,568,500)
Total	76,072,170	244,296,052

Note: The fund balances brought forward refers to the comparative financial year's closing balances.

17. Prior Year Adjustments

A prior period adjustment really applies to the correction of an error in the financial statements of a prior period.

Description	Balance b/f from Previous FY as per audited financial statements	Adjustments during the year relating to prior periods	Adjusted Balance b/f For previous FY 2022-2023
Description of the Error	Kshs	Kshs	Kshs
Bank Account Balances	168,392,691	(11,751,217)	156,641,474
Total	168,392,691	(11,751,217)	156,641,474

Note: This adjustment involves correcting the opening balance of the Lamu County ASDSP II Account which was transferred for Conditional Grant.

Notes to the Financial Statements (Continued)

18. Increase/ (Decrease) in Outstanding Imprests and Advances

Description	2023-2024	2022-2023
	Kshs	Kshs
Imprest and Advances as at 1 st July (A)	-	166,100
Imprest and Advances as at 30 th June (B)	-	-
Increase)/ Decrease in Imprest and Advances (C=(B-A))	-	166,100

19. Increase/ (Decrease) in Deposits and Retention

Description	2023-2024	2022-2023
	Kshs	Kshs
Deposits and Retention s as at 1 st July (A)	92,320,522	106,568,500
Deposits and Retention as at 30 th June (B)	100,725,007	92,320,522
Increase/ (Decrease) in Deposits and Retentions C= B-A	8,404,485	(14,247,978)

Note: Payables as at 1st July for FY 2023-2024 should be the same as payable as at 30th June for the Comparative FY 2022-2023

20. Other Important Disclosures

1. Pending Accounts Payable (See Annex 2)

Description	Balance b/f 2022-2023	Additions for the year	Paid during the year	Balance c/f 2023-2024
	Kshs	Kshs	Kshs	Kshs
Construction of Buildings	20,172,764	2,806,955	4,325,895	18,653,824
Construction of Civil Works	8,468,116	4,164,152	5,979,236	6,653,033
Supply of Goods	27,677,675	1,598,696	16,038,569	13,237,802
Supply of Services	12,881,471	1,018,226	3,321,763	10,577,934
Total	69,200,027	9,588,029	29,665,463	49,122,593

2. Pending Staff Payables (See Annex 3)

Description	Balance b/f 2022-2023	Additions for the year	Paid during the year	Balance c/f 2023-2024
	Kshs	Kshs	Kshs	Kshs
Total	-	-	-	-

3. Other Pending Payables (See Annex 4)

Description	Balance b/f 2022-2023	Additions for the year	Paid during the year	Balance c/f 2023-2024
	Kshs	Kshs	Kshs	Kshs
Total	-	-	-	-

4. External Assistance

Description	2023-2024	2022-2023
	Kshs	Kshs
Total	-	-

a) External assistance relating to loans and grants

	2023-2024	2022-2023
Description	Kshs	Kshs
Total	-	-

b) Undrawn external assistance

Description	Purpose for which the undrawn external assistance may be used	2023-2024	2022-2023
		Kshs	Kshs
Total		-	-

c) Classes of providers of external assistance

	2023-2024	2022-2023
Description	Kshs	Kshs
Total	-	-

d) Non-monetary external assistance

	2023-2024	2022-2023
Description	Kshs	Kshs
Total	-	-

e) Purpose and use of external assistance.

	2023-2024	2022-2023
Description	Kshs	Kshs
Total	-	-

f) External Assistance paid by Third Parties on behalf of the County Executive by Source

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

Description	2023-2024	2022-2023
	Kshs	Kshs
Total	-	-

5. Payments by Third Party on Behalf of the County Executive

This relates to payments made directly to supplier on behalf of the county Executive. For example, the national government may fund the operations of health or education program, a donor may pay directly for construction of a given market etc.

5.1 Classification by Source

Description	2023-2024	2022-2023
	Kshs	Kshs
Total	-	-

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

Description	2023-2024	2022-2023
	Kshs	Kshs
Total	-	-

6. Related Party Disclosures

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

The following comprise of related parties to the County Executive:

- i) Key management personnel that include the Governor, the Deputy Governor Members of the County Assembly, CECs and Chief Officers for various County Ministries and Departments.

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- ii) County Ministries and Departments.
- iii) The National Government.
- iv) Other County Governments Entities and
- v) State Corporations and Semi-Autonomous Government Agencies.

Related party transactions

Description	2023-2024	2022-2023
	Kshs	Kshs
Key Management Compensation (Governor, CEC Members And Cos)	-	-
Transfers To Related Parties		
Transfers to County Assembly	427,368,719	362,476,400
Transfers to Other County Government Entities	150,123,671	162,945,269
Transfers to Development Projects	-	-
Transfers to Non-Reporting Entities E.G Schools And Welfare	-	-
Transfers to County Water Service Providers	10,000,000	31,000,000
Expenses paid on Behalf of County Water Service Providers	11,063,027	9,762,624
Total Transfers To Related Parties	598,555,417	566,184,293
Transfers From Related Parties		
Transfers From the CRF	2,978,362,651	3,354,101,613
Transfers From National Government MDAs	227,054,314	102,529,473
Transfers From SCs And SAGAs - National Government	-	-
Total Transfers From Related Parties	3,205,416,965	3,456,631,086

7. Establishment of other County Government Entities

The PFM Act, 2012 section 182 enables the County Government to establish and dissolve County Corporations/ entities. For purposes of follow up on financial reporting, audit and disclosure, outlined below is a list of entities established by the County Government since inception.

Entity	Date Established /Date taken over	Location	Accounting Officer responsible
Lamu County Bursary and Scholarship Fund	2014	Lamu	Chief Officer - Education
Lamu County Fisheries Development Agency	2014	Lamu	Chief Officer - Fisheries
Lamu County Emergency Fund	2014	Lamu	Chief Officer - Finance
Lamu County Staff Housing Fund	2019	Lamu	Chief Officer - Finance
Lamu County Youth Development Fund	2018	Lamu	Chief Officer - Education
Lamu County Disability Fund	2018	Lamu	Chief Officer - Education
Lamu County Women Empowerment Fund	2018	Lamu	Chief Officer - Education
Municipality of Lamu	2018	Lamu	Municipal Manager

8. Leasing of Medical Equipment

Amounts relating to leased medical equipment are included in the County Allocation Revenue Act and are budgeted for by the Counties. This amount is deducted at source and therefore not included in the exchequer. Since this is not a cash item, it is not included in the statement of receipts and payments

9. Contingent Liabilities

Contingent Liabilities	2023-2024	2022-2023
	Kshs	Kshs
Court Cases Against the Entity	5,000,000	5,000,000
Total	5,000,000	5,000,000

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10. 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.

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

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11. Progress On Follow-Up On Prior Year Auditor’s Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.	Inaccuracies in the Presentation and Disclosure of the Annual Report and Financial Statements	Supporting documents are to be provided	Resolve	2023-2024
2.	Inaccurate Payments on Compensation of Employees	Variances reconciled	Resolved	2023-2024
3.	Misclassification of Payments on Purchase of Office Furniture and General Equipment	Expenditure and receipt of the Lamu Municipality were included in the financial statement of the executive	Not resolve	2023-2024
4.	Misclassification of Payments on Other Payments	reported as per the Standard Chart of Account provided by the National Government	Resolve	2023-2024
5.	Inaccurate Cash and Cash Equivalent Balance	Expenditure and receipt of the Lamu Municipality were included in the financial statement of the executive	Resolve	2023-2024

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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)
6.	Unsupported Voided Payments	<p>Voided payment in the ledger to support the Financial Statement can arise because of the following reasons: Closure of year financial procedure as per the national treasury circular System error due to failure of IFMIS network and electricity power</p> <p>Insufficient funds for the economic items adjustment of figures to be paid as per the availability of funds</p> <p>Accounting errors: correcting mistakes made in the recording or classification of transactions, ensuring accurate representation of financial statement.</p> <p>Omitted Transaction: identifying and including transactions that were unintentionally omitted during the initial recording.</p>	Resolve	2023-2024

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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.	Misclassification and Unsupported Expenditure on Domestic Travel and Subsistence	Supporting documents are to be provided	Resolve	2023-2024
	Budgetary Control and Performance	The management is putting more effort to absorbed	Resolve	2023/2024
1.0	Late Exchequer Releases	The Management in consultation with National Treasury to release fund in time	Not Resolve	2023/2024
2.0	Delayed Project Implementation	Due to the uniqueness of the County in terms of its geographical area where mostly is covered by water surface attribute in the implementation of the project	Not Resolve	2023/2024
3.0	Pending Bills	The management has manage to reduce pending bills and is committed to cleared all eligible pending bills	Partially resolve	2023/2024

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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)
1.0	Failure to Submit Financial Statements	The management put effort to prepare the reports	Resolve	2023/2024
2.0	Compensation of Employees	The Management has put all necessary effort	Partially resolve	2023/2024
3.0	Non-Compliance with the Law on Settlement of Pending Bills	The balance of unsettle pending bills was due to incomplete documentation resulting to ineligible for payment.	Partially resolve	2023/2024
4.0	Non-Compliance with the Law on the Establishment of the Office of County Attorney	The County is currently in the process of operationalizing this Office by ensuring the staffing requirements are achieved	Not resolve	2024/2025
5.0	Irregular Procurement of Pharmaceutical and Non-Pharmaceutical Items	These are based on non-supplies lists provided by KEMSA	Resolve	2023/2024
6.0	Irregular Payments to Council of Governors and Frontier Counties	The payments are guided by a resolution of the memorandum of understanding between the 7counties to facilitate operations of the economic block.	Resolve	2023/2024
7.0	Delay in the Construction of the	The project is in the process for construction	Not Resolve	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)
	Governor's Residence			
8.0	Lack of Ownership Documents	The ECDE was contracted in the Government Primary School	Not Resolve	2024/2025
9.0	Failure to Fully Fund the Construction of Mtangawanda Open Air Market	The construction of the Mtangawanda open air market is still on course; however resources are limited and therefore were not able to allocate funds during the year under review	Not resolve	2024/2025
10.0	Irregular Award of Contract for Extension of Hongwe Market	The County Executive acknowledge that the performance bond was presented on 2 nd June 2023 and not on or before 30 th May 2023, this has been noted and shall be avoided in any further contractual arrangements.	Resolve	2023/2024
11.0	Irregular Payment for Construction of Mpeketoni Open Air Market	The acknowledge the oversight	Resolve	2023/2024
12.0	Stalled Construction of Lamu County Headquarters	The matter is currently being handled by the office of the Deputy President, the office of the	Not resolve	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)
		CS National Treasury, the office of the CS Public works and COG.		
13.0	Irregular Variation of Renovation Works of County Headquarters Office Block in Mokowe	The management has put mechanism and controls	Resolve	2023/2024
14.0	Irregular Payments for Incomplete Upgrading of Mokowe Health Centre	The project is complete	Resolve	2023/2024
15.0	Incomplete Construction of Water Projects	The department made follow up and settled the matter and the water supply was restored immediately	Resolve	2023/2024
16.0	Unaccounted for Irrigation Equipment and Farm Inputs	The department procured and received materials and equipment for rehabilitation of irrigation infrastructure	Resolve	2023/2024
17.0	Failure to Provide Performance Security	This is to acknowledge the observation made during the year under review that five (5)	Resolve	2023/2024

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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)
		projects contracts were signed prior to submission of performance bonds		
1.0	Lack of Approved Information Communication Technology Policy	Process is under way to develop ICT policy	Resolve	2023/2024
2.0	Lack of Risk Management Policy and Framework	Draft risk management policy framework has been developed	Resolved	2023/2024
3.0	Lack of a Complete Fixed Asset Register	The asset register has been updated	Resolved	2022/2023
4.0	Grounded Motor Vehicles	Measures have been taken to repair and service the grounded vehicles	Not resolved	2023/2024



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

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15. Annexes

Annex 1 – Analysis of Transfers from the CRF

Period	Quarter 1 (Kshs.)	Quarter 2 (Ksh)	Quarter 3 (Ksh)	Quarter 4 (Ksh)	Total
Equitable Share	441,776,316.00	839,468,607.00	613,955,996.00	1,433,824,917.00	3,329,025,836.00
Village Polytechnic	-	-	14,500,000.00	-	14,500,000.00
ASDSP II	-	-	-	2,272,235.00	2,272,235.00
Climate Change	11,000,000.00	-	-	82,196,114.00	93,196,114.00
Primary Health Care	-	-	-	8,425,500.00	8,425,500.00
Total	452,776,316.00	839,468,607.00	628,455,996.00	1,526,718,766.00	3,447,419,685.00

Note: The above comprises transfers from the Exchequer based on CARA, comprising of equitable share, Level 5 and donor funds. Where there are changes in CARA amend as appropriate.

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Annex 2 – Analysis of Pending Accounts Payable

S/NO.	PAYEE	DESCRIPTION	Balance at the beginning of the year	Addition During the year	Amount paid During the year	Outstanding Balance
Construction of Building						
1	Bin Affan General Supplier	Renovation of fisheries office toilets	498,347.00	-	498,347.00	-
2	Disak General Contractors	Renovation works HQ	3,007,319.32	-	3,007,951.95	(632.63)
3	Damunyu general suppliers	Construction of command centre	900,850.00	-	-	900,850.00
4	Sightway Limited	Construction of two (2) ECDE classrooms and two (2) door toilet at Mwangaza	2,800,000.00	-	-	2,800,000.00
5	Elovas Limited	Construction of two (2) ECDE classrooms and two (2) door toilet at Juhudi	3,299,058.00	-	-	3,299,058.00
6	Elovas Limited	Construction of two (2) ECDE classrooms and two (2) door toilet at Mkunumbi	898,923.00	-	-	898,923.00
7	Elovas Limited	Construction of two (2) ECDE classrooms and two (2) door toilet at Zebra	749,841.00	-	-	749,841.00
8	Mulabwa Enterprises	Construction of two (2) door toilet at Bopwe	751,506.00	-	-	751,506.00
9	Mulabwa Enterprises	Construction of two (2) door toilet at Miruji	760,322.00	-	-	760,322.00
10	Superserve Limited	Construction of Witu Social Hall	-	83,336.50	-	83,336.50

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11	Al-Awsi Kizingitini Enterprise	Construction & completion of dhow crafting shed at Kizingitini	238,206.00	-	238,206.00	-
12	Sightway Limited	Construction of Tewe pasture production project	1,470,114.40	-	-	1,470,114.40
13	M/S Supersurv Limited	Construction of perimeter wall at Shella dumping site	581,390.84	-	581,390.00	0.84
14	SPIMACO SERVICES LIMITED	Proposed Construction and Equipping of Information Center at Mokowe	-	2,723,618.60	-	2,723,618.60
15	Bimsport Maintenance	Construction of type O dispensary at Chalaluma	1,539,518.70	-	-	1,539,518.70
16	Bilul Logistics	Construction of incinerator at Kiunga Dispensary	681,268.00	-	-	681,268.00
17	Open Yard Developers	Construction of delivery unit at Muhamarani	128,180.00	-	-	128,180.00
18	M'Big Company Ltd	Construction of perimeter wall at Mpeketoni Sub-County Hospital	367,919.99	-	-	367,919.99
19	Mulabwa Enterprises	Renovation of proposed laundry facility at Mpeketoni	1,500,000.00	-	-	1,500,000.00
SUB TOTAL			20,172,764.25	2,806,955.10	4,325,894.95	18,653,824.40
Construction of Civil Works						
20	Mwanyiro Associated limited	Construction of water pans at Kiangwe	5,000,000.00	-	4,999,101.20	898.80
21	Disak General Contractors	Construction of Bora Moyo Water Project	-	1,401,274.00	-	1,401,274.00
22	Jitokeshe Enterprises	Construction of Basketball court at Muungano	1,497,999.00	-	-	1,497,999.00

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23	LakeShore Construction Limited	Construction of 7 Aside Pitch at Lamu Boys School	-	2,762,878.00	-	2,762,878.00
24	Taneem General Supplier Ltd	Storm water drainage works and paving of Shella streets.	985,000.00	-	980,134.35	4,865.65
25	Mutleen & Sons Limited	Proposed access road and gate at Majembeni market	985,117.24	-	-	985,117.24
SUB TOTAL			8,468,116.24	4,164,152.00	5,979,235.55	6,653,032.69
Supply of Goods						
26	Amantu Enterprises	Supply and delivery of solar stationery	321,000.00	-	321,000.00	-
27	Assalahmah Enterprises Limited	Supply and delivery of laptop	258,000.00	-	258,000.00	-
28	Central Fuel and Lubricants	Supply and delivery of Petrol	54,940.00	-	54,940.00	-
29	Central Fuel and Lubricants	Supply and delivery of Petrol, Diesel and oil	352,270.00	-	352,269.00	1.00
30	Central Fuel and Lubricants	Supply and delivery of Diesel	55,000.00	-	55,000.00	-
31	Duhagu General Supplies Company Ltd	Supply and delivery of solar streetlight equipment	2,997,100.00	-	2,998,100.00	(1,000.00)
32	Central Fuel and Lubricants	Supply of Fuel	497,400.00	-	497,400.00	-
33	Greatlight Kenya Ltd	Supply and delivery of office furniture and fittings	499,000.00	-	499,000.00	-
34	Greatlight Kenya Ltd	Supply and delivery of computer accessories	250,000.00	-	250,000.00	-
35	Waseelan Investment Ltd	Supply and delivery of laptop and printer	175,000.00	-	-	175,000.00
36	Marwaa General Supply	Supply of Laptop	1,077,500.00	-	-	1,077,500.00

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37	Yussuf Al Burahan General Suppliers LTD	Supply of Fire Fighting Items	420,000.00	-	-	420,000.00
38	Tiraz Interior and Renovation Ltd	Extension cables and flash disk	72,200.00	-	-	72,200.00
39	Nyathi Agencies Ltd	Mobile phones and flash disks	89,200.00	-	-	89,200.00
40	Amu Project Limited	Staff uniform (T-Shirts)	450,000.00	-	450,000.00	-
41	Central Fuel and Lubricants	Supply of Spare Parts	-	236,190.00	-	236,190.00
42	Davis & Shirtliff	Purchase of water pumps	174,500.00	-	-	174,500.00
43	Al-Raidy Store	Supply of petrol, diesel and malube oil	273,000.00	-	-	273,000.00
44	New Chato Enterprises	Supply of food stuff at LCH	99,975.00	-	-	99,975.00
45	Mkumbi Construction Company Ltd	Payable for supply of food stuff	406,940.00	-	-	406,940.00
46	Damunyu General Supply	Payable for supply of food stuff	741,271.00	-	-	741,271.00
47	An-Noor Hardware	Supply of sanitary materials	31,490.00	-	-	31,490.00
48	Jonka Enterprises	Supply of tires	168,000.00	-	168,000.00	-
49	Kenya Medical Supplies Authority	Supply of medical drugs	1,305,142.78	372.22	-	1,305,515.00
50	Lamahuran Investments	Supply of spare parts for generator	416,000.00	-	416,000.00	-
51	Elovas Limited	Supply and delivery of food stuff at LCH	450,140.00	-	-	450,140.00
52	Mkumbi Construction Company Ltd	Supply of food stuff at Mpeketoni Sub-County Hospital	699,925.00	-	699,925.00	-
53	Mission for Essential Drugs	Supply of medical drugs	253,238.00	-	-	253,238.00

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54	Elovas Ltd	Supply of food and rations	443,607.00	-	-	443,607.00
55	Elovas Ltd	Supply of food and rations	489,435.00	-	-	489,435.00
56	Elovas Ltd	Supply of food and rations	375,982.00	-	-	375,982.00
57	Elovas Ltd	Supply of food and rations	491,002.00	-	-	491,002.00
58	Elovas Ltd	Supply of food and rations	455,235.00	-	-	455,235.00
59	Elovas Ltd	Supply of food and rations	461,315.00	-	-	461,315.00
60	Mkumbi Construction Company Ltd	Supply of food and rations	366,942.00	-	366,942.00	-
61	Damunyu General Suppliers	Supply of food and rations	306,675.00	-	-	306,675.00
62	Stanley G Muthuri Enterprises	Supply of food and rations	149,015.00	140,515.00	149,015.00	140,515.00
63	Stanley G Muthuri Enterprises	Supply of food and rations	146,835.00	276,000.00	146,835.00	276,000.00
64	Mkumbi Construction Company Ltd	Supply of food and rations	365,282.00	23,443.00	-	388,725.00
65	Kenya Medical Supplies Authority	Supply and delivery of medical equipment	1,054,200.00	-	1,054,200.00	-
66	Kenya Medical Supplies Authority	Supply of medical drugs	1,536,750.00	-	1,536,675.00	75.00
67	Kenya Medical Supplies Authority	Supply and delivery of medical equipment	989,108.00	-	989,108.00	-
68	Sea Side Motors	Supply of motor vehicles spare parts	155,936.60	-	155,936.00	0.60
69	Mediquip	Supply of neonatal SPO2 probes	225,500.00	-	225,500.00	-
70	Nairobi Enterprises	Supply of Oxygen	50,000.00	-	-	50,000.00
71	Newera Entreprises	Supply and delivery of general office supplies	796,191.00	-	796,191.00	-

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72	Damunyu General Supply	Supply of Food Staff Lamu County Hospital	890,450.00	-	-	890,450.00
73	Chemoquip Limited	Supply and Delivery of Dry Chemistry reagents	-	325,176.00	-	325,176.00
74	Birostar Limited	Supply and delivery of corporate staff uniform	147,000.00	-	-	147,000.00
75	Birostar Limited	Supply and delivery of toners	198,000.00	-	-	198,000.00
76	Birostar Limited	Supply and delivery of catering items	111,900.00	-	111,900.00	-
77	Jaber Jaber (K) Limited	Supply and Delivery of Office Stationeries	-	480,500.00	-	480,500.00
78	Jaber Jaber (K) Limited	Supply and Delivery of Cleaning Materials	-	116,500.00	-	116,500.00
79	Waseheelan Investment Ltd	Supply and delivery of laptops and printers	175,000.00	-	175,000.00	-
80	Modile Dry Land Frontier	Supply and Delivery of general office supplies	58,500.00	-	58,500.00	-
81	Kellers Kustoms Limited	Supply and delivery of sanitation and cleaning materials	1,632,233.00	-	1,632,233.40	(0.40)
82	Pixxie Bott Ltd	Supply and delivery of IT equipment	844,100.00	-	-	844,100.00
83	Aliwaa Ventures	Supply of printing and advertising items	87,350.00	-	-	87,350.00
84	Raudha Enterprises	Supply and delivery of computer accessories	122,900.00	-	122,900.00	-
85	Eco-blu Enterprises Limited	Supply and delivery of Gillnets 5 and 6 with net accessories	1,498,000.00	-	1,498,000.00	-

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86	Witu Contractors	Supply of office catering items	465,000.00	-	-	465,000.00
SUB TOTAL			27,677,675.38	1,598,696.22	16,038,569.40	13,237,802.20
Supply of Services						
87	Mzambaraunin General Supplier & Construction Company Ltd	Supply and delivery of Hospitality supplies	214,000.00	-	214,000.00	-
88	GEOPLAN CONSULTANTS LIMITED	Being payment for the provision of consultancy services for planning, regularization and surveying of pangani trading center	-	772,000.00	-	772,000.00
89	Nation Media Group PLC	Payment for publication of public notice for the preparation of valuation roll in the daily nation and Taifa Leo	103,530.00	-	-	103,530.00
90	Heritage Insurance Company Limited	Provision of Motor Vehicle Insurance	-	246,226.00	-	246,226.00
91	Nation Media	Provision of Advertisement	480,000.00	-	430,000.00	50,000.00
92	Woodland and office park ltd	Rent deposit for liaison office	495,579.00	-	495,579.00	-
93	Woodland and office park ltd	Rent for liaison office	495,579.00	-	495,579.00	-
94	Maji makubwa Craft tech	Boat repair MV Ushuru	447,130.00	-	447,130.00	-
95	Maji makubwa Craft tech	Boat repair MV Utawala	312,930.00	-	312,930.00	-
96	Maji makubwa Craft tech	Boat repair MV Bajun	119,130.00	-	119,130.00	-

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97	Council of Governors	Nairobi office rent	334,635.97	-	-	334,635.97
98	Nation Media Group	Advertisement expenses	172,840.00	-	172,840.00	-
99	Nation Media Group	Advertisement expenses	216,920.00	-	-	216,920.00
100	Nation Media Group	Advertisement expenses	216,000.00	-	-	216,000.00
101	Nation Media Group	Advertisement expenses	126,198.00	-	-	126,198.00
102	Nation Media Group	Advertisement expenses	104,608.00	-	-	104,608.00
103	Peponi Hotel	Provision of catering services	325,400.00	-	-	325,400.00
104	Shimasy Travels	Provision of air travel and related services	432,000.00	-	-	432,000.00
105	Shimasy Travels	Provision of air travel and related services	67,300.00	-	-	67,300.00
106	Shimasy Travels	Provision of air travel and related services	207,500.00	-	-	207,500.00
107	Shimasy Travels	Provision of air travel and related services	148,500.00	-	-	148,500.00
108	Shimasy Travels	Provision of air travel and related services	149,000.00	-	-	149,000.00
109	Shimasy Travels	Provision of air travel and related services	121,000.00	-	-	121,000.00
110	Shimasy Travels	Provision of air travel and related services	114,400.00	-	-	114,400.00
111	Shimasy Travels	Provision of air travel and related services	6,000.00	-	-	6,000.00
112	Shimasy Travels	Provision of air travel and related services	107,800.00	-	-	107,800.00
113	Shimasy Travels	Provision of air travel and related services	61,500.00	-	-	61,500.00

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114	Shimasy Travels	Provision of air travel and related services	169,500.00	-	-	169,500.00
115	Shimasy Travels	Provision of air travel and related services	225,600.00	-	-	225,600.00
116	Shimasy Travels	Provision of air travel and related services	40,000.00	-	-	40,000.00
117	Shimasy Travels	Provision of air travel and related services	61,000.00	-	-	61,000.00
118	Shimasy Travels	Provision of air travel and related services	15,000.00	-	-	15,000.00
119	Shimasy Travels	Provision of air travel and related services	6,000.00	-	-	6,000.00
120	Shimasy Travels	Provision of air travel and related services	1,487,000.00	-	-	1,487,000.00
121	Shimasy Travels	Provision of air travel and related services	195,600.00	-	-	195,600.00
122	Shimasy Travels	Provision of air travel and related services	101,500.00	-	-	101,500.00
123	Baraka Travels	Provision of air travel and related services	141,089.00	-	-	141,089.00
124	Baraka Travels	Provision of air travel and related services	135,720.00	-	-	135,720.00
125	Baraka Travels	Provision of air travel and related services	119,078.00	-	-	119,078.00
126	Takaful Insurance	Provision of annual motor vehicle insurance services	250,000.00	-	-	250,000.00
127	Janruffy Universal Traders	Cleaning services for ward offices	21,000.00	-	-	21,000.00

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128	Janruffy Universal Traders	Cleaning services for ward offices for August & September	42,000.00	-	-	42,000.00
129	Lexford Investment	Cleaning services for November 2019 – February 2020	84,000.00	-	-	84,000.00
130	Lexford Investment	Cleaning services for Hongwe ward office	21,000.00	-	-	21,000.00
131	Lexford Investment	Cleaning services for July-August 2019	63,000.00	-	-	63,000.00
132	Lexford Investment	Cleaning services for October 2019	21,000.00	-	-	21,000.00
133	Nation Media Group	Advertisement expenses	126,198.00	-	-	126,198.00
134	Nation Media Group	Advertisement expenses	104,608.00	-	-	104,608.00
135	Standard Group Limited	Advertisement expenses	216,920.00	-	-	216,920.00
136	Postal Corporation of Kenya	Official box rent	155,403.00	-	-	155,403.00
137	Zippytech Enterprises	Cleaning services for Nov. 2019 – Feb. 2020	84,000.00	-	-	84,000.00
138	Zippytech Enterprises	Cleaning services for Jun 2019	21,000.00	-	-	21,000.00
139	Zippytech Enterprises	Cleaning services for July 2019	63,000.00	-	-	63,000.00
140	Crown Motors Limited	Repair of motor vehicle	80,000.00	-	-	80,000.00
141	Kareem Enterprises	Hire of tents for 6 months	121,000.00	-	-	121,000.00
142	Total Hospital Solutions Ltd	Payment for the service – repair of theatre oxygen plant	350,000.00	-	-	350,000.00
143	Lake Kenyatta Agricultural Training	Conference fee	156,000.00	-	-	156,000.00

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	Centre					
144	Transguard Security Services	Security services at Witu Dispensary	128,000.00	-	-	128,000.00
145	Transguard Security Services	Security services at Witu Dispensary	256,000.00	-	-	256,000.00
146	Rocek Company Limited	Provision of cleaning services	960,000.00	-	-	960,000.00
147	Gravity Security Services Ltd	Provision of security guard services at Mpeketoni and Mokowe	128,000.00	-	-	128,000.00
148	Gravity Security Services Ltd	Provision of security guard services at Mpeketoni and Mokowe	128,000.00	-	-	128,000.00
149	Phillips East Africa Limited	Payable to the services carried out	139,200.00	-	-	139,200.00
150	Transguard Security Services	Security guard services	64,000.00	-	-	64,000.00
151	Lake Kenyatta Agriculture Training Centre	Provision of conference facilities	187,000.00	-	-	187,000.00
152	The star Publication Limited	Printing and advertising	230,330.00	-	230,330.00	-
153	Bahassan Vegetables	Catering	56,020.00	-	56,020.00	-
154	Marwaa General Supply	Proposed site clearing at Hindi market	348,225.20	-	348,225.20	-
SUB TOTAL			12,881,471.17	1,018,226.00	3,321,763.20	10,577,933.97
GRAND TOTAL			69,200,027.04	9,588,029.32	29,665,463.10	49,122,593.26

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Annex 3 – Analysis of Pending Staff Payables

Name of Staff	Job Group	Date Contracted	Original Amount	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Previous FY	Comments
			a	b	c=a-b		
Senior Management							
1.							
2.							
Sub-Total							
Middle Management							
3.							
4.							
Sub-Total							
Unionisable Employees							
5.							
Sub-Total							
Others (specify)							
6.							
Sub-Total							
Grand Total							

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Annex 4 – Analysis of Other Pending Payables

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

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Annex 5 –Analysis of imprests and Advances

(a) Government Imprest

Name Of Officer Or Institution	Date Imprest Taken	Amount Taken	Amount Surrendered	Balance as at 2023-2024
		Kshs	Kshs	Kshs
Total		-	-	-

(b) Salary Advance

Name Of Officer	Date Advanced	Amount Advanced	Amount Recovered	Balance as at 2023-2024
		Kshs	Kshs	Kshs
Total		-	-	-

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Annex 6 – Summary of Non-Current Asset Register


Asset Class	Historical Cost b/f (Kshs) Previous Year	Additions during the year (Kshs)	Disposals during the year (Kshs)	Transfers in/(out) during the year (Kshs)	Historical Cost c/f (Kshs)
Land	-	-	-	-	-
Buildings And Structures	1,661,184,758	82,741,590	-	-	1,743,926,348
Transport Equipment	222,384,553	11,468,000	-	-	233,852,553
Office Equipment, Furniture And Fittings	267,539,629	19,778,928	-	-	287,318,557
ICT Equipment	-	-	-	-	-
Machinery And Equipment	139,333,322	75,408,646	-	-	214,741,968
Heritage And Cultural Assets	-	-	-	-	-
Biological Assets	141,951,641	31,933,528	-	-	173,885,169
Intangible Assets	-	-	-	-	-
Infrastructure Assets - Roads, Rails	-	-	-	-	-
Work In Progress	-	-	-	-	-
Total	2,432,393,903	221,330,692	-	-	2,653,724,595

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Annex 7 – Inter-Entity Transfers

Ref	Entity	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Cumulative amount transferred.	Amount Confirmed as received.	Difference	Explanation
						KShs	KShs		
1	Lamu County Bursary and Scholarship Fund	60,232,657	-	66,745,125	-	126,977,782	126,977,782	-	-
2	Lamu County Emergency Fund	5,000,000	9,500,000	19,300,000	-	33,800,000	33,800,000	-	-
3	Lamu County Youth Development Fund	-	-	-	2,000,000	2,000,000	2,000,000	-	-
4	Lamu County Gender and Social Development Fund	-	-	-	1,645,889	1,645,889	1,645,889	-	-
5	Vocational Training Centres Support Grants	-	-	-	19,500,000	19,500,000	19,500,000	-	-
6	LAWASCO	-	-	10,000,000	-	10,000,000	10,000,000	-	-
Total		65,232,657	9,500,000	96,045,125	23,145,889	193,923,671	193,923,671	-	-


 Director Accounting Services
 County Executive of Lamu


 Head of Fund/Project
 County Executive of Lamu

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Annex 8 – Contingent Liabilities Register

No.	Nature of contingent liability	Payable to	Currency	Estimated Amount Kshs	Expected date of payment	Remarks
1	Costs of the suit	Plaintiff	Ksh	3,000,000	N/A	The matter is pending hearing of an application by the County Government for setting aside of the proceedings and judgment for want of service. There is an order of stay of execution of the judgment
2	Costs of the suit	Plaintiff	Ksh	1,000,000	N/A	The application was ruled in favour of the Plaintiffs though the main suit is yet to be prosecuted
3	Costs of the suit	Plaintiff	Ksh	1,000,000	N/A	The matter is still pending in Court but there is a slight chance for an order of costs to be made against the County Government
4	Costs of the suit	N/A	N/A	N/A	N/A	There is no privity of contract between the Plaintiff and the County Government of Lamu. No liability is likely to attach against the County Government or adverse orders being made against it.
5	Costs of the suit	N/A	N/A	N/A	N/A	The Plaintiff application for injunctive orders was dismissed. The land in dispute is public land and not private as alleged by the Plaintiff. The suit has not been prosecuted for more than a year and is ripe for dismissal
6	Costs of the suit	N/A	N/A	N/A	N/A	The County Government was wrongly sued in the matter and the alleged construction and trespass was not by the County Government. No liability is likely to attach against the County Government.
7	Costs of the suit	N/A	N/A	N/A	N/A	The Petitioner's application was dismissed. No steps have since been taken to prosecute the petition. The same is likely to be dismissed

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8	Costs of the suit	N/A	N/A	N/A	N/A	The subject matter of the suit is private land. The County Government was wrongly enjoined in the matter. No adverse orders are likely to be made against the county Government
9	Costs of the suit	N/A	N/A	N/A	N/A	The orders being sought in the petition have been overtaken by event and the same is ripe for dismissal for want of prosecution. No adverse orders are likely to be made against the County Government
10	Costs of the suit	N/A	N/A	N/A	N/A	The County Government was wrongly enjoined in the matter as the land in issue is private land. The matter is ripe for dismissal for want of prosecution
11	Costs of the suit	N/A	N/A	N/A	N/A	The County Government was wrongly sued in the matter. The court is unlikely to make adverse orders against the county government. The matter is also ripe for dismissal for want of prosecution
12	Costs of the suit	N/A	N/A	N/A	N/A	Judgment was delivered in the matter and no adverse orders were made against the County Government
13	Costs of the suit	N/A	N/A	N/A	N/A	Parties are negotiating with a view to compromise the matter amicably. No adverse orders are likely to be made against the County Government
14	Costs of the suit	N/A	N/A	N/A	N/A	The County has been wrongly enjoined in the matter as the subject matter of the suit is private land. No adverse orders are likely to be made against the County Government
15	Costs of the suit	N/A	N/A	N/A	N/A	The matter has been overtaken by event and is likely to be dismissed for want of prosecution. No adverse orders are likely to be made against the County Government
16	Costs of the suit	N/A	N/A	N/A	N/A	The Petitioners' application was dismissed. The Court is unlikely to make adverse orders against the County Government

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17	Costs of the suit	N/A	N/A	N/A	N/A	The subject matter of the suit is private land. The County Government has been wrongly enjoined in the matter. The Court is unlikely to make adverse orders against the County Government
18	Costs of the suit	N/A	N/A	N/A	N/A	The matter has been overtaken by event. The Court is unlikely to issue adverse orders against the County Government
19	Costs of the suit	N/A	N/A	N/A	N/A	The Petitioner has failed to prosecute the matter and the same is ripe for dismissal for want of prosecution. No adverse orders are likely to be made against the County Government
20	Costs of the suit	N/A	N/A	N/A	N/A	The County Government was wrongly enjoined in the matter. The same is ripe for dismissal for want of prosecution. No adverse orders are likely to be made against the County Government
21	Costs of the suit	N/A	N/A	N/A	N/A	The matter has been overtaken by event and is due for dismissal for want of prosecution. No adverse orders are likely to be made against the County Government
22	Costs of the suit	N/A	N/A	N/A	N/A	The County Government has been wrongly enjoined in the matter as there is no cause of action against. No adverse orders are likely to be made against it
23	Costs of the suit	N/A	N/A	N/A	N/A	The County Government has been wrongly enjoined in the matter. No adverse orders are likely to be made against it
24	Costs of the suit	N/A	N/A	N/A	N/A	The matter is against LAWASCO and not the County Government but it has been settled by consent
TOTAL				5,000,000		

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Annex: 9 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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Annex 10 Reporting on Disaster Expenditure

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

