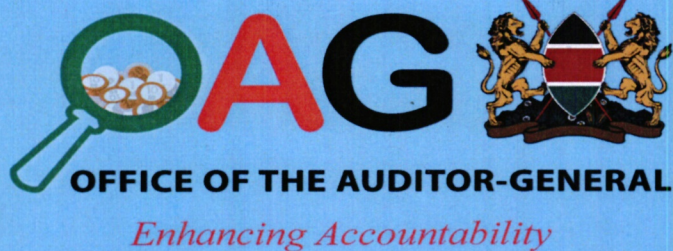


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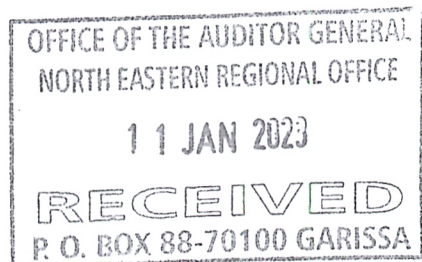
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COMMITTEE	
CLERK AT THE TABLE	MR. INNOCENT N. N. N.

THE AUDITOR-GENERAL

ON

**COUNTY ASSEMBLY OF
LAMU**

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



COUNTY ASSEMBLY OF LAMU

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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

COUNTY ASSEMBLY OF LAMU
Annual Report and Financial Statements
For the year ended 30th June 2022

COUNTY ASSEMBLY OF LAMU
Annual Report and Financial Statements
For the year ended 30th June 2022

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COUNTY ASSEMBLY OF LAMU
Annual Report and Financial Statements
For the year ended 30th June 2022

1. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The County Assembly of Lamu is constituted as per the constitution of Kenya is headed by the Speaker of the County Assembly, who is responsible for the general policy and strategic direction of the Assembly. The County Assembly constitutes 18 Members of County Assembly (MCAs) elected and nominated to represent members of the public from their respective wards. The MCAs are responsible for making laws for effective performance of the County Government, approving plans and policies and playing the oversight role over the County Government of Lamu.

(b) Key Management

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

- Office of the Speaker;
- County Assembly Service Board; and
- the Clerk's Chamber.

(c) Fiduciary Management

The key management personnel who held office during the year ended 30th June, 2021 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Clerk	Omar Ahmed Mohammed
2.	Deputy Clerk	Kale Ahmed Ali
3.	Ag. Director Finance	Mwarabu Salim Hassan
4.	Director Legislative Services	Ishaq Buya
5.	Head of Procurement	Susan Wambui Kamau

(d) Fiduciary Oversight Arrangements

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

(e) Entity Headquarters

P.O. Box 374-80500
Kenyatta Road
Lamu, Kenya

COUNTY ASSEMBLY OF LAMU
Annual Report and Financial Statements
For the year ended 30th June 2022

(f) Entity Contacts

Telephone: (+254) 722966766
E-mail: lamuassembly@gmail.com
Website: www.assembly.lamu.go.ke

(g) Entity Bankers

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

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

2. FOREWARD BY THE CLERK OF THE ASSEMBLY

During the financial year 2021/2022 the County Assembly of Lamu, made great achievements in its operations and reporting. The improvement has seen the County Assembly perform its functions of oversight, legislation and representation properly. The absorption rate of recurrent budget was 79% indicating that the resources were utilised efficiently considering it is the general election year. For the development budget, the absorption rate of was 9% due to the lack of bill of quantities because of the overwhelming work to the few structural engineers in County.

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

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

In the financial year 2021/2022 the County Assembly of Lamu vetted and approved all County appointments done by H.E. Governor, we also approved policy and planning documents prepared by the Lamu Municipality. County Assembly of Lamu also published ten bills, thirty committee reports adopted, and fifty motions passed.

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


Sign

Clerk of the County Assembly

**3. STATEMENT OF PERFORMANCE AGAINST COUNTY ASSEMBLY
PREDETERMINED OBJECTIVES**

The Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting Officer when preparing financial statements of each County Government entity is expected to include of the County Government entity performance of the its key mandate.

The key mandate of the County Assembly of Lamu is legislation, oversight and representation. On legislation part the County Assembly was able to publish ten bills against a target of eight bills.

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

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

Overall, the performance was good notwithstanding the general election challenges, but there still room for improvement and the County Assembly of Lamu believes in continuous improvement and its pursuit to perfection has no finish line.

4. CORPORATE SOCIAL RESPONSIBILITY STATEMENTS/SUSTAINABILITY REPORTING

In the financial year 2021/2022 the County Assembly of Lamu embarked on improving the livelihoods of the residents of Lamu County through timely approval of government policies and plans, we have always pursued the strategy of customer first and improve our operations and access by the public. We continued to use the strategy of no wrong door/office in the County Assembly of Lamu, where citizens seeking any assistance will be provided with services by any officer or directed to the right office immediately.

The County Assembly of Lamu has improved its efficiency in the payment process and we closed the financial year without a single pending bill. The efficiency in payments and the payments of pending bills improved the business, economic and livelihood of the people of Lamu which ultimately contributes to improved macroeconomic performance of Kenya.

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

The County Assembly of Lamu has made great achievement in creating an environment of ethical and honest behaviour in the procurement process by advertising in nationwide newspapers all the major tenders and setting aside of tenders to the special categories including women, youth and people living with disability.

The County Assembly of Lamu engaged the Lamu community in public participation of all the bills and plans that are brought to the County Assembly for consideration and approval. The County Assembly staff participates in community sports and activities that creates cohesion and community harmony.

5. STATEMENT OF MANAGEMENT RESPONSIBILITIES

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

The Clerk of the County Assembly of Lamu is responsible for the preparation and presentation of the County Assembly's financial statements, which give a true and fair view of the state of affairs of the County Assembly for the year ended June 30, 2022. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the County Assembly; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the County Assembly; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Clerk accepts responsibility for the County Assembly's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Clerk is of the opinion that the County Assembly's financial statements give a true and fair view of the state of the County Assembly's transactions for the year ended June 30, 2022, and of its financial position as at that date. The Clerk further confirms the completeness of the accounting records maintained for the County Assembly which have been relied upon in the preparation of its financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

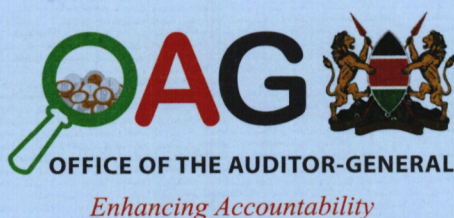
The County Assembly's financial statements were approved and signed by the Clerk of the County Assembly on 20th September 2022.



Clerk of the County Assembly

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON COUNTY ASSEMBLY OF LAMU FOR THE YEAR ENDED 30 JUNE, 2022

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of the County Assembly of Lamu set out on pages 1 to 20, which comprise the statement of financial assets and liabilities as at

Report of the Auditor General on County Assembly of Lamu for the year ended 30 June, 2022

30 June, 2022 and the statement of receipts and payments, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the County Assembly of Lamu as at 30 June, 2022 and of its financial performance and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (Cash Basis) and comply with the County Government Act, 2012 and Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

Analysis of the Integrated Financial Management System (IFMIS) trial balance and balances in the ledgers supporting the financial statements revealed that the two sets of documents had various variances its expenditure items as detailed below:

Account Description	Trial Balance (Kshs)	Ledger Amount (Kshs)	Variance (Kshs)
Utilities & Electricity	1,141,079	1,220,779	(79,700)
Domestic Subsistence	54,337,795	54,289,180	48,615
Foreign Travel	37,216,125	38,403,768	(1,187,643)
Advertising and Printing	1,392,760	1,382,460	10,300
Training Expenses	20,914,059	22,793,040	(1,878,981)
Hospitality	6,326,970	5,977,704	349,266
Office and General Supplies	2,377,500	2,400,000	(2,500)
Other operating expenses	2,487,915	2,490,255	(2,340)
	126,194,203	128,957,186	(2,762,983)

In the circumstances, the accuracy and completeness of the above balances in the financial statements could not be confirmed.

2. Unsupported Domestic Travel and Subsistence Allowances

Included in use of goods and services amount of Kshs.155,543,398 is domestic travel and subsistence balance of Kshs.54,289,180 as disclosed in Note 3 to the financial statements. Examination of records revealed the following unsatisfactory matters:

- i. Fifteen (15) officers of the Assembly were each paid imprests of over Kshs.2,000,000, all totalling to Kshs.57,326,524 to attend workshops, training and other official duties outside the County. In addition, four (4) officers were paid over Kshs.5,000,000 each during the year under review. However, the breakdown of these payments including their purposes were not provided for audit review.

- ii. A local travel Company was paid Kshs.1,654,000 for processing of travel documents and ticketing but the details of the procurement process for this company were not availed for audit review.

In the circumstances, the validity, probity and completeness of the domestic travel and subsistence expenditure amounting to Kshs.54,289,180 could not be confirmed.

3. Unsupported Payments on Staff Car Loan and Mortgage

The statement of financial assets and liabilities for the year ended 30 June, 2022 reflects a balance of Kshs.16,889,980 for cash and cash equivalents as disclosed in Note in Note 6A to the financial statements. Included in the balance is an amount of Kshs.13,399,995 held at the Gulf African Bank (Account No.0570057001) in respect of County Assembly car loan and mortgage scheme. Audit review revealed that the County Assembly established a staff car loan and mortgage scheme through Gazette Notice Number 7 of 12 May, 2015 and signed a Memorandum of Understanding (MOU) with Gulf African Bank on 5 March, 2016.

The Memorandum stipulated that the Assembly was to deposit Kshs.100,000,000 which the bank would use to issue car loans and mortgage to the eligible members of staff. Upon execution of the MOU, the Assembly transferred Kshs.40,000,000 as the first tranche to the Bank and the remaining Kshs.60,000,000 was to be deposited upon utilization of the first tranche. Thereafter, the County Assembly transferred Kshs.26,600,000 from the Car loan and Mortgage account during the 2020/2021 financial year as transport facilitation allowance (car grants) to the Members of County Assembly (MCAs). However, Management did not provide sufficient appropriate documentation to support utilization of the initial deposit of Kshs.40,000,000 transferred to the car loan and mortgage account.

In the circumstances, the accuracy and completeness of transfers of Kshs.40,000,000 to the staff car loan and mortgage account could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the County Assembly of Lamu in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

Other Matter

1. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis totaling to Kshs.578,000,000 and Kshs.346,897,160

respectively resulting in an underfunding of Kshs.231,102,840 or 40% of the budgeted receipts. Similarly, the statement reflects expenditure budget and actual comparable of Kshs.346,897,160 and Kshs.345,588,701 respectively resulting in budget underutilization of Kshs.308,459 or 0.4%.

The underfunding of the budget may affect implementation of planned programs and activities to the detriment of the citizens of Lamu. There is need, therefore, for the Management to be pro-active in engaging the responsible offices including the Treasury and County Government for the release of the full amount of the budgeted amount.

2. Project Implementation Status

During the year under review, the County Assembly of Lamu had budgeted to implement ten (10) projects amounting to Kshs.160,000,000 under development budget vote. The County Assembly received receipts of Kshs.15,073,820 as the total development vote from the County Executive. However, it was noted that seven (7) out of the ten (10) projects with budgeted amount of Kshs.144,000,000 were not implemented.

In the circumstances, planned projects were not implemented because of inadequate funding and this may negatively impact on the implementation of intended projects for the benefits of the residents of Lamu.

3. Late Exchequer Releases

During the year under review, the County Assembly received exchequer releases totaling to Kshs.346,897,160 from the County Treasury as disclosed in Note 1 to the financial statements. However, included in this amount are late disbursements totaling to Kshs.35,753,670 received in the month of June, 2022 as detailed below: -

Vote	Date	Reference	Amount (Kshs)
Recurrent	16 June, 2022	FT22167VR349	2,122,400
Recurrent	16 June, 2022	FT22167HPJ VX	11,655,600
Recurrent	16 June, 2022	FT22167Q57DQ	12,175,800
Development	29 June,2022	FT221804V8KN	4,893,100
Development	29 June,2022	FT22180PGLNZ	4,906,770
Total			35,753,670

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

4. Unresolved Prior Year Matters

In the audit of the previous year, several issues were raised under report on financial statements, report on Lawfulness and Effectiveness in Use of Public Resources and report in Effectiveness of Internal Controls, Risk management and Governance. However, the Management did not resolve the issues as at 30 June, 2022.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Nugatory Other Operating Expenditure

The statement of receipts and payments reflects use of goods and services balance of Kshs.162,584,403 as disclosed in Note 3 to the financial statements, 2022. Included in the balance is an amount of Kshs.2,490,255 for other operating expenses out of which the County Assembly incurred an expenditure of Kshs.2,250,000 on subscription fees to County Assembly Forum and Society of Clerks. However, the payments lacked supporting policy guidelines by the Assembly, thus making the payment nugatory. It was further noted that out of the payment of Kshs.2,250,000, an amount of Kshs.750,000 was not supported by official acknowledgement.

In the circumstances, it was not possible to determine if the expenditure for subscriptions to forum and society of Kshs.2,250,000 for the year ended 30 June, 2022 was a proper charge to public funds.

2. Lack of Diversity Staff Ethnicity

The Integrated Personnel and Payroll Database (IPPD) payroll for the month of June, 2022 revealed that the dominant ethnic community in the County represented fifty-five percent (55%) of the total County Assembly employees. This is contrary to Section 7(2) of the National Cohesion and Integration Act, 2008 which stipulates that no public establishment shall have more than one third of its staff from the same ethnic community.

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

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

3. Non-Submission of the Lamu Car Loan and Mortgage Fund for Audit

Section 47(1) of the Public Audit Act, 2015 requires public entities to submit their financial statements to the Auditor General three (3) months after the closure of the fiscal year. The

Assembly operates a Car Loan and Mortgage Fund but it has failed to prepare and submit its financial statements for audit as per the requirements of the law.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

1. Failure to Establish an Internal Audit Function

During the year under review, the County Assembly operated without an established internal audit department, contrary to Section 155 of the Public Financial Management Act, 2012 which states that a County Government entity shall ensure that it complies with the Act and has appropriate arrangements for conducting internal audit.

In the circumstances, the Management can easily override on internal controls and in such instances, cases of fraud and errors may not be detected or corrected in time.

2. Failure to Constitute an Audit Committee

During the year under review, the County Assembly had not constituted an Auditee Committee to oversee its governance mechanisms and promote transparency and accountability in the management of its resources.

In the circumstances, it was not possible to confirm existence of effective overall governance of the County Assembly.

3. Lack of an Updated Fixed Asset Register

Annex 2 of the financial statements for the year ended 30 June, 2022 reflects County Assembly assets totaling to Kshs.601,072,040 as at 30 June, 2022. It was noted that the County Assembly maintained a fixed assets register but assets totaling to Kshs.12,387,000 were not tagged and thus not possible to compare the fixed assets register against the physical assets. Also, included in the summary of assets register is the historical costs of the Assembly chambers amounting to Kshs.250,760,696. However, the County Assembly did not disclose the cost of the land where the Assembly is constructed, neither did they provide ownership documents which includes the title deed for the land.

In the circumstances, ownership of the County Assembly building could not be confirmed.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, management is responsible for assessing the County Assembly's ability to continue sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management either intends to cease operations of County Assembly.

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

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

Those charged with governance are responsible for overseeing the County Assembly financial reporting process, reviewing the effectiveness of how the Assembly monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

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

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

However, future events or conditions may cause the County Assembly to cease to continue to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the County Assembly to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

05 April, 2023

COUNTY ASSEMBLY OF LAMU
Annual Report and Financial Statements
For the year ended 30th June 2022

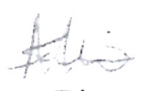
FINANCIAL STATEMENTS

7. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH JUNE 2022

		2021/22	2020/21
	Note	KShs	KShs
RECEIPTS			
Transfers from the County Treasury/Exchequer Releases	1	346,897,160	352,077,400
TOTAL RECEIPTS		346,897,160	352,077,400
PAYMENTS			
Compensation of Employees	2	162,584,403	157,363,053
Use of goods and services	3	155,543,398	139,824,933
Acquisition of Assets	4	27,460,900	41,254,442
Other grants and transfers	5		11,400,000
TOTAL PAYMENTS		345,588,701	349,842,428
SURPLUS/DEFICIT		1,308,459	2,234,972

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 20th September 2022 and signed by:


Clerk of the Assembly
Name: Omar Ahmed Mohammed


Ag. Director Finance
Mwarabu Salim Hassan,
ICPAK 21616

COUNTY ASSEMBLY OF LAMU
Annual Report and Financial Statements
For the year ended 30th June 2022

**8. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES FOR THE YEAR
ENDED 30TH JUNE, 2022**

		2021/22	2020/21
FINANCIAL ASSETS	Note	KShs	KShs
Cash and Cash Equivalents			
Bank Balances	6A	16,889,980	16,309,360
Total Cash and cash equivalents		16,889,980	16,309,360
Accounts receivables – Outstanding Imprests			0
TOTAL FINANCIAL ASSETS		16,889,980	16,309,360
FINANCIAL LIABILITIES			
Accounts Payables – Deposits and retentions	7	(2,178,630)	(671,230)
NET FINANCIAL ASSETS		14,711,350	15,638,130
REPRESENTED BY			
Fund balance b/fwd	8	15,638,130	40,003,162
Prior year adjustment	9	(2,235,235)	(26,600,000)
Surplus/Deficit for the year		1,308,459	2,234,972
NET FINANCIAL POSITION		14,711,350	15,638,130

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 20th September 2022 and signed by:


Clerk of the Assembly
Name: Omar Ahmed Mohammed


Ag. Director Finance
Mwarabu Salim Hassan,
ICPAK 21616

COUNTY ASSEMBLY OF LAMU
Annual Report and Financial Statements
For the year ended 30th June 2022

9. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE, 2022

		2021/22	2020/21
	Note	KShs	KShs
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from operating income			
Transfers from the County Treasury/Exchequer Releases	1	346,897,160	352,077,400
Payments for operating expenses			
Compensation of Employees	2	(162,584,403)	(157,363,053)
Use of goods and services	3	(155,543,398)	(139,824,933)
Other grants and transfers	5		(11,400,000)
Adjusted for:			
End year refund to CRF Account	9	(2,235,235)	
Change of car loan to car grant	9		(26,600,000)
Change in payables (Retention)	10	1,507,400	(11,212,022)
Net cash flows from operating activities		28,041,524	5,677,392
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	4	(27,460,900)	(41,254,442)
Net cash flows from investing activities		(27,460,900)	(41,254,442)
NET INCREASE IN CASH AND CASH EQUIVALENTS		580,624	35,577,050
Cash and cash equivalent at BEGINNING of the year	6	16,309,360	51,886,410
Cash and cash equivalent at END of the year	6	16,889,980	16,309,360

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 20th September 2022 and signed by:


Clerk of the Assembly
Omar Ahmed Mohammed


Ag. Director Finance
Mwarabu Salim Hassan,
ICPAK 21616

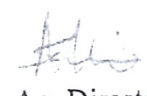
**10. STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: RECURRENT AND DEVELOPMENT
COMBINED**

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% Utilization difference
	KShs	KShs	c=a+b	e=d-c	
RECEIPTS					
Transfers from the County Treasury/Exchequer Releases	578,000,000		578,000,000	346,897,160	60%
Proceeds from Sale of Assets					
Other Receipts					
TOTAL	578,000,000		578,000,000	346,897,160	60%
PAYMENTS					
Compensation of Employees	196,931,710		196,931,710	162,584,403	83%
Use of goods and services	201,068,290		201,068,290	155,543,398	77%
Other grants and transfers					
Social Security Benefits					
Acquisition of Assets	180,000,000		180,000,000	27,460,900	15%
Finance Costs					
TOTAL	578,000,000		578,000,000	345,588,701	60%
SURPLUS/ DEFICIT				1,308,459	

- (a) The underutilization of funds was mostly on the acquisition of assets due shortage of structural engineers in the County for Bill of Quantities preparation and project management.

The entity financial statements were approved on 20th September 2022 and signed by:


Clerk of the Assembly
Omar Ahmed Mohammed


Ag. Director Finance
Mwarabu Salim Hassan,
ICPAK 21616

11. STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: RECURRENT

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% Budget Utilization
	a	b	c=a+b	e=d-c	
RECEIPTS					
Transfers from the County Treasury/ Exchequer Releases	418,000,000		418,000,000	331,823,340	79%
Proceeds from Sale of Assets					
Other Receipts					
TOTAL	418,000,000		418,000,000	331,823,340	79%
PAYMENTS					
Compensation of Employees	196,931,710		196,931,710	162,584,403	83%
Use of goods and services	201,068,290		201,068,290	155,543,398	77%
Subsidies					
Other Grants & Transfers					
Social Security Benefits					
Acquisition of Assets	20,000,000		20,000,000	12,387,000	62%
Finance Costs					
TOTAL	418,000,000		418,000,000	330,514,801	79%
Surplus/ Deficit				1,308,539	

The entity financial statements were approved on 20th September 2022 and signed by:


Clerk of the Assembly
Omar Ahmed Mohammed


Ag. Director Finance
Mwarabu Salim Hassan
ICPAK 21616

12. STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: DEVELOPMENT

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% Budget Utilization
	KShs	KShs	c=a+b	e=d-c	
RECEIPTS					
Transfers from the County Treasury/ Exchequer Releases	160,000,000		160,000,000	15,073,820	9%
Proceeds from Sale of Assets					
Other Receipts					
TOTAL	160,000,000		160,000,000	15,073,820	9%
PAYMENTS					
Compensation of Employees					
Use of goods and services					
Transfers to Other Government Entities					
Other grants and transfers					
Social Security Benefits					
Acquisition of Assets	160,000,000		160,000,000	15,073,900	9%
Finance Costs					
TOTAL	160,000,000		160,000,000	15,073,900	9%
SURPLUS/ DEFICIT				(80)	

(a) Challenges of getting bill of quantities from the department of public works and infrastructure.

The entity financial statements were approved on 20th September 2022 and signed by:


Clerk of the Assembly
Omar Ahmed Mohammed


Ag. Director Finance
Mwarabu Salim Hassan
ICPAK 21616

13. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-Programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	% Budget utilization
	KShs	KShs	KShs	KShs	KShs
Programme 1	228,207,120	0	228,207,120	173,293,867.7	76%
Programme 2	349,792,880	0	349,792,880	172,294,833.3	49%
	578,000,000	0	578,000,000	345,588,701	60%

COUNTY ASSEMBLY OF LAMU
Annual Report and Financial Statements
For the year ended 30th June 2022

14. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

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

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

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

2. Reporting entity

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

3. Recognition of receipts and payments

a) Recognition of receipts

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

Tax receipts

Tax Receipts is recognized in the books of accounts when cash is received. Cash is considered as received when notification of tax remittance is received.

i. Transfers from the Exchequer/ County Treasury

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

ii. Other Receipts

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

COUNTY ASSEMBLY OF LAMU
Annual Report and Financial Statements
For the year ended 30th June 2022

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b) Recognition of payments

The County Assembly of Lamu recognises all expenses when the event occurs and the related cash has actually been paid out by the Assembly.

i. Compensation of employees

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

ii. Use of goods and services

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

iii. Acquisition of fixed assets

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

A fixed asset register is maintained by each public entity and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to this financial statement.

4. In-kind contributions

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

5. 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.

COUNTY ASSEMBLY OF LAMU
Annual Report and Financial Statements
For the year ended 30th June 2022

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6. 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.

7. Imprests and Advance

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.

8. Accounts Payable/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.

9. 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 Assembly of Lamu fixed asset register a summary of which is provided as a memorandum to these financial statements.

10. Pending bills

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

COUNTY ASSEMBLY OF LAMU
Annual Report and Financial Statements
For the year ended 30th June 2022

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

11. Budget

The budget is prepared on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The County Assembly of Lamu budget was approved as required by Law. The original budget was approved by the County Assembly on Lamu for the period 1st July 2021 to 30 June 2022 as required by law. There was also a supplementary budget passed during the financial year. A high-level assessment of the County Assembly of Lamu actual performance against the comparable budget for the financial year under review has been included in the Statement of Comparison between actual and budgeted amounts included in these financial statements.

12. Comparative figures

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

13. Subsequent events

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

14. Errors/Prior Period Adjustments

Material prior period errors shall be corrected retrospectively in the first set of financial statements authorized for issue after their discovery by: i. restating the comparative amounts for prior period(s) presented in which the error occurred; or ii. If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.

15. Related party transactions

Related party transactions involve cash and in-kind transactions with the National Government, National Government entities and County Government entities. Specific information with regards to related party transactions is included in the disclosure notes.

COUNTY ASSEMBLY OF LAMU
Annual Report and Financial Statements
For the year ended 30th June 2022

15. NOTES TO THE FINANCIAL STATEMENTS

1. Transfers from the County Treasury/Exchequer Releases

	2021/22	2020/21
	KShs	KShs
Transfers from the County Treasury for Q1	60,490,580	52,815,000
Transfers from the County Treasury for Q2	79,804,600	60,535,000
Transfers from the County Treasury for Q3	91,759,060	94,535,000
Transfers from the County Treasury for Q4	114,842,920	144,192,400
Cumulative Amount	346,897,160	352,077,400

2. COMPENSATION OF EMPLOYEES

	2021/22	2020/21
	KShs	KShs
Basic salaries of permanent employees	73,381,166	69,872,686
Basic wages of temporary employees	20,958,500	18,544,000
Personal allowances paid as part of salary	53,887,780	54,184,204
Personal allowances paid as reimbursements	1,236,000	1,281,000
Pension and other social security contributions	13,120,957	13,481,163
Compulsory national social security schemes		
Total	162,584,403	157,363,053

COUNTY ASSEMBLY OF LAMU
Annual Report and Financial Statements
For the year ended 30th June 2022

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. USE OF GOODS AND SERVICES

	2021/22	2020/21
	KShs	KShs
Utilities, supplies and services	1,220,779	2,040,230
Communication, supplies and services	2,731,397	3,081,081
Domestic travel and subsistence	54,289,180	51,394,145
Foreign travel and subsistence	38,403,768	7,703,894
Printing, advertising and information supplies & services	1,382,460	1,853,440
Rentals of produced assets	1,700,000	1,740,000
Training expenses	22,793,040	22,394,267
Hospitality supplies and services	5,977,620	9,820,050
Insurance costs	9,657,704	10,791,503
Specialized materials and services	999,000	2,696,050
Fuel Oil and Lubricant	6,900,000	5,698,000
Office and general supplies and services	2,400,000	7,020,740
Other operating expenses	2,490,255	6,266,813
Routine maintenance – vehicles and other transport equipment	3,949,200	3,255,170
Routine maintenance – other assets	648,995	4,069,550
Total	155,543,398	139,824,933

COUNTY ASSEMBLY OF LAMU
Annual Report and Financial Statements
For the year ended 30th June 2022

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. ACQUISITION OF ASSETS

Non- Financial Assets	2021/22	2020/21
	KShs	KShs
Purchase of Land & Buildings		
Construction of Roads	5,273,950	6,712,300
Construction of Building	9,799,950	2,737,552
Purchase of Vehicles and Other Transport Equipment		
Purchase of Office Furniture and Equipment	5,121,000	7,678,000
Purchase of ICT Equipment	7,266,000	24,126,590
Total	27,460,900	41,254,442

5. OTHER GRANTS AND TRANSFERS

	2021/22	2020/21
	KShs	KShs
Car Grant		11,400,000
Total		11,400,000

COUNTY ASSEMBLY OF LAMU
Annual Report and Financial Statements
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. CASH AND BANK BALANCES

6 A. BANK BALANCES

Name of Bank, Account No. & Currency	Indicated whether recurrent or development	2021/22 Kshs	2020/21 Kshs
<i>Central Bank of Kenya, Acc. No. 1000210311 (Kshs)</i>	Development Account	62	142
<i>Central Bank of Kenya, Acc. No. 1000210303 (Kshs)</i>	Recurrent Account	1,307,673	2,235,236
<i>Kenya Commercial Bank, Acc. No. 1150833025 (Kshs)</i>	Recurrent Account	3,620.00	2,752
<i>Central Bank of Kenya, Acc. No. 1000390794 (Kshs)</i>	Deposits Account	2,178,630	671,230
<i>Gulf African Bank, Acc. No. 0570057001 (Kshs)</i>	Car Loan & Mortgage Account	13,399,995	13,400,000
Total		16,889,980	16,309,360

7. ACCOUNTS PAYABLE

	2021/22 KShs	2020/21 KShs
		0
Deposits	2,178,630	671,230
Retentions	2,178,630	671,230
Total		

COUNTY ASSEMBLY OF LAMU
Annual Report and Financial Statements
For the year ended 30th June 2022

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. FUND BALANCE BROUGHT FORWARD

	2021/22	2020/21
	KShs	KShs
Bank accounts	15,638,130	40,003,162
Cash in hand		0
Accounts Receivables		0
Total	15,638,130	40,003,162

9. PRIOR YEAR ADJUSTMENTS

Description of the adjustment	2021/22	2020/21
	KShs	KShs
Adjustments on bank account balances		0
Adjustments on payables		0
Adjustments on car loan to car grant	0	26,600,000
Adjustments on Refund to CRF Account	2,235,235	
Total	2,235,235	26,000,000

10. PRIOR YEAR ADJUSTMENTS

Description of the adjustment	2021/22	2020/21
	KShs	KShs
Change in Payable (Retention)	1,507,400	(11,212,022)
Total	1,507,400	(11,212,022)

COUNTY ASSEMBLY OF LAMU
Annual Report and Financial Statements
For the year ended 30th June 2022

OTHER DISCLOSURES

1. PENDING ACCOUNTS PAYABLE (See Annex 1)

	Balance b/f FY 2020/2021	Additions for the period	Paid during the year	Balance c/f FY 2021/2022
Description	Kshs	Kshs	Kshs	Kshs
Construction of buildings	0	9,799,950	9,799,950	0
Construction of roads	5,273,950	0	5,273,950	0
Supply of services	0	0	0	0
Total	5,273,950	9,799,950	15,073,900	0

2. RELATED PARTY DISCLOSURES

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

Related party transactions:

	2021/22	2021/22
	Kshs	Kshs
Transfers to related parties		
Transfers to other County Government Entities such as car and mortgage schemes	0	0
Total Transfers to related parties	0	0
Transfers from related parties		
Transfers from the County Executive	346,897,160	352,077,400
Total Transfers from related parties	346,897,160	352,077,400

COUNTY ASSEMBLY OF LAMU
Annual Report and Financial Statements
For the year ended 30th June 2022

16. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The County Assembly of Lamu received the audit report certificate in November 2022, and it has been submitted to County Public Accounts Committee. The Clerk has initiated management meeting to address the issues raised and prepare a reply to County Assembly of Lamu and the Senate.

Clerk of the County Assembly

Sign 

15th November 2022

COUNTY ASSEMBLY OF LAMU
Annual Report and Financial Statements
For the year ended 30th June 2022

ANNEXES

ANNEX 1 – ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2022	Outstanding Balance 2021	Comments
	a	b	c	d=a-c		
Construction of buildings						
Sub-Total	214,624,476		213,421,248	0	3,940,780	
Construction of road and civil works						
1. Sightway Limited	11,986,250	April, 2021	11,986,250	0	5,273,950	Project completed and handed over
Sub-Total	11,986,250		11,986,250	0	5,273,950	
Supply of goods						
Sub-Total						
Supply of services						
Sub-Total						
Grand Total	11,986,250		11,986,250	0	5,273,950	

ANNEX 2 – SUMMARY OF NON-CURRENT ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2020/21	Additions during the year (Kshs)	Disposals during the year (Kshs)	Transfers in/(out)	Historical Cost c/f (Kshs) 2021/22
Land	122,027,040				122,027,040
Buildings and structures	253,498,248	9,799,950			263,298,198
Roads and Other Civil works	6,712,300	5,273,950			11,986,250
Transport equipment	50,905,894				50,905,894
Office equipment, furniture and fittings	90,555,245	5,121,000			95,911,245
ICT Equipment	42,966,413	7,266,000			49,997,413
Machinery and Equipment	6,946,000				6,946,000
Infrastructure Assets					
Total	573,611,140	27,460,900			601,072,040

COUNTY ASSEMBLY OF LAMU
Annual Report and Financial Statements
For the year ended 30th June 2022

ANNEX 3 – BANK RECONCILIATION/FO 30 REPORT

(Attach FO 30 Reports)

CENTRAL BANK ACCOUNT NO.1000210311

F.O. 30

REPUBLIC OF KENYA

BANK RECONCILIATION

as at 30 June 2022

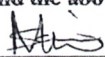
Station LAMU COUNTY ASSEMBLY

Balance as per bank certificate:	
less:-	
1. Payments in Cash not yet recorded in Bank Statement (Unpresented Cheques) ..	
2. Receipts in Bank Statement not yet recorded in Cash Book ..	
Add:-	
3. Payments in Bank Statement not yet recorded in Cash Book ..	
4. Receipts in Cash Book not yet Recorded in Bank Statement ..	

Sh.	cts	Sh.	cts	Sh.	cts
					61.95
			0.00		
			0.00		0.00
			0.00		
			0.00		0.00
					61.95

Bank Balance as per cash book

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


 Signature

DIRECTOR FINANCE & ECONOMIC PLANNING

2/7/2022

Designation

Date

1. PAYMENTS IN CASH BOOK NOT YET RECORDED IN BANK STATEMENT (UNPRESENTED CHEQUES)				2. RECEIPTS IN BANK STATEMENT NOT YET RECORDED IN CASH BOOK	
CHEQUE		PAYEE	AMOUNT	DETAILS	AMOUNT
No.	Date				
			0.00		0.00

3. PAYMENTS IN BANK STATEMENT NOT YET RECORDED IN CASH BOOK			4. RECEIPTS IN CASH BOOK NOT YET RECORDED IN BANK STATEMENT	
DETAILS		AMOUNT	DETAILS	AMOUNT
		0.00		0.00

GKP(L)

COUNTY ASSEMBLY OF LAMU
Annual Report and Financial Statements
For the year ended 30th June 2022

CENTRAL BANK ACCOUNT NO.1000210303

F.O. 30

REPUBLIC OF KENYA
BANK RECONCILIATION

as at 30 June 2022

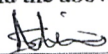
Station LAMU COUNTY ASSEMBLY

Balance as per bank certificate:	
less:- 1. Payments in Cash not yet recorded in Bank Statement (Unpresented Cheques)	..
2. Receipts in Bank Statement not yet recorded in Cash Book	..
Add:- 3. Payments in Bank Statement not yet recorded in Cash Book	..
4. Receipts in Cash Book not yet Recorded in Bank Statement	..

Sh.	cts	Sh.	cts	Sh.	cts
				1,307,672	75
			0.00		
			0.00		0.00
			0.00		
			0.00		0.00
				1,307,672.75	

Bank Balance as per cash book

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


Signature

DIRECTOR FINANCE & ECONOMIC PLANNING

5/7/2022

Date

Designation

1. PAYMENTS IN CASH BOOK NOT YET RECORDED IN BANK STATEMENT (UNPRESENTED CHEQUES)			2. RECEIPTS IN BANK STATEMENT NOT YET RECORDED IN CASH BOOK	
CHEQUE No.	Date	PAYEE	DETAILS	AMOUNT
				0.00

3. PAYMENTS IN BANK STATEMENT NOT YET RECORDED IN CASH BOOK				4. RECEIPTS IN CASH BOOK NOT YET RECORDED IN BANK STATEMENT			
DETAILS			AMOUNT	DETAILS			AMOUNT

GKP(L)

F.O. 30

as at 30 June 2022

Station LAMU COUNTY ASSEMBLY

Sh.	cts	Sh.	cts
			3,620.00
		0.00	
		0.00	0.00
		0.00	
		0.00	0.00
			3,620.00

Bank Balance as per cash book

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


Signature

DIRECTOR FINANCE & ECONOMIC PLANNING 07/07/2022
Designation Date

[illegible][illegible]

GKP(L)

COUNTY ASSEMBLY OF LAMU
Annual Report and Financial Statements
For the year ended 30th June 2022

CENTRAL BANK ACCOUNT NO.1000390794

F.O. 30

REPUBLIC OF KENYA
BANK RECONCILIATION

as at 30 June 2022

Station LAMU COUNTY ASSEMBLY

- Balance as per bank certificate:
- less:-*
1. Payments in Cash not yet recorded in Bank Statement (Unpresented Cheques) ..
 2. Receipts in Bank Statement not yet recorded in Cash Book ..
- Add:-*
3. Payments in Bank Statement not yet recorded in Cash Book ..
 4. Receipts in Cash Book not yet Recorded in Bank Statement ..

Sh.	cts	Sh.	cts	Sh.	cts
				2,178,630	05
			0.00		
			0.00		0.00
			0.00		
			0.00		0.00
				2,178,630	05

Bank Balance as per cash book

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

Signature

DIRECTOR FINANCE & ECONOMIC PLANNING

2/7/2022

Designation

Date

1. PAYMENTS IN CASH BOOK NOT YET RECORDED IN BANK STATEMENT (UNPRESENTED CHEQUES)			2. RECEIPTS IN BANK STATEMENT NOT YET RECORDED IN CASH BOOK	
CHEQUE		PAYEE	DETAILS	AMOUNT
No.	Date			
				0.00

3. PAYMENTS IN BANK STATEMENT NOT YET RECORDED IN CASH BOOK		4. RECEIPTS IN CASH BOOK NOT YET RECORDED IN BANK STATEMENT	
DETAILS	AMOUNT	DETAILS	AMOUNT

GKP(L)

COUNTY ASSEMBLY OF LAMU
Annual Report and Financial Statements
For the year ended 30th June 2022

GULF AFRICAN BANK ACCOUNT NO.0570057001

F.O. 30

REPUBLIC OF KENYA
BANK RECONCILIATION

as at 30 June 2022

Station LAMU COUNTY ASSEMBLY

- less:-** Balance as per bank certificate:
1. Payments in Cash not yet recorded in Bank Statement (Unpresented Cheques) ..
 2. Receipts in Bank Statement not yet recorded in Cash Book ..
- Add:-**
3. Payments in Bank Statement not yet recorded in Cash Book ..
 4. Receipts in Cash Book not yet Recorded in Bank Statement ..

Sh.	cts	Sh.	Sh.	cts
				13,399,995.40
		0.00		
		0.00		0.00
		0.00		
		0.00		0.00
				13,399,995.40

Bank Balance as per cash book

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


Signature

DIRECTOR FINANCE & ECONOMIC PLANNING

7/7/2022

Designation

Date

1. PAYMENTS IN CASH BOOK NOT YET RECORDED IN BANK STATEMENT (UNPRESENTED CHEQUES)				2. RECEIPTS IN BANK STATEMENT NOT YET RECORDED IN CASH BOOK	
CHEQUE		PAYEE	AMOUNT	DETAILS	AMOUNT
No.	Date				
			0.00		0.00

3. PAYMENTS IN BANK STATEMENT NOT YET RECORDED IN CASH BOOK		4. RECEIPTS IN CASH BOOK NOT YET RECORDED IN BANK STATEMENT	
DETAILS	AMOUNT	DETAILS	AMOUNT

GKP(L)