

REPUBLIC OF KENYA



REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability

57



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REPORT

OF

THE AUDITOR-GENERAL

ON

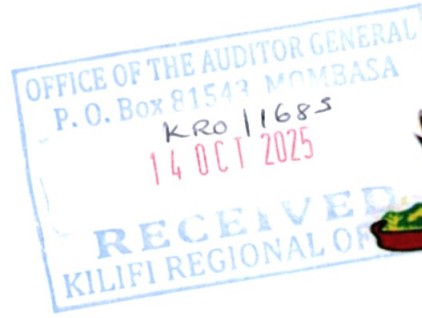
RECEIVER OF REVENUE – REVENUE
STATEMENTS

FOR THE YEAR ENDED
30 JUNE, 2025

PAPERS LAID	
DATE	19/2/20.
TABLED BY	Sen. ledama
COMMITTEE	
CLERK AT THE TABLE	Mary

COUNTY GOVERNMENT OF LAMU





**RECEIVER OF REVENUE
COUNTY GOVERNMENT OF LAMU**

REVENUE STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2025**

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

**Receiver Of Revenue
County Government of Lamu
Revenue Statements for the Period Ended 30th June 2025**

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1. Acronyms and Definition of Key Terms

a) Acronyms

CA	County Assembly
COB	Controller of Budget
CRF	County Revenue Fund
FY	Financial Year
IPSAS	International Public Sector Accounting Standards
NT	National Treasury
OSR	Own Source Revenue
PFMA	Public Finance Management Act
PSASB	Public Sector Accounting Standards Board
ROR	Receiver of Revenue
CECM	County Executive Committee member
CO	Chief Officer

b) Key terms

Comparative FY: Comparative Prior Financial Year

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

2. Key Entity Information and Management

(a) Background information

The Receiver of Revenue is under the Department of Finance. At the County Executive Committee level, the Receiver of Revenue is represented by the County Executive Committee Member for Finance, Budget, Strategy, and Economic Planning, who is responsible for providing overall policy guidance and strategic direction. The Receiver of Revenue was formally designated on 9th February 2023 by the County Executive Committee Member for Finance in accordance with Section 157 of the Public Finance Management (PFM) Act.

(b) Principal activities

The Receiver of Revenue collects revenue and remits to the County Revenue Fund (CRF).

(c) Key Management Team

The County Government of Lamu's day-to-day management of revenue is under the following:

No.	Designation	Name
1.	CECM Finance, Budget, Strategy, and Economic Planning	Hon. Mohamed Mbwana Ali
2.	Chief Officer - Finance	CPA. Salma Omar
3.	Chief Officer - Food Security & Co-operatives Development	Mr. Fredrick Baraka Kaingu
4.	Chief Officer - Medical Service	Dr. Victor Tolle
5.	Chief Officer - Tourism, Culture, Trade, and Investment	Mrs. Joyce Wanjiku Murimi
6.	Chief Officer - Education, Technology, Gender, Youth Affairs, Sports, Community Development and Social Service	Mrs. Hafswa Abdalla Diffini
7.	Chief Officer - Fisheries, Blue Economy, Livestock, and Co-operative Development	Mr. Shafi Issa
8.	Chief Officer - Public Health, Environment & Sanitation	Mr. Mohamed Rashid Dirie

Receiver Of Revenue
County Government of Lamu
Revenue Statements for the Period Ended 30th June 2025

9.	Chief Officer - Natural Resources, Lands, Physical Planning, and Urban Development	Mr. Ahmed Mohamed Ali
10.	Chief Officer - Water Management	Mr. Mohamed Omar
11.	Manager - Municipality of Lamu	Mr. Abdulswamad Hussein
12.	Receiver Of Revenue (ROR)	CPA Mohamed A. Abubakar
13.	Assistant Director, Revenue Services (Head of Revenue Reporting)	CPA Joseph Kamau Muitah
14	Deputy Director Liquor Licensing Board	Mr. Kaviha Khamisi

Key Entity Information and Management

(d) County Headquarters

P.O. Box 74-80500
Mokowe Headquarter
Lamu-Malindi Road

(e) Entity Contacts

Telephone: (+254) 715555111/758005005
E-mail: treasury@lamu.go.ke
Website: www.lamu.go.ke

(f) Independent Auditor

Auditor General
Office Of The Auditor General
Anniversary Towers, University Way
P. O. Box 30084
GPO 00100 - Nairobi, Kenya

(g) Principal Legal Adviser

The Attorney General
State Law Office
Harambee Avenue
P.O.BOX 40112
City Square 00200 - NAIROBI, KENYA

(h) 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 121-80500
Lamu Branch, Kenyatta Avenue
4. Diamond Trust Bank
P.O.BOX 60-80500
Lamu Branch, Kenyatta Avenue
5. Corporative Bank
Mpeketoni Branch,
Lamu, Kenya

3. Foreword By the CECM Finance and Economic Planning

Article 202 of the Constitution of Kenya provides that revenue raised nationally shall be shared equitably among the National and County Governments. The County also finances its operations through its Own Source Revenues (OSR). These are revenues collected within the County. The key local revenue sources include Single Business Permits, Health Facilities, Land Rates, and Cesses, amongst others. The County continues to explore new and innovative ways of increasing its local revenue collections.

It is my privilege to present the Annual Report of the Receiver of Revenue for the Financial Year ended 30th June 2025. This report provides a comprehensive account of the county's revenue performance, the economic environment that influenced collections, and the measures undertaken to enhance efficiency in revenue mobilization and management.

During the year, the County collected a total of **Ksh. 234,781,124** from various revenue streams, including Hospital Fees, property rates, business permits, market fees, cess, and other charges. This represented **93%** of the approved revenue target of **Ksh. 252,500,000**. The performance was influenced by several factors, including revenue automation, enforcement measures etc.

Looking ahead, the County Government remains committed to broadening its revenue base, strengthening compliance frameworks, and enhancing efficiency in revenue administration. These measures will ensure that the County is better positioned to finance its development agenda and deliver quality services to our citizens.

In conclusion, I wish to recognize the efforts of the Receiver of Revenue, revenue staff, and all stakeholders who contributed to this performance. I also extend appreciation to our business community and taxpayers for their compliance and continued partnership in building a sustainable financial base for our County.



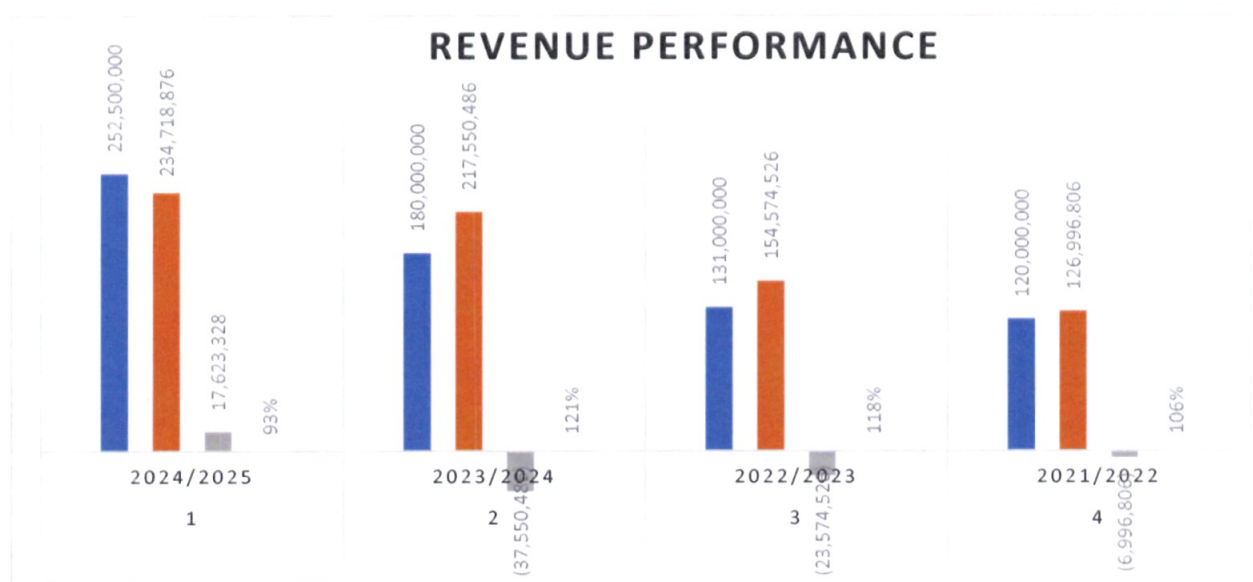
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HON. MOHAMED MBWANA ALI
**COUNTY EXECUTIVE COMMITTEE MEMBER
FINANCE, BUDGET, STRATEGY, AND ECONOMIC PLANNING**

4. Management Discussion and Analysis

The Receiver of Revenue has recorded steady growth in own-source revenue over the past five years. Despite challenges such as adverse economic conditions and compliance gaps, revenue mobilization has shown resilience, supported by automation, enhanced enforcement, and public awareness campaigns.

Table 1: Four-Year Revenue Performance (Kshs. Millions)

SUMMARY OWN SOURCE REVENUE PERFORMANCE					
S/NO.	FINANCIAL YEAR	BUDGET	ACTUAL	DIFFERENCE	% REALIZATION
1	2024/2025	252,500,000	234,781,124	17,718,876	93%
2	2023/2024	180,000,000	217,550,486	(37,550,486)	121%
3	2022/2023	131,000,000	154,574,526	(23,574,526)	118%
4	2021/2022	120,000,000	126,996,806	(6,996,806)	106%



Key Observations

The county has recorded remarkable growth in Own Source Revenue (OSR) over the last four years, increasing from **Kshs. 126.9 million in FY 2021/22** to **Kshs. 234.8 million in FY 2024/25**. This represents an **85% growth** over the period.

The improvement is largely attributed to:

- **Implementation of the FIF framework**, which enhanced efficiency in revenue mobilization and accountability in collections.
- **Automation of revenue systems** – introduction of e-payment platforms and digital enforcement significantly reduced leakages and increased compliance.
- **Strengthened enforcement measures** – deployment of revenue officers, inspections, and penalties for non-compliance.
- **Public awareness and stakeholder engagement** – increased sensitization campaigns improved voluntary compliance.
- **Diversification of revenue streams** – broadening of the revenue base beyond traditional sources.

Above-target performance was realized in FY 2021/22, 2022/23, and 2023/24 with collections at **106%, 118%, and 121%** respectively.

FY 2024/25 recorded a **slight shortfall at 93% realization**, mainly due to external economic pressures, though still higher than past years' absolute collections. On average, the Receiver of Revenue achieved **110% performance realization over the four years**, a clear indicator of efficiency gains from reforms.

Challenges in Revenue Collection

During the period under review, management encountered several challenges, including:

- **Low Compliance Levels:** Some businesses and individuals under-declared or failed to remit revenues.
- **Weak Enforcement:** Limited capacity for enforcement due to inadequate staff and logistical support.
- **Economic Slowdown:** Inflation and reduced business activity negatively impacted revenue growth.

Mitigation Measures

To address the challenges, the following measures were implemented:

- **Automation & Digitization:** Full rollout of e-payment systems to reduce leakages and improve efficiency.
- **Enforcement Strengthening:** Increased field inspections, audits, and penalties for non-compliance.
- **Capacity Building:** Training revenue staff on customer relations, compliance management, and ICT.
- **Public Awareness Campaigns:** Engagement with ratepayers and traders to encourage voluntary compliance.
- **Collaboration with Stakeholders:** Partnerships with local chambers of commerce and community leaders.

Outlook

The Receiver of Revenue is optimistic about surpassing future revenue targets due to:

- Ongoing system automation and integration.
- Expanding the revenue base by tapping into new streams such as outdoor advertising and land-based levies.
- Enhancing compliance monitoring and continuous taxpayer engagement.



.....
CPA MOHAMED ABBAS ABUBAKAR
RECEIVER OF REVENUE
COUNTY GOVERNMENT OF LAMU

5. Statement of the Receiver of Revenue's responsibilities

Section 165 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, a receiver of revenue for a county government shall prepare an account in respect of the revenue collected, received and recovered by the receiver during that financial year.

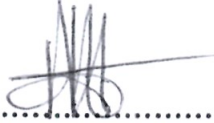
The Receiver of Revenue is responsible for the preparation and presentation of the Receiver of Revenue account, which gives a true and fair view of the state of affairs of the Receiver of Revenue for and as at the end of the financial year ended on June 30, 2025. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the statement of assets and liabilities of the entity, (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 entity, (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The Receiver of Revenue in charge accepts responsibility for the Lamu receiver of revenue accounts, which have been prepared on the Accrual Basis method of financial reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS) and the relevant legal framework of the Government of Kenya. The Receiver of Revenue is of the opinion that the Lamu receiver of revenue account gives a true and fair view of the state of the Lamu receiver of revenue transactions during the financial year ended June 30, 2025, and of the Lamu statement of assets and liabilities as at that date. The Receiver of Revenue further confirms the completeness of the accounting records maintained, which have been relied upon in the preparation of the Receiver of Revenue account as well as the adequacy of the systems of internal financial control. The Receiver of Revenue confirms that Lamu has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable). The Receiver of Revenue confirms that the revenue statements have been prepared in a form that complies with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board of Kenya.

Receiver Of Revenue
County Government of Lamu
Revenue Statements for the Period Ended 30th June 2025

Approval of the Revenue Statements

The revenue statements were approved and signed by the Receiver of Revenue on ...11/10/2025...



.....
CPA MOHAMED ABBAS ABUBAKAR
RECEIVER OF REVENUE
COUNTY GOVERNMENT OF LAMU

REPUBLIC OF KENYA

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

REPORT OF THE AUDITOR-GENERAL ON RECEIVER OF REVENUE - REVENUE STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2025 - COUNTY GOVERNMENT OF LAMU

PREAMBLE

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

- A. Report on Revenue statements that considers whether the revenue 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 revenue statements;
- B. Report on Lawfulness and Effectiveness in the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE REVENUE STATEMENTS

Qualified Opinion

I have audited the accompanying transitional IPSAS revenue statements of Receiver of Revenue - County Government of Lamu set out on pages 1 to 19, which comprise

of the statement of financial position as at 30 June, 2025, and the statement of revenue and disbursements, statement of cash flows and statement of comparison of budget versus actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the transitional IPSAS revenue statements present fairly, in all material respects, the financial position of Receiver of Revenue - County Government of Lamu as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards Accrual Basis (including the transitional provisions permitted under IPSAS 33) and comply with the County Governments Act, 2012, the Public Finance Management Act, 2012, and The National Treasury and Economic Planning Circular No.3 of 14 April, 2025.

Basis for Qualified Opinion

1. Statement of Revenue and Disbursements

The statement of revenue and disbursements reflects revenue totalling Kshs.234,781,124. Included in this revenue is an amount of Kshs.74,271,138 in respect of revenue from non-exchange transactions and an amount of Kshs.160,509,986 in respect of revenue from exchange transactions. Review of the statement revealed the following unsatisfactory matters:

1.1. Uncollected Advertisement Revenue

Included in the revenue from exchange transactions is an amount of Kshs.4,167,600 in respect to revenue from advertising as disclosed in Note 18 to the revenue statements. However, physical verification revealed that the County Government hosts nineteen (19) Communication Masts where revenue totalling Kshs.2,850,000 was not collected.

1.2. Inaccurate and Unsupported Land Rates Revenue

Included in the revenue from non-exchange transactions is an amount of Kshs.11,271,244 in respect of land rates as disclosed in Note 7 to the revenue statements. However, the revenue erroneously includes land rates arrears of Kshs.2,293,140 relating to previous periods but collected during the year under review. In addition, the valuation roll excluded Faza and Witu regions. Further, a detailed list of all invoiced land rates clients for the year ended 30 June, 2025 was not provided for audit review while land rates collection is done manually and prone to manipulation, despite the County Government having a revenue collection system.

1.3. Inaccuracies in Single Business Permits Revenue

Included in the revenue from non-exchange transactions is an amount of Kshs.23,218,841 in respect of single business permits as disclosed in Note 8 to the revenue statements. However, the revenue erroneously includes business permits fee

arrears of Kshs.8,170,940 relating to previous periods but collected during the year under review.

In the circumstances, the accuracy and completeness of revenue totalling Kshs.234,781,124 could not be confirmed.

2. Inaccuracies in Long-Outstanding Land Rate Arrears

The statement of financial position reflects receivables from non-exchange transactions balance of Kshs.228,089,091 as disclosed in Note 32 to the revenue statements. Appendix 3 on aging analysis of revenue in arrears disclose that the arrears include land rates arrears balance of Kshs.218,710,283 that have been outstanding for over one (1). As previously reported, some arrears have been outstanding for more than seventeen (17) years. Even though Management explained that the process of reaching out to all relevant property owners is ongoing, evidence of tangible results was not provided. Further, Management has not created a provision for bad and doubtful debts.

In the circumstances, the accuracy and recoverability of land rate arrears totalling Kshs.218,710,283 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Receiver of Revenue - County Government 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 revenue 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 judgement, are of most significance in the audit of the revenue statements. Except for the effect of the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Audit Matters

In the prior year's audit report, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. Review of the status during audit of the Receiver of Revenue in 2024/2025 revealed that one issue on long outstanding land rates remained unresolved as at 30 June, 2025.

Other Information

Management is responsible for the Other Information set out on page iv to xii which comprise of Key Entity Information and Management, Foreword by the CECM Finance and Economic Planning, Management Discussion and Analysis and the Statement of

Receiver of Revenue's Responsibilities. The Other Information does not include the revenue statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that nothing 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

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The Standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the revenue 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, I confirm that nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

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

Responsibilities of the Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these revenue statements in accordance with International Public Sector Accounting Standards (Accrual Basis)] and for maintaining effective internal controls as Management determines is necessary to enable the preparation of revenue 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 revenue statements, Management is responsible for assessing the Receiver of Revenue'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 revenue 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 revenue statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the revenue 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 Receiver of Revenue 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

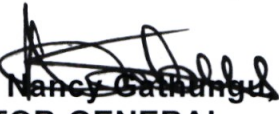
My responsibility is to conduct an audit of the revenue statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The Standards require that, in conducting the audit, I obtain reasonable assurance about whether the revenue statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these revenue 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 revenue 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

15 December, 2025

*Receiver Of Revenue
County Government Of Lamu
Revenue Statements for the Period Ended 30th June 2025*

7. Statement of Revenue and Disbursements for the year ended 30th June 2025

	Note	2024-2025
		Kshs
Revenue from non-exchange transactions		
Cess	6	29,334,103
Land Rates	7	11,271,244
Single/Business Permits	8	23,218,841
Conservancy Administration	9	-
Administration Control Fees and Charges	10	2,611,000
Other Fines, Penalties, And Forfeiture Fees	11	-
Public Health Service Fees	12	1,657,428
Physical Planning and Development	13	6,178,522
Donations/Grants Not Received Through CRF	14	-
Total Revenue from non-exchange transactions		74,271,138
Revenue from exchange transactions		
Parking Fees	15	5,029,964
Market Fees	16	1,597,245
Property Rent	17	1,504,221
Advertising	18	4,167,600
Hospital Fees	19	140,181,850
Hire of County Assets	20	3,501,485
Sale of assets	21	-
Park Fees	22	-
Miscellaneous receipts	23	4,527,621
Total Revenue from exchange transactions		160,509,986
Total Revenues (a)		234,781,124
Disbursements		
Disbursements To CRF	24	(91,479,102)
Retention by other County entities(F.I.F & LIQUOR)	25	(142,792,850)
Bank charges	26	(460,616)
Waivers and exemptions	27	-
Bad debts written off	28	-
Provision for bad debts	29	-
Total Disbursements and other charges (b)		(234,732,568)
Other gains/(losses)		
Gain/Loss on foreign exchange transactions	30	-
Increase/Decrease in Dues to County Revenue Fund		48,556

Receiver Of Revenue
County Government Of Lamu
Revenue Statements for the Period Ended 30th June 2025

The accounting policies and explanatory notes to these revenue statements form an integral part of the revenue statements. These revenue statements were approved on 11/10/2025 and signed by:



Receiver of Revenue
Name: Mohamed A. Abubakar
ICPAK Member No: 23585




Head of Revenue
Name: Joseph Kamau Muitah
ICPAK Member No: 30030

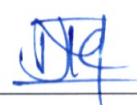
*Receiver Of Revenue
County Government Of Lamu
Revenue Statements for the Period Ended 30th June 2025*

8. Statement of Financial Position as at 30th June 2025

	Note	FY 2024-2025	Opening Statement 1st July 2024
		Kshs	Kshs
Current Assets			
Cash and Cash Equivalents	31	283,104	234,548
Receivables from non-Exchange transactions	32	228,089,091	224,152,523
Receivables from Exchange transactions	33	-	-
Total Current Assets		228,372,195	224,387,071
Total Assets		228,372,195	224,387,071
Financial Liabilities			
Payables-Due to CRF	34	228,372,195	224,387,071
Revenue received in advance	35	-	-
Total Financial Liabilities		228,372,195	224,387,071

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity's financial statements were approved on 21/10/2025 and signed by:


Receiver of Revenue
Name: Mohamed A. Abubakar
ICPAK Member No: 23585


Head of Revenue
Name: Joseph Kamau Muitah
ICPAK Member No: 30030

*Receiver Of Revenue
County Government Of Lamu
Revenue Statements for the Period Ended 30th June 2025*

9. Statement of Cash Flows for the Year Ended 30th June 2025

	Note	F/Y 2024-2025
		Kshs
Cash flows from operating activities		
Receipts		
Cess	6	29,334,103
Land Rate	7	11,271,244
Single/Business Permits	8	23,218,841
Conservancy Administration	9	-
Administration Control Fees and Charges	10	2,611,000
Other Fines, Penalties, And Forfeiture Fees	11	-
Public Health Service Fees	12	1657428
Physical Planning and Development	13	6,178,522
Donations/Grants Not Received Through CRF	14	-
Parking Fees	15	5,029,964
Market Fees	16	1,597,245
Property Rent	17	1,504,221
Advertising	18	4,167,600
Hospital Fees	19	140,181,850
Hire of County Assets	20	3,501,485
Sale of assets	21	-
Park Fees	22	-
Miscellaneous receipts	23	4,527,621
Total Receipts		234,781,124
Payments		
Disbursements/Retention(other county entities)	25	142,792,850
Disbursements To CRF	24	91,479,102
Bank charges	26	460,616
Total Payments		234,732,568
Net Cash Flows from/ (used in) Operating Activities		48,556
Cash and cash equivalents at Period Start	31	234,548
Cash and cash equivalents at Period End	31	283,104

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10. Statement of Comparison of Budget vs Actual Amounts for Year Ended 30th June 2025

Receipts	Original Targets	Adjustments	Final Targets	Actual On Comparable Basis	Budget Realization Difference	% of Realization
	A	B	C=(A+B)	D	E=(C-D)	F=D/C*100
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
County Own Source Revenue						
Cess	20,280,000	13,116,729	33,396,729	29,334,103	4,062,626	88
Land Rate	102,040,000	(83,768,756)	18,271,244	11,271,244	7,000,000	62
Single/Business Permits	15,000,000	8,748,773	23,748,773	23,218,841	529,932	98
Property Rent	1,200,000	296,721	1,496,721	1,504,221	(7,500)	101
Parking Fees	3,000,000	1,972,561	4,972,561	5,029,964	(57,403)	101
Market Fees	1,200,000	2,363,545	3,563,545	1,597,245	1,966,300	45
Advertising	5,900,000	(1,909,400)	3,990,600	4,167,600	(177,000)	104
Hospital Fees	130,000,000	-	130,000,000	140,181,850	(10,181,850)	108
Public Health Service Fees	600,000	2,057,328	2,657,328	1,657,428	999,900	62
Physical Planning and Development	720,000	8,458,522	9,178,522	6,178,522	3,000,000	67
Hire of County Assets	6,880,000	2,913,813	9,793,813	3,501,485	6,292,328	36
Conservancy Administration	-	-	-	-	-	-
Administration Control Fees and Charges	3,120,000	(15,770)	3,104,230	2,611,000	493,230	84
Proceeds from sale of assets	-	-	-	-	-	-

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Park Fees	-	-	-	-	-	-
Other Fines, Penalties, and Forfeiture Fees	-	-	-	-	-	-
Miscellaneous Receipts	60,000	8,265,934	8,325,934	4,527,621	3,798,313	54
Total County Own Source Revenue	290,000,000	(37,500,000)	252,500,000	234,781,124	17,718,876	93
Other Receipts						
Donations /Grants Not Received Through CRF	-	-	-	-	-	-
Total Other Receipts	-	-	-	-	-	-
Total Receipts	290,000,000	(37,500,000)	252,500,000	234,781,124	17,718,876	93

Note:

*During the financial year under review, the County Government had an **initial target of Kshs 290 million**, which was revised downward by **Kshs 37.5 million** to a **final target of Kshs 252.5 million**. Against this, the County realized **Kshs 234.8 million**, representing a **93% achievement rate**.*

The County Receiver of Revenue's financial statements were approved on *u/10/2025* and signed by:



Receiver of Revenue
Name: Mohamed A. Abubakar
ICPAK Member No: 23585



Head of Revenue
Name: Joseph Kamau Muitah
ICPAK Member No: 30030

11. Notes to the Financial Statements

1. General Information

Lamu Receiver of Revenue was appointed by the CEC member of Finance of Lamu County Government in accordance with section 157 of the PFM Act. The Entity's principal activity is the collection and accounting of Own source revenue as outlined in the appointment letter and section 157 of the PFM Act.

2. Statement of Compliance and Basis of Preparation

The revenue statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS), Accrual Basis of Accounting and the relevant legal framework of the County Government of Lamu. The financial statements comply with and conform to the form of presentation prescribed by the Public Sector Accounting Standards Board of Kenya.

Guiding note during the transition period:

The financial statements have been prepared in accordance with the PFM Act, and International Public Sector Accounting Standards (IPSAS). The entity has also taken advantage of the transitional provisions under IPSAS 33 and therefore these **1st year** financial statements are transitional financial statements and the following elements of the financial statements have not been recognized as the entity has taken advantage of the transition provisions outlined in IPSAS 33.

- a) Arrears of revenue have been disclosed, but the amount in arrears has not been used in arriving at total OSR revenue. (The management undertakes to verify the entity's arrears before recognizing them as part of total revenue)
- b) Revenue received in advance has not been considered as some figures may require reconciliation to ascertain the correct position. (The management is undertaking step-by-step verification to ascertain possible prepayments)

**Receiver Of Revenue
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The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of Lamu County. The accounting policies adopted have been consistently applied to all the years presented.

The Financial statements were authorized for issue by the Accounting Officer on 28th August 2025

3. Adoption of New and Revised Standards

When an IPSAS becomes effective on 1st January 2025, it is applicable in Kenya from 1st July 2025

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

There were no new and amended standards issued in the financial year.

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

Standard	Effective date and impact:
IPSAS 43	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right-of-use assets and lease liabilities. Lamu County ROR is not affected by IPSAS 43</p>
IPSAS 44: Non-Current Assets Held	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p>

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Standard	Effective date and impact:
for Sale and Discontinued Operations	<p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p>Lamu county ROR is not affected by IPSAS 44</p>
IPSAS 45- Property, Plant and Equipment	<p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g, valuation of land over or under the infrastructure assets, under-maintenance of assets and distinguishing significant parts of infrastructure assets. Lamu county ROR is not affected by IPSAS 45</p>
IPSAS 46 Measurement	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS;

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Standard	Effective date and impact:
	<p>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</p> <p>The standard also introduces a public sector specific measurement bases called the current operational value. Lamu county ROR is not affected by IPSAS 46</p>
IPSAS 47- Revenue	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
IPSAS 48- Transfer Expenses	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>
IPSAS 49- Retirement Benefit Plans	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans that provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>
IPSAS 50: Exploration For &	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p>

Standard	Effective date and impact:
Evaluation of Mineral Resources	<ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.

iii) Early adoption of standards

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

4. Significant Accounting Policies

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

i) Revenue from non-exchange transactions

Fees, taxes, fines, and charges

The Receiver of Revenue recognizes revenues from fees, taxes, fines and charges when the event occurs and the asset recognition criteria is met. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the Entity and the fair value of the asset can be measured reliably.

ii) Revenue from exchange transactions

Rendering of services

The Receiver of Revenue recognizes revenue from the rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably, and it is probable that the economic benefits or service potential associated with the transaction will flow to the Entity.

Interest income

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

Dividends

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

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue. We have nothing to report.

iii) Budget

The County Revenue budget is developed on a cash basis. The budget has the same accounts classification basis, and for the same period as the financial statements. The County budget was approved as required by law. The original budget was approved by the County Assembly on July

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for the period 1st July 2024 to 30th June 2025. There was one supplementary budget passed in the year. A high-level assessment of the County's actual performance against the comparable budget for the financial year under review has been included in these financial statements. The Entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on an accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section xxx of these financial statements.

iv) Cash and cash equivalents.

Cash and cash equivalents comprise cash on hand and cash at bank and pay bill closing balance. Bank account balances include revenue collection accounts held at Commercial banks.

v) Revenue in Arrears

Revenue in arrears relate to revenue earned and is yet to be received or collected by the receiver of revenue. These arrears are presented as receivables from exchange and non- exchange transactions in the statement of financial position. These receivables are assessed for impairment on a continuous basis. The details of these arrears are presented as an appendix to the financial statements under the statement of arrears as required under the PFM Act, 2012 Section 165 (2) (b).

vi) Disbursements to CRF

The Receiver of Revenue has an arrangement for the transfer of funds from its bank account to the CRF account on a weekly basis. Total disbursements to the CRF are as a result of the transfer arrangement during the year.

vii) Payables due to CRF

These relate to amounts yet to be disbursed to the County Revenue Fund at the end of the period. The amount does not include monies that are yet to be collected by the receiver of revenue at the end of the reporting period.

viii) Comparative Figures

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

ix) Subsequent Events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below. The Entity based its assumptions and estimates on parameters available when the financial statements were prepared.

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However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur.

Provisions

There were no provisions provided during the year.

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Notes to the Financial Statements

6. Cess

Description	FY 2024-2025
Farm produce	1,429,525
Quarrying	12,127,043
Livestock	84,140
Fish Trade	5,671,175
Scrap metal	417,100
Forest Cess	853,920
Miraa cess	8,745,000
Hides & Skin	6,200
Total	29,334,103

7. Land rates

Description	F/Y 2024-2025
Land rates	8,978,104
Land penalties and interest	-
Arrears	2,293,140
Total	11,271,244

8. Single Business Permits

Description	F/Y 2024-2025
Business permit application fees	-
Annual Business permit fees	20,093,041
Business permit penalties and interest	-
fish traders license	98,000
Business permit fees arrears	3,027,800
Total	23,218,841

9. Conservancy Administration

Description	F/Y 2024-2025
	Ksh
Total	-

10. Administration Control Fees and Charges

Description	FY 2024-2025
	Ksh
Liquor licenses	2,611,000
Total	2,611,000

11. Other Fines, Penalties and Forfeitures

Description	FY 2024/2025
	Ksh
Total	-

12. Public Health Service Fees

Description	FY 2024/2025
	KSH
Inspection of buildings/premises/Institutions	-
Inspection for issuance of hygiene license	-
Vaccination: Yellow fever, Typhoid, etc	-
Applications for medical examination	-
Sanitation inspection for schools	-
Public health permit	1,657,428
Rodent Control/Fumigation	-
Total	1,657,428

13. Physical Planning and Development

Description	FY 2024/2025
	KSH
Sale of County planning documents	-
Land valuation and registration fees	-
Change / Renewal of user	-
Building plans approval	6,178,522
Signboards	-
Occupational Permits	-
Enforcement / Demolition	-
Architectural designs by county officers	-

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Hoarding fees	-
Others (Specify)	-
Total	6,178,522

14. Donations and Grants Not Received Through CRF

Description	FY 2024-2025
	Ksh
Total	-

15. Parking Fees

Description	FY 2024-2025
	KSH
Street parking fees	5,029,964
Monthly toll/sticker fees	-
Motorbike fees	-
Registration fees	-
Reserved parking	-
Bus Park fees	-
Others (<i>Specify</i>)	-
Total	5,029,964

16. Market Fees

Description	FY 2024-2025
	KSH
Market entry fees	1,597,245
Hawking fees	-
Others (<i>Specify</i>)	-
Total	1,597,245

17. Property Rent

Description	FY 2024-2025
County Housing	-
Plot Rent	-

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Tenancy Agreement	-
Transfer of Property	-
Stalls/kiosks rent	1,504,221
Others (Specify)	-
Total	1,504,221

18. Advertising

Descriptions	FY 2024-2025 KSH
Branding	4,167,600
Billboard advertising	-
Signage	-
Roadshows	-
Banners	-
Posters	-
Tent advertising	-
Street pole/clock advertising	-
others (<i>Specify</i>)	-
Total	4,167,600

19. Hospital Fees

Description	FY 2024-2025 Ksh
Level 4 hospitals	140,181,850
Total	140,181,850

20. Hire Of County Assets

Description	FY 2024-2025 Ksh
Agricultural Mechanisation Services (AMS)	2,097,215
Hire of Machines and Equipment-Water Dissalination plants	101,150
Conference facilities/Agricultural Training Centers (ATC)	505,450
Meat Inspection fees	604,230
slaughter house fees	193,440
Total	3,501,485

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21. Sale of Assets

Description	FY 2024-2025
	Ksh
Total	-

22. Park Fees

Description	FY 2024-2025
	Ksh
Total	-

23. Miscellaneous Revenues

Description	FY 2024-2025
	Ksh
Salary Commissions	2,618,750
Miscellaneous	1,908,871
Total	4,527,621

24. Disbursements to CRF

Description	FY 2024-2025
	Kshs
Quarter 1	12,719,676
Quarter 2	13,524,224
Quarter 3	37,798,430
Quarter 4	27,436,772
Total	91,479,102

25. Disbursement/Retention by other County OSR entities

Description	FY 2024-2025
	Kshs
Quarter 1	21,622,919
Quarter 2	40,472,823
Quarter 3	38,261,686
Quarter 4	42,435,422

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Total	142,792,850
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26. Bank Charges

Description	FY 2024-2025
	Kshs
Bank Charges	(460,616)
Total	(460,616)

27. Waivers and Exemptions

Description	FY 2024-2025
	Ksh
Total	-

28. Bad debts written off

Description	FY 2024-2025
	Ksh
Total	-

29. Provision for bad debts

Description	FY 2024-2025
	Ksh
Total	-

30. Gain/Loss on Foreign Exchange Transactions

Description	FY 2024-2025
	Ksh
Total	-

31. Cash and Cash Equivalents

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Name of Bank, Account No. & currency	FY 2024-2025	Statement 1st July 2024
	Kshs	Kshs
KCB Transition Auth-Lamu County Revenue Account A/C 1140750615	264,524	142,213
DTB Lamu County Revenue Account 1 A/C 02226001	-	353
DTB Lamu County Revenue Account 2 A/C 022266002	-	354
Cash at Hand	18,580	91,628
Total	283,104	234,548

32. Receivables for non-exchange transactions

Description	Period ended	Opening
	FY 2024-2025	Statement 1st July 2024
	Kshs	Kshs
Receivables		
Cess	-	-
Land Rates	4,325,145	221,003,423
Single/Business Permits	4,932,363	3,149,100
Conservancy Administration	-	-
Administration Control Fees and Charges	-	-
Other Fines, Penalties, And Forfeiture Fees	-	-
Public Health Service Fees	-	-
Physical Planning and Development	-	-
Donations/Grants Not Received Through CRF	-	-
Sub total	9,257,508	224,152,523
Less impairment Allowance	-	-
Total Current Receivables	9,257,508	224,152,523

Ageing analysis for Receivables from Non-exchange transactions

Description	FY 2024-2025		Opening Statement	
			1 st July 2024	
	Current FY	% of the total	Opening Balance	% of the total
	Kshs		Kshs	
Less than 1 year	9,257,508	100%	224,152,523	100%

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Between 1 - 2 years	-	-	-	-
Between 2 - 3 years	-	-	-	-
Over 3 years	-	-	-	-
Total (a+b)	9,257,508	100%	224,152,523	100%

Reconciliation for Impairment Allowance on Receivables from Non-Exchange Transactions

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

33. Receivables from exchange transactions

Description	FY 2024-2025	Opening Statement
		1st July 2024
	Kshs	Kshs
Total receivables	-	-

Ageing analysis for total receivables in exchange transactions

Description	FY 2024-2025		Opening Statement 1 st July 2024	
	Current FY	% of the total	Opening Balance	% of the total
	Kshs		Kshs	
Total (a+b)	-	-	-	-

34. Payables - Due To CRF

Payables	FY 2024-2025	Opening Statement 1st July 2024
	Kshs	Kshs
Amount collected yet to be disbursed to CRF	283,104	234,548
Amount billed and yet to be collected for disbursement to CRF	228,089,091	224,152,523
Total undisbursed funds to CRF	228,372,195	224,387,071

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Movement Disclosure on Dues to CRF

Description	Amount
	Kshs
Opening Dues to CRF	224,387,071
Increase/Decrease in Dues to CRF	(3,985,124)
Closing Dues to CRF	228,372,195

35. Revenue received in advance

Description	Period ended 30 th June 2025	Opening Statement 1st July 2024
	Kshs	Kshs
Total	-	-

12. Appendices

Appendix 1: Progress on follow-up of prior Year Auditor 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	Inaccurate Parking Fees Amount	Management is actively engaging the Boat Operators Association to ensure the implementation of parking fee collection for boats in accordance with the Finance Act	Not resolved	2025-2026
2	Unsupported Cess Revenue Amount	The County Government did not have a functional weighbridge to ascertain the weight of chargeable products accurately. However, efforts were made to address this gap, and as of now, a weighbridge has been procured and is fully operational.	Resolved	2024-2025
3	Long-Outstanding Land Rate Arrears	Demand notices have been consistently issued to the respective landowners as part of our follow-up efforts to ensure compliance and encourage prompt payment of outstanding land rates	Not Resolved	2025-2026

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
4	Unconfirmed Single Business Permits Revenue	The permits include payments for shops, Kiosks, hotels, and companies.	Resolved	2024-2025
	Budgetary Control and Performance	The final revenue budget was Kshs. 180,000,000, while the actual revenue collected amounted to Kshs. 217,550,486, resulting in an over-collection of Kshs.37,550,486, equivalent to 21% above the budgeted target.	Resolved	2024-2025
	Unresolved Prior Year Matters	The management has put mechanisms to resolve the issues through revenue automation.	Resolved	2024-2025
	Failure to Submit Financial Statements for Facility Improvement Fund (FIF)	Lamu County does not have a facility improvement fund. Instead, we have the Lamu County Health Facility Improvement Financing Act, 2023	Resolved	2024-2025

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Non-Automation of the Revenue Collection Process	The management is pleased to report that the system is now in place		

Receiver of Revenue
Name: Mohamed A. Abubakar
ICPAK Member No: 23585

Head of Revenue
Name: Joseph Kamau Muitah
ICPAK Member No: 30030

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Appendix 2: Statement of Arrears of Revenue As at 30th June 2025

Classification Of Receipts (Indicate As Applicable)	Balance as at The beginning of the current year (1 st July 2024) A	Arrears received during the year. B	Additions in arrears for the current year to June 30, 2025 C	Total arrears as at 30 June 2025 D=A+(B)+C	Measures taken to recover the arrears	Assessment to the recoverability of arrears
Land rate	221,003,423	2,293,140	4,325,145	223,035,428	Tax payer education, reduction of rate from 1% to 0.3% and thorough enforcement	work in progress
Single/Business Permits	3,149,100	3,027,800	4,932,363	5,053,663	Tax payer education and thorough enforcement	work in progress
Total Arrears	<u>224,152,523</u>	<u>5,320,940</u>	<u>9,257,508</u>	<u>228,089,091</u>		



Receiver of Revenue
Name: Mohamed A. Abubakar
ICPAK Member No: 23585



Head of Revenue
Name: Joseph Kamau Muihah
ICPAK Member No: 30030

*Receiver Of Revenue
County Government Of Lamu
Revenue Statements for the Period Ended 30th June 2025*

Appendix 3: Ageing Analysis of Revenue in Arrears

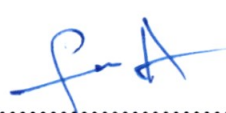
Description (indicate as applicable)	Less than	Between	Between	Over 3 years	Total
	1 year	1-2 years	2-3 years		
Land rate	4,325,145	31,437,904	17,070,311	170,202,068	223,035,428
Single/business permits	4,932,363	121,300	0	0	5,053,663
Total (agree to statement of arrears above)	9,257,508	31,559,204	17,070,311	170,202,068	228,089,091

*Receiver Of Revenue
County Government Of Lamu
Revenue Statements for the Period Ended 30th June 2025*

Appendix 4: A Report of Waivers and Variations of Fees or Charges granted by the Receiver of Revenue during the year.

There was no waiver or variation granted by the Receiver of Revenue during the period under review.

S/No	Name of person/organisation benefitting from waiver/ variation	Year in which the waiver/ variation relates	Amount of variation/ waiver (fee or charge)	Reasons for waiver/ variation	The law in terms of which the variation/waiver was granted
	n/a	n/a	n/a	n/a	n/a


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CPA SALMA OMAR AHMED
CHIEF OFFICER
FINANCE, BUDGET, STRATEGY AND ECONOMIC PLANNING