

REPUBLIC OF KENYA



*Enhancing Accountability*

**REPORT**

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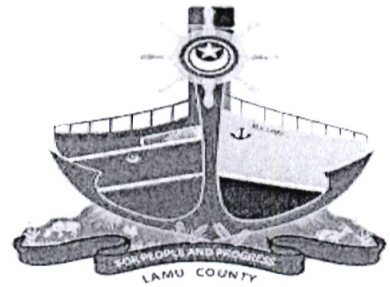
**THE AUDITOR-GENERAL**

**ON**

**COUNTY EXECUTIVE OF LAMU**

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

OFFICE OF THE AUDITOR GENERAL  
P.O. Box 81543, MOMBASA  
192/NCRD  
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**COUNTY GOVERNMENT OF LAMU**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**

**JUNE 30, 2023**

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

*County Government of Lamu*  
*County Executive of Lamu*  
*Annual Report and Financial Statements for the year ended June 30, 2023*

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## **1. Acronyms and Glossary of Terms**

### **a) Acronyms**

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

### **b) Glossary of Terms**

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

### a) Background Information

The County is constituted as per the constitution of Kenya, 2010. It is charged with the responsibility of providing a variety of services to residents within its area of jurisdiction. These include the services that were hitherto provided by the Defunct County Council and the ones that have been transferred from the National Government. The County is headed by the County Governor, who is responsible for the general policy and strategy direction of the county. The Governor is supported by an Executive Committee in carrying out the mandate as stipulated in the Constitution.

The County Executive is comprised of the following departments:

No.	Department	Major Responsibility
1	Public Service Management and Administration	Provision of public policy, coordination, supervision, prudent resource management and legislation
2	Finance, Budget, Strategy and Economic Planning	Provision of leadership and policy direction in resource mobilization management and accountability for public service delivery.
3	Food Security & Co-operatives Development	Promotion, development and management of Agricultural resources to achieve prosperity, wealth creation and food security in Lamu
4	Natural Resources, Lands, Physical Planning and Urban Development	Ensure sustainable utilization of Lamu County land resources to achieve a high quality of life for every household
5	Education, Technology, Gender, Youth Affairs, Sports, Community Development and Social Services	Provision and promotion of equitable quality education and training, integrating science, technology and innovation for sustainable development

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6	Medical Services	Provision of quality health services that are sustainable, affordable, acceptable and accessible to the community
7	Tourism, Culture, Trade and Investment	Promotion, Co-ordination and implementation of integrated socio-economic policies and programs for a rapidly industrializing economy as we conserve the rich culture and heritage
8	Fisheries, Blue Economy, Livestock and Co-Operatives Development	Improvement of fish production, livestock and cooperative development through creating enabling environment, provide support services and ensuring sustainable natural resource management.
9	County Public Service Board	Provision and development of competent human resource that is efficient and effective in service delivery.
10	Water Management	Provision of reliable and adequate supply of clean water to the residents of Lamu County.
11	Public health, environment & Sanitation and Environment	Efficiency in managing the environment, natural resources, water, solid and liquid waste for sustainable development in order to ensure a clean, healthy and safe environment for all in Lamu County
12	Roads, Transport, Infrastructure, Public Works, Energy and Water Services.	Provision of efficient, affordable, and reliable infrastructure and services for sustainable economic growth and development.
13	Municipality	Management of the development of Lamu Municipality and service delivery in the Town through ensuring controlled land use and delivering quality socio-economic, infrastructural environmental services to the Town's residents, traders and visitors.

**b) Key Management team**

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

No.	Name	Designation/Office
1.	H. E Hon. Issa Abdalla Timamy	The Governor
2.	H. E Hon. Raphael Munyua Ndungu	Deputy Governor, CECM Climate Change
3.	Hon. Mohamed Mbwana Ali	CECM Finance, Budget, Strategy and Economic Planning
4.	Hon. Tashrifa Bakari Mohamed	CECM Lands, Physical Planning, Urban Development, Energy, Water and Natural Resources, Infrastructure and Public Works.
5.	Hon. Owanga Sabastian Aduong'a	CECM Education, IT, Gender, Youth Affairs, Sports, Community Development and Social Services
6.	Hon. Faiz Fankupi Abushiri	CECM Fisheries, Blue Economy, Livestock and Co-operative Development
7.	Hon. Dr. Mbarak Mohamed Mbarak	CECM Health Services, Sanitation and Environment
8.	Hon. Aisha Abdalla Miraj	CECM Tourism, Culture Trade and Investment.
9.	Hon. James Gichu	CECM Food Security & Co-operatives Development
10.	Hon. AMB. Ali Abbas	County Secretary and Head of Public Service

**c) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2023 and who had direct fiduciary responsibility were;

No.	Designation	Name
1.	Chief Officer - Public Service Management and Administration	Mrs. Khadija Fumo Khalifa

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2.	Chief Officer - Finance, Budget Strategy and Economic Planning	Mrs. Salma Omar
3.	Chief Officer - Food Security & Co-operatives Development	Mr. James Njoroge
4.	Chief Officer - Natural Resources, Lands, Physical Planning and Urban Development	Mr. Ahmed Mohamed Ali
5.	Chief Officer - Education, Technology, Gender, Youth Affairs, Sports, Community Development and Social Services	Mrs. Hafswa Abdalla Diffini
6.	Chief Officer - Medical Services	Dr. Victor Tolle
7.	Chief Officer - Tourism, Culture, Trade and Investment	Mrs. Joyce Wanjiku Murimi
8.	Chief Officer - Fisheries, Blue Economy, Livestock and Co-Operatives Development.	Mr. Kamalu Shariff Mzee
9	Chief Executive Officer - County Public Service Board	Mrs. Naima Ahmed
10.	Chief Officer - Water Management	Mr. Abarufa Dido
11.	Chief Officer - Public health, Environment & Sanitation and environment	Mr. Mohamed Rashid Dirie
12.	Chief Officer - Roads, Transport, Infrastructure, Public Works, Energy and Water Services.	Mr. Alex Jimbi
13.	Manager - Municipality of Lamu	Mr. Abduswamad Hussein
14.	Director Accounting Services	Mr. Mohamed A. Abubakar
15.	Ag. Director Supply Chain Management	Mr. Swaleh Salad
16.	Ag. Head of Internal Audit	Mr. David Njoroge Gicheru
17.	Deputy Director Human Resource	Mr. Paul Waluba

**d) Fiduciary Oversight Arrangements**

The County Executive fiduciary oversights are under the listed below:

- Internal Audit and Audit committee activities
- Office of the Controller of Budget

- Office of the Auditor General
- Parliamentary committee activities
- County Assembly of Lamu
- Development partner oversight activities
- Commission on Revenue Allocation
- National Treasury

**e) County Executive Headquarters**

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

**f) County Executive Contacts**

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

**g) County Executive Bankers**

1. Central Bank of Kenya  
Haile Selassie Avenue  
P.O. Box 60000  
City Square 00200  
**NAIROBI, KENYA**

**1. Other Commercial Banks**

1. Kenya Commercial Bank  
P. O. Box 121-80500  
Lamu Branch  
Kenyatta Avenue

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2. Equity Bank  
P. O. Box 60-80500  
Lamu Branch,  
Kenyatta Avenue
3. Diamond Trust Bank  
P. O. Box 120-80500  
Lamu Branch  
Kenyatta Avenue
4. Gulf African Bank  
P. O. Box 191-80500  
Lamu Branch  
Kenyatta Avenue
5. Co-operative Bank  
Mpeketoni Branch  
Lamu, Kenya.

**h) Independent Auditor**

Auditor-General  
Office of The Auditor General  
Anniversary Towers, University Way  
P.O. Box 30084 - GPO 00100  
**NAIROBI, KENYA**

**i) Principal Legal Adviser**

The Attorney General  
State Law Office and Department of Justice  
Harambee Avenue  
P.O. Box 40112  
City Square 00200  
**NAIROBI, KENYA**

### **3. Governance Statement**

Lamu County is constituted as per the Constitution of Kenya, 2010. The County is headed by the Governor, who is responsible for the general policy and strategic direction of the County. The County is made up of a County Assembly and the County Executive. The County Executive is structured in terms of departments, headed by a County Executive Committee Member (CECMs). The CECMs support the Governor and the Deputy Governor in executing the mandate of the County Government as stipulated in the Constitution. The County Secretary heads county public service and is responsible for arranging the business of County Executive Committee.

#### **The County Executive Governance Structure**

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

1. The executive authority of the county is vested in, and exercised by, a County Executive Committee.
2. The County Executive Committee consists of;
  - a) The County Governor and the Deputy County Governor;  
and
  - b) Members appointed by the County Governor, with the approval of the Assembly, from among persons who are not members of the Assembly.
3. The number of members appointed under clause (2) (b) shall not exceed;
  - a) One-third of the number of members of the County Assembly, if the Assembly has less than thirty members;  
or
  - b) Ten, if the assembly has thirty or more members.
4. The County Governor and the Deputy County Governor are the Chief Executive and Deputy Chief Executive of the county, respectively.
5. When the County Governor is absent, the Deputy County Governor shall act as the County Governor.
6. Members of a County Executive Committee are accountable to the County Governor for the performance of their functions and exercise of their powers.
7. If a vacancy arises in the office of the County Governor, the members of the County Executive Committee appointed under clause (2) (b) cease to hold office

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



H.E Hon Issa A. Timamy EGH, OGW

**Governor - Lamu County**

H. E Hon Issa A. Timamy EGH, OGW was the first Governor of Lamu upon promulgation of devolution governance system in Kenya in year 2013. He also holds the position of Chairman of the Blue Economy Committee of the Council of Governors. H.E Timamy holds Bachelor of Law degree from the University of Nairobi. He is an Advocate of the High Court of Kenya and a member of Institute of Certified Public Secretaries of Kenya. Previously was chairman of the National Museums of Kenya and held position of board member in several public quoted companies. The experience in Management has helped the Governor achieve numerous milestones in Lamu County in the matters of development and service delivery for the people of Kenya. As the Chair of the Blue Economy, H.E Timamy has played a pivotal role in promoting the blue economy sector in Kenya in conjunction with the H.E Hon Salim Mvurya and the State department for Blue Economy.



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

H.E Hon. Raphael Munyua Holds Bachelors of Commerce in Actuarial Science, prior to his appointment at Deputy Governor he worked as Credit Consultant at Kenya Commercial Bank he was also Program Manager at Zinduka Africa



Hon. Mohamed Mbwana  
**CECM - Finance, Budget, Strategy and Economic Planning**

Hon. Mohammed Mbwana Ali is the CECM responsible for Finance, Budget Strategy and Economic Planning in the County Government of Lamu. He holds a bachelor (degree) of Sciences in Development Studies. Prior to his current position as CECM, he was a Lecturer at the Technical university of Mombasa. In year 2013 to 2017 Mohamed worked as the Personal Assistant to the Governor of Lamu County.

With over 15 years of experience, leveraging the unique lessons he learned from the working with the community, Mohamed made a seamless transition to the current position of County CEC. He

has grown over the years working with Lamu Education Development Foundation Trust. He has overseen the creation of Village Banks under the Bengi Investment Group (BIG) model in Lamu County, designed and implemented community projects to improve livelihoods of the people of Lamu County. He also worked as the government financial intermediary managing the Poverty Eradication Fund under the state department of planning and development.



Hon. Aisha Miraj

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

Mrs. Aisha Miraj holds bachelor's degree in education. Prior to her appointment, she was a Deputy Principal in Wiyoni Secondary School. She was active participating in different NGOs within Lamu in different capacity.



Hon. Dr. Mbarak M. Mbarak

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

Hon. Dr. Mbarak Mohamed Mbarak Holds Master of Public Health Management from Egerton University, Kenya and Bachelor of Medicine and Bachelor of Surgery. Dr. Mbarak was Medical Superintendent at Coast General Teaching and Referral Hospital Mtongwe satellite also he was

facility and program Manager at Lamu Rahab and Health Centre he also worked at The Mombasa Hospital and Mombasa Dialysis Centre as Physicians Associate and Mewa Hospital as Resident Clinical Officer.



Hon. Eng. James Gichu

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

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



Hon. Faiz Fankupi

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

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

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



Hon. Owanga Sebastain

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

He is a holder of Masters in Business Administration (Finance option) of Kenyatta University and Bachelor of Education (Arts) majoring in mathematics and Business studies.

Prior to his appointment as CECM he worked in the ministry of Education as a Deputy Director of Education, where he was a team leader in the management of National Education Management information system (NEMIS). As a Deputy Director of Education, he was also appointed as head of secretariat Presidential working party in Education Reforms in Kenya. He also has a wealth of experience in financial matters having been a member of technical working group financing of basic Education in Kenya.



Hon. Tashrifa Bakari

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

Mrs. Tashrifa Bakari has Bachelor of Arts in Archaeology and Sociology from Pwani University.

She previously worked in Ministry of Interior and Coordination of National Government, Department of Correctional Services In 2016-2017. She also worked as Administrator in Malindi Islamic Center for Orphans, Community Based Organization and worked at Pwani University, Psychology Department (2015) as Research Assistant.



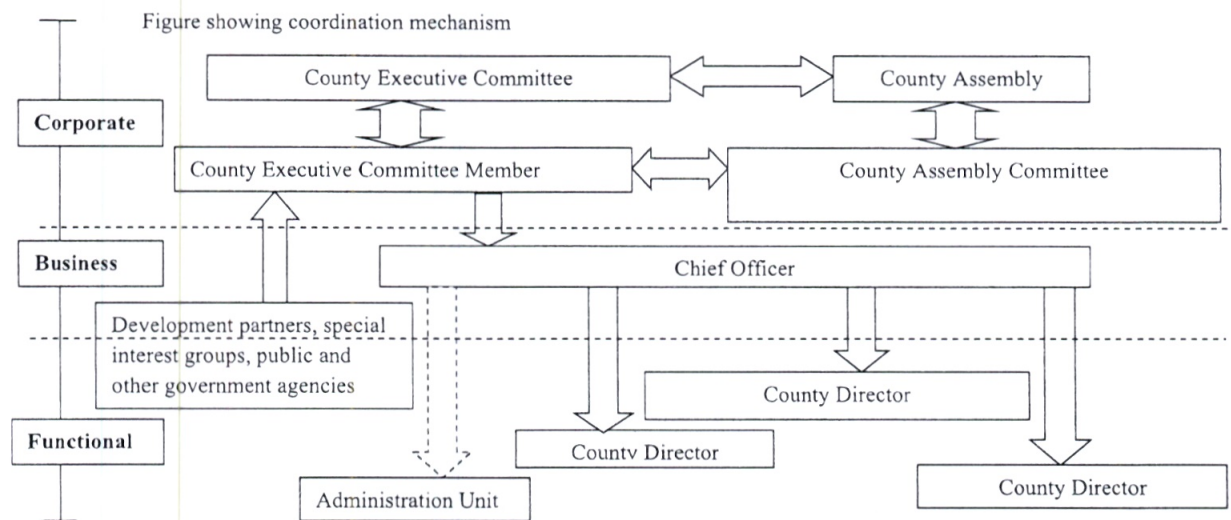
Hon. Amb. Ali Abbas MBS

**County Secretary and Head of Public Service**

Hails from Faza Ward in Lamu East, Amb. Ali Abbas is a career diplomat having in the Ministry of foreign affairs of the Republic of Kenya for over 30 years. He holds Bachelor Degree in Arts from university of Nairobi and Postgraduate Diploma in International Relations and Economic

Cooperation from Deutsche stiftung Fur Internationale Entwcklung in West Berlin. He was awarded title of Moran of the order of the Burning Spear (MBS) by H.E President Mwai Kibaki in year 2011.

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



## Stakeholders Engagement and Public Participation

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

### 1. Public Participation:

#### a) Public Meetings and Hearings:

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

#### b) Online Engagement:

With the advancement of technology use of online surveys and social media channels to facilitate discussions and gather feedback and engage with a wider audience. The County government of Lamu has an interactive website and Facebook page for this purpose.

**c) Advisory Committees:**

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

**2. Communication Policies**

**a) Transparency:**

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

**b) Official Channels:**

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

**3. Stakeholder Engagement**

**a) Community Outreach:**

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

**4. Whistleblowing Policies**

**a) Protection for Whistle-blowers**

The County relies on the National Government Policy for whistle-blowers who report misconduct, fraud, or other unethical behaviour within County Government. These are to encourage employees and residents to come forward with information without fear of retaliation.

**b) Reporting Mechanisms**

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

**c) Investigation and Accountability**

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

**Engagement with the County Assembly of Lamu**

The Lamu County Executive as required by law engages with County Assembly Public Finance and Investment committee from time to time throughout the budget cycle in the financial year 2022/2023. Furthermore, the county executive sponsored and submitted the named below bills to the County Assembly.

- Lamu County Finance bill 2023
- Lamu County Health Facility Improvement Financing Bill 2023
- Lamu County Health Services and Community Health Bill 2023
- Lamu County Climate Change Policy
- Lamu County Climate Change Act 2022
- Lamu County Climate Change Regulation
- Lamu County Climate Change Action Plan 2023 - 2027

**Risk management**

Lamu County Executive has adopted a robust risk management approach and practices aimed at ensuring achievement of its set objectives through continuous mitigation of risks that may hinder performance. The Lamu County Executive is enhancing this through the introduction of risk management framework policy. The framework will enhance coordinated approach in reporting, monitoring and mitigating risk. During this year the draft policy has been presented to staff and management and comments incorporated into the revised draft.

**Audit Committee**

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

The chairperson of an audit committee shall be independent to the County government entities, be knowledgeable of the organization, have the requisite business and leadership skills and shall not be a political office holder.

Majority of members appointed to the audit committee shall not be past or present employees of the entity and shall not have served as an employee or agent of a business organization which has carried out any business with the concerned entity in the last two years. All members of an audit committee shall have a good understanding of county government operating, financial reporting or auditing; have a good understanding of the objects, principles and functions of the entity to which they are to be appointed. For the financial year 2022/2023 Lamu County Executive Internal audit committee comprised of the following.

<b>Name</b>	<b>Position</b>	<b>Date of appointment</b>
Noor Abdulaziz	Chairperson	2 <sup>ND</sup> August 2021
Hashim Omar	Member	2 <sup>ND</sup> August 2021
Naim Kara	Member	2 <sup>ND</sup> August 2021
Joseph Gitau	Member	2 <sup>ND</sup> August 2021
Najma Ali	Member – Represent County Treasury	2 <sup>ND</sup> August 2021
Justine Dume	Secretary	2 <sup>ND</sup> August 2021

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

**Compliance**

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

- Constitution of Kenya 2010
- County Government Act 2012

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- Public Finance Management Act 2012
- Public procurement and disposal Act 2015
- Public Audit Act 2015

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

#### **4. Forward by the CECM Finance and Economic Planning**

In our pursuit to improve on transparency and accountability in Public Financial Management, I present the financial statements for the financial year ended June 30, 2023 of the Lamu County Executive. The Lamu County Executive has and will continue to manage its finances in accordance with the principles of fiscal responsibilities as spelt out in the Public Finance Management Act, 2012.

As stipulated in the County Governments Act 2012 the function of the County Government of Lamu is to be responsible for any function assigned to it under the Constitution or by an Act of Parliament. The County Government shall be responsible for

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

#### **Budget performance**

In FY 2022/23 the County Government of Lamu approved supplementary budget amounted to **Kshs 4,367,634,672** Comprising of **Kshs 3,001,203,629** and **Kshs. 1,366,431,043** for Recurrent and Development expenditure respectively for both County Executive and County Assembly. However, the County Executive Budget was **Ksh 3,803,384,672** and County Assembly Budget **Ksh 564,250,000**. To Finance the budget, the county expected to receive **Kshs 3,105,649,643 (71%)** as equitable share of revenue raised nationally, **Kshs 228,047,258 (5%)** as Balance brought forward from Conditional Grants, **Kshs 102,529,473 (3%)** as Conditional Allocations from Loans and Grants from Development Partners, **Kshs 131,000,000 (3%)** as Own Source

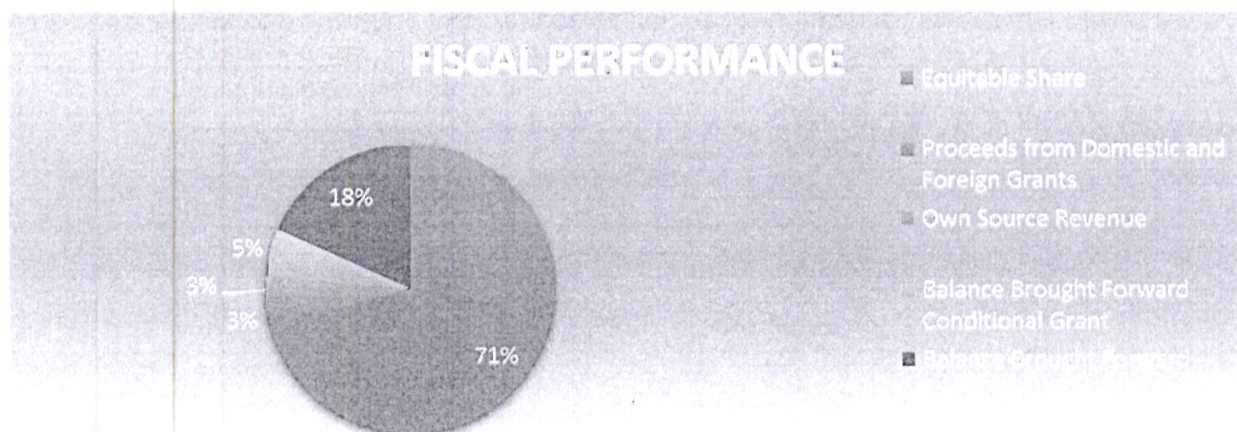
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Revenue and Kshs 800,408,298 (18%) being cash balances from previous Financial Year (2021/22). The expected sources of budget financing are as shown in figure 1.

Table 1: Summary Fiscal Performances

Revenue Classification	Revenue Budget	Actual	Realization %
	Ksh.	Ksh.	%
Equitable Share	3,105,649,643	3,105,649,643	100%
Proceeds from Domestic and Foreign Grants	102,529,473	102,529,473	100%
Own Source Revenue	131,000,000	156,484,041	120%
Balance Brought Forward Conditional Grant	228,047,258	228,047,258	100%
Balance Brought Forward Exchequer	800,408,298	800,408,298	100%
<b>TOTAL</b>	<b>4,367,634,672</b>	<b>4,393,619,557</b>	<b>101%</b>

Figure 1: Expected revenue sources to finance budget in FY 2022/23



The Conditional Allocation from Loans and Grants from National Government and Development Partners as contained in the CARA, 2021 are as shown in figure 2.

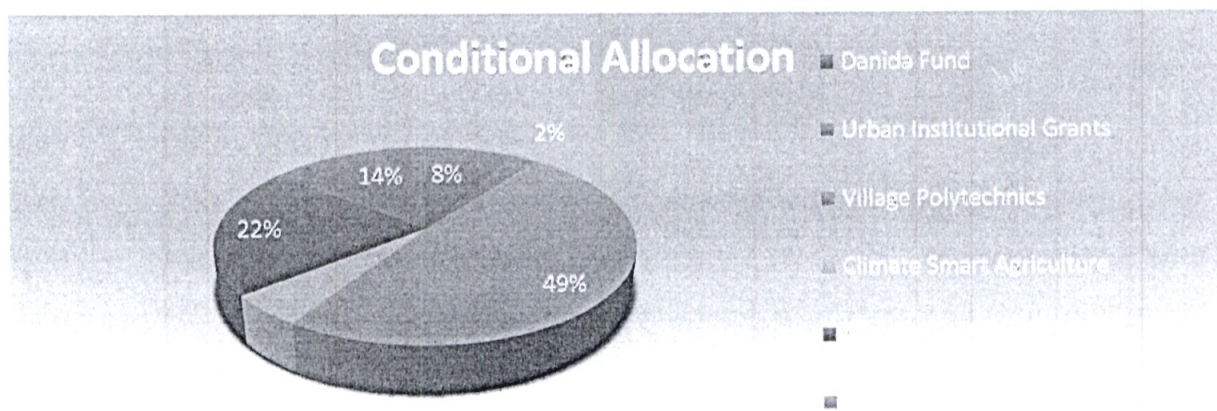
Table 2: Conditional Grants

S/No.	Description	Amount
1	DANIDA Grant Primary Health Care in Devolved Context	8,348,625
2	Urban Institutional Grants	2,339,915
3	Kenya Informal Settlements Improvement Project (KISIP) II	50,000,000
4	Kenya Climate Smart Agriculture Project	5,236,636

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5	Financing Locally Led Climate Action Program-FLLOCA	22,000,000
6	Agriculture Sector Development Support Programme II	14,604,297
<b>Total</b>		<b>102,529,473</b>

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



**Milestone achieved and flagship projects.**

The County implemented a number of development projects in the financial year 2022/2023. The following is an outlay of the flagship project prioritized by the county.

Flagship	Strategic Objectives	Achievements
Universal Health Care	Improved health care to the people of Lamu County	The County made sure all individuals and communities receive the health services they need without suffering financial hardship. It includes the full spectrum of essential, quality health services, from health promotion to prevention, treatment, rehabilitation, and palliative care. The county teamed up with the National Health Insurance Fund (NHIF) to ensure that all targeted 20,000 household in Lamu are enrolled to the programme and issued with NHIF card fully paid the county.
OPD and Health Centres	Improve Health Care	Constructed and Operationalisation of Outpatient Department (OPD) Centre at Mpkt.

<b>Construction and Equipping ECD</b>	Early Childhood Development	The County is Committed on the development of a child to have all the things a child needs to grow up with, a strong healthy body and brain, good nutrition, access to play and early learning opportunities, child protection.
<b>Lamu County Bursary and Scholarship</b>	To increase transition to university and other tertiary institutions	The county issued both the financial award granted to a student on the basis of the student's academic excellence and the basis of the student's financial neediness. All students who scored over 300 marks in KCPE got full scholarship from the county government
<b>Surveying and demarcation of lands</b>	Strengthen land tenure system and ensure usage of lands as a means of production	Planned surveyed and regularized villages and farms
<b>Improving productivity and output in the Agricultural Sector</b>	Promote food security	The County has made sure that all people, always, have physical, social and economic access to sufficient, safe and nutritious food that meets their food preferences and dietary needs for an active and healthy life.
<b>Street Lighting</b>	Install and maintain street light to all villages in the County	Improves safety among drivers, riders, and pedestrians and also increase quality of life by artificially extending the working hours hence bring economic benefit to the society.
<b>Construction of Modern Markets</b>	Creation of market for Agricultural products	Increase employment opportunities, create awareness, and acknowledge of consumers, social well-being and increase quality of production.

## **Implementation challenges of strategic objectives of the County**

### **1) Legal, institutional and policy framework:**

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

### **2) Resource Management:**

Inadequacies in two key resources hindered the realization of targets:

- a) **Tools and Equipment:** Lack of necessary equipment and facilities was reported in various departments. In addition, there was inadequate office space which hampered efficient operations and performance.
- b) **Financial Resources:** Inadequate and untimely disbursement of funds led to delayed execution of programmes. Delay in payment of pending bills, budget reviews negatively affected projects implementation.

### **3) Acquisition of land for projects:**

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

### **4) Climate change:**

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

**5) Low uptake/Utilization of Government Projects:**

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

**6) Insecurity**

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

**Risk management strategies**

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

**Conclusion**

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

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

## **5. Statement of Performance against County Predetermined Objectives**

Section 164 (2) (f) of 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 Government entities in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the county government entity's performance against predetermined objectives.

### **Strategic development objectives**

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

Below we present the progress made in attaining the objectives of the 2018 -2022 CIDP for Lamu County.

### **AGRICULTURE AND RURAL DEVELOPMENT SECTOR**

The Agriculture and Irrigation subsector enhanced extension services reaching over 64,750 farmers against a target of 40,000 farmers by 2022. This is attributable to those farmers who benefited from seeds distribution, tractor hire services, farmers' trainings and funding through grants (KCSAP and ASDSP). The sector also provided mechanized ploughing services using county tractors ploughing a total of 17,202 acres across the county.

Through the provision of certified seeds, tractor plough services and extension services, the department was able to increase maize production from 32,096tons (Baseline 2017/2018) to 38,382 tons in 2022. Cotton production from 4,544tons per year (Baseline 2017/18) to 4,700 tons 2022, watermelons increased from 58,670tons to 74,200tons. The production of such other major crops as cashew-nuts, watermelons, mangoes, simsim, citrus fruits and vegetables were also enhanced.

In the Livestock sub-sector, average annual vaccination coverage of 68% was achieved amongst cattle, sheep and goats. This resulted in a reduction in number of reported outbreaks per year by 50%. There was improved market access through livestock sales at Nagele Livestock Sale-yard as depicted by a rise in Witu Ward Livestock movement permit revenue from Kshs 7,200 per year to Kshs 38,000. Through Artificial Insemination services, improved breeds of cattle population increased from 12% to 19% over the 5-year period.

The fisheries subsector set out to improve on fish production in the County through distribution of sustainable fishing gears and sensitize fisher folk on effects of illegal fishing and overfishing. As a result, the County recorded an increase in the overall fish production of up to 2,605 metric tons valued at Ksh. 446.9 million.

### **ENERGY, INFRASTRUCTURE, AND ICT SECTOR**

To boost infrastructure development, the County Government undertook Cabro Paving at Mpeketoni Bus Park and one street as well as cabro paving and storm water drainage at Hindi Town and Matondoni. In general, this has had a positive impact of improving the service level for the respective areas. The Lamu Municipality also embarked on cabro-paving of the walkways for a total area of 1800square metres in Shella.

In collaboration with the Kenya Power and Lighting Company Limited (KPLC), the County has installed 763 LED streetlights which have improved visibility during night-time thereby promoting security. In the lands subsector, 9,800 titles were issued against a target of 25,000 titles. The low performance of 39.2% was attributed to the lengthy titling processes preceding the issuance of titles and numerous court cases.

Moreover, the county, through Lamu Municipality, has also developed three key plans;

- Urban Economic Plan with the help of Sustainable Economic Development (SUED).
- Lamu Island Local Physical and Land use development Plan; this is a Land use plan guide that will assist in Land Use Management and ensure optimum utilization of Land.

- Lamu Municipality Integrated Development Plan (IDEP); This is a set of program or projects that will guide Municipality on areas to invest in depending on the people needs and available resources.

## **GENERAL ECONOMIC AFFAIRS SECTOR**

The sector undertook to improve the county business environment. This was achieved through the constructions four Markets in Lamu west and one at Lamu east. The sector also constructed and completed 3 Juakali sheds i.e. Kiongwe, Ngoi and Kizingitini. Tools and equipment were purchased and distributed to 13 Juakali associations.

To boost tourism experience, the sector provided professional on-the-job trainings for tour guides and tour operators totalling 450 persons. Cooperative development programme was able to train 16 farm produce marketing cooperative societies through KCSAP and were able to receive inclusion grants ranging from Kshs 500,000 to 1,000,000. The department also managed to conduct statutory audit of 15 cooperatives. The cooperatives were audited and re-registered. The sub-sector also registered 7 new cooperative societies. These registrations will enable them in acquisition of legal ownership document and gain access to credit facilities.

## **HEALTH SECTOR**

Deliveries by skilled birth attendants during and after childbirth have been shown to reduce maternal and new born deaths, and are one of the key indicators monitored in sustainable development goals (SDG). During the period under review, the county improved the percentage of skilled birth attendants' deliveries from 65% to 94% surpassing the national performance which is at 77%. According to the National census of 2019, the County maternal mortality ratio is at 306 per 100,000 live births down from 676 per 100,000. This good performance could be attributed to provision of mama packs to mothers delivering in health facilities, engagement of traditional birth attendants as birth companions and the result-based financing programme.

The percentage of women completing four antenatal clinic visits is an indicator of access and use of healthcare during pregnancy. The performance of this indicator however dropped from 68% to 57% largely due to delay in starting antenatal care. The indicator was also affected by the advent of the COVID 19 pandemic that led to low utilization of health care services in general.

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During the period the fully immunized children improved from 76% to 83% but missed the target set for the period. The performance for the indicator has not been steady throughout the period ranging between 76% and 90%. This has been partly contributed by cold chain breakdown, vaccine stock outs and industrial action by health workers. Currently the national coverage of FIC is at 83%.

According to the WHO report of 2016, non-communicable diseases account for 27% of deaths suffered by Kenyans. The county registered increased numbers of diabetes (from 1930 to 3017 new cases) and hypertension cases (from 5,207 to 6,174 new cases) through the period. Factors contributing to the increase include sedentary lifestyle, poor nutrition and lack of routine medical check-up.

In 2018/19 the county rolled out NHIF indigent cover resulting in 20,000 households enrolled in NHIF. This was in line with the Governor's manifesto and one of the County flagship projects. The enrolment increased the coverage in the County from 13% to 70%. Few challenges were experienced during the implementation of the project. The initiation and registration phases were marred with some issues like poor coordination and management of the project.

In line with the sector emphasis on preventive health services, the County in collaboration with the National Government increased investments in community health services. The County established additional 12 community health units to a total of 27 units and therefore leaving a gap of 6 units to attain 100% coverage. In addition, the County provided the community health volunteers with 190 CHV kits to aid them in their daily functions. A total of 14 motorbikes were procured to facilitate community health activities across the County. However, community health committees for the new units established have not been trained thus rendering them incomplete.

According to the KENPHIA 2020 survey, the County HIV prevalence dropped from 3.0 to 2.3 percent. The HIV program activities are heavily dependent on the National and partners support. The partner's support is however shrinking thus calling for local funding for the program. During the period stock out of some essential commodities such as PCR filter papers, HIV test kits and cartridges were reported nationwide. The County also registered improvement in sanitation where latrine coverage increased from 54% to 72%. There is a general increase in neglected tropical diseases cases especially Schistosomiasis (Bilharzia) and soil transmitted helminths (STH). Some

areas in the County, for example Witu ward have a prevalence of 18.8% for Bilharzia while Mkunumbi has prevalence 28.81% for STH. The County in collaboration with the National government has put up key strategies to control the diseases such as mass drug administration (MDA) targeting both conditions.

## **EDUCATION SECTOR**

The education sector comprises three sub-sectors: Early Childhood Development and Education, Vocational & Technical Training and Primary and Secondary schools.

### **a) Early Childhood Education and Development (ECDE)**

In 2018, the enrolment in ECDE was at 86%. At the end of the planned period 2023 the rate stood at 90% against the target of 88%. The current enrolment stands at 7,121 ECDE learners. The achievement can be attributed to construction of additional ECDE classrooms and provision of more learning materials. 21 new ECDE classrooms were constructed in the planned period. The retention rate was at 90%, at the end of the planned period the rate stood at 95%. This was achieved through training on behaviour modification and provision of more learning materials. As it stands all government ECDE centres were issued with resources worth Ksh. 6 Million.

The teacher student ratio was at 60%, at the beginning of the planned period the rate stood at 80% against the target of 65%. This achievement can be attributed to employment of over 200 ECDE teachers on permanent and pensionable terms. Currently the ratio stands at 7121 learners against 295 teachers. This translates to a teacher learner ratio of 1: 24

### **b) Vocational and Technical Colleges (VTCS)**

In 2018, the enrolment rate in VTCs was at 40%. At the end of the planned period 2022 the rate stood at 70% against the target of 50%. The current enrolment stands at 2, 366 trainees. This achievement can be attributed to provision of full scholarships to our VTC trainees, establishment of additional satellite colleges and more courses offered on full scholarships. 11 satellite colleges have been established across the county, namely: Hongwe, Bahari, Tewe, Uziwa, Mikinduni, Hindi, Faza, Pate, Siyu, Mtangawanda and Kiunga.

### **c) Primary and Secondary Schools.**

In 2018 enrolment rate in primary and secondary schools was 36, 406 learners (70 %). At the end of the planned period 2022, the enrolment rate stood at 42,891 (87%) against the target of 75%. The transition rate was at 40%, at the end of the planned period the rate stood at 80% against the target of 50%. This can be attributed to the award of scholarships and bursaries by the County Government of Lamu.

## **PUBLIC ADMINISTRATION AND INTERGOVERNMENTAL RELATIONS SECTOR**

The Sector, through the county treasury, ensured timely submission of all budget documents i.e. County Integrated Development Plans (CIDP), Annual Development Plans (ADP), County Budget Review Outlook Paper (CBROP), County Fiscal Strategy Paper (CFSP), and County Annual Budget as per the PFM Act. It also ensured the county improved its audit opinion from “disclaimer” to “qualified” for the last two consecutive years (2018/19 and 2020/21) due to straightening of examination unit and internal audit function, fully adoption of E-procurement and compliance with Public Procurement Act. In relations to revenue collection the county managed to surpass revenue targets in three consecutive financial years from 2019/2020.

The sector also established and operationalized emergency response services which helped to reduce levels of loss in maritime accidents, fire and floods disasters through the Disaster Response Team (DRT). Is also ensured provision of relief food as response during prolonged drought. Through the department of public service management, the sector developed a grievance redress mechanism to ensure those customers’ complaints, suggestions, and grievances ware addressed timely and adequately.

The County Public Service Board improved county staff establishments, by addressing the critical gaps through recruitments, promotions, re-designations, deployments, and trainings. In addition, it also conducted Human Resource Audit and developed a report for further Human resource management.

The board developed County Human Resource Development Policy to guide the county on career development and also ensured compliance with Values and Principles of Public Service and National Values.

The County Assembly of Lamu has improved its assigned opinion from disclaimer to qualify as at the FY 2020/2021. It also constructed and equipped county assembly headquarter at Mokowe which is already occupied by staff hence poised to reduce long-term operating expenses and inefficiencies. In addition, the assembly constructed access road to the assembly headquarters and automated the Hansard system which can easily record and save the records.

## **SOCIAL PROTECTION, CULTURE AND RECREATION SECTOR**

During the period under review (2018-2023) the Department, together with other stakeholders established the County GBV Sector Working Group. This enhanced coordination and implementation of GBV programs which then resulted to reduction of GBV cases from 65% to less than 30% in the County.

The Special Interest Groups i.e Women, Youth and PWDs underwent AGPO trainings. About 200 groups were trained as a result about 10 Women Groups, 23 Youth Groups and 3 PWDs were formally registered, and pre-qualified, however just a few were able to benefit from the county procurement opportunities. Furthermore, a total of 470 Special Interest Groups and 480 individuals were then issued with Grants. The Gender Mainstreaming program was also part of the department's objective whereby gender inclusivity was relatively achieved.

The Department also conducted Skills upgrading program among the youth, in which over 1,000 youths got driving lessons, this enabled them earn a decent living. In our endeavour to Identify, nurture and promote sports talents, there was construction and rehabilitation of sports stadia. Three 7 – Aside stadia, One Basketball Court were constructed and two stadiums fenced.

The Department also did purchase and distribute assorted sports equipment throughout the county whereby around 200 teams benefited. A total of 5,000 sportsmen and women participated in local, regional and national tournaments during our push for promotion of local talents. During the period under review, the department undertook construction and rehabilitation of social halls. A total of 6 new social halls were constructed and two others rehabilitated.

The department engaged other stakeholders in formulating P/CVE policy in the County. This has ultimately helped address youth radicalization and violent extremism acts in the County at the moment there's a County Engagement Forum of stakeholders dealing with P/CVE issues.

The County has hosted two annual cultural promotion festivals that has helped conserve our cultural heritage in Lamu and improved our local tourism industry. On Cohesion, the Department together with other relevant stakeholders participated in the formation of a vibrant County Peace committee to propagate good messaging and enhance harmony among communities.

## **WATER, ENVIRONMENT & NATURAL RESOURCES SECTOR**

During the planned period, the sub-sector planned to improve solid waste collection within the towns from 10% to 50% since solid waste collection was only being done at Amu town as the other towns did not have these facilities. This was to be achieved by procurement of tractors for Witu, Mpeketoni, Mokowe, Hindi, Hongwe, Kizingitini, Kiunga, Amu Island and Faza. However, 4 tractors with trailers were procured for Faza, Witu, Mpeketoni and Amu Island achieving coverage of 40% in solid waste collection due to budget constraints.

At the beginning of the plan period, the sub-sector planned to ensure that there was improved sustainable management of sand and stone resources. This was to be achieved by ensuring there was proper rehabilitation of 5 borrow pits for sand, coral blocks and marram. However, the road construction works started for the Minjila – Lamu tarmac road and the number of borrow pit sites for marram increased astronomically. Field documentation was undertaken to establish the status of the borrow sites and where no rehabilitation was being done, relevant stakeholders were engaged to ensure compliance 26 of the borrow pits were rehabilitated within the period under review.

During the period under review, the sub-sector planned to ensure sustainable management of forest resources. Lamu County had the second highest forest cover nationally standing at 33.9% against the national forest cover of 8.83%. At the end of the plan period the forest cover, our target was to increase forest cover to 36% but it had declined to 32.13%<sup>1</sup> due to indiscriminate opening of forest into farmland “witemere” and infrastructure development at Lamu Port.

During the plan period, we expected to have an efficient and competent workforce. This was to be achieved through ensuring that all staff (100%) was on performance contracts. However, the performance contracts were only signed between the County Executive Committees and not

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cascaded to the other officer resulting in an achievement of only 40%. This meant that it was difficult to assess the performance among individual staff members.

At the end of the planned period, we expected to improve service delivery by 70%. This was to be achieved by collection and disposal of solid waste within the dwelling areas. Only 40 % achievement was possible mainly to lack of designated dumpsites within the county. Presently only Mpektoni and Amu Island have designated dumpsites. At the end of the planned period, our target was to improve performance of the pollution monitoring and control unit to 70%. This was to be achieved through procurement of noise meters, sensitization and enforcement of noise control among the actors. The main emitters of sound pollution were businesses especially night clubs and bars, churches, mosques, garages and workshops. Main emitters of air pollution were road construction works and coral block quarry sites. The target achieved was only 20% which was as a result of lack of monitoring equipment and completion of the Amu transfer station.

At the beginning of the plan period, the sector planned to increase water quantity in aquifers from 10% to 30% and this was achieved, through community awareness on protection of water aquifers and planting trees. Around Shela sand dunes which are the sole water table for Lamu and Manda Island, tree planting activities was done as well as around Belebele and Lake Kenyatta water catchments. This was achieved through collaboration between state and non-state actors.

Water sub-sector also targeted to improve access to portable water among 1000 households in Lamu East sub-county. 250 households were reached through provision of desalination plants and reticulation systems.

At the beginning of the planned period, the sub-sector intended to improve water availability from 10% to 30% during the planned period. Through construction and rehabilitation of shallow wells and boreholes in Lamu West, shallow wells and jabias in Lamu East sub-county this target has been achieved. The construction of new and rehabilitation of existing water infrastructure was done through collaborative efforts between state and non-state actors.

At the beginning of the planned period, the storage capacity stood at 9 sump tanks, 10 elevated steel tanks, 50 water kiosks which increased to 20 sump tanks, 17 steel tanks, 60 kiosks. The reticulation systems were also at 20% and the sector achieved 40% of the reticulation systems.

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<b>Outcome:</b> Increased production and incomes at farm level					
Increased food crop yield and income	Quantity of seed purchased.	130 ton	130ton	115 tons of certified seeds	
Improved coconut production and income	Number of coconut seedlings purchased and distributed	20,000	20,000	5,666 coconut seedlings, and 4,333 grafted cashew nut procured	
To improve farmers access to quality cotton seeds	Quality Hybrid and BT cotton seeds procured and distributed	1,500	1,500	1,500 Kg hybrid cotton seeds	
Enhanced productivity and resilience	Number of value chains identified. Number of farmer groups Funded. Number of Enterprise development plans developed. Number of marketing groups funded to build their capacity	5 value chains 77 groups funded 4EDP 2	5 value chains 77 groups funded 4EDP 2	5 value chains 187 groups Funded 4 EDP 2	
Enhanced entrepreneurial skills for value chain actors	Number of value chain actors' capacity built	3 SIVCAPs	3 SIVCAPs	3 SIVCSPs	

Natural Resources, Lands, Physical Planning and Urban Development					
No.	Key Outcome	Indicator	CIDP Target 2022/2023	Target 2022/2023	Achievement 2022/2023
	Improved settlements	No. of townships, Villages & Market Centres planned.	24	5	5
	Secure ownership rights	No. of townships, Villages & Market Centres surveyed.	22	5	5
	Secured ownership rights	No. of Conventional & Regularized Schemes planned & surveyed.	26	5	2
	Secured ownership rights	No. of title deeds prepared & issued	9,500	3,500	0
	Enhanced Revenue collection	No. of Valuation Rolls prepared	1	3	3
Education, Technology, Gender, Youth Affairs, Sports, Community Development and Social Services					
No.	Key Outcome	Indicator	CIDP Target 2022/2023	Target 2022/2023	Achievement 2022/2023
P1	<b>Programme 1: ECDE</b>				
	<b>Objective:</b> To Provide access and quality of ECDE Education in Lamu County				
	<b>Outcome:</b> Improved Literacy levels				
	Improved accessibility to ECDE Education	Percentage increase in enrolment of ECDE	86%	88%	90%
	Increased access to		60%	70%	80%

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		learning facilities			
Improved quality ECDE Education.		Increased rate of enrolments to ECDE	86%	88%	90%
		Increased rate of retention.	90%	95%	95%
		Increased rate of transition from ECDE to primary.	90%	95%	95%
		Increased levels of competency.	40%	45%	45%
		Improved rate of teacher pupil ratio.	1:65	1:35	1:45
<b>P2</b>	<b>Programme 2: Vocational training</b>				
	<b>Objective:</b> To Equip Lamu youth with relevant technical skills				
	<b>Outcome:</b> Employability and self-reliance among the youth of Lamu County enhanced.				
Improved accessibility to TVET Education		Increased in the rate of enrolment to vocational training canters	35%	50%	60%
		Percentage improvement in enrolment	40%	50%	70%
<b>Medical Services</b>					
No.	Key Outcome	Indicator	CIDP Target 2022/2023	Target 2022/2023	Achievement 2022/2023

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	Annual work plans prepared	Proportion of planning units with annual work plans	100	100	100
	Health facilities adequately staffed	No. of nurses per population ratio (per 100,000 population)	280	210	280
	Improved stakeholder coordination and collaboration	No. of county health stakeholders meetings held	4	4	4
	Reduced out of pocket expenditure on health	No. of households registered on the Lamu County sponsored NHIF cover	20,000	20,000	20,000
	Increased number of children protected from vaccine preventable diseases	% of children below one year fully immunized	83	87	86
	Decreased transmission of TB in the community	% of TB patients completing treatment	91	92	94
	Increased number of pregnant women attend the recommended number of antenatal clinic visits	Proportion of pregnant women attending at least 4 ANC visits	57	90	69
	Increased number of deliveries conducted by SBAs	% of deliveries conducted by a skilled birth attendant	93	77	88
<b>Tourism, Culture, Trade and Investment</b>					
<b>No.</b>	<b>Key Outcome</b>	<b>Indicator</b>	<b>CIDP Target</b>	<b>Target 2022/2023</b>	<b>Achievement 2022/2023</b>

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			2022/2023		
	Improved business environment	No. of markets constructed	6	1	3
	A vibrant tourism sector with increased earnings	Development of cultural villages	2	0	0
<b>Fisheries, Blue Economy, Livestock and Co-Operatives Development</b>					
No.	Key Outcome	Indicator	CIDP Target 2022/2023	Target 2022/2023	Achievement 2022/2023
	Increased fisheries production	Tonnage of fish landed	5600	4700	2860
	Beach Management Unit trained	Number of BMUs trained	50	48	23
	Outboard engines, fishing gears, and fishing boats procured & issued	No. of outboard engines procured	50	0	50
		No. of fishers issued with fishing gears	2000	1000	1200
	Fisheries freshwater reservoirs stocked	No. of freshwater reservoirs stocked	3	2	0
	BMU performance monitoring conducted	Number of BMUs visited	30	20	16
	Fish camps (bandas) constructed	Number of fish camps (bandas) constructed	3	1	0
	Ice plant/ cold store constructed	Number of ice plants/ cold store constructed	6	5	2
	Fisher cooperatives trained on management and marketing	Number of fisher cooperatives trained on management and	3	2	3

		marketing			
Water Management					
No.	Key Outcome	Indicator	CIDP Target 2022/2023	Target 2022/2023	Achievement 2022/2023
	Increased access to portable water	The length of pipeline to be constructed	200km	150km	150km
	Increased access to portable water	Number of desalination plants installed	5No.	4No.	4No.
	Increased access to portable water	Number of villages, Feasibility studies conducted.	30No.	20No.	20No.
	Increased access to portable water	Number of household connections	1,500No.	1,000No.	800No.
	Increased access to portable water	Number of storage tanks installed	20No.	10No.	10No.
Roads, Transport, Infrastructure, Public Works, Energy and Water Services					
No.	Key Outcome	Indicator	CIDP Target 2022/2023	Target 2022/2023	Achievement 2022/2023
PI	Programme I: Roads infrastructure development (routine maintenance)				
	Objective: To Provide good quality roads to aid in accessibility and promote business activity				

	<b>Outcome: Improved accessibility</b>				
	Improved Connectivity by road users	Kilometres of roads maintained	40.5Kms	81.2Kms	81.2Kms
		Kilometres of new roads constructed	0Kms	12Kms	0Kms
<b>P2</b>	<b>Programme 2: Street lighting</b>				
	<b>Objective:</b> To improve visibility during night time by providing lighting to public spaces				
	<b>Outcome:</b> Improved activity during night-time thereby promoting business activity and enhancing security.				
	Improved street lighting	No. of new streetlights installed.	193	125	45
		No. of existing streetlights maintained	49	35	40
<b>P3</b>	<b>Programme 3: Footbridges</b>				
	<b>Objective:</b> To enhance accessibility by providing members of the public with safe passages across and along waterways				
	<b>Outcome:</b> Improved accessibility for members of the public				
	Improved access by providing crossings across water-ways	No. of new footbridges constructed	1	1	0
		No. of existing footbridges maintained	0	1	1
	Improved accessibility by pedestrians	7. Square metres of cabro paving works undertaken	6120 m2	10,500 m2	8,941 m2
<b>Municipality of Lamu</b>					
<b>No.</b>	<b>Key Outcome</b>	<b>Indicator</b>	<b>CIDP</b>	<b>Target</b>	<b>Achievement</b>

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			Target 2022/2023	2022/2023	2022/2023
<b>P1.</b>	<b>General Administration</b>				
<b>SP1.</b>	<b>Administration &amp; Support Services</b>				
	<b>Outcome:</b> Efficiency & effective service delivery				
	<b>Delivery Unit:</b> Municipality of Lamu				
	Staff skills and competences developed	No. of staff recruited	50	30	6
<b>P2.</b>	<b>Waste Management</b>				
	<b>Outcome:</b> Improved urban services				
	<b>Delivery Unit:</b> Municipality of Lamu				
	Tractors & Trailers purchased.	No. of Tractors & trailers purchased	6	2	2
	Rehabilitation a& construction of dumping site perimeter	Improved hygiene & healthy environment	6	2	2
<b>P3.</b>	<b>Development Control</b>				
	<b>Outcome:</b> To regulate & control land use				
	Procurement of Motorcycles to assist in development control	No. of motorcycles procured	10	0	5
<b>P4</b>	<b>Urban Planning &amp; Development</b>				
	<b>Outcome:</b> Improved Urban Planning				
	Improved physical planning and infrastructure development.	No. of Plans prepared & approved	6	0	2
	Improved solid and liquid waste and urban spatial planning	No. of solid & liquid waste policies prepared	2	0	1
<b>P5</b>	<b>Infrastructure Development</b>				
	<b>Outcome:</b> Improved Infrastructure Development				

*County Government of Lamu*

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	Improved storm water drainage system and roads infrastructure.	No. of storm water drainage systems constructed & KM of roads paved	6	0	1
<b>P6</b>	<b>Institutional Strengthening</b>				
	<b>Outcome:</b> Conducive working environment				
	Improved working environment through purchase of IT equipment	No. of IT equipment procured and delivered			

## **6. Environmental and Sustainability Reporting**

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

### **1. Sustainability strategy and profile**

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

### **2. Environmental performance**

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

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

### **3. Employee welfare**

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

**4. Market place practices-**

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

**5. Community Engagements**

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

**Lamu County Integrated Development Plan 2023/2027 Public Participation**



## **7. Statement of Management Responsibilities**

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

The County Executive Committee (CEC) member for Finance and Economic planning of the County Government is responsible for the preparation and presentation of the County Executive's financial statements, which give a true and fair view of the state of affairs of the County Executive for and as at the end of the financial year ended on June 30, 2023. This responsibility includes:

- (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period.
- (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the county Executive.
- (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud.
- (iv) Safeguarding the assets of the county Executive;
- (v) Selecting and applying appropriate accounting policies; and
- (vi) Making accounting estimates that are reasonable in the circumstances.

The CEC Member for Finance accepts responsibility for the County Executive's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The CEC Member for Finance is of the opinion that the County Executive's financial statements give a true and fair view of the state of the County Executive's transactions during the financial year ended June 30, 2023, and of its financial position as at that date.

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The CEC Member for Finance further confirms the completeness of the accounting records maintained for the County Executive which have been relied upon in the preparation of its financial statements as well as the adequacy of the systems of internal financial control.

The CEC Member for Finance confirms that the County Executive has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the County Executive's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for.

Further the CEC Member for Finance confirms that the County Executive's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

**Approval of the financial statements**

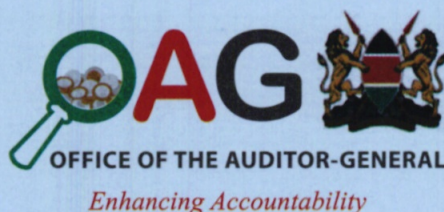
The County Executive's financial statements were approved and signed by the CEC Member for Finance on 25<sup>th</sup> September 2023.



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

# REPUBLIC OF KENYA

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## **REPORT OF THE AUDITOR-GENERAL ON COUNTY EXECUTIVE OF LAMU FOR THE YEAR ENDED 30 JUNE, 2023**

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### **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 County Executive of Lamu set out on pages 1 to 45, which comprise of the statement of financial assets and liabilities

as at 30 June, 2023 and the statement of receipts and payments, statement of cash flows and statement of comparison of budget and actual amounts, for the year 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 discussed 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 Executive of Lamu as at 30 June, 2023 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the County Government Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Inaccuracies in the Presentation and Disclosure of the Annual Report and Financial Statements**

A review of the annual report and financial statements revealed the following:

- i. The system payment reports reflected 2,023 transactions of Kshs.822,940,840 which were paid but not captured in payment details as at 30 June, 2023.
- ii. The system payment details report indicated that there were eight (8) transactions of Kshs.59,578,898 which were paid in cash as per the item description. However, they were not properly explained and supported.
- iii. The actual payments on transfers to other Government units has been reported in the statement of comparison of budget and actual amounts for recurrent and development combined as Kshs.259,682,345 which vary with the reported corresponding payments of Kshs.275,814,479 in the statement of receipts and payments resulting to a variance of Kshs.16,132,134 which was not been explained.
- iv. The statement of receipts and payments and Note 9 to the financial statements reflects payments in respect of acquisition of assets totalling to Kshs.560,798,092 which includes payments in respect of other domestic account receivables of Kshs.43,265,359 which relates to pending bills settled during the year. However, annex 2 to the financial statements on page 57 reflects pending bills paid in the year of Kshs.50,018,657 resulting in an unreconciled difference of Kshs.6,753,298. In addition, the title of other domestic account receivable is not in line with the reporting template.
- v. The statement of assets and liabilities reflects deposits and retention balance of Kshs.92,320,522 which, as disclosed in Note 15 to the financial statements includes deposits of Kshs.83,202,806 which is not in agreement with the ledger balance of Kshs.105,953,552 resulting to a variance of Kshs.22,750,746 which had not been reconciled.

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

## **2. Inaccurate Payments on Compensation of Employees**

The statement of receipts and payments and Note 3 to the financial statements reflects payments totalling to Kshs.1,455,759,111 in respect of compensation of employees which includes Kshs.63,802,665 in respect of basic salary for temporary employees. However, the payroll reflects total payments of Kshs.64,502,552 resulting to an unexplained variance of Kshs.699,887.

In the circumstances, the accuracy and completeness of payments in respect to compensation of employees of Kshs.1,455,759,111 could not be confirmed.

## **3. Misclassification of Payments on Purchase of Office Furniture and General Equipment**

The statement of receipts and payments and Note 9 to the financial statements reflects payments amounting to Kshs.560,798,092 in respect of acquisition of assets. Included in the payments is Kshs.23,669,876 in respect of purchase of office furniture and general equipment out of which Kshs.3,939,137 relate to furniture and general equipment acquired by the Municipality of Lamu which prepares separate annual financial statements. The inclusion of the payments in the County Executive statement of receipts and payments has not been explained.

In the circumstances, the accuracy of payments in respect of acquisition of assets of Kshs.560,798,092 could not be confirmed.

## **4. Misclassification of Payments on Other Payments**

The statement of receipts and payments and Note 12 to the financial statements reflects payments in respect to other payments totalling to Kshs.31,000,000 which includes Kshs.21,000,000 in respect of capital transfer to non-financial public enterprises. This amount in turn includes Kshs.11,000,000 transferred to Lamu County Water and Sanitation Company Limited while Kshs.10,000,000 relates to civil contingency reserves transferred to emergency Fund which are separate reporting entities. These payments are classified as other payments instead of other grants and transfers.

In the circumstances, the accuracy of payments in respect of other payments amounting to Kshs.31,000,000 could not be confirmed.

## **5. Inaccurate Cash and Cash Equivalents Balance**

The statement of assets and liabilities and Note 13 to the financial statements reflects cash and cash equivalents balances of Kshs.168,392,692 which were held in various bank accounts. However, the balance includes Kshs.5,548,476 in respect of two (2) bank accounts maintained by the Municipality of Lamu which is a separate reporting entity. In addition, the balance excludes three (3) bank accounts operated by the County Government to implement programmes within the County funded by Kenya Marine Fisheries and Socio-Economic Development Project, Kenya Expanded Programme on

Immunization (KEPI) and UNICEF. However, Management did not make a disclosure in the financial statements regarding the external assistance received through the three bank accounts. In addition, Kshs.98,017,833 was paid out of the Kenya Marine Fisheries and Socio-Economic Development Project bank account held at the Kenya Commercial Bank on 30 June, 2023. However, Management did not provide documentation to support these payments.

In the circumstances, the accuracy of the cash and cash equivalents balance of Kshs.168,392,692 could not be confirmed.

## **6. Unsupported Voided Payments**

The statement of receipts and payments reflect payments amounting to Kshs.3,191,972,821 which includes payments in respect of use of goods and services of Kshs.689,563,357, acquisition of assets of Kshs.560,798,092 and transfers to other Government entities of Kshs.275,814,479. However, review of the IFMIS ledger records revealed transactions amounting to Kshs.78,305,396 which were initiated but later voided without any justification.

In the circumstances, the accuracy of the total voided payments of Kshs.78,305,396 could not be confirmed.

## **7. Misclassification and Unsupported Expenditure on Domestic Travel and Subsistence**

The statement of receipts and payments and Note 4 to the financial statements reflects payments in respect of use of goods and services of Kshs.689,563,357. The payments include Kshs.91,719,188 on domestic travel and subsistence out of which, payments totalling to Kshs.5,485,450 were in respect of items not related to domestic travel and subsistence resulting to unauthorized reallocation of funds.

In the circumstances, the accuracy of payments in respect of domestic travel and subsistence of Kshs.5,485,450 could not be confirmed.

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

### **Emphasis of Matter**

#### **Budgetary Control and Performance**

The statement of comparative budget and actual amounts recurrent and development combined reflects final receipts budget and actual on a comparable basis of Kshs.3,803,384,672 and Kshs.3,252,498,399 respectively resulting to an under-funding of Kshs.550,886,273 or 14% of the budget. Similarly, the County made payments totalling

to Kshs.3,175,840,686 against an approved budget of Kshs.3,803,384,672 resulting to an under-expenditure of Kshs.627,543,986 or 16% of the budget.

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

My opinion is however not modified in respect of the above matters.

### 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

#### 1.0 Late Exchequer Releases

The statement of receipts and payments reflects total receipts of Kshs.3,023,748,938 in respect of transfers from the County Revenue Fund (CRF) and as disclosed in Note 1 to the financial statements. Review of the CRF bank statement for the month of June and August, 2023 revealed that receipts totalling to Kshs.543,488,688 were received near the closure of the financial year as detailed below:

<b>Date of Receipt</b>	<b>Amount (Kshs)</b>
17 June, 2023	279,508,468
27 June, 2023	263,980,220
<b>Total</b>	<b>543,488,688</b>

This means that 18% of all the County Executive's receipts were received near the closure of the year and this may have negatively impacted on service delivery. There is need for National Treasury to release the exchequers in good time for effective implementation of budgeted activities and programs.

#### 2.0 Delayed Project Implementation

Review of records revealed that during the year under review, Management paid Kshs.796,387,920 towards implementing various projects against a budget allocation of Kshs.1,292,431,043 representing a budget absorption of 62%. The details of departmental budget absorption on project implementation is as indicated below:

<b>Department</b>	<b>Expenditure Amount (Kshs)</b>		<b>% Absorption</b>
	<b>Budget</b>	<b>Actual</b>	
County Executive	47,256,237	5,589,920	12
Food Security, Agriculture and Livestock	187,021,579	170,137,604	91
Lands and Physical Planning	94,109,907	37,261,732	40

Department	Expenditure Amount (Kshs)		% Absorption
	Budget	Actual	
Education and Vocational Training	96,472,760	50,936,061	53
Medical Services	250,574,316	142,989,225	57
Trade and Tourism	18,402,877	13,115,075	71
Water and Irrigation	237,031,737	121,164,659	51
Gender and Youth	61,997,999	44,386,284	72
Public Health	11,500,000	9,782,399	85
Fisheries	25,000,000	23,407,600	94
Infrastructure and Energy	180,000,000	146,145,292	81
Lamu Municipality	83,063,631	31,472,068	38
<b>Total</b>	<b>1,292,431,043</b>	<b>796,387,920</b>	<b>62</b>

However, seventy-five (75) projects with a budgetary allocation of Kshs.421,974,387 did not take off at all, seventy-five (75) others were ongoing at various levels of completion while forty-eight (48) projects were completed. Delay in project implementation may be an indication of ineffectiveness in management of public resources causing delay in service provision to the public. In addition, the prolonged completion of projects may lead to unnecessary additional costs due to inflation.

### 3.0 Pending Bills

Note 20 on other important disclosures reflect a balance of Kshs.69,200,027 in respect of pending accounts payable. The County Executive risks incurring additional losses in form of interest and penalties arising from continued delay in the settlement of the bills. In addition, failure to settle bills during the year in which they relate to distorts the financial statements and adversely affects the budgetary provisions to the subsequent year as they form a first charge.

## 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.

### 1.0 Failure to Submit Financial Statements

Management did not submit to the Auditor-General financial statements for all the level four (4) hospitals within the County including Lamu County Hospital, King Fahad, Mpeketoni Sub County Hospital and Faza Sub County Hospital. This was contrary to Section 164(4)(a) of the Public Finance Management Act, 2012 which states that within

three months after the end of each financial year, the Accounting Officer for an entity shall submit the entity's financial statements to the Auditor-General.

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

## **2.0 Compensation of Employees**

The statement of receipts and payments and Note 3 to the financial statements reflects payments in respect of compensation of employees of Kshs.1,455,759,111. Review of records revealed the following:

### **2.1 Irregular Increment in Staff Salaries**

Review of the Integrated Personnel and Payroll Database revealed that salary scales of fifteen (15) employees were adjusted upwards resulting in an irregular increment in their monthly basic salaries by Kshs.131,150 translating to an annual increment in the wage bill by Kshs.1,573,800. This increment was not justified or explained.

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

### **2.2 Payment of Salaries Outside Integrated Personnel Payroll Database (IPPD) System**

During the year under review, the County Executive maintained an Integrated Personal and Payroll Database (IPPD) and a manual payroll. Review of records revealed that forty-three (43) permanent employees were paid a monthly salary of Kshs.6,366,387 through the manual payroll contrary to the provisions of The National Treasury Circular No.13/2019 dated 28 August, 2019 which states that the allocation of personnel emoluments must be supported by Integrated Personnel Payroll Date (IPPD) and each MDA will be required to provide this information to support personnel requirements.

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

### **2.3 Irregular Payment of Staff Salary Arrears**

A review of human resource records indicate that the County structural engineer was served with a show cause letter dated 6 October, 2017 for gross misconduct and there after the officer was seconded to the Ministry of Lands, Housing and Urban Development vide letter dated 31 October, 2017. The officer was reinstated back to the County employment vide letter dated 23 September, 2022. However, there was no release letter from the Ministry back to the County. In addition, Management paid the officer salary arrears amounting to Kshs.4,277,280 for four (4) years from October, 2018 to September, 2022, the period which the officer was at the Ministry of Lands, Housing and Urban Development. This payment has not been justified.

In the circumstances, the payment was irregular, and Management was in breach of the law.

## **2.4 Failure to Adhere to Fiscal Responsibility Principles**

The statement of receipts and payments reflects payments totalling to Kshs.1,455,759,111 in respect of compensation of employees while the equitable share of revenue was Kshs.3,023,748,938 or 48% contrary to the Public Finance Management (County Governments) Regulations, 2015 which provide additional fiscal responsibility principles that compensation of National and County Government employees shall not exceed 35% of either level of government equitable revenue share.

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

## **3.0 Non-Compliance with the Law on Settlement of Pending Bills**

Review of audited financial statements indicate that the County owed suppliers of goods and services a balance of Kshs.69,200,027. However, the pending bills register reflects that, the County did not settle bills amounting to Kshs.23,209,239 as a first charge on the County Revenue Fund contrary to the provisions of Regulation 41(2) of the Public Finance Management (County Governments) Regulations, 2015 which provides that debt service payments shall be a first charge on the County Revenue Fund and the Accounting Officer shall ensure this is done to the extent possible that the County Government does not default on debt obligations.

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

## **4.0 Non-Compliance with the Law on the Establishment of the Office of County Attorney**

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

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

## **5.0 Irregular Procurement of Pharmaceutical and Non-Pharmaceutical Items**

During the year under review, Management made payments for various pharmaceutical and non-pharmaceuticals items amounting to Kshs.64,456,545 from various suppliers on diverse dates. However, review of records revealed that the LPOs used were expired contrary to Regulation 52 of the Public Finance Management (County Governments) Regulations, 2015 which states that a local purchase order or local service order shall be valid for a period of thirty days from the date of issue and that any public officer who receives goods or services beyond the stipulated period commits an offence under the Act. In addition, Management paid two (2) suppliers Kshs.50,812,448 in respect of supply of lab reagents, pharmaceutical and non-pharmaceutical items. However, review of procurement files indicated that the two suppliers were identified through direct procurement despite the County having twenty-nine (29) registered suppliers under the category of medical drugs and equipment. Although the items were ordered by the

County in bulk, the suppliers made partial deliveries as evidenced by the numerous delivery notes which did not match with the purchase orders or reconciled with store records to confirm that all the items paid for were received and accounted for.

In the circumstances, the authenticity of the payments could not be confirmed and Management was in breach of the law.

#### **6.0 Irregular Payments to Council of Governors and Frontier Counties**

During the year under review, Management paid Kshs.3,000,000 to the Council of Governors and Kshs.2,000,000 to the Frontier Counties Development Council Limited which is contrary to Section 37 of the Intergovernmental Relations Act, 2012 which provides that the operational expenses in respect of the structures and institutions established in the Act shall be provided for in the annual estimates of the revenue and expenditure of the National Government.

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

#### **7.0 Delay in the Construction of the Governor's Residence**

During the year under review, the County allocated Kshs.45,000,000 to construct the Governor's residence but only Kshs.5,589,920 was spent on the project. Review of the project file revealed that a memorandum of understanding between County Government of Lamu and National Government had been signed on 31 March, 2021 allocating two (2) acres of land for the construction of the residence and the contract for the construction of the residence was signed on 16 February, 2023. However, physical verification of the project carried out in November, 2023 revealed that the contractor had completed the foundation and substructure works worth Kshs.10,889,979 while items in the bill of quantities relating to walling, roofing, windows, doors, electrical works and drainage & fittings amounting to Kshs.33,200,395 were still outstanding. Delay in project implementation may be an indication of ineffectiveness in management of public resources and prolonged completion of the project may lead to unnecessary additional costs due to inflation.

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

#### **8.0 Lack of Ownership Documents**

During the year under review, Management paid a contractor Kshs.1,765,972 in respect of the construction of two (2) ECDE classrooms and two (2) door toilet at Lake Amu Primary School which translates to a total of Kshs.2,950,000 spent on this project. The project which is constructed on a parcel of land adjacent to the school was completed on 31 August, 2023. However, the project had not been handed over to the school and the ownership documents for the parcel of land on which the project stands was not provided for audit verification.

In the circumstances, the value for Kshs.2,950,000 spent on this project could not be confirmed and Management was in breach of the law.

## **9.0 Failure to Fully Fund the Construction of Mtangawanda Open Air Market**

Management engaged a contractor to construct to completion the Mtangawanda open air market in Faza ward at a contract sum of Kshs.19,727,556. Review of records revealed that the contractor had been paid Kshs.9,495,985 in the previous financial year 2021/2022 and an additional Kshs.1,651,303 during the year under review which translates to a total payment of Kshs.11,147,288 or 57% of the contract sum. However, Management did not allocate adequate resources in the budget to ensure completion of this project. In addition, the contract period expired on 16 June, 2023 and there was no evidence of project period extension which is likely to stall the project.

In the circumstances, the value for Kshs.11,147,288 spent on this project could not be confirmed and Management was in breach of the law.

## **10.0 Irregular Award of Contract for Extension of Hongwe Market**

Management engaged a contractor to carry out extension of Hongwe market at a contract sum of Kshs.5,638,593 and Kshs.3,895,473 was paid to the contractor during the year under review. However, the contractor submitted the performance bond on 2 June, 2023 after the contract had been signed on 30 May, 2023 contrary to Section 142(1) of the Public Procurement and Asset Disposal Act, 2015 which states that subject to the regulations, a successful tenderer shall submit a performance security equivalent to not more than ten per cent of the contract amount before signing of the contract. In addition, Management did not provide a progress report to confirm the level of project implementation.

In the circumstances, the value for Kshs.3,895,473 spent on this project could not be confirmed and Management was in breach of the law.

## **11.0 Irregular Payment for Construction of Mpeketoni Open Air Market**

Management engaged a contractor to construct to completion the Mpeketoni open air market in Bahari ward at a contract sum of Kshs.30,516,317. Review of the records revealed that the contractor had been paid amounts of Kshs.26,131,200 in the 2021/2022 financial year and an additional Kshs.3,425,218 during the year under review which translates to total payments of Kshs.29,556,418. However, the following issues were noted:

- i The contractor submitted the performance bond on 16 November, 2021 after the contract had already been signed on 15 November, 2021.
- ii The performance guarantee dated 16 November, 2021 was valid until 15 November, 2022. However, there was no evidence that it was renewed by the contractor.
- iii The completion certificate was raised on 30 May, 2023 and the final certificate of Kshs.3,425,218 was paid in June, 2023. However, there was no evidence of extension of contract period which had expired on 14 November, 2022.

- iv Included in the payment to the contractor during the year under review was Kshs.1,416,620 which was over and above the quoted amount in the bill of quantities. This extra amount paid has not been supported or explained. In addition, the payment included Kshs.1,680,000 in respect of a provisional sum for contingencies, electrical works and project management expenses which was not supported.

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

### **12.0 Stalled Construction of Lamu County Headquarters**

Management entered into contract to construct the County Headquarters at Mokowe on 24 June, 2019 at a contract sum of Kshs.126,823,550 and was to run for two (2) years up to 24 June, 2021. In the Memorandum of Understanding (MOU) entered into with the State Department for Public Works in January, 2021, the County was to fund 30% of the cost of the project and National Government to fund the balance of 70%. According to payment records, the County had made payments of Kshs.31,987,330 while the National Government had paid Kshs.11,079,962 which translates to total payments of Kshs.43,067,292 or 34% of the contract sum. However, physical verification of the project carried out in August, 2023 revealed that the contractor requested and obtained an extension of project contract period to 2 November, 2023. However, no additional works had been done during the extension period. Management did not also set aside funds in its budget estimates for implementation of the project, and no additional funding to the project was received from the National Government during the year under review.

In the circumstances, the value for Kshs.43,067,292 spent on the project could not be confirmed and Management was in breach of the law.

### **13.0 Irregular Variation of Renovation Works of County Headquarters Office Block in Mokowe**

Management paid a contractor an amount of Kshs.11,015,116 in respect of renovation of County Headquarters office block in two instalments of Kshs.5,279,000 in December, 2022 and Kshs.5,736,115 in February, 2023. Review of the payment certificates revealed that the amount paid to the contractor included works valued at Kshs.3,978,500 which were not in the bill of quantities. In addition, physical verification of the works carried out in November, 2023 revealed that the flat roof had evident leakages which appear to have caused damage to the building's ceiling and the walls.

In the circumstances, value for Kshs.11,015,116 spent on the project could not be confirmed and Management was in breach of the law.

### **14.0 Irregular Payments for Incomplete Upgrading of Mokowe Health Centre**

Management engaged a contractor to upgrade maternity wing and staff quarters at the Mokowe Health Centre on 8 May, 2023 at a contract sum of Kshs.4,986,852 and the contractor was paid Kshs.3,502,608 during the year under review. Included in the payment was Kshs.727,930 in relation to works which were not in the bill of quantities.

In addition, the engineer's valuation report indicated that the contractor had installed all windows and was paid the entire amount meant for installation of the windows. However, physical verification undertaken in November, 2023 revealed that installation of windows was still incomplete. Further, the contract period expired on 8 November, 2023 and the contractor who was not on site had not requested for an extension of the contract period.

In the circumstances, value for Kshs.3,502,608 spent for the project could not be confirmed and Management was in breach of the law.

#### **15.0 Incomplete Construction of Water Projects**

Management engaged a contractor to construct a 3.4 km pipeline extension and two water points at Uziwa water project at a cost of Kshs.3,999,875. A completion certificate issued on 14 June, 2023 and the contractor was fully paid in two instalments. However, audit inspection of the project carried out in November, 2023, revealed that the water points were not yet operational. In addition, Management engaged a contractor to drill and equip three bore holes at a cost of Kshs.3,785,000. However, an inspection of the projects revealed that one borehole was not operational.

In the circumstances, value for money paid for this project could not be confirmed and Management was in breach of the law.

#### **16.0 Unaccounted for Irrigation Equipment and Farm Inputs**

Management paid a total of Kshs.9,994,950 to four (4) suppliers in respect of supply of equipment and rehabilitation of irrigation infrastructure and agricultural seeds and other farm inputs selected through request for quotations. However, the user requisitions did not disclose the irrigation projects which utilized the irrigation equipment worth Kshs.5,140,950 and how the acquired seedlings were to be utilized. This was contrary to Regulation 35(6) of the Public Procurement and Asset Disposal Regulations, 2020 which states that pursuant to Section 48(4) of the Act, the inspection and acceptance committee shall prepare and issue a report, interim or completion of inspection and acceptance certificate and submit to the head of procurement function.

In the circumstances, the value for Kshs.9,994,950 paid could not be confirmed and Management was in breach of the law.

#### **17.0 Failure to Provide Performance Security**

Review of procurement files revealed that Management entered into road construction contracts valued at Kshs.33,138,240 before submission of performance security by the contractors contrary to Section 142(1) of the Public Procurement and Asset Disposal Act, 2015 which requires a successful tenderer to submit a performance security equivalent to not more than ten per cent of the contract amount before signing of the contract.

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

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance

about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

## REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

### Conclusion

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

### Basis for Conclusion

#### 1. Lack of Approved Information Communication Technology Policy

As previously reported, review of the County Information Communication Technology (ICT) environment revealed that Management did not have a formal approved ICT policy in place, which includes data security policy and disaster recovery plans. Further, formally documented and approved processes to manage upgrades made to all financial and performance information systems were not provided for audit review.

In the circumstances, the existence of effective Information Communication Technology controls in the County Executive could not be confirmed.

#### 2. Lack of Risk Management Policy and Framework

During the year under review, Management did not put in place a Risk Management Policy Framework. This was contrary to Regulation 158(1)(a) of the Public Finance Management (County Governments) Regulations, 2015 which provides that the Accounting Officer shall ensure that the County Government entity develops risk management strategies, which include fraud prevention mechanism.

In the circumstances, it was not possible to confirm existence of effective risk management systems in the County Executive.

#### 3. Lack of an Updated Fixed Asset Register

Annex 6 to the financial statements on summary of fixed assets register reflects a balance of Kshs.2,432,393,903 in respect of historical cost of various assets held by the County Executive while the historical cost recorded in the asset register was Kshs.1,367,133,632 resulting to a variance of Kshs.1,065,260,271 which has not been explained or reconciled. In addition, the asset register maintained was not prepared in a format prescribed by IPSAS 17 whose minimum requirements are identification or serial number, acquisition date, description of asset, location, class, cost of acquisition, accumulated depreciation, net book value and tagging. Further, land for several medical facilities under the

Department of Medical Services in various locations had not been surveyed and lacked ownership documents.

In the circumstances, the security and accountability of County assets may not be guaranteed.

#### **4. Grounded Motor Vehicles**

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

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

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 Executive's ability to sustain its services, disclosing, as applicable, matters related to the sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to dissolve the County Executive or to cease operations.

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the

activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them and that public resources are applied in an effective way.

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

### **Auditor-General's Responsibilities for the Audit**

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the County Executive's ability to continue 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 Executive 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 Executive to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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

  
FCPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**

**Nairobi**

**05 February, 2024**

*County Government of Lamu*  
*County Executive of Lamu*  
*Annual Report and Financial Statements for the year ended June 30, 2023*

**9. Statement of Receipts and Payments for the year ended 30th June 2023**

Description	Notes	2022 -2023	2021 - 2022
		Kshs	Kshs
<b>Receipts</b>			
Transfers from the CRF	1	3,023,748,938	3,138,788,455
Miscellaneous receipts	2	-	-
<b>Total receipts</b>		<b>3,023,748,938</b>	<b>3,138,788,455</b>
<b>Payments</b>			
Compensation of employees	3	1,455,759,111	1,387,366,491
Use of goods and services	4	689,563,357	746,728,208
Subsidies	5	-	-
Transfers to other government entities	6	275,814,479	399,426,929
Other grants and transfers	7	133,361,228	254,098,400
Social security benefits	8	45,676,554	41,980,917
Acquisition of assets	9	560,798,092	690,587,515
Finance costs, including loan interest	10	-	600
Repayment of principal on domestic & foreign Borrowing	11	-	-
Other payments	12	31,000,000	7,000,000
<b>Total payments</b>		<b>3,191,972,821</b>	<b>3,527,189,060</b>
<b>Surplus/deficit*</b>		<b>(168,223,883)</b>	<b>(388,400,605)</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The County Executive's financial statements were approved on 25<sup>th</sup> September 2023 and signed by:

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

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

County Government of Lamu  
 County Executive of Lamu  
 Annual Report and Financial Statements for the year ended June 30, 2023

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

Description	Notes	2022 -2023	2021 - 2022
		Kshs	Kshs
<b>Financial assets</b>			
<b>Cash and cash equivalents</b>			
Bank balances	13A	168,392,692	350,629,392
Cash balances	13B	-	69,090
<b>Total cash and cash equivalents</b>		168,392,692	<b>350,698,452</b>
Outstanding imprests and advances	14	-	166,100
<b>Total financial assets</b>		168,392,692	<b>350,864,552</b>
<b>Financial liabilities</b>			
Deposits and retentions	15	92,320,522	106,568,500
<b>Net financial assets</b>		<b>76,072,170</b>	<b>244,296,052</b>
<b>Represented by</b>			
Fund balance b/fwd.	16	244,296,052	1,627,228,574
Prior year adjustments	17	-	(994,531,917)
Surplus/deficit for the year		(168,223,882)	(388,400,605)
<b>Net financial position</b>		<b>76,072,170</b>	<b>244,296,052</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The County Executive's financial statements were approved on 25<sup>th</sup> September 2023 and signed by:



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



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

*County Government of Lamu*  
*County Executive of Lamu*  
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**11. Statement of Cash Flows for the period ended 30<sup>th</sup> June 2023**

Description	Notes	2022 -2023	2021 - 2022
		Kshs	Kshs
<b>Receipts from operating income</b>			
Transfers from the CRF	1	3,023,748,938	3,138,788,455
Miscellaneous receipts	2	-	-
<b>Total receipts from operating income</b>		<b>3,023,748,938</b>	<b>3,138,788,455</b>
<b>Payments for operating expenses</b>			
Compensation of employees	3	1,455,759,111	1,387,366,491
Use of goods and services	4	689,563,357	746,728,208
Subsidies	5	-	-
Transfers to other government entities	6	275,814,479	399,426,929
Other grants and transfers	7	133,361,228	254,098,400
Social security benefits	8	45,676,553	41,980,917
Finance costs, including loan interest	10	-	600
Other payments	12	31,000,000	7,000,000
<b>Total payments for operating expenses</b>		<b>2,631,174,728</b>	<b>2,836,601,545</b>
<b>Net receipts/ (payments) from operations</b>		<b>392,574,210</b>	<b>302,186,911</b>
<b>Adjusted for:</b>			
Prior year adjustments	17	-	(994,531,917)
Decrease/(increase) in outstanding imprests & advances	18	166,100	369,350
Increase/(decrease) in deposits and retentions	19	(14,247,978 )	9,901,327
		<b>(14,081,878)</b>	<b>(984,261,240)</b>
<b>Net cash flow from operating activities</b>		<b>378,492,332</b>	<b>682,074,329</b>
<b>Cash flow from investing activities</b>			
Acquisition of assets	9	(560,798,092)	(690,587,515)
<b>Net cash flows from investing activities</b>		<b>(560,798,092)</b>	<b>(690,587,515)</b>
<b>Cash flow from Financing activities</b>			
Repayment of principal on domestic and foreign Borrowing	11	-	-
<b>Net cash flow from financing activities</b>		<b>-</b>	<b>-</b>
<b>Net increase in cash and cash equivalents</b>		<b>(182,305,760 )</b>	<b>(1,372,661,846)</b>
<b>Cash and cash equivalents at beginning of the year</b>		<b>350,698,452</b>	<b>1,723,360,297</b>
<b>Cash and cash equivalents at end of the year</b>		<b>168,392,692</b>	<b>350,698,452</b>

*County Government of Lamu*

*County Executive of Lamu*

*Annual Report and Financial Statements for the year ended June 30, 2023*

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The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The County Executive's financial statements were approved on **25<sup>th</sup> September 2023** and signed by:



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



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

12. Statement of Comparison of Budget & Actual Amounts (Recurrent and Development Combined) for the year ended 30<sup>th</sup> June 2023

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% Of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	
<b>Receipts</b>						
Transfers from the CRF	3,109,583,560	465,051,652	3,574,635,212	3,023,748,939	550,886,273	85%
Other receipts	-	-	-	-	-	-
Opening balance for Non-refundable bank balances in special purpose deposits accounts	-	228,749,460	228,749,460	228,749,460	-	100%
<b>Total</b>	<b>3,109,583,560</b>	<b>693,801,112</b>	<b>3,803,384,672</b>	<b>3,252,498,399</b>	<b>550,886,273</b>	<b>86%</b>
<b>Payments</b>						
Compensation of employees	1,471,189,482	2,308,954	1,473,498,436	1,455,759,111	17,739,325	99%
Use of goods and services	632,713,081	175,277,837	807,990,918	689,563,357	118,427,561	85%
Subsidies	-	-	-	-	-	-
Transfers to other government units	248,453,300	39,375,620	287,828,920	259,682,345	28,146,575	90%
Other grants and transfers	122,157,951	12,846,825	135,004,776	133,361,228	1,643,548	99%
Social security benefits	46,344,326	3,425,398	49,769,724	45,676,553	4,093,171	92%
Acquisition of assets	585,725,420	432,566,478	1,018,291,898	560,798,092	457,493,806	55%
Finance costs, including loan interest	-	-	-	-	-	-
Repayment of principal on borrowings	-	-	-	-	-	-
Other payments	3,000,000	28,000,000	31,000,000	31,000,000	-	100%
<b>Total</b>	<b>3,109,583,560</b>	<b>693,801,112</b>	<b>3,803,384,672</b>	<b>3,175,840,686</b>	<b>627,543,986</b>	<b>84%</b>
<b>Surplus/(Deficit)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>76,657,713</b>	<b>-</b>	<b>76,657,713</b>

*County Government of Lamu  
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Annual Report and Financial Statements for the year ended June 30, 2023*

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*Comment on the above table*

*The following reasons for under absorption:-*

- 1. The financial year 2022/2023 was an electioneering year resulting to transition period hence delay in implementation of project*
- 2. E - Procurement challenge such as unpredicted system upgrade i.e. introduction of network challenge and inadequate skills from our suppliers on E - procurement which resulted to underutilization of fund hence affect implementation of projects and programme.*

The County Executive's financial statements were approved on **25<sup>th</sup> September 2023** and signed by:



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



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

County Government of Lamu  
 County Executive of Lamu  
 Annual Report and Financial Statements for the year ended June 30, 2023

12A. Statement of Comparison of Budget & Actual Amounts – Recurrent for the year ended 30<sup>th</sup> June 2023

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% Of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	
<b>Receipts</b>						
Transfers from the CRF	2,093,271,402	299,770,531	2,393,041,933	2,307,749,985	85,291,948	96%
Other receipts	-	-	-	-	-	-
Opening balance for Non-refundable bank balances in special purpose deposits accounts	-	117,911,696	117,911,696	117,911,696	-	100%
<b>Total</b>	<b>2,093,271,402</b>	<b>417,682,227</b>	<b>2,510,953,629</b>	<b>2,425,661,681</b>	<b>85,291,948</b>	<b>97%</b>
<b>Payments</b>						
Compensation of employees	1,471,189,482	2,308,954	1,473,498,436	1,455,759,111	17,739,325	99%
Use of goods and services	395,939,820	206,241,191	602,181,011	542,849,884	59,331,127	90%
Subsidies	-	-	-	-	-	-
Transfers to other government units	45,953,300	60,966,496	106,919,796	90,587,093	16,332,703	85%
Other grants and transfers	122,157,951	12,846,825	135,004,776	133,361,228	1,643,548	99%
Social security benefits	46,344,326	3,425,398	49,769,724	45,676,553	4,093,171	92%
Acquisition of assets	8,686,523	124,893,363	133,579,886	101,218,904	32,360,982	76%
Finance costs, including loan interest	-	-	-	-	-	-
Repayment of principal on borrowings	-	-	-	-	-	-
Other payments	3,000,000	7,000,000	10,000,000	10,000,000	-	100%
<b>Total</b>	<b>2,093,271,402</b>	<b>417,682,227</b>	<b>2,510,953,629</b>	<b>2,379,452,773</b>	<b>131,500,856</b>	<b>95%</b>
<b>Surplus/(Deficit)</b>	-	-	-	<b>46,208,908</b>	- <b>46,208,908</b>	

*County Government of Lamu*  
*County Executive of Lamu*  
*Annual Report and Financial Statements for the year ended June 30, 2023*

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The County Executive's financial statements were approved on 25<sup>th</sup> September 2023 and signed by



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



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

County Government of Lamu  
 County Executive of Lamu  
 Annual Report and Financial Statements for the year ended June 30, 2023

12B. Statement of Comparison of Budget & Actual Amounts: Development for the year ended 30<sup>th</sup> June 2023

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% Of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	
<b>Receipts</b>						
Transfers from the CRF	1,016,312,158	165,281,121	1,181,593,279	715,998,954	465,594,326	61%
Other receipts	-	-	-	-	-	-
Opening balance for Non-refundable bank balances in special purpose deposits accounts	-	110,837,764	110,837,764	110,837,764	-	100%
<b>Total</b>	<b>1,016,312,158</b>	<b>276,118,885</b>	<b>1,292,431,043</b>	<b>826,836,718</b>	<b>465,594,326</b>	<b>64%</b>
<b>Payments</b>						
Compensation of employees	-	-	-	-	-	-
Use of goods and services	236,773,261	- 30,963,354	205,809,907	146,713,473	59,096,434	71%
Subsidies	-	-	-	-	-	-
Transfers to other government units	202,500,000	- 21,590,876	180,909,124	169,095,253	11,813,871	93%
Other grants and transfers	-	-	-	-	-	-
Social security benefits	-	-	-	-	-	-
Acquisition of assets	577,038,897	307,673,115	884,712,012	459,579,187	425,132,825	52%
Finance costs, including loan interest	-	-	-	-	-	-
Repayment of principal on borrowings	-	-	-	-	-	-
Other payments	-	21,000,000	21,000,000	21,000,000	-	100%
<b>Total</b>	<b>1,016,312,158</b>	<b>276,118,885</b>	<b>1,292,431,043</b>	<b>796,387,913</b>	<b>496,043,130</b>	<b>62%</b>
<b>Surplus/(Deficit)</b>	-	-	-	<b>30,448,805</b>	<b>(30,448,805)</b>	

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*Comment on the above table*

- 1. The financial year 2022/2023 was an electioneering year resulting to transition period hence delay in implementation of project*
- 2. E - Procurement challenge such as unpredicted system upgrade i.e. introduction of , network challenge and inadequate skills from our suppliers on E - procurement which resulted to underutilization of fund hence affect implementation of projects and programme.*

The County Executive's financial statements were approved on **25<sup>th</sup> September 2023** and signed by:



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



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

13. Budget Execution by Programmes and Sub-Programmes for the year ended 30<sup>th</sup> June 2023

BUDGET EXECUTION BY PROGRAME AND SUB PROGRAME RECURRENT							
Program	Sub Program	Description	Original Budget	Adjustments	Final Budget	Actual	Budget utilization difference
			KShs	KShs	KShs	KShs	KShs
<b>101003210</b>		<b>Administration, planning &amp; support Services</b>	<b>111,029,659.00</b>	<b>36,792,206.00</b>	<b>147,821,865.00</b>	<b>122,881,424.50</b>	<b>24,940,440.50</b>
	101013210	Administration Services	111,029,659.00	36,792,206.00	147,821,865.00	122,881,424.50	24,940,440.50
<b>104003210</b>		<b>Infrastructure Development</b>	<b>-</b>	<b>1,194,559.00</b>	<b>1,194,559.00</b>	<b>-</b>	<b>1,194,559.00</b>
	104013210	Infrastructure Development	-	1,194,559.00	1,194,559.00	-	1,194,559.00
<b>105003210</b>		<b>Water management, Conservation &amp; Provision</b>	<b>38,441,238.00</b>	<b>2,674,498.00</b>	<b>41,115,736.00</b>	<b>38,263,543.35</b>	<b>2,852,192.65</b>
	105013210	Water management, Conservation & Provision	38,441,238.00	2,674,498.00	41,115,736.00	38,263,543.35	2,852,192.65
<b>107003210</b>		<b>Monitoring Control and surveillance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	107013210	Monitoring Control and surveillance	-	-	-	-	-
<b>108003210</b>		<b>Co-management</b>	<b>435,080.00</b>	<b>108,200.00</b>	<b>543,280.00</b>	<b>420,500.00</b>	<b>122,780.00</b>
	108013210	Co-management	435,080.00	108,200.00	543,280.00	420,500.00	122,780.00

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<b>109003210</b>		<b>Fish farming</b>	-	-	-	-	-
	109013210	Fish farming	-	-	-	-	-
<b>111003210</b>		<b>1: Livestock Extension Services</b>	<b>1,900,068.00</b>	<b>(73,000.00)</b>	<b>1,827,068.00</b>	<b>1,444,244.00</b>	<b>382,824.00</b>
	111013210	Livestock Extension Services	1,900,068.00	(73,000.00)	1,827,068.00	1,444,244.00	382,824.00
<b>112003210</b>		<b>2 Veterinary Service Management</b>	<b>1,417,644.00</b>	<b>(35,200.00)</b>	<b>1,382,444.00</b>	<b>737,082.00</b>	<b>645,362.00</b>
	112013210	Veterinary Service Management	1,417,644.00	(35,200.00)	1,382,444.00	737,082.00	645,362.00
<b>116003210</b>		<b>6 Crop Development &amp; Management</b>	<b>35,953,300.00</b>	<b>(35,953,300.00)</b>	<b>-</b>	<b>106,598.00</b>	<b>(106,598.00)</b>
	116033210	Promotion of Agro Processing & Value addition Technologies	35,953,300.00	(35,953,300.00)	-	106,598.00	(106,598.00)
<b>201003210</b>		<b>Administration, planning &amp; support Services</b>	<b>94,568,143.00</b>	<b>(175,299.00)</b>	<b>94,392,844.00</b>	<b>91,051,896.00</b>	<b>3,340,948.00</b>
	201013210	Administration, Personnel & Policy Formulation	94,568,143.00	(175,299.00)	94,392,844.00	91,051,896.00	3,340,948.00
<b>301003210</b>		<b>Administration, planning &amp; support Services</b>	<b>19,404,263.00</b>	<b>12,450,675.00</b>	<b>31,854,938.00</b>	<b>30,897,765.30</b>	<b>957,172.70</b>
	301013210	Administration Services	19,404,263.00	12,450,675.00	31,854,938.00	30,897,765.30	957,172.70
<b>302003210</b>		<b>Tourism Promotion</b>	<b>1,410,046.00</b>	<b>19,646,200.00</b>	<b>21,056,246.00</b>	<b>21,786,504.00</b>	<b>(730,258.00)</b>
	302023210	Promotion &	1,410,046.00	19,646,200.00	21,056,246.00	21,786,504.00	(730,258.00)

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		Marketing					
<b>303003210</b>		<b>Trade Development</b>	<b>762,000.00</b>	<b>(96,200.00)</b>	<b>665,800.00</b>	<b>378,930.00</b>	<b>286,870.00</b>
	303013210	Trade Promotion	762,000.00	(96,200.00)	665,800.00	378,930.00	286,870.00
<b>304003210</b>		<b>Art &amp; Culture</b>	-	-	-	-	-
	304013210	Cultural Festival	-	-	-	-	-
<b>401003210</b>		<b>General Administration, Planning and Support Services</b>	<b>834,555,865.00</b>	<b>106,777,236.00</b>	<b>941,333,101.00</b>	<b>924,057,407.55</b>	<b>17,275,693.45</b>
	401013210	Human Resource & Development	834,555,865.00	106,777,236.00	941,333,101.00	924,057,407.55	17,275,693.45
<b>402003210</b>		<b>Curative Services</b>	<b>115,917,688.00</b>	<b>18,677,000.00</b>	<b>134,594,688.00</b>	<b>127,564,510.30</b>	<b>7,030,177.70</b>
	402013210	Primary Health Care Services	115,917,688.00	18,677,000.00	134,594,688.00	127,564,510.30	7,030,177.70
	402043210	SP4 curative Services	-	-	-	-	-
<b>403003210</b>		<b>Preventive &amp; Promotive Services</b>	<b>4,585,000.00</b>	<b>4,367,000.00</b>	<b>8,952,000.00</b>	<b>9,296,002.00</b>	<b>(344,002.00)</b>
	403043210	SP4 Preventive and Promotive Services	4,585,000.00	4,367,000.00	8,952,000.00	9,296,002.00	(344,002.00)
<b>404003210</b>		<b>Environmental health &amp; Sanitation</b>	-	-	-	-	-
	404023210	Public Health & licencing	-	-	-	-	-
<b>501003210</b>		<b>General Administration, Planning and Support services</b>	<b>215,720,074.00</b>	<b>24,817,504.00</b>	<b>240,537,578.00</b>	<b>223,838,615.10</b>	<b>16,698,962.90</b>
	501013210	Administration	215,720,074.00	24,817,504.00	240,537,578.00	223,838,615.10	16,698,962.90

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		Services					
<b>502003210</b>		<b>Education and Training Programme</b>	<b>120,000,000.00</b>	<b>-</b>	<b>120,000,000.00</b>	<b>119,997,978.00</b>	<b>2,022.00</b>
	502013210	Promotion of Early Childhood Education	120,000,000.00	-	120,000,000.00	119,997,978.00	2,022.00
<b>503003210</b>		<b>Sports &amp; Youth Development</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	503023210	Development of Sports facilities	-	-	-	-	-
<b>703003210</b>		<b>Administration, planning and support services.</b>	<b>294,562,437.00</b>	<b>158,634,655.00</b>	<b>453,197,092.00</b>	<b>415,851,320.50</b>	<b>37,345,771.50</b>
	703013210	Administration Services	294,562,437.00	158,634,655.00	453,197,092.00	415,851,320.50	37,345,771.50
<b>709003210</b>		<b>Administration, planning and support services.</b>	<b>73,870,455.00</b>	<b>(1,885,915.00)</b>	<b>71,984,540.00</b>	<b>66,728,105.85</b>	<b>5,256,434.15</b>
	709013210	Administration Services	73,870,455.00	(1,885,915.00)	71,984,540.00	66,728,105.85	5,256,434.15
<b>710003210</b>		<b>0 Human Resource Management &amp; Development</b>	<b>7,979,182.00</b>	<b>1,291,414.00</b>	<b>9,270,596.00</b>	<b>8,152,650.00</b>	<b>1,117,946.00</b>
	710053210	Human Resource Management and Development	7,979,182.00	1,291,414.00	9,270,596.00	8,152,650.00	1,117,946.00
<b>711003210</b>		<b>1 Administration, planning support services</b>	<b>104,507,968.00</b>	<b>65,867,514.00</b>	<b>170,375,482.00</b>	<b>160,998,728.10</b>	<b>9,376,753.90</b>
	711013210	Administration Services	104,507,968.00	65,867,514.00	170,375,482.00	160,998,728.10	9,376,753.90

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712003210		<b>2 Control &amp; management of Public Finance</b>	<b>9,228,120.00</b>	<b>152,500.00</b>	<b>9,380,620.00</b>	<b>8,357,801.70</b>	<b>1,022,818.30</b>
	712013210	Budget Formulation, Coordination & management	-	-	-	-	-
	712023210	Resource mobilization	2,032,705.00	(257,500.00)	1,775,205.00	1,551,824.35	223,380.65
	712033210	Internal Audit	1,880,202.00	(312,500.00)	1,567,702.00	1,426,293.00	141,409.00
	712043210	Procurement	1,911,955.00	(207,500.00)	1,704,455.00	1,507,280.00	197,175.00
	712053210	Public Finance & Accounting	3,403,258.00	930,000.00	4,333,258.00	3,872,404.35	460,853.65
<b>713003210</b>		<b>3 Economic planning</b>	<b>7,023,172.00</b>	<b>2,449,980.00</b>	<b>9,473,152.00</b>	<b>6,641,167.00</b>	<b>2,831,985.00</b>
	713023210	Budget and Economic Planning	7,023,172.00	2,449,980.00	9,473,152.00	6,641,167.00	2,831,985.00
<b>Grand Total Rec</b>			<b>2,093,271,402.00</b>	<b>417,682,227.00</b>	<b>2,510,953,629.00</b>	<b>2,379,452,773.25</b>	<b>131,500,855.75</b>
<b>BUDGET EXECUTION BY PROGRAMME AND SUB PROGRAMME DEVELOPMENT</b>							
Program	Sub Program	Description	Original Budget	Adjustments	Final Budget	Actual	Budget utilization difference
			KShs	KShs	KShs	KShs	KShs
<b>102003210</b>		<b>Land Management</b>	<b>63,500,000.00</b>	<b>30,609,907.00</b>	<b>94,109,907.00</b>	<b>37,261,732.60</b>	<b>56,848,174.40</b>
	102023210	Physical planning	63,500,000.00	20,609,907.00	84,109,907.00	33,305,771.00	50,804,136.00
	102033210	Land Adjudication & Regularization	-	10,000,000.00	10,000,000.00	3,955,961.60	6,044,038.40
<b>104003210</b>		<b>Infrastructure Development</b>	<b>197,638,897.00</b>	<b>65,423,934.00</b>	<b>263,062,831.00</b>	<b>177,617,358.85</b>	<b>85,445,472.15</b>
	104013210	Infrastructure Development	197,638,897.00	65,423,934.00	263,062,831.00	177,617,358.85	85,445,472.15

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<b>105003210</b>		<b>Water management, Conservation &amp; Provision</b>	<b>80,000,000.00</b>	<b>157,031,737.00</b>	<b>237,031,737.00</b>	<b>121,164,655.80</b>	<b>115,867,081.20</b>
	105013210	Water management, Conservation & Provision	80,000,000.00	157,031,737.00	237,031,737.00	121,164,655.80	115,867,081.20
<b>106003210</b>		<b>Administration, Planning and Monitoring &amp; Evaluation</b>	<b>-</b>	<b>15,000,000.00</b>	<b>15,000,000.00</b>	<b>14,937,346.20</b>	<b>62,653.80</b>
	106013210	Administration, Planning and Monitoring & Evaluation	-	15,000,000.00	15,000,000.00	14,937,346.20	62,653.80
<b>109003210</b>		<b>Fish farming</b>	<b>15,000,000.00</b>	<b>10,000,000.00</b>	<b>25,000,000.00</b>	<b>23,407,600.00</b>	<b>1,592,400.00</b>
	109013210	Fish farming	15,000,000.00	10,000,000.00	25,000,000.00	23,407,600.00	1,592,400.00
<b>111003210</b>		<b>1: Livestock Extension Services</b>	<b>10,000,000.00</b>	<b>5,000,000.00</b>	<b>15,000,000.00</b>	<b>14,995,295.00</b>	<b>4,705.00</b>
	111013210	Livestock Extension Services	10,000,000.00	5,000,000.00	15,000,000.00	14,995,295.00	4,705.00
<b>112003210</b>		<b>2 Veterinary Service Management</b>	<b>-</b>	<b>1,559,746.00</b>	<b>1,559,746.00</b>	<b>-</b>	<b>1,559,746.00</b>
	112013210	Veterinary Service Management	-	1,559,746.00	1,559,746.00	-	1,559,746.00
<b>115003210</b>		<b>5 Promotion of Co-operative Marketing and Value Addition.</b>	<b>20,000,000.00</b>	<b>31,581,716.00</b>	<b>51,581,716.00</b>	<b>39,830,499.00</b>	<b>11,751,217.00</b>

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	115013210	Promotion of Co-operative Marketing and Value Addition.	20,000,000.00	31,581,716.00	51,581,716.00	39,830,499.00	11,751,217.00
<b>116003210</b>		<b>6 Crop Development &amp; Management</b>	<b>143,000,000.00</b>	<b>(49,119,883.00)</b>	<b>93,880,117.00</b>	<b>90,379,513.55</b>	<b>3,500,603.45</b>
	116013210	Agricultural Extension Research & Training	1,500,000.00	4,500,000.00	6,000,000.00	2,499,920.00	3,500,080.00
	116033210	Promotion of Agro Processing & Value addition Technologies	108,500,000.00	(51,119,883.00)	57,380,117.00	57,380,116.70	0.30
	116063210	Promotion of Cashew nuts Programme	3,000,000.00	(2,500,000.00)	500,000.00	499,950.00	50.00
	116083210	Provision of Relief seeds to vulnerable farmers	30,000,000.00	-	30,000,000.00	29,999,526.85	473.15
<b>117003210</b>		<b>7 Irrigation &amp; Drainage services</b>	-	<b>10,000,000.00</b>	<b>10,000,000.00</b>	<b>9,994,950.00</b>	<b>5,050.00</b>
	117023210	Irrigated Farming	-	10,000,000.00	10,000,000.00	9,994,950.00	5,050.00
<b>302003210</b>		<b>Tourism Promotion</b>	<b>1,000,000.00</b>	<b>(1,000,000.00)</b>	-	-	-
	302023210	Promotion & Marketing	1,000,000.00	(1,000,000.00)	-	-	-
<b>303003210</b>		<b>Trade Development</b>	<b>29,400,000.00</b>	<b>(11,702,730.00)</b>	<b>17,697,270.00</b>	<b>13,115,072.60</b>	<b>4,582,197.40</b>
	303013210	Trade Promotion	21,400,000.00	(11,354,047.00)	10,045,953.00	7,568,297.05	2,477,655.95
	303033210	Market development	8,000,000.00	(348,683.00)	7,651,317.00	5,546,775.55	2,104,541.45

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<b>305003210</b>		<b>Industrial Development &amp; Investment</b>	-	<b>706,407.00</b>	<b>706,407.00</b>	-	<b>706,407.00</b>
	305023210	SME Development	-	706,407.00	706,407.00	-	706,407.00
<b>401003210</b>		<b>General Administration, Planning and Support Services</b>	<b>14,000,000.00</b>	<b>(14,000,000.00)</b>	-	-	-
	401013210	Human Resource & Development	14,000,000.00	(14,000,000.00)	-	-	-
<b>402003210</b>		<b>Curative Services</b>	<b>78,000,000.00</b>	<b>92,574,316.00</b>	<b>170,574,316.00</b>	<b>62,989,224.85</b>	<b>107,585,091.15</b>
	402023210	Hospital Services	-	8,003,320.00	8,003,320.00	-	8,003,320.00
	402043210	SP4 curative Services	78,000,000.00	84,570,996.00	162,570,996.00	62,989,224.85	99,581,771.15
<b>403003210</b>		<b>Preventive &amp; Promotive Services</b>	<b>148,000,000.00</b>	<b>(68,000,000.00)</b>	<b>80,000,000.00</b>	<b>80,000,000.00</b>	-
	403043210	SP4 Preventive and Promotive Services	148,000,000.00	(68,000,000.00)	80,000,000.00	80,000,000.00	-
<b>404003210</b>		<b>Environmental health &amp; Sanitation</b>	<b>11,500,000.00</b>	-	<b>11,500,000.00</b>	<b>9,782,398.70</b>	<b>1,717,601.30</b>
	404013210	Waste management	3,600,000.00	-	3,600,000.00	3,556,368.00	43,632.00
	404023210	Public Health & licensing	7,900,000.00	-	7,900,000.00	6,226,030.70	1,673,969.30
<b>502003210</b>		<b>Education and Training Programme</b>	<b>35,200,000.00</b>	<b>16,272,760.00</b>	<b>51,472,760.00</b>	<b>14,936,061.05</b>	<b>36,536,698.95</b>
	502013210	Promotion of Early Childhood Education	35,200,000.00	16,272,760.00	51,472,760.00	14,936,061.05	36,536,698.95
<b>503003210</b>		<b>Sports &amp; Youth</b>	<b>87,573,261.00</b>	<b>(18,575,262.00)</b>	<b>68,997,999.00</b>	<b>50,392,342.00</b>	<b>18,605,657.00</b>

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		<b>Development</b>					
	503013210	Village Polytechnics	66,500,000.00	(21,500,000.00)	45,000,000.00	36,000,000.00	9,000,000.00
	503043210	Youth and Sports	21,073,261.00	2,924,738.00	23,997,999.00	14,392,342.00	9,605,657.00
<b>504003210</b>		<b>Social Services</b>	<b>10,000,000.00</b>	<b>28,000,000.00</b>	<b>38,000,000.00</b>	<b>29,993,942.20</b>	<b>8,006,057.80</b>
	504013210	Social Development	5,000,000.00	26,052,709.00	31,052,709.00	23,046,651.20	8,006,057.80
	504023210	Woman Empowerment	5,000,000.00	1,947,291.00	6,947,291.00	6,947,291.00	-
<b>703003210</b>		<b>Administration, planning and support services.</b>	<b>72,500,000.00</b>	<b>(25,243,763.00)</b>	<b>47,256,237.00</b>	<b>5,589,920.50</b>	<b>41,666,316.50</b>
	703013210	Administration Services	72,500,000.00	(25,243,763.00)	47,256,237.00	5,589,920.50	41,666,316.50
<b>Grand Total Dev</b>			<b>1,016,312,158.00</b>	<b>276,118,885.00</b>	<b>1,292,431,043.00</b>	<b>796,387,912.90</b>	<b>496,043,130.10</b>
<b>Grand Total Combine</b>			<b>3,109,583,560.00</b>	<b>693,801,112.00</b>	<b>3,803,384,672.00</b>	<b>3,175,840,686.15</b>	<b>627,543,985.85</b>

#### **14. Significant Accounting Policies**

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

##### **a) Statement of compliance and basis of preparation**

The financial statements have been prepared in accordance with Cash-basis IPSAS financial reporting under the cash basis of accounting, as prescribed by the PSASB and set out in the accounting policy notes below. This cash basis of accounting has been supplemented with accounting for;

a) Receivables that include imprests and salary advances and

b) Payables that include deposits and retentions.

The receivables and payables are disclosed in the Statement of Assets and Liabilities. The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the County Executive all values are rounded to the nearest Kenya Shilling. The accounting policies adopted have been consistently applied to all the years presented. The financial statements comply with and conform to the form of presentation prescribed by the PSASB.

##### **b) Reporting entity**

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

##### **c) Recognition of receipts and payments**

###### **i) Recognition of receipts**

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

**ii) Transfers from the County Revenue Fund (CRF)**

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

**iii) Proceeds from sale of assets**

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

**d) Recognition of payments**

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

**i) Compensation of employees**

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

**ii) Use of goods and services**

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

**iii) Interest on borrowing**

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

**iv) Repayment of borrowing (principal amount)**

The repayment of principal amount of borrowing is recognized as payment in the period in which the repayment is made. The stock of debt is disclosed as an annexure to the County consolidated financial statements.

**v) Acquisition of fixed assets**

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

**e) In-kind contributions**

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

**f) Third Party Payments**

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

**g) Cash and cash equivalents**

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

***Restriction on cash***

Restricted cash represents amounts that are limited /restricted from being used to settle a liability for at least twelve months after the reporting period. This cash is limited for direct use as required by stipulation. Amounts maintained in deposit bank accounts are restricted for use in refunding third party deposits. As at June 30, 2023, this amounted to KShs 93,242,200 compared to KShs 106,568,499 in prior period as indicated on note 15. *(There were no other restrictions on cash during the year)*

**h) Imprests and Advances**

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

**i) Third Party Deposits and Retention**

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

**j) Non-current assets**

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

**k) Pending bills**

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

**l) Contingent Liabilities**

A contingent liability is:

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

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

The County Executive does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote. Note xx and *Annex 7* of this financial statement is a register of the contingent liabilities in the year.

**m) Contingent Assets**

The County Executive does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the County Executive in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are

appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

**n) Budget**

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The County Executive's budget was approved as required by Law and as detailed in the County Revenue Allocation Act. The original budget was approved by the County Assembly on Lamu for the period July 1, 2022 to June 30, 2023 as required by law. There was Two (2) number of supplementary budgets passed in the year. A high-level assessment of the County Executive's actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

**o) Comparative figures**

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

**p) Subsequent events**

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

**q) Prior Period Adjustment**

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

**r) Related Party Transactions**

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

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

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

## 15. Notes to the Financial Statements

### 1. Transfer from the CRF

Description	2022 – 2023	2021 - 2022
	Kshs	Kshs
Total exchequer releases for quarter 1	467,309,190	332,709,440
Total exchequer releases for quarter 2	531,865,193	782,989,312
Total exchequer releases for quarter 3	690,451,279	617,761,001
Total exchequer releases for quarter 4	1,334,123,276	1,405,328,702
<b>Total</b>	<b>3,023,748,938</b>	<b>3,138,788,455</b>

### 2. Miscellaneous Receipts

Description	2022 – 2023	2021 - 2022
	Kshs	Kshs
<b>Total</b>	-	-

### 3. Compensation of Employees

Description	2022 – 2023	2021 - 2022
	Kshs	Kshs
Basic salaries of permanent employees	610,240,538	570,234,142
Basic wages of temporary employees	63,802,665	84,513,069
Personal allowances paid as part of salary	725,972,187	686,173,055
Personal allowances paid as reimbursements	1,446,452	1,536,000
Employer contribution to compulsory national social schemes	54,297,270	44,910,225
<b>Total</b>	<b>1,455,759,111</b>	<b>1,387,366,491</b>

*Note: The increase of Compensation of Employees resulted from the new recruitment of employees (ECDE teachers, Nurses, Medical Specialists, An Architectural Assistant and an Engineer), annual increment on the basic salary which also resulted to increase in pension and the review of salaries for CECMs and the CS also contributed to change in total salaries paid to Employees.*

Notes to the Financial Statements (Continued)

4. Use of Goods and Services

Description	2022 – 2023	2021 - 2022
	Kshs	Kshs
Utilities, supplies and services	58,688,810	67,971,129
Communication, supplies and services	13,237,768	15,516,309
Domestic travel and subsistence	91,719,188	122,289,679
Foreign travel and subsistence	1,263,330	1,268,258
Printing, advertising and information supplies & services	9,832,583	2,902,262
Rent and Rates	3,589,139	4,930,996
Training expenses	9,332,529	20,336,840
Hospitality supplies and services	31,917,200	12,848,057
Insurance costs	156,958,073	220,044,581
Specialized materials and services	160,716,103	134,027,873
Office and general supplies and services	10,592,357	11,493,782
Fuel, oil and lubricants	68,268,975	55,007,227
Other operating expenses (including bank charges)	43,504,014	61,772,723
Routine maintenance - vehicles and other transport equipment	22,546,652	11,526,148
Routine maintenance - other assets	7,396,636	4,792,344
<b>Total</b>	<b>689,563,357</b>	<b>746,728,208</b>

5. Subsidies

Description	2022 – 2023	2021 - 2022
	Kshs	Kshs
<b>Total</b>	-	-

Notes to the Financial Statements (Continued)

6. Transfer to other Government entities

Description	2022 – 2023	2021 - 2022
	Kshs	Kshs
Other Current Grant and Transfer	79,480,495	-
Other Capital Grant and Transfer	180,201,851	399,426,929
Transfer to CRF	16,132,134	-
<b>Total</b>	<b>275,814,479</b>	<b>399,426,929</b>

7. Other Grants and Transfers

Description	2022 – 2023	2021 - 2022
	Kshs	Kshs
Scholarships and other educational benefits	131,997,978	176,400,000
Emergency relief and refugee assistance	1,363,250	77,698,400
<b>Total</b>	<b>133,361,228</b>	<b>254,098,400</b>

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

8. Social Security Benefits

Description	2022 – 2023	2021 - 2022
	Kshs	Kshs
Social Security Benefits	45,676,554	41,980,914
Employer Social Benefits	-	-
<b>Total</b>	<b>45,676,554</b>	<b>41,980,914</b>

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

9. Acquisition of Assets

Non- Financial Assets	2022 – 2023	2021 - 2022
	Kshs	Kshs
Construction of buildings	22,506,956	210,850,293
Refurbishment of buildings	12,288,843	12,362,840
Construction of roads	137,515,953	161,273,905
Construction and civil works	168,736,701	91,464,702

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Overhaul, refurbishment of construction & civil works	3,497,812	-
Purchase of vehicles and other transport equipment	57,674,160	58,851,130
Purchase of household furniture & institutional equipment	678,920	136,030
Purchase of office furniture and general equipment	23,669,876	29,970,744
Purchase of specialized plant, equipment & machinery	28,070,303	5,653,866
Purchase of certified seeds, breeding stock & live animals	32,999,397	37,844,503
Rehabilitation of civil works	2,499,713	20,545,812
Purchase of specialized plants	27,394,099	47,000
Other domestic account receivables	43,265,359	61,586,691
<b>Total acquisition of non- financial assets</b>	<b>560,798,092</b>	<b>690,587,515</b>
<b>Financial Assets</b>		
<b>Total acquisition of financial assets</b>	-	-
<b>Total acquisition of assets</b>	<b>560,798,092</b>	<b>690,587,516</b>

10. Finance Costs, including Loan Interest

Description	2022 – 2023	2021 – 2022
	Kshs	Kshs
Bank Charges	-	600
<b>Total</b>	-	<b>600</b>

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

Description	2022 – 2023	2021 - 2022
	Kshs	Kshs
<b>Total</b>	-	-

12. Other Payments

Description	2022 – 2023	2021 - 2022
	Kshs	Kshs
Civil Contingency Reserves (Emergency Fund)	10,000,000	7,000,000
Capital Transfer to Non - Financial Public Enterprises	21,000,000	-
<b>Total</b>	<b>31,000,000</b>	<b>7,000,000</b>

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

*Amount under Capital Transfer to Non – Financial Enterprises are for Water Sector Trust Fund's Sustainable Management and Access to Water and Sanitation in the ASALs Programme (SWASAP)*

## 13. Cash and Bank Balances

## 13A. Bank Balances

Name of Bank, Account Name & Account Number	Currency	Indicate whether Rec, Dev, Dep e.t.c	2022 – 2023	2021 - 2022
			Kshs	Kshs
CBK Lamu County Development Account A/C 1000171057	Ksh	Development	8,682,672	26
CBK Lamu County Recurrent Account A/C 1000171146	Ksh	Recurrent	28,305,522	10,081,877
CBK Lamu County Deposit Account A/C 1000242857	Ksh	Deposit	83,202,806	95,431,486
CBK Lamu County Special Purpose Account A/C 1000268263	Ksh	Special Purpose	-	56,619,171
CBK Lamu County Village Polytechnic Project A/C 1000367202	Ksh	Recurrent	2	2
CBK Kenya Devolution Support Program (KDSP) A/C 1000371242	Ksh	Recurrent	5,132,506	45,302,506
CBK Lamu County Fuel Levy Account A/C 1000247177	Ksh	Fuel Levy	8,631,794	8,631,794
CBK Lamu County Kenya Urban Support Program Account A/C 1000371234	Ksh	Special Purpose	-	-
CBK Kenya Climate Smart Agriculture Project Account A/C 1000365757	Ksh	Special Purpose	-	701,901
CBK Lamu County Urban Institution Grant Account A/C 1000419008	Ksh	Special Purpose	800	-
CBK Agriculture Sector Development Support Program II A/C 1000365765	Ksh	Special Purpose	307,175	-
CBK Lamu County – Covid-19 Response A/C 1000457474	ksh	Conditional Grant	2,839,717	2,839,717
CBK Lamu County Primary Health care A/C 1000567848	Ksh	Conditional Grant	5,089,125	-

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CBK Lamu County Climate Change Fund A/C 1000649682	Ksh	Conditional Grant	87,540	-
KCB Standing Imprest Account A/C 1140745603	Ksh	Recurrent	-	1,144,145
KCB Lamu County Salary Control Account A/C 1179132424	Ksh	Salary Control	-	2,014,300
KCB Kenya Climate Smart Agriculture Program Account A/C 1226731414	Ksh	Special Purpose	2,799	52,143,781
KCB Lamu County ASDSP II Account A/C 1240334540	Ksh	Special Purpose	11,444,042	31,477,419
DTB County Executive Gratuity Account A/C 0030469001	Ksh	Gratuity Account	9,117,716	11,137,013
EQUITY Lamu County Government Salary Account A/C 1590265264437	Ksh	Salary Control	-	1,332,798
EQUITY Lamu Municipality Urban Institutional Account A/C 1590279012840	Ksh	Special Purpose	5,507,261	13,150,302
EQUITY Lamu County Kenya Urban Support Program A/C1590279012879	Ksh	Special Purpose	41,215	17,882,869
Gulf Bank Lamu County Salary Account A/C 0570000501	Ksh	Salary Account	-	738,284
<b>Total</b>			<b>168,392,691</b>	<b>350,629,392</b>

*Note: Amounts are as per Cash Book and Bank Reconciliation Statement prepared for each account held*

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13 B Cash in Hand

Description	2022 – 2023	2021 - 2022
	Kshs	Kshs
Cash in hand - Held in Domestic Currency	-	69,060
Cash in hand - Held in Foreign Currency	-	-
<b>Total</b>	<b>-</b>	<b>69,060</b>

Cash in hand should also be analysed as follows:

Description	2022 – 2023	2021 - 2022
	Kshs	Kshs
County Treasury/Revenue Offices	-	29,760
Other Islands	-	39,300
<b>Total</b>	<b>-</b>	<b>69,060</b>

14. Outstanding imprests and advances

Description	2022 – 2023	2021 - 2022
	Kshs	Kshs
Government Imprests	-	166,100
<b>Total</b>	<b>-</b>	<b>166,100</b>
<i>Breakdown of Imprest and Salary Advance per Department</i>		
	2022 – 2023	2021 - 2022
<i>Imprest</i>	Kshs	Kshs
Department of Fisheries	-	136,100
Department of Municipality	-	30,000
<b>Sub-Total</b>	<b>-</b>	<b>166,100</b>
Salary Advance	-	-
<b>Sub-Total</b>	<b>-</b>	<b>-</b>
<b>Grand Total</b>	<b>-</b>	<b>166,100</b>

15. Deposits and Retention

Description	2022 – 2023	2021 - 2022
	Kshs	Kshs
Deposits	83,202,806	95,431,486
Gratuity	9,117,716	11,137,013
<b>Total</b>	<b>92,320,522</b>	<b>106,568,500</b>

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Ageing analysis: (Deposits and Retentions)	2022 - 2023	% of the Total	2021 - 2022	% of the Total
Under one year	31,914,320	38%	-	%
1 - 2 years	46,771,443	56%	-	%
2 - 3 years	2,497,698	3%	-	%
Over 3 years	2,019,345	2%	95,431,486	100%
<b>Total</b>	<b>83,202,806</b>	<b>100%</b>	<b>95,431,486</b>	<b>100%</b>
Ageing analysis: (Gratuity)	2022 - 2023	% of the Total	2021 - 2022	% of the Total
Under one year	906,540	10%	-	0%
1 - 2 years	-	0%	-	0%
2 - 3 years	-	0%	-	0%
Over 3 years	8,211,176	90%	11,137,013	100%
<b>Total</b>	<b>9,117,716</b>	<b>100%</b>	<b>11,137,013</b>	<b>100%</b>

16. Fund Balance Brought Forward

Description	2022 - 2023	2021 - 2022
	Kshs	Kshs
Bank Accounts	350,629,392	1,723,312,017
Cash in Hand	69,060	48,280
Outstanding Imprests and Advances	166,100	535,450
Third party deposits and retention	(106,568,500)	(96,667,173)
<b>Total</b>	<b>244,296,052</b>	<b>1,627,228,574</b>

17. Prior Year Adjustments

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

Description	Balance b/f from Previous FY as per audited financial statements	Adjustments during the year relating to prior periods	Adjusted ** Balance b/f For previous FY
Description of the Error	Kshs	Kshs	Kshs
<b>Total</b>	-	-	-

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

Description	2022 – 2023	2021 - 2022
	Kshs	Kshs
Imprest and Advances as at 1 <sup>st</sup> July (A)	166,100	535,450
Imprest and Advances as at 30 <sup>th</sup> June (B)	-	(166,100)
Increase)/ Decrease in Imprest and Advances (C=(B-A))	<b>166,100</b>	<b>369,350</b>

**19. Increase/ (Decrease) in Deposits and Retention**

Description	2022 – 2023	2021 - 2022
	Kshs	Kshs
Deposits and Retention s as at 1 <sup>st</sup> July (A)	(106,568,500)	(96,667,173)
Deposits and Retention as at 30 <sup>th</sup> June (B)	92,320,522	106,568.500
Increase/ (Decrease) in Deposits and Retentions C= B-A	<b>(14,247,978)</b>	<b>9,901,327</b>

20. Other Important Disclosures

1. Pending Accounts Payable (See Annex 2)

Description	Balance b/f	Additions for	Paid during	Balance c/f
	2021-2022	the year	the year	2022-2023
	Kshs	Kshs	Kshs	Kshs
Construction of Buildings	9,691,542	14,247,557	3,766,335	20,172,764
Construction of Civil Works	985,117	7,482,999	-	8,468,116
Supply of Goods	10,045,978	21,375,324	3,774,956	27,646,345
Supply of Services	52,354,609	3,035,558	42,477,366	12,912,801
<b>Total</b>	<b>73,077,246</b>	<b>46,141,438</b>	<b>50,018,657</b>	<b>69,200,027</b>

2. Pending Staff Payables (See Annex 3)

Description	Balance b/f	Additions for	Paid during	Balance c/f
	Insert Comparative	the year	the year	(insert current
	FY	Kshs	Kshs	FY
	Kshs	Kshs	Kshs	Kshs
<b>Total</b>	-	-	-	-

3. Other Pending Payables (See Annex 4)

Description	Balance b/f	Additions for	Paid during	Balance c/f
	Insert Comparative	the year	the year	(insert current
	FY	Kshs	Kshs	FY
	Kshs	Kshs	Kshs	Kshs
<b>Total</b>	-	-	-	-

4. External Assistance

Description	2022 – 2023	2021 - 2022
	Kshs	Kshs
<b>Total</b>	-	-

a) External assistance relating to loans and grants

Description	2022 – 2023	2021 - 2022
	Kshs	Kshs
<b>Total</b>	-	-

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b) Undrawn external assistance

Description	Purpose for which the undrawn external assistance may be used	2022 – 2023	2021 - 2022
		Kshs	Kshs
Total		-	-

c) Classes of providers of external assistance

Description	2022 – 2023	2021 - 2022
	Kshs	Kshs
Total	-	-

d) Non-monetary external assistance

Description	2022 – 2023	2021 - 2022
	Kshs	Kshs
Total	-	-

e) Purpose and use of external assistance.

Description	2022 – 2023	2021 - 2022
	Kshs	Kshs
Total	-	-

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

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

Description	2022 – 2023	2021 - 2022
	Kshs	Kshs
Total	-	-

**Other Important Disclosures**

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

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

**5.1 Classification by Source**

Description	2022 – 2023	2021 - 2022
	Kshs	Kshs
<b>Total</b>	-	-

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

Description	2022 – 2023	2021 - 2022
	Kshs	Kshs
<b>Total</b>	-	-

**Other Important Disclosures**

**6. Related Party Disclosures**

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

The following comprise of related parties to the County Executive:

- i) Key management personnel that include the Governor, the Deputy Governor Members of the County Assembly, CECs and Chief Officers for various County Ministries and Departments.
- ii) County Ministries and Departments.
- iii) The National Government.
- iv) Other County Governments Entities and
- v) State Corporations and Semi-Autonomous Government Agencies.

**Related party transactions**

Description	2022 – 2023	2021 - 2022
	Kshs	Kshs
Key Management Compensation (Governor, CEC Members And Cos)		
<b>Transfers To Related Parties</b>		
Transfers to County Assembly	362,476,400	346,897,160
Transfers to County Government Entities	162,945,269	189,400,000
Transfers to Non-Reporting Entities E.G Schools And Welfare	-	-
Transfers to County Water Service Providers	31,000,000	35,000,000
Expenses paid on Behalf of County Water Service Providers	9,762,624	14,900,356
<b>Total Transfers To Related Parties</b>	<b>566,184,293</b>	<b>586,197,516</b>
<b>Transfers From Related Parties</b>		
Transfers From the CRF	3,354,101,613	2,857,197,442
Transfers From National Government MDAs	102,529,473	23,455,050
Transfers From SCs And SAGAs - National Government	-	-
<b>Total Transfers From Related Parties</b>	<b>3,456,631,086</b>	<b>2,880,652,492</b>

**Other Important Disclosures**

**7. Establishment of other County Government Entities**

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

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

**8. Leasing of Medical Equipment**

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

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**9. Contingent Liabilities**

<b>Contingent Liabilities</b>	<b>2022 - 2023</b>	<b>2021 - 2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Court Cases Against the Entity	5,000,000	-
<b>Total</b>	<b>5,000,000</b>	<b>-</b>

### 16. Progress On Follow Up On Prior Year Auditor’s Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.0	Variations between Trial balances and Ledgers in Financial Statement	The issue needs support from National Treasury (IFMIS) to clear the balances in the Trial Balance	Not Resolved	Awaiting support from IFMIS Department for Assistance
2,0	Unreconciled variances in Exchequer releases	Variations reconciled	Resolved	FY 2022/2023
3.0	Unreconciled variance in Compensation of Employees	Variations reconciled	Resolved	FY 2022/2023
4.1	Routine Maintenance of Vehicles and Other Transport Equipment	Pre-inspection and Post inspection certificates authority and documentations provided	Resolve	FY 2022/2023
4.2	Domestic Travel and Subsistence	Supporting documents are to be provided	Resolve	FY 2022/2023
5.0	Unsupported Transfers to Other Government Entities	Returns and report for the entities have been prepared.	Resolve	FY 2022/2023
6.0	Over statement of bank balances	Management has make necessary action	Not Resolve	FY 2023/2024
7.0	Unsupported pending bills	The management is settling the Pending Bills	Resolved	FY 2022/2023
1.0	Budgetary Control and Performance	The management is putting more effort to absorbed	Resolve	FY 2022/2023

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<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
2.0	Late Exchequer Releases	The Management in consultation with National Treasury to release fund in time	Not Resolve	FY 2022/2023
1.0	Failure to Submit Financial Statements	The management put effort to prepare the reports	Not Resolve	FY 2023/2024
2.1	Non-Compliance with the Fiscal Responsibility Principles on Wage Bill	The Management will make sure to adhere with fiscal responsibility	Resolve	FY 2022/2023
2.2	Discriminatory Recruitment of Employees	The Management has put all necessary effort	Resolve	FY 2022/2023
2.3	Irregular Engagement of Casual Employees	The Management is putting necessary action to engage casual through proper procedure	Not Resolve	FY 2022/2023
2.4	Irregular Promotions and Re-Designation of Staff	Random selection of staff appraisals for Lamu County Staff who were promoted in the financial year ended 30 <sup>th</sup> June 2022	Resolve	FY 2022/2023
2.5	Non-Compliance with the to One Third Basic Salary Rule	The officers had already overcommitted their pay slips to the maximum; hence compulsory implementation of the directive stretched their pay slips beyond two thirds (2/3) of basic salary.	Not Resolve	FY 2023/2024

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
2.6	Payment of Salaries Outside the IFMIS and IPPD	Inactive Personal Number	Not Resolve	FY 2023/2024
3.0	Irregular Operation of Salary Bank Accounts in Commercial Banks	These are Account for Salary control accounts were opened by the County Executive to facilitate payment of employee's salary	Resolve	FY 2022/2023
4.0	Delay in Implementation of Projects	Due to the uniqueness of the County in terms of its geographical area where mostly is covered by water surface attribute in the implementation of the project	Not Resolve	FY 2022/2023
6.1	Irregular Splitting of Contract	We considered the nature of goods to be purchased and prepared two quotations	Resolve	FY 2022/2023
6.2	Irregular Contract on Cleaning Services and Landscaping	The Management engaged the procurement of the above services competitively	Resolve	FY 2022/2023
7.0	Delayed Construction of a Pitch at Lamu Boys	The management is taking necessary action to resolve the issue	Not Resolve	FY 2023/2024
7.2	Delayed Pipeline Extensions of Siyu-Pate Reticulation Systems	The management is taking necessary action to resolve the issue	Not Resolve	FY 2023/2024
7.3	Irregular Procurement for	The management has taken necessary action to resolve	Resolve	FY 2023/2024

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	the Purchase of Cashew Nuts	the issue		
8.0	Lack of Implementations of the Recommendations of Oversight Bodies	A number of recommendations given have been implemented	Resolved	FY 2022/2023
1.0	Lack of Approved Information Communication Technology Policy	Process is under way to develop ICT policy	Not Resolved	FY 2023/2024
2.0	Lack of Risk Management Policy and Framework	Draft risk management policy framework has been developed	Not resolved	FY 2023/2024
3.0	Lack of a Complete Fixed Asset Register	The asset register has been updated	Resolved	FY 2022/2023
4.0	Grounded Motor Vehicles	Measures have been taken to repair and service the grounded vehicles	Not resolved	FY 2023/2024



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

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17. Annexes

Annex 1 - Analysis of Transfers from the CRF

2022 -2023	Quarter 1 (Kshs.)	Quarter 2 (Kshs.)	Quarter 3 (Kshs.)	Quarter 4 (Kshs.)	Total (Kshs.)
County Executive - Rec	467,309,190	529,651,101	606,956,061	682,145,093	2,286,061,455
County Executive - Dev	-	2,214,092	43,461,461	593,982,468	639,658,021
County Assembly - Rec	29,052,700	76,312,400	127,358,400	129,752,900	362,476,400
DANIDA Grant Primary Health Care in Devolved Context	-	-	-	8,348,625	8,348,625
Financing Locally Led Climate Action Program-FLLOCA	-	-	-	11,000,000	11,000,000
Agricultural Sector Development Support Programme (ASDSP II)	-	-	5,500,000	14,604,297	20,104,297
Urban Institutional Grant (UIG)	-	-	-	2,339,915	2,339,915
Kenya Climate Smart Agriculture Project	-	-	15,000,000	5,236,636	20,236,636
Village Polytechnic	-	-	-	36,000,000	36,000,000
<b>Total</b>	<b>496,361,890</b>	<b>608,177,593</b>	<b>817,809,679</b>	<b>1,483,409,934</b>	<b>3,386,225,339</b>

## Annex 2 - Analysis of Pending Accounts Payable

Payee	Description	Balance at the beginning of the year	Addition During the year	Amount paid During the year	Outstanding Balance
<b>Construction of Building</b>					
Bin Affan General Supplier	Renovation of fisheries office toilets	-	498,347	-	498,347
Disak General Contractors	Renovation works HQ	-	3,007,319	-	3,007,319
Damunyu general suppliers	Construction of command centre	-	900,850	-	900,850
Sightway Limited	Construction of two (2) ECDE classrooms and two (2) door toilet at Mwangaza	-	2,800,000	-	2,800,000
Elovas Limited	Construction of two (2) ECDE classrooms and two (2) door toilet at Juhudi	-	3,299,058	-	3,299,058
Elovas Limited	Construction of two (2) ECDE classrooms and two (2) door toilet at Mkunumbi	-	898,923	-	898,923
Elovas Limited	Construction of two (2) ECDE classrooms and two (2) door toilet at Zebra	-	749,841	-	749,841
Mulabwa Enterprises	Construction of two (2) door toilet at Bopwe	-	751,506	-	751,506
Mulabwa Enterprises	Construction of two (2) door toilet at Miruji	-	760,322	-	760,322
Mulabwa Enterprises	Proposed construction of toilet block at Mpeketoni open air market	2,998,692	-	2,998,692	-

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Al-Awsi Kizingitini Enterprise	Construction & completion of dhow crafting shed at Kinzingitini	238,206	-	-	238,206
Sightway Limited	Construction of Tewe pasture production project	1,470,114	-	-	1,470,114
M/S Supersurv Limited	Construction of perimeter wall at Shella dumping site	-	581,391	-	581,391
BimSPORT Maintenance	Construction of type O dispensary at Chalaluma	1,539,519	-	-	1,539,519
Bilul Logistics	Construction of incinerator at Kiunga Dispensary	681,268	-	-	681,268
Open Yard Developers	Construction of delivery unit at Muhamarani	128,180	-	-	128,180
M'Big Company Ltd	Construction of perimeter wall at Mpeketoni Sub-County Hospital	367,920	-	-	367,920
Mulabwa Enterprises	Renovation of proposed laundry facility at Mpeketoni	1,500,000	-	-	1,500,000
Waseelan Investment Ltd	Renovation of dispensary at Shanga Rubu	767,643	-	767,643	(0)
<b>Sub Total</b>		<b>9,691,542</b>	<b>14,247,557</b>	<b>3,766,335</b>	<b>20,172,764</b>
<b>Construction of Civil Works</b>					
Mwanyiro Associated limited	Construction of water pans at Kiangwe	-	5,000,000	-	5,000,000
Jitokeshe Enterprises	Construction of Basketball court at Muungano	-	1,497,999	-	1,497,999
Taneem General Supplier Ltd	Storm water drainage works and paving of Shella streets.	-	985,000	-	985,000
Mutleen & Sons Limited	Proposed access road and gate at Majembeni market	985,117	-	-	985,117
<b>Sub Total</b>		<b>985,117</b>	<b>7,482,999</b>	<b>-</b>	<b>8,468,116</b>

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Supply of Goods					
Central Fuel & Lubricants	Supply & delivery of gasoline or petrol	306,000	-	306,000	-
Amantu Enterprises	Supply and delivery of solar stationery	-	321,000	-	321,000
Assalamah Enterprises Limited	Supply and delivery of laptop	-	258,000	-	258,000
Central Fuel and Lubricants	Supply and delivery of Petrol	-	54,940	-	54,940
Central Fuel and Lubricants	Supply and delivery of Petrol, Diesel and oil	-	352,270	-	352,270
Amu Water	Supply & delivery drinking water	172,000	-	172,000	-
Central Fuel and Lubricants	Supply and delivery of Diesel	-	55,000	-	55,000
Duhagu General Supplies Company Ltd	Supply and delivery of solar streetlight equipment	-	2,997,100	-	2,997,100
Central Fuel and Lubricants	Supply of Fuel	-	497,400	-	497,400
Greatlight Kenya Ltd	Supply and delivery of office furniture and fittings	-	499,000	-	499,000
Greatlight Kenya Ltd	Supply and delivery of computer accessories	-	250,000	-	250,000
Waseelan Investment Ltd	Supply and delivery of laptop and printer	175,000	-	-	175,000
Marwaa General Supply	Supply of Laptop	-	1,077,500	-	1,077,500
Yussuf Al Burahan General Suppliers LTD	Supply of Fire Fighting Items	-	420,000	-	420,000
Witu Contractors	Supply of office catering items	465,000	-	-	465,000
Tiraz Interior and Renovation Ltd	Extension cables and flash disk	72,200	-	-	72,200
Nyathi Agencies Ltd	Mobile phones and flash disks	89,200	-	-	89,200

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Amu Project Limited	Staff uniform (T-Shirts)	450,000	-	-	450,000
Davis & Shirliff	Purchase of water pumps	174,500	-	-	174,500
Al-Raidy Store	Supply of petrol, diesel and malube oil	273,000	-	-	273,000
New Chato Enterprises	Supply of food stuff at LCH	99,975	-	-	99,975
Mkumbi Construction Company Ltd	Payable for supply of food stuff	406,940	-	-	406,940
Damunyu General Supply	Payable for supply of food stuff	741,271	-	-	741,271
An-Noor Hardware	Supply of sanitary materials	31,490	-	-	31,490
Jonka Enterprises	Supply of tires	168,000	-	-	168,000
Supakreative Enterprise Ltd	Supply of tonners	397,798	-	397,798	-
Supakreative Enterprise Ltd	Supply of tonners	39,000	-	39,000	-
Kenya Medical Supplies Authority	Supply of medical drugs	1,305,143	-	-	1,305,143
BOC Kenya PLC	Refilling of oxygen cylinders	138,663	-	138,663	-
Lamahuran Investments	Supply of spare parts for generator	416,000	-	-	416,000
Elovas Limited	Supply and delivery of food stuff at LCH	450,140	-	-	450,140
Mkumbi Construction Company Ltd	Supply of food stuff at Mpeketoni Sub-County Hospital	699,925	-	-	699,925
Stanley G. Muthuri	Supply of foodstuff to Faza Sub-County Hospital	150,650	-	150,650	-
Indepth Scientific Ltd	Supply of medical equipment	570,925	-	570,925	-
Mission for Essential Drugs	Supply of medical drugs	253,238	-	-	253,238
Elovas Ltd	Supply of food and rations	-	443,607	-	443,607
Elovas Ltd	Supply of food and rations	-	489,435	-	489,435
Elovas Ltd	Supply of food and rations	-	375,982	-	375,982

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Elovas Ltd	Supply of food and rations	-	491,002	-	491,002
Elovas Ltd	Supply of food and rations	-	455,235	-	455,235
Elovas Ltd	Supply of food and rations	-	461,315	-	461,315
Mkumbi Construction Company Ltd	Supply of food and rations	-	366,942	-	366,942
Damunyu General Suppliers	Supply of food and rations	-	306,675	-	306,675
Stanley G Muthuri Enterprises	Supply of food and rations	-	149,015	-	149,015
Stanley G Muthuri Enterprises	Supply of food and rations	-	146,835	-	146,835
Mkumbi Construction Company Ltd	Supply of food and rations	-	365,282	-	365,282
Kenya Medical Supplies Authority	Supply and delivery of medical equipment	-	1,054,200	-	1,054,200
Kenya Medical Supplies Authority	Supply of medical drugs	-	1,536,750	-	1,536,750
Kenya Medical Supplies Authority	Supply and delivery of medical equipment	-	989,108	-	989,108
Sea Side Motors	Supply of motor vehicles spare parts	-	155,937	-	155,937
Mediquip	Supply of neonatal SPO2 probes	-	225,500	-	225,500
Nairobi Enterprises	Supply of Oxygen	-	50,000	-	50,000
Newera Enterprise	Supply and delivery of general office supplies	-	796,191	-	796,191
Damunyu General Supply	Supply of Food Staff Lamu County Hospital	-	890,450	-	890,450
Birostar Limited	Supply and delivery of corporate staff uniform	-	147,000	-	147,000
Birostar Limited	Supply and delivery of toners	-	198,000	-	198,000
Birostar Limited	Supply and delivery of catering items	-	111,900	-	111,900

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Waseheelan Investment Ltd	Supply and delivery of laptops and printers	-	175,000	-	175,000
Modile Dry Land Frontier	Supply and Delivery of general office supplies	-	58,500	-	58,500
Bahassan Vegetables	Catering	-	56,020	-	56,020
Kellers Kustoms Limited	Supply and delivery of sanitation and cleaning materials	-	1,632,233	-	1,632,233
Pixxie Bott Ltd	Supply and delivery of IT equipment	-	844,100	-	844,100
Raudha Enterprises	Supply and delivery of computer accessories	-	122,900	-	122,900
Coast Plant Nurseries	Supply and delivery of coconut seedlings	1,999,920	-	1,999,920	-
Eco-blue Enterprises Limited	Supply and delivery of Gillnets 5 and 6 with net accessories	-	1,498,000	-	1,498,000
<b>Sub Total</b>		<b>10,045,978</b>	<b>21,375,324</b>	<b>3,774,956</b>	<b>27,646,345</b>
<b>Supply of Services</b>					
Mzambaraunin General Supplier & Construction Company ltd	Supply and delivery of Hospitality supplies	-	214,000	-	214,000
Nation Media Group PLC	Payment for publication of public notice for the preparation of valuation roll in the daily nation and Taifa Leo	-	103,530	-	103,530
University of Nairobi Enterprises & Services Ltd	Provision of technical execution of intervention measures to mitigate cases in the implementation of KDSP in Lamu County	40,170,000	-	40,170,000	-
Nation Media	Provision of Advertisement	-	480,000	-	480,000
Woodland and office park ltd	Rent deposit for liaison office	-	495,579	-	495,579

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Woodland and office park ltd	Rent for liaison office	-	495,579	-	495,579
Maji makubwa Craft tech	Boat repair MV Ushuru	-	447,130	-	447,130
Maji makubwa Craft tech	Boat repair MV Utawala	-	312,930	-	312,930
Maji makubwa Craft tech	Boat repair MV Bajun	-	119,130	-	119,130
Council of Governors	Nairobi office rent	334,636	-	-	334,636
Nation Media Group	Advertisement expenses	172,840	-	-	172,840
Nation Media Group	Advertisement expenses	216,920	-	-	216,920
Nation Media Group	Advertisement expenses	216,000	-	-	216,000
Nation Media Group	Advertisement expenses	126,198	-	-	126,198
Nation Media Group	Advertisement expenses	104,608	-	-	104,608
Peponi Hotel	Provision of catering services	325,400	-	-	325,400
Shimasy Travels	Provision of air travel and related services	432,000	-	-	432,000
Shimasy Travels	Provision of air travel and related services	67,300	-	-	67,300
Shimasy Travels	Provision of air travel and related services	207,500	-	-	207,500
Shimasy Travels	Provision of air travel and related services	148,500	-	-	148,500
Shimasy Travels	Provision of air travel and related services	149,000	-	-	149,000
Shimasy Travels	Provision of air travel and related services	121,000	-	-	121,000
Shimasy Travels	Provision of air travel and related services	114,400	-	-	114,400
Shimasy Travels	Provision of air travel and related services	6,000	-	-	6,000
Shimasy Travels	Provision of air travel and related services	107,800	-	-	107,800
Shimasy Travels	Provision of air travel and related		-	-	61,500

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	services	61,500			
Shimasy Travels	Provision of air travel and related services	169,500	-	-	169,500
Shimasy Travels	Provision of air travel and related services	225,600	-	-	225,600
Shimasy Travels	Provision of air travel and related services	40,000	-	-	40,000
Shimasy Travels	Provision of air travel and related services	61,000	-	-	61,000
Shimasy Travels	Provision of air travel and related services	15,000	-	-	15,000
Shimasy Travels	Provision of air travel and related services	6,000	-	-	6,000
Shimasy Travels	Provision of air travel and related services	1,487,000	-	-	1,487,000
Shimasy Travels	Provision of air travel and related services	195,600	-	-	195,600
Shimasy Travels	Provision of air travel and related services	101,500	-	-	101,500
Baraka Travels	Provision of air travel and related services	141,089	-	-	141,089
Baraka Travels	Provision of air travel and related services	135,720	-	-	135,720
Baraka Travels	Provision of air travel and related services	119,078	-	-	119,078
Takaful Insurance	Provision of annual motor vehicle insurance services	200,000	50,000	-	250,000
Janruffy Universal Traders	Cleaning services for ward offices	21,000	-	-	21,000
Janruffy Universal Traders	Cleaning services for ward offices for August & September	42,000	-	-	42,000

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Lexford Investment	Cleaning services for November 2019 – February 2020	84,000	-	-	84,000
Lexford Investment	Cleaning services for Hongwe ward office	21,000	-	-	21,000
Lexford Investment	Cleaning services for July-August 2019	63,000	-	-	63,000
Lexford Investment	Cleaning services for October 2019	21,000	-	-	21,000
Central Fuels & Lubricants	Repairs of motor vehicle	303,000	-	303,000	-
Nation Media Group	Advertisement expenses	126,198	-	-	126,198
Nation Media Group	Advertisement expenses	104,608	-	-	104,608
Standard Group Limited	Advertisement expenses	216,920	-	-	216,920
Postal Corporation of Kenya	Official box rent	155,403	-	-	155,403
Zippytech Enterprises	Cleaning services for Nov. 2019 – Feb. 2020	84,000	-	-	84,000
Zippytech Enterprises	Cleaning services for Jun 2019	21,000	-	-	21,000
Zippytech Enterprises	Cleaning services for July 2019	63,000	-	-	63,000
Crown Motors Limited	Repair of motor vehicle	80,000	-	-	80,000
Transguard Security Services	Security services for April – June 2022	336,000	-	336,000	-
Kareem Enterprises	Hire of tents for 6 months	726,000	-	605,000	121,000
Total Hospital Solutions Ltd	Payment for the service – repair of theatre oxygen plant	350,000	-	-	350,000
Lake Kenyatta Agricultural Training Centre	Conference fee	156,000	-	-	156,000
Transguard Security Services	Security services at Witu Dispensary	128,000	-	-	128,000
Transguard Security Services	Security services at Witu Dispensary	256,000	-	-	256,000

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Rocek Company Limited	Provision of cleaning services	960,000	-	-	960,000
Gravity Security Services Ltd	Provision of security guard services at Mpeketoni and Mokowe	128,000	-	-	128,000
Gravity Security Services Ltd	Provision of security guard services at Mpeketoni and Mokowe	128,000	-	-	128,000
Phillips East Africa Limited	Payable to the services carried out	139,200	-	-	139,200
Transguard Security Services	Security guard services	64,000	-	-	64,000
New Mahrus Rooftop Hotel	Provision of catering services	115,500	-	115,500	-
Lake Kenyatta Agriculture Training Centre	Provision of conference facilities	187,000	-	-	187,000
Pelican Insurance Brokers	Motor vehicle insurance	947,866	-	947,866	-
The star Publication Limited	Printing and advertising	-	230,330	-	230,330
Aliwaa Ventures	Supply of printing and advertising items	-	87,350	-	87,350
Marwa General Supply	Proposed site clearing at Hindi market	348,225	-	-	348,225
<b>Sub Total</b>		<b>52,354,609</b>	<b>3,035,558</b>	<b>42,477,366</b>	<b>12,912,801</b>
<b>Grand Total</b>		<b>73,077,246</b>	<b>46,141,438</b>	<b>50,018,657</b>	<b>69,200,027</b>

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Annex 3 - Analysis of Pending Staff Payables

Name of Staff	Job Group	Date Contracted	Original Amount	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Previous FY	Comments
			a	b	c=a-b		
<b>Senior Management</b>							
1.							
2.							
<b>Sub-Total</b>							
<b>Middle Management</b>							
3.							
4.							
<b>Sub-Total</b>							
<b>Unionisable Employees</b>							
5.							
6.							
<b>Sub-Total</b>							
<b>Others (specify)</b>							
7.							
8.							
<b>Sub-Total</b>							
<b>Grand Total</b>							

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Annex 4 - Analysis of Other Pending Payables

Name	Brief Transaction Description	Date Contracted	Original Amount	Amount Paid To-Date	Outstanding Balance 20xx	Outstanding Balance 20xx-1	Comments
			a	b	c=a-b		
<b>Amounts Due To National Govt Entities</b>							
1.							
2.							
<b>Sub-Total</b>							
<b>Amounts Due To County Govt Entities</b>							
3.							
4.							
<b>Sub-Total</b>							
<b>Amounts Due To Third Parties</b>							
5.							
<b>Sub-Total</b>							
<b>Others (Specify)</b>							
6.							
<b>Sub-Total</b>							
<b>Grand Total</b>							

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**Annex 5 - Analysis of Imprests and Advances**

**(a) Government Imprest**

<i>Name Of Officer Or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken</i> Kshs	<i>Amount Surrendered</i> Kshs	<i>Balance as at (insert current FY)</i> Kshs
<b>Total</b>		-	-	-

**(b) Salary Advance**


<i>Name Of Officer</i>	<i>Date Advanced</i>	<i>Amount Advanced</i> Kshs	<i>Amount Recovered</i> Kshs	<i>Balance as at (insert current FY)</i> Kshs
<b>Total</b>		-	-	-

Annex 6 - Summary of Non-Current Asset Register

Asset Class	Historical Cost b/f (Kshs) Previous Year	Additions during the year (Kshs)	Disposals during the year (Kshs)	Transfers in/(out) during the year (Kshs)	Historical Cost c/f (Kshs)
Land	-	-	-	-	-
Buildings And Structures	1,638,677,802	22,506,956	-	-	1,661,184,758
Transport Equipment	164,710,393	57,674,160	-	-	222,384,553
Office Equipment, Furniture And Fittings	243,869,753	23,669,876	-	-	267,539,629
ICT Equipment	-	-	-	-	-
Machinery And Equipment	111,263,019	28,070,303	-	-	139,333,322
Heritage And Cultural Assets	-	-	-	-	-
Biological Assets	108,952,244	32,999,397	-	-	141,951,641
Intangible Assets	-	-	-	-	-
Infrastructure Assets- Roads, Rails	-	-	-	-	-
Work In Progress	-	-	-	-	-
<b>Total</b>	<b>2,267,473,211</b>	<b>164,920,692</b>	<b>-</b>	<b>-</b>	<b>2,432,393,903</b>

Annex 7 - Inter Entity Transfers

Ref	Entity	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Cumulative amount transferred. KShs	Amount Confirmed as received. KShs	Difference	Explanation
1.	Lamu County Bursary and Scholarship Fund	30,000,000	25,938,857	63,615,121	12,444,000	131,997,978	131,997,978	-	-
2.	Lamu County Emergency Fund	-	1,500,000	8,500,000	-	10,000,000	10,000,000	-	-
3.	Lamu County Youth Development Fund	-	-	-	7,000,000	7,000,000	7,000,000	-	-
4.	Lamu County Disability Fund	-	-	-	7,000,000	7,000,000	7,000,000	-	-
5.	Lamu County Women Development Fund	-	-	-	6,947,291	6,947,291	6,947,291	-	-
6.	LAWASCO	-	5,000,000	5,000,000	21,000,000	31,000,000	31,000,000	-	-
	<b>Total</b>	<b>30,000,000</b>	<b>32,438,857</b>	<b>77,115,121</b>	<b>54,391,291</b>	<b>75,147,069</b>	<b>75,147,069</b>	<b>-</b>	<b>-</b>

  
 Director Accounting Services  
 County Executive of Lamu

  
 Head of Fund/Project  
 County Executive of Lamu

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Annex 8 - Contingent Liabilities Register

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

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

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

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Annex 9 - Reporting of Climate Relevant Expenditures

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

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Annex 10 - Reporting on Disaster Expenditure

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