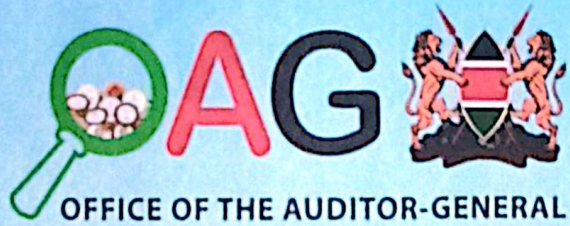


REPUBLIC OF KENYA



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REPORT

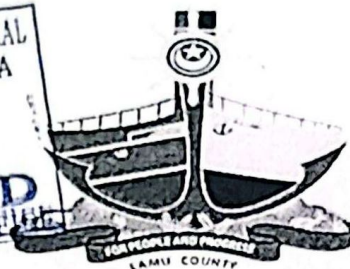
OF

THE AUDITOR-GENERAL

ON

COUNTY EXECUTIVE OF LAMU

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



COUNTY GOVERNMENT OF LAMU

ANNUAL REPORT AND FINANCIA STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2024

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

REPUBLIC OF KENYA

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



Enhancing Accountability

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

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of County Executive of Lamu set out on pages 1 to 48, which comprise the statement of financial assets and liabilities as at 30 June, 2024 and the statement of receipts and payments, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and

Report of the Auditor-General on County Executive of Lamu for the year ended 30 June, 2024

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

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

Basis for Qualified Opinion

1. Inconsistencies and Inaccuracies in the Financial Statements

Review of the financial statements revealed the following:

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

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

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

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

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

The variances arose due to differences in the opening balances.

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

2. Inaccurate Cash and Cash Equivalents Balance

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

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

3. Long Outstanding Deposits and Retentions Balance

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

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

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

Emphasis of Matter

1. Budgetary Control and Performance

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

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

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

2. Late Exchequer Releases

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

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

My opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the matters described in the Basis for Qualified Opinion section of my report, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Matters

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

Other Information

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

In connection with my audit on the County Government of Lamu financial statements, my responsibility is to read the other information and in doing so, consider whether the other

information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Compensation of Employees

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

1.1 Failure to Adhere to Fiscal Responsibility Principles

The statement of comparison of budget and actual amounts reflects total payments budget for compensation of employees of Kshs.1,594,909,387, while the total revenue budget was Kshs.4,131,337,952 out of which Kshs.3,951,337,952 was in respect of equitable share while Kshs.180,000,000 was from own source revenue. The budget on compensation of employees was 39% contrary to Section 107 (2) (c) of the Public Finance Management Act, 2012 which provide that the County Government's expenditure for its public officers shall not exceed a percentage of the County Governments total revenue as prescribed by the County Executive Member for Finance in regulations and approved by the County Assembly. Regulation 25 (1) (a) and (b) of the Public Finance Management (County Governments) Regulations, 2015 provides that County Executive Committee Member with the approval of the County Assembly shall set a limit on the County Government's expenditure on wages and benefits for its public officers pursuant to Section 107(2) of the Act and that the limit set shall not exceed thirty-five (35) percent of the County Government's total revenue.

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

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

1.3 Non-Competitive Hiring of Interns

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

1.4 Non-Compliance with Law on Mandatory Retirement Age

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

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

2. Irregular Procurement of Fuel, Oil and Lubricants

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

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

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

3. Irregular Procurement of Food Stuffs

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

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

4. Irregular Procurement of Consultancy Services

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

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

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

The statement of receipts and payments as disclosed in Note 4 under use of goods and services totalling to Kshs.635,385,335 reflects payments totalling Kshs.78,846,374 in respect of other operating expenses (including bank charges) out of which Kshs.597,000 was paid to CSPB National Consultative Forum being annual subscription. However, the authority upon which the payment was made has not been provided contrary to Section 149 (1) of the Public Finance Management Act, 2012 which states that an accounting officer is accountable to the County Assembly for ensuring that the resources of the entity for which the officer is designated are used in a way that is lawful and authorised; and effective, efficient, economical and transparent.

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

6. Irregular Payments to Council of Governors and Frontier Counties

The statement of receipts and payments reflects payments totalling Kshs.116,143,266 in respect of other current transfers, grants and subsidies and as disclosed in Note 6 to the financial statements. Included in these payments is Kshs.4,000,000 made to the Council of Governors and the Frontier Counties Development Council Limited each of which received Kshs.2,000,000 for subscription fees contrary to Section 37 of the Intergovernmental Relations Act, 2012 which provides that the operational expenses in respect of the structures and institutions established in the Act shall be provided for in the annual estimates of the revenue and expenditure of the National Government to cater for the summit, the Council of County Governors, the Technical Committee, Secretariat and the sectoral working group established by the Technical Committee and the sectorial working groups established by the Council.

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

7. Payments Outside the Mandate of the County Government

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

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

8. Misclassification of Payments on Other Grants and Transfers

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

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

9. Acquisition of Assets

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

9.1 Delayed Road Construction Project

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

9.2 Construction and Civil Works

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

a) Delay in Completion of Pipeline Extension Works at Mokowe

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

b) Dormant Manda Yawi-Raskitau Water Project

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

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

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

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

9.3 Delay in the Construction of the Governor's Residence

Included in this amount are payments totalling Kshs.82,741,590 in respect to construction of buildings out of which Kshs.13,499,920.50 was paid to a construction company in respect to construction of the Governor's Residence. As previously reported, the project file revealed that a memorandum of understanding between County Government of Lamu and National Government had been signed on 31 March, 2021 allocating two (2) acres of land for the construction of the residence and the contract for the construction of the residence was signed on 16 February, 2023 between the County Government and contractor at a contract sum of Kshs.44,090,374 with a completion period of twelve (12) months. Further, the contract completion period was extended to 1 March, 2024. Audit inspection of the project done on 7 October, 2024 revealed that the project is still not complete. Delay in project implementation may be an indication of ineffectiveness in management of public resources and prolonged completion of the project may lead to unnecessary additional costs due to inflation.

9.4 Stalled Construction of Lamu County Headquarters

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

Kshs.31,987,330 while the National Government had paid Kshs.11,079,962 which translates to total payments of Kshs.43,067,292 or 34% of the contract sum. However, physical verification of the project carried out in October, 2024 revealed that the contractor requested and obtained an extension of project contract period to 2 November, 2023. However, no additional works had been none during the extension period. Management did not also set aside funds in its budget estimates for implementation of the project, and no additional funding to the project was received from the National Government during the year under review.

9.5 Delay in Completion of Faza Sub-County Headquarters

Included in the payments on construction of buildings totalling Kshs.82,741,590 is Kshs.48,365,894 made to a contractor in respect of construction of the Faza Sub-County Headquarters. Review of the project file revealed that the Management signed a contract agreement with on 23 January, 2023 for a contract sum of Kshs.195,219,070 and a contract completion period of twelve (12) Months. Further, a memorandum of understanding between the National Government and the County Government provided for audit indicated that the cost of the project was to be shared in the ratio of 7 to 3 between the National and County Governments. However, a field verification done on 7 October, 2024 revealed the project was not complete.

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

9.6 Unaccounted for Computers, Laptops, Printers and Photocopiers

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

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

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

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

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

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

10. Grounded Motor Vehicles and Transport Equipment

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

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

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

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

11. Failure to Update Fixed Assets Register

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

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

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

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

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

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

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

13. Project Implementation Status on Acquisition of Assets

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

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

14. Overstated Receipts

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

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

15. Failure to Clear Long Outstanding Pending Bills

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

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

The audit was conducted in accordance with ISSAIs 3000 and 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

Under-Staffed/Dysfunctional Internal Audit Unit

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

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

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

Responsibilities of the Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit


My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the INTOSAI Framework of Professional Pronouncements (IFPP). The Framework requires that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with IFPP will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are

considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

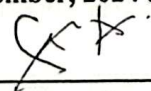
27 December, 2024

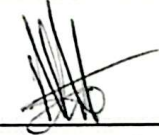
County Government of Lamu
 County Executive of Lamu
 Annual Report and Financial Statements for the year ended June 30, 2024

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

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

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


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

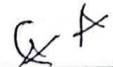

 Director Accounting Services
 Name: CPA Mohamed A. Abubakar
 ICPAK Member No: 23585


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

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

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

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


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


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

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

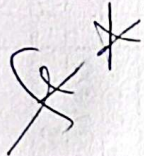
11. Statement of Cash Flows for the period ended 30th June 2024

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

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

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

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



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



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

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

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

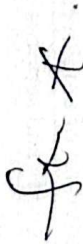
| Receipt/Expense Item | Original Budget a | Adjustments b | Final Budget c=a+b | Actual on Comparable Basis d | Budget Utilization Difference e=c-d | % of Utilization f=d/c% |
|---|----------------------|---------------------|-----------------------|---------------------------------|--|----------------------------|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

**County Government of Lamu
County Executive of Lamu
Annual Report and Financial Statements for the year ended June 30, 2024
Comment on the above table**

The following reasons for under absorption:-

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

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



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



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

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

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

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

**County Government of Lamu
County Executive of Lamu**

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

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



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



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

County Government of Lamu
County Executive of Lamu

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

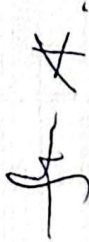
B. Statement of Comparison of Budget & Actual Amounts: Development for the year ended 30th June 2024

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

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

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

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



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



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

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

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

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

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

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

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

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

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

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

Reconciliation

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

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

13. Significant Accounting Policies

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

a) Statement of compliance and basis of preparation

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

b) Reporting entity

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

c) Recognition of Receipts and Payments

i) Recognition of receipts

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

ii) Transfers from the County Revenue Fund (CRF)

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

iii) Proceeds from sale of assets

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

d) Recognition of payments

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

i) Compensation of employees

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

ii) Use of goods and services

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

iii) Interest on borrowing

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

iv) Repayment of borrowing (principal amount)

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

v) Acquisition of fixed assets

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

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

e) In-kind contributions

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

f) Third Party Payments

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

g) Cash and cash equivalents

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

Restriction on cash

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

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

h) Imprests and Advances

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

i) Third Party Deposits and Retention

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

j) Non-current assets

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

k) Pending bills

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

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

l) Contingent Liabilities

A contingent liability is:

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

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

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

m) Contingent Assets

The County Executive does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the County Executive in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

n) **Budget**

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

o) **Comparative figures**

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

p) **Subsequent events**

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

q) **Prior Period Adjustment**

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

r) **Related Party Transactions**

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

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

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

14. Notes to the Financial Statements

1. Transfer from the CRF

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

2. Miscellaneous Receipts

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

3. Compensation of Employees

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

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

Notes to the Financial Statements (Continued)

4. Use of Goods and Services

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

5. Subsidies

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

Notes to the Financial Statements (Continued)

6. Transfer to other Government entities

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

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

7. Other Grants and Transfers

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

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

8. Social Security Benefits

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

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

Notes to the Financial Statements (Continued)

9. Acquisition of Assets

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

Notes to the Financial Statements (Continued)

10. Finance Costs, including Loan Interest

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

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

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

12. Other Payments

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

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

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Notes to the Financial Statements (Continued)

13. Cash and Bank Balances

13A. Bank Balances

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

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

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

13 B Cash in Hand

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

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Notes to the Financial Statements (Continued)

Cash in hand should also be analysed as follows:

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

14. Outstanding imprests and advances

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

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

Notes to the Financial Statements (Continued)

15. Deposits and Retention

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

16. Fund Balance Brought Forward

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

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

17. Prior Year Adjustments

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

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

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

Notes to the Financial Statements (Continued)

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

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

19. Increase/ (Decrease) in Deposits and Retention

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

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

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20. Other Important Disclosures

1. Pending Accounts Payable (See Annex 2)

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

2. Pending Staff Payables (See Annex 3)

| Description | Balance b/f | Additions for | Paid during | Balance c/f |
|--------------|-------------|---------------|-------------|-------------|
| | 2022-2023 | | | |
| | Kshs | Kshs | Kshs | Kshs |
| Total | - | - | - | - |

3. Other Pending Payables (See Annex 4)

| Description | Balance b/f | Additions for | Paid during | Balance c/f |
|--------------|-------------|---------------|-------------|-------------|
| | 2022-2023 | | | |
| | Kshs | Kshs | Kshs | Kshs |
| Total | - | - | - | - |

4. External Assistance

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

a) External assistance relating to loans and grants

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

b) Undrawn external assistance

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

c) Classes of providers of external assistance

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

d) Non-monetary external assistance

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

e) Purpose and use of external assistance.

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

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

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

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

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

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

5.1 Classification by Source

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

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

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

6. Related Party Disclosures

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

The following comprise of related parties to the County Executive:

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

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

Related party transactions

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

7. Establishment of other County Government Entities

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

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

8. Leasing of Medical Equipment

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

9. Contingent Liabilities

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

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10. Program for Results (P for R) Disclosure

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

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