

COUNTY GOVERNMENT OF LAMU



THE COUNTY ASSEMBLY OF LAMU

THE HANSARD

Thursday, 14<sup>th</sup> November, 2024

*The Assembly met at the  
Main Chambers, at 2:30 p.m.*

**[Deputy Speaker (MCA Paul Kimani Njuguna) in the Chair]**

PRAYERS

**Deputy Speaker (MCA Paul Kimani Njuguna):** Next Order.

**Clerk-at-the-Table:** Papers.

PAPERS

**MCA Atwaa Salim Atwaa (Shella):** Thank you Mr Deputy Speaker.

Mr Deputy Speaker Sir , I would like to lay the following paper on the floor of this House:-

1. County Public Investment and Accounts Committee Report on the Financial Operations of the Lamu County Fisheries Development Agency for the year ended 30th June 2023.

Thank you.

**Deputy Speaker (MCA Paul Kimani Njuguna):** Next Order.

**Clerk-at-the-Table:** Notices of Motion.

### NOTICES OF MOTION

*ADOPTION AND APPROVAL OF THE COUNTY PUBLIC INVESTMENT AND ACCOUNTS COMMITTEE REPORT ON THE FINANCIAL OPERATIONS OF THE LAMU COUNTY FISHERIES DEVELOPMENT AGENCY FOR THE YEAR ENDED 30TH JUNE, 2023.*

**MCA Atwaa Salim Atwaa (Shella):** Thank you Mr Deputy Speaker.

Mr Deputy Speaker Sir , I would like to give a notice of the following motion:-

That, the House adopts the County Public Investment and Accounts Committee Report on the Financial Operations of the Lamu County Fisheries Development Agency for the Year Ended 30th June, 2023, tabled in the house today Thursday, 14th November 2024 and pursuant to the provisions of the Constitution of Kenya 2010, County Government Act 2012, Public Finance Management Act 2017, and the Standing Orders of the Assembly this house approves the County Public Investment and Accounts Committee report with its recommendations.

Thank you.

**Deputy Speaker (MCA Paul Kimani Njuguna):** Next Order.

**Clerk-at-the-Table:** Motion.

### MOTION

*ADOPTION AND APPROVAL OF THE COUNTY PUBLIC INVESTMENT AND ACCOUNTS COMMITTEE REPORT ON THE FINANCIAL OPERATIONS FOR THE LAMU COUNTY DISABILITY FUND FOR THE YEAR ENDED 30TH JUNE, 2023*

**MCA Atwaa Salim Atwaa (Shella):** Thank you Mr Deputy Speaker.

Mr Deputy Speaker Sir, I would like to move the following Motion:-

That, the House adopts the County Public Investment and Accounts Committee report on the financial operations of the Lamu County Disability Fund for the year ended 30th June 2023, tabled in the house today Thursday, 14th November 2024 and pursuant to the provisions of the Constitution of Kenya 2010, County Government Act 2012, Public Finance Management Act 2017, and the Standing Orders of the Assembly this house approves the County Public Investment and Accounts Committee report with its recommendations.

**MCA Atwaa Salim Atwaa (Shella):** Mr Deputy Speaker Sir, kindly allow me to read the Report.

**Deputy Speaker (MCA Paul Kimani Njuguna):** Proceed Honorable Atwaa.

The Committee noted the Auditor General had audited the Financial statements of the Lamu County Disability Fund for the year ended 30 June, 2023 and issued a basis of qualified opinion because the financial statements present fairly, the financial position of the Lamu County Disability Fund as at 30 June, 2023, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (accrual basis) and comply with the Lamu County Persons with Disability Act, 2018 and the Public Finance Management Act, 2012.

### **Basis of Qualified Opinion**

#### **1) Unsupported Prior Year Adjustments to Net Assets**

#### **Auditor General observations**

- The Included in the statement of changes in net assets is an opening net assets balance of Kshs.7,510,417 that is not in agreement with the balance in the statement of financial position of Kshs.3,510,417. In addition, Management effected a prior year adjustment of Kshs.4,000,000 as disclosed in Note 6 to the

financial statements. However, the adjustment was not supported by a journal entry approved by the accounting officer as required.

- In the circumstances, the accuracy of the statement of changes in net assets for the year ended 30 June,2023 could not be confirmed.

### **Management Response**

- To correct error in Lamu county disability grant due to double posting of the transfer from county government-operation.

### **APPENDIX 1: (Journal entry to support prior year adjustment)**

#### **Committees observations & recommendations**

- Members cleared the query. However, members recommend the accounting officer to be vigilant when posting.

- 

#### **2) Budgetary Control and Performance**

#### **Auditor General observations**

- The Fund had a budgetary allocation of Kshs.10,510,417 composed of an opening bank balance of Kshs.3,510,417 and current year budgetary allocation of Kshs.7,000,000. However, the Fund only managed to absorb Kshs.1,779,200 in the year under review resulting in under absorption by Kshs.8,731,217 (or 83%) of the budget.
- The under absorption may have affected the planned activities impacting negatively on service delivery to the public.

### **Management Response**

- The under-absorption of the funds was mainly due to the disbursement of funds made on 24 May 2023 from the county Treasury which did not adhere to the disbursement schedule. However, the County will ensure in future that the budget is implemented as approved so as to ensure service delivery to the residents and also avert the negative impact that could arise.

*APPENDIX 2: (See the attached bank statements)*

**Committees observations & recommendations**

- Members recommended the management to put measures in place to ensure budgeted resources are fully utilized.
- Members recommended the management to have a work plan which would assist them improve in their performance for better service delivery.

**3) Failure to Appoint Persons with Disabilities to the Fund Committee**

**Auditor General observations**

- Section 10(d) of the Lamu County Persons with Disability Act, 2018 required that three (3) persons representing persons with disabilities be appointed by the County Executive Committee Member and that the three persons should be persons with disabilities, one from each constituency in the County and one female from disability group. However, it was noted that these persons had not yet been appointed to the Fund Committee.
- In the circumstances, Management was in breach of the law.

**Management Response**

- The committee is lawfully constituted as per the section 10(d) of Lamu County Persons with disability Act, 2018.

---

**APPENDIX 3: (Appointment Letters of Committees and extract of Lamu county Persons with Disabilities)****Committees observations & recommendations**

- Members recommended the team to Constitute a nine-member committee according to section 10(d) of Lamu County Persons with disability Act, 2018. And submit the same by 15<sup>th</sup> January 2025.

**4) Failure to Establish Resource Centers****Auditor General observations**

- Included in the approved budget estimates is an allocation of Kshs.10,510,417 which did not include any provision for the establishment of resource centers and programs for persons with disabilities and the Fund had not established resource centers despite being in operation for the last five years. This is contrary to Section 12 of the Lamu County Persons with Disability Act, 2018 which states that the Fund shall facilitate the establishment of resource centers at the community level where people with disabilities can get information, training, recreation and counseling on employment creation and other aspects of life.
- In the circumstances, Management was in breach of the law.

**Management Response**

- The county acknowledges the need for establishment of resource centers for persons with disabilities. However due to limited resources the county has not established the same.

**Committees observations & recommendations**

- Members recommend complying with the Section 12 of the Lamu County Persons with Disability Act, 2018. The Management of the Fund to give recommendation to County Executive Committee concerned on the establishment of the resource centers and to at least target one establishment of resource center in the financial year 2025/2026.

**5) Lack of Risk Management Policy and Strategy****Auditor General observations**

- As reported in the previous year, the Fund did not have a risk management policy, strategies, and risk register to mitigate against risk. It was, therefore not clear how the Management managed risk exposures.

**Management Response**

- The Lamu County has adopted for use (with appropriate changes) the Lamu County Risk Management Policy which was approved by County Executive on 16<sup>th</sup> February 2024 and submitted for approval on 19<sup>th</sup> February 2024.

***APPENDIX 4: (Lamu County Risk Management Policy)*****Committees observations & recommendations**

- Members recommended all county government entities to adopt the Lamu County Risk Management Policy.

Thank you.

*(Seconded)*

*(Motion Proposed)*

*Member's Contributions*

**MCA John Mburu Gitonga (Hongwe)** : Asante Bwana Naibu Spika, nasimama kuunga mkono ripoti hii. Nikiwa mwanakamati, ripoti hii tumeweza kuizingatia kwa kina na tumeweza kutoa mapendekezo kadhaa ili pesa hizi zitumike ipasavyo.

**MCA James Njaaga Kariuki (Hindi)** : Asante Bwana Naibu Spika, hata mimi nasimama kuunga mkono ripoti hii. Naipongeza kamati hii kwa kazi yake nzuri na pia nimevutiwa na mapendekezo ambayo kamati hii wamepeana. Ningependa waendeleo na juhudi zao hivi hivi zakufatilia matumizi ya pesa tunazozipitisha hapa ili kaunti yetu ipate kusonga mbele.

**MCA Bwana Mohamed Bwana (Majority Leader)** : Asante Bwana Naibu Spika, nasimama kuunga mkono mswada huu. Nampongeza mwenyekiti pamoja na kamati yake kwa kazi yao mzuri. Hii ndio kazi ya Bunge ya kuangalia pesa ambazo tumezipitisha hapa ni vipi itaweza kuwafaidi wananchi kulingana na viwango ambavyo vumewekwa. Ukiangalia ukweli wa mambo, bado kuna matatizo katika kaunti yetu kwa sababu pesa ambayo tuko nayo kaunti ya Lamu ni kidogo sana kwa hivyo ni jukumu la kamati hii kuwa macho zaidi hususan kwa miradi ambayo hayajafanyika. Walemavu ni watu ambao wametengwa sana haswa katika kaunti yetu ya Lamu kwa hivyo, yale mapendekezo ambayo yamepeanwa ni muhimu kufanyiwa kazi na mimi kama kiongozi wa walio wengi, nitachukua jukumu kujaribu kukaa na idara husika kutekelezwa ili kaunti yetu ipate kusonga mbele. Nikiongezea kuwa, ni muhimu kwa kamati ya bajeti kuzingatia mambo kama haya kwa sababu haina haja ikiwa pesa zitawekezwa kwa idara na hazitumiki.

*Mover's Response*

**MCA Atwaa Salim Mohamed (Shella)** : I take this opportunity to appreciate the able committee and congratulate this whole House under your leadership. Mr Deputy

Speaker Sir, we are going to assure the House that we shall perform beyond what is expected. We all need collaborative efforts as Majority Leader said. I also appreciate all the positive response from my fellow Leaders and also in according to this motion in a positive way.

*(Question put and Ageed Upon)*

### **ADJOURNMENT**

**Deputy Speaker (MCA Paul Kimani Njuguna):** Honorable Members, there being no other business, the Assembly stands adjourned until next week Tuesday, 19<sup>th</sup> November, 2024 at 2:30 p.m.

*The Assembly rose at 4:00 p.m.*