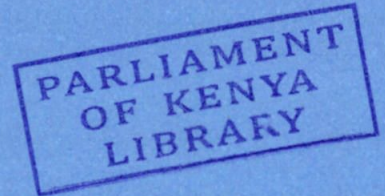


REPUBLIC OF KENYA



*Enhancing Accountability*



**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

**BUSIA COUNTY ALCOHOLIC DRINKS  
CONTROL FUND**

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

MEMBERS LAID	
DATE	26.02.2025
TABLED BY	MAJORITY LEADER
COMMITTEE	
CLERK AT THE TABLE	BELINDA



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**BUSIA COUNTY ALCOHOLIC DRINKS CONTROL FUND**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED  
JUNE 30, 2024**

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



***Busia County Alcoholic Drinks Control Fund***  
**Annual Report and Financial Statements for the year ended June 30, 2024**

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**1. Acronyms and Glossary of Terms**

a) Acronyms

BOM	Board of Management
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
Kshs	Kenya Shillings

b) Glossary of Terms

Fiduciary Management	The key management personnel who had financial responsibility
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***Busia County Alcoholic Drinks Control Fund***  
**Annual Report and Financial Statements for the year ended June 30, 2024**

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**2. Key Entity Information and Management**

**a) Background information**

Busia County Alcoholic Drinks Control Fund is established by Busia County assembly and county executive committee and derives its authority and accountability from Busia County Alcoholic Drinks Control Act (2014). The Fund is wholly owned by the County Government of Busia and is domiciled in Kenya.

The fund's objective is to provide alcoholic drinks licenses by the County Government pursuant to Part II of the fourth Schedule of the constitution so as to control the production, sale, distribution, promotion & use of alcoholic drinks & the promotion of research, treatment & rehabilitation for person's dependent on alcoholic drinks.

**b) Principal Activities**

The Fund's principal activity is to regulate and control the use of alcoholic drinks through issuing of alcoholic licenses.

**c) County Alcoholic Drinks Regulation Administrative Review Committee**

Ref	Name	Position
1	Mr. Elijah Mwaro	Chief Officer – Trade, Investment, Industrialization, Cooperatives & SMEs (Chairperson)
2	Mr. Kipchumba Ruto	County Commissioner
3	Mr. Willis Peter Ekesa	Fund Administrator –Alcoholic Drinks Control Fund
4	Mr. Innocent Omboko	County Attorney
5	Mr. Joseph Oprong	County public health officer
6	Mr. Benard Odhiambo	County physical planner
7	Mr. Peter Wesonga Malala	Member
8	Mrs. Florence Barasa Opamo	Member
9	Mr. Ibrahim Aura Aramadhani	Member

**Busia County Alcoholic Drinks Control Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2024**

**d) Key Management Steam**

Ref	Name	Position
1	CPA Gypson Wafula	Chief Officer finance
2	Mr. Fidel Omuse Olekacuna	CECM- Trade, Investment, Industrialisation Cooperatives & SMEs
3	Mr. Elijah Mwaro	County Chief Officer - Trade, Investment, Industrialisation Cooperatives & SMEs
4	Mr. Willis Peter Ekesa	Fund Administrator - Alcoholic Drinks Control Fund
5	CPA Pamela Ojok	Fund Accountant

**e) Fiduciary Oversight Arrangements**

SN	Position	Name
1	Directorate Internal Audit	
2	Busia county Assembly finance committee	
3	NACADA	Western Region- Kakamega office

**f) Registered Offices**

County Government of Busia  
 Busia County Alcoholic Drinks Control Fund  
 P.O BOX PRIVATE BAG  
 50400, Busia –Kenya

**g) Fund Contacts**

Telephone: (254) 726272485  
 Email: [ekesapeter@gmail.com](mailto:ekesapeter@gmail.com).

***Busia County Alcoholic Drinks Control Fund***  
**Annual Report and Financial Statements for the year ended June 30, 2024**

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**h) Fund Bankers**

Kenya Commercial Bank  
Busia Branch  
P.O. BOX 27 - 50400,  
Busia –Kenya

**i) Independent Auditors**

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

**j) Principal Legal Adviser**





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

**k) County Attorney**




Office of County Attorney  
P.O BOX Private Bag  
Busia (K)

**Busia County Alcoholic Drinks Control Fund  
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**3. County Alcoholic Drinks Regulation Administrative Review Committee**

	Name	Details of qualifications and experience
1	 <p>Chief Officer Trade, Investment, Industrialization, Cooperatives &amp; SMEs.</p>	<p><b>Qualifications:</b></p> <ul style="list-style-type: none"> <li>- B.A Degree in Education from Moi University,</li> <li>- Senior Management course Certificate from Kenya School of Government</li> </ul> <p><b>Work Experience:</b></p> <ul style="list-style-type: none"> <li>- Served as Assistant Director Hansard Services in the County Assembly of Busia.</li> <li>- Currently serving as the Chief Officer – Trade, Investment, Industrialization, Cooperatives &amp; SMEs / Chairperson of the County Administrative Review Regulation Committee</li> </ul>
2	 <p>Mr. Mwachaunga Chaunga County Commissioner</p>	<p><b>Qualification:</b></p> <ul style="list-style-type: none"> <li>- Bachelors Degree in Public Administration and Management.</li> </ul> <p><b>Work Experience:</b></p> <ul style="list-style-type: none"> <li>- Former Deputy County Commissioner in Isiolo.</li> <li>- Currently serving as the County Commissioner in Busia County.</li> </ul>
3	 <p>Mr. Willis Peter Ekesa Ag. Fund Administrator- Busia County Alcoholic Drinks Control Fund.</p>	<p><b>Qualifications:</b></p> <ul style="list-style-type: none"> <li>- Bachelors Of Arts from University of Nairobi,</li> <li>- Diploma in Social Work (GTI).</li> </ul> <p><b>Work Experience:</b></p> <ul style="list-style-type: none"> <li>- Over 28 years experience in Government Institutions.</li> </ul>
4	 <p>Mr. Innocent Omboko Busia County Attorney.</p>	<p><b>Qualification:</b></p> <ul style="list-style-type: none"> <li>- Bachelors of Law Degree</li> </ul> <p><b>Work Experience:</b></p> <ul style="list-style-type: none"> <li>- Over 10 years in practicing Law</li> </ul>

**Busia County Alcoholic Drinks Control Fund  
Annual Report and Financial Statements for the year ended June 30, 2024**

5	 Mr. Joseph Oprong Busia County Public Health Officer Member	<p><b>Qualifications:</b></p> <ul style="list-style-type: none"> <li>- Master's Degree in Public Health</li> <li>- Bachelors Degree in Public Health</li> </ul> <p><b>Work Experience:</b></p> <ul style="list-style-type: none"> <li>- Over 20 years experience in Public Health</li> </ul>
6	 Mr. Benard Odhiambo Busia County Physical Planner Member	<p><b>Qualification:</b></p> <ul style="list-style-type: none"> <li>- Bachelors of Arts Degree in Urban and Regional Planning.</li> </ul> <p><b>Work Experience:</b></p> <ul style="list-style-type: none"> <li>- Over 18years experience in Physical Planning</li> </ul>
7	Mr. Peter Wesonga Malala  Member	<p><b>Qualification:</b></p> <ul style="list-style-type: none"> <li>- Diploma in Social Work.</li> </ul>
8	 Mrs. Florence Barasa Opamo Member	<p><b>Qualifications:</b></p> <ul style="list-style-type: none"> <li>- Certificate in Kenya Secondary Education.</li> <li>- Certificate in Food Nutrition and Health.</li> </ul> <p><b>Work Experience:</b></p> <ul style="list-style-type: none"> <li>- Worked as Community Health Worker with Ministry of Health for 20 years.</li> <li>- Worked with Living Good organization for 11 years.</li> </ul>




***Busia County Alcoholic Drinks Control Fund***  
**Annual Report and Financial Statements for the year ended June 30, 2024**

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9	 <p>Mr. Ibrahim Aura Aramadhani Member</p>	<p><b>Qualification:</b></p> <ul style="list-style-type: none"><li>- Kenya Certificate in Primary Education.</li></ul>
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**Busia County Alcoholic Drinks Control Fund  
Annual Report and Financial Statements for the year ended June 30, 2024**

**4. Management Team**

	Name	Details of qualifications and experience
1.	 <p>CPA Gypson Wafula Chief Officer Finance - County Government of Busia</p>	<p><b>Qualifications:</b></p> <ul style="list-style-type: none"> <li>- Masters Degree in Business Administration-Finance Option from University of Nairobi.</li> <li>- Bachelor of Commerce Degree from Strathmore University</li> <li>- Certified Public Accountants of Kenya CPA (K).</li> <li>- Diploma in Project Management from Kenya Institute of Management (KIM).</li> </ul> <p><b>Work Experience:</b></p> <ul style="list-style-type: none"> <li>- Over 10 years' experience in Administration, Financial Management and Auditing.</li> <li>- He served as Assistant Director Internal Audit County Assembly of Busia.</li> </ul>
2.	 <p>Mr. Olakacuna Fidel Omuse County Executive Committee Member -Trade, Investment, Industrialization, Cooperatives &amp; SMEs.</p>	<p><b>Qualifications:</b></p> <ul style="list-style-type: none"> <li>- Masters Degree in Education from Nairobi University.</li> <li>- Bachelors of Arts Degree in Education</li> </ul> <p><b>Work Experience:</b></p> <ul style="list-style-type: none"> <li>- Served as a Primary School Head Teacher for 5years</li> <li>- Over 15years experience in Teaching.</li> <li>- Served as KNUT Executive Secretary for over 5years.</li> </ul>
3.	 <p>Chief Officer Trade, Investment, Industrialization, Cooperatives &amp; SMEs.</p>	<p><b>Qualifications:</b></p> <ul style="list-style-type: none"> <li>- B.A Degree in Education from Moi University,</li> <li>- Senior Management course Certificate from Kenya School of Government</li> </ul> <p><b>Work Experience:</b></p> <ul style="list-style-type: none"> <li>- Served as Assistant Director Hansard Services in the County Assembly of Busia.</li> </ul> <p>Currently serving as the Chief Officer – Trade, Investment, Industrialization, Cooperatives &amp;SMEs / Chairperson of the County Administrative Review Regulation Committee.</p>

**Busia County Alcoholic Drinks Control Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2024**

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4.	 <p>Mr. Willis Peter Ekesa Ag. Fund Administrator- Busia County Alcoholic Drinks Control Fund.</p>	<p><b>Qualifications:</b></p> <ul style="list-style-type: none"><li>- Bachelors Of Arts from University of Nairobi,</li><li>- Diploma in Social Work (GTI).</li></ul> <p><b>Work Experience:</b></p> <ul style="list-style-type: none"><li>- Over 28 years experience in Government Institutions.</li></ul>
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**5. COUNTY ALCOHOLIC DRINKS REGULATION ADMINISTRATIVE REVIEW COMMITTEE CHAIRPERSON'S REPORT**

Busia County Alcoholic Drinks Control Directorate was established by Busia County Assembly through The Busia County Alcoholic Drinks Control Act, 2014 Section 4(1). The directorate was initially domiciled in the department of Sport, Culture and Social Services, it was then moved to the Department of Trade, Investment, Industrialization, cooperatives & Small and Medium Enterprises in August 2024 under the executive order No.1 of His Excellency the Governor for Busia County. The directorate relocated officially in November 2023 under the umbrella of the Department of Trade, Investment, Industrialization, cooperatives & Small and Medium Enterprises due to administrative factors that had to be considered. The executive order had a significant impact on the fund management team.

The objective and purpose of Busia County Alcoholic Drinks Control Directorate is to provide licensing of alcoholic drinks by the county government, so as to control the production, sale, distribution, promotion of research, treatment and rehabilitation for persons dependent on alcoholic drinks.

The Fund's main source of revenue during the FY 2023/2024 was Liquor Licensing and application fee. During the FY 2023/2024, a total of Ksh. **5,428,010** was realized from Liquor License and application fee against budgeted amount of Ksh. **4,715,000**. A sum of Kshs. **1,200,000** appropriated by Busia County Assembly was not received by the fund.

During the FY 2023/2024, the fund in collaboration with NACADA launched a program of Campaign against Drug Abuse in the whole of Busia County. The campaign is still ongoing to ensure fight against illegal alcoholic drinks, illicit brews, counterfeit and contraband alcoholic products in Busia County through the help of other agencies including NACADA, KRA, KEBS, office of the County Commissioner among others.

Plans are underway to come up with Drug Abuse Control Policy, introduce school-based programs, create alcohol free working environment, community-based rehabilitation programs and indulge in more awareness creation campaigns among the youths and children in order to prevent effects of alcohol abuse for a secure future.

**Busia County Alcoholic Drinks Control Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2024**

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Alcoholic Drinks Control Act 2014 has encountered challenges during its implementation since its enactment in 2014, necessary measures are being taken to ensure the Act is reviewed to enable it operate efficiently.

ELIJAH MWARO  
Name.....*Elijah Mwaro*.....Signature.....*[Signature]*.....Date.....*11/11/2024*.....  
Chairperson of the Fund Administrative Review Committee



## **6. Report of The Fund Administrator**

Busia County Alcoholic Drinks Control Directorate was established by Busia County Assembly through the Busia County Alcoholic Drinks Control Act, 2014 Section 4(1). The Directorate was initially domiciled in the department of Sport, Culture and Social Services, then later moved to the Department of Trade, Investment, Industrialization, cooperatives & Small and Medium Enterprises in August 2024 under the executive order No. 1 of 2023 issued on 22<sup>nd</sup> August 2023 by His Excellency the Governor of Busia County. Busia County Alcoholic Drinks Fund is administered by the Directorate as stipulated in the Busia County Alcoholic Drinks Control Act, 2014 Section 7(1).

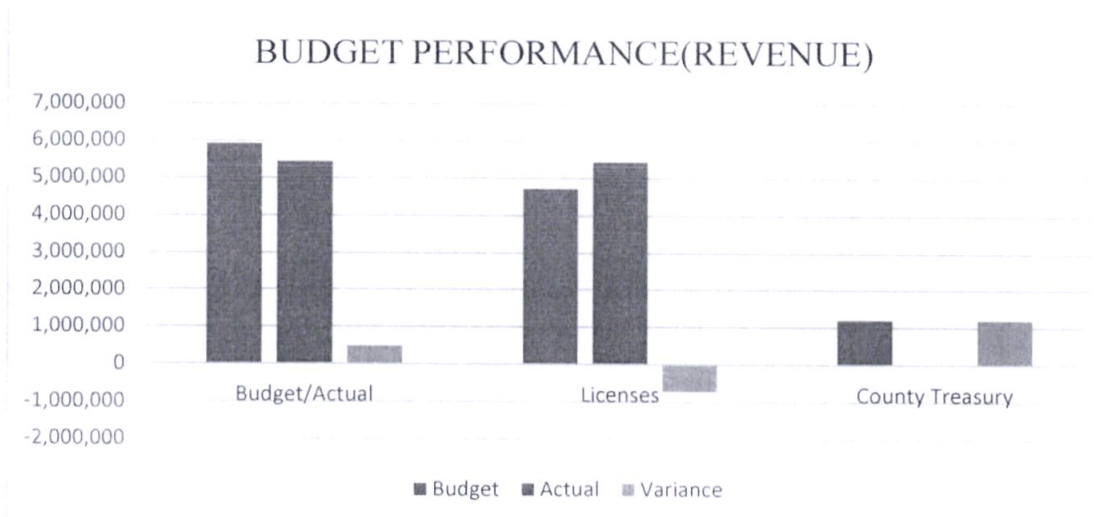
The main objective and purpose of Busia County Alcoholic Drinks Fund is to provide licensing of alcoholic drinks by the county government, so as to control the production, sale, distribution, promotion of research, treatment and rehabilitation for persons dependent on alcoholic drinks.

In exercising its regulatory duties, the Directorate facilitates Sub-County Alcoholic Drinks Control Regulation Committee whose key mandate is to grant licenses to liquor businesses and coordinate enforcement of the Act. The committee constitutes of seven members, chaired by Sub County administrator.

### **Revenue performance**

The Fund's main source of revenue during the FY 2023/2024 was Liquor Licensing and application fee. During the FY 2023/2024, a total of Ksh. **5,428,010** was realized from Liquor License and application fee against budgeted amount of Ksh. **4,715,000**. A sum of Kshs. **1,200,000** appropriated by Busia County Assembly was not received by the fund as indicated in the chart below:

**Busia County Alcoholic Drinks Control Fund  
Annual Report and Financial Statements for the year ended June 30, 2024**



**Fund’s Future Outlook**

The directorate is mandated to do regulatory work which is to ensure that only licensed business premises are allowed to sell alcohol. In exercising this power, the directorate coordinates with both National police and enforcement officers deployed by the County Government of Busia to enforce the Act and ensure compliance.

During the period under review, the Directorate carried out various programs in coordination with the Sub County Alcoholic Regulation Committee. Inspection of Liquor premises was carried out during the year to establish outlets that met the required standards as part of the licensing process. A total of **380** premises were inspected out of which only **311** premises met the requirements and were licensed. The fund is planning to increase level of compliance with the Act and other regulations through better mapping of the outlets and ensuring licensing of all alcoholic drinks’ outlets within Busia County.

Challenges faced by the fund include;


1. Inadequate funding - Funds allocated to the Directorate is not sufficient to implement the planned programs.
2. Lack of designated vehicle for the fund to facilitate movement and implementation of planned activities at the sub county level.

***Busia County Alcoholic Drinks Control Fund***  
**Annual Report and Financial Statements for the year ended June 30, 2024**

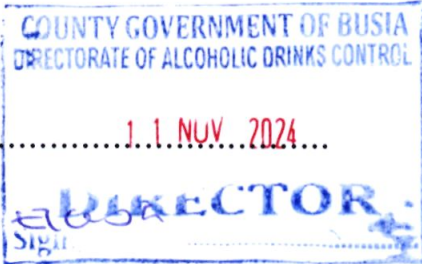
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**Fund programs**

Construction of Alcoholic Drinks and Drug Abuse Treatment and Rehabilitation Centre in Butula Sub County is underway. The project was initiated in the BUSIA-CIDP 2018-2022 with County Government of Busia as the implementing agency.

  
..... 1.1 NOV. 2024 .....

Name: *WILKINSON*  
*WILKINSON*  
Fund Administrator



**7. Statement of Performance against the County Fund’s Predetermined Objectives**

**Introduction**

Section 164 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer when preparing financial statements of each County Government Fund Government entities in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the county government Fund’s performance against predetermined objectives.

The key development objectives of the Fund as per the County Integrated Development Plan (CIDP) 2018-2022 are to:

- a) Establish Treatment, Rehabilitation facilities and programmes.
- b) Provide quality physical infrastructure in the County.
- c) Provide for licenses of alcoholic drinks and control alcohol and drug usage in the county.
- d) Create public awareness and outreach programmes and provide for citizen participation
- e) Carry out research directly or in collaboration with other institutions.
- f) Provide for citizen participation

**Progress on attainment of Strategic development objectives**

Below we provide the progress on attaining the stated objectives:

<b>Program</b>	<b>Objective</b>	<b>Expected Outcome</b>	<b>Key Performance Indicator</b>	<b>Performance</b>
Infrastructural Development	To establish treatment and rehabilitation facilities and programmes.	Constructed treatment and rehabilitation centre.	One treatment and rehabilitation centre under construction	Ksh.5,000,000 was allocated in FY 2023/2024.  -Work in progress.
Licensing of alcoholic drinks premises.	To provide for licenses of alcoholic drinks premises.	-Controlled production, sale, promotion and	No. of liquor premises licensed	-In the FY 2023/2024, the directorate licensed 311 liquor premises.

***Busia County Alcoholic Drinks Control Fund***  
**Annual Report and Financial Statements for the year ended June 30, 2024**

		<p>use of alcoholic drinks.</p> <p>-Collected revenue (licensing and application fees).</p> <p>-Controlled usage of drugs.</p>		<p>-A total revenue of Ksh.5,428,010 was realized.</p>
Public awareness campaign and outreach programmes.	To create public awareness and outreach programmes.	<p>- Reduced risk of excessive alcohol consumption.</p> <p>Improved health, social and economic impact on communities.</p>	<p>No. of awareness campaigns carried out</p> <p>- Reduced no. of alcohol and drug abuse victims.</p>	<p>In the FY 2023/2024 the Directorate launched awareness campaigns on alcohol and drug abuse in the whole County.</p> <p>Carried out 2 awareness campaigns in Teso North through KMTC TESO Campus and in Nambale sub county.</p>
Research Information and Education	To carry out research directly or in collaboration with other institutions.	Obtained statistical figures on usage of alcohol and drug abuse and related effects within the community.	No. of research reports established.	In the FY 2023/2024, no research was done.
Citizen Participation	To provide citizen participation	Citizen input taken into consideration.	No. of citizen participation forums.	In the FY 2023/2024 the directorate carried out citizen participation exercise.

## **8. Corporate Governance Statement**

The Directorate of Alcoholic Drinks Control is managed and administered under the department of Trade, Investment, Industrialization, Cooperatives, Small and Medium Enterprises. The Fund was initially domiciled in the department of Sport, Culture and Social Services, then later moved to the Department of Trade, Investment, Industrialization, cooperatives & Small and Medium Enterprises in August 2024 under the executive order No. 1 of 2023 issued on 22<sup>nd</sup> August 2023 by His Excellency the Governor of Busia County. Busia County Alcoholic Drinks Fund is administered by the Directorate as stipulated in the Busia County Alcoholic Drinks Control Act, 2014 Section 7(1). The directorate has three committees which ensure effective and efficient running of the Funds' programs, these includes; Sub County Alcoholic Drinks Control Regulation committee, Enforcement committee and County Alcoholic Drinks Regulation Administrative Review Committee. The Director coordinates facilitation of all these committees.

The Sub County Alcoholic Drinks Control Regulation committee had four meetings in each sub county to deliberate on inspection, vetting, licensing and enforcement of the liquor premises. The meetings were attended by the members in respective Sub Counties.

During the period under review, the management experienced changes through executive order No. 1 of 2023 issued on 22<sup>nd</sup> August 2023 which moved the Alcoholic Drinks Control Fund from the Department of Sport, Culture and Social services. This led to the exit of CECM Sports, Culture and Social services Mr. Olunga and Chief Officer Mr. Panyako. Their positions were taken by current leadership in the Department of Trade, Investment, Industrialization, Cooperatives and Small and Medium Enterprises CECM (Mr. Fidel Olakacuna) and Chief Officer (Mr. Elijah Mwaro). Alcoholic Drinks Control Fund also received CPA Pamela Ojok as the new Fund accountant taking over from Mr. Charles Juma.

There is established County Alcoholic Drinks Regulation Administrative Review Committee in place which is chaired by Chief Officer and is responsible for reviewing of appeal decision made by Sub-County Alcoholic Drinks Control Regulation committee.

The Director coordinates the Sub County Alcoholic Drinks Control Regulation Committee activities by ensuring timely facilitation for smooth running of the fund. The committee inspects and vets liquor premises before issuance of licenses to enhance compliance of the act.

***Busia County Alcoholic Drinks Control Fund***  
**Annual Report and Financial Statements for the year ended June 30, 2024**

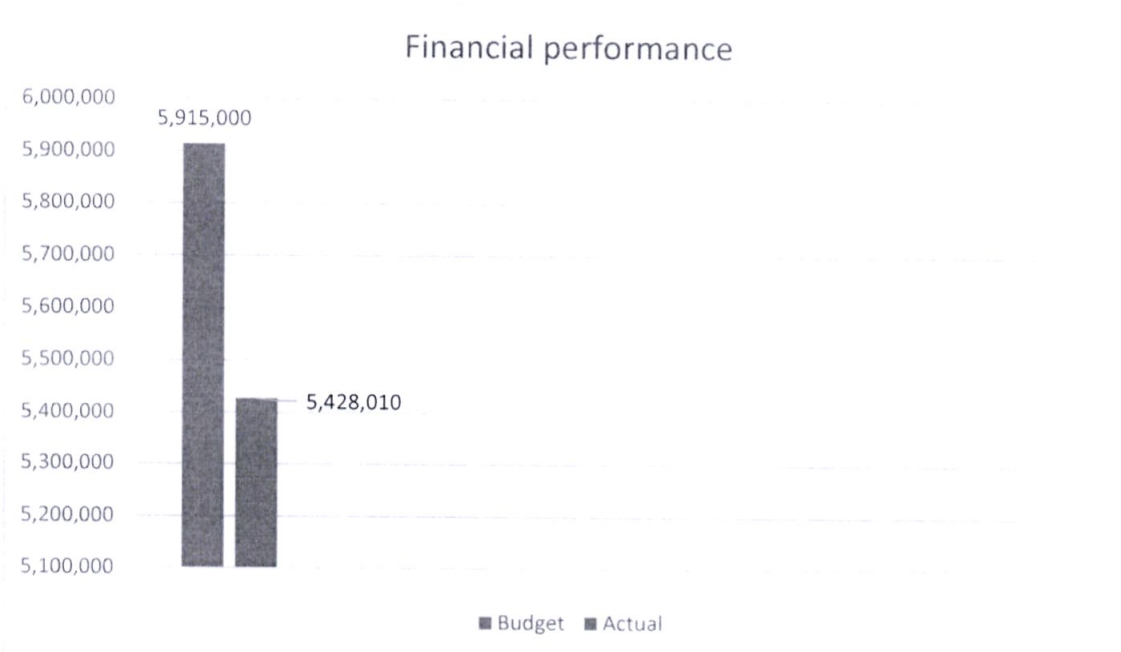
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This committee consists of seven members and other co-opted members who are allowed to sit in the meetings as per section 9(4). The Sub County Alcoholic Drinks Control Regulation Committee co-ordinates the enforcement process within their respective Sub counties to ensure compliance with the Busia County Alcoholic drinks control act, 2014.

**9. Management Discussion and Analysis**

**a) Revenue**

The Directorate's main sources of funding are Liquor Licensing and appropriation by the Busia County Assembly. In the FY 2023/2024, the directorate had projected revenues of Ksh. **5,915,000** of which **Ksh. 1,200,000** of the budget was to be received as transfer from County Treasury and a total of **Ksh. 4,715,000** was to be raised as revenue from application for inspections and issuance of Liquor licences. The directorate raised a total of **Ksh.5,428,010** (Ksh.872,500 for 1<sup>st</sup> Quarter, Ksh 2,346,060 for 2<sup>nd</sup> Quarter, Ksh.2,117,950 for the 3<sup>rd</sup> Quarter and Ksh.91,500 for the 4<sup>th</sup> Quarter). This represents 92% of targeted Licences and application fees realized.



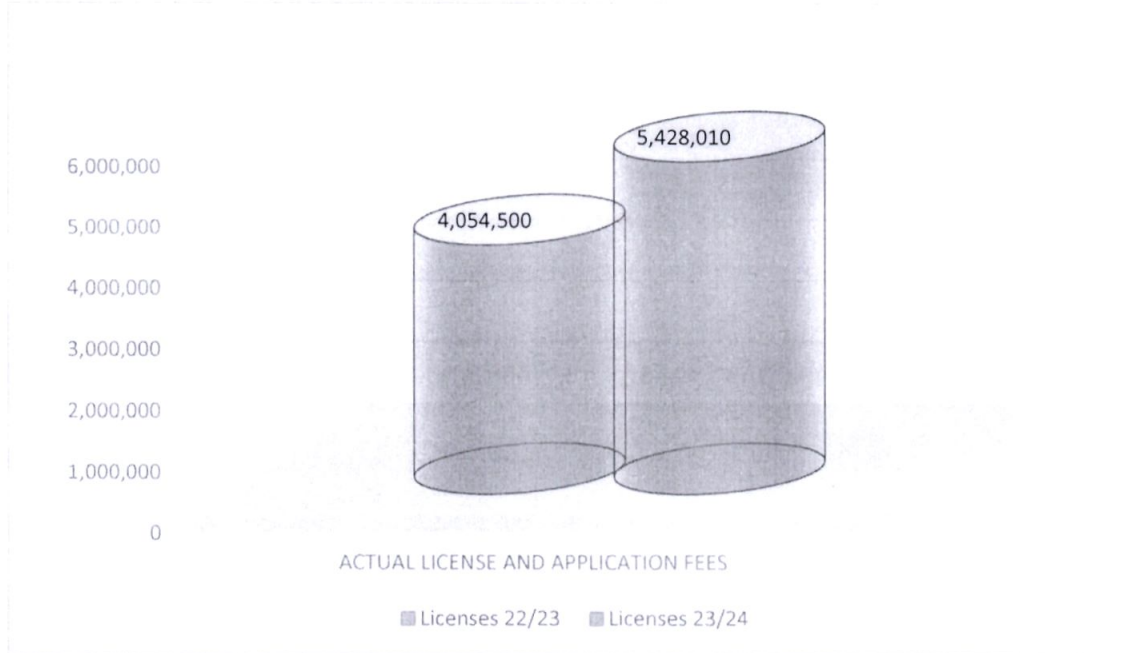
*Fig 1: Revenue Performance against budget.*

The revenue was collected through the Sub County Alcoholic Drinks Regulation Committee chaired by the Sub County Administrator. The committee is mandated to issue licenses to premises that conforms with the requirements during inspection and vetting process.

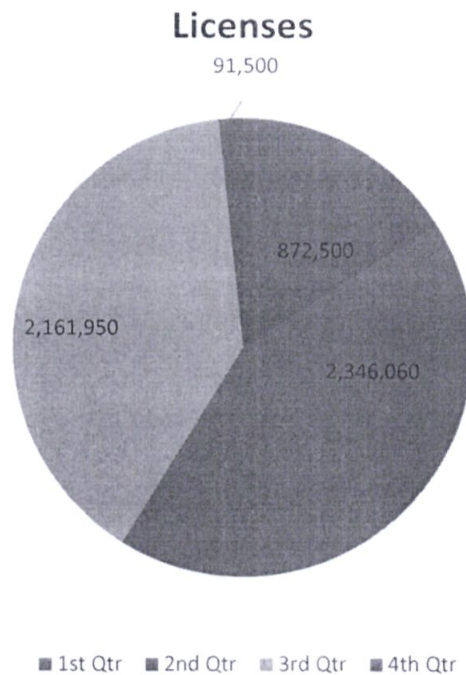
**Busia County Alcoholic Drinks Control Fund  
Annual Report and Financial Statements for the year ended June 30, 2024**

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*Fig 2: Revenue Performance for the period FY, 2023/2024.*



There was generally an increase in revenue collection as compared with the previous financial Year due to enhanced enforcement, National Government crack down and collaboration with National Campaign Against Drug Abuse (NACADA) in campaigning against illegal drugs, alcohol and illicit brews in Busia County.

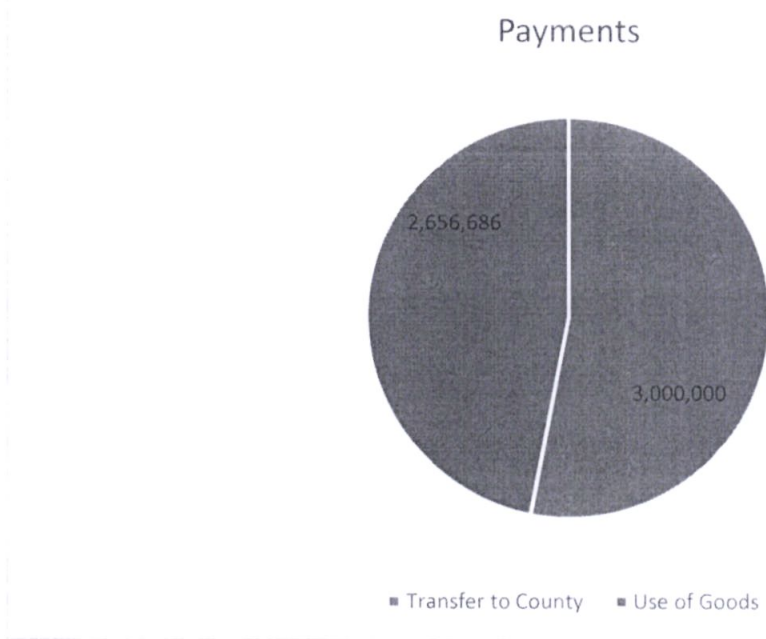


*Fig 2: Revenue Performance as per quarter.*

Application of licenses renewal is mainly done in 1<sup>st</sup> quarter while payments are made by the clients in between 2<sup>nd</sup> quarter and 4<sup>th</sup> quarter. Sub County Alcoholic Drinks Regulation Committee ensures compliance of the act in coordination with enforcement committee.

**b) Payments**

During the period ended 30<sup>th</sup> June, 2024, the Directorate spent sum of Kshs. **2,656,686** on use of goods and services and transferred a total of Kshs. **3,000, 000** to Busia County Revenue Fund. Total payments were therefore Kshs. **5,656,686**. Administrative costs are used to pay for the allowances of Sub-County committee while facilitating their activities and other directorate program.



**ON - GOING PROJECTS**

The Department of Trade Investment, Industrialization, cooperatives & SMEs is in the process of implementing the construction of Butula Rehabilitation and Treatment Centre. The project is on-going and at 45% completion stage. During FY2023/2024 the project was allocated sum of KSh. 5,000,000 (Five Million) by the County Executive through the department of Trade Investment, Industrialization, cooperatives & SMEs.

**Challenges**

Busia Alcoholic Drinks Control Fund encountered various challenges in the FY: 2023/2024 as follows:

1. Non disbursement of funds by the Busia County Treasury which made it difficult to facilitate administrative costs of sub-county liquor licensing regulation committee, liquor administrative review committee and inter agency collaboration.
2. Under-funding: The Alcoholic Drinks Control Act provides only 10% administrative cost which is not enough for the facilitation of sub county activities. There is need for the review of the Act.

*Busia County Alcoholic Drinks Control Fund*  
**Annual Report and Financial Statements for the year ended June 30, 2024**

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3. Inflation: Due to high cost of living and over taxation, most premises were not able to operate leading to their shut down hence low issuance of licenses.
4. Inadequate collaboration between National government and County government on enforcement of the liquor Act.

## **10. Environmental and Sustainability Reporting**

Busia County Alcoholic Drinks Control Fund carries out community social responsibilities including public education on alcoholic drinks control in the county and facilitation of citizen participation in matters related to alcoholic Drinks control, in accordance to framework for citizen participation established under the Busia County Alcoholic Drinks Control Act, 2014 Section 4 (2) (b) and (c), the Urban Area and Cities Act.

During the financial year 2023/2024, the directorate launched and carried out campaigns against alcohol and drug abuse across the county in collaboration with NACADA, Ministry of Health, National Transport and Safety Authority (NTSA) western region Office, office of the Busia County Commissioner, all County Government of Busia local chiefs, County Commander, Chairman Boda boda Riders Busia County and Traders among others. The purpose of this launch was to create awareness and educate Busia Communities on dangers of alcohol and drug abuse with the focus to reduce the rate of alcohol and drug abuse, illicit brews, cross border illegal drugs and alcohol within the county in order to have responsible citizens, reduced cases of Gender Based Violence amongst households, reduced teenage pregnancies and highly educated citizen who can embrace development.

Other awareness creation campaign carried out by the fund included: Dangers of alcoholic drinks usage in Nambale Sub County targeting youths and boda boda riders, earlier prevention for a secure future awareness campaign was carried out in Teso North Sub County - KMTC Teso Campus, targeting primary school pupils, secondary students, KMTC students and the local communities at large.

As part of education promotion, the directorate carried out sensitization training to bar owners on the Busia County Alcoholic Drinks Control Act and other regulations that will enable them carry out their business efficiently and effectively.

It's the mandate of the directorate to ensure safety of alcohol users through inspection of liquor premises, to ascertain that they meet the public standards and requirements.

***Busia County Alcoholic Drinks Control Fund***  
**Annual Report and Financial Statements for the year ended June 30, 2024**

**11. Report of The Trustees**

The management submit their report together with the audited financial statements for the year ended June 30, 2024 which show the state of the Fund affairs.

**Principal activities**

The principal activities of the Fund are to issue Alcoholic Drinks Licenses to liquor premises so as to control and regulate the usage of alcohol in the county.

**Results**

The results of the Fund for the year ended June 30, 2024 are set out on page 1


**Management**

The members of the Management who served during the year are shown on page iv. The changes in the Management during the financial year are as shown below:

POSITION	IN	OUT
COUNTY EXECUTIVE COMMITTEE MEMBER - TRADE INVESTMENT, INDUSTRIALISATION, COOPERATIVES AND SMEs.	MR. FIDEL OLAKACUNA.	MR. PAUL OLUNGA
CHIEF OFFICER -TRADE INVESTMENT, INDUSTRIALISATION, COOPERATIVES AND SMEs.	MR. ELIJAH MWARO	MR. SAVIOUR PANYAKO
CHIEF OFFICER-FINANCE	CPA GYPSON WAFULA	CPA NICODEMUS MULAKU
FUND ACCOUNTANT	CPA PAMELA OJOK	MR. CHARLES JUMA

**Auditors**

The Auditor General is responsible for the statutory audit of the Fund in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

  
 .....  
**Fund Administrator**  
 Date: 11/11/24

COUNTY GOVERNMENT OF BUSIA  
 DIRECTORATE OF ALCOHOLIC DRINKS CONTROL  
 11 NOV 2024  
**DIRECTOR**

Sign .....

**12. Statement of Management’s Responsibilities**

Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a County Public Fund established by Busia County Alcoholic Drinks Control Act, 2014 shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The Administrator of the County Public Fund is responsible for the preparation and presentation of the Fund’s financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 2024. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Fund; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Fund; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Administrator of the County Public Fund accepts responsibility for the Fund’s financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and by Busia County Alcoholic Drinks Control Act, 2014. The Administrator of the Fund is of the opinion that the Fund’s financial statements give a true and fair view of the state of Fund’s transactions during the financial year ended June 30, 2024, and of the Fund’s financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund’s financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Administrator of the County Public Fund has assessed the Fund’s ability to continue as a going concern and disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements. OR

Nothing has come to the attention of the Administrator to indicate that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

**Approval of the financial statements**

The Fund’s financial statements were approved by the Board on 11/11 2024 and signed on its behalf by:



**Fund Administrator of the Busia County Alcoholic Drinks Control Fund**



# REPUBLIC OF KENYA

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*Enhancing Accountability*

HEADQUARTERS  
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P.O Box 30084-00100  
NAIROBI

## REPORT OF THE AUDITOR-GENERAL ON BUSIA COUNTY ALCOHOLIC DRINKS CONTROL FUND FOR THE YEAR ENDED 30 JUNE, 2024

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### PREAMBLE

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

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

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of Busia County Alcoholic Drinks Control Fund set out on pages 1 to 41, which comprise of the statement of financial

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*Report of the Auditor-General on Busia County Alcoholic Drinks Control Fund for the year ended 30 June, 2024*

position as at 30 June, 2024, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Busia County Alcoholic Drinks Control Fund 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 (Accrual Basis) and comply with the Busia County Alcoholic Drinks Control Act, 2014, and Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **Uncollected Liquor License Fee Revenue**

The statement of financial position reflects current portion of long-term receivables from exchange transactions balance of Kshs.1,494,500 in respect to receivables from licenses and applications as at 30 June, 2024, and as disclosed in Note 13 to the financial statements. However, it was observed that out of twenty-one (21) businesses sampled, invoices totaling to Kshs.567,000 were raised compared to total revenue collections amounting to Kshs.87,000 by the sampled businesses resulting to revenue under-collection of Kshs.480,000 or 85%. This implies that businesses were operating without payment of the required licenses and application fees.

In the circumstances, the accuracy and collectability of the receivables from licenses and applications balance of Kshs.1,494,500 could not be confirmed.

The audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Busia County Alcoholic Drinks Control Fund 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**

#### **Non-Disbursement of Funds by the County Treasury**

The statement of comparison of budget and actual amount and as disclosed in Note 26(d) to the financial statements indicates that the Fund had revenue budget in respect to transfers from the County Government of Busia of Kshs.1,200,000. However, the County Treasury did not disburse funds to the Fund contrary to Section 6(2)(a) of the Busia County Alcoholic Drinks Control Act, 2014 which states that the Fund shall consist of such monies as may be appropriated by the County Assembly.

The non-funding of the Fund affected the planned activities and impacted negatively impacted on services delivery to the public.

My opinion is not modified in respect of this matter.

### **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 matter described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

### **Other Matter**

#### **Unresolved Prior Year Matters**

As disclosed under the progress on follow up of auditor's recommendations section of the financial statements, some of the prior year audit issues remained unresolved as at 30 June, 2024. Management has not provided satisfactory reasons for the delay in resolving the issues.

### **Other Information**

Management is responsible for the other information set out on page iii to xxvii which comprise of Key Entity Information and Management, County Alcoholic Drinks Regulation Review Committee, Management Team, Report of the Trustees, Report of the Fund Administrator, Statement of Performance Against County Fund's Predetermined Objectives, Environmental and Sustainability Reporting, Statement of Corporate Governance, Management Discussion and Analysis, and Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Fund's 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.

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

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES**

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effects of the matter described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm

that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

### **Basis for Conclusion**

#### **Irregular Utilization of Fund Revenue**

The statement of financial performance reflects revenue totaling to Kshs.6,109,010 in respect of liquor license and application fee, and an expenditure budget of Kshs.5,656,686. However, the Management transferred Kshs.3,000,000 or 49% of the receipts to the County Revenue Fund. Management also incurred actual expenditure of Kshs.2,656,686 or 43% of total revenue on administration of the Fund which was above the legal ceiling of 10%. Further, no evidence was provided to demonstrate that any amount was transferred to the National Authority for the Campaign Against Alcohol and Drug Abuse (NACADA), contrary to Section 6(5) of the Busia County Alcoholic Drinks Act, 2014 which requires that the Fund's receipts be shared in the ratio of 70%, 20% and 10% to the County Revenue Fund, transfers to National Campaign Against Drug Abuse (NACADA) and administration expenses respectively.

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

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

### **Basis for Conclusion**

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

### **Responsibilities of 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 (Accrual Basis) and for maintaining effective internal control as Management determines is

necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Fund or to cease its operations.

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

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

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

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

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 International Standards for Supreme Audit Institutions (ISSAIs). The standards require 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 ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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 also 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/>. This description forms part of my auditor's report.

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

27 December, 2024

**Busia County Alcoholic Drinks Control Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2024**

**14. Statement of Financial Performance for the Year Ended 30 June 2024**

Description	Note	2023/2024	2022/2023
		Kshs	Kshs
<b>Revenue From Non-Exchange Transactions</b>			
Public Contributions and Donations	1	-	-
Transfers From the County Government	2	-	-
Fines, Penalties and Other Levies	3	-	-
<b>Revenue From Exchange Transactions</b>			
Interest Income	4	-	-
Liquor License and Application fee	5	6,109,010	4,868,000
<b>Total Revenue</b>		<b>6,109,010</b>	<b>4,868,000</b>
<b>Expenses</b>			
Transfers To the County Treasury	6	3,000,000	1,353,000
Use of goods and services	7	2,656,686	2,153,184
Depreciation and Amortization Expense	8	-	-
Finance Costs	9	-	-
<b>Total Expenses</b>		<b>5,656,686</b>	<b>3,506,184</b>
<b>Other Gains/Losses</b>			
Gain/Loss on Disposal of Assets	10	-	-
Gain /Loss on fair value of investments	11	-	-
<b>Surplus/(Deficit) for the Period</b>		<b>452,324</b>	<b>1,361,816</b>

(The notes set out on pages 9 to 50 form an integral part of these Financial Statements)

.....  
 Name: *Willis P. Eken*  
 Administrator of the Fund

.....  
 Name: *Pamela A. Qjok*  
 Fund Accountant  
 ICPAK Member Number: *30092*



**Busia County Alcoholic Drinks Control Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2024**

**15. Statement of Financial Position As at 30 June 2024**

Description	Note	2023/2024	2022/2023
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	12	416,052	644,728
Current Portion of Long- Term Receivables From Exchange Transactions	13	1,494,500	813,500
Prepayments	14	-	-
Inventories	15	-	-
Investments in financial assets	16	-	-
<b>Total current assets</b>		<b>1,910,552</b>	<b>1,458,228</b>
		-	
<b>Non-Current Assets</b>		-	
Property, Plant and Equipment	17	-	-
Intangible Assets	18	-	-
Long Term Receivables from Exchange Transactions	13		-
Investment Property	19	-	-
<b>Total non- current assets</b>		-	-
<b>Total Assets (A)</b>		<b>1,910,552</b>	<b>1,458,228</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables from Exchange Transactions	20	-	-
Current Provisions	21	-	-
Current Portion of Borrowings	22	-	-
Employee Benefit Obligations	23	-	-
Social benefit liabilities	24	-	-
<b>Total current liabilities</b>		-	-
		-	-
<b>Non-Current Liabilities</b>		-	-
Non-Current Provisions	21	-	-
Long Term Portion of Borrowings	22	-	-
Non-Current Employee Benefit Obligation	23		
Social benefit liabilities	24	-	-

**Busia County Alcoholic Drinks Control Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2024**

Description	Note	2023/2024	2022/2023
		Kshs	Kshs
		-	-
<b>Total Liabilities (B)</b>		-	-
		-	-
<b>Net Assets (A-B)</b>		-	-
		-	-
<b>Represented By:</b>			-
Revolving Fund			-
Reserves			-
Accumulated Surplus		<b>1,910,552</b>	1,458,228
<b>Net Assets</b>		<b>1,910,552</b>	<b>1,458,228</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on \_\_\_\_\_ 2024 and signed by:

~~Willis P. Ekan~~  
 Name: Willis P. Ekan  
 Administrator of the Fund



Pamela A. Ojok  
 Name: Pamela A. Ojok  
 Fund Accountant  
 ICPAK Member Number: 30092

*Busia County Alcoholic Drinks Control Fund*  
**Annual Report and Financial Statements for the year ended June 30, 2024**

**16. Statement of Changes in Net Assets for the year ended 30 June 2024**

Description	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
		Kshs	Kshs	Kshs
<b>Balance As At 1 July 2022</b>	-	-	96,412	96,412
Surplus/(Deficit) For the Period	-	-	1,361,816	1,361,816
Funds Received During the Year	-	-		-
Transfers	-			
Revaluation Gain	-	-		-
<b>Balance As At 30 June 2023</b>	-	-	<b>1,458,228</b>	<b>1,458,228</b>
<b>Balance As At 1 July 2023</b>	-	-	<b>1,458,228</b>	<b>1,458,228</b>
Surplus/(Deficit) For the Period		-	452,324	452,324
Funds Received During the Year	-	-	-	-
Transfers	-		-	-
Revaluation Gain	-	-	-	-
<b>Balance As At 30 June 2024</b>	-	-	<b>1,910,552</b>	<b>1,910,552</b>

**Busia County Alcoholic Drinks Control Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2024**

**17. Statement of Cash Flows for The Year Ended 30 June 2024**

Description	Note	2023/2024	2022/2023
		Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Public contributions and donations		-	-
Transfers from the county government		-	-
Interest received		-	-
Receipts from other operating activities		5,428,010	4,054,500
<b>Total receipts</b>		<b>5,428,010</b>	<b>4,054,500</b>
<b>Payments</b>			
Transfers to Busia County Revenue Fund	6	3,000,000	1,353,000
Use of Goods and Services	7	2,656,686	2,153,184
		<b>5,656,686</b>	<b>3,506,184</b>
<b>Net cash flows from operating activities</b>	25	<b>(228,676)</b>	<b>548,316</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment and Intangible assets		-	-
Proceeds from sale of property, plant & equipment		-	-
Proceeds from loan principal repayments		-	-
Loan disbursements paid out		-	-
<b>Net cash flows used in investing activities</b>		<b>-</b>	<b>-</b>
<b>Cash flows from financing activities</b>			
Proceeds from revolving fund receipts		-	-
Additional borrowings		-	-
Repayment of borrowings		-	-
<b>Net cash flows used in financing activities</b>		<b>-</b>	<b>-</b>
<b>Net increase/(decrease) in cash &amp; cash Equivalents</b>		<b>(228,676)</b>	<b>548,316</b>
Cash and cash equivalents as at 1 July		644,728	96,412
<b>Cash and cash equivalents at 30 June</b>		<b>416,052</b>	<b>644,728</b>

*Busia County Alcoholic Drinks Control Fund*  
**Annual Report and Financial Statements for the year ended June 30, 2024**

**18. Statement Of Comparison Of Budget And Actual Amounts For The Period 2024**

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	b	C=(a+b)	d	e=(c-d)	f=d/c*100
<b>Revenue</b>						
Public Contributions and Donations	-	-	-	-	-	
Transfers From County Govt.	1,200,000		1,200,000		1,200,000	-
Interest Income		-			-	
License & Application fee	4,715,000	-	4,715,000	6,109,010	(1,394,010)	130%
<b>Total Income</b>	<b>5,915,000</b>	-	<b>5,915,000</b>	<b>6,109,010</b>	<b>(194,010)</b>	<b>103%</b>
<b>Expenses</b>						
Fund Administration Expenses-Use of goods	3,692,500	-	3,692,500	2,656,686	1,035,814	72%
Transfers to Busia County Revenue Fund	2,222,500		2,222,500	3,000,000	(777,500)	135%
General Expenses	-	-	-	-		
Finance Cost	-	-	-	-		
<b>Total Expenditure</b>	<b>5,915,000</b>	-	<b>5,915,000</b>	<b>5,656,686</b>	<b>258,314</b>	<b>96%</b>
<b>Surplus For the Period</b>	-	-	-	<b>452,324</b>	-	
				-	-	

*Busia County Alcoholic Drinks Control Fund*  
**Annual Report and Financial Statements for the year ended June 30, 2024**

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**Budget notes**

1. *Underutilization is as a result of non-submission of funds appropriated by county assembly from treasury.*
2. *There were no changes between original and final budget.*
3. *Actual total income of KSh. 5,428,010 from License and Application fee.*
4. *Outstanding invoices comprises of unpaid License fees.*

**Reconciliation of Actual Liquor License and Application Fee**

	Kshs.
Amounts Reported in State of Financial Performance (Accrual Basis)	6,109,010
Amounts Reported in State of Comparison Budget and Actual Amounts (Cash Basis)	5,428,010
Variance (Receivables from exchange Transactions/Invoices not paid)	681,000

**19. Notes to the Financial Statements**

**Significant Accounting Policies**

**1. General Information**

Busia county Alcoholic Drinks Control Fund is established by and derives its authority and accountability from Busia County Alcoholic Drinks Control Act, 2014. The Fund is wholly owned by the Busia County Government and is domiciled in Kenya. The Fund’s principal activity is to issue Alcoholic Drinks Licenses.

**2. Statement of compliance and basis of preparation**

The Fund’s financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the Fund. The accounting policies have been consistently applied to all the years presented. The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the direct method. The financial statements are prepared on accrual basis.

**3. Adoption of new and revised standards**

*(i) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024*

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

*(ii) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024.*

<b>Standard</b>	<b>Effective date and impact:</b>
IPSAS 43	<b><i>Applicable 1<sup>st</sup> January 2025</i></b> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non- Current Assets Held for Sale and	<b><i>Applicable 1<sup>st</sup> January 2025</i></b> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such

**Busia County Alcoholic Drinks Control Fund  
Annual Report and Financial Statements for the year ended June 30, 2024**

Discontinued Operations	assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.
IPSAS 45- Property Plant and Equipment	<b><i>Applicable 1<sup>st</sup> January 2025</i></b> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.
IPSAS 46 Measurement	<b><i>Applicable 1<sup>st</sup> January 2025</i></b> The objective of this standard was to improve measurement guidance across IPSAS by: <ul style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS;</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ul> The standard also introduces a public sector specific measurement bases called the current operational value.
IPSAS 47- Revenue	<b><i>Applicable 1<sup>st</sup> January 2026</i></b> This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.
IPSAS 48- Transfer Expenses	<b><i>Applicable 1<sup>st</sup> January 2026</i></b> The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.
IPSAS 49- Retirement Benefit Plans	<b><i>Applicable 1<sup>st</sup> January 2026</i></b> The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.

*Busia County Alcoholic Drinks Control Fund*  
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**(i) Early adoption of standards**

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

**5. Summary of Significant Accounting Policies**

**a) Revenue recognition**

**i. Revenue from non-exchange transactions**

**Transfers from other government entities**

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably.

**ii. Revenue from exchange transactions**

**Interest income**

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

**Dividends**

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

**Rental income**

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

**b) Budget information**

The original budget for FY2023/2024 was approved by the County Assembly on 15<sup>th</sup> June 2023. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Fund did not record additional appropriations during the FY 2023/2024 budget following the governing body's approval.

The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

**Summary of Significant Accounting Policies (Continued)**

- c) In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.
- d) A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under page 7 of these financial statements.

**e) Property, plant and equipment**

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

**a) Intangible Assets**

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred.

The useful life of the intangible assets is assessed as either finite or indefinite.

**b) Investment property**

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition.

**Summary of Significant Accounting Policies (Continued)**

**c) Financial instruments**

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

**Financial assets**

**Classification of financial assets**

The entity classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the entity's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made irrevocable election at initial recognition for particular investments in equity instruments.

**Subsequent measurement**

Based on the business model and the cash flow characteristics, the entity classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

**Summary of Significant Accounting Policies (Continued)**

**Amortized cost**

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

**Fair value through net assets/ equity**

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

**Fair value through surplus or deficit**

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/ equity are measured at fair value through surplus or deficit. A business model where the entity manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

**Trade and other receivables**

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end.

**Impairment**

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL).

**Summary of Significant Accounting Policies (Continued)**

**Financial liabilities**

**Classification**

The entity classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

**d) Inventories**

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

- Raw materials: purchase cost using the weighted average cost method
- Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity.

**e) Provisions**

Provisions are recognized when the Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

**f) Social Benefits**

Social benefits are cash transfers provided to i) specific individuals and / or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The entity recognises a social benefit as an expense for the social benefit scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the entity will incur in fulfilling the present obligations represented by the liability.

**Summary of Significant Accounting Policies (Continued)**

**g) Contingent liabilities**

The Entity 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.

**Contingent assets**

The Entity 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 Entity 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.

**h) Nature and purpose of reserves**

The Entity creates and maintains reserves in terms of specific requirements

The Entity recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

**i) Employee benefits – Retirement benefit plans**

The Entity provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

**Summary of Significant Accounting Policies (Continued)**

**j) Foreign currency transactions**

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

**k) Borrowing costs**

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

**l) Related parties**

The Entity regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Entity, or vice versa. Members of key management are regarded as related parties and comprise the directors, the CEO and senior managers.

**m) 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. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

**n) Comparative figures**

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

**Summary of Significant Accounting Policies (Continued)**

**5. Significant judgments and sources of estimation uncertainty**

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

State all judgements, estimates and assumptions made e.g.

**a) Estimates and assumptions –**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Entity based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140.

**b) Useful lives and residual values**

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- The condition of the asset based on the assessment of experts employed by the Entity
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset
- Changes in the market in relation to the asset

**c) Provisions**

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note.

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

**Busia County Alcoholic Drinks Control Fund**  
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**6. Notes To The Financial Statements Continued**

**1. Public contributions and donations**

Description	2023/2024	2022/2023
	Kshs	Kshs
Donation From Development Partners	-	-
Contributions From the Public	-	-
<b>Total</b>	-	-

**2. Transfers from County Government**

Description	2023/2024	2022/2023
	Kshs	Kshs
Transfers From County Govt. –Operations	-	-
Payments By County on Behalf of The Entity	-	-
Unconditional Development grants	-	-
<b>Total</b>	-	-

**3. Fines, penalties and other levies**

Description	2023/2024	2022/2023
	Kshs	Kshs
Late Payment Penalties	-	-
Fines	-	-
<b>Total</b>	-	-

**4. Interest income**

Description	2023/2024	2022/2023
	Kshs	Kshs
Interest Income from Mortgage Loans	-	-
Interest Income from Car Loans	-	-
Interest Income from Investments in financial assets	-	-
Interest Income on Bank Deposits	-	-
<b>Total Interest Income</b>	-	-

**Busia County Alcoholic Drinks Control Fund**  
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**Notes to the Financial Statements Continued**

**5. Income from Licenses and Application fees**

Description	2023/2024	2022/2023
	Kshs	Kshs
Receipts from Alcoholic Drinks Licenses and Application	5,428,010	4,054,500
Receivables from licences and application	681,000	813,500
<b>Total Income</b>	<b>6,109,010</b>	<b>4,868,000</b>

**Detailed Analysis of Income from Alcoholic Drinks Licenses and Application**

SUB COUNTY	INVOICES	ACTUAL RECEIPTS	VARIANCE =BUDGET-ACTUAL
	KSH	KSH	KSH
Matayos	1,379,010	1,258,010	121,000
Teso South	962,000	880,000	82,000
Teso North	1,047,000	815,500	231,500
Nambale	905,000	827,000	78,000
Butula	860,000	830,000	30,000
Samia	476,000	431,000	45,000
Bunyala	480,000	386,500	93,500
<b>Total</b>	<b>6,109,010</b>	<b>5,428,010</b>	<b>681,000</b>

**Busia County Alcoholic Drinks Control Fund**  
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**6. Transfer To the County Treasury**

Description	2023/2024	2022/2023
	Kshs	Kshs
Transfer To the County Treasury	3,000,000	1,353,000
<b>Total</b>	<b>3,000,000</b>	<b>1,353,000</b>

Detailed analysis of Transfer to County Revenue Fund

DATE	DESCRIPTION	CHEQUE NO	RECEIPT NO	AMT(KSHS)
22/09/2023	Transfer to CRF	000108	59096	300,000
01/02/2024	Transfer to CRF	000112	608348	1,700,000
09/04/2024	Transfer to CRF	000115	9832606	1,000,000
<b>TOTAL</b>				<b>3,000,000</b>

**7. Use of Goods and Services**

Description	2023/2024	2022/2023
	Kshs.	Kshs.
Stakeholders Sensitization Meeting (Bar owners/Youths)	100,000	230,000
Inspection of liquor premises	837,000	602,000
Enforcement allowance	1,147,500	486,430
Printing and stationery	543,560	140,000
Training	-	355,000
Committee allowance	-	322,000
Administrative Review meeting	-	-
Bank charges	28,626	17,754
<b>Total Administrative cost</b>	<b>2,656,686</b>	<b>2,153,184</b>

**8. Depreciation and Amortization Expense**

Description	2023/2024	2022/2023
	Kshs.	Kshs.
Property Plant and Equipment	-	-
Intangible Assets	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Busia County Alcoholic Drinks Control Fund**  
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**9. Finance costs**

Description	2023/2024	2022/2023
	Kshs	Kshs
Interest On Bank Overdrafts	-	-
Interest On Loans from Banks	-	-
<b>Total</b>	-	-

**10. Gain/(loss) on disposal of assets**

Description	2023/2024	2022/2023
	Kshs	Kshs
Property, Plant and Equipment	-	-
Intangible Assets	-	-
<b>Total</b>	-	-

**11. Gain/ (loss) on Fair Value Investments**

Description	2023/2024	2022/2023
	Kshs	Kshs
Investments at Fair Value- Equity investments	-	-
Fair value – Investment property	-	-
Fair value- other financial assets	-	-
<b>Total Gain</b>	-	-

**12. Cash and cash equivalents**

Description	2023/2024	2022/2023
	Kshs	Kshs
Current Account	416,052	644,728
Others		
<b>Total Cash and Cash Equivalents</b>	<b>416,052</b>	<b>644,728</b>

**Busia County Alcoholic Drinks Control Fund**  
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**Notes to the Financial Statements Continued**

Detailed analysis of the cash and cash equivalents are as follows:

Financial Institution	Account number	2023/2024	2022/2023
		Kshs	Kshs
<b>a) Current Account</b>			
Kenya Commercial Bank		416,052	644,728
<b>Total</b>		<b>416,052</b>	<b>644,728</b>

**13. Receivables from exchange transactions**

Description	2023/2024	2022/2023
	Kshs	Kshs
<b>Current Receivables</b>		
Interest Receivable	-	-
Current Loan Repayments Due	-	-
Receivable from Licences and application	1,494,500	813,500
Less: Impairment Allowance	-	-
<b>Total Current Receivables</b>	<b>1,494,500</b>	<b>813,500</b>
<b>Non-Current Receivables</b>		
Long Term Loan Repayments Due	-	-
<b>Total Non- Current Receivables</b>	<b>-</b>	<b>-</b>
<b>Total Receivables from Exchange Transactions</b>	<b>1,494,500</b>	<b>813,500</b>

**Additional disclosure on interest receivable**

Description	2023/2024	2022/2023
	Kshs	Kshs
<b>Description</b>	<b>2023/2024</b>	<b>2022/2023</b>
Interest receivable from current portion of long-term loans of previous years	<b>Kshs</b>	<b>Kshs</b>
<b>Interest Receivable</b>		
Interest receivable from current portion of long-term loans of previous years	-	-
Accrued interest receivable from of long-term loans of previous years	-	-
Interest receivable from current portion of long-term loans issued in the current year	-	-
<b>Current loan repayments due</b>	<b>-</b>	<b>-</b>
Current portion of long-term loans from previous years	-	-

**Busia County Alcoholic Drinks Control Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2024**

**Notes to the Financial Statements Continued**

**14. Prepayments**

Description	2023/2024	2022/2023
	Kshs	Kshs
Prepaid Rent	-	-
Prepaid Insurance	-	-
Prepaid Electricity Costs	-	-
Other Prepayments	-	-
<b>Total</b>	-	-

**15. Inventories**

Description	2023/2024	2022/2023
	Kshs	Kshs
Consumable Stores	-	-
Spare Parts and Meters	-	-
Catering	-	-
Other Inventories	-	-
<b>Total Inventories at The Lower of Cost and Net Realizable Value</b>	-	-

**16. Investments in financial assets**

Description	2023/2024	2022/2023
	Kshs	Kshs
<b>a. Investment in Treasury bills and bonds</b>		
Financial institution		
CBK	-	-
CBK	-	-
Sub- total	-	-
<b>b. Investment with Financial Institutions/ Banks</b>		
Bank	-	-
Bank	-	-
Sub- total	-	-
<b>c. Equity investments</b>		
Equity/ shares in Entity	-	-
Sub- total	-	-
<b>Grand total</b>	-	-

**Busia County Alcoholic Drinks Control Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2024**

**Notes to the Financial Statements Continued**

**Movement of Equity Investments**

Impairment allowance/ provision	2023/2024	2022/2023
	Kshs	Kshs
At the beginning of the year	-	-
Purchase of investments in the year	-	-
Sale of investments during the year	-	-
Gain/(loss) in fair value of investments through surplus or deficit	-	-
<b>At the end of the year</b>	-	-

**e) Shareholding in other entities**

Name of Entity where investment is held	No of shares			Nominal value of shares	Fair value of shares	Fair value of shares
	Direct shareholding	Indirect shareholding	Effective shareholding		2024	2023
	%	%	%	Kshs	Kshs	Kshs
Entity A	-	-	-	-	-	-
Entity B	-	-	-	-	-	-
Entity C	-	-	-	-	-	-
	-	-	-	-	-	-

**Busia County Alcoholic Drinks Control Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2024**

**Notes To The Financial Statements (Continued)**

**17. Property, plant and equipment**

	Land and Buildings	Motor vehicles	Furniture and fittings	C of
Cost	Kshs	Kshs	Kshs	of
<b>At 1<sup>st</sup> July 2022</b>	-	-	-	
Additions	-	-	-	
Disposals	-	-	-	
Transfers/Adjustments	-	-	-	
<b>At 30<sup>th</sup> June 2023</b>	-	-	-	
<b>At 1<sup>st</sup> July 2023</b>				
Additions	-	-	-	
Disposals	-	-	-	
Transfer/Adjustments	-	-	-	
<b>At 30<sup>th</sup> June 2024</b>	-	-	-	
<b>Depreciation And Impairment</b>				
At 1 <sup>st</sup> July 2023	-	-	-	
Depreciation	-	-	-	
Impairment	-	-	-	
<b>At 30<sup>th</sup> June 2023</b>	-	-	-	
<b>At 1<sup>st</sup> July 2023</b>				
Depreciation	-	-	-	
Disposals	-	-	-	
Impairment	-	-	-	
Transfer/Adjustment	-	-	-	
<b>At 30<sup>th</sup> June 2024</b>	-	-	-	
<b>Net Book Values</b>				
<b>At 30<sup>th</sup> June 2023</b>	-	-	-	
<b>At 30<sup>th</sup> June 2024</b>	-	-	-	

**Busia County Alcoholic Drinks Control Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2024**

**Notes To The Financial Statements (Continued)**

**18. Intangible assets**

Description	2023/2024	2022/2023
	Kshs	Kshs
<b>Cost</b>		
<b>At Beginning of The Year</b>	-	-
Additions	-	-
<b>At End of The Year</b>	-	-
<b>Amortization And Impairment</b>		
<b>At Beginning of The Year</b>	-	-
Amortization	-	-
<b>At End of The Year</b>	-	-
Impairment Loss	-	-
<b>At End of The Year</b>	-	-
<b>NBV</b>	-	-

**19. Investment Property**

Description	2023/2024	2022/2023
	Kshs	Kshs
<b>At beginning of the year</b>	-	-
Additions	-	-
Disposal during the year	-	-
Depreciation	-	-
Impairment	-	-
Gain/(loss) in fair value (if fair value is elected)	-	-
<b>At end of the year</b>	-	-

*(For investment property held at fair value, changes in fair value should go through the statement of financial performance. Where cost model is elected, depreciation and impairment should not be charged. Investment measured at fair value should be evaluated at the end of the reporting period for changes in fair value.). Entity should disclose the independent valuers, rental income from the investment property if any and the direct costs attributed to the investment property. Any charges on the investment property as well as any difficulty in classifying this asset as an investment property.*

**Busia County Alcoholic Drinks Control Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2024**

**Notes To The Financial Statements (Continued)**

**20. Trade and other payables from exchange transactions**

Description	2023/2024		2022/2023	
	Kshs		Kshs	
Trade Payables	-		-	
Refundable Deposits	-		-	
Accrued Expenses	-		-	
Other Payables	-		-	
<b>Total Trade and Other Payables</b>	-		-	
Ageing analysis (Trade and other payables)	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
<b>Total (tie to above total)</b>	-		-	

**21. Provisions**

Description	Leave provision	Gratuity Provision	Other provision	Total
	Kshs	Kshs	Kshs	Kshs
<b>Balance b/f</b>	-	-	-	-
Additional provisions	-	-	-	-
Provision utilised	-	-	-	-
Change due to discount and time value for money	-	-	-	-
<b>Total provisions year end</b>	-	-	-	-
Current Provisions	-	-	-	-
Non-Current Provisions	-	-	-	-

**Busia County Alcoholic Drinks Control Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2024**

**Notes To The Financial Statements (Continued)**

**22. Borrowings**

Description	2023/2024	2022/2023
	Kshs	Kshs
<b>Balance At Beginning of The Period</b>	-	-
External Borrowings During the Year	-	-
Domestic Borrowings During the Year	-	-
Repayments of External Borrowings During the Period	-	-
Repayments of Domestic Borrowings During the Period	-	-
<b>Balance At End of The Period</b>	-	-

The table below shows the classification of borrowings into external and domestic borrowings:

Description	2023/2024	2022/2023
	Kshs	Kshs
<b>External Borrowings</b>		
Dollar Denominated Loan From 'X Organization'	-	-
Sterling Pound Denominated Loan From 'Y Organization'	-	-
Euro Denominated Loan from Z Organization'	-	-
<b>Domestic Borrowings</b>	-	-
Kenya Shilling Loan From KCB	-	-
Kenya Shilling Loan from Barclays Bank	-	-
Kenya Shilling Loan from Consolidated Bank	-	-
Borrowings From Other Government Institutions	-	-
<b>Total Balance at End of The Year</b>	-	-

The table below shows the classification of borrowings long-term and current borrowings:

Description	2023/2024	2022/2023
	Kshs	Kshs
Short Term Borrowings (Current Portion)	-	-
Long Term Borrowings	-	-
<b>Total</b>	-	-

**Busia County Alcoholic Drinks Control Fund**  
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**Notes To The Financial Statements (Continued)**

**23. Employee benefit obligations**

Description	Defined benefit plan	Post employment medical benefits	Other Provisions	2023/2024	2022/2023
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	-	-	-	-	-
Non-Current Benefit Obligation	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

**24. Social Benefit Liabilities**

Description	2023/2024	2022/2023
	Kshs	Kshs
Health social benefit scheme	-	-
Unemployment social benefit scheme	-	-
Orphaned and vulnerable benefit scheme	-	-
Elderly social benefit scheme	-	-
Bursary social benefits	-	-
<b>Total</b>	-	-
Current social benefits	-	-
Non-current social benefits	-	-
<b>Total</b>	-	-

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**Notes To The Financial Statements (Continued)**

**25. Cash generated from operations.**

Description	2023/2024	2022/2023
	Kshs	Kshs
<b>Surplus/ (Deficit) For the Year Before Tax</b>	<b>452,324</b>	<b>1,361,816</b>
<b>Adjusted For:</b>		
Depreciation	-	-
Amortisation	-	-
Gains/ Losses on Disposal of Assets	-	-
Interest Income	-	-
Finance Cost	-	-
<b>Working Capital Adjustments</b>		
Increase In Inventory	-	-
Increase In Receivables	(681,000)	(813,500)
Increase In Payables	-	-
<b>Net Cash Flow from Operating Activities</b>	<b>228,676</b>	<b>548,316</b>

**26. Related party balances**

**a) Nature of related party relationships**

Entities and other parties related to the Fund include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates and close family members. The fund/scheme is related to the following entities:

- a) The County Government;
- b) The Parent County Government Ministry;
- c) Key management;
- d) Board of Trustees; etc.

**b) Related party transactions**

Description	2023/2024	2022/2023
	Kshs	Kshs
Transfers From County Government of Busia	-	-
Transfers To County Government of Busia	3,000,000	1,353,000

**Busia County Alcoholic Drinks Control Fund**  
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**c) Key management remuneration**

Description	2023/2024	2022/2023
	Kshs	Kshs
Board Of Trustees	-	-
Key Management Compensation	-	-
<b>Total</b>	-	-

**d) Due from related parties**

Description	2023/2024	2022/2023
	Kshs	Kshs
Due From Parent Ministry	-	-
Due From County Government of Busia	1,200,000	1,484,000
<b>Total</b>	<b>1,200,000</b>	<b>1,484,000</b>

**e) Due to related parties**

Description	2023/2024	2022/2023
	Kshs	Kshs
Due To Parent Ministry	-	-
Due To County Government	-	-
Due To Key Management Personnel	-	-
<b>Total</b>	-	-

**27. Contingent assets and contingent liabilities**

Contingent Liabilities	2023/2024	2022/2023
	Kshs	Kshs
Court Case Against the Fund	-	-
Bank Guarantees	-	-
<b>Total</b>	-	-

**Notes To The Financial Statements (Continued)**

**28. Financial risk management**

The Fund's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Fund's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The Fund does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

The Fund's financial risk management objectives and policies are detailed below:

**a) Credit risk**

The Fund has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the entity's management based on prior experience and their assessment of the current economic environment. The carrying amount of financial assets recorded in the financial statements representing the entity's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

<b>Description</b>	<b>Total amount Kshs</b>	<b>Fully performing Kshs</b>	<b>Past due Kshs</b>	<b>Impaired Kshs</b>
<b>At 30 June 2023</b>				
Receivables From Exchange Transactions	813,500	-	-	-
Receivables From Non-Exchange Transactions		-	-	-
Bank Balances	644,728	-	-	-
<b>Total</b>	<b>1,458,228</b>	-	-	-
<b>At 30 June 2024</b>				
Receivables From Exchange Transactions-License fees	1,494,500	-	-	-
Receivables From Non-Exchange Transactions	-	-	-	-
Bank Balances	416,052	-	-	-
<b>Total</b>	<b>1,910,552</b>	-	-	-

**Busia County Alcoholic Drinks Control Fund**  
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**Notes To The Financial Statements (Continued)**

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the entity has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

The entity has significant concentration of credit risk on amounts due from exchange transactions - License fees.

The board of trustees sets the Fund's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

**b) Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the Fund Administrator, who has built an appropriate liquidity risk management framework for the management of the entity's short, medium and long-term funding and liquidity management requirements. The entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

The table below represents cash flows payable by the Fund under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
<b>At 30 June 2023</b>				
Trade Payables	-	-	-	-
Current Portion of Borrowings	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligation	-	-	-	-
<b>Total</b>	-	-	-	-
<b>At 30 June 2024</b>				
Trade Payables	-	-	-	-
Current Portion of Borrowings	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligation	-	-	-	-
<b>Total</b>	-	-	-	-

**Notes To The Financial Statements (Continued)**

**c) Market risk**

The board has put in place an internal audit function to assist it in assessing the risk faced by the entity on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

The Fund's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies.

There has been no change to the entity's exposure to market risks or the manner in which it manages and measures the risk.

**i. Foreign currency risk**

The entity has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate.

The carrying amount of the entity's foreign currency-denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Description		Other	Total
	Kshs	currencies Kshs	Kshs
<b>At 30 June 2024</b>			
Financial Assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors/ Receivables			
<b>Liabilities</b>			
Trade And Other Payables	-	-	-
Borrowings	-	-	-
<b>Net Foreign Currency Asset/(Liability)</b>	-	-	-

**Notes To The Financial Statements (Continued)**

**Foreign currency sensitivity analysis**

The following table demonstrates the effect on the Fund's statement of financial performance on applying the sensitivity for a reasonable possible change in the exchange rate of the three main transaction currencies, with all other variables held constant. The reverse would also occur if the Kenya Shilling appreciated with all other variables held constant.

Description	Change in currency rate	Effect on surplus/ deficit	Effect on equity
	Kshs	Kshs	Kshs
<b>(Current FY)</b>			
Euro	10%	-	-
USD	10%	-	-
<b>(Comparative FY)</b>			
Euro	10%	-	-
USD	10%	-	-

**ii. Interest rate risk**

Interest rate risk is the risk that the entity's financial condition may be adversely affected as a result of changes in interest rate levels. The entity's interest rate risk arises from bank deposits. This exposes the Fund to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the Fund's deposits.

***Management of interest rate risk***

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates.

***Sensitivity analysis***

The Fund analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs (2024: Kshs). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs (2023: Kshs).

**Busia County Alcoholic Drinks Control Fund**  
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**Notes To The Financial Statements (Continued)**

**d) Capital risk management.**

The objective of the Fund's capital risk management is to safeguard the Fund's ability to continue as a going concern. The entity capital structure comprises of the following funds:

Description	2023/2024	2022/2023
	Kshs	Kshs
Revaluation reserve	-	-
Revolving fund	-	-
Accumulated surplus	1,910,552	1,458,228
<b>Total funds</b>	<b>1,910,552</b>	<b>1,458,228</b>
Total borrowings	-	-
Less: cash and bank balances	(416,052)	(644,728)
Net debt/(excess cash and cash equivalents)	1,494,500	813,500
<b>Gearing</b>	<b>78%</b>	<b>56%</b>

**29. Events after the reporting period**

There were no material adjusting and non- adjusting events after the reporting period.

**30. Ultimate and Holding Entity**

The entity is a County Public Fund established by Busia Alcoholic Drinks Control Fund under the the Department of Trade, Investment, Industrialization, Cooperatives, Small and Medium Enterprises. Its ultimate parent is the County Government Busia.

**31. Currency**

The financial statements are presented in Kenya Shillings (Kshs).

**Busia County Alcoholic Drinks Control Fund  
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**20. Annexes**

**Annex I: Progress on Follow Up Of Prior Year Auditor's Recommendations**

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p><b>Unconfirmed Revenue Amount</b>  <i>The statement of financial performance and note. 5 to the financial statements reflects revenue totalling to Ksh. 4,868,000 in respect of liquor license and application fee. However, management did not provide for audit review the miscellaneous receipt book number 2669 of serial Nos. 266801- 266900, book No. 2670 of serial Nos. 266901-267000 and book numbers 310101-310200 all issued to Butula Sub County office.</i></p> <p><i>In the circumstances, the accuracy and completeness of the revenue from liquor license and application fee of Kshs. 4,868,000 could not be confirmed.</i></p>	<p>The missing miscellaneous receipt books no. 2669 serial no. 266801-266900, book no. 2670 of serial no. 266901-267000, and book no. 310101- 310200 were issued in 2016 to Samia Sub County office.</p> <p>The officer who received the books was later transferred to Butula sub county office during the period when audit review was ongoing. Find the attached extract of four books in question. Two receipt books were already used (No. 2669 of serial nos. 266801-266900, book no. 2670 of serial nos. 266901-267000) and unused book no. 3101 and 3102 serial Nos. 310001-310200.</p>	Resolved	
	<p><b>Emphasis of matter Budgetary Control and Performance</b>  <i>The statement of comparison of budgets and actual amounts reflects approved revenue budget and actual on</i></p>	<p>The management is in agreement with observation of the auditors. The underfunding was caused by a variance of KShs. 1,484,000 resulting from funds not received from the Busia County Treasury as it was</p>	Resolved	

**Busia County Alcoholic Drinks Control Fund**

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p><i>comparable basis totalling to KShs. 6,352,000 and 4,054,500 respectively, resulting to under-funding of KShs. 2,297,500 or 36% of the budget. Similarly, the fund incurred actual expenditure of KShs. 3,506,184 against approved expenditure of KShs. 6,352,000 resulting to under-performance of KShs. 2,845,816 or 45% of the budget. The under-funding and under-performance affected the planned activities and may have negatively impacted on services delivery to the public.</i></p>	<p>appropriated by the Busia County Assembly.</p> <p>This was due to late disbursement of funds from National Treasury to the County. KShs. 813,500 was unrealised due to uncollected revenue from some alcoholic drinks outlets that had closed down during the Financial Year 2022/2023.</p>		
1.	<p><b>Irregular Utilization of the Funds revenue</b></p> <p><i>The statement of financial performance reflects revenue totaling to KShs. 4,868,000 in respect of receipts during the Year and total expenses of KShs. 3,506,184. However, the management transferred KShs. 1,353,000 or 28% of receipts to the County Revenue Fund. Management also incurred actual expenditure of KShs. 2,153,184, or 44% of total while no evidence was provided to confirm that any amount was transferred to NACADA contrary to section 6(5) of Busia</i></p>	<p>During the Financial Year 2022/2023 and the current FY: 2023/2024, funds were not transferred to NACADA as expected due to budget deficit resulting from non-disbursement of appropriated funds by the County Treasury to Alcoholic Drinks Fund.</p>	Not Resolved	

**Busia County Alcoholic Drinks Control Fund**

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p><i>County Alcoholic Drinks Act, 2014 which requires sharing of funds receipts in the ratio of 70%, 20% and 10% to the County Revenue Fund, transfers to National Campaign Against Drug Abuse (NACADA) and administration expenses respectively.</i></p> <p><i>In circumstances, Management was in breach of the law.</i></p>			
2.	<p><b>Delayed completion of Alcohol and Drug Abuse (A.D.A) Treatment and Rehabilitation Centre (Phase 1)</b></p> <p><i>The County Government awarded a contract to a local contractor for construction of Alcohol and Drug Abuse (A.D.A) Treatment and Rehabilitation Centre (Phase 1) at Butula Family Life Centre at a contract sum of Kshs. 5,804,405 and a contract period of three (3) months from 28<sup>th</sup> April, 2020 to 28 July 2020.</i></p> <p><i>Physical verification of the project carried out in the month of October, 2023 revealed that the project had reached lintel level but had stalled since no works were going on and there</i></p>	<p>The project in question is a responsibility of the Department of Trade, Investment, Industrialization, Cooperatives and SMEs who is also its implementor and not Alcoholic Drinks Control Fund.</p>	Not Resolved	

**Busia County Alcoholic Drinks Control Fund**  
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>were no materials on site. In addition, the nine verandah columns that had been constructed appeared weak and three (3) had collapsed, a sign of poor workmanship.</p> <p>As at June, 2023, the contractor had been paid a total of Kshs. 2,949,200 or 51% of the contract sum. No explanation was provided on the failure to complete the rehabilitation centre over four (4) Years since the lapsing of the contract period.</p> <p>In the circumstances, value for money was not obtained from the project and management was in breach of the law.</p>			

Fund Administrator Busia County Alcoholic Drinks Control Fund

Date.....   


**Busia County Alcoholic Drinks Control Fund**  
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**Annex II: Inter-Fund Confirmation Letter**

The Busia County Alcoholic Drinks Control Fund wishes to confirm the amounts disbursed to you as at 30 June 2024 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by [Insert name of beneficiary Fund] as at 30 <sup>th</sup> June 2024							
Reference Number	Date Disbursed	Amounts Disbursed by [SC/SAGA/Fund] (Kshs) as at 30 <sup>th</sup> June 2024				Amount Received by [beneficiary Fund] (KShs) as at 30 <sup>th</sup> June 2024 (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
<b>Total</b>							

In confirm that the amounts shown above are correct as of the date indicated.

**Head of Accountants department of beneficiary Fund:**

**Name .....** **Sign .....** **Date .....**

*Busia County Alcoholic Drinks Control Fund*  
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**Annex III: Reporting of Climate Relevant Expenditures**

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

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**Annex IV: Reporting on Disaster Management Expenditure**

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