

REPUBLIC OF KENYA



Enhancing Accountability

PARLIAMENT
OF KENYA
LIBRARY

PAPERS LAID	
DATE	26.10.22
TABLED BY	Majority Whip
COMMITTEE	
CLERK AT THE TABLE	A. Macharia

REPORT

OF

THE AUDITOR-GENERAL

ON

**KAJIADO COUNTY ALCOHOLIC DRINKS
CONTROL FUND**

**FOR THE YEAR ENDED
30 JUNE, 2021**

OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
REGISTRY

17 JAN 2022

RECEIVED



KAJIADO COUNTY ALCOHOLIC DRINKS CONTROL FUND

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30 JUNE 2021

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

**Kajiado County Alcoholic Drinks Control Fund
Reports and Financial Statements
For the year ended 30 June, 2021**

Table of Contents

1. KEY ENTITY INFORMATION AND MANAGEMENT	2
2. THE BOARD OF TRUSTEES/ FUND ADMINISTRATION COMMITTEE	5
3. STATEMENT OF PERFORMANCE AGAINST COUNTY ENTITY’S PREDETERMINED OBJECTIVES	7
4. MANAGEMENT TEAM	10
5. BOARD/FUND ADMINISTRATION COMMITTEE CHAIRPERSON’S REPORT	11
6. REPORT OF THE FUND MANAGER/ ADMINISTRATOR	12
7. CORPORATE GOVERNANCE STATEMENT	14
8. MANAGEMENT DISCUSSION AND ANALYSIS	17
9. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING	18
10. REPORT OF THE TRUSTEES/ FUND ADMINISTRATION COMMITTEE	19
11. STATEMENT OF MANAGEMENT’S RESPONSIBILITIES	20
12. REPORT OF THE INDEPENDENT AUDITOR ON THE FINANCIAL STATEMENTS FOR KAJIADO COUNTY ALCOHOLIC DRINKS CONTROL FUND	22
13. FINANCIAL STATEMENTS	23
13.1 STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2021	23
13.2 STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021	24
13.3 STATEMENT OF CHANGES IN NET ASSETS AS AT 30 JUNE 2021	26
13.4 STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021	27
13.5 STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2021	28
13.6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	29
14. NOTES TO THE FINANCIAL STATEMENTS	49
15. PROGRESS ON FOLLOW UP OF PRIOR YEAR AUDITOR’S RECOMMENDATIONS	62
16. APPENDIX I: INTER-ENTITY TRANSFERS	63

1. KEY ENTITY INFORMATION AND MANAGEMENT

a) Background Information

The Kajiado County Alcoholic Drinks Control Fund is established by and derives its authority and accountability from the Kajiado County Alcoholic Drinks Control Act, 2014 and Alcoholic Drinks Control Regulation, 2020. The Fund is wholly owned by the County Government of Kajiado and is domiciled in Kajiado.

The fund's objective is to facilitate and enhance sustainable process geared towards a sober and responsible Society. The Fund's principal activity is to enhance controls, enforcement, management, inspection and licensing of Alcoholic Drinks Control businesses for compliance and revenue collection. The fund also facilitates prevention and Rehabilitation services through awareness, sensitization sessions and Youth friendly programs that leads to reduced levels of early Socialization of Alcohol, Drugs & Substance and promotes responsible behaviours.

b) Principal Activities

- Roll out call for application for Alcoholic Drinks Control outlets in every financial year,
- Carry out inspection of Alcoholic Drinks Control outlets that have met the threshold for licensing,
- Carry out surveillance and impromptu raids for Compliance,
- Facilitate Board and Sub Counties Meetings
- Facilitate awareness and sensitization on effects of Alcoholic, Drugs and Substance Abuse.
- Facilitate Community outreach to enhance Community re-integration, reduce stigma & discrimination of reforming addicts,

c) Activities

The Fund's principal activity is to;

- (a) Carrying out the functions of the County Board stipulated under section 4;
- (b) Assisting in the operations of the Sub- County Committees;
- (c) Administration;
- (d) Any other matter incidental to the matters stated in paragraphs (a) and (b).

**Kajiado County Alcoholic Drinks Control Fund
Reports and Financial Statements
For the year ended 30 June, 2021**

The vision/mission/mandate of the Fund is:

VISION: ‘A sober and Responsible Society’

MISSION: To facilitate and enhance promotion of healthy family relationships, emotional wellness, prevention of alcohol, drugs and substance abuse, compliance and enforcement through parent education, dynamic Youth programs, and engagement with key community stakeholders.

MANDATE: the Fund mandate is to;

- a) Carrying out the functions of the County Board stipulated under section 4 40%
- (b) Assisting in the operations of the Sub- County Committees 30%
- (c) Administration. 5%
- d) County Kitty 10%
- e) Any other matter incidental to the matters stated in paragraphs (a) and (b). 15%

d) Board of Trustees/Fund Administration Committee

Ref	Position	Name
1	Chairman of the Board	Jonah Marahpash
2	Chief Officer (<i>Responsible department</i>)	Francis Metian
3	Chief Officer Finance	Lekina Tutui
4	Other Trustees/Committee Members	Francis Githuku, John Senewa Kaurai, Felix Nkaru, Musa Letoya, Moses Birisha, Agnes Supeyo, Joshua Nkanatha, Muthuri Mwongera, William Melau Ntakuka, Robert Olweny.
5	Fund Manager/ Administrator	Irene Katete

e) Key Management

Ref	Position	Name
1.	CECM- Finance & Economic Planning	Lekina Tutui
2.	Chief Officer Public Service & Services	Francis Metian
3.	Fund Manager/ Administrator	Irene Katete
4.	Fund Accountant	Timothy Lompo

**Kajiado County Alcoholic Drinks Control Fund
Reports and Financial Statements
For the year ended 30 June, 2021**

f) Fiduciary Oversight Arrangements

Ref	Position	Name
1	CECM- Finance & Economic Planning	Lekina Tutui
2	Chief Officer Public Service & Services	Francis Metian
3333	Fund Manager/ Administrator	Irene Katete

g) Registered Offices

P.O. Box 11 - 01100
Kajiado County Headquarter
Kajiado, KENYA

h) Fund Contacts

Telephone: (254) 0202043075
E-mail: treasury.cgk@gmail.com
Website: www.kajiadocounty.go.ke

i) Fund Bankers

Family Bank
Kajiado Branch
P.O BOX 74145-00200
Nairobi Kenya.

j) Independent Auditors







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

k) Principal Legal Adviser





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

**Kajiado County Alcoholic Drinks Control Fund
Reports and Financial Statements
For the year ended 30 June, 2021**

2. THE BOARD OF TRUSTEES/ FUND ADMINISTRATION COMMITTEE

Name	Details of Qualifications and Experience
 1. Irene Katete	Date of Birth; 23 November, 1970. Academic Level; BA in Community Development, Community Profession: Development Practitioner, 25 years of experience Fund Administrator – Kajiado Alcoholic Drinks Control Fund
 2. Francis Metian	Date of Birth: 25 January, 1973. Academic Level: Bachelor of Education Profession: Teaching, 17 years of experience. Chief Officer - Public Service & Social Services
 3. Jonah Marahpash	Date of Birth: 4 April, 1976. Academic Level: Higher National Diploma in Human resources Profession: 20 years of experience Chairperson - Kajiado Alcoholic Drinks Control Board
 4. Francis Githuku	Academic Level: O level Profession: Farmer and a Businessman Vice Chairperson – Kajiado Alcoholic Drinks Control Board
 5. William Ntakuka Melau	Date of Birth: 12 November, 1984 Academic Qualification: MA PPM, BBA, DBM: Profession: Alcohol Control advocate, policy, research & Project Management specialist, 12 years of work experience. Member - Kajiado Alcoholic Drinks Control Board
 6. John Senewa Kaurai	Date of Birth: 1942 Former Councillor and a businessman Member - Kajiado Alcoholic Drinks Control Board

**Kajiado County Alcoholic Drinks Control Fund
Reports and Financial Statements
For the year ended 30 June, 2021**

<p>7.Felix Nkaru</p>	<p>Former Councillor and Missionary Member - Kajiado Alcoholic Drinks Control Board</p>
 <p>8.Agnes Supeyo</p>	<p>Date of Birth: 6 March, 1976 Academic Level: Form 4 level, Profession: Community mobilizer. Member - Kajiado Alcoholic Drinks Control Board</p>
 <p>9.Musa Letoya</p>	<p>Date of birth: 11 November, 1967 Profession - Public Health Officer. Experience: - Health professional of over 30 years working for the Government at different management levels within the County Health Management Team (CHMT) Member - Kajiado Alcoholic Drinks Control Board</p>
 <p>10.Robert Olweny</p>	<p>Date of Birth: 02 October, 1979 Academic Level: Masters in Project Planning and Management. Profession: Prevention Coordinator Years of experience: 14 NACAD Regional Coordinator, South Rift Member - Kajiado Alcoholic Drinks Control Board</p>
 <p>11.Moses Birisha</p>	<p>County Enforcement Officer Member - Kajiado Alcoholic Drinks Control Board</p>
<p>12.Joshua Nkanatha</p>	<p>County Commissioner- Alcoholic Drinks Control Board Member</p>
<p>13.Muthuri Mwongera</p>	<p>County Police Commander- Alcoholic Drinks Control Board Member</p>

**Kajiado County Alcoholic Drinks Control Fund
Reports and Financial Statements
For the year ended 30 June, 2021**

**3. STATEMENT OF PERFORMANCE AGAINST COUNTY ENTITY'S
PREDETERMINED OBJECTIVES**

The Kajiado County Alcoholic Drinks Control fund was established under the Alcoholic Drinks Control Act 2014 and being implemented through Alcoholic Drinks Control Regulation 2020.

The purpose of the fund is to facilitate and enhance Revenue collection, Management, Controls, Enforcement, and compliance of Alcoholic Drinks licensing process, further, the fund also facilitates the aspects of Prevention of Alcohol, Drugs & Substance Abuse, Treatment and Rehabilitation of those affected by the vice through strengthening of Community re-integration to reduce relapse, Stigma, Discrimination, guiding and counselling, awareness, sensitization and Youth friendly sessions/programs.

We had Zero balance at as 1 July, 2020 as our opening balance, we manage to collect Kshs.26,665,116 against total expenses of Kshs.26,476,320 with bank charges amounting to Kshs.25,409 this resulted to a surplus of Kshs.163,387.

The process of revenue collection was highly affected by the COVID 19 Pandemic which led to seven months of lockdown which led to closure of outlets while others have transformed into non-Alcoholic business, this intern has increased stress and depression levels, loss of jobs hence increased levels of insecurity and Abuse of hard substance. Nevertheless, we managed to inspect and license 575 outlets which generated a revenue of 26,665,116 from application fees of Kshs.1000 per an outlet and licensing of the same with various charges per type of license.

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

The key development objectives of the County Government of Kajiado Alcoholic Drinks Control Fund F/Y 2020/2021 plan are to:

- a) To enhance revenue collection & Compliance through automation.

**Kajiado County Alcoholic Drinks Control Fund
Reports and Financial Statements
For the year ended 30 June, 2021**

- b) To strengthening sustainable alternative livelihoods towards a drug free County
- c) To facilitate Youth friendly programs that supports prevention & rehabilitation strategies.




Below we provide the progress on attaining the stated objectives:

Program	Objective	Outcome	Indicator	Performance
1.Liquor Licensing Process	To enhance revenue collection & Compliance through automation	Improved & timely Service delivery, Increased levels of customer satisfaction,	No. Automation systems implemented ‘ No. of liquor outlets that have applied, registered, inspected & licensed Amount of revenue raised	Increased revenue base & Compliance,
		Copies of minutes in place, list of attendance	No. of ADC Board and Committee meetings held	Increased efficiency & effectiveness in Service delivery
		Non-compliant outlets closed	No. of impromptu raids held, No. of persons prosecuted in court.	Reduced illicit brews & Substandard Outlets
			No. of liquor outlets closed	Enhanced Controls & enforcement levels
			No. of Sub County ADC Committee meetings held	Enhanced compliance levels.

**Kajiado County Alcoholic Drinks Control Fund
Reports and Financial Statements
For the year ended 30 June, 2021**

Program	Objective	Outcome	Indicator	Performance
2. Control of Drugs & Pornography	To strengthening sustainable alternative livelihoods towards a drug free County		No. of beneficiaries mapped out. No. of bench marking done No. of Livelihoods identified & tested for implementation	Improved Quality of life, Improved economic status, Reduced levels of stress & depression, Reduced levels of domestic violence
3. Control of Drugs & Pornography	To facilitate Youth friendly programs that supports prevention & rehabilitation strategies.	Reduced level of Alcohol, Drug & Substance Abuse	No. of Youth forums held, No. of talents identified No. of addicts rehabilitated No. of prevention science held	Improved quality of life Enhanced synergies & teamwork Reduced stigma & discrimination Reduced levels of Relapse Enhanced Community R-- integration

4. MANAGEMENT TEAM


Name	Details of Qualifications and Experience
 1. Alais Kisota	CECM- Public Service, Social Services, Administration & Inspectorate Services.
 2. Francis Metian	Date of Birth: 25 January, 1973. Academic Level: Bachelor of Education Profession: Teaching, 17 years of experience. Chief Officer - Public Service & Social Services
 3. Irene Katete	Date of Birth: 23 November, 1970. Academic Level: BA in Community Development. Profession: Community Development Practitioner, 25 years of experience Fund Administrator – Kajiado Alcoholic Drinks Control Fund

5. BOARD/FUND ADMINISTRATION COMMITTEE CHAIRPERSON’S REPORT

The Alcoholic Drinks Control fund was established under the Alcoholic Drinks Control Act of 2014 and being implemented through Alcoholic Drinks Control Regulation of 2020 and other relevant legislations. The purpose of the fund is to facilitate and enhance Management, Controls, enforcement and compliance of Alcoholic Drinks Control licensing process, further, the fund also facilitates the aspect of prevention and Rehabilitation of that affected by the vice and strengthening of Community reintegration to reduce relapse.

The fund is one year old since inception and has a potential for growth both in revenue base and programs. The COVID 19 Pandemic affected the collections as well as implementation of activities, nevertheless, the board managed to inspect and licensed 575 outlets which generated a revenue base of 26,665,116 through application fees and payments of Licenses of various amounts and types.

The fund also supported Youth programs such like “NIKO SOBER NA UJANA WANGU” initiative which brought together over 300 Youths both in and out of school, the session was to raise awareness on effects of Drugs and Substance Abuse. Several Community outreaches were done through support to women economic initiatives as a way of enhance prevention strategies. In future, we plan to expand our activities to include Corporate Social Responsibility to improve public image and increase customer engagements.

Signed:  _____
Alais Kisota

6. REPORT OF THE FUND MANAGER/ ADMINISTRATOR

The Kajiado Alcoholic Drinks Control fund was established under the Alcoholic Drinks Control Act of 2014 and being implemented through Alcoholic Drinks Control Regulation of 2020 and other relevant legislations. The purpose of the fund is to facilitate and enhance Management, Controls, enforcement and compliance of Alcoholic Drinks Control licensing process, further, the fund also facilitates the aspect of prevention and Rehabilitation of those affected by the vice and strengthening of Community reintegration to reduce relapse.

The fund is one-year-old since inception and has a potential for growth both in revenue base and programs. The target revenue budget for collection in the financial year was 73,655,000, this was affected by the COVID 19 Pandemic seven months lock down which led to permanent closure of some outlets and others resulted to non-Alcoholic businesses, also implementation of planned activities were equally affected, nevertheless, the board managed to inspect and licensed 575 outlets which generated a revenue base of 26,665,116 through application fees and payments of Licenses of various amounts and types, meaning collection of revenue was only done within five months in the financial year, the performance of the fund in revenue collection is at 36.2% as opposed to a projection of 100%.

The fund also supported Youth programs such like “NIKO SOBER NA UJANA WANGU” initiative which brought together over 300 Youths both in and out of school, the session was to raise awareness on effects of Drugs and Substance Abuse. Several Community outreaches were done through support to women economic initiatives as a way of enhance prevention strategies. Awareness and sensitizations were held on COVID 19 prevention and compliance across the County, this is to contribute towards reduction of spread through proper handwashing, Social Distance and wearing of masks by installing hand washing stations within each outlet and any other premise. Staff were also provided with protective materials such as gloves, masks and sanitizers.

The board also confiscated illicit brews and Substandard brands through a multiagency team which was led by the County Commissioner over 500litres of illicit brews were destroyed and

**Kajiado County Alcoholic Drinks Control Fund
Reports and Financial Statements
For the year ended 30 June, 2021**

100 boxes of assorted brands were confiscated while 50 gambling and betting machines were burned to ashes,

In future, we plan to expand our activities to include Corporate Social Responsibility to improve public image and increase customer engagements and also to advocate for construction of a modern rehabilitation centre that will ease the burden of travelling to other Counties in search for such a facility.



A standard banner with partners logos.



Gambling & Betting Machines being burned to ashes in Kiserian, November 2020



Multiagency team confiscating illicit brews at Lorngusua town.



Dangerous illicit brew seized at Nkaimurunya ward.



Awareness and sensitization session at Masai technical on relationship between HIV/AIDS, Drugs and Substance Abuse.

Signed: _____

Irene Katete Fund Administrator

7. CORPORATE GOVERNANCE STATEMENT

Since corporate governance also provides the framework for attaining funds objectives, it encompasses practically every sphere of management, from action plans and internal controls to performance measurement and corporate disclosure.

The fund governance is important since it shows the fund direction and business integrity. Good governance helps the fund build trust with stakeholders and the community. As a result, governance helps promote financial viability by creating a long-term investment opportunity for market participants.

It is based on the above that Kajiado County Alcoholic Drinks Control Act of 2014 under Section Part II Administration established the County Board, Part III Establishment of the Sub-County Committees as basic structures to govern the fund and implementation of activities to enhance and facilitate accountability, transparency, fairness, and responsibility.

(1) The Alcoholic Drinks Control Board functions are:

- (a) In collaboration with other relevant county and national government agencies establish treatment and rehabilitation facilities and programs for person's dependent on alcoholic drinks in each Sub – County;
- (b) Ensure that the treatment and rehabilitation facilities have the necessary human resources for effective operation and service delivery;
- (c) Ensure that the treatment and rehabilitation services are designed in a manner that is accessible and affordable to person's dependent on alcoholic drinks;
- (d) Support and facilitate Sub-County Committees in carrying out their functions;
- (e) Carry out public education on alcoholic drinks control in the county directly and in collaboration with other public or private bodies and institutions;

**Kajiado County Alcoholic Drinks Control Fund
Reports and Financial Statements
For the year ended 30 June, 2021**

(f) Facilitate citizen participation in matters related to alcoholic drinks control in accordance to framework for citizen participation established under the County Governments Act, the Urban Areas and Cities Act or any other relevant written law;

(g) Facilitate and promote in collaboration with other county and national government institutions the establishment of treatment and rehabilitation facilities and programmes;

(h) Develop in collaboration with other County and National government departments strategies and plans for implementing this Act and control of alcohol abuse and any other relevant national legislation and coordinate and support their implementation, while the Sub Counties Committees functions are;

(a) Recommend to the County Board the issuance of licenses in accordance with this Act; and

(b) Perform such other functions as may, from time to time be assigned to it by the County Board.

(2) The Sub- County Committee may, in the discharge of its functions under this Act, make inspection or other visits to premises at such times as it may deem appropriate.

(3) In carrying out its functions, the Sub- County Committee shall—

(a) Ensure that there is effective public participation in accordance with the framework for citizen participation established under the County Governments Act, the Urban Areas and Cities Act or any other relevant written law;

(b) Collaborate with ward administrators and village administrators and councils appointed under the County Governments Act, 2012 and the officers in charge of coordination of national government functions in the wards and villages;

(c) Collaborate with similar committees in other counties for effective implementation of the Act.

The Kajiado Alcoholic Drinks Control Board has met more than 10 times so that it can establish and stabilize the running and management of the fund as well as Sub County Committees to enhance smooth implementation process. Attendance and participation at both levels has been 99

to 100%, this facilitated appropriate oversight, public relation, enhanced team work and strengthened leadership, Communication, strong customer satisfaction and work environment as well as ensuring transparency.

In conclusion, the laws governing the implementation process has facilitated a culture of trust, security, transparency and accountability in the running of the fund hence a conducive working environment for all.

8. MANAGEMENT DISCUSSION AND ANALYSIS

The Kajiado County Alcoholic Drinks Control Fund is established under Section 6 of the Kajiado County Alcoholic Drinks Control Act, 2014. The fund is administered through a secretariat lead by a fund administrator and other members drawn from relevant departments. The utilization of the fund is also guided by the Alcoholic Drinks Act, 2014 and Alcoholic Drinks Control Regulation, 2020 under Section 9 of the Regulation.

The process of implementation has been affected by COVID 19 Pandemic that has caused closure of outlets due to the lockdown. This have increased levels of abuse of hard Substances and other Psychosocial issues that have led to high number of persons requiring Psycho socio support and alternative livelihoods. Also, in Kitengela, Kajiado East Sub County, which has a potential of a higher revenue collection as a cosmopolitan town, did not realise that potential due to a court order from the Isinya Bar Owners Association that barred collection of revenue through application and licensing of outlets, which affected the revenue collection.

The fund has a potential for growth in revenue base and other aspect of business once COVID 19 situation improves or normalize.

During the financial year, a total of 26,665,116 was collected against a projection 73,655,000 which is 36.2% and our expenses were 26,501,729 which translates to 99% utilization of collected revenue.

**9. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY
REPORTING**

This is not applicable during our financial year, as this is our first year of operation but will be considered in future plans and activities.

**Kajiado County Alcoholic Drinks Control Fund
Reports and Financial Statements
For the year ended 30 June, 2021**

10. REPORT OF THE TRUSTEES/ FUND ADMINISTRATION COMMITTEE

The Trustees submit their report together with the audited financial statements for the year ended June 30, 2021, which show the state of the Fund affairs.

10.1 Principal Activities

The principal activities of the Fund are set out on page 2 to 4.

10.2 Performance

The performance of the Fund for the year ended 30th June 2021, are set out on page 7 to 9.

10.3 Trustees

The members of the Board of Trustee / Administration Committee who served during the year are shown on page 5 to 6

10.4 Auditors

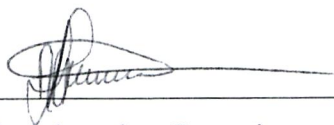
The Auditor-General is responsible for the statutory audit of the Fund in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act, 2015.

By Order of the Board

Kajiado Alcoholic Drinks Control Board

Sign:

Name: Jonah Marahpash



Chair of the Board/ Fund Administration Committee

Date: 13/01/2022

11. 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 Kajiado 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, 2021. 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 Public Finance Management Act, 2012 and Kajiado 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, 2021, 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.

**Kajiado County Alcoholic Drinks Control Fund
Reports and Financial Statements
For the year ended 30 June, 2021**

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.

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

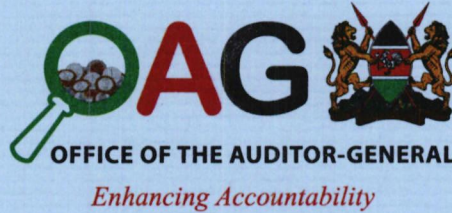
The Fund's financial statements were approved by the Board on 13th / 01 / 2021 and signed on its behalf by:



Name: Irene Katete

Administrator of Kajiado County Alcoholic Drinks Control Fund

REPUBLIC OF KENYA



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

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

REPORT OF THE AUDITOR-GENERAL ON KAJIADO COUNTY ALCOHOLIC DRINKS CONTROL FUND FOR THE YEAR ENDED 30 JUNE, 2021

PREAMBLE

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

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

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of the Kajiado County Alcoholic Drinks Control Fund set out on pages 23 to 62, which comprise of the statement of financial position as at 30 June, 2021, statement of financial performance, statement of changes in net assets, statement of cash flows and the 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 effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Kajiado County Alcoholic Drinks Control Fund as at 30 June, 2021 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 Kajiado County Alcoholic Drinks Control Act, 2014 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1.0 Inaccuracy in Other Income

The statement of financial performance reflects other income in respect of licensing fees balance of Kshs.26,665,116. However, the balance differs with the supporting schedule amount of Kshs.26,694,786 resulting to an unreconciled variance of Kshs.(29,670). Further, the supporting schedule does not indicate name of payee, receipt number, amount paid or description of payment.

In the circumstances, the accuracy and completeness of other income from licensing balance of Kshs.26,665,116 could not be confirmed.

2.0 Variance between the Financial Statements and Schedules

The statement of financial performance reflects general expenses balance of Kshs.25,376,120 and as disclosed in Note 7 to the financial statements. However, the schedules in support of the balances reflected a balance of Kshs.25,963,205 resulting to an unreconciled variance of Kshs.(587,085) as detailed below:

Particulars	Financial Statement Balance (Kshs.)	Schedule Balance (Kshs.)	Variance (Kshs.)
Board Expenses	10,604,900	10,961,110	(356,210)
Sub-County Expenses	7,952,220	8,048,165	(95,945)
County Kitty	2,900,000	0	2,900,000
Other Expenses	3,919,000	6,953,930	(3,034,930)
Total	25,376,120	25,963,205	(587,085)

In the circumstances, the accuracy and completeness of general expenses balance of Kshs.25,376,120 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kajiado County Alcoholic Drinks Control Fund Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other

ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

Other Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects a final total income budget balance of Kshs.73,665,000 against actual receipts of Kshs.26,665,116 resulting to a revenue shortfall of Kshs.46,999,884. The statement also reflects a final expenditure budget of Kshs.27,250,496 against actual expenditure of Kshs.26,501,729 resulting to under expenditure of Kshs.163,387.

The revenue shortfall and under performance affected the planned activities and may have impacted negatively on service delivery to the Public.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matter described in the basis for conclusion of 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

Non-Compliance with Public Sector Accounting Standards Board Requirements

The annual reports and financial statements submitted for audit had the following presentation errors;

- 1.1 The principal legal adviser on page 4 is indicated as the Attorney General instead of the County Attorney.
- 1.2 The statement of changes in net assets on page 26 omits the surplus for the period balance of Kshs.163,387 under the accumulated surplus row.
- 1.3 The financial statements page numbers 24,27,28 and 61 are not indicated.

In the circumstances, the annual report and financial statements as presented for audit do not comply with the reporting template prescribed by the Public Sector Accounting Standards Board.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall 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 control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and the Board of Trustees

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 overall governance.

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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


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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


 CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

19 July, 2022

**Kajiado County Alcoholic Drinks Control Fund
Reports and Financial Statements
For the year ended 30 June, 2021**

13. FINANCIAL STATEMENTS

13.1 STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2021

	Note	2020/2021 KShs	2019/2020 KShs
Revenue from non-exchange transactions			
Public contributions and donations	1	0	0
Transfers from the County Government	2	0	0
Fines, penalties and other levies	3	0	0
		0	0
Revenue from exchange transactions			
Interest income	4	0	0
Other income-Licensing	5	26,665,116	0
Total revenue		26,665,116	0
Expenses			
Fund administration expenses	6	1,100,200	0
General expenses	7	25,376,120	0
Finance costs	8	25,409	0
Total expenses		26,501,729	0
Other gains/losses			
Gain/loss on disposal of assets	9	0	0
Surplus/(deficit) for the period		163,387	0

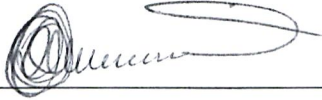
**Kajiado County Alcoholic Drinks Control Fund
Reports and Financial Statements
For the year ended 30 June, 2021**

13.2 STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021


	Note	2020/2021	2019/2020
		KShs	KShs
Assets			
Current assets			
Cash and cash equivalents	10	163,387	0
Current portion of long- term receivables from exchange transactions	11	0	0
Receivables from Non- exchange transactions	12	0	0
Prepayments	13	0	0
Inventories	14	0	0
		163,387	0
Non-current assets			
Long term receivables from exchange transactions	11	0	0
Property, plant and equipment	15	0	0
Intangible assets	16	0	0
Total assets		163,387	0
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	17	0	0
Provisions	18	0	0
Current portion of borrowings	19	0	0
Employee benefit obligations	20	0	0
Non-current liabilities		0	0
Long term portion of borrowings	19	0	0
Non-current employee benefit obligation	20	0	0
Total liabilities		0	0
Net assets		163,387	0
Revolving Fund		0	0
Reserves		0	0
Accumulated surplus		163,387	0
Total net assets and liabilities		163,387	0

**Kajiado County Alcoholic Drinks Control Fund
Reports and Financial Statements
For the year ended 30 June, 2021**

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 13th 01 / 2021 and signed by:



Administrator of the Fund
Name: Irene Katete



Fund Accountant
Name: Timothy Lompo
ICPAK Member NO:28015

**Kajiado County Alcoholic Drinks Control Fund
Reports and Financial Statements
For the year ended 30 June, 2021**

13.3 STATEMENT OF CHANGES IN NET ASSETS AS AT 30 JUNE 2021

	Revolving Fund	Revaluation Reserve KShs	Aaccumulated surplus KShs	Total KShs
Balance as at 1 July 2019	0	0	0	0
Surplus/(deficit) for the period	0	0	0	0
Funds received during the year	0	0	0	0
Revaluation gain	0	0	0	0
Balance as at 30 June 2020	0	0	0	0
	0	0	0	0
Balance as at 1 July 2020	0	0	0	0
Surplus for the period	0	0	0	163,387
Funds received during the year	0	0	0	0
Revaluation gain	0	0	0	0
Balance as at 30 June 2021	0	0	163,387	163,387

Kajiado County Alcoholic Drinks Control Fund
Reports and Financial Statements
For the year ended 30 June, 2021

13.4 STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

	Note	2020/2021	2019/2020
		KShs	KShs
Cash flows from operating activities			
Receipts			
Public contributions and donations		0	0
Transfers from the County Government		0	0
Interest received		0	0
Receipts from other operating activities		0	0
Total Receipts		26,665,116	0
Payments		26,665,116	0
Fund administration expenses		1,100,200	0
General expenses		25,376,120	0
Finance cost		25,409	0
Total Payments		26,501,729	0
Net cash flows from operating activities			
Cash flows from investing activities		0	0
Purchase of property, plant, equipment and intangible assets		0	0
Proceeds from sale of property, plant and equipment		0	0
Proceeds from loan principal repayments		0	0
Loan disbursements paid out		0	0
Net cash flows used in investing activities		0	0
Cash flows from financing activities			
Proceeds from revolving fund receipts		0	0
Additional borrowings		0	0
Repayment of borrowings		0	0
Net cash flows used in financing activities		163,387	0
Net increase/(decrease) in cash and cash equivalents			
Cash and cash equivalents at 1 JULY	10	0	0
Cash and cash equivalents at 30 JUNE	10	163,387	0

13.5 STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2021

	Original budget 2021	Adjustments 2021	Final budget 2021	Actual on comparable basis 2021	% Utilisation 2021
Revenue	KShs	KShs	KShs	KShs	
Public contributions and donations	73,655,000	0	73,655,000	26,665,116	36%
Transfers from County Govt.	0	0	0	0	
Interest income	0	0	0	0	
Other income	0	0	0	0	
Total income	73,665,000	0	73,665,000	26,665,116	
Expenses					
Fund administration expenses	10,000,000	(8,674,913)	1,325,087	1,100,200	83%
General expenses	63,000,000	(37,100,000)	25,900,000	25,376,120	98%
Finance cost	665,000	(639,591)	25,409	25,409	100%
Total expenditure	73,665,000	(46,414,504)	27,250,496	26,501,729	
Surplus for the period				163,387	

The under-collection of revenue by 64% was as a result of a court order from the Isinya Bar Owners Association that barred the collection of revenue through application and licensing of outlets.

The under expenditure of funds administration expenses was due to reduced activities as a result of the court order.

13.6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. 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.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Adoption of new and revised standards

a) Relevant new standards and amendments to published standards effective for the year ended 30 June 2021

Standard/Amendments Applicable for January 2021	Impact
a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks	There was no impact of the amendment to IPSAS 13 with respect to the current financial report
b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment. Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved	There was no impact of the amendment to IPSAS 13 and IPSAS 17 with respect to the current financial report as the entity did not apply any of the transitional provisions in the FY 2020/2021
c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets. Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets.	There was no impact of the amendment to IPSAS 21 and IPSAS 26 with respect to the current financial report as the entity does not have Non-Cash Generating Assets and neither did it have impaired cash generating assets.
d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs). Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard	There was no impact of the amendment to IPSAS 13 and IPSAS 17 with respect to the current financial report as the entity did not apply any of the transitional provisions in the FY 2020/2021

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2021

Standard	Effective date and impact
<p>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1st January 2022:</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity’s future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset’s cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity’s risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2022</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <p>(a) The nature of such social benefits provided by the entity;</p>

Kajiado Alcoholic Drinks Control Fund
Reports and Financial Statements
For the year ended 30 June, 2021.

Standard	Effective date and impact
	<p>(b) The key features of the operation of those social benefit schemes; and</p> <p>(c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows.</p>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2022:</p> <p>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</p> <p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c) Early adoption of standards

The entity did not early – adopt any new or amended standards in year 2020.

3. 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.

4. Budget information

The original budget for FY 2020/2021 was approved by the County Assembly on 30th June 2020. 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 have any additional appropriation of the F/Y 2020/2021 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

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 13.5 of these financial statements.

5. 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.

6. 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.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

7. Financial instruments

a) Financial assets

Initial recognition and measurement

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Entity determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

Held-to-maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Entity has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

Impairment of financial assets

The Entity assesses at each reporting date whether there is objective evidence that a financial asset or an entity of financial assets is impaired. A financial asset or a entity of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

asset or the entity of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

- The debtors or an entity of debtors are experiencing significant financial difficulty
- Default or delinquency in interest or principal payments
- The probability that debtors will enter bankruptcy or other financial reorganization
- Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

b) Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Entity determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

Loans and borrowing

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

8. 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.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

9. 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.

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.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

10. Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements. *Entity to state the reserves maintained and appropriate policies adopted.*

11. Changes in accounting policies and estimates

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.

12. 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.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

13.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.

14.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.

15.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/Trustee, the Fund Managers and Fund Accountant.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

16. 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.

17. Comparative figures

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

18. Events after the reporting period

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

19. Ultimate and Holding Entity

The entity is a County Public Fund established by Kajiado Alcoholic Drinks Control Act. 2014 under the Department of Public Service and Social Services. Its ultimate parent is the County Government of Kajiado.

20. Currency

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

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

21. 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:

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

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 xxx.

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.

22. 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.

Kajiado Alcoholic Drinks Control Fund
Reports and Financial Statements
For the year ended 30 June, 2021.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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:

	Total amount KShs	Fully performing KShs	Past due KShs	Impaired KShs
At 30 June 2021				
Receivables from exchange transactions	0	0	0	0
Receivables from non-exchange transactions	0	0	0	0
Bank balances	0	0	0	0
Total	0	0	0	0
At 30 June 2020	0	0	0	0
Receivables from exchange transactions	0	0	0	0
Receivables from non-exchange transactions	0	0	0	0
Bank balances	0	0	0	0
Total	0	0	0	0

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 Debtors.

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.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

	Less than 1 month	Between 1- 3 months	Over 5 months	Total
	KShs	KShs	KShs	KShs
At 30 June 2021				
Trade payables	0	0	0	0
Current portion of borrowings	0	0	0	0
Provisions	0	0	0	0
Employee benefit obligation	0	0	0	0
Total	0	0	0	0
At 30 June 2020				
Trade payables	0	0	0	0
Current portion of borrowings	0	0	0	0
Provisions	0	0	0	0
Employee benefit obligation	0	0	0	0
Total	0	0	0	0

SIGNIFICANT ACCOUNTING POLICIES (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.

d) 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.

Kajiado Alcoholic Drinks Control Fund
Reports and Financial Statements
For the year ended 30 June, 2021.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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:

	KShs	Other currencies KShs	Total KShs
At 30 June 2021			
Financial assets	0	0	0
Investments	0	0	0
Cash	0	0	0
Debtors/ receivables	0	0	0
Liabilities			
Trade and other payables	0	0	0
Borrowings	0	0	0
Net foreign currency asset/(liability)	0	0	0

The Fund manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

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.

	Change in currency rate	Effect on surplus/ deficit	Effect on equity
	KShs	KShs	KShs
2021			
Euro	10%	0	0
USD	10%	0	0
2020			
Euro	10%	0	0
USD	10%	0	0

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e) 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 0.00 (2021: KShs 0.00). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of KShs 0.00 (2020 – KShs 0.00)

f) 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:

Kajiado Alcoholic Drinks Control Fund
Reports and Financial Statements
For the year ended 30 June, 2021.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

	2020/2021	2019/2020
	KShs	KShs
Revaluation reserve	0	0
Revolving fund	0	0
Accumulated surplus	0	0
Total funds	0	0
	0	0
Total borrowings	0	0
Less: cash and bank balances	0	0
Net debt/(excess cash and cash equivalents)	0	0
Gearing	0%	0%

**Kajiado Alcoholic Drinks Control Fund
Reports and Financial Statements
For the year ended 30 June, 2021.**

14. NOTES TO THE FINANCIAL STATEMENTS

1. Public contributions and donations

Description	2020/2021	2019/2020
	KShs	KShs
Donation from development partners	0	0
Contributions from the public	0	0
Total	0	0

2. Transfers from County Government

Description	2020/2021	2019/2020
	KShs	KShs
Transfers from County Govt. – operations	0	0
Payments by County on behalf of the entity	0	0
Total	0	0

3. Fines, penalties and other levies

Description	2020/2021	2019/2020
	KShs	KShs
Late payment penalties	0	0
Fines	0	0
Levies	0	0
Licences	0	0
Total	0	0

4. Interest income

Description	2020/2021	2019/2020
	KShs	KShs
Interest income from Mortgage loans	0	0
Interest income from car loans	0	0
Interest income from investments	0	0
Interest income on bank deposits	0	0
Total interest income	0	0

Kajiado Alcoholic Drinks Control Fund
Reports and Financial Statements
For the year ended 30 June, 2021.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. Other income -Licensing

Description	2020/2021 KShs	2019/2020 KShs
Other Income -Licensing	26,665,116	0
Income from sale of tender documents	0	0
Miscellaneous income (specify)	0	0
Total other income	26,665,116	0

6. Fund administration expenses

Description	2020/2021 KShs	2019/2020 KShs
Staff costs (Note 6a)	0	0
Loan processing costs	0	0
Professional services costs	0	0
Administration fees	1,100,200	0
Total	1,100,200	0

6A. Staff costs

Description	2020/2021 KShs	2019/2020 KShs
Salaries and wages	0	0
Staff gratuity	0	0
Staff training expenses	0	0
Social security contribution	0	0
Other staff costs	0	0
Total	0	0

Kajiado Alcoholic Drinks Control Fund
Reports and Financial Statements
For the year ended 30 June, 2021.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. General expenses

Description	2020/2021	2019/2020
	KShs	KShs
Board expenses	10,604,900	0
Sub County expenses	7,952,220	0
County Kitty	2,900,000	0
Other expenses	3,919,000	0
Other expenses	0	0
Printing and stationery	0	0
Rental costs	0	0
Security costs	0	0
Telecommunication	0	0
Bank Charges	0	0
Hospitality	0	0
Depreciation and amortization costs	0	0
Other expenses	0	0
Total	25,376,120	0

8. Finance costs

Description	2020/2021	2019/2020
	KShs	KShs
Bank Charges	25,409	0
Interest on loans from banks	0	0
Total	25,409	0

9. Gain/(loss) on disposal of assets

Description	2020/2021	2019/2020
	KShs	KShs
Property, plant and equipment	0	0
Intangible assets	0	0
Total	0	0

Kajiado Alcoholic Drinks Control Fund
Reports and Financial Statements
For the year ended 30 June, 2021.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. Cash and cash equivalents

Description	2020/2021	2019/2020
	KShs	KShs
Car loan account	0	0
County mortgage account	0	0
Fixed deposits account	0	0
On – call deposits	0	0
Current account-A/C 001447644		
Family Bank	163,387	0
Others	0	0
Total cash and cash equivalents	163,387	0

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

Financial institution	Account number	2020/2021	2019/2020
		KShs	KShs
a) Fixed deposits account			
Kenya Commercial bank		0	0
Equity Bank, etc		0	0
Sub- total		0	0
b) On - call deposits			
Kenya Commercial bank		0	0
Equity Bank - etc		0	0
Sub- total		0	0
c) Current account			
Family bank		163,387	0
Bank B		0	0
Sub- total		163,387	0
d) Others(specify)			
Cash in transit		0	0
Cash in hand		0	0
Mobile Money		0	0
Sub- total		0	0
Grand total		163,387	0

Kajiado Alcoholic Drinks Control Fund
Reports and Financial Statements
For the year ended 30 June, 2021.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. Receivables from exchange transactions

Description	2020/2021	2019/2020
	KShs	KShs
Current Receivables		
Interest receivable	0	0
Current loan repayments due	0	0
Other exchange debtors	0	0
Less: impairment allowance	0	0
Total Current receivables	0	0
Non-Current receivables	0	0
Long term loan repayments due	0	0
Total Non- current receivables	0	0
Total receivables from exchange transactions	0	0

Additional disclosure on interest receivable

Description	2020/2021	2019/2020
	KShs	KShs
Interest receivable		
Interest receivable from current portion of long-term loans of previous years	0	0
Accrued interest receivable from of long-term loans of previous years	0	0
Interest receivable from current portion of long-term loans issued in the current year	0	0
Current loan repayments due		
Current portion of long-term loans from previous years	0	0
Accrued principal from long-terms loans from previous periods	0	0
Current portion of long-term loans issued in the current year	0	0

Kajiado Alcoholic Drinks Control Fund
Reports and Financial Statements
For the year ended 30 June, 2021.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12. Receivables from Non-Exchange transaction

Description	2020/2021	2019/2020
	KShs	KShs
Transfer from County Executive	0	0
Transfer from other Fund	0	0
Total receivables from non-exchange transactions	0	0

13. Prepayments

Description	2020/2021	2019/2020
	KShs	KShs
Prepaid rent	0	0
Prepaid insurance	0	0
Prepaid electricity costs	0	0
Other prepayments(specify)	0	0
Total	0	0

14. Inventories

Description	2020/2021	2019/2020
	KShs	KShs
Consumable stores	0	0
Spare parts and meters	0	0
Catering	0	0
Other inventories(specify)	0	0
Total inventories at the lower of cost and net realizable value	0	0

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15. Property, plant and equipment

	Land and Buildings	Motor vehicles	Furniture and fittings	Computers and office equipment	Total
Cost	KShs	KShs	KShs	KShs	KShs
At 1st July 2019	0	0	0	0	0
Additions	0	0	0	0	0
Disposals	0	0	0	0	0
Transfers/adjustments	0	0	0	0	0
At 30th June 2020	0	0	0	0	0
At 1st July 2020	0	0	0	0	0
Additions	0	0	0	0	0
Disposals	0	0	0	0	0
Transfer/adjustments	0	0	0	0	0
At 30th June 2021	0	0	0	0	0
Depreciation and impairment	0	0	0	0	0
At 1 st July 2019	0	0	0	0	0
Depreciation	0	0	0	0	0
Impairment	0	0	0	0	0
At 30th June 2020	0	0	0	0	0
At 1st July 2020	0	0	0	0	0
Depreciation	0	0	0	0	0
Disposals	0	0	0	0	0
Impairment	0	0	0	0	0
Transfer/adjustment	0	0	0	0	0

Kajiado Alcoholic Drinks Control Fund
Reports and Financial Statements
For the year ended 30 June, 2021.

	Land and Buildings	Motor vehicles	Furniture and fittings	Computers and office equipment	Total
Cost	KShs	KShs	KShs	KShs	KShs
At 30 th June 2021	0	0	0	0	0
Net book values	0	0	0	0	0
At 30 th June 2020	0	0	0	0	0
At 30 th June 2021	0	0	0	0	0

Kajiado Alcoholic Drinks Control Fund
Reports and Financial Statements
For the year ended 30 June, 2021.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. Intangible assets-software

Description	2020/2021	2019/2020
	KShs	KShs
Cost		
At beginning of the year	0	0
Additions	0	0
At end of the year	0	0
Amortization and impairment		
At beginning of the year	0	0
Amortization	0	0
At end of the year	0	0
Impairment loss	0	0
At end of the year	0	0
NBV	0	0

17. Trade and other payables from exchange transactions

Description	2020/2021	2019/2020
	KShs	KShs
Trade payables	0	0
Refundable deposits	0	0
Accrued expenses	0	0
Other payables	0	0
Total trade and other payables	0	0

18. Provisions

Description	Leave	Bonus	Other	Total
	provision	provision	provision	
	KShs	KShs	KShs	KShs
Balance at the beginning of the year (1.07.2020)	0	0	0	0
Additional Provisions	0	0	0	0
Provision utilised	0	0	0	0
Change due to discount and time value for money	0	0	0	0
Transfers from non -current provisions	0	0	0	0
Balance at the end of the year (30.06.2021)	0	0	0	0

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19. Borrowings

Description	2020/2021	2019/2020
	KShs	KShs
Balance at beginning of the period	0	0
External borrowings during the year	0	0
Domestic borrowings during the year	0	0
Repayments of external borrowings during the period	0	0
Repayments of domestic borrowings during the period	0	0
Balance at end of the period	0	0

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

	2020/2021	2019/2020
	KShs	KShs
External Borrowings		
Dollar denominated loan from 'xxx organisation'	0	0
Sterling Pound denominated loan from 'yyy organisation'	0	0
Euro denominated loan from 'zzz organisation'	0	0
Domestic Borrowings	0	0
Kenya Shilling loan from KCB	0	0
Kenya Shilling loan from Barclays Bank	0	0
Kenya Shilling loan from Consolidated Bank	0	0
Borrowings from other government institutions	0	0
Total balance at end of the year	0	0

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

Description	2020/2021	2019/2020
	KShs	KShs
Short term borrowings(current portion)	0	0
Long term borrowings	0	0
Total	0	0

Kajiado Alcoholic Drinks Control Fund
Reports and Financial Statements
For the year ended 30 June, 2021.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

20. Employee benefit obligations

Description	Defined benefit plan	Post employment medical benefits	Other Provisions	Total
	KShs	KShs	KShs	KShs
Current benefit obligation	0	0	0	0
Non-current benefit obligation	0	0	0	0
Total employee benefits obligation	0	0	0	0

21. Cash generated from operations

	2020/2021	2019/2020
	KShs	KShs
Surplus/ (deficit) for the year before tax	0	0
Adjusted for:	0	0
Depreciation	0	0
Amortisation	0	0
Gains/ losses on disposal of assets	0	0
Interest income	0	0
Finance cost	0	0
Working Capital adjustments	0	0
Increase in inventory	0	0
Increase in receivables	0	0
Increase in payables	0	0
Net cash flow from operating activities	0	0

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

22. 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) County Assembly;
- d) Key management;
- e) Board of Trustees; etc

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

b) Related party transactions

	2020/2021 KShs	2019/2020 KShs
Transfers from related parties'	0	0
Transfers to related parties	0	0

c) Key management remuneration

	2020/2021 KShs	2019/2020 KShs
Board of Trustees	0	0
Key Management Compensation	0	0
Total	0	0

Kajiado Alcoholic Drinks Control Fund
Reports and Financial Statements
For the year ended 30 June, 2021.

d) Due from related parties

	2020/2021	2019/2020
	KShs	KShs
Due from parent Ministry	0	0
Due from County Government	0	0
Due from County Assembly	0	0
Total	0	0

e) Due to related parties

	2020/2021	2019/2020
	KShs	KShs
Due to parent Ministry	0	0
Due to County Government	0	0
Due to Key management personnel	0	0
Due to County Assembly	0	0
Total	0	0

23. Contingent assets and contingent liabilities

Contingent liabilities	2020/2021	2019/2020
	KShs	KShs
Court case xxx against the Fund	0	0
Bank guarantees	0	0
Total	0	0

**Kajiado Alcoholic Drinks Control Fund
 Reports and Financial Statements
 For the year ended 30 June, 2021.**

**15. 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. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue/ Observations from Auditor	Management comments	Status (Resolved/ Not Resolved)	Timeframe (Put a date when you expect the issue to be resolved)

The fund is new and this is its first year of audit.

Kajiado Alcoholic Drinks Control Fund
Reports and Financial Statements
For the year ended 30 June, 2021.

16. APPENDIX I: INTER-ENTITY TRANSFERS

ENTITY NAME				
Break-down of Transfers from the County Executive of Kajiado County Government				
FY 2020/2021				
a.	Recurrent Grants	<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
			0	
			0	
			0	
		Total	0	
b.	Development Grants	<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
			0	
			0	
			0	
		Total	0	
c.	Direct Payments	<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
			0	
			0	
			0	
		Total	0	

The above amounts have been communicated to and reconciled with the parent Ministry.

Finance Manager
 Kajiado Alcoholic Drinks Control Fund

Head of County Treasury at
 Kajiado County

Sign 

Sign 