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REPORT

OF

THE AUDITOR-GENERAL

ON

**UASIN GISHU COUNTY ALCOHOLIC
 DRINKS CONTROL FUND**

**FOR THE YEAR ENDED
 30 JUNE, 2019**



4TH SEPTEMBER, 2019



UASIN COUNTY ALCOHOLIC DRINKS CONTROL FUND

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2019**

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



UASIN GISHU COUNTY
Alcoholic Drinks Control Fund
Reports and Financial Statements
For the year ended June 30, 2019(Kshs)

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2. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

Alcoholic Drinks Control Board was established vide the Uasin Gishu County Alcoholic Drinks Control Act, 2014. The Fund was established as an independent body within the Uasin Gishu County Government to provide for the control of production, sale, and use of alcoholic drinks. The Fund is wholly owned by the County Government of Uasin Gishu and is domiciled in Kenya.

The fund's objective is to

The Fund's principal activity is to reduce the risks and impact of alcohol and drug abuse through demand and supply reduction.

The fund also aims to reduce demand for alcohol and drugs abuse through prevention activities and addiction treatment through establishment of accessible treatment and rehabilitation facilities.

Principal Activities

Vision

Communities free from Alcohol and Drug Abuse in Uasin Gishu County and beyond

Mission

To transform lives through prevention of substance abuse and addiction treatment in Uasin County through evidence-based practices

Core Objectives

1. To develop legal and policy framework that will help in supply reduction of alcohol and drugs of abuse through new control mechanisms and strengthening the existing ones
2. To reduce demand for alcohol and drugs of abuse through substance abuse prevention activities and addiction treatment through establishment of accessible treatment and rehabilitation facilities.
3. To encourage inter-agency coordination and collaboration
4. To partner and network with individuals, civil society organizations, faith based organizations and private organizations involved in the fight against alcohol and drug abuse.
5. To conduct research activities on various aspects of substance abuse and alcohol dependence in Uasin Gishu County

(b) Key Management

| R/S | Name | Position |
|-----|------------------------|----------------------------------|
| 1 | EVERLYNE C. NYANGWARIA | CECM HEALTH SERVICES |
| 2 | CPA JULIUS RUTO | CECM FINANCE & ECONOMIC PLANNING |
| 3 | SILA BOIT | FUND ADMINISTRATOR |
| 4 | DANIEL LAGAT | ACCOUNTANT |



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(c) Alcoholic Drinks Control Fund Headquarters

P.O. Box 40-30100
Kerio Valley Development Authority Plaza Fourth Floor
Oloo Street
ELDORET, KENYA

(d) Fund Contacts

Telephone: (254) -053-2016215
E-mail: info@uasingishu.go.ke
Website: www.uasingishu.go.ke

(e) Fund Bankers

Kenya Commercial Bank
Kenyatta Street
P.O. Box 560-30100
Eldoret Main
ELDORET, KENYA

(f) Independent Auditors

Auditor General
Kenya National Audit Office
Anniversary Towers, University Way
P.O. Box 30084
GOP 00100
NAIROBI, KENYA

(g) Principal Legal Adviser

The County Attorney
County Government of Uasin Gishu
Uganda Road
P.O. Box 40-30100
ELDORET, KENYA



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3. MANAGEMENT TEAM

| Name | Details of qualifications and experience |
|------------------------|---|
| EVERLYNE C. NYANGWARIA | Currently the county executive committee member for health services-Uasin Gishu County Government. Master of Science in Nursing (Obstetric Nursing/ Midwifery) - University of Nairobi. Bachelor of Science, Nursing- University of Eastern Africa, Baraton. Strategic Leadership Development programme Kenya School of Government. Sub-Saharan Africa Foundation in Advancement in Medical Education and Research Fellowship, Commonwealth research fellow at University of Manitoba Canada and Strengthening Midwifery education, research and Leadership at Karolinska Institute Sweden. |
| CPA JULIUS RUTO | Currently the county executive committee member for finance and economic planning. A Bachelor of Finance and Baking From Moi University and A Certified Public Accountant CPA K. A qualified and dynamic accounting and banking Professional with over 10 years of quality work experience acquired in challenging roles in Private practice as an Auditor. A highly committed and dedicated professional who is able to work under minimum supervision and meet stretching job targets. Specialised in Valuation, Advisory, Consulting, taxation and accounting services relating to matters of Income tax, Service tax, Value |
| SILA BOIT | Currently the Administrator for the Uasin Gishu County Alcoholic Drinks Control Fund. Master of Science in Counselling Psychology and A Bachelor of Education (Special Education) Former Uasin Gishu County Administrator for Health Services, former Deputy Sub County Administrator for Kapseret Sub County and former Programme Officer for Health/Education at Dadaab Refugee Camp for United Nations High Commissioner for Refugees-Kenya |
| DANIEL LAGAT | Currently the Accountant for the Uasin Gishu County Alcoholic Drinks Control Fund. Ongoing Master of Science (Finance and Accounting) student-Jomo Kenyatta University of Agriculture and Technology. A Bachelor of Commerce (Finance) from Chuka University and A Certified Public Accountant. Associate Diploma from Kenya Institute of Bankers and Higher National Diploma in Human Resource Management. |



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4. REPORT OF THE FUND ADMINISTRATOR

Section 116 of the Public Finance Management (PFM) Act, 2012 requires the fund in the county government to prepare financial statements in formats to be prescribed by the Public-Sector Accounting Standards Board (PSASB). The annual financial statement therefore presents all payments made into and out of the fund account; gives a summary of the appropriation accounts and statements prepared by accounting officers; highlights all revenue collected during the financial year and a summary of assets acquired by the fund during the financial year under review.

During the period under review, it is worth mentioning that substantial progress has been made by the fund in achieving its mandates.

In the 2018/2019 financial year, there was an overall improvement in fiscal performance compared to the previous year. During the period under review, the revenue targets and capacity challenges are to be blamed for the under-collection in the fund generated revenue. However, going forward the fund has put in place measures to address the mentioned challenge.

The fund conducted several sensitization meetings on alcohol and drug abuse, carried out prevention and advocacy meetings in learning institutions, churches and public gatherings and sponsored some individuals to rehabilitation centres for counselling and treatment. The fund looks forward to establishing its rehabilitation centre so as to be able to reach to sensible number of alcoholic addicts and drug abusers in Uasin Gishu County.

The fund acquired two motor vehicles during the financial year under review and this is a good progress for the fund.

Finally, let me take the earliest opportunity to thank all members of the technical team for their time and sacrifice in preparing the annual financial statements. I also wish to re-affirm our commitments to enhance financial discipline and fiscal responsibilities for the betterment of Alcoholic Drinks Control Fund and service delivery to the residents of Uasin Gishu County.



SILA BOIT
FUND ADMINISTRATOR UASIN GISHU COUNTYALCOHOLIC DRINKS CONTROL FUND



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5. CORPORATE GOVERNANCE STATEMENT

Alcoholic Drinks Control Board came into office vide the uasin Gishu County Alcoholic Drinks Control Act (2012). The Board members were sworn into office in mid-January 2015

The Board shall be composed of the Director who shall be the executive head and six other members who shall be appointed by the Governor on Recommendation of the County Public Service Board with the approval of the County Assembly.

No person shall be qualified for appointment as a Director unless he/she:

- a) Is a Holder of a relevant first Degree from a University recognized by the Commission for Higher Education of Kenya.
- b) Has at least five (5) years' experience in senior management.
- c) Has the requisite experience in the fields of management, public health or any relevant field
- d) Satisfies the provisions of Six (6) of the Chapter Six (6) of the Constitution of Kenya.

The members of the Board shall be appointed from persons who shall include the following and of whom at least one third shall be women: -

- i) One Person from Public Health Professional
- ii) One person representing the youth.
- iii) One person representing the Civil Society.
- iv) One Person Representing the Religious groups.
- v) One person Representing the Education Sector.
- vi) One person from Administration.

Functions of the Board

- a) support and facilitate County Committees established under this act in carrying out their functions
- b) carry out campaigns and public education on alcoholic drinks control and dangers of drug abuse within the county directly and in collaboration with other public or private bodies and institutions;
- c) Facilitate citizen participation in matters related to alcoholic drinks control and campaigns against drug abuse in accordance with the framework for citizen participation established under the Constitution of Kenya, County Governments Act, the Urban Areas and Cities Act or any other relevant written law;
- d) Facilitate and promote in collaboration with other counties and the national government institutions the establishment of treatment and rehabilitation facilities and programmes;
- e) carry out research directly or in collaboration with other institutions and serve as the repository of data and statistics related to alcoholic drinks control and drug abuse and to disseminate such information to the public and government offices.
- f) In collaboration with other relevant county departments, prepare and submit an alcoholic drinks status report bi- annually in the prescribed manner to the Executive Member which shall be transmitted to the County Executive Committee, county assembly and the Authority;

The fund administrator is looking forward to the amendment of the Uasin Gishu County Alcoholic Drinks Control Act, 2014 so as to ensure that the corporate governance of the fund is in agreement with the Public Finance Management Act, 2012.



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6. MANAGEMENT DISCUSSION AND ANALYSIS

The Uasin Gishu County Alcoholic Drinks Control Fund has had good progress during the financial year 2018/2019. The fund conducted several sensitization meetings through the programme officer (Prevention and Advocacy) for the fund with the main aim of educating the community on effects of alcohol and drug abuse.

The fund advertised for the applications of 2019 liquor licenses in the month of November 2018 and one thousand two hundred (1,200) applications were received. Inspection for the applied liquor outlets was conducted in the month of January, 2019 and nine hundred thirty-nine (939) liquor outlets were approved for the 2019 liquor licensing and by 30 June 2019 eight hundred ninety outlets had paid for their licenses or 90% compliance and eight hundred twenty (820) licenses had been collected by the close of 30 June 2019. The enforcement team worked tirelessly during the year and several offenders (Selling before and after stipulated hours, operating without liquor licenses, illicit brewers and drunk & disorderliness) were arrested, charged and fined in the County Court.

The fund also trained reformed illicit brewers through community based organizations like Empowering Lives International (Ukweli Training and Development Center-Ilula).

The fund has helped some alcohol and drug abusers through Uasin Gishu County prequalified rehabilitation centres. Several persons have been helped through after care follow ups and Alcohol Anonymous (AA) groups. The fund has also done work place alcohol and drug abuse sensitizations and some employees have been helped. The fund has been able to achieve all these through the services of its programme officer for Treatment and Rehabilitation. However, the fund has not been able to achieve its plan of constructing a rehabilitation centre during the financial year 2018/2019 but it still looks forward to rehabilitating alcohol and drug abusers its own rehabilitation centre.

The fund during the year under review acquired two motor vehicles (Toyota Hillux Gun and Toyota Land Cruiser). The Toyota Hillux Gun is used for the mobility of office operations and the Toyota Land Cruiser is used for the enforcement operations within Uasin Gishu County.

The fund realized several issues of concern in Uasin Gishu Alcoholic Drinks Control Act, 2014; an Act that established the fund and the Fund Administrator will initiate the process of amending the Act.

The fund is committed to delivering services to the residents of Uasin Gishu County as per the Uasin Gishu County Alcoholic Drinks Control Act and being accountable as per the requirements of Section 167 of the Public Finance Management Act, 2012.



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7. REPORT OF THE BOARD

The Trustees submit their report together with the audited financial statements for the year ended June 30, 2019 which show the state of the Fund affairs.

Principal activities

The principal activities of the Fund are:

1. To develop legal and policy framework that will help in supply reduction of alcohol and drugs of abuse through new control mechanisms and strengthening the existing ones
2. To reduce demand for alcohol and drugs of abuse through substance abuse prevention activities and addiction treatment through establishment of accessible treatment and rehabilitation facilities.
3. To encourage inter-agency coordination and collaboration
4. To partner and network with individuals, civil society organizations, faith based organizations and private organizations involved in the fight against alcohol and drug abuse.
5. To conduct research activities on various aspects of substance abuse and alcohol dependence in Uasin Gishu County

Results

The results of the Fund for the year ended June 30, 2019 are set out on page 11

Board

The members of the Board were not in office during the year under review. Their term ended on 31 December, 2017 and recruitment process for the new board members is ongoing.

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.



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8. 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 the Uasin Gishu 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 Alcoholic Drinks Control 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, 2019. 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 Alcoholic Drinks Control Fund accepts responsibility for the Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and Uasin Gishu 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, 2019, and of the Fund's financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Administrator of the Alcoholic Drinks Control 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.

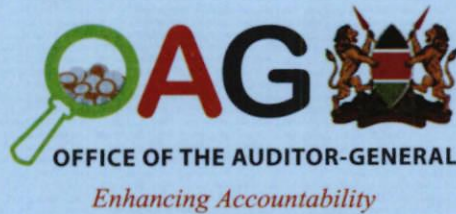
Approval of the financial statements

The Fund's financial statements were approved by the Board on 12/09/19 2019 and signed on its behalf by:

SILA BOIT
Administrator of the Alcoholic Drinks Control Fund

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON UASIN GISHU COUNTY ALCOHOLIC DRINKS CONTROL FUND FOR THE YEAR ENDED 30 JUNE, 2019

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Uasin Gishu County Alcoholic Drinks Control Fund set out on pages 11 to 27, which comprise of the statement of assets and liabilities as at 30 June, 2019, statement of receipts and payments, 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 effects 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 Uasin Gishu County Alcoholic Drinks Control Fund as at 30 June, 2019, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Uasin Gishu County Alcoholics Drinks Control Act, 2014 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Other Revenues

As disclosed in Note 11 to the financial statements, the statement of receipts and payments reflects other revenues – Fund Generated balance of Kshs.30,124,500. Review of records indicated that fines and penalties amounted to Kshs.7,124,702 during the year. However, the amount was paid to Uasin Gishu County Revenue Account instead of Alcoholic Drinks Control Account.

Consequently, the accuracy, completeness and validity of the total other revenues – Fund Generated revenue amount of Kshs.30,124,500 reflected in the statement of receipts and payments for the year ended 30 June, 2019 could not be confirmed.

2. Unsupported Other Operating Expenses

As disclosed in Note 13 to the financial statements, the statement of receipts and payments reflects use of goods and services balance of Kshs.32,192,694 which includes Kshs.2,000,000, under other operating expenses, paid to two (2) individuals in support of 2017 Iten marathon and 2018 Pamoja concert. Expenditure returns, reports and documentation were not provided for audit review.

Consequently, the accuracy, completeness and validity of other operating expenses amounting to Kshs.2,000,000 for the year ended 30 June, 2019 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Uasin Gishu 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 are no other key audit matters to report in the year under review.

Other Matter

1. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.50,920,830 and Kshs.30,124,500 respectively resulting to an under-funding of Kshs.20,796,330 or 41% of the budget. Similarly, the statement reflects final expenditure budget and actual on comparable basis of Kshs.74,451,111 and Kshs.44,360,536 respectively resulting to an under-funding of Kshs.30,090,575 or 40% of the budget. Management did not provide any reason for the under expenditure and under collection of receipts or the efforts being made to improve on the local revenue collection.

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

2. Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised. However, the Management had not resolved the issues nor given any explanation for failure to adhere to the provisions of the Public Sector Accounting Standards Board templates and the National Treasury's Circular Ref: PSASB/1/12 Vol.1(44) of 25 June, 2019.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Non-Compliance with the Law on Annual Report and Financial Statements

The Annual Report and Financial Statements provided for audit did not disclose passport size photos of key management and the follow up on audit recommendations are not signed. This is contrary to the Public Sector Accounting Board template and the National Treasury's Circular Ref: PSASB/1/12/Vol.1(44) dated 25 June, 2019.

Consequently, the Management is in breach of the law.

2. Non-Submission of Status Reports

The Management did not provide documentary evidence, for audit review, as an indication that the Fund submitted bi-annual reports to the County Assembly and the National Treasury for the Campaign Against Alcohol and Drug Abuse (NACADA) as required by Section 4(2)(h) of the Uasin Gishu County Alcoholic Drinks Control Act, 2014.

Consequently, the Management is in breach of the regulations.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

Lack of Fund Board

The three-year term for the previous board members of the Fund ended on 31 December, 2018. During the year under review, a new board had not been established. This is contrary to Section 4(1) of Uasin Gishu County Alcoholic Drinks Control Act, 2014 which states that there is established a County Alcoholic Drinks Control Board which shall be a body corporate with perpetual succession capable of entering into contracts and suing and being sued on its own name. Further, at the time of the audit in August, 2019, no documentary evidence was provided to show that the executive member responsible for alcoholic drinks had initiated the board.

In the circumstances, the effectiveness of the general direction and overall governance of the Fund cannot be confirmed.

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

Those charged with governance are responsible for overseeing the financial reporting process, reviewing the effectiveness of how the Fund 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 noncompliance. 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.



Nancy Gathungu
AUDITOR-GENERAL

Nairobi

22 October, 2021



UASIN GISHU COUNTY
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For the year ended June 30, 2019(Kshs)

UASIN GISHU COUNTY ALCOHOLIC DRINKS CONTROL FUND

10. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH JUNE

| | Note | 2018-2019 | 2017-2018 |
|--|------|---------------------|------------------------|
| | | Kshs | Kshs |
| INCOME | | | |
| Tax Revenues | 1 | | - |
| Social Security Contributions | 2 | | - |
| Proceeds from Domestic and Foreign Grants | 3 | | - |
| Transfers from County Treasury | 4 | | - |
| Transfers from Other Government Entities | 5 | | - |
| Proceeds from Domestic Borrowings | 6 | | - |
| Proceeds from Foreign Borrowings | 7 | | - |
| Proceeds from Sale of Assets | 8 | | - |
| Reimbursements and Refunds | 9 | | - |
| Principal Loan Repayment | 10 | | |
| Other Revenues-Fund Generated | 11 | 30,124,500 | 51,303,317.44 |
| TOTAL INCOME | | 30,124,500 | 51,303,317.44 |
| EXPENDITURE | | | |
| Compensation of Employees | 12 | | |
| Use of goods and services | 13 | 32,192,694 | 38,325,423.24 |
| Subsidies | 14 | | |
| Transfers to Other Government Units | 15 | - | - |
| Other grants and transfers | 16 | - | - |
| Social Security Benefits | 17 | | |
| Acquisition of Assets | 18 | 12,162,000 | 1,061,860 |
| Finance Costs, including Loan Interest | 19 | | |
| Repayment of principal on Domestic and Foreign borrowing | 20 | | |
| Other Expenses- Bank Charges | 21 | 5,842 | 4,395 |
| TOTAL EXPENDITURE | | (44,360,536) | (39,391,678.24) |
| SURPLUS/DEFICIT | | (14,236,036) | 11,911,639.20 |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 12/09/19 and signed by:


ADC-Fund

 Director
Head of Treasury Accounts



UASIN GISHU COUNTY
Alcoholic Drinks Control Fund
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For the year ended June 30, 2019(Kshs)

UASIN GISHU COUNTY ALCOHOLIC DRINKS CONTROL FUND
11. STATEMENT OF ASSETS AND LIABILITIES AS AT 30TH JUNE 2019

| | Note | 2018-2019 | 2017-2018 |
|---|------|---------------------|----------------------|
| | | Kshs | Kshs |
| FINANCIAL ASSETS | | | |
| Cash and Cash Equivalents | | | |
| Bank Balances | 22A | 9,294,245.20 | 23,530,281.20 |
| Cash Balances | 22B | - | - |
| Total Cash Equivalents | | 9,294,245.20 | 23,530,281.20 |
| Outstanding Imprests | | | |
| Receivables (Loan) | 23 | | - |
| TOTAL FINANCIAL ASSETS | | 9,294,245.20 | 23,530,281.20 |
| LESS: FINANCIAL LIABILITIES | | | |
| Accounts Payable | 24 | - | - |
| TOTAL FINANCIAL LIABILITIES | | - | - |
| NET FINANCIAL ASSETS/(LIABILITIES) | | 9,294,245.20 | 23,530,281.20 |
| REPRESENTED BY | | | |
| Fund balance b/fwd. | 25 | 23,530,281.20 | 11,618,642 |
| Surplus/Deficit for the year | | (14,236,036) | 11,911,639.20 |
| NET FINANCIAL POSITION | | 9,294,245.20 | 23,530,281.20 |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 12/07/19 and signed by:

Director ADC-Fund

Head of Treasury Accounts



UASIN GISHU COUNTY
Alcoholic Drinks Control Fund
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UASIN GISHU COUNTY ALCOHOLIC DRINKS CONTROL FUND

12. STATEMENT OF CASHFLOW FOR THE YEAR ENDED 30TH JUNE 2019

| | Note | 2018-2019 | 2017-2018 |
|--|------|---------------------|----------------------|
| | | Kshs | Kshs |
| CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Receipts for operating income | | | |
| Tax Revenues | 1 | | - |
| Social Security Contributions | 2 | | - |
| Proceeds from Domestic and Foreign Grants | 3 | | - |
| Transfers from National Treasury | 4 | | - |
| Transfers from Other Government Entities | 5 | | - |
| Reimbursements and Refunds | 9 | | - |
| Principal Loan Repayment | 10 | | - |
| Other Revenues- Funds Generated Revenue | 11 | 30,124,500 | 51,303,317.44 |
| TOTALS | | 30,124,500 | 51,303,317.44 |
| Payments for operating expenses | | | |
| Compensation of Employees | 12 | | |
| Use of goods and services | 13 | (32,192,694) | (38,325,423.24) |
| Subsidies | 14 | - | - |
| Transfers to Other Government Units | 15 | | - |
| Other grants and transfers | 16 | - | - |
| Social Security Benefits | 17 | | - |
| Finance Costs, including-Loans | 19 | | - |
| Other Payments- Bank Charges | 21 | (5,842) | (4,395) |
| Adjusted for: | | | |
| Changes in receivables | 23 | | - |
| Changes in payables | 24 | | - |
| Adjustments during the year | 26 | | - |
| Net cash flow from operating activities | | (2,074,036) | 12,973,499.20 |
| CASHFLOW FROM INVESTING ACTIVITIES | | | |
| Proceeds from Sale of Assets | | | - |
| Acquisition of Assets | 18 | (12,162,000) | (1,061,860) |
| Net cash flows from Investing Activities | | (14,236,036) | 11,911,639.20 |
| CASHFLOW FROM BORROWING ACTIVITIES | | | |
| Repayment of principal on Domestic and Foreign borrowing | 20 | | - |
| Net cash flow from financing activities | | | - |
| NET INCREASE IN CASH AND CASH EQUIVALENT | | (14,236,036) | 11,911,639.20 |
| Cash and cash equivalent at BEGINNING of the year | 25 | 23,530,281.20 | 11,618,642 |
| Cash and cash equivalent at END of the year | | 9,294,245.20 | 23,530,281.20 |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 12/09/2019 and signed by:



Director ADC-Fund

Head of Treasury Accounts



UASIN GISHU COUNTY
Alcoholic Drinks Control Fund
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For the year ended June 30, 2019(Kshs)

13. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE PERIOD ENDED 30TH JUNE 2019

| Receipt/Expense Item | Original Budget | Adjustments | Final Budget | Actual on Comparable Basis | Budget Utilisation Difference | % U at |
|--|----------------------|----------------------|----------------------|----------------------------|-------------------------------|--------|
| | a | b | c=a+b | d | e=c-d | f= % |
| RECEIPTS | | | | | | |
| Other Receipts-Fund Revenues | 50,920,830.00 | 0 | 50,920,830 | 30,124,500 | 20,796,330.00 | |
| Cash and Cash Equivalent at beginning of the year | 23,530,281.20 | 0 | 23,530,281.20 | 23,530,281.20 | 0 | 1 |
| TOTAL RECEIPTS | 50,920,830.00 | 23,530,281.20 | 74,451,111.20 | 53,654,781.20 | 20,796,330.00 | |
| PAYMENTS | | | | | | |
| Compensation of Employees | - | - | - | - | - | |
| Use of goods and services | 37,700,760.00 | - | 37,700,760 | 32,192,694.00 | 5,508,066 | |
| Subsidies | | - | | | | |
| Cash and Cash Equivalent at beginning of the year | - | 23,530,281.20 | 23,530,281.20 | - | 23,530,281.20 | |
| Other grants and transfers | 400,000.00 | - | 400,000.00 | - | 400,000.00 | |
| Acquisition of Assets | 12,820,070.00 | - | 12,820,070.00 | 12,162,000.00 | 658,070.00 | |
| Finance Costs, including Loan Interest | | - | - | - | - | |
| Repayment of principal on Domestic and Foreign borrowing | | - | - | - | - | |
| Other Payments-Bank Charges | - | - | - | 5,842.00 | (5,842.00) | |
| TOTAL PAYMENTS | 50,920,830.00 | 23,530,281.20 | 74,451,111.20 | 44,360,536.00 | 30,090,575.20 | |


 Director ADC-Fund


 Head of Treasury Accounting



UASIN GISHU COUNTY
Alcoholic Drinks Control Fund
Reports and Financial Statements
For the year ended June 30, 2019(Kshs)

14. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) with particular emphasis on Cash Basis Financial Reporting under the Cash Basis of Accounting and applicable government legislations and regulations. The financial statements comply with and conform to the form of presentation prescribed by the Public Sector Accounting Standards Board of Kenya.

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the *Alcoholic Drinks Control Fund* and all values are rounded to the nearest Shilling (Kshs'1). The accounting policies adopted have been consistently applied to all the years presented.

The financial statements have been prepared on the cash basis following the Government's standard chart of accounts.

2. Recognition of revenue and expenses

The *Alcoholic Drinks Control Fund* recognises all revenues from the various sources when the event occurs and the related cash has actually been received by the *entity*. In addition, the *Alcoholic Drinks Control Fund* recognises all expenses when the event occurs and the related cash has actually been paid out by the *entity*.

3. In-kind contributions

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

4. 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 Kenya Commercial Bank at the end of the financial year.

5. Accounts Receivable

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



UASIN GISHU COUNTY
Alcoholic Drinks Control Fund
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6. Accounts Payable

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

7. Non-current assets

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

8. Pending bills

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

9. Budget

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The *entity's* budget was approved as required by Law and as detailed in the Government of Kenya Budget Printed Estimates. A high-level assessment of the *entity's* actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

10. Comparative figures

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

11. Subsequent events

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



UASIN GISHU COUNTY
Alcoholic Drinks Control Fund
Reports and Financial Statements
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15. NOTES TO THE FINANCIAL STATEMENTS

| 1 | TAX REVENUES | 2018-2019 | 2017-2018 |
|---|---|------------------|------------------|
| | PARTICULARS | Kshs | Kshs |
| | Taxes on Income, Profits and Capital Gains | - | - |
| | Taxes on Property | - | - |
| | Taxes on Goods and Services | - | - |
| | Taxes on International Trade and Transactions | - | - |
| | Other Taxes (not elsewhere classified) | - | - |
| | Total | - | - |

| 2 | SOCIAL SECURITY CONTRIBUTIONS | 2018-2019 | 2017-2018 |
|---|--|------------------|------------------|
| | PARTICULARS | Kshs | Kshs |
| | Receipts for Health Insurance Contribution | - | - |
| | Receipts to NHIF for Health Insurance Contributions | - | - |
| | Receipts from Govt Employees to Social & Welfare Schemes in Govt | - | - |
| | Total | - | - |

| 3 | PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS | | |
|---|---|------------------|------------------|
| | Name of Donor | 2018-2019 | 2017-2018 |
| | | Kshs | Kshs |
| | Grants Received from Bilateral Donors (Foreign Governments) | - | - |
| | Insert name of donor | - | - |
| | Grants Received from Multilateral Donors (International Organisations) | - | - |
| | (Insert name of donor) | - | - |
| | Grants Received from other levels of government | - | - |
| | (Insert name of donor) | - | - |
| | Total | - | - |

| 4 | EXCHEQUER RELEASES | | |
|---|--|------------------|------------------|
| | Description and reference of the transfer | 2018-2019 | 2017-2018 |
| | | Kshs | Kshs |
| | Receipt for the financial year ending 2017 (May-June, 2017) | - | - |
| | 1st quarter transfer | - | - |
| | 2nd quarter transfer | - | - |
| | 3rd quarter transfer | - | - |
| | 4th quarter transfer | - | - |
| | Total | - | - |



UASIN GISHU COUNTY
Alcoholic Drinks Control Fund
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TRANSFERS FROM OTHER GOVERNMENT ENTITIES

5

| Description | 2018-2019 | 2017-2018 |
|--|-----------|-----------|
| | Kshs | Kshs |
| Transfers from Central government entities (insert name of budget agency) | - | - |
| Transfers from Uasin Gishu County government (insert name of budget agency) | - | - |
| TOTAL | - | - |

6

PROCEEDS FROM DOMESTIC BORROWINGS

| PARTICULARS | 2018-2019 | 2017-2018 |
|---|-----------|-----------|
| | Kshs | Kshs |
| Borrowing within General Government | - | |
| Borrowing from Monetary Authorities | - | |
| Other Domestic Depository Corporations (Commercial Banks) | - | |
| Borrowing from Other Domestic Financial Institutions | | |
| Borrowing from Other Domestic Creditors | | |
| Domestic Currency and Domestic Deposits | | |
| Domestic Accounts Payable | | |

Total

7

PROCEEDS FROM FOREIGN BORROWINGS

| PARTICULARS | 2018-2019 | 2017-2018 |
|--|-----------|-----------|
| | Kshs | Kshs |
| Foreign Borrowing – Draw-downs Through Exchequer | - | - |
| Foreign Borrowing - Direct Payments | - | - |
| Foreign Currency and Foreign Deposits | - | - |

Total

8

PROCEEDS FROM SALE OF NON-FINANCIAL ASSETS

| PARTICULARS | 2018-2019 | 2017-2018 |
|---|-----------|-----------|
| | Kshs | Kshs |
| Receipts from the Sale of Buildings | - | - |
| Receipts from the Sale of Vehicles and Transport Equipment | - | - |
| Receipts from the Sale Plant Machinery and Equipment | - | - |
| Receipts from Sale of Certified Seeds and Breeding Stock | - | - |
| Receipts from the Sale of Strategic Reserves Stocks | - | - |
| Receipts from the Sale of Inventories, Stocks and Commodities | - | - |



UASIN GISHU COUNTY
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| | | |
|---|----------|----------|
| Disposal and Sales of Non-Produced Assets | - | - |
| Receipts from the Sale of Strategic Reserves Stocks | - | - |
| Total | - | - |

9 **REIMBURSEMENTS AND REFUNDS**

| | 2018-2019 | 2017-2018 |
|--|-------------|-------------|
| PARTICULARS | Kshs | Kshs |
| Refund from World Food Programme (WFP) | - | - |
| Reimbursement of Audit Fees | - | - |
| Reimbursement on Messing Charges (UNICEF) | - | - |
| Reimbursement from World Bank – ECD | - | - |
| Reimbursement from Individuals and Private Organisations | - | - |
| Reimbursement from Local Government Authorities | - | - |
| Reimbursement from Statutory Organisations | - | - |
| Reimbursement within Central Government | - | - |
| Reimbursement Using Bonds | - | - |
| Total | - | - |

10 **PRINCIPAL AMOUNT REPAID**

| | 2018-2019 | 2017-2018 |
|---------------------------------------|-------------|-------------|
| PARTICULARS | Kshs | Kshs |
| Repayment of principal amount on loan | - | - |
| Total | - | - |

11 **OTHER REVENUES**

| | 2018-2019 | 2017-2018 |
|--|-------------------|----------------------|
| PARTICULARS | Kshs | Kshs |
| Interest Received from loans issued to members | - | - |
| Profits and Dividends | - | - |
| Rents | - | - |
| Other Property Income | - | - |
| Sales of Market Establishments | - | - |
| Receipts from Administrative Fees and Charges | - | - |
| Receipts from Administrative Fees and Charges - Collected as AIA | - | - |
| Receipts from Voluntary transfers other than grants | - | - |
| Other Receipts Not Classified Elsewhere-funds revenue | 30,124,500 | 51,303,317.44 |
| Total | 30,124,500 | 51,303,317.44 |



UASIN GISHU COUNTY
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12 COMPENSATION OF EMPLOYEES

| | 2018-2019 | 2017-2018 |
|---|-------------|-------------|
| PARTICULARS | Kshs | Kshs |
| Basic salaries of permanent employees | - | - |
| Basic wages of temporary employees | - | - |
| Personal allowances paid as part of salary | - | - |
| Personal allowances paid as reimbursements | - | - |
| Personal allowances provided in kind | - | - |
| Pension and other social security contributions | - | - |
| Compulsory national social security schemes | - | - |
| Compulsory national health insurance schemes | - | - |
| Social benefit schemes outside government | - | -- |
| Other personnel payments | - | - |
| Total | - | - |

13 USE OF GOODS AND SERVICES

| | 2018-2019 | 2017-2018 |
|--|-------------------|----------------------|
| PARTICULARS | Kshs | Kshs |
| Utilities, supplies and services | 0 | 0 |
| Communication, supplies and services | 250,900 | 240,004 |
| Domestic travel and subsistence | 1,522,800 | 19,307,680.40 |
| ADCB Board Allowances | 0 | 1,104,000 |
| Foreign travel and subsistence | 553,378 | 64,000 |
| Printing, advertising and information supplies & services | 4,905,840 | 342,100 |
| Rentals of premises | 735,562 | 991,774.90 |
| Training expenses | 2,416,085 | 0 |
| Hospitality supplies and services | 3,481,459 | 814,310 |
| Field Operation Allowances | 2,429,094 | - |
| Specialised materials and services-professional services | 700,240 | - |
| Sanitary and Cleaning | 260,000 | - |
| Other operating expenses | 7,249,630 | 14,078,768.94 |
| Office and general supplies and services | 1,486,306 | 1,382,785 |
| Catering Services | 793,800 | - |
| Routine maintenance – vehicles and other transport equipment | 149,100 | - |
| Uniform and Clothing Allowance | 4,597,200 | - |
| Shows and Exhibition | 416,800 | - |
| Routine maintenance – other assets | 0 | - |
| Rehabilitation | 244,500 | - |
| Total | 32,192,694 | 38,325,423.24 |



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14 **SUBSIDIES**

| Description | 2018-2019 | 2017-2018 |
|----------------------------------|-----------|-----------|
| | Kshs | Kshs |
| Subsidies to Public Corporations | - | - |
| <i>See list attached</i> | - | - |
| Subsidies to Private Enterprises | - | - |
| <i>See list attached</i> | - | - |
| TOTAL | - | - |

15 **TRANSFER TO OTHER GOVERNMENT ENTITIES**

| Description | 2018-2019 | 2017-2018 |
|--|-----------|-----------|
| | Kshs | Kshs |
| Transfers to Central government entities | - | - |
| See attached list | - | - |
| Transfers to county treasury | - | - |
| (insert name of budget agency) | - | - |
| TOTAL | - | - |

16 **OTHER GRANTS AND OTHER PAYMENTS**

| PARTICULARS | 2018-2019 | 2017-2018 |
|--|-----------|-----------|
| | Kshs | Kshs |
| Scholarships and other educational benefits | - | - |
| Emergency relief and refugee assistance | - | - |
| Subsidies to small businesses, cooperatives, and self employed | - | - |
| Other current transfers, grants | - | - |
| Other capital grants and transfers | - | - |
| Total | - | - |

17 **SOCIAL SECURITY BENEFITS**

| PARTICULARS | 2018-2019 | 2017-2018 |
|--|-----------|-----------|
| | Kshs | Kshs |
| Government pension and retirement benefits | - | - |
| Social security benefits in cash and in kind | - | - |
| Employer Social Benefits in cash and in kind | - | - |
| Total | - | - |

ACQUISITION OF ASSETS

| PARTICULARS | 2018-2019 | 2017-2018 |
|-----------------------------|-----------|-----------|
| | Kshs | Kshs |
| Non-Financial Assets | - | - |



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| | | |
|--|-------------------|------------------|
| Purchase of Buildings | - | - |
| Construction of Buildings | | - |
| Refurbishment of Buildings | - | - |
| Construction of Roads | - | - |
| Construction and Civil Works | - | - |
| Overhaul and Refurbishment of Construction and Civil Works | - | - |
| Purchase of Vehicles and Other Transport Equipment | 12,162,000 | - |
| Overhaul of Vehicles and Other Transport Equipment | - | - |
| Purchase of Household Furniture and Institutional Equipment | - | - |
| Purchase of Office Furniture and General Equipment | - | 1,061,860 |
| Purchase of Specialised Plant, Equipment and Machinery | - | - |
| Rehabilitation and Renovation of Plant, Machinery and Equip. | - | - |
| Purchase of Certified Seeds, Breeding Stock and Live Animals | - | - |
| Research, Studies, Project Preparation, Design & Supervision | - | - |
| Rehabilitation of Civil Works | - | - |
| Acquisition of Strategic Stocks and commodities | - | - |
| Acquisition of Land | - | - |
| Acquisition of Intangible Assets | - | - |
| Financial Assets | -- | -- |
| Domestic Public Non-Financial Enterprises | - | - |
| Domestic Public Financial Institutions | - | - |
| Foreign financial Institutions operating Abroad | - | - |
| Other Foreign Enterprises | - | - |
| Foreign Payables - From Previous Years | - | - |
| Total | 12,162,000 | 1,061,860 |

19 **FINANCE COSTS, INCLUDING LOAN INTEREST**

| PARTICULARS | 2018-2019 | 2017-2018 |
|---|-----------|-----------|
| | Kshs | Kshs |
| Loan Advances to Students | - | - |
| Interest Payments on Foreign Borrowings | | |
| Interest Payments on Guaranteed Debt Taken over by Govt | | |
| Interest on Borrowings from Other Government Units | | |
| Total | - | - |

20 **REPAYMENT OF PRINCIPAL ON DOMESTIC LENDING AND ON-LENDING**

| PARTICULARS | 2018-2019 | 2017-2018 |
|-------------|-----------|-----------|
| | Kshs | Kshs |
| | | |



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| | | |
|--|----------|----------|
| Repayments on Borrowings from Domestic | - | - |
| Principal Repayments on Guaranteed Debt Taken over by Government | - | - |
| Repayments on Borrowings from Other Domestic Creditors | - | - |
| Repayment of Principal from Foreign Lending & On – Lending | - | - |
| Total | - | - |

21 OTHER EXPENSES-BANK CHARGES

| PARTICULARS | 2018-2019 | 2017-2018 |
|---|--------------|--------------|
| | Kshs | Kshs |
| Budget Reserves | | |
| Civil Contingency Reserves | | |
| Capital Transfers to Non-Financial Public Enterprises | | |
| Capital Transfer to Public Financial Institutions and Enterprises | | |
| Capital Transfer to Private Non-Financial Enterprises | | |
| Other expenses-Bank Charges | 5,842 | 4,395 |
| Domestic Accounts | | |
| Total | 5,842 | 4,395 |

22A Bank Accounts

| Name of Bank, Account No. & currency | 2018-2019 | 2017-2018 |
|--|---------------------|----------------------|
| | Kshs | Kshs |
| Alcoholic drinks control board fund A/C - KCB - 1150930535 | 9,294,245.20 | 23,530,281.20 |
| Total | 9,294,245.20 | 23,530,281.20 |

22B Cash in hand

| PARTICULARS | 2018-2019 | 2017-2018 |
|------------------------------------|-----------|-----------|
| | Kshs | Kshs |
| Location 1-Headquarters | - | - |
| Location 2 | - | - |
| Other Locations (<i>specify</i>) | - | - |
| Total | - | - |

22c Cash equivalents (short-term deposits)

| Name of Bank, Account No. & currency | 2018-2019 | 2017-2018 |
|--------------------------------------|-----------|-----------|
| | Kshs | Kshs |
| xx | - | - |
| xx | - | - |
| Total | - | - |

Outstanding Imprests

| <i>Name of Officer or Institution</i> | <i>Balance</i> | Balance |
|---------------------------------------|----------------|---------|
| | | |



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| | | |
|--------------|---|---|
| | | |
| Total | - | - |

23 RECEIVABLES

| | 2018-2019 | 2017-2018 |
|-------------------------------------|-----------|-----------|
| PARTICULARS | Kshs | Kshs |
| Imprests | - | - |
| Amount Repaid | | |
| Others (Members loan's outstanding) | | |
| Total | - | - |

24 PAYABLES

| | 2018-2019 | 2017-2018 |
|--|-----------|-----------|
| PARTICULARS | Kshs | Kshs |
| Exchequer Provisioning account balance | - | - |
| Others (<i>specify</i>) | - | - |

25 FUND BALANCE BROUGHT FORWARD

| | 2018-2019 | 2017-2018 |
|---------------------|----------------------|-------------------|
| PARTICULARS | Kshs | Kshs |
| Bank accounts | 23,530,281.20 | 10,118,642 |
| Cash in hand | - | 1,500,000 |
| Accounts receivable | - | - |
| Imprests | - | - |
| | - | - |
| Total | 23,530,281.20 | 11,618,642 |

26 PRIOR YEAR ADJUSTMENT

| | 2018-2019 | 2017-2018 |
|--|-----------|-----------|
| PARTICULARS | Kshs | Kshs |
| Bank accounts-transfer back to county treasury | - | - |
| Cash in hand | - | - |
| Cash equivalents (short-term deposits) | - | - |
| Imprests | - | - |
| Receivables | - | - |
| Payables | - | - |
| Total | - | - |



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16. PROGRESS ON FOLLOW UP OF AUDITOR 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 | Focal Point person to resolve the issue (Name and designation) | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|---|--|--|-----------------------------------|--|
| 1.0 | Presentation of Financial Statements The fund did not present its financial statements using the revised financial statement reporting templates approved by the Public Sector Accounting Board | The fund will prepare and present its financial statements for the year 2018/2019 using the revised financial statement reporting templates | Daniel Lagat-Fund Accountant | Resolved | |
| 2.0 | Other Revenue The figure of Kshs 4,661,807(Court fines for liquor license defaulters) was excluded from the total receipts for the year 2017/2018 | The Uasin Gishu County Alcoholic Drinks Control Act, 2014 need to be amended so as to resolve the issue of court fines charged to liquor license defaulters. | Sila Boit-Fund Administrator | | |
| 1.0 | Lack of Approved Budget The approved budget for the year ended 30 June 2018 was not availed for audit review | The budget approval for the year 2017/2018 was delayed but approved for 2018/2019 | Sila Boit-Fund Administrator | Resolved | |
| 2.0 | Lack of Alcoholic Status Reports During the year under audit, no documentary | There was an oversight in the channel of submitting status reports and that the fund will be submitting its reports to the CECM Health | Sila Boit-Fund Administrator | Resolved | |



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| Reference No. on the external audit Report | Issue / Observation from Auditor | Management comments | Focal Point person to resolve the issue (Name and designation) | Status (Resolved / Not Resolved) | Timeframe (Put a date when you expect the issue to be resolved) |
|--|---|--|--|-------------------------------------|--|
| | evidence was availed for audit review to show that the Alcoholic Drinks Control Board prepared and submitted bi-annually reports to the Executive Member and transmitted to the County Executive Committee, County Assembly | Services and County Assembly and NACADA | | | |
| 3.0 | Board Composition During the year under review, the fund had six (6) board members five men and a woman contrary to section 7 of the county Alcoholic Drinks Control Act, 2014 | The board had six (6) appointed members five (5) of whom are men and one (1) is a lady. The members were vetted in the county assembly | Sila Boit-Fund Administrator | | |
| | Lack of Approved Budget | The budget approval for the year 2017/2018 was delayed but approved for 2018/2019 | Sila Boit-Fund Administrator | Resolved | |
| | | | | | |



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ANNEX 1-SUMMARY OF FIXED ASSET REGISTER

| Asset class | Historical Cost b/f (KShs) 2017/2018 | Additions during the year (KShs) 2018/2019 | Disposals during the year (KShs) 2018/2019 | Historical Cost c/f (KShs) 2018/2019 |
|---|---|---|---|---|
| Buildings and structures | 379,930 | 0 | 0 | 379,930 |
| Motor Vehicles | 0 | 12,162,000 | 0 | 12,162,000 |
| Office equipment, furniture and fittings | 2,098,514 | 0 | 0 | 2,098,514 |
| Total | 2,478,444 | 12,162,000 | | 14,640,444 |

