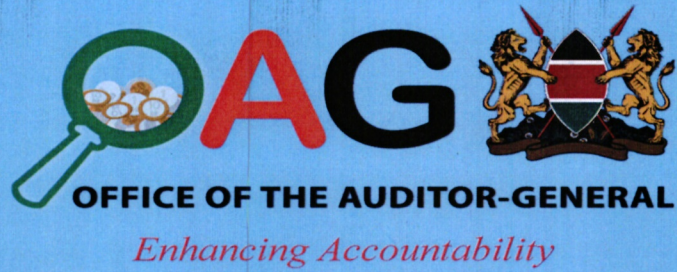


REPUBLIC OF KENYA



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DATE	7/6/2023
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COMMITTEE	—
CLERK AT THE TABLE	Angela



REPORT

OF

THE AUDITOR-GENERAL

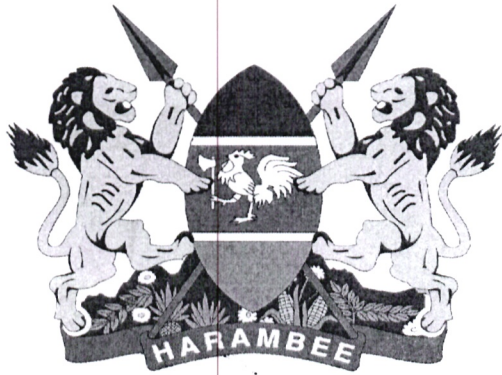
ON

**KIAMBU COUNTY ALCOHOLIC DRINKS
CONTROL FUND**

**FOR THE YEAR
ENDED 30 JUNE, 2022**



THE UNIVERSITY OF CHICAGO
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COUNTY GOVERNMENT OF KIAMBU
KIAMBU COUNTY ALCOHOLIC DRINKS CONTROL FUND

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30th JUNE 2022

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

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**Kiambu County Alcoholic drinks control fund.
Reports and Financial Statements
For the year ended 30th June 2022**

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1. Key Entity Information and Management

a) Background information

Liquor licensing is a function of County Governments in accordance with the Fourth Schedule [Part 2 sub section 4(e)] of the Constitution of Kenya, 2010. The County Assembly of Kiambu in 2018 passed the Kiambu County Alcoholic Drinks Control Act, 2018 to establish a framework for the licensing and regulation of the production, sale, distribution, consumption, and outdoor advertising of alcoholic drinks and connected purposes. The Act was assented to by the Governor on 9th March 2018 repealing the Kiambu County Alcoholic Drinks Control Act, 2013.

In the implementation of the Act, the Directorate of Alcoholic Drinks Control which is mandated to do so identified gaps in the Act which made its full implementation challenging. Stakeholders in the liquor industry had cited several inconsistencies where some sections of the Act seem to contradict the Alcoholic Drinks Control Act, 2010. These gaps and inconsistencies led to endless legal battles with the alcoholic drinks traders challenging the Act in courts of law. Amendments were therefore proposed in order to address the gaps and inconsistencies identified in the Kiambu County Alcoholic Drinks Control Act, 2018. The amendments introduced some types of licenses that are found in the national law to the satisfaction of the stakeholders.

Kiambu County Alcoholic Drinks Control Fund is established by and derives its authority and accountability from Kiambu County Alcoholic Drinks Control Act, (revised 2022) assented on 8th March, 2022. The Fund is wholly owned by the County Government of Kiambu and is domiciled in Kenya.

The fund's objective is to provide for a framework for the licencing and control of production, sale, distribution, promotion and use of alcoholic drinks and the promotion of research, treatment and rehabilitation for persons 'dependent on alcoholic drinks.

The Fund's principal activity is to reduce and mitigate the negative health, social and economic impact and other costs on individuals and communities resulting from or associated with production, sale, supply, advertising and consumption of alcoholic drinks.

b) Principal Activities

The principal activity/mission/ mandate of the Fund is to

- i) Regulate alcohol production, distribution, advertisement, sale and consumption of alcohol in the county.
- ii) Licencing and enforcing the conditions of a license granted under the Act.
- iii) Coordinate the establishment, implementation and operations of alcohol treatment and rehabilitation facilities and programs.

**Kiambu County Alcoholic drinks control fund.
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iv) Undertake public education, training sensitization or in any other manner disseminate information on matters relating to Alcohol to the public in order to influence positive social development and responsible drinking culture.

c) Board of Trustees/Fund Administration Committee

The board of trustee are not applicable in the Act.

d) Key Management

Ref	Name	Position
1.	CHARLES NJUGUNA GIKONYO	Fund Administrator
2.	MICHAEL KANGETHE GACHANJA	DIRECTOR FUND
3.	ANTONY KIRUNGU NGAMAU	FUND Accountant

e) Registered Offices

P.O. Box 2344-00900
County Headquarter Offices
Kiambu Nairobi Highway
Kiambu, KENYA

f) Fund Contacts

Telephone: 254-0709877000
E-mail: info@kiambu.go.ke
Website: www.kiambu.go.ke

g) Fund Bankers

i) Co-operative Bank of Kenya
Kiambu Branch
P.O. Box 1064-00900
Kiambu, Kenya.
A c No 01141371543516

ii) Family Bank Ltd
Kiambu Branch
P.O Box 74145-00200
Nairobi.
A c No 001000041973

**Kiambu County Alcoholic drinks control fund.
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h) Independent Auditors

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

i) Principal Legal Adviser

The County Attorney
Kiambu County
P.O. Box 2344
Kiambu 00900
Kiambu, Kenya




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2. The Board of Trustees (or any other governing body for the Fund)

The fund has no Board

**Kiambu County Alcoholic drinks control fund.
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3. Management Team

Name	Details of qualifications and experience
 <p>1. CHARLES NJUGUNA GIKONYO D.O.B:10TH July 1977</p>	<p>Holder of Bachelor of Arts degree majoring in Government and Public Administration, Diploma in purchasing and Supplies from Chartered institute of Purchasing and Supplies, Certified Public Secretaries of Kenya and a practising member of institute of certified secretaries of Kenya in good standing Currently the chief officer administration and fund Administrator.</p>
 <p>2. MICHEAL KANG'ETHE GACHANJA D.O.B: 1ST September,1969.</p>	<p>Holder of Master's degree in counselling psychology and Bachelor of Arts degree.10years experience in teaching and 13 years in Administration. Currently Director alcoholic drinks control fund within 6yrs.</p>
 <p>3. ANTONY KIRUNGU NGAMAU D.O.B:15TH August 1979</p>	<p>Holder of CPA Certificate, High Diploma in suppliers and management. 12 years' experience in accounts and currently the fund Accountant.</p>

**Kiambu County Alcoholic drinks control fund.
Reports and Financial Statements
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COUNTY EXECUTIVE COMMITTEE MEMBER'S REPORT

There was no change in the management of the fund during the year under review.

The management of the fund is composed of the Chief Officer-Administration, Director Alcoholic Drinks Control and the Fund Administrator.

The Kiambu County Alcoholic Drinks Control Fund was operationalized in the year 2013 in compliance with the provisions of the PFM Act 2012; Kiambu County Alcoholic Drinks Control Act 2013 was repealed in 2018. The Kiambu County Alcoholic Drinks Control Act 2018 was also revised in 2022

The Fund consisted of monies collected as application and licensing fees plus appropriations from the County Treasury.

The table below indicates funds received and expenditure since the operationalization of the Fund.

S.NO	Financial Year	Funds Received	Expenditure(Administrative, rehabilitation and enforcement)	Transfer to County Revenue Fund	Transfer to County health management team account under Health Department
		KSHS	KSHS	KSHS	KSHS
1.	2013/14	35,467,268.00	1,801,175.00	-	
2.	2014/15	108,760,182.00	51,112,335.00	88,440,000.00	
3.	2015/16	106,543,391.00	44,089,761.00	60,000,000.00	4,000,000.00
4.	2016/17	105,940,133.00	81,666,117.00	25,000,000.00	
5.	2017/18	111,047,792.00	105,689,378.00	5,960,000.00	
6.	2018/19	483,816,276.00	467,463,847.00	-	
7.	2019/20	120,810,070.00	127,461,338.00	91,188,067.16	
8.	2020/2021	35,588,221.00	36,178,011.00	30,978,619.00	
9.	2021/2022	239,864,466.00	239,429,986.00	215,722,466.00	
	TOTAL	1,347,837,799.00	1,154,891,948.00	517,289,152.00	4,000,000.00

**Kiambu County Alcoholic drinks control fund.
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It is projected that the fund will grow as the economy continues to improve thus increasing the number of operators seeking to be licensed. Kiambu County Alcoholic Drinks Control Act 2018 was also revised in 2022 to accommodate more types of alcoholic drinks licences. This will enable the Department to enhance its operations and programs.

Signed: _____ 

Dr. Margaret Ruinge,

CECM Administration and public service

**Kiambu County Alcoholic drinks control fund.
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4. Fund Chairperson's Report

The Kiambu County Alcoholic Drinks Control Fund was operationalized in the year 2013 in compliance with the provisions of the PFM Act 2012; Kiambu County Alcoholic Drinks Control Act 2013 which was repealed in 2018. The Kiambu County Alcoholic Drinks Control Act 2018 was revised in 2022.

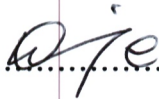
The current management of the Fund is composed of the Chief Officer-Administration (Fund Administrator), Director Alcoholic Drinks Control and the Fund Accountant. During the year under review there were no changes in the management team.

The Fund comprises of monies collected as application and licensing fees plus appropriations from the County Assembly.

During the year under review there was improvement in licensing fee and application fees collected as a result of compliance by the owners of alcoholic drinks outlets in the county. However due to non-remittance of fund receivables from county treasury, the fund was unable to fully accomplish its mandate.

The compliance to the Kiambu County Alcoholic Drinks Control Act (revised)2022 especially by the county treasury will greatly affect the future outlook of the fund. To be able to implement projects and programs of the fund there is need for adequate budgetary allocation. The county treasury need to fully comply with the provisions of section 12(5) of the Act.

In conclusion, as a Fund we commit to undertake project and programs towards meeting the objectives of the Fund.



.....
Name: DR. MARGARET RUIGE

Chairperson

**Kiambu County Alcoholic drinks control fund.
Reports and Financial Statements
For the year ended 30th June 2022**

5. Report of The Fund Administrator

Below we highlight, the activities undertaken and progress made in FY 2021/2022 with respect to the Kiambu County Alcoholic Drinks Control Fund,

- The inspections and licensing of alcoholic drinks outlets were carried out as provided for in the Kiambu County Alcoholic Drinks Control Act (revised 2022).
- Effective management on enforcement for purposes of achieving optimal efficiency in co-ordination, control, and payment of Alcoholic drinks licences.
- The Directorate sustained crackdown on substandard, counterfeit and illicit brews throughout the year in all the 12 sub-counties leading to a decline in production, sale and consumption of the brews. Increased efforts in fighting illicit brews like chang'aa, and Kangara were witnessed in hotspots areas like River Chania, Makwa, and Thiririka in Gatundu North Subcounty and, Ndarugu area of Gatundu South Subcounty.
- The Directorate coordinated operations of the Sub County Alcoholic Drinks Regulatory Committees during the year under review.
- There were a few gaps in the Kiambu county alcoholic control Act 2018 which had some inconsistencies that led to endless legal battles with alcoholic drink traders. This led to the amendment of the Act. Some section of the Act seemed to contradict with Alcoholic Drinks Control Act, 2010
- The Amendment Act has since been revised
- The Directorate through the Department of Administration, Finance, Fire Inspection and Public Health consolidated all the requisite licenses into one alcoholic drinks license. This move ensured that the traders were served at one point after meeting the set standards and thereby increasing the revenue collected.

Challenges

- The complication of Covid -19 in the country required the Directorate to re-evaluate its strategy on the implementation of its earlier planned program. Enforcement of the current Kiambu County Alcoholic Drinks Control Act, (revised 2022) was hampered by various litigations filed against the County Government of Kiambu by bar owners / traders. This led to majority of them operating with court orders instead of paying for liquor licence.
- Limited and delay in disbursement of fund adversely affected operations and functions of the Directorate.
- Hawking of liquor by those who previously worked in bars and restaurants was witnessed due to loss of employment as a result of the country wide closure of bars and restaurants due to Covid 19 pandemic.

**Kiambu County Alcoholic drinks control fund.
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- After closure of bars and restaurants, due to Covid 19 pandemic, there was an upsurge in the number of Wines and Spirit Shops County wide.
- There has been an increase in drugs and substance abuse in the County. This has been a major challenge since control of drugs and other substances abuse is outside the mandate of the Directorate.
- Due to 2022 General Elections there was a lot of political interference leading to a decline in enforcement activities

Way forward.

- The County Government should actualise and operationalize the Alcoholic Drinks Control Fund established under the Kiambu County Alcoholic Drinks Control Act, (revised 2022).
- The Directorate should undertake elaborate public education and awareness campaigns aimed at sensitizing the community about dangers of alcohol and other substance abuse.
- The Directorate should partner with other relevant stakeholders in order to control production, sale and consumption of alcohol and other drugs.

Signed: _____



Charles Njuguna Gikonyo

Fund Administrator.

**Kiambu County Alcoholic drinks control fund.
Reports and Financial Statements
For the year ended 30th June 2022**

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

Introduction

Section 164 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting officer when preparing financial statements of each County Government 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 Kiambu County Government County Integrated Development Plan (2018-2022) on alcohol control are to:

- a) To reduce and create awareness on alcohol, drug and substance abuse and offer rehabilitation services.
- b) Public education on alcoholic drinks control in the county.
- c) Collaboration with other public institutions and non-state actors in fulfilling its mandate.
- d) Undertake research on alcohol related issues and disseminate finding.

Progress on attainment of Strategic development objectives (Adopted from Kiambu County-Integrated Development Plan (2018-2022) and Kiambu County Annual Development Plan 2021/2022.)

Below we provide the progress on attaining the stated objectives:

Program	Objective	Outcome	Indicator	Performance
Alcohol, drug and substance abuse and rehabilitation.	To reduce and create awareness on alcohol, drug and substance abuse.	Reduced incidences of alcohol, drugs and substance abuse.	15% reduction of number of persons arrested while contravening alcohol use laws.	In FY 2021/2022 we reduced by 20,276 persons who were arrested from the previous FY.
Enforcement and crackdown on illicit brewing.	To enforce compliance to the set legislation on alcohol use.	Reduced illicit brews, counterfeits and sub-standard alcohol.	32% reduction of illicit brewers.	In FY 2021-2022 we reduced by 15 persons who were involved in illicit brewing in River Chania and Makwa.

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Research on alcohol, drug and substance abuse.	To carry out a research on the status of alcohol, drug and substance abuse.	Improved planning on alcohol, drug and substance abuse in the county.	Number of research reports on status of alcohol, drug and substance abuse.	This was not conducted during FY 2021-2022 because of under funding .
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Challenges

- Political interference
- Inadequate funding

**Kiambu County Alcoholic drinks control fund.
Reports and Financial Statements
For the year ended 30th June 2022**

7. Corporate Governance Statement

The fund does not have Board members hence no board meetings were held. The fund is administered by the management team as spelt out in section 4-13 of Kiambu County Alcoholic Drinks Control Act (revised 2022). Further there are various committees established under this Act. The Sub County Alcoholic Drinks Regulatory Committees established in section 16(1) of Kiambu County Alcoholic Drinks Control Act, revised 2022 are among the major committees that hold various meetings throughout the year.

**Kiambu County Alcoholic drinks control fund.
Reports and Financial Statements
For the year ended 30th June 2022**

8. Management Discussion and Analysis

The Kiambu County Alcoholic Drinks Control Fund operations are being guided by Kiambu County Alcoholic Drinks Control Act, revised (2022) and also comply with the provisions of the PFM Act 2012.

The purpose of the fund is to meet the capital and recurrent expenditure as spelt out in Kiambu County Government Alcoholic Drinks Control Act, revised (2022).

The Fund's performance since its inception is per the table below. It indicates funds received and expenditure since the operationalization of the Fund.

S.NO	Financial Year	Funds Received	Expenditure	Transfer to County revenue fund(CBK)	Transfer to County health management team
		KSHS	KSHS	KSHS	KSHS
1	2013/2014	35,467,268.00	1,801,175.00	-	-
2	2014/2015	108,760,182.00	51,112,335.00	88,440,000.00	-
3	2015/2016	106,543,391.00	44,089,761.00	60,000,000.00	4,000,000.00
4	2016/2017	105,940,133.00	81,666,117.00	25,000,000.00	-
5	2017/2018	111,047,792.00	99,308,279.00	5,960,000.00	-
6	2018/2019	483,816,276.00	467,463,847.00	-	-
7	2019/2020	120,810,070.00	127,461,338.00	91,188,067.00	-
8.	2020/2021	35,588,221.00	36,178,041.00	30,978,619.00	
9	2021/2022	239,864,466.00	239,429,986.00	215,722,466.00	
	TOTAL	1,347,837,799.00	1,154,891,948.00	517,289,152.00	4,000,000.00

Enforcement measures on those contravening the Act is now well co-ordinated and effective. The County Government has facilitated Alcoholic Drinks Enforcement Co-ordination Committees.

A comprehensive community based civic education programme on abuse of alcohol, drugs and substances awareness and prevention has led to a decline in these menaces. The communities now own such initiatives geared towards combating the same.

In partnership and collaboration with other government agencies, there is a reduction of production, distribution and sale of second generation brews. The County Government funded the crackdown on second generation brews.

There have been various stake holder's meetings with a view to sensitize those dealing in Alcoholic Drinks.

**Kiambu County Alcoholic drinks control fund.
Reports and Financial Statements
For the year ended 30th June 2022**

9. Environmental and Sustainability Reporting

Currently the Kiambu County Alcoholic Drinks Control Fund does not have a CSR policy
Plans are underway to develop a corporate social responsibility CSR policy for the Fund

**Kiambu County Alcoholic drinks control fund.
Reports and Financial Statements
For the year ended 30th June 2022**

10. Report of The Chairperson of the Fund

The Chairperson of the Fund submits the report together with the audited financial statements for the year ended June 30, 2022 which show the state of the Fund affairs.

Principal activities

- i) The principal activities of the Fund are to; Regulate alcohol production, distribution, advertisement, sale and consumption of alcohol in the county.
- ii) Licencing and enforcing the conditions of a license granted under the Act.
- iii) Coordinate the establishment, implementation and operations of alcohol treatment and rehabilitation facilities and programs.
- iv) Undertake public education, training sensitization or in any other manner disseminate information on matters relating to Alcohol to the public in order to influence positive social development and responsible drinking culture.

Results

The results of the Fund for the year ended June 30, 2022 are set out on page 1

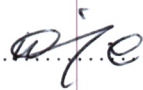
Trustees

The Fund did not have a Board of Trustees during the year under review.

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 Chairperson

.....


Chair of the Fund

Date: 8-12-2022

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 Kiambu County Government Alcoholic Drinks Control Act, (revised 2022); 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 30th June, 2022. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Fund; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Fund; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Administrator of the County Public Fund accepts responsibility for the Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and Kiambu County Alcoholic Drinks Control Act, (revised 2022). 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 30th June 2022, and of the Fund's financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control.

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

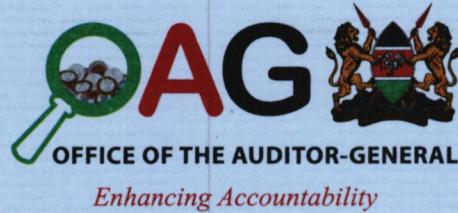
The Fund's financial statements were approved by management on 8^A/12/ 2022 and signed on its behalf by:



Administrator of the County Public Fund

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: 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 KIAMBU COUNTY ALCOHOLIC DRINKS CONTROL FUND FOR THE YEAR ENDED 30 JUNE, 2022

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

Adverse Opinion

I have audited the accompanying financial statements of the Kiambu County Alcoholic Drinks Control Fund set out on pages 1 to 28, which comprise the statement of financial position as at 30 June, 2022, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, the financial position of the Kiambu County Alcoholic Drinks Control Fund as at 30 June, 2022, 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 do not comply with the Public Finance Management Act, 2012 and Kiambu County Alcoholic Drinks Control Act (amended), 2021.

Basis for Adverse Opinion

1. Inaccuracies in the Financial Statements

The financial statements submitted for audit reflect various inaccuracies as indicated below:

- i. The statement of financial performance and Note 4 to the financial statements indicate an expenditure of Kshs.190,820 in respect of finance costs that has not been supported by a ledger.
- ii. The statement of financial performance reflects an expenditure of Kshs.746,520 in respect of general expenses. However, Note 5 to the financial statements reflects the same as use of goods and services.
- iii. The statement of cash flows reflects an increase in accounts payable of Kshs.4,750,324 which when re-computed give a total of Kshs.1,795,841 resulting to a variance of Kshs.2,954,483 which was not explained.
- iv. The statement of cash flows reflects a movement in accounts receivables of Kshs.(5,360,000) which when re-computed give a total of Kshs.3,440,000 resulting to a variance of Kshs.8,800,000 which was not explained or reconciled.
- v. Net cash flows from operating activities reflects a total of Kshs.(5,116,340) which when re-computed gives a total of Kshs.5,235,841 resulting to a variance of Kshs.10,352,181 which was not explained or reconciled.

- vi. Net increase in cash and cash equivalents reflects an amount of Kshs.366,016 while when recomputed give a total of Kshs.5,479,501 resulting to a variance of Kshs.5,113,485 which was not explained or reconciled.
- vii. The statement of cashflows reflect cash and cash equivalents closing balance of Kshs.192,388 while the recomputed balance is Kshs.5,305,823 resulting to a variance of Kshs.5,113,485 which was not explained.
- viii. The statement of changes in net assets reflects a balance of Kshs.(37,467,098) which when recomputed give a balance of Kshs.(12,302,337) resulting to a variance of Kshs.(25,164,761) which was not explained.
- ix. The statement of financial position and Note 9 to the financial statements in respect of trade and other payables from exchange transactions reflect a balance of Kshs.43,019,436 which has not been supported by a ledger.
- x. The statement of financial position reflects a cash and cash equivalents balance of Kshs.192,338 while the recomputed corresponding balance in the statement of cashflows is Kshs.5,305,823 resulting to a variance of Kshs.5,113,485 which was not explained.
- xi. The statement of financial position indicates an accumulated surplus of Kshs.(37,467,098) whereas the recomputed corresponding balance in the statement of net assets reflects an accumulated surplus of Kshs.(12,302,337) resulting to a variance of Kshs.(25,164,761) which was not explained or reconciled.
- xii. The statement of financial position reflects total net assets and liabilities balance of Kshs.5,552,338 while the recomputed balance is Kshs.30,717,099 resulting to a variance of Kshs.25,164,761 which was not explained.
- xiii. The statement of financial position is not balanced.
- xiv. The trial balance reflects trade and other payables from exchange transactions balance of Kshs.37,245,776 while Note 9 to the financial statements reflects Kshs.43,019,436 resulting to a variance of Kshs.5,773,660 which was not explained or reconciled.
- xv. The trial balance also reflects bank balances of Kshs.192,338 while the recomputed cash and cash equivalents balance in the statements of cashflows and financial position is Kshs.5,305,823 resulting to unexplained variance of Kshs.5,113,485.

In the circumstances, the accuracy of the financial statements could not be confirmed.

2. Inaccurate Receivables from Exchange Transactions Balance

The statement of financial performance and Note 1 to the financial statements reflects transfers from County Government totaling to Kshs.23,950,000 which is also reflected in the statement of cashflows in addition to the opening balance of Kshs.8,800,000 totalling to Kshs.32,750,000. However, the statement of financial position reflects a balance of Kshs.5,360,000 in respect to receivables from exchange transactions which vary with the calculated balance of Kshs.8,800,000 resulting to an unexplained variance of

Kshs.3,440,000. Further, ledgers in support of transfers from the county government of Kshs.23,950,000 were not provided for audit verification.

In the circumstances,, the accuracy and completeness of the receivables from exchange transactions balance could not be confirmed.

3. Variance in the Amount of Transfers from the County Government

The statement of financial performance and Note 1 to the financial statements indicate that Kshs.23,950,000 was received in respect of transfers from the county government of Kiambu during the year under review. However, review of the statement of receipts and payments for the Kiambu County Executive and Note 7 to the financial statements indicate that, Kshs.959,766,260 was transferred to other government entities out of which Kshs.18,510,000 was transferred to Kiambu County Alcoholic Drinks Control Fund Account resulting to an unexplained variance of Kshs.5,440,000.

In the circumstances, the accuracy of transfers from the county government amount of Kshs.23,950,000 could not be confirmed.

4. Overstatement of Fund Administrative Expenses

The statement of financial performance reflects that an amount of Kshs.22,961,000 spent on fund administrative expenses. Review of payment records revealed that the amount includes expenditures totaling Kshs.8,346,100 which relates to prior financial years and which had already been accounted for in those years resulting to overstatement of expenses by Kshs.8,346,100.

In the circumstances, the accuracy and completeness of the fund administrative expenses could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kiambu 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 audit of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my adverse 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

Prior Year Audit Issues

In the audit report of the previous year, several matters were raised under the Report on Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources. Note 19 to the financial statements on progress on follow up of prior year auditors' recommendations indicate that most of the issues have been resolved. However, Management has not provided evidence on how the resolution was arrived at.

Therefore, the matters remain unresolved.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, because of the significance of the matters discussed in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, based on the audit procedures performed, I confirm that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Failure to Establish Rehabilitation Facilities and Programs

During the year under review the Kiambu County Alcoholic Drinks Control Fund did not implement any program with the aim of establishing rehabilitation facilities and programs contrary to Section 9 of Kiambu County Alcoholic Drinks Control Act, 2018 which require establishment of treatment and rehabilitation services, facilities and programs for person's dependent on alcoholic drinks in the county health facilities, ensure that the rehabilitation centers are adequately staffed, they are designed in a manner that is accessible and affordable to person's dependent on alcoholic drinks and where applicable, are integrated with other social services and programs.

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

2. Failure to Provide Status Reports of Alcoholic Control Within the County

The County Executive Member did not provide for audit bi-annual reports on the status of alcoholic control within the county submitted to the Executive Committee and relevant County Assembly Committee contrary to the provisions of Section 4 of the Kiambu County Alcoholic Drinks Control Act, 2018. In addition, the Directorate of Alcoholic Drinks Control did not provide for audit verification the bi-annual status reports prepared and submitted to the Executive Member on licensing, impact of licensing, compliance with the licensing conditions and public awareness of alcoholic drinks control contrary to the provisions of section 5 of The Kiambu County Alcoholic Drinks Control Act, 2018.

Further, the quarterly status reports by the Sub-County Alcoholic Drinks Licensing Officers were not provided for audit verification contrary to the provisions of Section 11 of the Kiambu County Alcoholic Drinks Control Act, 2018.

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

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, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, based on the audit procedures performed, I confirm that internal controls, risk management and governance were not effective.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standard requires 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 (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 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 Fund financial reporting process, reviewing the effectiveness of how the Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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 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 Fund 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 going concern 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 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


06 march, 2023

Kiambu County Alcoholic drinks control fund.
 Reports and Financial Statements
 For the year ended 30th June 2022

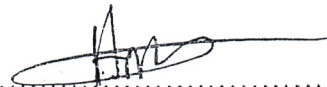
13. Statement of Financial Performance for the Year Ended 30th June 2022

	Note	2021/2022	2020/2021
		Kshs	Kshs
Revenue from non-exchange transactions			
Public contribution and donations		-	-
Transfers from the County Government	1	23,950,000.00	13,800,000.00
Liquor Licenses	2	215,914,466.00	30,588,221.00
Revenue from exchange transactions			
Interest income			-
Other income			-
Total revenue		239,864,466.00	44,388,221.00
Expenses			
Fund Administrative Expenses	3	22,961,000.00	4,875,000.00
Finance cost	4	190,820.00	85,322.00
General Expenses	5	746,520.00	130,000.00
Transfer to the county revenue fund (CBK)	6	215,722,466.00	30,978,619.00
Total expenses		239,620,806.00	36,068,941.00
Other gains/losses			
Gain/loss on disposal of assets			-
Surplus/(deficit)for the period		243,660	8,319,280.00

The notes set out on pages 17 to 19 form an integral part of these financial statements



Name: Charles Njuguna Gikonyo
 Administrator of the Fund



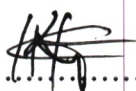
Name: Antony Kirungu Ngamau
 Fund Accountant


**Kiambu County Alcoholic drinks control fund.
Reports and Financial Statements
For the year ended 30th June 2022**

14. Statement of Financial Position as At 30 June 2022

	Note	2021/2022 Kshs	2020/2021 Kshs
Assets			
Current assets			
Cash and cash equivalents	7	192,338.00	173,678.00
Current portion of long- term receivables from exchange transactions	8	5,360,000.00	8,800,000.00
Prepayments			-
Inventories			-
Non-current assets			
Property ,plant and equipment			-
Long term receivables from exchange transactions			-
Total assets		5,552,338.00	8,973,678.00
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	9	43,019,436.00	44,815,277.00
Provisions			-
Employee benefit obligations			-
Non-current liabilities			
Non-current employee benefit obligation			-
Total liabilities		43,019,436.00	44,815,277.00
Net assets			
Reserves			
Prior years adjustments			
Accumulated surplus		(37,467,098.00)	(35,855,990.50)
Total net assets and liabilities		5,552,338.00	8,973,677.50

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 31/12/ 2022 and signed by:



.....
Name: Charles Njuguna Gikonyo
Administrator of the Fund

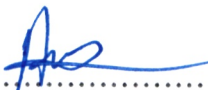

.....
Name: Antony Kirungu Ngamau
Fund Accountant

**Kiambu County Alcoholic drinks control fund.
Reports and Financial Statements
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15. Statement of Changes in Net Assets for the year ended 30th June 2022

	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
		Kshs	Kshs	Kshs
Balance as at 1 July 2020	-	-	(44,815,277.00)	(44,815,277.00)
Surplus/(deficit) for the period	-	-	8,319,280.00	8,319,280.00
Receivables written off	-	-	-	-
Reversed stale cheques and cancelled	-	-	-	-
Balance as at 30 June 2021	-		(35,855,990.00)	(35,855,990.00)
Balance as at 1 July 2021			(35,855,990.00)	(35,855,990.00)
Surplus/(deficit)for the period	-	-	243,660.00	243,660:00
Funds received during the year	-	-	23,950,000.00	23,950,000.00
Revaluation gain	-	-	-	-
Balance as at 30 June 2022	-	-	(37,467,098.00)	(37,467,098.00)



.....
Name: Charles Njuguna Gikonyo
Administrator of the Fund



.....
Name: Antony Kirungu Ngamau
Fund Accountant

**Kiambu County Alcoholic drinks control fund.
Reports and Financial Statements
For the year ended 30th June 2022**

16. Statement of Cash Flows for the Year Ended 30 June 2022

Description	Note	2021/2022	2020/2021
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Public contributions and donations		-	-
Transfers from the County Government	1	23,950,000.00.00	5,000,000.00
Liquor Licenses	2	215,914,466.00	30,588,221.00
Other Receipts			
Total Receipts		239,864,466.00	35,588,221.00
Payments			
Fund administration expenses	3	22,961,000.00	4,875,000.00
Finance cost	4	190,820.00	85,322.00
General expenses	5	746,520.00	130,000.00
Transfer to county revenue fund	6	215,722,466.00	30,978,619.00
Total Payments		239,620,806.00	36,068,941.00
Net cash flows from operations		243,660.00	(480,720.00)
Adjusted for:			
Decrease/(Increase) in Accounts receivable: (outstanding imprest)		(5,360,000.00)	(8,800,000.00)
Increase/(Decrease) in Accounts Payable: (deposits and retention)		4,750,324.00	8,814,391.00
Net cash flows from operating activities		(5,116,340.00)	(14,391.00)
Cash flows from investing activities			
Net cash flows used in investing activities			
Cash flows from financing activities			
Proceeds from revolving fund receipts			-
Prior year adjustment			
Net cash flows used in financing activities			-
Net increase/(decrease) in cash and cash equivalents		366,016.00	-466,329.00
Cash and cash equivalent as at 1JULY 2021		173,678.00	640,007.00
Cash and cash equivalents at 30 JUNE 2022	8	192,388.00	173,678.00

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Name: Charles Njuguna Gikonyo
Administrator of the Fund

.....

Name: Antony Kirungu Ngamau
Fund Accountant

**Kiambu County Alcoholic drinks control fund.
Reports and Financial Statements
For the year ended 30th June 2022**

17. Statement of comparison of budget and actual amounts for the year ended 30 June 2022

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% utilization
	2022	2022	2022	2022	2022	2022
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	
Public contributions and donations	-	-		-	0	
Transfers from County Govt.	31,300,000.00	-	23,950,000.00	23,950,000.00	7,350,000.00	77%
Liquor Licenses Fees	215,914,466.00	-	215,914,466.00	215,914,466.00	0	100%
Other income		-				
Total income	247,214,466.00	-	239,864,466.00	239,864,466.00	7,350,000.00	97%
Expenses					0	
Staff Costs	22,961,000.00	-	22,961,000.00	22,961,000.00	0	100%
General expenses	746,520.00	-	746,520.00	746,520.00	0	100%
Finance cost	190,820.00	-	190,820.00	190,820.00	0	100%
Transfer to county Govt revenue fund	215,722,466.00	-	215,722,466.00	215,722,466.00	0	100%
Total expenditure	239,620,806.00	-	239,620,806.00	239,620,806.00	0	100,%
Surplus/Loss for the period	7,593,660.00	-	243,660.00	243,660.00		

**Kiambu County Alcoholic drinks control fund.
Reports and Financial Statements
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18. Notes to the Financial Statements

1. General Information

Kiambu County Alcoholic Drinks Control Fund is established and derives its authority and accountability from amended Kiambu County Alcoholic Drinks Control Act, revised (2022) assented on 8th March, 2022. The Fund is wholly owned by the County Government of Kiambu and is domiciled in Kenya.

The entity's principal activity is to reduce and mitigate the negative health, social and economic impact and other costs on individuals and communities resulting from or associated with production, sale, supply, advertising and consumption of alcoholic drinks.

The fund's objective is to provide for a framework for the licencing and control of production, sale, distribution, promotion and use of alcoholic drinks and the promotion of research, treatment and rehabilitation for persons 'dependent on alcoholic drinks.

2. Statement of compliance and basis of preparation

The Fund's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the Fund. The accounting policies have been consistently applied to all the years presented.

The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the direct method. The financial statements are prepared on accrual basis.

3. Adoption of new and revised standards

(i) Relevant new standards and amendments to published standards effective for the year ended 30 June 2022

IPSASB deferred the application date of standards from 1st January 2022 owing to Covid 19. This was done to provide entities with time to effectively apply the standards. The deferral was set for 1st January 2023.

(ii) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2022

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	<p>Applicable: 1st January 2023:</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>

**Kiambu County Alcoholic drinks control fund.
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Standard	Effective date and impact:
	<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 2023</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> <ul style="list-style-type: none"> (a) The nature of such social benefits provided by the Entity; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows.
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <ul style="list-style-type: none"> 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. b) Amendments to IPSAS 30, regarding illustrative examples on

**Kiambu County Alcoholic drinks control fund.
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For the year ended 30th June 2022**

Standard	Effective date and impact:
	<p>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>
Other improvements to IPSAS	<p><i>Applicable 1st January 2023</i></p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> • <i>IPSAS 39: Employee Benefits</i> <p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> • IPSAS 29: Financial instruments: Recognition and Measurement <p>Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.</p>
IPSAS 43	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>

**Kiambu County Alcoholic drinks control fund.
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Standard	Effective date and impact:
IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>

(iii) Early adoption of standards

The entity did not early – adopt any new or amended standards in year 2022.

4. Significant Accounting Policies

a) Revenue recognition

i. Revenue from non-exchange transactions

Transfers from other government entities

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

ii. Revenue from exchange transactions

Interest income

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

b) Budget information

The original budget for FY 2021-2022 was approved by the County Assembly . 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 recorded additional appropriations of nil on the FY 2021-2022 budget following the governing body's approval.

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

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 xiv of these financial statements.

**Kiambu County Alcoholic drinks control fund.
Reports and Financial Statements
For the year ended 30th June 2022**

Summary of Significant Accounting Policies (Continued)

c) 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.

d) 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.

e) Financial instruments

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.

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Summary of Significant Accounting Policies (Continued)

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 a 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 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)

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.

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Summary of Significant Accounting Policies (Continued)

f) Inventories

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

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

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

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution.

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity.

g) 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.

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Summary of 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.

h) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements.

i) 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.

j) Employee benefits – Retirement benefit plans

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

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

k) 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.

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Summary of Significant Accounting Policies (Continued)

l) 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.

m) Related parties

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

n) 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.

o) Comparative figures

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

p) Events after the reporting period

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

q) Ultimate and Holding Entity

The Kiambu County Alcoholic Drinks Control Fund is a County Public Fund established by Kiambu County Alcoholic Drinks Control Act, (revised 2022), under the Department of Administration. Its ultimate parent is the County Government of Kiambu.

r) Currency

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

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Summary of Significant Accounting Policies (Continued)

5. Significant judgments and sources of estimation uncertainty

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

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

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

b) Useful lives and residual values

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

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

c) Provisions

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

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5. Notes to the Financial Statements

1. Transfers from County Government

Description	2021-2022	2020-2021
	Kshs	Kshs
Transfers From County Govt. –Operations	23,950,000.00	5,000,000.00
Payments By County On Behalf Of The Entity	-	-
Total	23,950,000.00	5,000,000.00

2. Liquor licenses

Description	2021-2022	2020-2021
	Kshs	Kshs
Bar operation fees and inspection	215,914,466.00	30,588,221.00
Fines	-	-
Total	215,914,466.00	30,588,221.00

3. Fund administrative expenses

Description	2021-2022	2020-2021
	Kshs	Kshs
Staff costs	22,961,000.00	4,875,000 .00
Other staff costs	-	-
Professional services costs	-	-
Administration fees	-	-
Total	22,961,000.00	4,875,000 .00

4. Finance cost

Description	2021-2022	2020-2021
	Kshs	Kshs
Bank charges Kiambu Family Ac No 0011000041973	162,820.00	54,720.00
Bank charges Kiambu Co-operative Ac No 01141371543516	28,000.00	30,602.00
Total	190,820.00	85,322.00

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5. Use of goods and services

Description	2021-2022	2020-2021
	Kshs.	Kshs.
General Office Expenses	200,000.00	20,000.00
Professional Services Costs		
Administration Fees		
Committee Allowances		
Electricity And Water Expenses		
Insurance Costs		
Postage And Courier		
Printing And Stationery	264,520.00	30,000.00
Rental Costs		
Security Costs		
Telephone And Communication Expenses	100,000.00	30,000.00
Bank Charges		
Audit Fees		
Provision For Doubtful Debts		
Hospitality	182,000.00	50,000.00
Total	746,520.00	130,000.00

6. Transfer to county revenue account

Description	2021/2022	2020/2021
	Kshs	Kshs
Transfer to county(CBK)	215,722,466.00	30,978,619.00
Total	215,722,466.00	30,978,619.00

7. Cash and cash equivalents

Description	2021/2022	2020/2021
	Kshs	Kshs
Car loan account	-	-
County mortgage account	-	-
Fixed deposits account	-	-
On – call deposits	-	-
Current account Family Bank Ac No 0011000041973	338.00	278.00
Receiving account-Coop Bank Ac No 01141371543516	192,000.00	173,400.00
Total cash and cash equivalents	192,338.00	173,678.00

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8. Receivables from exchange transactions

Description	2021/2022	2020/2021
	Kshs	Kshs
Current Receivables		
Due from the county Government		
Receivables B/F	5,360,000.00	8,800,000.00
Current loan repayments due	-	-
Other exchange debtors	-	-
Less impairment allowance	-	-
Receivables written off	-	-
Total Current receivables	-	-
Non-Current receivables		
Long term loan repayments due	-	-
Total Non- current receivables	-	-
Total receivables from exchange transactions	5,360,000.00	8,800,000.00

9. Trade and other payables from exchange transactions

Description	2021-2022	2020-2021
	Kshs	Kshs
Trade Payables	43,019,436.00	44,829,668.00
Refundable Deposits		
Accrued Expenses		
Other Payables		
Total Trade And Other Payables	43,019,436.00	44,829,668.00

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Other Disclosures

1. Related party balances

a) Nature of related party relationships

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

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

b) Related party transactions

	2021-2022	2020-2021
	Kshs	Kshs
Transfers From Related Parties'	-	-
Transfers To Related Parties	-	-

c) Key management remuneration

	2021-2022	2020-2021
	Kshs	Kshs
Board Of Trustees	-	-
Key Management Compensation	-	-
Total	-	-

d) Due from related parties

	2021-2022	2020-2021
	Kshs	Kshs
Due From Parent Ministry	-	-
Due From County Government	-	-
Total	-	-

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Other Disclosures Continued

e) Due to related parties

	2021-2022	2020-2021
	Kshs	Kshs
Due To Parent Ministry	-	-
Due To County Government	-	-
Due To Key Management Personnel	-	-
Total	-	-

(Give details)

**Kiambu County Alcoholic drinks control fund.
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Other Disclosures Continued

2. 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 has no foreign risk

a) Credit risk

The Fund has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments.

Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the entity's management based on prior experience and their assessment of the current economic environment.

The carrying amount of financial assets recorded in the financial statements representing the entity's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

	Total amount Kshs	Fully performin g Kshs	Past due Kshs	Impaired Kshs
At 30 June 2022				
Receivables From Exchange Transactions	-	-	-	-
Receivables From Non-Exchange Transactions	-	-	-	-
Bank Balances	-	-	-	-
Total	-	-	-	-
At 30 June 2021	-	-	-	-
Receivables From Exchange Transactions	-	-	-	-
Receivables From Non Exchange Transactions	-	-	-	-
Bank Balances	-	-	-	-
Total	-	-	-	-

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

b) Liquidity risk management

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

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

	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2022				
Trade Payables	-	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	-	-	-	-
At 30 June 2021				
Trade Payables	-	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	-	-	-	-

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.

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

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

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

i. Foreign currency risk

The Fund has no foreign risk

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

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

		Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June 2021			
Financial Assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors/ Receivables	-	-	-
Liabilities	-	-	-
Trade And Other Payables	-	-	-
Borrowings	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

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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
2022			
Euro	10%	-	-
USD	10%	-	-
2021			
Euro	10%	-	-
USD	10%	-	-

ii. Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

The Fund analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year.

Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs - (2022: Kshs -). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs - (2021 – Kshs -)

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d) Capital risk management

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

	2021-2022	2020-2021
	Kshs	Kshs
Revaluation reserve	-	-
Revolving fund	-	-
Accumulated surplus	-	-
Total funds	-	-
	-	-
Total borrowings	-	-
Less: cash and bank balances	-	-
Net debt/(excess cash and cash equivalents)	-	-
Gearing	-%	-%

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18. 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)
OAG\KCADCF\2020-2021/(11)	Presentation and disclosure errors on the financial statements	The error has been collected in the financial statement	Resolved	One month
OAG\KCADCF\2020-2021/(11)	Inaccuracies in the financial statement	Certificate of bank balances has been availed	Resolved	One month
OAG\KCADCF\2020-2021/(11)	Unsupported transfer from County Government	Bank statement and cash book has been availed	Resolved	Two weeks
OAG\KCADCF\2020-2021/(11)	Unsupported Expenditure	Ledgers showing the transactions has been availed	Resolved	One month
OAG\KCADCF\2020-2021/(11)	Unsupported liquor licenses	List of licensed alcoholic drinks outlets per sub county has been provided	Resolved	Two weeks
OAG\KCADCF\2020-2021/(11)	Sustainability of services	Chief officer administration to make a follow up with county treasury to ensure funding is in accordance with the Act	Not Resolved	One month
OAG\KCADCF\2020-2021/(11)	Unsupported Transfer to County Revenue Fund	Document in support of the transfer have	Resolved	Two weeks

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		been availed.		
OAG\KCADCF\2020-2021/(11)	Unsupported administration cost-Kshs. 4,875,000	Supporting documents have been availed.	Resolved	Two weeks
OAG\KCADCF\2020-2021/(11)	Unsupported payables-trade and other payables from exchange transaction.	Supporting documents have been provided	Not Resolved	One month
OAG\KCADCF\2020-2021/(11)	Over expenditure on administration costs	Approved budget and work plan is attached.	Resolved	Two weeks
OAG\KCADCF\2020-2021/(11)	Failure to develop and implement a rehabilitation Centre	The directorate had envisaged to provide the rehabilitation program but the budget provision could not allow	Not resolved	One month
OAG\KCADCF\2020-2021/(11)	Failure to provide status reports of alcoholic control within the county	Status report has been availed	Resolved	Two weeks