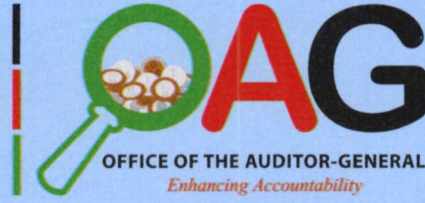


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REPORT

OF

THE AUDITOR-GENERAL

ON

**MIGORI COUNTY ALCOHOLIC DRINKS
CONTROL FUND**

**FOR THE YEAR ENDED
30 JUNE, 2025**

PAPERS LAID	
DATE	12.11.25.
TABLED BY	S.M.L
COMMITTEE	-
CLERK AT THE TABLE	<i>Angela</i>



**MIGORI COUNTY ALCOHOLIC DRINKS CONTROL FUND
COUNTY GOVERNMENT OF MIGORI**

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2025**

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

Migori County Alcoholic Drinks Control Fund
Annual Report and Financial Statements for the year ended June 30, 2025

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1. Acronyms and Definition of Key Terms

A. Acronyms

ACA	Anti-Counterfeit Authority
BBM	Bachelor of Business Management
BOM	Board of Management
CECM	County Executive Committee Member
CIPU	Critical Infrastructure Protection Unit
CPA	Certified Public Accountant
EAC	East Africa Community
EALA	East Africa Legislative Assembly
GHG	Green House Gases
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
KEBS	Kenya Bureau of Standards
KRA	Kenya Revenue Authority
Kshs	Kenya Shillings
MBA	Master's in Business Administration
MCADCA	Migori County Alcoholic Drinks Control Act
MCADCF	Migori County Alcoholic Drinks Control Fund
MCRH	Migori County Referral Hospital
MICOBAAH	Migori County Bars and Hotel Owners Association
MTRH	Moi Teaching and Referral Hospital
NACADA	National Campaign Against Alcohol and Drug Abuse
NPS	National Police Service
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
SUDS	Substance Use Disorder
TWG	Technical Working Group

2. Key Entity Information and Management

a) Background information

Migori County Alcoholic Drinks Control Fund (MCADCF) is established by and derives its authority and accountability from Migori County Alcoholic Drinks Control Act, 2016 (MCADCA). The Fund is wholly owned by the County Government of Migori, Department of Trade, Tourism, Marketing and Industrialization and is domiciled in Kenya.

The fund's objective is to provide for the licensing of alcoholic drinks by the County Government pursuant to Part H of the Fourth Schedule to the Constitution so as to control the production, sale, distribution, promotion and use of alcoholic drinks and the promotion of research, treatment and rehabilitation for persons –

- i.** Protect the health of the individual in the light of the dangers of excessive consumption of alcoholic drinks;
- ii.** Protect persons under the age of eighteen years from negative impact on health and social development from exposure to advertisements of alcoholic drinks;
- iii.** Protect consumers of alcoholic drinks from misleading or deceptive inducements and inform them of the risks of excessive consumption of alcoholic drinks;
- iv.** 2016 Migori County Alcoholic Drinks Control No. 8 Protect the health of persons under the age of eighteen years by preventing their access to alcoholic drinks Inform and educate the residents in the County on the health, social and economic consequences of the consumption of alcoholic drinks;
- v.** Adopt and implement effective measures to eliminate illicit trade in alcohol including smuggling, illicit manufacturing and counterfeiting;
- vi.** Ensure fair and ethical business practices related to production, distribution, promotion and scale of alcoholic drinks;
- vii.** Reduce and mitigate the negative health, social and economic impact on communities resulting from production, sale and consumption of alcoholic drinks; Promotion of fair-trade practices.

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b) Principal Activities

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

- i.** Issue the licenses in accordance to the act
- ii.** Carry out public education on alcoholic drinks control in the county directly and in collaboration with other public or private bodies and institutions
- iii.** Facilitate citizen participation in matters that relate to alcoholic drinks and drug abuse in accordance to the framework for citizen participation.
- iv.** Facilitate and promote in collaboration with other county and National government institutions the establishment of treatment and rehabilitation facilities and programs
- v.** Carry out research directly or in collaboration with other institutions and serve as the repository of data and statistics related to alcoholic drinks and drug abuse control; and maintain a register of alcoholic license within the county
- vi.** Develop in collaboration with other County and National government departments strategies and plans for implementing this Act and any other relevant National legislation relating to control of alcohol abuse.
- vii.** Advise the executive member generally on the exercise of his/her powers and functions under the Act, and in particular on County policies and laws to be adopted in regards to the production, manufacture, sale and consumption of alcoholic drinks
- viii.** In collaboration with other relevant County departments prepare and submit an alcoholic drinks status report bi- annually in the prescribed manner to the executive member which shall be transmitted to the County Executive Board and County assembly
- ix.** Recommend to the executive member the formulation of laws and regulations related to alcoholic drinks.
- x.** Monitoring and evaluating the implementation of the Act including the operation of the sub county committees and advising the executive member on the necessary measures to be adopted
- xi.** In collaboration with other County sub- board and enforcement board prepare and submit to the executive on quarterly basis, an alcohol abuse control status report containing such matters as may be specified by the executive member

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- xii.** Carry out such other roles necessary for the implementation of the objects and purpose of the Act and perform other such functions as may, from time to time, be assigned by the executive member

Source of Funds

The Fund shall consist of-

- a)** Such monies as may be appropriated by the County assembly;
- b)** Such license and other fees as may be payable under this Act;
- c)** Such sums received, including contributions, gifts or grants from or by way of testamentary bequest by any person;
- d)** Monies earned or arising from any investment of the fund;
- e)** All other sums which may in any investment of the fund;
- f)** All other sums which may in any manner become payable to, or vested in the fund

Expenditure of the Fund

The Fund shall be used for meeting the capital and recurrent expenditure relating to-

- a)** Carrying out the functions of the committee stipulated under section 4;
- b)** Assisting in the operations of the sub-county committees;
- c)** Any other matter incidental to the matters stated in paragraph (a) and (b).

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c) Board of Trustees/Fund Administration Committee

Ref	Name	Position
1	Dr. Betty Samburu	Chair Person
2	David Gachoki	Member representing NPS
3	Lazarus Ogutu Ngwala	Fund Administrator/ Secretary
4	Reuben Kemboi	Member representing NPS
5	Arunda Duncan	Member
6	Augustine Bala	Member
7	Hellen Achieng	Member
8	Gradus Oluoch	County Attorney

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d) Key Management team

Ref	Name	Position
1	Lazarus Ogutu Ngwala	Fund Manager/ Administrator
2	CPA Taphline Anyango Oketch	Fund Accountant

e) Fiduciary Oversight Arrangements

Here, provide a high-level description of the key fiduciary oversight arrangements covering (say):

SN	Position	Name
1	CPA Janet Apiyo	Directorate Internal Audit

f) Registered Offices

Migori County Alcoholic Drinks Control Fund
Department of Trade, Marketing, Tourism and Industrialization
Opposite Huduma Centre Migori
P.O. Box 195-40400
Migori
KENYA

g) Fund Contacts

C.O Trade, Industrialization: Telephone: (254)713466482
E-mail: info@migori.go.ke
Website: www.migori.go.ke

h) Fund Bankers

Kenya Commercial Bank (K) Ltd- Migori Branch

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Key Entity and Management (Continued)

i) Independent Auditors

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

j) Principal Legal Adviser





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

k) County Attorney



The County Attorney
Office of the County Attorney
P.O Box 195-40400
Suna- Migori

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3. Board of Trustees/ Fund Administration Committee



Name	Details of qualifications and experience
	<p>Name: Dr. Betty Samburu Age: 48 Years Qualifications: BED Home Economics MSC Foods Nutrition and Dietetics PHD Foods Nutrition and Dietetics</p> <p>Chair person</p>
	<p>Name: Mr. Lazarus Ogutu Ngwala. Age :53 Yrs. Academic Qualification: BEd</p> <p>Fund Administrator/ Secretary</p>
	<p>Name: Edward Holy Okwama Age: 43 Years Qualification: Bachelor in Laws (LLB) Masters in Laws (LLM)</p> <p>County Attorney</p>
	<p>Name: Hellen Achieng Oluoch Age: 39 Years Qualification Diploma in Social Work</p> <p>Community Member Representative</p>

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	<p>Name: Akinyi Augustine Bala Age: 39 Years Qualification Diploma in Community Development</p> <p>Community Member Representative</p>
	<p>Name: Naomi Roosevelt Oluoch Age: 38 Years Qualification Masters (MPH Epidemiology and population Health)</p> <p>County Public Health Officer</p>
	<p>Name: David Gachoki Age: 48 Years Qualification Masters in National Security and Strategy</p> <p>County National Police Service /KPS</p>
	<p>Name: Reuben Kemboi Age: 47 Years Qualification Bachelors in applied aquatic Sciences</p> <p>County National Police Service /Critical Infrastructure Police Unit (CIPU)</p>

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4. Management Team

Name	Details of qualifications and experience
	<p>Name: Lazarus Ogutu Ngwala Age :53 Yrs. Academic Qualification: BEd Fund Administrator.</p>
	<p>Name: CPA Taphline A. Oketch Age:44 Years Academic Qualification: BBM (Accounting), CPAK. Fund Accountant.</p>

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5. Board/Fund Chairperson's Report

The Migori County Alcoholic Drinks Regulations Administrative Review Committee derives its mandate from Migori County Alcoholic Drinks Control Act, 2016 Section 10. 10 (1). The composition of this board is spelt out in the Act under the same section. For the period under review, the board was responsible for the reviewing on the appeal decisions made by the sub-county committees and carrying out such other functions of the board as spelt out in the MCADCA 2016.

During the period, there was new management changes as follows:

1. There were changes in the fund accountant. For the first seven months, the Fund Accountant was CPA Mary Chabi and was later replaced by CPA Taphline A. Oketch.
2. There was a total overhaul of the chairpersons of the sub county alcoholic drinks regulation committee 3. 10 (1)- The 8-sub county were redeployed hence it took time to recruit the new chairs and this affected the processes of licensing
3. There was review of finance Act and this affected licensing processes

The above changes in management affected timely invoicing and licensing thus affecting the collection compared to the previous year. In the financial year ending 30th June 2025 a collection of **ksh.4.3m was realized** which translated to a shortfall of the targeted estimate by **ksh.3.2 of the previous year**. Additionally, the funds received operational support from the county government of **ksh.1.976m** to help facilitate its activities. The board through the Enforcement committee established under section 53 of MCADCA 2016 has carried out a county-wide verification of compliance with licensing and the defaulters have been compelled to comply. Several strategies including organizing for crack downs, random spot checks, sensitization and advocacy, mapping of new outlets and subsequent invoicing, enforcement of compliance have been done so as to enhance licensing and control.

This board is committed to the construction, establishment and operationalization of a Treatment and Rehabilitation Centre as mandated by The Migori County Alcoholic Drinks Control Act, 2016. This calls for collaboration with other agencies such as the Department of Health, Department of Lands, NACADA and the Administrative units in consultation with key stake holders.

To realize this the following activities have been conducted within the financial year: feedback meeting to draw lessons from Asumbi Alcoholic Treatment Centre, development of road map on establishment and management of the Centre. Establishment of multi-sectoral Technical Working Group, Several consultative meetings between the Department of Health, Department of Lands, National Government Administrative officers, Probation office, NACADA and representatives from the civil society. The Department has also collected data to inform planning including an exchange visit to MTRH Alcoholic Rehabilitation Centre. Further, identification of land for the center, drawing of architectural design and inclusion of the budget totaling to **ksh. 5,000,000** in the financial year 2025/2026 has been done.

The county being domiciled in the sugar belt, the lake and the border is far much pre-disposed to many contrabands' goods, illicit drugs and illicit undertakings, collaboration with the interagency team especially KRA, KEBS, ACA, NPS, NGAO, NACADA and Public Health has been of great

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help. With the help of these agencies, 550 outlets have been mapped, 508 inspected and vetted out of which 370 have paid their licensing fees and issued permits. The use of multispectral approach (country to country) involvement of EAC/EALA was proposed to harmonize the cost of ethanol.

I envision an upscale of outlets mapped and in control and licensing, strengthening of internal control systems to prudently manage resources and revamping enforcement of compliance. We remain committed to the objects of Migori County Alcoholic Drinks Control Act, 2016 which is to control sale, production, distribution, promotion and use of alcoholic drinks and the promotion of research, treatment and rehabilitation for persons dependent on alcoholic drinks.

Signature..........Date.....7/7/25.....

Name: Dr. Betty Samburu.

Chairperson



Migori County Alcoholic Drinks Control Fund

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6. Report of The Fund Administrator

Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each financial period, the Administrator of Migori County Alcoholic Drinks Control Fund established by The Migori County Alcoholic Drinks Control Act 2016 shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board. During the year, the fund targeted **ksh.7.5M**. However, by 30th June 2025, a collection of **ksh.4.37M** was achieved. The fund also received **ksh.1.97M** from Migori County Government totaling to **ksh.6.35M**. The fund utilized a total of **ksh.4.49M**.

The following activities were undertaken during the financial year:

1. Sub county alcoholic drinks regulation committee meetings-planning, inspection, vetting, invoicing and enforcement
2. Establishment of Technical Working Group (TWG)-with membership drawn from Trade, Health, Lands, Public works, National administrative Office (NGAO), Probation office, NACADA, chair civil society, Office of the county attorney, gender and culture
3. Multisectoral consultative meetings-especially by the TWG members, executive and technical officers
4. Drafting of Migori County Alcoholic drinks control (licensing) regulations 2025
5. Exchange visit to Moi Teaching and Referral Hospital treatment and rehabilitation centre by multisectoral team and Migori county assembly representative
6. Appointment of sub-County Administrators, who by virtue of their office are the chairpersons of the respective Sub County Alcoholic Drinks Control Committee
7. Data collection of the status of Migori county alcohol and drug substance abuse
8. Identification of land at the Migori County Referral Hospital (MCRH) to be approved by the cabinet
9. Presentation of cabinet paper for approval of construction of the treatment and rehabilitation centre
10. Drawing of architectural design of the proposed Treatment and rehabilitation centre which has an estimated total cost of 36m.
11. Inclusion of a budget of 5M in the 2025-2026 financial year for starting off the centre
12. Advocacy for training of specialists in psychiatry and mental health in collaboration with the department of health, where one Doctor and two nurses have been facilitated to train

The above activities and outputs that have been achieved are in line with the functions of the fund as stipulated Section II 4 (2)

Approval of the financial statements

The Fund's financial statements were approved by the Board on 7th July,2025 and signed on its behalf by:

.....




Name: Lazarus Ogutu Ngwala.
Fund Administrator

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

Introduction

Section 164 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each quarter, the Fund Administrator shall prepare financial statements for Migori County Alcoholic Drinks Control Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The key development objectives of the Fund are to:

- a) Provide quality physical infrastructure in terms of Rehabilitation and Treatment Centre in the County
- b) Provide proper protection to consumers of Alcoholic drinks by maintaining high quality of products in the market.
- c) Provide protection to manufactures and traders of Alcoholic drinks against illicit and poor-quality products
- d) Protection of learning institution against operation of Liquor stores near those institutions and prohibiting sale of alcohol to under age.
- e) Prompt review of Alcoholic Drinks Control Policies to respond to rising challenges of alcohol manufacturing, sale, consumption and promotion within the county.

Progress on attainment of Strategic development objectives

Below we provide the progress on attaining the stated objectives:

Program	Objective	Outcome	Indicator	Performance
Strengthening of sub county Liquor control committee	To bring functions closer to the people and increase level of compliance.	Increased efficient collection of liquor fees and high-level protection of the public	Increase of new liquor outlets identified, regulated	550 outlets were mapped, 508 applicants were vetted 370 licenses issued
Adoption of Cashless Revenue Collection System	To reduce cash mismanagement at the Source, Enhance Revenue Collection & Improve Service Delivery	Efficient and safe system of collection of revenue to be installed and operated by all sub counties Significant Increase in Revenue	Increase in collection against the projected budget Increase in Own-Source Revenue (OSR) Reduced Cash Handling Risks	The County hired a consultant to do baseline assessment on revenue collection and adoption of a cashless system. Feedback meeting was held and targets set

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Awareness creation and public participation.	To educate society on effects of alcohol, help them avoid abuse of alcohol by introducing other activities to keep them busy	Increased number of stakeholders trained.	A number of trainings done to educate the public.	Conducted meetings with bar owners and sub-county regulation committees.
Rehabilitation and Treatment of addicts	To correct the addicts and the alcohol related challenges in the county	Improved health status	An established treatment centre	Conducted a benchmarking visit at MTRH-Eldoret Architectural design for rehab has been developed Referral of those with substance use disorders (SUDs)
Conduct Research	To determine the status of alcohol and substance use in Migori County.	Improved healthcare .	Number of people using alcohol and drug in Migori County Number of cases attended to in MCRH due to alcohol, drug and substance abuse	Data collected from eight Sub-Counties Data collected from MCRH from inpatient and outpatients.

8. Corporate Governance Statement

The activities of the fund are based on the approved budget, annual work plans, performance contract signed by the CECM for Trade, Tourism, Industrialization and Cooperatives Development. The fund recognizes relevant statutes for instance the Public Finance Management Act 2012, Migori County Alcoholic Drinks Control Act 2016, NACADA and KRA guidelines and The Kenyan Constitution, 2010

Based on the objects of the fund as provided in the Migori County Alcoholic Drinks Control Act, 2016 Section 3, which is to provide licensing of alcoholic drinks by the County Government pursuant to Part II of the fourth schedule, the fund considers compliance to be its highest priority as well as strengthening and enhancing corporate governance on an ongoing basis as an enabler for management in order to meet the expectations of all of its stakeholders, including it's the citizens and alcoholic drink and beverages traders, guided with its vision which is to control 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 sets out its mission as follows:

1. Protection of the health of the individuals in the county in light with the dangers of excessive consumption of alcoholic drinks
2. Protection of persons under the age of eighteen years from the harmful impact on health and social development from exposure to advertisements of alcoholic drinks
3. Protection of consumers of alcoholic drinks from misleading and deceptive inducements and informing them on the risks of excessive consumption.
4. Information and education of the residents
5. Improvement of quality and bringing to order the manufacture and the consumption of traditional alcoholic drinks
6. Adoption and implementation of effective measures to eliminate illicit trade in alcohol
7. Ensuring fair and ethical practices related to production, distribution, promotion and sale of alcoholic drinks
8. Reduction and mitigation of negative health social and economic impact on communities resulting from production, sale and consumption of alcoholic drinks

The fund is governed through a structure at the county known as the County Alcoholic Drinks Regulations Administrative Review Committee that is independent and is mandated generally to

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develop, in collaboration with other stakeholders, strategies and plans for implementing the MCADCF, 2016 and controlling the alcohol abuse and management of the fund. This board is chaired by The CECM for Trade. The composition of the board draws minds from various disciplines and backgrounds that have continued to offer the advisory, guidance and formulation of policies adequate for running of this fund. Further, this fund is administered by a director appointed by the public service board who has a considerable experience garnered over many years of practice and has immense technical knowledge of deliberation of board meetings.

At the sub-County, there are Sub County Alcoholic Drinks Control Drinks Regulation Committee that is mandated with the issuance of license in accordance with the act and performing any other functions that may be assigned by the governor through the CECM.

The fund aims to grow sustainably while responding to the significant changes in the political and social environment resulting from diversifying government policies and consumer needs. To this end, the county government has seconded employees with different values and ideas to the fund, working together to create an environment that allows the fund execute its mandate and deliver its vision while creating an environment where each person can work with enthusiasm and without difficulty.

The fund is viewed as a going concern and is expected to better performance in the Fiscal Year 2025/2026.

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9. Management Discussion and Analysis

The Migori County Alcoholic Drinks Control Fund core function is controlling quality of liquor produced, distributed and sold, regulate consumption of liquor, mitigating the adverse effect of excess intake of alcoholic drinks as well as protecting the public against operations of bars near schools and other prohibited areas. The fund has been applied and utilized in meeting the recurrent expenditures relating to: carrying out functions of the directorate as prescribed in section 4 of the MCADCA 2016, assisting the operations of county and sub-county committees and any other matter that may have been incidental to the two above. There has not been any capital expense supported by the fund in the financial year 2024/2025.

The total budgeted provision from collection in terms of licensing and applications was **kshs.7,500,000** while the amount appropriated by the County Assembly was **kshs.1,500,000** giving a total budget of **kshs. 9,000,000** for the FY 2024/2025. This budget was prepared against a backdrop that the first nine months of the Fiscal year, most of the outlets have already complied with the requisite procedures for licensing. However, to achieve this target for the collection, the directorate set out various measures such as conducting a rigorous vetting exercise of the liquor outlets across the county, an exercise whose outcome informed collection of licenses from liquor outlets that had not complied with Act and invoicing for new licenses for 2025. The directorate has also carried out enforcement of the Act by conducting routine spot checks to the liquor outlets. A multi-agency meeting involving partners such as NACADA, Department of Health, and the administrative units was held to discuss the roadmap to establishment of a rehabilitation centre and arrived at strategies of data collection on number of persons affected by drugs and substance abuse in the county. In the same period, several other routine administrative strategies such as supervision were put in place to ensure compliance with Migori County Alcoholic Drinks Control Act, 2016 Section 6 resulting into collection revenue from issuance of licenses at **kshs. 3,967,854** and applications amounting to **ksh. 411,200 totaling to 4,379,054** for the year ended June 30,2025. The county Government has also transferred an amount totaling to **Ksh. 1,976,000**. This is short of the budget by **ksh. 2,644,946**. This is illustrated in the table1 below:

Revenue from Licenses and fees from application

Month	County Gov.	Applications (Ksh)	Licenses (Ksh)	Total Amount (Ksh)
July		6,000	181,500	187,500
August		6,000	29,000	35,000
September		1,000	122,000	123,000
October		0	23,000	23,000
November		4,000	0	4,000
December		2,000	0	2,000
January		81,000	160,000	241,000
February		179,000	507,354	686,354
March		76,000	762,000	838,000
April		37,200	1,213,000	1,250,200
May		13,000	685,000	698,000
June	1,976,000	6,000	285,000	2,267,000
Total	1,976,000	411,200	3,967,854	6,355,054

Table 1: Migori County Alcoholic Drinks Control Fund Revenue Analysis

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In carrying out the functions of the boards in accordance to the mandate of the fund, the expenditure for the fiscal year 2024/2025 amounted to **ksh. 4,459,312** which comprised of **ksh 3,234,000** as board expenses, **ksh 1,225,312** being use of goods and services including bank charges.

Several activities are ongoing including mapping of outlets, conducting random spot checks and crack downs, invoicing and issuance of licenses. In addition, there were a number of sub-county committee sensitization meetings, advocacy and campaigns on strategies to carry out the functions of the fund, educating them on Migori County Alcoholic Act, 2016, verifying the status of the premises, new guidelines and regulations. A draft of regulation to operationalize MCADA, 2016 has been developed. In the fiscal year 2024/2025, the board carried out inspection of business premises and enforcement across the county. Additionally, a crackdown was carried out which revealed that most of the outlets had complied with the licensing procedures.

In review of the routine functions, the board in collaboration with partners and other stakeholders have had a plan to set up a treatment and rehabilitation centre in Migori County thereby constituted a technical working group (TWG) to establish and manage the facility. The TWG has already come up with a plan and a drawing for the proposed Migori County Referral Hospital Rehabilitation unit. The proposed design is simple but elegant to provide a conducive environment for the prospective clients. The plan is a storey building with an estimated cost of Ksh. 34,200,000 This plan will boost the lives and social stature of the affected individuals in the county once implemented. The CECM Health and his team have been tasked to map the existing staff and identify the additional required personnel for the proposed facility.

The fund however has as a short-term plan to come up with scientific data for those with substance use disorders (SUDs) in Migori County and send them to already existing treatment /rehabilitation centres before completion of the Migori County Rehabilitation and treatment centre,

The fund in its day-to-day operations has faced numerous challenges among which are: Lack of proper budget allocation that shall roll out the establishment of a rehabilitation center, insufficient information on master register of liquor stores in the county due to seasonality of some outlets, gaps in border control leading to smuggling of alcoholic drinks from the neighboring countries of Uganda and Tanzania, harsh economic and business climate in the country which has led to reduction of commerce and trade activities and even closure of certain outlets hence collection of revenue has been less than optimum, difficulty in getting grants and development partners, reluctance on the side of National government in spurring structural development and resistance of traders to adoption of the cashless system.

The fund is now seeking high levels of cooperation and partnership with other stakeholders and the national government in achieving bigger goals.

10. Environmental and Sustainability Reporting

i. Sustainability strategy and profile

Generally, the fund continues to support its functions and objectives. Major emphasis has been directed towards protection of the health of the individuals in the county in light with the dangers of excessive consumption of alcoholic drinks through continuous inspection of outlets and licensing. With the guidance of the Alcoholic Drinks Control Committee under the leadership of The CECM for Trade, it is believed that the fund will deliver its mandate and realize the vision of this fund which is to control production, sale, distribution, promotion and use of alcoholic drinks and the promotion of research, treatment and rehabilitation for persons dependent on alcoholic drinks. Prudent financial management and stringent internal controls have continued to be strengthened that shall see the fund operate sustainable into the future periods

ii. Environmental performance

Climate change is projected to have escalated catastrophic effects on ecosystems and humans, being the single greatest health threat facing humanity. The production, distribution and consumption of many of our fast-moving consumer goods contribute substantially to climate change, principally through releasing greenhouse gas (GHG) emissions. While there is growing evidence on the carbon and environmental costs of food products, such as meat and dairy, there is little commensurate knowledge about alcohol products. Such insight is needed to inform industry regulation and consumer choice around whether to drink alcohol and, if they do, how much and which products they choose to minimize degradation. Alcohol is a key contributor to an array of health, social and economic burdens, it also intensifies climate change. As a department, we have done more sensitization campaigns to bridge this gap.

Wine production generates large quantities of wastewater contaminated with organic material from grapes, cleaning and disinfection products, and products used for wine treatment. This causes significant harm, further polluting soils and waterways. For example, reports of waste from alcohol production being dumped into the river caused fish to die and impacted communities' drinking water sources. Distilleries have been fined for polluting local waterways with manufacturing waste, and assessments of wineries reported poor wastewater quality and toxic effects on local ecosystems. Contaminated water sources are a major contributor to illness and mortality. Estimated 2.2 billion people did not have access to safe drinking water and many countries are facing extreme droughts. Yet clean drinking water is being used to produce a consumer commodity with vast social, economic and health costs. To mitigate on these, the department has collaborated with water department to sensitize general public not to drink water from rivers and lakes, water recycling systems and rainwater harvesting, switching to renewable energy sources like solar or geothermal, lightweight and

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recyclable packaging should be used to reduce transport emissions and lastly, environmental audits is being conducted to track performance and ensure compliance.

iii. Employee welfare

Employee welfare is critical due to the unique challenges posed by alcohol-related risks, regulatory scrutiny, and public health concerns. A strong welfare strategy not only protects staff but also enhances productivity, brand reputation, and legal compliance. The policies that guide the recruitment process, staff training and remuneration of county staff cover the staff seconded to support the fund. Various trainings and capacity building have been organized for the staff supported by the fund. Additionally, they have participated in the sensitization programs organized by the board as well as our partners such as NACADA and intergovernmental agencies. The board has continued to take into consideration all the stake holders' insight and as a matter of record, has established a complaint file to take care of issues, concerns and insights that could be raised from time to time. Workplace Alcohol Policies have been enhanced by Prohibiting alcohol consumption during work hours or on premises, provide clear guidelines for behavior at work-related social events and by including confidential support pathways for employees with alcohol misuse concerns. Employee Assistance Programs (EAPs) has been enhanced by offering counseling and rehabilitation referrals and helping employees manage substance use disorders without stigma. Training for Managers has been enhanced by recognizing signs of alcohol misuse, handling sensitive conversations professionally and compassionately and providing non-alcohol options during staff meetings and establishing baseline surveys to assess substance use prevalence among the employees. The fund is yet to develop a policy on safety and compliance with Occupational Safety and Health Act of 2007, (OSHA).

iv. Market place practices-

The fund has been involved in several activities ranging from school-based “responsible drinking” programs for children to ride services for inebriated adults. Members of the public have been protected from false Promotion and advertisement by prohibiting; dissemination of false misleading or deceptive or creating erroneous impressions about the characteristics, health effects, health hazards or social effects of alcoholic drink. Places demarcated under written law as residential areas or within a distance of three hundred meters from nursery, primary secondary school, or any other institution for learning for persons under the age of eighteen years or a place of worship, health facility or playground or any other public land or property or in public service vehicle have been left and demarcated as drug free areas within the county. In collaboration with other agencies the fund has participated in assisting the general public and civil servants in mental health issues. Mental health issues, such as depression and anxiety, are pervasive in workplaces globally, impacting productivity, attendance, and overall performance. Stress can be managed through social inclusion and empowerment. There is a societal myth that drinking solves stress-based issues. We address these issues by participating in programs such as World Mental Health Day.

v. **Corporate Social Responsibility / Community Engagements**

Corporate social responsibility (CSR) is about how to balance profit-making in liquor business with ethical practices that safeguard public health and social well-being. The section has explored the four approaches of which include obstructive, defensive, accommodative and proactive corporate social responsibility (CRC). The fund's management and staff have participated in planting trees across the eight sub-counties. This was done to ensure ecological integrity, social equity, economic efficiency and intergenerational equity. Through collaboration with the department of health, alcohol dependency patients have been identified and referred for treatment and worse cases taken to treatment and rehabilitation centres. Reformers have been consciously assimilated by offering sensitization trainings and inducting them on alternative livelihoods, responsible drinking has been promoted by conducting campaigns to discourage excessive consumption and underage drinking and ensuring clear labeling and consumer education on alcohol content and risks, Stakeholder Engagement has been enhanced by collaborating with governments, NGOs, schools, and communities to address alcohol-related harm and supporting local initiatives that promote safe drinking environments, Workplace Policies such as implementing alcohol policies for employees, especially in roles involving machinery or driving i.e. driving while drunk is prohibited at workplace. Community Investment has been necessitated by funding programs that address domestic violence, drunk driving, and youth education and sponsoring cultural events with a focus on moderation, Marketing Ethics has been enhanced by Avoiding glamorization of alcohol in advertising and adhering to strict marketing codes to prevent targeting vulnerable groups.

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11. Report of The Trustees

The Trustees submit their report together with the audited financial statements for the year ended June 30, 2025 which show the state of the Fund affairs

Principal activities

The principal activity/mission/ mandate of the Fund are set out in page (iv)

Results

The results of the Fund for the year ended June 30, 2025 are set out on page 1

Trustees

The members of the Board of Trustees otherwise referred to as Migori County Alcoholic Drinks Regulations Administrative Committee who served during the year are shown on page (viii).

Auditors

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

By Order of the Board



.....
Chair of the Board/Fund Administration Committee

Dr. Betty Samburu.

Date: 7/7/25



12. Statement of Management’s Responsibilities

Section 168 of the Public Finance Management Act, 2012 requires that, at the end of each quarter, the Administrator of a County Public Fund established by The Migori County Alcoholic Drinks Control Act 2016 shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The Administrator of the County Public Fund is responsible for the preparation and presentation of the Fund’s financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 2025.

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.

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 The Migori County Alcoholic Drinks Control Act 2016. 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 Period ended June 30th, 2025, 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 the Board on the 7th of **July 2025** and signed on its behalf by:

.....
Mr. Lazarus Ogutu Ngwala.

Fund Administrator



REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON MIGORI COUNTY ALCOHOLIC DRINKS CONTROL FUND FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

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

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

The three parts of the report aim to address the Auditor-General's statutory roles and responsibilities 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

Opinion

I have audited the accompanying financial statements for Migori County Alcoholic Drinks Control Fund set out on pages 1 to 23, which comprise of the statement of financial

position as at 30 June, 2025, and the statement of financial performance, statement of cash flows, statement of changes in net assets 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, the financial statements present fairly, in all material respects, the financial position of Migori County Alcoholic Drinks Control Fund as at 30 June, 2025, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Migori County Alcoholic Drinks Control Fund Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

Budget Control and Performance

The statement of comparison of budget and actual amounts reflects total receipts budget and actual on comparison basis amounts of Kshs.9,000,000 and Kshs.7,487,621 respectively, resulting in under collection of Kshs.1,512,379. Similarly, the statement reflects expenditure budget of Kshs.9,000,000 and actual on comparable basis amount of Kshs.4,459,312, resulting in an under expenditure of Kshs.4,540,688 or 50% of the budget. Further, the fund spent only Kshs.4,459,312 out of the actual receipts of Kshs.7,487,621, resulting in an underutilization of Kshs.3,028,309 or 40% of the actual receipts.

The under-funding and underutilization may have impacted negatively on service delivery to the public.

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

Unresolved Prior Year Matters

In the prior years' audit reports, an issue was raised under the Report on Lawfulness and Effectiveness in Use of Public Resources on Failure to Establish Treatment and Rehabilitation Facilities and Programs. Review of the status during audit of the Fund in 2024/2025 revealed that the matter remained unresolved.

Other Information

The Management is responsible for the Other Information set out on pages iii to xxv which comprises the Board/Fund Chairperson's Report, Statement of Performance Against the County Fund's Predetermined Objectives, Corporate Governance Statement, Environmental and Sustainability Reporting, Report of the Trustees and Statement of Management Responsibilities. The Other Information does not include the financial statements and my auditor's report thereon.

In connection with my audit on the Fund's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

Failure to Establish Treatment and Rehabilitation Facilities and Programs

As previously reported, management did not establish treatment and rehabilitation facilities and programs to promote cessation and rehabilitation for persons dependent on alcoholic drinks in the County. This is contrary to the provision of Section 5(1)(a) of the Migori County Alcoholic Drinks Control Act, 2016.

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

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

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

Responsibilities of the 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 controls 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 controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention 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 comply with the authorities which govern them and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

28 October, 2025

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14. Statement of Financial Performance for the Year Ended 30th June 2025

Description	Note	FY2024/2025	FY2023/2024
		Kshs	Kshs
Revenue From Non-Exchange Transactions			
Fines, Penalties and Other Levies	1	4,379,054	9,342,052
Transfer from County Government	2	1,976,000	-
Total Revenue		6,355,054	9,342,052
Expenses			
Employee Costs			
Board expenses	3	3,234,000	1,204,000
Use of goods and services	4	1,225,312	7,479,984
Finance Cost	5	-	-
Total Expenses		4,459,312	8,683,984
Surplus/(Deficit) For The Period		1,895,742	658,068

.....
Name: Lazarus Ogutu Ngwala
Administrator of the Fund

.....
Name: Taphline A. Oketch
Fund Accountant
ICPAK Member Number: 23082

**Migori County Alcoholic Drinks Control Fund
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15. Statement of Financial Position As at 30 June 2025

Description	Note	FY2024/2025	FY2023/2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	6	3,028,309	1,132,567
Total current assets		3,028,309	1,132,567
Total non- current assets			
Total Assets (A)		3,028,309	1,132,567
Liabilities			
Current Liabilities			
Total current liabilities		-	-
Non-Current Liabilities			
Total Liabilities (B)		-	-
Net Assets (A-B)		3,028,309	1,132,567
Accumulated surplus 30 th June		1,132,567	474,299
Surplus 30th June 25		1,895,742	658,068
Represented By:			
Net Assets		3,028,309	1,132,567

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 July 14th, 2025 and signed by:

.....
Name: Lazarus Ogutu Ngwala
Administrator of the Fund



.....
Name: Taphline A. Oketch
Fund Accountant
ICPAK Member Number: 23082



Migori County Alcoholic Drinks Control Fund
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16. Statement of Changes in Net Assets for the year ended 30th June 2025

Description	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
		Kshs	Kshs	Kshs
Balance as at the beginning of Previous period (01.07.23)	-	-	474,299	474,299
Surplus/(Deficit) For the Period	-	-	658,268	658,268
Balance as at the end of Previous period (30.06.24)	-	-	1,132,567	1,132,567
Balance as at the beginning of current period (01.07.24)	-	-	1,132,567	1,132,567
Surplus/(Deficit) For the Period		-	1,895,742	1,895,742
Balance as at the end of Current period (30.06.25)	-	-	3,028,309	3,028,309

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17. Statement of Cash Flows for The Year Ended 30 June 2025

Description	Note	FY 2024/2025	FY 2023/2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Receipts from Fine, penalties and other levies	1	4,379,054	9,342,052
Transfer from County Government	2	1,976,000	
Total receipts		6,355,054	9,342,052
Payments			
Employee Costs			
Board expenses	3	3,234,000	1,204,000
Use of goods and services	4	1,225,312	7,479,984
Finance Cost	5	-	-
Total payments		4,459,312	8,683,984
Net cash flows from operating activities		1,895,742	658,068
Cash flows from investing activities		-	-
Net cash flows used in investing activities		-	-
Cash flows from financing activities		-	-
Net cash flows used in financing activities		-	-
Net increase/(decrease) in cash & cash Equivalents		1,895,742	658,068
Cash and cash equivalents at the beginning of the period		1,132,567	474,499
Cash and cash equivalents at the end of the period		3,028,309	1,132,567

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18. Statement Of Comparison of Budget and Actual Amounts for The Period 2025

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	b	C=(a+b)	d	e=(c-d)	f=d/c*100
Budget carryovers from the previous year*	-			1,132,567		
Receipts						
Public Contributions and Donations						
Transfers From County Govt.	2,000,000	(500,000)	1,500,000	1,976,000	(476,000)	132
Interest Income						
Other Income: Fines, penalties and other levies	7,500,00	0	7,500,000	4,379,054	3,120,946	58
Total Income	9,500,000	632,567	9,000,000	7,487,621	2,644,946	83
Expenses						
Board Expenses	6,250,000	(500,000)	5,750,000	3,234,000	3,648,567	56
Use of goods and services	3,250,000	0	3,250,000	1,225,312	2,024,688	38
Total Expenditure	9,500,000	(500,000)	9,000,000	4,459,312	4,540,688	50
Capital expenditure						
Surplus For the Period				3,028,309		

Budget notes The receipts from Fines, penalties and other levies for the year amounted to **Kshs. 4.3** while the transfer from the County Government was **Ksh.1.9** against a final budget of **ksh.9m**. This variance came as a result of a number of challenges faced during the year such as late issuance of invoices, some premises closed down due to tough economic conditions and political incitements against the rates from MICOB

Migori County Alcoholic Drinks Control Fund
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Bank Reconciliation

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	3,028,309
	Closing Cash and Cash Equivalent as per the statement of Cash flows	3,028,309

19. Notes to the Financial Statements

Significant Accounting Policies

1. General Information

Migori County Alcoholic Drinks Control Fund is established by and derives its authority and accountability from Migori County Alcoholic Drinks Control Act, 2016. The entity is wholly owned by the County Government of Migori, Department of Trade, Tourism, Marketing and Industrialization and is domiciled in Kenya.

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

. Adoption of new and revised standards

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

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

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

Standard	Effective date and impact:
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 recognize, measure and present information on right of use assets and lease liabilities.</p>

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<p>IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations</p>	<p><i>Applicable 1st January 2025</i> 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: 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>
<p>IPSAS 45- Property Plant and Equipment</p>	<p><i>Applicable 1st January 2025</i> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognized as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g., valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p>
<p>IPSAS 46 Measurement</p>	<p><i>Applicable 1st January 2025</i> The objective of this standard was to improve measurement guidance across IPSAS by: <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. The standard also introduces a public sector specific measurement bases called the current operational value.</p>
<p>IPSAS 47- Revenue</p>	<p><i>Applicable 1st January 2026</i> This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial</p>

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	statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.
IPSAS 48- Transfer Expenses	<i>Applicable 1st January 2026</i> The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.
IPSAS 49- Retirement Benefit Plans	<i>Applicable 1st January 2026</i> The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.

(i) Early adoption of standards

The fund did not early – adopt any new or amended standards in the financial year 2024/2025

4. Summary of Significant Accounting Policies

a) Revenue recognition

i. Revenue from non-exchange transactions

Transfers from other government entities

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

ii. Revenue from exchange transactions

Interest income

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

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Summary of Significant Accounting Policies (Continued)

Dividends

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

Rental income

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

b) Budget information

The original budget for FY 2024-2025 was approved by the County Assembly on 30 June 2024. 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 Fund upon receiving the respective approvals in order to conclude the final budget.

The Fund'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 11 of these financial statements

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 36 PFM Act of these financial statements.

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

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at intervals, the Fund 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 ***Summary of Significant Accounting Policies (Continued)***

criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

a) Intangible Assets

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

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

b) 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 Fund determines the classification of its financial assets at initial recognition.

Loans and receivables

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

Held-to-maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Fund 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 Fund assesses at each reporting date whether there is objective evidence that a financial asset or a Fund of financial assets is impaired. A financial asset or a Fund of financial assets is

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Summary of Significant Accounting Policies (Continued)

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

Summary of Significant Accounting Policies (Continued)

- The debtors or a Fund 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 Fund 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.

c) 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

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Summary of Significant Accounting Policies (Continued)

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 Fund.

d) Provisions

Provisions are recognized when the Fund 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 Fund 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 Fund 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 Fund 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 Fund 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.

e) Nature and purpose of reserves

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

f) Changes in accounting policies and estimates

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

g) Employee benefits – Retirement benefit plans

The Fund provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an Fund pays fixed contributions into a separate Fund (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.

h) 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)

i) 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.

j) Related parties

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

k) 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 authorized public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

l) Comparative figures

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

m) Events after the reporting period

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

n) Ultimate and Holding Fund

The Fund is a County Public Fund established by Migori County Alcoholic Drinks Control Act, 2016 under the Department of Trade, Marketing, Tourism and Industrialization. Its ultimate parent is the County Government of Migori.

o) Currency

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

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1. Significant judgments and sources of estimation uncertainty

The preparation of the Fund'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 Fund 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 Fund. 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 Fund
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset
- Changes in the market in relation to the asset

c) Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

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Notes To the Financial Statements Continued

1. Fines, penalties and other levies

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Fees from Licenses	3,967,854	8,821,502
Applications	411,200	520,550
Total	4,379,054	9,342,052

2. Transfers from County Government

Description	30.06.25	30.06.24
	Kshs	Kshs
Transfers From County Govt. –Operations	1,976,00	0
Payments By County On Behalf Of The Entity	0	0
Unconditional Development grants	0	0
Total	1,976,00	0

3. Board Expenses

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Boards, Committees and conference	926,000	1,204,000
Field Operation allowance	2,308,000	-
Total	3,234,000	1,204,000

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4. Use of Goods and Services

Description	FY 2024/2025	FY 2023/2024
	Kshs.	Kshs.
Field operational allowance (Secretariat)	1,154,800	-
Domestic, travel and subsistence	-	7,343,600
General office supplies	41,200	110,500
Stationery and printing	17,000	-
Bank Charges	12,312	25,884
Total	1,225,312	7,479,984

5. Finance costs

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Bank charges	0	0
Total	0	0

6. Cash and cash equivalents

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Current Account	3,028,309	1,132,567
Total Cash and Cash Equivalents	3,028,309	1,132,567

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

Financial Institution	Account number	FY 2024/2025	FY 2023/2024
		Kshs	Kshs
a) Current Account			
Kenya Commercial Bank	1225534887	1,407,309	1,132,567
Total		1,407,309	1,132,567

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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) Due from related parties

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Due From Parent Ministry	0	0
Due From County Government	0	0
Total	0	0

Other Disclosures Continued

c) Due to related parties

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Due To Parent Ministry	0	0
Due To County Government	0	0
Due To Key Management Personnel	0	0
Total	0	0

iii. 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 minimize 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.

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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:

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2025				
Receivables From Exchange Transactions	0	0		
Receivables From Non-Exchange Transactions	0	0		
Bank Balances	3,028,309	3,028,309		
Total	3,028,309	3,028,309		
At 30 June 2024				
Receivables From Exchange Transactions				
Receivables From Non-Exchange Transactions				
Bank Balances	1,132,567	1,132,567		
Total	1,132,567	1,132,567		

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 recognized in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

The entity has significant concentration of credit risk on amounts due from 2025

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.

c) Market risk

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

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

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

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

i. Foreign currency risk

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

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

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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 endeavored to bank with institutions that offer favorable interest rates.

d) Capital risk management.

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

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Revaluation reserve	0	
Revolving fund	0	
Accumulated surplus	3,028,309	1,132,567
Total funds	3,028,309	1,132,567
Total borrowings		
Less: cash and bank balances	(3,028,309)	(1,132,567)
Net debt/(excess cash and cash equivalents)		
Gearing	0%	0%

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20. Annexes

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	Failure to establish a rehabilitation facility and programs	The County Alcoholic Drinks Regulations Administrative Review Committee carried out sensitization meetings to bar owners, key stakeholders and general public on control of drug and substance abuse and sought the community views in need to establish a treatment and rehabilitation centre. Developed a roadmap to establishing a rehabilitation centre	In progress	
2	Unsupported Fine, penalties and other Levies	The statement of financial reflects fine, levies and other levies income amount of ksh. 2,176,802 as disclosed in Note 1 to the financial statements. However, the balances were not supported by detailed ledger schedules	Resolved	

Sign.....
Fund Administrator

Mr. Lazarus Ogutu Ngwala

