

REPUBLIC OF KENYA



REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability

PARLIAMENT
OF KENYA
LIBRARY

REPORT

OF

THE AUDITOR-GENERAL

ON

BUSIA COUNTY ALCOHOLIC DRINKS
CONTROL FUND

FOR THE YEAR ENDED

30 JUNE, 2025

PAPERS LAID	18/2/25
DATE	
TABLED BY	Ge. Ielogue
COMMITTEE	
CLERK AT THE TABLE	Polycarp

167





BUSIA COUNTY ALCOHOLIC DRINKS CONTROL FUND

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)

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

Table of Contents

1. Acronyms and Definition of Key Terms	ii
2. Key Entity Information and Management	iii
3. County Alcoholic Drinks Regulation Administrative Review Committee	vi
4. Management Team	ix
6. Report of The Fund Administrator	xiv
7. Statement of Performance against the County Fund's Predetermined Objectives	xvii
8. Corporate Governance Statement	xx
9. Management Discussion and Analysis	xxii
10. Environmental and Sustainability Reporting	xxvi
11. Report of The Trustees	xxvii
12. Statement of Management's Responsibilities	xxviii
13. Report of The Independent Auditor on the Financial Statements for Busia County Alcoholic Drinks Control Fund	xxix
14. Statement of Financial Performance for the Year Ended 30 June 2025	1
15. Statement of Financial Position As at 30 June 2025	2
16. Statement of Changes in Net Assets for the year ended 30 June 2025	4
17. Statement of Cash Flows for The Year Ended 30 June 2025	5
18. Statement Of Comparison Of Budget And Actual Amounts For The Period 2025	6
19. Notes to the Financial Statements	8
20. Annexes Annex I: Progress on Follow Up Of Prior Year Auditor's Recommendations	41

1. Acronyms and Definition of Key Terms

A. Acronyms

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

B. Definition of Key Terms

Fiduciary Management- Members of Management directly entrusted with the responsibility of financial resources of the organization.

Comparative Year- Means the prior period.

2. Key Entity Information and Management

a) Background information

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

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

b) Principal Activities

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

c) Fund Administration Review Committee

Ref	Name	Position
1	Mr. Timothy Odende	Chief Officer – Trade, Investment, Industrialization, Cooperatives & SMEs -Chairperson of the Committee
2	Mr. Mwachaunga Chaunga	County Commissioner
3	Mr. Nelson Oucha	Fund Administrator –Alcoholic Drinks Control Fund
4	Mr. Innocent Omboko	County Attorney
5	Mr. Joseph Oprong	County public health officer
6	Mr. Benard Odhiambo	County physical planner
7	Mr. Peter Wesonga Malala	Member
8	Mrs. Florence Barasa Opamo	Member
9	Mr. Ibrahim Aura Aramadhani	Member

d) Key Management team

Ref	Name	Position
1	CPA Gypson Wafula	Chief Officer finance
2	Mr. Fidel Omuse Olekacuna	CECM- Trade, Investment, Industrialisation Cooperatives & SMEs
3	Mr. Timothy Odende	County Chief Officer - Trade, Investment, Industrialisation Cooperatives & SMEs
4	Mr. Nelson Oucha Ofafa	Fund Administrator - Alcoholic Drinks Control Fund
5	CPA Pamela Ojok	Fund Accountant

Key Entity and Management (Continued)

e) Fiduciary Oversight Arrangements

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

f) Registered Offices

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

g) Fund Contacts

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

h) Fund Bankers

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

i) Independent Auditors

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

j) Principal Legal Adviser




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

k) County Attorney





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

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


3. County Alcoholic Drinks Regulation Administrative Review Committee

	Name	Details of qualifications and experience
1	 <p>Mr. Timothy Odende Chief Officer Trade, Investment, Industrialization, Cooperatives & SMEs.</p>	<p>Qualifications:</p> <ul style="list-style-type: none"> - Masters in environmental Science Maseno University. <p>Work Experience:</p> <ul style="list-style-type: none"> - Served as the Chief Officer –Department of Department of Smart Agriculture, Livestock, Fisheries and Blue Economy. - Currently serving as the Chief Officer – Trade, Investment, Industrialization, Cooperatives & SMEs / Chairperson of the County Administrative Review Regulation Committee
2	 <p>Mr. Mwachaunga Chaunga County Commissioner</p>	<p>Qualification:</p> <ul style="list-style-type: none"> - Bachelors Degree in Public Administration and Management. <p>Work Experience:</p> <ul style="list-style-type: none"> - Former Deputy County Commissioner in Isiolo. - Currently serving as the County Commissioner in Busia County.
3	 <p>Mr. Nelson Oucha Fund Administrator - Busia County Alcoholic Drinks Control Fund</p>	<p>Qualifications:</p> <ul style="list-style-type: none"> - Bachelors Of Science in Environmental Health from Kenyatta University - Diploma in Occupational Therapy from Kenya Medical Training College <p>Work Experience:</p> <ul style="list-style-type: none"> - Served as senior occupational therapy at Midhealth Solution. - Currently serving as Fund Administrator – Alcoholic Drinks Control Fund.




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

4	 Mr. Innocent Omboko Busia County Attorney.	<p>Qualification:</p> <ul style="list-style-type: none"> - Bachelors of Law Degree <p>Work Experience:</p> <ul style="list-style-type: none"> - Over 10 years in practicing Law
5	 Mr. Joseph Oprong Busia County Public Health Officer Member	<p>Qualifications:</p> <ul style="list-style-type: none"> - Master's Degree in Public Health - Bachelors Degree in Public Health <p>Work Experience:</p> <ul style="list-style-type: none"> - Over 20 years experience in Public Health
6	 Mr. Benard Odhiambo Busia County Physical Planner Member	<p>Qualification:</p> <ul style="list-style-type: none"> - Bachelors of Arts Degree in Urban and Regional Planning. <p>Work Experience:</p> <ul style="list-style-type: none"> - Over 18years experience in Physical Planning
7	Mr. Peter Wesonga Malala Member	<p>Qualification:</p> <ul style="list-style-type: none"> - Diploma in Social Work. <p>Work Experience:</p> <ul style="list-style-type: none"> - Over 7 Year in self-employed business
8	 Mrs. Florence Barasa Opamo Member	<p>Qualifications:</p> <ul style="list-style-type: none"> - Certificate in Kenya Secondary Education. - Certificate in Food Nutrition and Health.



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

		<p>Work Experience:</p> <ul style="list-style-type: none"> - Worked as Community Health Worker with Ministry of Health for 20 years. - Worked with Living Good organization for 11 years.
9	 <p>Mr. Ibrahim Aura Aramadhani Member</p>	<p>Qualification:</p> <ul style="list-style-type: none"> - Kenya Certificate in Primary Education. <p>Work Experience:</p> <ul style="list-style-type: none"> - Over 15 years experience in business -self employed

4. Management Team

	Name	Details of qualifications and experience
1.	 CPA Gypson Wafula Chief Officer Finance - County Government of Busia	<p>Qualifications:</p> <ul style="list-style-type: none"> - Masters Degree in Business Administration-Finance Option from University of Nairobi. - Bachelor of Commerce Degree from Strathmore University - Certified Public Accountants of Kenya CPA (K). - Diploma in Project Management from Kenya Institute of Management (KIM). <p>Work Experience:</p> <ul style="list-style-type: none"> - Over 10 years' experience in Administration, Financial Management and Auditing. - He served as Assistant Director Internal Audit County Assembly of Busia. <p>Responsibility:</p> <ul style="list-style-type: none"> - In charge of Fund Financing
2.	 Mr. Olakacuna Fidel Omuse County Executive Committee Member -Trade, Investment, Industrialization, Cooperatives & SMEs.	<p>Qualifications:</p> <ul style="list-style-type: none"> - Masters Degree in Education from Nairobi University. - Bachelors of Arts Degree in Education <p>Work Experience:</p> <ul style="list-style-type: none"> - Served as a Primary School Head Teacher for 5years - Over 15years experience in Teaching. - Served as KNUT Executive Secretary for over 5years. <p>Responsibility:</p> <ul style="list-style-type: none"> - Oversee fund Policy formation
3.	 Mr. Timothy Odende Chief Officer	<p>Qualifications:</p> <ul style="list-style-type: none"> - Masters in environmental Science Maseno University. <p>Work Experience:</p> <ul style="list-style-type: none"> - Served as the Chief Officer –Department of Department of Smart Agriculture, Livestock, Fisheries and Blue Economy.

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

	<p>Trade, Investment, Industrialization, Cooperatives & SMEs.</p>	<ul style="list-style-type: none"> - Currently serving as the Chief Officer – Trade, Investment, Industrialization, Cooperatives & SMEs / Chairperson of the County Administrative Review Regulation Committee <p>Responsibility:</p> <ul style="list-style-type: none"> - Chairperson Busia County Alcoholic Drinks Regulation Administrative Review Committee - Chief accounting officer of the Fund
<p>4.</p>	 <p>Mr. Nelson Oucha Fund Administrator - Busia County Alcoholic Drinks Control Fund</p>	<p>Qualifications:</p> <ul style="list-style-type: none"> - Bachelors Of Science in Environmental Health from Kenyatta University - Diploma in Occupational Therapy from Kenya Medical Training College <p>Work Experience:</p> <ul style="list-style-type: none"> - Served as senior occupational therapy at Midhealth Solution. - Currently serving as Fund Administrator – Alcoholic Drinks Control Fund. <p>Responsibility:</p> <ul style="list-style-type: none"> - Fund Administrator - Busia County Alcoholic Drinks Control Fund
<p>5</p>	 <p>CPA Pamela Ojok Fund Accountant- Busia County Alcoholic Drinks and Drug Abuse Control</p>	<p>Qualifications:</p> <ul style="list-style-type: none"> - Bachelors of Commerce (Finance Option) from Masinde Muliro University of Science and Technology. - Certified Public Accountant CPA (K), AKIM. - Diploma in Management (Human Resource option) from Kenya Institute of Management (KIM). <p>Work Experience:</p> <ul style="list-style-type: none"> - Currently serving as Fund Accountant Alcoholic Drinks Control Fund. - Currently serving as accountant Office of the County Secretary Busia County. - Over 10 years experience in Accounting and Finance.

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

		<ul style="list-style-type: none">- Served as Project Accountant for Busia County Aquaculture Business Development Programme - ABDP.- Served as Project Accountant for Busia County UNICEF Nutrition Programme. <p>Responsibility:</p> <ul style="list-style-type: none">- Fund Accountant - Busia County Alcoholic Drinks Control Fund
--	--	---

5. County Alcoholic Drinks Regulation Administrative Review Committee Chairperson's Report

Busia County Alcoholic Drinks Control Fund was established by Busia County Assembly through The Busia County Alcoholic Drinks Control Act, 2014 Section 4(1). The directorate is domiciled in the Department of Trade, Investment, Industrialization, cooperatives & Small and Medium Enterprises.

During the period under review, the management experienced changes whereby, Mr. Elijah Mwaro exited as the chief officer of the parent Department and the chair to the County Alcoholic Drinks Regulation Administrative Review Committee and his position was taken over by current Chief Officer in the Department of Trade, Investment, Industrialization, Cooperatives and Small and Medium Enterprises Mr. Timothy Odende. During the Financial Year, Mr. Nelson Oucha, the Deputy Director Busia County Alcoholic Drinks and Drug Abuse Control also replaced Mr. Willis Ekesa as the Fund Administrator.

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

The Fund's main source of revenue during the FY 2024/2025 was Liquor Licensing and application fee and appropriation from Busia County Assembly. During the FY 2024/2025, a total of **Ksh. 4,790,490** was realized from Liquor License and application fee against budgeted amount of **Ksh. 9,577,000** of which **Ksh. 6,177,000** was budgeted for from License and application fee and **Ksh. 3,400,000** from Busia County Treasury.

During the FY 2024/2025, the fund in collaboration with other agencies including NACADA, KRA, KEBS, office of the County Commissioner among others carried out Campaign against Drug Abuse in all seven sub county within Busia. The campaign is still ongoing to ensure fight against illegal alcoholic drinks, illicit brews, counterfeit and contraband alcoholic products.

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

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

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



Name TIMOTHY ORENDE Signature [Signature] Date 20/11/2025

Chairperson of the Fund Administrative Review Committee

6. Report of The Fund Administrator

Busia County Alcoholic Drinks Control Directorate was established by Busia County Assembly through the Busia County Alcoholic Drinks Control Act, 2014 Section 4(1). The directorate is domiciled in the Department of Trade, Investment, Industrialization, cooperatives & Small and Medium Enterprises.

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

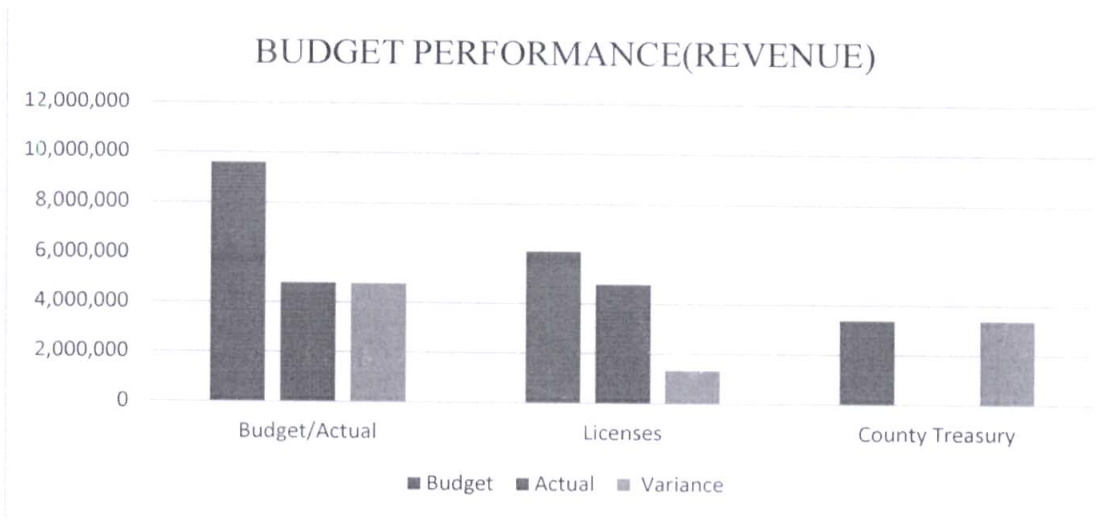
In exercising its regulatory duties, the Directorate facilitates Sub-County Alcoholic Drinks Control Regulation Committee whose key mandate is to grant licenses to liquor businesses and coordinate enforcement of the Act. The committee constitutes of seven members, chaired by Sub County administrator.

Revenue performance

The Fund's main source of revenue during the FY 2024/2025 was Liquor Licensing and application fee and appropriation from Busia County Assembly. During the FY 2024/2025, a total of Ksh. **4,790,490** was realized from Liquor License and application fee against budgeted amount of Ksh. **9,577,000 of which Ksh. 6,177,000** was budgeted for from License and application fee and **Ksh. 3,400,000** from Busia County Treasury.

The following chart shows the fund revenue and budget performance:

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



Fund’s Future Outlook

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

During the period under review, the Directorate carried out various programs in coordination with the Sub County Alcoholic Regulation Committee. Inspection of Liquor premises was carried out during the year to establish outlets that met the required standards as part of the licensing process. A total of **317** premises were inspected out of which only **242** premises met the requirements and were licensed. The fund is planning to increase level of compliance with the Act and other regulations through better mapping of the outlets and ensuring licensing of all alcoholic drinks’ outlets within Busia County.

Challenges faced by the fund include;

1. Non disbursement of funds appropriated to the Alcoholic Control Fund resulting to insufficient implementation of the planned programs.

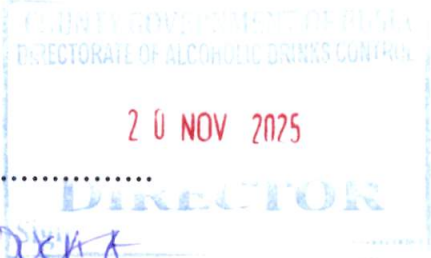
Busia County Alcoholic Drinks Control Fund
Annual Report and Financial Statements for the year ended June 30, 2025

2. Lack of designated vehicle for the fund to facilitate movement and implementation of planned activities at the sub county level.

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

The fund wishes to facilitate and promote in collaboration with other county and National Government institutions the establishment of Treatment and Rehabilitation facilities and programmes.

The fund also wishes to carry out research directly or in collaboration with other institutions to serve as data and statistics related to alcoholic drinks control.



.....
Name: MILSON OCKA

Fund Administrator

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

Introduction

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

The key development objectives of the Fund as per the County Integrated Development Plan (CIDP) 2023-2027 are to:

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

Progress on attainment of Strategic development objectives

Below we provide the progress on attaining the stated objectives:

Program	Objective	Expected Outcome	Key Performance Indicator	Performance
Infrastructural Development	To establish treatment and rehabilitation facilities and programmes.	Constructed treatment and rehabilitation centre.	One treatment and rehabilitation centre under construction	-Work in progress.
Licensing of alcoholic drinks premises.	To provide for licenses of alcoholic drinks premises.	-Controlled production, sale, promotion and use of alcoholic drinks. -Collected revenue (licensing and application fees). -Controlled usage of drugs.	No. of liquor premises licensed	-In the FY 2024/2025, the directorate licensed 242 liquor premises. -A total revenue of Ksh. 4,790,490 was realized.
Public awareness campaign and outreach programmes.	To create public awareness and outreach programmes.	- Reduced risk of excessive alcohol consumption. Improved health, social and economic impact on communities.	No. of awareness campaigns carried out - Reduced no. of alcohol and drug abuse victims.	In the FY 2024/2025 the Directorate carried out awareness campaign on alcohol and drug abuse in the whole County. Carried out awareness campaign in Busia through KMTCC Busia Campus.

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

Research Information and Education	To carry out research directly or in collaboration with other institutions.	Obtained statistical figures on usage of alcohol and drug abuse and related effects within the community.	No. of research reports established.	In the FY 2024/2025, no research was done.
Citizen Participation	To provide citizen participation	Citizen input taken into consideration.	No. of citizen participation forums.	In the FY 2024/2025 the directorate carried out citizen participation exercise.

8. Corporate Governance Statement

The Directorate of Alcoholic Drinks Control is managed and administered under the department of Trade, Investment, Industrialization, Cooperatives, Small and Medium Enterprises. The directorate is domiciled in the Department of Trade, Investment, Industrialization, cooperatives & Small and Medium Enterprises.

Busia County Alcoholic Drinks Fund is administered by the Directorate as stipulated in the Busia County Alcoholic Drinks Control Act, 2014 Section 7(1). The directorate has three committees which ensure effective and efficient running of the Funds' programs, these includes; Sub County Alcoholic Drinks Control Regulation committee, Enforcement committee and County Alcoholic Drinks Regulation Administrative Review Committee. The Director coordinates facilitation of all these committees.

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

During the period under review, the management experienced changes whereby, Mr. Elijah Mwaro exited as the chief officer of the parent Department and the chair to the County Alcoholic Drinks Regulation Administrative Review Committee and his position was taken over by current Chief Officer in the Department of Trade, Investment, Industrialization, Cooperatives and Small and Medium Enterprises Timothy Odende. During the Financial Year, Mr. Nelson Oucha, the Deputy Director Busia County Alcoholic Drinks and Drug Abuse Control also replaced Mr. Willis Ekesa as the Fund Administrator.

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

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

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

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

9. Management Discussion and Analysis

a) Revenue

The Directorate’s main sources of funding are Liquor Licensing and appropriation by the Busia County Assembly. In the FY 2024/2025, the directorate had projected income of a total of **Ksh. 9,500,000** of which **Ksh. 6,177,000** was to be raised from Liquor Licensing and application fee and **Ksh. 3,400,000** was appropriation from Busia County Assembly. The Fund raised a total of **Ksh. 4,790,490** (**Ksh. 1,246,750** for 1st Quarter, **Ksh 2,187, 200** for 2nd Quarter, **Ksh.927,040** for the 3rd Quarter and **Ksh. 429,500** for the 4th Quarter). This represents **78 %** of targeted Licenses and application fees realized.

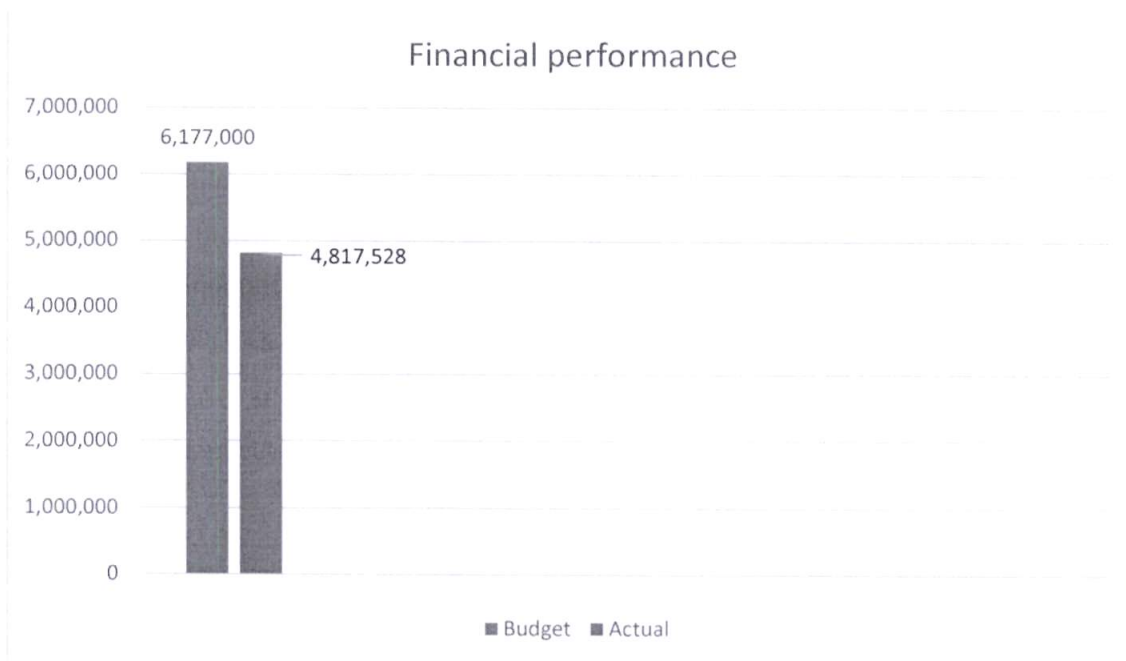
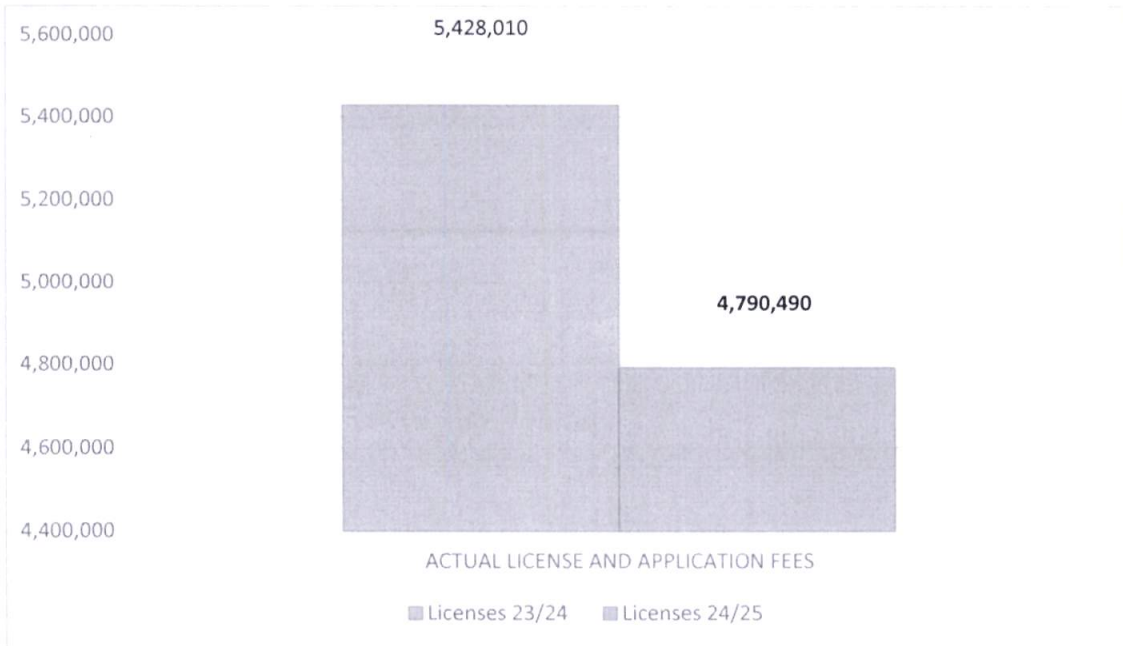


Fig 1: Revenue Performance against budget.

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

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

Fig 2: Revenue Performance for the period FY, 2024/2025.



Generally, there was a decrease in revenue collection as compared with the previous financial due to financial constraints that affected facilitation of enforcement for compliance across the county.

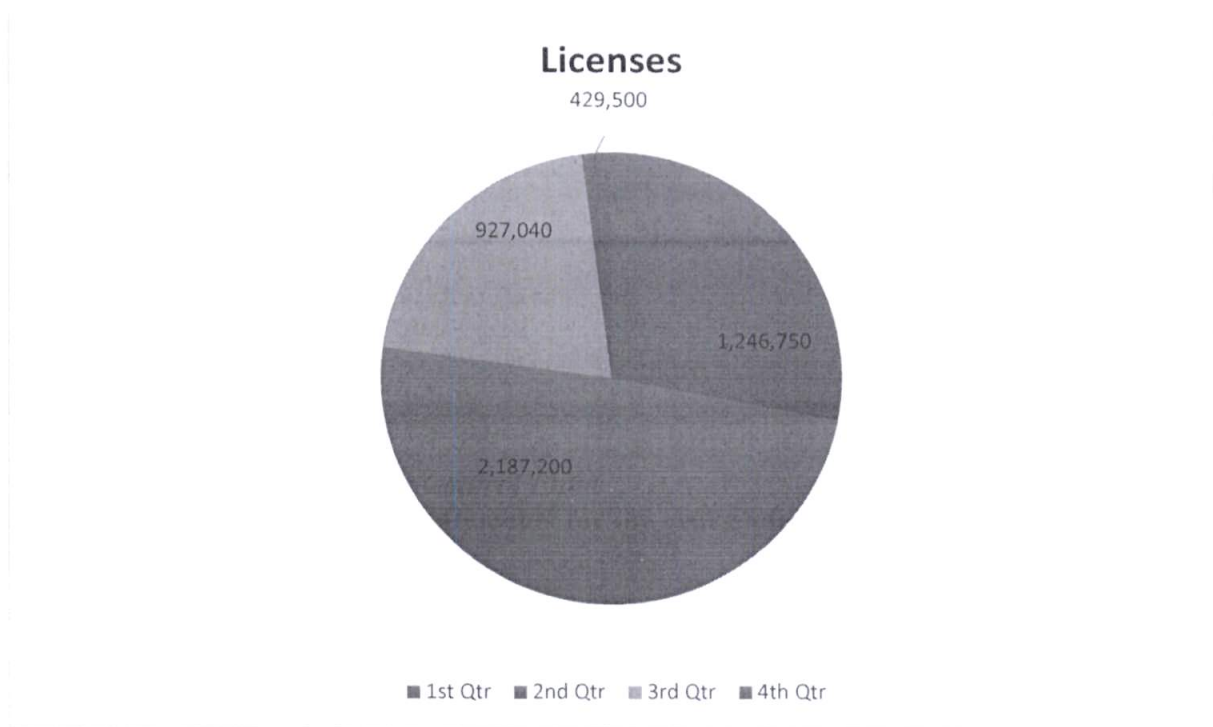
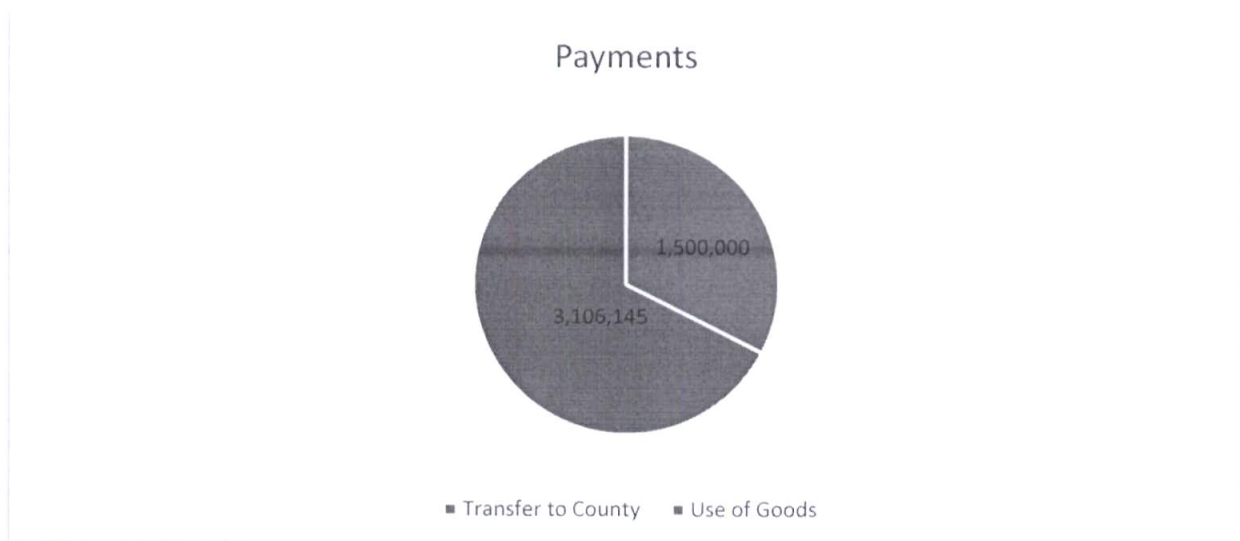


Fig 2: Revenue Performance as per quarter.

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

b) Payments

During the period ended 30th June, 2025, the Directorate spent sum of Kshs. **3,106,145** on use of goods and services and transferred a total of Kshs. **1,500, 000** to Busia County Revenue Fund. Total payments were therefore Kshs. **4,606,145**. Administrative costs are used to pay for the allowances of Sub-County committee while facilitating their activities and other directorate program.



ON - GOING PROJECTS

The Department of Trade Investment, Industrialization, cooperatives & SMEs is in the process of implementing the construction of Butula Rehabilitation and Treatment Centre. The project is on-going and at 45% completion stage.

Challenges

Busia Alcoholic Drinks Control Fund encountered various challenges in the FY: 2024/2025 as follows:

1. Non allocation of funds by the Busia County Treasury which made it difficult to facilitate administrative costs of sub-county liquor licensing regulation committee, liquor administrative review committee and inter agency collaboration.
2. Under-funding: The Alcoholic Drinks Control Act provides only 10% administrative cost which is not enough for the facilitation of sub county activities. There is need for the review of the Act.
3. Inflation: Due to high cost of living and over taxation, most premises were not able to operate leading to their shut down hence low issuance of licenses.
4. Inadequate collaboration between National government and County government on enforcement of the liquor Act.

10. Environmental and Sustainability Reporting

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

During the financial year 2024/2025, the directorate carried out campaigns against alcohol and drug abuse across the county in collaboration with NACADA, Ministry of Health, office of the Busia County Commissioner, County Commander, Chairman Boda boda Riders Busia County and Traders among others. The purpose of this campaign was to create awareness and educate Busia Communities on dangers of alcohol and drug abuse with the focus to reduce the rate of alcohol and drug abuse, illicit brews, cross border illegal drugs and alcohol within the county in order to have responsible citizens, reduced cases of Gender Based Violence amongst households, reduced teenage pregnancies and highly educated citizen who can embrace development.

The Directorate also sensitized Liquor business owners on their rights, duties and obligations including charges, fair trade practices, security matters, location requirements and other relevant requirements in compliance with Busia County Alcoholic Drinks Control Act, 2014.

Other awareness creation campaign carried out by the fund included: Dangers of alcoholic drinks usage and earlier prevention for a secure future awareness campaign was carried out at KMTC Busia Campus which was done during the International Day of Alcohol and Drug Abuse (IDADA) targeting primary school pupils, secondary students, KMTC students and the local communities at large.

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

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

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

11. Report of The Trustees

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

Results

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

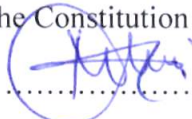
Management

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

POSITION	IN	OUT
CHIEF OFFICER -TRADE INVESTMENT, INDUSTRIALISATION, COOPERATIVES AND SMEs.	MR. TIMOTHY ODENDE	MR. ELIJAH MWARO
FUND ADMINISTRATOR	MR. NELSON OUCHA	MR. WILLIS EKESA

Auditors

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

.....


Fund Administrator

Date: 28/11/2025



12. Statement of Management’s Responsibilities

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

The Administrator of the County Public Fund is responsible for the preparation and presentation of the Fund’s financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 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; and (vi) making accounting estimates that are reasonable in the circumstances.

The Administrator of the County Public Fund accepts responsibility for the Fund’s financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgement and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and by Busia County Alcoholic Drinks Control Act, 2014. The Administrator of the Fund is of the opinion that the Fund’s financial statements give a true and fair view of the state of Fund’s transactions during the financial year ended June 30, 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.

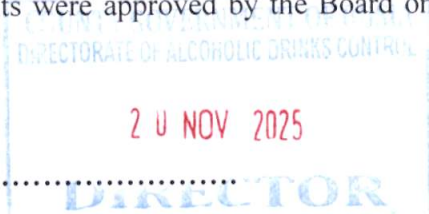
In preparing the financial statements, the Administrator of the County Public Fund has assessed the Fund’s ability to continue as a going concern and disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements. OR

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

Approval of the financial statements

The Fund’s financial statements were approved by the Board on 20/11/ 2025 and signed on its behalf by:





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

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON BUSIA 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.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Busia County Alcoholic Drinks Control Fund set out on pages 1 to 44, which comprise of the statement of financial

Report of the Auditor-General on Busia County Alcoholic Drinks Control Fund for the year ended 30 June, 2025

position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Busia County Alcoholic Drinks Control Fund as at 30 June, 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 Busia County Alcoholic Drinks Control Fund Act, 2014 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Long Outstanding Receivables from Exchange Transactions

The statement of financial position reflects current portion of long-term receivables from exchange transactions balance of Kshs.2,978,060 in respect to receivables from licenses and liquor application as at 30 June, 2025, as disclosed in Note 18 to the financial statements. Analysis of the ageing of the receivables from exchange transactions revealed that as at 30 June, 2025, 50% or Kshs.1,494,500 of the receivables had remained outstanding for more than three (3) years. There was no evidence of effort taken to recover these debts.

In the circumstances, the accuracy and full recoverability of the long outstanding receivables amounting to Kshs.1,494,500 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual amounts on comparable basis of Kshs.9,577,000 and Kshs.4,790,490 respectively, resulting to under-funding of Kshs.4,786,510 or 50% of the budget. In addition, the Fund expended Kshs.4,606,145 against an approved budget of Kshs.9,577,000 resulting to under-performance of Kshs.4,970,855 or 52% of the budget.

In the circumstances, the under-funding and under-performance affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the effects of the matter described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Matters

In the previous year audit, three issues were raised in the Audit Report as follows:

- i. Un-collected Liquor licensing fee revenue
- ii. Non-Disbursement of funds by the County treasury
- iii. Irregular utilization of fund Revenue

However, no evidence was provided indicating whether the issues have been resolved or not.

In the circumstances, the issues remain unresolved.

Other Information

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters 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

1. Irregular Utilization of Fund Revenue

The statement of financial performance reflects revenue totalling Kshs.6,274,050 in respect of liquor license and application fee out of which Kshs.4,790,490 was actual revenue received and Kshs.1,483,560 was receivable revenue.

However, Management transferred Kshs.1,500,000 or 31% of the receipts to the County Revenue Fund. Management also incurred actual expenditure of Kshs.3,106,145 or 50% of total revenue on administration of the Fund which was above the legal ceiling of 10%. Further, no evidence was provided to demonstrate that any amount was transferred to the National Authority for the Campaign Against Alcohol and Drug Abuse (NACADA), contrary to Section 6(5) of the Busia County Alcoholic Drinks Act, 2014 which requires that the Fund's receipts be shared in the ratio of 70%, 20% and 10% to the County Revenue Fund, transfers to National Campaign Against Drug Abuse (NACADA) and administration expenses respectively.

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

2. Stalled Construction of Butula Rehabilitation and Treatment Centre Project

The report on Management Discussion and Analysis under on-going projects revealed that the Fund through the Department of Trade Investment, Industrialization, Cooperatives and SMEs was in the process of implementing the construction of Butula Rehabilitation and Treatment Centre. The County Government awarded a contract to a local contractor at a contract sum of Kshs.5,804,405 and a contract period of 3 months from 28 April, 2020 to 28 July, 2020. The project was on-going and was at 45% completion stage. Further, it was observed that in 2024-2025 financial year there was no allocation of funds to the project by the County Executive of Busia.

In the circumstances, the public may not get value for the money spent in the project.

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 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 sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to 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

05 December, 2025

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

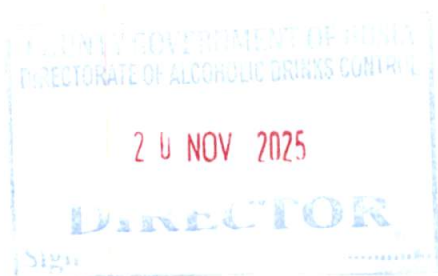
14. Statement of Financial Performance for the Year Ended 30 June 2025

Description	Note	2024/2025	2023/2024
		Kshs	Kshs
Revenue From Non-Exchange Transactions			
Public Contributions and Donations	6	-	-
Transfers From the County Government	7	-	-
Fines, Penalties and Other Levies	8	-	-
		-	-
Revenue From Exchange Transactions			
Interest Income	9	-	-
Other Income-License and Application fee	10	6,274,050	6,109,010
Total Revenue		6,274,050	6,109,010
Expenses			
Employee Costs		-	-
Transfers To the County Treasury	11.	1,500,000	3,000,000
Use of goods and services	12	3,106,145	2,656,686
Depreciation and Amortization Expense	13	-	-
Finance Costs	14	-	-
Total Expenses		4,606,145	5,656,686
Other Gains/Losses			
Gain/Loss on Disposal of Assets	15	-	-
Gain /Loss on fair value of investments	16	-	-
Surplus/(Deficit) for the Period		1,667,905	452,324

(The notes set out on pages 8 to 40 form an integral part of these Financial Statements)

.....
 Name: *Wilson Ochi*
 Administrator of the Fund

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



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


15. Statement of Financial Position As at 30 June 2025

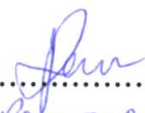
Description	Note	2024/2025	2023/2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	17	600,397	416,052
Current Portion of Long- Term Receivables from Exchange Transactions	18	2,978,060	1,494,500
Prepayments	19	-	-
Inventories	20	-	-
Investments in financial assets	21	-	-
Total current assets		3,578,457	1,910,552
Non-Current Assets			
Property, Plant and Equipment	22	-	-
Intangible Assets	23	-	-
Long Term Receivables from Exchange Transactions	18	-	-
Investment Property	24	-	-
Total non- current assets		-	-
Total Assets (A)		3,578,457	1,910,552
Liabilities			
Current Liabilities			
Trade and Other Payables from Exchange Transactions	25	-	-
Current Provisions	26	-	-
Current Portion of Borrowings	27	-	-
Employee Benefit Obligations	28	-	-
Social benefit liabilities	29	-	-
Total current liabilities		-	-
Non-Current Liabilities			
Non-Current Provisions	26	-	-
Long Term Portion of Borrowings	27	-	-
Non-Current Employee Benefit Obligation	28	-	-
Social benefit liabilities	29	-	-

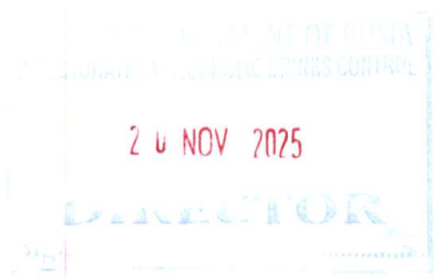
Busia County Alcoholic Drinks Control Fund
Annual Report and Financial Statements for the year ended June 30, 2025

Description	Note	2024/2025	2023/2024
		Kshs	Kshs
Total Liabilities (B)		-	-
Net Assets (A-B)		3,578,457	1,910,552
Represented By:			
Revolving Fund		-	-
Reserves		-	-
Accumulated Surplus		3,578,457	1,910,552
Net Assets		3,578,457	1,910,552

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 20/11/2025 and signed by:


 Name: NELSON OJOK
 Administrator of the Fund


 Name: PAMELA OJOK
 Fund Accountant
 ICPAK Member Number: 30092



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

16. Statement of Changes in Net Assets for the year ended 30 June 2025

Description	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
		Kshs	Kshs	Kshs
Balance As At 1 July 2024	-	-	1,458,228	1,458,228
Surplus/(Deficit) For the Period	-	-	452,324	452,324
Funds Received During the Year	-	-	-	-
Transfers	-	-	-	-
Revaluation Gain	-	-	-	-
Balance As At 30 June 2024	-	-	1,910,552	1,910,552
Balance As At 1 July 2025	-	-	1,910,552	1,910,552
Surplus/(Deficit) For the Period		-	1,667,905	1,667,905
Funds Received During the Year	-	-	-	-
Transfers	-	-	-	-
Revaluation Gain	-	-	-	-
Balance As At 30 June 2025	-	-	3,578,457	3,578,457

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

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

Description	Note	2024/2025	2023/2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Public contributions and donations		-	-
Transfers from the county government		-	-
Interest received		-	-
Receipts from other operating activities		4,790,490	5,428,010
Total receipts		4,790,490	5,428,010
Payments			
Transfers to Busia County Revenue Fund		1,500,000	3,000,000
Use of Goods and Services		3,106,145	2,656,686
Finance cost			
Other payments			
		4,606,145	5,656,686
Net cash flows from operating activities	30	184,345	(228,676)
Cash flows from investing activities			
Purchase of property, plant, equipment and Intangible assets		-	-
Proceeds from sale of property, plant & equipment		-	-
Proceeds from loan principal repayments		-	-
Loan disbursements paid out		-	-
Net cash flows used in investing activities		-	-
Cash flows from financing activities			
Proceeds from revolving fund receipts		-	-
Additional borrowings		-	-
Repayment of borrowings		-	-
Net cash flows used in financing activities		-	-
Net increase/(decrease) in cash & cash Equivalents		184,345	(228,676)
Cash and cash equivalents at 1 July	17	416,052	644,728
Cash and cash equivalents at 30 June	17	600,397	416,052

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

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	-	-	-	-	-	-
Receipts						
Public Contributions and Donations	-	-	-	-	-	-
Transfers From County Govt.	-	3,400,000	3,400,000	-	3,400,000	0%
Interest Income	-	-	-	-	-	-
License & Application fee	6,177,000	-	6,177,000	4,790,490	1,386,510	78%
Total Income	6,177,000	3,400,000	9,577,000	4,790,490	4,786,510	50%
Expenses						
Fund Administration Expenses- Use of goods	3,177,000	3,400,000	6,577,000	3,106,145	3,470,855	47%
Transfers to Busia County Revenue Fund	3,000,000		3,000,000	1,500,000	1,500,000	50%
General Expenses	-	-	-	-		
Finance Cost	-	-	-	-		
Total Expenditure	6,177,000	3,400,000	9,577,000	4,606,145	4,970,855	48%
Capital expenditure	-	-	-	-	-	
Surplus For the Period	-	-	-	184,345	-	
					-	

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

Budget notes

1. *Underutilization is as a result of non-allocation of funds by the County Treasury and under-collection of License and Application fee.*
2. *The fund had a balance of Ksh. 416,052 at the beginning of the period ended 30 June, 2025.*
3. *Actual total income of KSh. 4,790,490 from License and Application fee.*
4. *Outstanding invoices comprises of unpaid License fees.*

Reconciliation of Budget vs Actual Amounts

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	184,345
1	Bal b/d as at 1 st July 2024	416,052
	Closing Cash and Cash Equivalent as per the statement of Cash flows	600,397

Reconciliation of Actual Liquor License and Application Fee

	Kshs.	Kshs.
Amounts Reported in Statement of Financial Performance (Accrual Basis)		6,274,050
Amounts Reported in State of Comparison Budget and Actual Amounts (Cash Basis)		4,790,490
Variance (Receivables from exchange Transactions/Invoices not paid)		1,483,560

19. Notes to the Financial Statements

Significant Accounting Policies

1. General Information

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

2. Statement of compliance and basis of preparation

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

3. Adoption of new and revised standards

(i) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025

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 2025.

Standard	Effective date and impact:
IPSAS 43: Leases	<i>Applicable 1st January 2025</i> 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. The new standard requires entities to recognize, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non- Current Assets Held for Sale and	<i>Applicable 1st January 2025</i> The Standard requires,

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

Discontinued Operations	<p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>
IPSAS 45: Property Plant and Equipment	<p>Applicable 1st January 2025</p> <p>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>
IPSAS 46: Measurement	<p>Applicable 1st January 2025</p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol 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. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
IPSAS 47: Revenue	<p>Applicable 1st January 2026</p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non-exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
IPSAS 48: Transfer Expenses	<p>Applicable 1st January 2026</p> <p>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</p>

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

	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.
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<i>Applicable 1st January 2027</i> The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires: <ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.

(i) Early adoption of standards

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

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.

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 10th 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 entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Fund recorded additional appropriations during the on the FY 2024/2025 supplementary budget approved on 23 April, 2025 following the governing body's approval.

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

Summary of Significant Accounting Policies (Continued)

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 actual as per the statement of financial cash flows has been presented.

c) Property, plant and equipment

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

a) Intangible Assets

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

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

b) Investment property

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

Summary of Significant Accounting Policies (Continued)

c) Financial instruments

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

Financial assets

Classification of financial assets

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

Subsequent measurement

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

Summary of Significant Accounting Policies (Continued)

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Summary of Significant Accounting Policies (Continued)

Financial liabilities

Classification

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

d) Inventories

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

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

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

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

e) Provisions

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

f) Social Benefits

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

Summary of Significant Accounting Policies (Continued)

g) Contingent liabilities

The Entity does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

Contingent assets

The Entity does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

h) Nature and purpose of reserves

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

Changes in accounting policies and estimates

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

i) Employee benefits – Retirement benefit plans

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

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

Summary of Significant Accounting Policies (Continued)

j) Foreign currency transactions

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

k) Borrowing costs

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

l) Related parties

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

m) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

n) Comparative figures

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

Summary of Significant Accounting Policies (Continued)

5. Significant judgments and sources of estimation uncertainty

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

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

a) Estimates and assumptions –

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

b) Useful lives and residual values

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

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

c) Provisions

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

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

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

Notes To the Financial Statements Continued

6. Public contributions and donations

Description	2024/2025	2023/2024
	Kshs	Kshs
Donation From Development Partners	-	-
Contributions From the Public	-	-
Total	-	-

7. Transfers from County Government

Description	2024/2025	2023/2024
	Kshs	Kshs
Transfers From County Govt. –Operations	-	-
Payments By County On Behalf Of The Entity	-	-
Unconditional Development grants	-	-
Total	-	-

8. Fines, penalties and other levies

Description	2024/2025	2023/2024
	Kshs	Kshs
Late Payment Penalties	-	-
Fines	-	-
Total	-	-

9. Interest income

Description	2024/2025	2023/2024
	Kshs	Kshs
Interest Income from Mortgage Loans	-	-
Interest Income From Car Loans	-	-
Interest Income From Investments in financial assets	-	-
Interest Income On Bank Deposits	-	-
Total Interest Income	-	-

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

10. Income from Licenses and Application fees

Description	2024/2025	2023/2024
	Kshs	Kshs
Receipts from Alcoholic Drinks Licenses and Application	4,790,490	5,428,010
Receivables from licenses and application	1,483,560	681,000
Total Income	6,274,050	6,109,010

Detailed Analysis of Income from Alcoholic Drinks Licenses and Application

SUB COUNTY	INVOICES	ACTUAL RECEIPTS	VARIANCE =BUDGET-ACTUAL
	KSH	KSH	KSH
MATAYOS	1,433,050	1,416,050	17,000
NAMBALE	691,000	448,000	243,000
TESO SOUTH	993,000	813,000	180,000
BUTULA	927,000	653,700	273,300
BUNYALA	597,000	437,000	160,000
SAMIA	687,000	423,700	263,300
TESO NORTH	946,000	599,000	347,000
Other income (system test)	-	40	-
TOTAL	6,274,050	4,790,490	1,483,560

11. Transfer to County Treasury

Description	2024/2025	2023/2024
	Kshs	Kshs
Transfer To the County Treasury	1,500,000	3,000,000
Total	1,500,000	3,000,000

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

Detailed analysis of Transfer to County Revenue Fund

DATE	DESCRIPTION	CHEQUE NO	RECEIPT NO	AMT(KSHS)
16/10/2024	Transfer to CRF	000125	20128404	600,000
10/01/2025	Transfer to CRF	000135	82309179	900,000
TOTAL				1,500,000

12. Use of Goods and Services

Description	2024/2025	2023/2024
	Kshs.	Kshs.
Printing and stationery	325,400	543,560
Local travels (Administrative)	51,000	-
Administrative meeting	77,150	-
Inspection and vetting of Liquor premises	752,400	837,000
Sensitization / Awareness creation	655,250	100,000
Enforcement allowances	1,208,900	1,147,500
Bank Charges	4,845	28,626
Office communication	31,200	
Total	3,106,145	2,656,686

13. Depreciation and Amortization Expenses

Description	2024/2025	2023/2024
	Kshs.	Kshs.
Property Plant and Equipment	-	-
Intangible Assets	-	-
Total	-	-

14. Finance costs

Description	2024/2025	2023/2024
	Kshs	Kshs
Interest On Bank Overdrafts	-	-
Interest On Loans From Banks	-	-
Total	-	-

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

15. Gain/(loss) on disposal of assets

Description	2024/2025	2023/2024
	Kshs	Kshs
Property, Plant and Equipment	-	-
Intangible Assets	-	-
Total	-	-

16. Gain/ (loss) on Fair Value Investments

Description	2024/2025	2023/2024
	Kshs	Kshs
Investments at Fair Value- Equity investments	-	-
Fair value – Investment property	-	-
Fair value- other financial assets (specify)	-	-
Total Gain	-	-

17. Cash and cash equivalents

Description	2024/2025	2023/2024
	Kshs	Kshs
Car Loan Account	-	-
County Mortgage Account	-	-
Fixed Deposits Account	-	-
On – Call Deposits	-	-
Current Account	600,397	416,052
Others		
Total Cash and Cash Equivalents	600,397	416,052

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

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

Financial Institution	Account number	2024/2025	2023/2024
		Kshs	Kshs
a) Fixed Deposits Account			
Kenya Commercial Bank		-	-
Equity Bank, Etc.		-	-
Sub- Total		-	-
b) On - Call Deposits			
Kenya Commercial Bank		-	-
Equity Bank - Etc.		-	-
Sub- Total		-	-
c) Current Account			
Kenya Commercial Bank		600,397	416,052
Sub- Total		600,397	416,052
d) Others			
Cash In Transit		-	-
Cash In Hand		-	-
Sub- Total		-	-
Grand Total		600,397	416,052

18. Receivables from exchange transactions

Description	2024/2025	2023/2024
	Kshs	Kshs
Current Receivables		
Interest Receivable	-	-
Current Loan Repayments Due	-	-
Receivable from Licenses and application fees	2,978,060	1,494,500
Less: Impairment Allowance		-
Total Current Receivables	2,978,060	1,494,500
Non-Current Receivables		
Long Term Loan Repayments Due	-	-
Total Non- Current Receivables	-	-
Total Receivables From Exchange Transactions	2,978,060	1,494,500

Additional disclosure on interest receivable

Description	2024/2025	2023/2024
	Kshs	Kshs
Interest Receivable		
Interest receivable from current portion of long-term loans of previous years	-	-
Accrued interest receivable from of long-term loans of previous years	-	-
Interest receivable from current portion of long-term loans issued in the current year	-	-
Current loan repayments due		
Current portion of long-term loans from previous years	-	-
Accrued principal from long-terms loans from previous periods	-	-
Current portion of long-term loans issued in the current year	-	-

19. Prepayments

Description	2024/2025	2023/2024
	Kshs	Kshs
Prepaid Rent	-	-
Prepaid Insurance	-	-
Prepaid Electricity Costs	-	-
Other Prepayments	-	-
Total	-	-

20. Inventories

Description	2024/2025	2023/2024
	Kshs	Kshs
Consumable Stores	-	-
Spare Parts And Meters	-	-
Catering	-	-
Other Inventories	-	-
Total Inventories	-	-

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

Detailed disclosure on inventories

	2024/2025	2023/2024
Opening balance	-	-
Additional Inventory in the year	-	-
Inventory expensed in the year	-	-
Write-downs in the year	-	-
Others specify	-	-
Closing balance	-	-

21. Investments in financial assets

Description	2024/2025	2023/2024
	Kshs	Kshs
a. Investment in Treasury bills and bonds		
Financial institution		
CBK	-	-
CBK	-	-
Sub- total	-	-
b. Investment with Financial Institutions/ Banks		
Bank	-	-
Bank	-	-
Sub- total	-	-
c. Equity investments		
Equity/ shares in Entity	-	-
Sub- total	-	-
Grand total	-	-

Movement of Equity Investments

Impairment allowance/ provision	2024/2025	2023/2024
	Kshs	Kshs
At the beginning of the year	-	-
Purchase of investments in the year	-	-
Sale of investments during the year	-	-
Gain/(loss) in fair value of investments through surplus or deficit	-	-
At the end of the year	-	-

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

e) Shareholding in other entities

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

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

22. Property, plant, and equipment

	Land	Buildings	Motor vehicles	Furniture and fittings	Computers and office equipment	Total
Rate	X%	X%	X%	X%	X%	
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
At 1st July 2024	-	-	-	-	-	-
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Transfers/Adjustments	-	-	-	-	-	-
Revaluation Adjustments	-	-	-	-	-	-
At 30th June 2025	-	-	-	-	-	-
At 1st July 2024						
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-
Revaluation Adjustments	-	-	-	-	-	-
At 30th June 2025	-	-	-	-	-	-
Depreciation And Impairment						
At 1 st July 2024	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-
Impairment	-	-	-	-	-	-
At 30th June 2024						
At 1st July 2025	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Impairment	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-
At 30th June 2025	-	-	-	-	-	-
Net Book Values	-	-	-	-	-	-
At 30th June 2024	-	-	-	-	-	-

Busia County Alcoholic Drinks Control Fund

Annual Report and Financial Statements for the year ended June 30, 2025

	Land	Buildings	Motor vehicles	Furniture and fittings	Computers and office equipment	Total
Rate		X%	X%	X%	X%	
At 30th June 2025	-	-	-	-	-	-

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

23. Intangible assets

Description	2024/2025	2023/2024
	Kshs	Kshs
Cost		
At Beginning of The Year	-	-
Additions	-	-
At End of The Year	-	-
Amortization And Impairment		
At Beginning of The Year	-	-
Amortization	-	-
At End of The Year	-	-
Impairment Loss	-	-
At End of The Year	-	-
NBV	-	-

24. Investment Property

Description	2024/2025	2023/2024
	Kshs	Kshs
At beginning of the year	-	-
Additions	-	-
Disposal during the year	-	-
Depreciation	-	-
Impairment	-	-
Gain/(loss) in fair value (if fair value is elected)	-	-
At end of the year	-	-

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

25. Trade and other payables from exchange transactions

Description	2024/2025		2023/2024	
	Kshs		Kshs	
Trade Payables	-		-	
Refundable Deposits	-		-	
Accrued Expenses	-		-	
Other Payables	-		-	
Total Trade and Other Payables	-		-	
Ageing analysis (Trade and other payables)	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (tie to above total)	-		-	

26. Provisions

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

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

27. Borrowings

Description	2024/2025	2023/2024
	Kshs	Kshs
Balance At Beginning of The Period	-	-
External Borrowings During the Year	-	-
Domestic Borrowings During the Year	-	-
Repayments of External Borrowings During the Period	-	-
Repayments of Domestic Borrowings During the Period	-	-
Balance At End of The Period	-	-

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

Description	2024/2025	2023/2024
	Kshs	Kshs
External Borrowings		
Dollar Denominated Loan From 'X Organization'	-	-
Sterling Pound Denominated Loan From 'Y Organization'	-	-
Euro Denominated Loan from Z Organization'	-	-
Domestic Borrowings		
Kenya Shilling Loan From KCB	-	-
Kenya Shilling Loan from Barclays Bank	-	-
Kenya Shilling Loan from Consolidated Bank	-	-
Borrowings From Other Government Institutions	-	-
Total Balance at End of The Year	-	-

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

Description	2024/2025	2023/2024
	Kshs	Kshs
Short Term Borrowings (Current Portion)	-	-
Long Term Borrowings	-	-
Total	-	-

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

28. Employee benefit obligations

Description	Defined benefit plan	Post employment medical benefits	Other Provisions	2024/2025	2023/2024
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	-	-	-	-	-
Non-Current Benefit Obligation	-	-	-	-	-
Total	-	-	-	-	-

29. Social Benefit Liabilities

Description	2024/2025	2023/2024
	Kshs	Kshs
Health social benefit scheme	-	-
Unemployment social benefit scheme	-	-
Orphaned and vulnerable benefit scheme	-	-
Elderly social benefit scheme	-	-
Bursary social benefits	-	-
Total	-	-
Current social benefits	-	-
Non- current social benefits	-	-
Total (tie to totals above)	-	-

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

30. Cash generated from operations.

Description	2024/2025	2023/2024
	Kshs	Kshs
Surplus/ (Deficit) For the Year Before Tax	1,667,905	452,324
Adjusted For:		
Depreciation	-	-
Amortization	-	-
Gains/ Losses On Disposal Of Assets	-	-
Interest Income	-	-
Finance Cost	-	-
Working Capital Adjustments		
Increase In Inventory	-	-
Increase In Receivables	(1,483,560)	(681,000)
Increase In Payables	-	-
Net Cash Flow From Operating Activities	184,345	228,676

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

31. Related party balances

a) Nature of related party relationships

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

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

b) Related party transactions

Description	2024/2025	2023/2024
	Kshs	Kshs
Transfers From Related Parties'	-	-
Transfers To Related Parties	1,500,000	3,000,000

c) Key management remuneration

Description	2024/2025	2023/2024
	Kshs	Kshs
Board Of Trustees	-	-
Key Management Compensation	-	-
Total	-	-

d) Due from related parties

Description	2024/2025	2023/2024
	Kshs	Kshs
Due From Parent Ministry	-	-
Due From County Government	3,400,000	1,200,000
Total	3,400,000	1,200,000

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

Other Disclosures Continued

e) Due to related parties

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

32. Contingent assets and contingent liabilities

Contingent Liabilities	2024/2025	2023/2024
	Kshs	Kshs
Court Case Against the Fund	-	-
Bank Guarantees	-	-
Total	-	-

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

33. 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.

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

a) Credit risk

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

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2024				
Receivables From Exchange Transactions	1,494,500	-	-	-
Receivables From Non-Exchange Transactions	-	-	-	-
Bank Balances	416,052	-	-	-
Total	1,910,552	-	-	-
At 30 June 2025				
Receivables From Exchange Transactions	2,978,060	-	-	-
Receivables From Non-Exchange Transactions	-	-	-	-
Bank Balances	600,397	-	-	-
Total	3,578,457	-	-	-

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.

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

The entity has significant concentration of credit risk on amounts due from Liquor Licensing fees.

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

b) Liquidity risk management

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2025				
Trade Payables	-	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	-	-	-	-
At 30 June 2024				
Trade Payables	-	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	-	-	-	-

c) Market risk

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

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.

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

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

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

i. Foreign currency risk

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

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

Description		Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June 2025			
Financial Assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors/ Receivables			
Liabilities			
Trade And Other Payables	-	-	-
Borrowings	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

Foreign currency sensitivity analysis

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

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

Description	Change in currency rate	Effect on surplus/ deficit	Effect on equity
	Kshs	Kshs	Kshs
2024/2025			
Euro	10%	-	-
USD	10%	-	-
(Comparative FY)			
Euro	10%	-	-
USD	10%	-	-

ii. Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

The Fund analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs (2025: Ksh). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs (2024 – Kshs).

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

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	2024/2025	2023/2024
	Kshs	Kshs
Revaluation reserve	-	-
Revolving fund	-	-
Accumulated surplus	3,578,457	1,910,552
Total funds	3,578,457	1,910,552
Total borrowings	-	-
Less: cash and bank balances	(600,397)	(416,052)
Net debt/(excess cash and cash equivalents)	2,978,060	1,494,500
Gearing	83%	78%

34. Events after the reporting period

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

35. Ultimate and Holding Entity

The entity is a County Public Fund established by Busia Alcoholic Drinks Control Act, 2014 Act under the Ministry of Trade, Investment, Industrialization, Cooperatives, Small and Medium Enterprises. Its ultimate parent is the County Government of Busia.

36. Currency

The financial statements are presented in Kenya Shillings (Kshs)

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

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved /Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Uncollected Liquor License Fee Revenue</p> <p><i>The statement of financial position reflects current portion of long-term receivables from exchange transactions balance of Kshs.1,494,500 in respect to receivables from licenses and application as at 30 June, 2024, as disclosed in Note 13 to the financial statements.</i></p> <p><i>However, it was observed that out of twenty-one (21) businesses sampled for audit review on liquor license and application fee revenue collection, the invoiced amount totaled Kshs.567,000 while the paid or collected amounts by the same businesses totaled Kshs.87,000, resulting to under-collection of kshs.480,000 or 85%, implying that these businesses were operating without full payment of the required licenses.</i></p> <p><i>In the circumstances, the accuracy and collectability of the receivable from licenses and application balance of</i></p>	<p>The management has since communicated to liquor premises in arrears stating that non-compliant outlets will not be allowed to operate their businesses in FY 2025/2026 before clearing previous years outstanding balances for the FY 2022/2023 & FY 2023/2024.</p> <p>Appendix 1: Sample notices of closure of businesses with arrears.</p>	<p>Not resolved</p>	

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

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)
	<i>Kshs.1,494,500 could not be confirmed.</i>			
	<p>Emphasis of Matter</p> <p><i>Non-disbursement of Funds by the County Treasury</i></p> <p><i>The statement of comparison of budget and actual amount and as disclosed in Note 26(d) to the financial statements indicates that the Fund budgeted to receive Kshs.1,200,000 from the County Government of Busia. However, the County Treasury did not disburse any funds to the Busia County Alcoholic Drinks Control Fund contrary to Section 6(2)(a) of the Busia County Alcoholic Drinks Control Act, 2014 which states that the Fund shall consist of such monies as may be appropriated by the County Assembly.</i></p> <p><i>The non-funding of Fund affected the planned activities and impacted negatively on services delivery to the public.</i></p> <p><i>My opinion is not modified in respect of these matters.</i></p>	<p>The management is in agreement with the observation of the auditor however, the management have written reminders to County Treasury requesting transfer of the allocated funds as per the budget estimate.</p> <p>Appendix 2: Letters from the Fund accounting officer to Accounting officer in charge of County Treasury</p>	Not resolved	

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p><i>Irregular Utilization of the Fund's Revenue</i></p> <p><i>The statement of financial performance reflects revenue totaling Kshs.6,109,010 in respect of liquor license and application fee and total expenses of Kshs.5,656,686. However, the Management transferred Kshs.3,000,000 or 49% of the receipts to the County Revenue Fund. Management also incurred actual expenditure of Kshs.2,656,686 or 43% of total revenue on administration of the Fund which was above the legal ceiling of 10%. Further, no evidence was provided to demonstrate that any amount was transferred to National Authority for the Campaign Against Alcohol and Drug Abuse (NACADA), contrary to Section 6(5) of Busia County Alcoholic Drinks Act, 2014 which requires that the Fund's receipts be shared in the ratio of 70%, 20% and 10% to the County Revenue Fund, transfers to National Campaign Against Drug Abuse (NACADA) and administration expenses respectively.</i></p>	<p>The management confirms that no amount was remitted to NACADA as observed by the auditors. This was occasioned by unfavorable and unrealistic percentages of fund distribution stipulated in the Act and Regulation. However, the management has initiated the process of amendment of the Act.</p> <p>Appendix 4: Draft proposed amendment Bill 2025.</p>	Not resolved	

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

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)
	<i>In the circumstances, Management was in breach of the law.</i>			

Fund Administrator

Date.....

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

Annex II: Inter-Fund Confirmation Letter

The Busia County Alcoholic Drinks Control Fund wishes to confirm the amounts disbursed to you as at 30th June 2025 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by [Insert name of beneficiary Fund] as at 30 th June 20xx							
Reference Number	Date Disbursed	Amounts Disbursed by [CC/SAGA/Fund] (Kshs) as at 30 th June 2025				Amount Received by [beneficiary Fund] (KShs) as at 30 th June 2025 (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
Total							

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

Head of Accountants department of beneficiary Fund:

Name SignDate

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

Annex III: Reporting of Climate Relevant Expenditures

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

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

Annex IV: Reporting on Disaster Management Expenditure

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