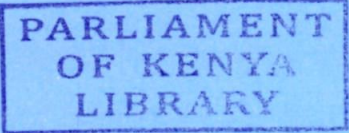


REPUBLIC OF KENYA



*Enhancing Accountability*

**REPORT**



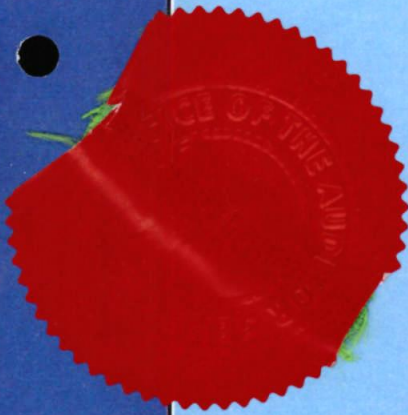
**OF**

**THE AUDITOR-GENERAL**

**ON**

**KISUMU COUNTY ALCOHOLIC  
DRINKS CONTROL FUND**

**FOR THE YEAR ENDED  
30 JUNE, 2024**



PAPERS LAID
DATE 13/2/2025
TABLED BY Majority Whip
COMMITTEE
CLERK AT THE TABLE Mbaya



*Revised 30<sup>th</sup> June 2024*



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**KISUMU COUNTY ALCOHOLIC DRINKS CONTROL FUND**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE FINANCIAL ENDED  
JUNE 30, 2024**

---

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

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***Kisumu County Alcoholic Drinks Control Fund***  
**Annual Report and Financial Statements for the year ended June 30, 2024**

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**1. Acronyms and Glossary of 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) Glossary of Terms

## **2. Key Entity Information and Management**

### **a) Background information**

Kisumu County Alcoholic Drinks Control Fund is established by and derives its authority and accountability from Kisumu County Alcoholic Drinks Control Fund Act of 12<sup>th</sup> August 2014. The Fund is wholly owned by the County Government of Kisumu and is domiciled in Kenya. The fund's jurisdiction is limited to the seven sub counties of Kisumu County namely: Muhoroni, Nyakach, Nyando, Kisumu East, Kisumu Central, Kisumu West and Seme.

Kisumu County Alcoholic Drinks Control Fund is a non-profit making entity whose objective is to control production, sale, distribution, promotion and consumption of alcoholic drinks in the County of Kisumu. The fund is managed by a committee and staff deployed in all the sub counties.

### **b) Principal Activities**

The principal activity/mandate of the Fund is to facilitate on behalf of the County Government of Kisumu licensing, monitoring and evaluation of alcoholic drinks outlets operating in the county of Kisumu with a view to controlling production, sale, and distribution of alcoholic drinks pursuant to Part II of the fourth schedule to the Constitution of Kenya. Besides the aforementioned, the fund undertakes promotion of research, treatment and rehabilitation of persons whose lives are affected by alcoholic drinks.

#### **Vision**

“A society free of Alcohol abuse dependence”

#### **Mission**

“To control the production, sale, distribution, sale, distribution, promotion and consumption of Alcoholic drinks and to promote research, treatment and rehabilitation of persons dependent on Alcohol drinks.”

#### **Core Values**

The fund upholds the values of INTEGRITY, TEAMWORK, CUSTOMER CARE AND ACCOUNTABILITY.

### **c) Board of Trustees/Fund Administration Committee**

<b>Ref</b>	<b>Name</b>	<b>Position</b>
1	Bovince Ochieng	Chairman of the management committee
2	Paul Waweru	Chief Officer Finance / Member
3	Peter Collins Okoth	Fund Administrator / Secretary
4	Pamela Iro	Alternate Secretary

**Kisumu County Alcoholic Drinks Control Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2024**

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**d) Key Management Steam**

<b>Ref</b>	<b>Name</b>	<b>Position</b>
1.	Bovince Ochieng	Chief Officer – Trade, Tourism, Industry & Marketing
2.	Paul Waweru	Chief Officer – Finance & Planning
3.	Peter Collins Okoth	Fund Administrator

**Key Entity and Management (Continued)**

**e) Fiduciary Oversight Arrangements**

<b>SN</b>	<b>Position</b>	<b>Name</b>
1	Directorate of Internal Audit	Mr. Geoffrey Dienya
2	County Assembly of Kisumu	Mr. George Oraro

**f) Registered Offices**

P.O. Box 2738  
Prosperity Building  
Achieng Oneko Road  
Kisumu, KENYA

**g) Fund Contacts**

Telephone: (254) 723497885  
E-mail: [info@kisumu.go.ke](mailto:info@kisumu.go.ke)  
Website: [www.kisumucounty.go.ke](http://www.kisumucounty.go.ke)

**h) Fund Bankers**

Kenya Commercial Bank  
Kisumu Branch  
P.O. Box 17 – 40100  
Kisumu.

**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**

County Attorney  
County Government of Kisumu  
P.O. Box 2738  
Kisumu, Kenya.

**Kisumu County Alcoholic Drinks Control Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2024**

**3. Board of Trustees/ Fund Administration Committee**

Name	Details of qualifications and experience
<p>1. <u>Bovince Ochieng</u></p> 	<p>D.O.B,,,10<sup>th</sup> March, 1984            Academic Qualification. - Degree            Professional Qualification....            Work experience – Over 10years            Position.....Chief Officer -Trade and Enterprise            Development / Executive Chairperson</p>
<p>2. <u>Paul Waweru Njenga</u></p>	<p>D.O.B,,,            Academic Qualification. - Masters            Professional Qualification....            Work experience...12 years            Position: Chief Office –Finance and Economic planning</p>
<p>3. <u>Peter Collins Okoth</u></p> 	<p>D.O.B – 29<sup>th</sup> July , 1974            Academic Qualification - Masters            Professional Qualification....            Work experience – 15 years            Position: Fund Administrator / Secretary</p>
<p>4. <u>Pamela Akinyi Iro</u></p> 	<p>D.O.B – 24<sup>th</sup> November , 1968            Academic Qualification. - Degree            Professional Qualification....            Work experience – 28years            Position: Alternate Secretary</p>

*Kisumu County Alcoholic Drinks Control Fund*  
**Annual Report and Financial Statements for the year ended June 30, 2024**

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*Kisumu County Alcoholic Drinks Control Fund*  
**Annual Report and Financial Statements for the year ended June 30, 2024**

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**4. Management Team**

<b>Name</b>	<b>Details of qualifications and experience</b>
1. Bovince Ochieng	Chief Officer – Trade, Tourism, Cooperatives, Industry & Marketing. Mr. Ochieng holds a Bachelor of Science degree in Electrical & Electronics from the University of Nairobi.
2. Peter Collins Okoth	Fund Administrator He holds a Masters of Arts Degree in Project Planning and Management from the University of Nairobi.
3. Leah Osiro	Fund Accountant – Holds a Bussiness Management Degree in Accounting from Moi University , Eldoret.
4. Pamela Akinyi Iro	Alternate Secretary She holds a Bachelor of Arts Degree in Sociology from Egerton University

**5. Board/Fund Chairperson's Report**

The year under review 2023/2024 offered a glimpse of hope that with enhanced inspections and spot checks, the fund can be able to perform better. The push and pull between the Kisumu Bar Owners Association and the County Government of Kisumu continued and unabated with, with the Association getting two orders to stop license fees collection. The latest was on 30<sup>th</sup> May 2024, these orders have greatly affected our activities as several members of the Association continue to display the same until the case is heard and determined.

The fund also adopted the new SRC circular on payments of all allowances, hence reducing in a big way that stream of expenditure. We also collaborated with several key stakeholders on the awareness and public participation on dangers of Alcohol and drug abuse.

**Income**

The fund collected a total of Ksh.**20, 876,503.00** from License fees and applications.

**Expenditures**

The expenditures incurred during the year amounted to Ksh.**10,447,467.25**

**Appreciation**

I take this opportunity to express my sincere gratitude and appreciation to the County Government of Kisumu, Department of Trade, Tourism, Cooperatives, Industry and Marketing, stakeholders, management and the entire directorate staff for their unwavering support, which enabled us, achieve these modest results.

I look forward to continued support in the year 2024/2025.



.....  
**Bovince Ochieng'**

**Chairperson**

## **6. Report of The Fund Administrator**

It is my pleasure to present the Kisumu County Alcoholic Drinks Control Fund financial statements for the year ended 30<sup>th</sup> June 2024. The financial statements present the financial performance of the fund over the past year. The Fund was established in April, 2014 and was operationalised in January, 2020.

The fund has registered great strides especially towards the operationalization of Nyang'oma Rehabilitation Centre, which will help in the management of persons affected by Alcohol and drug abuse.

The fund has also started an ambitious Automation Licensing process, which will help digitize all our operations. The Liquor Secretaries will now be able to do all our activities in the system and the management will be able to receive the same real time. This has been made possible through the collaboration with the Kisumu Revenue Board, Safaricom and Kenya Commercial Bank. Already piloting of the automation exercise has been conducted in 3 Sub counties with a few gaps noted which the service provider is working on.

### **Financial Performance**

#### **a) Revenue**

In the year ended 30<sup>th</sup> June 2024, the Fund had projected revenues of Ksh. 27,000,000

### **Prior Year Adjustments**

During the Financial year ended there were no prior adjustments.

The year under review 2023/2024, the Fund successfully collected **Ksh. 20,876,503** representing a 77.3% performance. The economy is still struggling and most outlets continue close shop while we also have a big number, which are non-compliant. As at the close of the financial year 30<sup>th</sup> June, 2024 Cash at Bank stood at Ksh. **4,499,651.95**

The Fund successfully managed to meet its recurrent and development mandate. The following development projects were initiated: -

### **Developments**

- a). Completion of the Female Dormitory – 3M --- COMPLETED**
- b). Installation 06 Number of Floodlights – 0.5M ---COMPLETED**
- c). Construction of Kitchen/Dining – 3.6M --- ON GOING**
- d). Purchase of Beds & Mattresses – 0.8M ---COMPLETED**

**Inspections**

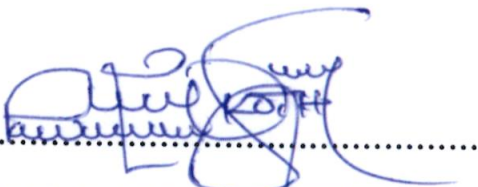
The year under the directorate conducted a total of 13 Inspections and Liquor Courts across all the sub counties. The exercise was quite detailed with a strict adherence to the 2014 Alcoholic Act. A total of **594** outlets were licensed, 68 rejected while 02 outlets had their licenses revoked.

**Enforcement/Spot Checks**

The enforcement unit did enhance on their activities and operations throughout the county with incredible results. A total of **403** spot checks was conducted resulting into 56 outlets bonded across the county. 48 paid the requisite licence fees while 08 took pleas in various courts. The spot checks did help us to drastically reduce the non-compliant outlets but also to create awareness to various outlets owners on the directorates' mandate.

**Sub County Committees**

A new Liquor Board Sub County Committees was appointed in all the 08 Sub Counties. The new look committees are expected to give fresh impetus and energy in the operations at the sub counties, especially in terms of compliance. The committees are expected to help rid out outlets in residential areas, near learning institutions and noise pollution management. We shall work very closely with the department of Water and Environment to stem out notorious outlets giving citizens sleepless nights.



.....

**Name: PETER COLLI NS OKOTH**

**Fund Administrator**

**Kisumu County Alcoholic Drinks Control Fund  
Annual Report and Financial Statements for the year ended June 30, 2024**

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

The key objectives of the Kisumu Alcoholic Drinks Control Fund are:

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

**Progress on attainment of Strategic development objectives**

<b>Program</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>
Mapping of all outlets in the County	To control, regulate and consumption of Alcohol	Increased licensed outlets	Number of licensed outlets	594 Outlets licensed
Enforcement on non-compliant outlets	To ensure compliance	Several outlets bonded	No. of outlets bonded	68 Outlets bonded
Public Participation	Awareness /sensitization creation	Meetings held	No of meetings held	14 meetings held across the county

## **8. Corporate Governance Statement**

### **The Fund**

The Kisumu Alcoholics Drinks Control Act 2014 was enacted on August 2014 pursuant to an Act of the County Assembly. The principal activities of the Fund is to control the production, sale, distribution, promotion, and consumption of Alcohol drinks and substance abuse.

### **The Management Committee**

The fund regulations provide the management committee shall be made of (5) senior officers. The committee is responsible for long-term strategic direction of the fund and the Director Alcoholic Beverages, Liquor Licensing, Betting and Gaming Control is the fund administrator.

The management is provided with full, appropriate and timely information that enables it to maintain full and effective control over the strategic, financial, operational, compliance and enforcement issues. The day-to-day operations of the fund is delegated to the fund Administrator, but the committee is responsible establishing and maintaining the fund's system of internal controls to enable the fund achieve its mandate.

### **Internal Control and Risk Management**

#### **Internal Control**

The committee is responsible for reviewing the effectiveness of the fund's system of internal control that is designed to provide reasonable, but not absolute assurance regarding the safe guarding of assets against unauthorized use or disposition and maintenance of proper accounting records and the reliability of financial information used within the business or for the publication. These controls are designed to manage rather than eliminate the risk of failure to achieve business objectives due to circumstances which may reasonably be foreseen and can only provide reasonable and not absolute assurance against material misrepresentation or loss.

## **9. Management Discussion and Analysis**

The fund has continued to support the Sub county Liquor boards committees to execute their core mandate effectively. Alcohol and Drug abuse continues to offer serious challenges in the modern societies hence need concerted efforts to enhance awareness.

The fund's activities expose it to a variety of financial risks including compliance and liquidity risks and effects of changes in the business environment. The fund's overall risk management programme focuses on the unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk.

### **Business Performance**

#### **Revenue**

The fund collected a total of Ksh.20, 876,503 from License and Application fees from various outlets in the County.

#### **Cash Flows**

The cash and cash equivalents was Ksh.4, 499,651.95 as at 30<sup>th</sup> June 2024. The balance shown is at the commercial bank (Kenya Commercial Bank Kisumu branch).

### **Operational Performance**

The fund's core operating activity has been carrying out the functions of the Directorate as stipulated in Section 4 of the Kisumu Alcoholic Drinks Control Act 2014.

### **Conclusion**

We sincerely appreciate the support from the fund committee, management, staff, the County Government, National government, NACADA and all key stakeholders. We look forward to the continued partnerships and cooperation in areas of mutual interest in the financial year 2024/2025

## **10 Environmental and Sustainability Reporting**

*Two-to-three pages*

*(The Fund gives details of CSR activities carried out in the year and the impact to the society. The statement may also include how the organisation conserves the environment, promotes education, sports, healthcare, labour relations, staff training and development, and water and sanitation initiatives). Where no CSR activities are undertaken during the year, there is no need to include the statement).*

### **1. Sustainability strategy and profile -**

*The top management especially the accounting officer should make reference to sustainable efforts, broad trends in political and macroeconomic affecting sustainability priorities, reference to international best practices and key achievements and failure.*

### **2. Environmental performance**

*Outline clearly, environmental policy guiding the organisation, provide evidence of the policy. Outline successes, shortcomings, efforts to manage biodiversity, waste management policy and efforts to reduce environmental impact of the organisation's products.*

### **3. Employee welfare**

*Give account of the policies guiding the hiring process and whether they take into account the gender ratio, whether they take in stakeholder engagements and how often they are improved. Explain efforts made in improving skills and managing careers, appraisal and reward systems. The organisation should also disclose their policy on safety and compliance with Occupational Safety and Health Act of 2007, (OSHA.)*

### **4. Market place practices-**

*The organisation should outline its efforts to:*

#### *a) Responsible competition practice.*

*Explain how the organisation ensures responsible competition practices with issues like anti-corruption, responsible political involvement, fair competition and respect for competitors*

#### *b) Responsible Supply chain and supplier relations- explain how the organisation maintains good business practices, treats its own suppliers responsibly by honouring contracts and respecting payment practices.*

#### *c) Responsible marketing and advertisement-outline efforts to maintain ethical marketing practices*

#### *d) Product stewardship- outline efforts to safeguard consumer rights and interests*

### **5. Corporate Social Responsibility / Community Engagements**

*The organisation gives details of CSR activities carried out in the year and the impact to the society. Give evidence of community engagement including charitable giving (cash and material), Corporate Social Investment and other forms of community engagements.*

**11. Report of The Trustees**

The Trustees submit their report together with the audited financial statements for the year ended June 30, 20xx which show the state of the Fund affairs.

**Principal activities**

The principal activities of the Fund is to control the production, sale, distribution, promotion and consumption of Alcoholic drinks and to promote Research, treatment and rehabilitation of persons dependent on Alcohol drinks.

The fund's principal activity is to:-

- a). Carrying out the functions of the directorate as stipulated under section 4.
- b). Assisting in the operations of the Sub County Committees.
- c). Any other matter incidental to the matters stated in paragraph (a) and (b).

**Results**

The results of the Fund for the year ended June 30, 204 are set out on page ....

**Trustees**

The members of the Board of Trustees who served during the year are shown on page xxx (*refer to the key entity information and management page*). The changes in the Board during the financial year are as shown below:

**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. OR [XYZ Certified Public Accountants were nominated by the Auditor General to carry out the audit of the *entity* for the year/period ended June 30, 20xx in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf].

By Order of the Board



.....

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

**Date:** .....

*Kisumu County Alcoholic Drinks Control Fund*  
**Annual Report and Financial Statements for the year ended June 30, 2024**

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## **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 *(The Fund should state the appropriate legislation establishing the Fund)* shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

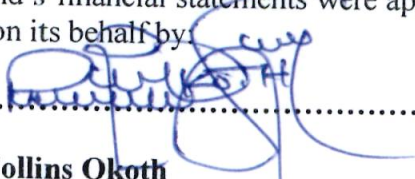
The Administrator of the County Public Fund is responsible for the preparation and presentation of the Fund’s financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 2023. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Fund; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Fund; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Administrator of the County Public Fund accepts responsibility for the Fund’s financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and *(quote the applicable legislation establishing the County Public Fund)*. 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, 2023, and of the Fund’s financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund’s financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Administrator of the County Public Fund has assessed the Fund’s ability to continue as a going concern and disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements. Nothing has come to the attention of the Administrator to indicate that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

### **Approval of the financial statements**

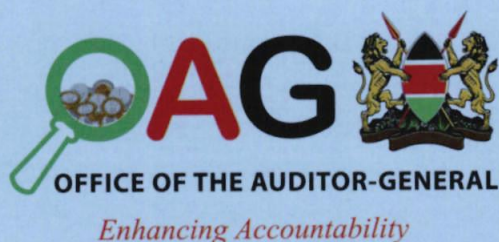
The Fund’s financial statements were approved by the Board on 27<sup>th</sup> SEPTEMBER, 2024 and signed on its behalf by

.....  


**Peter Collins Okoth**

**Administrator of the County Public Fund**

# REPUBLIC OF KENYA



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Email: info@oagkenya.go.ke  
Website: www.oagkenya.go.ke

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

## REPORT OF THE AUDITOR - GENERAL ON KISUMU COUNTY ALCOHOLIC DRINKS CONTROL FUND FOR THE YEAR ENDED 30 JUNE, 2024

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### 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 Kisumu County Alcoholic Drinks Control Fund set out on pages 1 to 39, which comprise of the statement of financial

position as at 30 June, 2024 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 Kisumu County Alcoholic Drinks Control Fund as at 30 June, 2024 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 Kisumu County Alcoholic Drinks Control Fund Act, 2014 and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Understatement of General Office Expenditure, Committee Allowances and Bank Charges**

The statement of financial performance reflects use of goods and services amount of Kshs.10,447,462 as disclosed in Note 7 to the financial statements. This amount includes general office expenditure, committee allowances and bank charges amounting to Kshs.3,195,370, Kshs.1,541,780 and Kshs.7,973 respectively. However, the ledger provided during audit indicated that general office expenditure, committee allowances and bank charges were amounting to Kshs.2,579,873, Kshs.1,461,500 and Kshs.6,045 leading to unexplained variance amounting to Kshs.615,497, Kshs.80,280 and Kshs.1,928.

In the circumstances, the accuracy of the payment in the statement of financial performance could not be confirmed.

#### **2. Misclassification of Maintenance of Motor Vehicle**

The statement of financial performance and as disclosed in Note 7 to the financial statements reflects use of goods and services amounting to Kshs.10,447,462 out of which Kshs.3,195,370 was incurred in general office expenditure. Review of ledgers and payment voucher provided during audit revealed that Kshs.104,120 for maintenance service of motor vehicle was misclassified under general office expenses instead of maintenance of motor vehicle.

In the circumstances, the accuracy and completeness of the expenditure on use of goods

#### **3. Public Participation**

The statement of financial performance and as disclosed in Note 7 to the financial statements reflects use of goods and services amount of Kshs.10,447,462 out of which

Kshs.1,400,000 was incurred in respect of field allowances. However, payment of Kshs.700,000 relating to public education activity in Kisumu East Sub County was not supported with Electronic Tax Receipts (ETR) and stores ledgers.

In the circumstances, the accuracy, completeness and regularity of field allowances expenditure of Kshs.1,400,000 could not be confirmed.

#### **4. Cash and Cash Equivalent**

The statement of financial position and as disclosed in Note 12 to the financial statements reflects a balance of Kshs.9,249,652 in respect of cash and cash equivalents, Review of cash and bank records provided for audit revealed the following anomalies;

##### **4.1. Current Account**

The statement of financial position reflects a balance of Kshs.9,249,652 in respect of cash and cash equivalents, as disclosed in Note 12 to the financial statements. This amount includes current account bank balances of Kshs.4,499,652. However, bank statement, certificate of bank balances and bank reconciliation statement was not provided for audit review.

In the circumstances, accuracy and completeness of bank balances of Kshs.4,499,652 could not be confirmed

##### **4.2. Cash in Transit**

The statement of financial position and as disclosed in Note 12 to the financial statements reflects cash and cash equivalent balance of Kshs.9,249,652 which include cash in transit amount of Kshs.4,750,000. However, the no documentary evidence was provided to support the amount.

In the circumstances, the accuracy, ownership and existence of cash in transit of Kshs.4,750,000 could not be confirmed.

The audit was conducted in accordance with International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Kisumu 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 for the period ended 30 June, 2024 presents a budgeted revenue of Kshs.27, 000,000 against actual revenue of Kshs.20,868,003 resulting to an unexplained under collection of Kshs.6,131,997.

Similarly, 32% of the total Fund budget had been allocated for development and 68% of the total Fund budget allocated for operations and maintenance purposes, but from the calculations made it was found that 32% of Ksh.20,868,003 was Kshs.9,397,085 and 68% of Kshs.20,868,003 was Kshs.19,968,807. From this, the development budget over budgeted by Kshs.52,894 and the recurrent budget under budgeted by Kshs.52,894 and this was not explained.

The under-collection of the approved receipts budget is an indication that some activities in the annual work plan were not implemented by the Fund which may have affected service delivery to the residents of Kisumu County hence loss of public funds.

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 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 audit report of the previous year, several issues were raised under the Report on the Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal controls, Risk management and governance. However, the Management had not resolved the issues as at 30 June, 2024.

### **Other Information**

#### **Conclusion**

Management is responsible for the Other Information set out on page iii to xviii which comprise of Key Entity Information and Management, Board of Trustees/Fund Administration Committee, Management Statement of Team, Report of the Administrator, Statement of Performance Against the 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.

#### **Basis for Conclusion**

In connection with my audit on the Fund's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed,

I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

## REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

### Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effects of the 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. Lack of Asset Register

Included in the statement of financial position under Note 17 to the financial statements, is property, plant and equipment amounting to Kshs.3,536,782. However, Management did not maintain an updated fixed asset register. This was contrary to Regulation 136(1) of the Public Finance Management (County Governments) Regulations, 2015 which provides that the Accounting Officer shall be responsible for maintaining a register of assets under his or her control or possession as prescribed by the relevant laws.

In the circumstances, the existence of effective internal controls to safeguard the County Executive assets could not be confirmed.

#### 2. Lack of a Strategic Plan

Review of the records revealed that the Fund does not have a strategic plan and it is not clear how the Management will work towards attaining the vision for the future and identify the Fund's goals and objectives. This was contrary to Section 4 (2) (e) of the Kisumu County Alcoholic Drinks Control Act, 2014 that requires the Directorate to carry out research directly or in collaboration with other institutions and serve as the repository of data and statistics related to alcoholic drinks control, develop in collaboration with other county and National Government departments strategies and plans for implementing this Act and control of alcohol abuse and any other relevant national legislation and coordinate and support their implementation.

Management was in breached of the law

#### 3. Construction of Dining Hall for Nyangoma Rehabilitation Centre

The statement of financial position reflects property, plant and equipment amount of Kshs.3,536,782 as disclosed in Note 17 to the financial statements. This amount includes payment of Kshs.2,999,876 in respect of the construction of the dining hall ay Masogo

Nyangoma Rehabilitation Centre contract at contract sum of Kshs.2,999,876 however, the following anomalies were note:

- (i) The contract agreement availed did not have start and end dates of the construction.
- (ii) Project status report was not availed to confirm the status of the project.
- (iii) The method of procurement approved as per the approved procurement plan was open tender but the methods which was used was Request for quotations.
- (iv) The list of registered suppliers/service providers/contractors was not availed to confirm if the companies which were involved in the process were actually registered.

This was contrary to Section 91(1) of the Public Procurement and Asset Disposal Act, 2015 which provides that open tendering shall be the preferred procurement method for procurement of goods, works and services.

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

#### **4. Procurement Outside the e-Procurement**

The audit revealed a blatant disregard for the mandated e-procurement requirements, as all procurement transactions by the Department of Trade, Tourism, and Marketing for the Alcoholic Drinks Control Fund were deliberately conducted outside the IFMIS e-procurement system. This circumvention of the established procurement protocols indicates a systemic failure to comply with statutory regulations, reflecting severe lapses in governance, oversight, and internal control

Conducting procurement outside the IFMIS system creates opportunities for manual processes that can allow unscrupulous actors to inflate costs, bypass competitive bidding, and manipulate vendor selection to benefit specific suppliers facilitating favoritism, manipulation of results, and conflicts of interest.

#### **5. Lack of Risk Management Policy**

During the year ended 30 June, 2024, the Fund had not developed Risk Management Policy to mitigate against risk. This was contrary to. Regulation 158. (1) of the Public Finance Management (County Government) Regulations, 2015 which require the Accounting Officer of the county government entity to develops risk management strategies, which include fraud prevention mechanism; system of risk management and internal control that builds robust business operations.

Management was in breached of the law.

## **6. Late Submission of Financial Statement.**

The financial statements were submitted to the Auditor General on 12 November, 2024. This was contrary to Section 47(1) of the Public Audit Act, 2015 which requires that financial statements should be submitted to the Auditor-General within three months after the end of the fiscal year to which the accounts relate.

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

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

## **REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE**

### **Conclusion**

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

### **Basis for Conclusion**

#### **Failure to Automate Revenue Collection**

Review of revenue documents and systems revealed that the County Executive has not automated liquor licensing revenue collection system. The County, therefore, continued to rely on manual method which is prone to abuse and may have contributed to the shortfall in revenue collection.

In the circumstances, the effectiveness of the internal controls on revenue collection could confirm.

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

## **Responsibilities of the Management and those Charged with Governance**

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

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

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

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

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

## **Auditor-General's Responsibilities for the Audit**

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for 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 IFPP 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

30 December, 2024

*Kisumu County Alcoholic Drinks Control Fund*  
**Annual Report and Financial Statements for the year ended June 30, 2024**

**14. Statement of Financial Performance for the Year Ended 30<sup>th</sup> June 2024**

Description	Note	2023-2024	2022-2023
		Kshs	Kshs
<b>Revenue From Non-Exchange Transactions</b>			
Public Contributions and Donations	1	-	xxx
Transfers From the County Government	2	-	xxx
Fines, Penalties and Other Levies	3	20,868,003.00	15,954,791
		<b>20,868,003.00</b>	<b>15,954,791</b>
<b>Revenue From Exchange Transactions</b>			
Interest Income	4	-	xxx
Other Income	5	-	xxx
		-	xxx
<b>Total Revenue</b>		<b>20,868,003.00</b>	<b>15,954,791</b>
<b>Expenses</b>			
Employee Costs	6	-	xxx
Use of goods and services	7	10,447,462.25	16,655,275.30
Depreciation and Amortization Expense	8	-	xxx
Finance Costs	9	-	xxx
<b>Total Expenses</b>		<b>10,447,462.25</b>	<b>16,655,275.30</b>
<b>Other Gains/Losses</b>			
Gain/Loss on Disposal of Assets	10	-	xxx
Gain /Loss on fair value of investments	11	-	xxx
<b>Surplus/(Deficit) for the Period</b>		<b>10,420,540.75</b>	<b>(700,784)</b>

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

.....  
**Name: PETER COLLINS OKOTH**  
**Administrator of the Fund**

.....  
**Name: LEA OSIRO**  
**Fund Accountant**  
**ICPAK Member Number:**

*Kisumu County Alcoholic Drinks Control Fund*  
**Annual Report and Financial Statements for the year ended June 30, 2024**

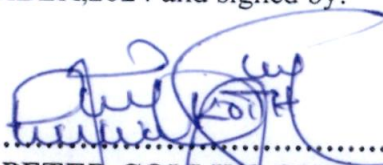
**15. Statement of Financial Position As at 30 June 2024**


Description	Note	2023-2024	2022-2023
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	12	9,249,651.95	2,365,893.20
Current Portion of Long- Term Receivables From Exchange Transactions	13	-	xxx
Prepayments	14	-	xxx
Inventories	15	-	xxx
Investments in financial assets	16	-	xxx
<b>Total current assets</b>		<b>9,249,651.95</b>	<b>2,365,893.20</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	17	3,536,782.00	Xxx
Intangible Assets	18	-	Xxx
Long Term Receivables from Exchange Transactions	13	-	Xxx
Investment Property	19	-	Xxx
<b>Total non- current assets</b>		<b>3,536,782.00</b>	<b>0</b>
<b>Total Assets (A)</b>		<b>12,786,433.95</b>	<b>2,365,893.20</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables from Exchange Transactions	20	-	Xxx
Current Provisions	21	-	Xxx
Current Portion of Borrowings	22	-	Xxx
Employee Benefit Obligations	23	-	xxx
Social benefit liabilities	24	-	xxx
<b>Total current liabilities</b>		<b>-</b>	<b>xxx</b>
<b>Non-Current Liabilities</b>			
Non-Current Provisions	21	-	xxx
Long Term Portion of Borrowings	22	-	xxx
Non-Current Employee Benefit Obligation	23	-	xxx

**Kisumu County Alcoholic Drinks Control Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2024**

Description	Note	2023-2024	2022-2023
		Kshs	Kshs
Social benefit liabilities	24	-	xxx
<b>Total Liabilities (B)</b>		-	xxx
<b>Net Assets (A-B)</b>		<b>12,786,433.95</b>	<b>2,365,893.2</b>
<b>Represented By:</b>			
Revolving Fund		-	Xxx
Reserves		2,365,893.2	3,066,677.5
Accumulated Surplus		10,420,540.75	(700,784.3)
<b>Net Assets</b>		<b>12,786,433.95</b>	<b>2,365,893.2</b>

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 27<sup>th</sup> SEPTEMBER,2024 and signed by:

  
 Name: PETER COLLINS OKOTH  
 Administrator of the Fund

  
 Name: LEA OSIRO  
 Fund Accountant  
 ICPAK Member Number:

*Kisumu County Alcoholic Drinks Control Fund*  
**Annual Report and Financial Statements for the year ended June 30, 2024**

**16. Statement of Changes in Net Assets for the year ended 30<sup>th</sup> June 2024**

Description	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
		Kshs	Kshs	Kshs
<b>Balance As At 1 July (Previous FY)</b>	-	-	-	-
Surplus/(Deficit) For the Period	-	-	2,365,893.2	2,365,893.2
Funds Received During the Year	-	-		
Transfers	-		-	-
Revaluation Gain	-	-	-	-
<b>Balance As At 30 June (Previous 2022/2023 FY)</b>	-	-	<b>2,365,893.2</b>	<b>2,365,893.2</b>
<b>Balance As At 1 July (2023/2024 FY)</b>	-	-	<b>2,365,893.2</b>	<b>2,365,893.2</b>
Surplus/(Deficit) For the Period		-	10,420,540.75	10,420,540.75
Funds Received During the Year	-	-	-	-
Transfers	-		-	-
Revaluation Gain	-	-	-	-
<b>Balance As At 30 June (2023/2024 FY)</b>	-	-	<b>12,786,433.95</b>	<b>12,786,433.95</b>

*(Provide details on the nature and purpose of reserves)*

*Kisumu County Alcoholic Drinks Control Fund*  
**Annual Report and Financial Statements for the year ended June 30, 2024**

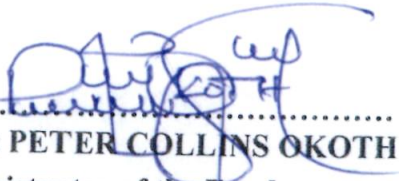
**17. Statement of Cash Flows for The Year Ended 30 June 2024**

Description	Note	2023-2024	2022-2023
		Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Public contributions and donations		-	xxx
Transfers from the county government		-	xxx
Interest received		-	xxx
Receipts from other operating activities		20,868,003.00	15,954,791
<b>Total receipts</b>		<b>20,868,003.00</b>	<b>15,954,791</b>
<b>Payments</b>			
Fund administration expenses		(10,447,462.25)	(16,655,575.30)
General expenses		-	Xxx
Finance cost		-	Xxx
Other payments (inter entity borrowing)		(-)	Xxx
<b>Net cash flows from operating activities</b>	24	<b>10,420,540.75</b>	<b>(700,784)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment and Intangible assets		(3,536,782.00)	(xxx)
Proceeds from sale of property, plant & equipment		-	Xxx
Proceeds from loan principal repayments		-	Xxx
Loan disbursements paid out		(-)	(xxx)
<b>Net cash flows used in investing activities</b>		<b>(3,536,782.00)</b>	<b>(xxx)</b>
<b>Cash flows from financing activities</b>			
Proceeds from revolving fund receipts		-	Xxx
Additional borrowings		-	Xxx
Repayment of borrowings		(-)	(xxx)
<b>Net cash flows used in financing activities</b>		<b>(-)</b>	<b>(xxx)</b>
<b>Net increase/(decrease) in cash &amp; cash Equivalents</b>		<b>6,883,758.75</b>	<b>(700,784)</b>
Cash and cash equivalents at 1 July		2,365,893.2	3,066,677.5
<b>Cash and cash equivalents at 30 June</b>		<b>9,249,651.95</b>	<b>2,365,893.2</b>

*(PSASB has prescribed the direct method of cash flow preparation/ presentation for all entities under the IPSAS accrual basis of accounting.)*

*Kisumu County Alcoholic Drinks Control Fund*  
**Annual Report and Financial Statements for the year ended June 30, 2024**

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.....  
**Name: PETER COLLINS OKOTH**  
**Administrator of the Fund**



.....  
**Name: LEA OSIRO**  
**Fund Accountant**  
**ICPAK Member Number:**

**Kisumu County Alcoholic Drinks Control Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2024**

**18. Statement of Comparison Of Budget And Actual Amounts For The Period 2024**

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% Utilization
	2024	2024	2024	2024	2024	2024
<b>Revenue</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	
Public Contributions and Donations	xxx	(xxx)	xxx	-	(xxx)	
Transfers From County Govt.						
Interest Income	xxx	-	xxx	-	(xxx)	
Other Income	xxx	-	27,000,000	20,868,003.00	xxx	
<b>Total Income</b>	<b>xxx</b>	<b>(xxx)</b>	<b>27,000,000</b>	<b>20,868,003.00</b>	<b>(xxx)</b>	
<b>Expenses</b>						
Fund Administration Expenses	xxx	-	xxx	10,447,462.25	(xxx)	
General Expenses	xxx	(xxx)	xxx	-	(xxx)	
Finance Cost	xxx	(xxx)	xxx	-	(xxx)	
<b>Total Expenditure</b>	<b>xxx</b>	<b>(xxx)</b>	<b>xxx</b>	<b>10,447,462.25</b>	<b>(xxx)</b>	
<b>Surplus For the Period</b>	<b>xxx</b>	<b>xxx</b>	<b>xxx</b>	<b>10,420,540.75</b>	<b>xxx</b>	
<b>Capital expenditure</b>	<b>xxx</b>	<b>xxx</b>	<b>xxx</b>	<b>3,536,782.00</b>	<b>xxx</b>	

**Budget notes**

1. Provide explanation of differences between actual and budgeted amounts (10% over/ under) IPSAS 24.14
2. Provide an explanation of changes between original and final budget indicating whether the difference is due to reallocations or other causes. (IPSAS 24.29)
3. Where the total of actual on comparable basis does not tie to the statement of financial performance totals due to differences in accounting basis(budget is cash basis, statement of financial performance is accrual) provide a reconciliation.

**19. Notes to the Financial Statements**

**1. General Information**

Kisumu County Alcoholic Control Fund is established by and derives its authority and accountability from Kisumu County Alcoholic Drinks Control Act of 12<sup>th</sup> August 2014. The entity is wholly owned by the Kisumu County Government and is domiciled in Kenya. The entity's principal activity is to control production, sale, distribution, promotion and use of alcoholic drinks. Besides that, the entity conducts research, treatment and rehabilitation of persons affected by alcoholic drinks.

The Fund's objective is to meet the Capital and Recurrent expenditure relating to the mandate of the Fund as stipulated in the Kisumu County Alcoholic Drinks Control Act 2014.

**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 2024*

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

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

Standard	Effective date and impact:
IPSAS 43	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>

**Kisumu County Alcoholic Drinks Control Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2024**

	<i>State the expected impact of the standard to the Entity if relevant</i>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><b>Applicable 1<sup>st</sup> January 2025</b>  The Standard requires,  Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:  Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.  <i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 45- Property Plant and Equipment	<p><b>Applicable 1<sup>st</sup> January 2025</b>  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 recognised 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.  <i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 46 Measurement	<p><b>Applicable 1<sup>st</sup> January 2025</b>  The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS;</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ul> <p>The standard also introduces a public sector specific measurement bases called the current operational value.  <i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 47- Revenue	<p><b>Applicable 1<sup>st</sup> January 2026</b>  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.  <i>State the expected impact of the standard to the Entity if relevant</i></p>

***Kisumu County Alcoholic Drinks Control Fund***  
**Annual Report and Financial Statements for the year ended June 30, 2024**

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

**(i) Early adoption of standards**

The Entity did not early – adopt any new or amended standards in the financial year or *the entity adopted the following standards early (state the standards, reason for early adoption and impact on entity's financial statements.)*

**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 20xx was approved by the County Assembly on xxxx. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Fund recorded additional appropriations of xxxxx on the FY 20xx budget following the governing body's approval.

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

**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 actuals as per the statement of financial performance has been presented under section xxx of these financial statements.

**c) Property, plant and equipment**

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced 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. *Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over an xx-year period or investment property is measured at fair value with gains and losses recognised through surplus or deficit. (entity to amend appropriately)* Investment properties are derecognized 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. *The entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. (amend as appropriate).* 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 amortised 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.

***Kisumu County Alcoholic Drinks Control Fund***  
**Annual Report and Financial Statements for the year ended June 30, 2024**  
**Summary of Significant Accounting Policies (Continued)**

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**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) are set out in *Note xx*.

**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 recognises a social benefit as an expense for the social benefit scheme at the same time that it recognises 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.

***Kisumu County Alcoholic Drinks Control Fund***  
**Annual Report and Financial Statements for the year ended June 30, 2024**

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**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. *Entity to state the reserves maintained and appropriate policies adopted.*

**i) Changes in accounting policies and estimates**

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

**j) Employee benefits – Retirement benefit plans**

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

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

**Summary of Significant Accounting Policies (Continued)**

**k) Foreign currency transactions**

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

**l) Borrowing costs**

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

**m) Related parties**

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

**n) Cash and cash equivalents**

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

**o) Comparative figures**

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

**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.

*(Include provisions applicable for your organisation e.g provision for bad debts, provisions of obsolete stocks and how management estimates these provisions)*

*Kisumu County Alcoholic Drinks Control Fund*  
**Annual Report and Financial Statements for the year ended June 30, 2024**

**6. Notes to The Financial Statements Continued**

**1. Public contributions and donations**

Description	2023-2024	2022-2023
	Kshs	Kshs
Donation From Development Partners	0	xxx
Contributions From The Public	0	xxx
<b>Total</b>	<b>0</b>	<b>xxx</b>

*(Provide brief explanation for this revenue)*

**2. Transfers from County Government**

Description	2023-2024	2022-2023
	Kshs	Kshs
Transfers From County Govt. –Operations	0	xxx
Payments By County On Behalf Of The Entity	0	xxx
Unconditional Development grants	0	xxx
<b>Total</b>	<b>0</b>	<b>xxx</b>

**3. Fines, penalties and other levies**

Description	2023-2023	2022-2024
	Kshs	Kshs
Late Payment Penalties	0	xxx
Fines	0	xxx
Licences fee	20,868,003.00	
<b>Total</b>	<b>20,868,003.00</b>	<b>xxx</b>

**4. Interest income**

Description	2023-2024	2022-2023
	Kshs	Kshs
Interest Income from Mortgage Loans	0	xxx
Interest Income From Car Loans	0	xxx
Interest Income From Investments in financial assets	0	xxx
Interest Income On Bank Deposits	0	xxx
<b>Total Interest Income</b>	<b>0</b>	<b>xxx</b>

*(Provide brief explanation for this revenue)*

**Kisumu County Alcoholic Drinks Control Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2024**  
**Notes to the Financial Statements Continued**

**5. Other income**

Description	2023-2024	2022-2023
	Kshs	Kshs
Insurance Recoveries	0	xxx
Income from Sale of Tender Documents	0	xxx
Bad debts recovered	0	Xxx
Miscellaneous Income	0	xxx
<b>Total Other Income</b>	<b>0</b>	<b>xxx</b>

(NB: All income should be classified as far as possible in the relevant classes and other income should be used to recognise income not elsewhere classified. Disclose write backs if any or recoveries from write offs).

**6. Employee Costs**

Description	2023-2024	2022-2023
	Kshs	Kshs
Salaries And Wages	0	xxx
Staff Gratuity	0	xxx
Staff Training Expenses	0	xxx
Social Security Contribution	0	xxx
Other (Specify)	0	xxx
<b>Total</b>	<b>0</b>	<b>xxx</b>

**7. Use of Goods and Services**

Description	2023-2024	2022-2023
	Kshs.	Kshs.
General Office Expenses	3,195,370.00	xxx
Travel	169,720.00	xxx
Catering services	1,768,820.00	xxx
Field Allowances	1,400,000.00	xxx
Committee Allowances	1,541,780.00	xxx
Bank Charges	7,973.25	xxx
Maintenance of motor vehicles	449,452.00	xxx
Refined fuel and lubricants	900,001.00	xxx
Security Costs	518,000.00	xxx.

**Kisumu County Alcoholic Drinks Control Fund**

**Annual Report and Financial Statements for the year ended June 30, 2024**

<b>Description</b>	<b>2023-2024</b>	<b>2022-2023</b>
	<b>Kshs.</b>	<b>Kshs.</b>
Telephone And Communication Expenses	-	xxx
Other (Professional fee/Trainings)	496,346.00	xxx
<b>Total</b>	<b>10,477,462.25</b>	<b>xxx</b>

*Social benefit schemes include benefits such as cash transfers for unemployment or elderly in line with IPSAS 42*

**8. Depreciation and Amortization Expense**

<b>Description</b>	<b>2023-2024</b>	<b>2022-2023</b>
	<b>Kshs.</b>	<b>Kshs.</b>
Property Plant and Equipment	0	xxx
Intangible Assets	0	xxx
<b>Total</b>	<b>0</b>	<b>xxx</b>

**9. Finance costs**

<b>Description</b>	<b>2023-2024</b>	<b>2022-2023</b>
	<b>Kshs</b>	<b>Kshs</b>
Interest On Bank Overdrafts	0	xxx
Interest On Loans From Banks	0	xxx
<b>Total</b>	<b>0</b>	<b>xxx</b>

*Kisumu County Alcoholic Drinks Control Fund*  
**Annual Report and Financial Statements for the year ended June 30, 2024**

**10. Gain/(loss) on disposal of assets**

Description	2023-2024	2022-2023
	Kshs	Kshs
Property, Plant and Equipment	0	xxx
Intangible Assets	0	xxx
<b>Total</b>	<b>0</b>	<b>xxx</b>

**11. Gain/ (loss) on Fair Value Investments**

Description	2023-2024	2022-2023
	Kshs	Kshs
Investments at Fair Value- Equity investments	0	xxx
Fair value – Investment property	0	xxx
Fair value- other financial assets (specify)	0	xxx
<b>Total Gain</b>	<b>0</b>	<b>xxx</b>

**12. Cash and cash equivalents**

Description	2023-2024	2022-2023
	Kshs	Kshs
Fixed Deposits Account	-	xxx
On – Call Deposits	-	xxx
Current Account	4,499,651.95	xxx
Others:		xxx
<b>Total Cash And Cash Equivalents</b>	<b>4,499,651.95</b>	<b>xxx</b>

**Kisumu County Alcoholic Drinks Control Fund  
Annual Report and Financial Statements for the year ended June 30, 2024**

**Notes to the Financial Statements Continued**

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

Financial Institution	Account number	2023-2024	2022-2023
		Kshs	Kshs
<b>a) Fixed Deposits Account</b>			
Kenya Commercial Bank		xxx	xxx
Equity Bank, Etc.		xxx	xxx
<b>Sub- Total</b>		<b>xxx</b>	<b>xxx</b>
<b>b) On - Call Deposits</b>			
Kenya Commercial Bank		xxx	xxx
Equity Bank - Etc.		xxx	xxx
<b>Sub- Total</b>		<b>xxx</b>	<b>xxx</b>
<b>c) Current Account</b>			
Kenya Commercial Bank		xxx	xxx
ALCOHOLIC DRINK CTRL DIR-KSM COUNTY	1165988372	4,499,651.95	xxx
<b>Sub- Total</b>		<b>4,499,651.95</b>	<b>xxx</b>
<b>d) Others(inter entity transfer)</b>			
Cash In Transit		4,750,000.00	xxx
Cash In Hand		0	xxx
<b>Sub- Total</b>		<b>4,750,000.00</b>	<b>xxx</b>
<b>Grand Total</b>		<b>9,249,651.95</b>	<b>xxx</b>

**13. Receivables from exchange transactions**

Description	2023-2024	2022-2023
	Kshs	Kshs
<b>Current Receivables</b>		
Interest Receivable	xxx	xxx
Current Loan Repayments Due	xxx	xxx
Other Exchange Debtors	xxx	xxx
Less: Impairment Allowance	(xxx)	(xxx)
<b>Total Current Receivables</b>		
<b>Non-Current Receivables</b>		
Long Term Loan Repayments Due	xxx	xxx
<b>Total Non- Current Receivables</b>	<b>xxx</b>	<b>xxx</b>
<b>Total Receivables From Exchange Transactions</b>	<b>xxx</b>	<b>xxx</b>

**Kisumu County Alcoholic Drinks Control Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2024**  
**Notes to the Financial Statements Continued**

**Additional disclosure on interest receivable**

Description	2023-2024	2022-2023
	Kshs	Kshs
<b>Interest Receivable</b>		
Interest receivable from current portion of long-term loans of previous years	xxx	xxx
Accrued interest receivable from of long-term loans of previous years	xxx	xxx
Interest receivable from current portion of long-term loans issued in the current year	xxx	xxx
<b>Current loan repayments due</b>		
Current portion of long-term loans from previous years	xxx	xxx
Accrued principal from long-terms loans from previous periods	xxx	xxx
Current portion of long-term loans issued in the current year	xxx	xxx

**14. Prepayments**

Description	2023-2024	2022-2023
	Kshs	Kshs
Prepaid Rent	xxx	xxx
Prepaid Insurance	xxx	xxx
Prepaid Electricity Costs	xxx	xxx
Other Prepayments ( <i>Specify</i> )	xxx	xxx
<b>Total</b>	<b>xxx</b>	<b>xxx</b>

**15. Inventories**

Description	2023-2024	2022-2023
	Kshs	Kshs
Consumable Stores	xxx	xxx
Spare Parts And Meters	xxx	xxx
Catering	xxx	xxx
Other Inventories ( <i>Specify</i> )	xxx	xxx
<b>Total Inventories at The Lower of Cost and Net Realizable Value</b>	<b>xxx</b>	<b>xxx</b>

**Notes to the Financial Statements Continued**

**Kisumu County Alcoholic Drinks Control Fund**

**Annual Report and Financial Statements for the year ended June 30, 2024**

**16. Investments in financial assets**

Description	2023-2024	2022-2023
	Kshs	Kshs
<b>a. Investment in Treasury bills and bonds</b>		
Financial institution		
CBK	xxx	xxx
CBK	xxx	xxx
Sub- total	xxx	xxx
<b>b. Investment with Financial Institutions/ Banks</b>		
Bank x	xxx	xxx
Bank y	xxx	xxx
Sub- total	xxx	xxx
<b>c. Equity investments (specify)</b>		
Equity/ shares in Entity xxx	xxx	xxx
Sub- total	xxx	xxx
<b>Grand total</b>	<b>xxx</b>	<b>xxx</b>

(Entity should disclose whether the fixed investment financial assets are measured at amortised cost or at fair value through changes in net assets/ equity) Investments in equity should be measured at fair value through surplus or deficit. Other information to be disclosed includes: the interest rates, maturity dates, valuation methodology, and impairment of these investments.

**Movement of Equity Investments**

Impairment allowance/ provision	2023-2024	2022-2023
	Kshs	Kshs
At the beginning of the year	xxx	xxx
Purchase of investments in the year	xxx	xxx
Sale of investments during the year	(xxx)	(xxx)
Gain/(loss) in fair value of investments through surplus or deficit	xxx	xxx
<b>At the end of the year</b>	<b>xxx</b>	<b>xxx</b>

**e) Shareholding in other entities**

For investments in equity share listed above, list down the equity investments under the following categories:

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		2023-2024	Prior year
	%	%	%	Kshs	Kshs	Kshs
Entity A	xxx	xxx	xxx	xxx	xxx	xxx
Entity B	xxx	xxx	xxx	xxx	xxx	xxx
Entity C	xxx	xxx	xxx	xxx	xxx	xxx
	xxx	xxx	xxx	xxx	xxx	xxx

**Kisumu County Alcoholic Drinks Control Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2024**

**Notes to The Financial Statements (Continued)**

**17. Property, plant and equipment**

	Land and Buildings	Motor vehicles	Furniture and fittings	Computers and office equipment	Total
Cost	Kshs	Kshs	Kshs	Kshs	Kshs
<b>At 1<sup>st</sup> July, 2024</b>	-	-	-	-	-
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Transfers/Adjustments	-	-	-	-	-
<b>At 30<sup>th</sup> July, 2022-2023</b>	-	-	-	-	-
<b>At 1<sup>st</sup> July, 2023-2024</b>					
Additions	<b>3,536,782.00</b>	0	0	-	<b>3,536,782.00</b>
Disposals	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-
<b>At 30<sup>th</sup> June 2024</b>	<b>3,536,782.00</b>	-	-	-	<b>3,536,782.00</b>
<b>Depreciation And Impairment</b>					
At 1 <sup>st</sup> July 2022-2023	-	-	-	-	-
Depreciation	-	-	-	-	-
Impairment	-	-	-	-	-
<b>At 30<sup>th</sup> June 2023</b>	-	-	-	-	-
<b>At 1<sup>st</sup> July -2024</b>					
Depreciation	-	-	-	-	-
Disposals	-	-	-	-	-
Impairment	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-
<b>At 30<sup>th</sup> June 2024</b>	-	-	-	-	-
<b>Net Book Values</b>	<b>3,536,782.00</b>	-	-	-	<b>3,536,782.00</b>
<b>At 30<sup>th</sup> June 2023</b>	-	-	-	-	-
<b>At 30<sup>th</sup> June 2024</b>	<b>3,536,782.00</b>	-	-	-	<b>3,536,782.00</b>

**Kisumu County Alcoholic Drinks Control Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2024**

**Notes to The Financial Statements (Continued)**

**18. Intangible assets**

Description	2023-2024	2022-2023
	Kshs	Kshs
<b>Cost</b>		
<b>At Beginning of The Year</b>	xxx	xxx
Additions	-	xxx
<b>At End of The Year</b>	xxx	xxx
<b>Amortization And Impairment</b>		
<b>At Beginning of The Year</b>	xxx	xxx
Amortization	xxx	xxx
<b>At End of The Year</b>	xxx	xxx
Impairment Loss	xxx	xxx
<b>At End of The Year</b>	xxx	xxx
<b>NBV</b>	xxx	xxx

**19. Investment Property**

Description	2023-2024	2022-2023
	Kshs	Kshs
<b>At beginning of the year</b>	xxx	xxx
Additions	xxx	xxx
Disposal during the year	(xxx)	(xxx)
Depreciation	(xxx)	(xxx)
Impairment	(xxx)	(xxx)
Gain/(loss) in fair value (if fair value is elected)	xxx	xxx
<b>At end of the year</b>	xxx	xxx

*(For investment property held at fair value, changes in fair value should go through the statement of financial performance. Where cost model is elected, depreciation and impairment should not be charged. Investment measured at fair value should be evaluated at the end of the reporting period for changes in fair value.). Entity should disclose the independent valuers, rental income from the investment property if any and the direct costs attributed to the investment property. Any charges on the investment property as well as any difficulty in classifying this asset as an investment property.*

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**20. Trade and other payables from exchange transactions**

Description	2023-2024		2022-2023	
	Kshs		Kshs	
Trade Payables	xxx		xxx	
Refundable Deposits	xxx		xxx	
Accrued Expenses	xxx		xxx	
Other Payables	xxx		xxx	
<b>Total Trade and Other Payables</b>	<b>xxx</b>		<b>xxx</b>	
Ageing analysis (Trade and other payables)	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	xxx	%	xxx	%
1-2 years	xxx	%	xxx	%
2-3 years	xxx	%	xxx	%
Over 3 years	xxx	%	xxx	%
<b>Total (tie to above total)</b>	<b>xxx</b>		<b>xxx</b>	

(NB: Amount under deposits and retentions should tie to cash held in deposit account)

**21. Provisions**

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

*Kisumu County Alcoholic Drinks Control Fund*  
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**Notes to The Financial Statements (Continued)**

**22. Borrowings**

Description	2023-2024	2022-2023
	Kshs	Kshs
<b>Balance At Beginning of The Period</b>	xxx	xxx
External Borrowings During the Year	xxx	xxx
Domestic Borrowings During the Year	xxx	xxx
Repayments of External Borrowings During the Period	(xxx)	(xxx)
Repayments of Domestic Borrowings During the Period	(xxx)	(xxx)
<b>Balance At End of The Period</b>	<b>xxx</b>	<b>xxx</b>

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

Description	2023-2024	2022-2023
	Kshs	Kshs
<b>External Borrowings</b>		
Dollar Denominated Loan From 'X Organization'	xxx	xxx
Sterling Pound Denominated Loan From 'Y Organization'	xxx	xxx
Euro Denominated Loan from Z Organization'	xxx	xxx
<b>Domestic Borrowings</b>		
Kenya Shilling Loan From KCB	xxx	xxx
Kenya Shilling Loan from Barclays Bank	xxx	xxx
Kenya Shilling Loan from Consolidated Bank	xxx	xxx
Borrowings From Other Government Institutions	xxx	xxx
<b>Total Balance at End of The Year</b>	<b>xxx</b>	<b>xxx</b>

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

Description	2023-2024	2022-2023
	Kshs	Kshs
Short Term Borrowings (Current Portion)	xxx	xxx
Long Term Borrowings	xxx	xxx
<b>Total</b>	<b>xxx</b>	<b>xxx</b>

*(NB: the total of this statement should tie to note 22 totals. Current portion of borrowings are those borrowings that are payable within one year or the next financial year. Additional disclosures on terms of borrowings, nature of borrowings, security and interest rates should be disclosed). Borrowings should be measured at amortised cost as per IPSAS 41)*

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**Notes to The Financial Statements (Continued)**

**23. Employee benefit obligations**

Description	Defined benefit plan	Post employment medical benefits	Other Provisions	2023-2024	2022-2023
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	xxx	xxx	xxx	xxx	xxx
Non-Current Benefit Obligation	xxx	xxx	xxx	xxx	xxx
<b>Total</b>	xxx	xxx	xxx	xxx	xxx

**24. Social Benefit Liabilities**

Description	2023-2024	2022-2023
	Kshs	Kshs
Health social benefit scheme	xxx	xxx
Unemployment social benefit scheme	xxx	xxx
Orphaned and vulnerable benefit scheme	xxx	xxx
Elderly social benefit scheme	xxx	xxx
Bursary social benefits	xxx	xxx
<b>Total</b>	<b>xxx</b>	<b>xxx</b>
Current social benefits	xxx	xxx
Non- current social benefits	xxx	xxx
<b>Total (tie to totals above)</b>	<b>xxx</b>	<b>xxx</b>

*Social benefit schemes include benefits such as cash transfers for unemployment or elderly in line with IPSAS 42. They are incurred to mitigate against a certain social risk e.g poverty, age, unemployment among others.*

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**Notes to The Financial Statements (Continued)**

**25. Cash generated from operations.**

Description	2023-2024	2022-2023
	Kshs	Kshs
<b>Surplus/ (Deficit) For the Year Before Tax</b>	<b>xxx</b>	<b>xxx</b>
<b>Adjusted For:</b>		
Depreciation	xxx	xxx
Amortisation	xxx	xxx
Gains/ Losses On Disposal Of Assets	(xxx)	(xxx)
Interest Income	(xxx)	(xxx)
Finance Cost	xxx	xxx
<b>Working Capital Adjustments</b>		
Increase In Inventory	(xxx)	(xxx)
Increase In Receivables	(xxx)	(xxx)
Increase In Payables	xxx	xxx
<b>Net Cash Flow From Operating Activities</b>	<b>xxx</b>	<b>xxx</b>

*(The total of this statement should tie to the cash flow section on net cash flows from operating activities)*

**Notes to The Financial Statements (Continued)**

**26. 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	2023-2024	2022-2023
	Kshs	Kshs
Transfers From Related Parties'	xxx	xxx
Transfers To Related Parties	xxx	xxx

**c) Key management remuneration**

Description	2023-2024	2022-2023
	Kshs	Kshs
Board Of Trustees	xxx	xxx
Key Management Compensation	xxx	xxx
<b>Total</b>	<b>xxx</b>	<b>xxx</b>

**d) Due from related parties**

Description	2023-2024	2022-2023
	Kshs	Kshs
Due From Parent Ministry	xxx	xxx
Due From County Government	xxx	xxx
<b>Total</b>	<b>xxx</b>	<b>xxx</b>

**Other Disclosures Continued**

**e) Due to related parties**

<b>Description</b>	<b>2023-2024</b>	<b>2022-2023</b>
	<b>Kshs</b>	<b>Kshs</b>
Due To Parent Ministry	xxx	xxx
Due To County Government	xxx	xxx
Due To Key Management Personnel	xxx	xxx
<b>Total</b>	<b>xxx</b>	<b>xxx</b>

**27. Contingent assets and contingent liabilities**

<b>Contingent Liabilities</b>	<b>2023-2024</b>	<b>2022-2023</b>
	<b>Kshs</b>	<b>Kshs</b>
Court Case Xxx Against the Fund	xxx	xxx
Bank Guarantees	xxx	xxx
<b>Total</b>	<b>xxx</b>	<b>xxx</b>

*(Give details)*

**Notes to The Financial Statements (Continued)**

**28. Financial risk management**

The Fund's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Fund's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The Fund does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

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

**a) Credit risk**

The Fund has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the entity's management based on prior experience and their assessment of the current economic environment. 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:

<b>Description</b>	<b>Total amount Kshs</b>	<b>Fully performing Kshs</b>	<b>Past due Kshs</b>	<b>Impaired Kshs</b>
<b>At 30 June 2022</b>				
Receivables From Exchange Transactions	xxx	xxx	xxx	xxx
Receivables From Non-Exchange Transactions	xxx	xxx	xxx	xxx
Bank Balances	xxx	xxx	xxx	xxx
<b>Total</b>	<b>xxx</b>	<b>xxx</b>	<b>xxx</b>	<b>xxx</b>
<b>At 30 June 2021</b>				
Receivables From Exchange Transactions	xxx	xxx	xxx	xxx
Receivables From Non-Exchange Transactions	xxx	xxx	xxx	xxx
Bank Balances	xxx	xxx	xxx	xxx
<b>Total</b>	<b>xxx</b>	<b>xxx</b>	<b>xxx</b>	<b>xxx</b>

*(NB: The totals column should tie to the individual elements of credit risk disclosed in the entity's statement of financial position)*

**Kisumu County Alcoholic Drinks Control Fund**  
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**Notes to The Financial Statements (Continued)**

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the entity has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

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

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
<b>At 30 June 2024</b>				
Trade Payables	xxx	xxx	xxx	xxx
Current Portion Of Borrowings	xxx	xxx	xxx	xxx
Provisions	xxx	xxx	xxx	xxx
Employee Benefit Obligation	xxx	xxx	xxx	xxx
<b>Total</b>	<b>xxx</b>	<b>xxx</b>	<b>xxx</b>	<b>xxx</b>
<b>At 30 June 2023</b>				
Trade Payables	xxx	xxx	xxx	xxx
Current Portion Of Borrowings	xxx	xxx	xxx	xxx
Provisions	xxx	xxx	xxx	xxx
Employee Benefit Obligation	xxx	xxx	xxx	xxx
<b>Total</b>	<b>xxx</b>	<b>xxx</b>	<b>xxx</b>	<b>xxx</b>

**Notes To The Financial Statements (Continued)**

**c) Market risk**

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

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

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

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

**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
<b>At 30 June 2024</b>			
Financial Assets	xxx	xxx	xxx
Investments	xxx	xxx	xxx
Cash	xxx	xxx	xxx
Debtors/ Receivables			
<b>Liabilities</b>			
Trade And Other Payables	xxx	xxx	xxx
Borrowings	xxx	xxx	xxx
<b>Net Foreign Currency Asset/(Liability)</b>	<b>xxx</b>	<b>xxx</b>	<b>xxx</b>

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

**Notes To The Financial Statements (Continued)**

**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.

Description	Change in currency rate	Effect on surplus/ deficit	Effect on equity
	Kshs	Kshs	Kshs
<b>2024</b>			
Euro	10%	xxx	xxx
USD	10%	xxx	xxx
<b>2023</b>			
Euro	10%	xxx	xxx
USD	10%	xxx	xxx

**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 xxx (2022: Kshs xxx ). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs xxx (2021 – Kshs xxx).

**Kisumu County Alcoholic Drinks Control Fund**  
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**Notes To The Financial Statements (Continued)**

**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	2023-2024	2022-2023
	Kshs	Kshs
Revaluation reserve	xxx	xxx
Revolving fund	xxx	xxx
Accumulated surplus	xxx	xxx
<b>Total funds</b>	<b>xxx</b>	<b>xxx</b>
Total borrowings	xxx	xxx
Less: cash and bank balances	(xxx)	(xxx)
Net debt/(excess cash and cash equivalents)	xxx	xxx
<b>Gearing</b>	<b>xx%</b>	<b>xx%</b>

**29. Events after the reporting period**

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

**30. Ultimate and Holding Entity**

The entity is a County Public Fund established by xxx Act (*state the legislation establishing the Fund*) under the Ministry of xxx. Its ultimate parent is the County Government of XXX.

**31. Currency**

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

**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.

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

**Guidance Notes:**

- (i) Use the same reference numbers as contained in the external audit report.
- (ii) Obtain the “Issue/Observation” and “management comments”, required above, from final external audit report that is signed by Management.
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your Fund responsible for implementation of each issue.
- (iv) Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report to National Treasury.

Fund Manager/Accounting Officer (enter title of head of Fund)

Date.....27/09/2024.....

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**Annex II: Inter-Fund Confirmation Letter**  
*[Insert your Letterhead]*

*[Insert name of beneficiary Fund]*

*[Insert Address]*

The *[insert SC/SAGA/Fund name here]* wishes to confirm the amounts disbursed to you as at 30<sup>th</sup> June 2024 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 <i>[Insert name of beneficiary Fund]</i> as at 30 <sup>th</sup> June 2024							
Reference Number	Date Disbursed	Amounts Disbursed by <i>[SC/SAGA/Fund]</i> (Kshs) as at 30 <sup>th</sup> June 2024				Amount Received by <i>[beneficiary Fund]</i> (KShs) as at 30 <sup>th</sup> June 20xx (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
<b>Total</b>							

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

**Head of Accountants department of beneficiary Fund:**

Name ..... Sign ..... Date .....

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**Annex III: Reporting of Climate Relevant Expenditures**

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

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**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