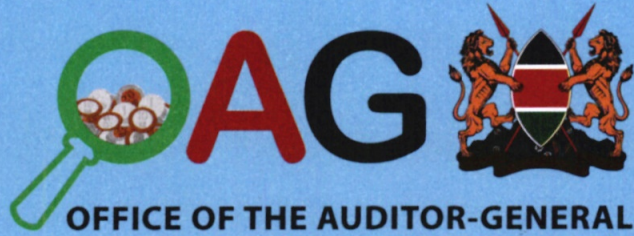


REPUBLIC OF KENYA



Enhancing Accountability

REPORT

OF

PAPERS LAID	
DATE	5/3/2024
TABLED BY	Maj. L
COMMITTEE	—
CLERK AT THE TABLE	Kavito

THE AUDITOR-GENERAL

ON

**UASIN GISHU COUNTY ALCOHOLIC
DRINKS CONTROL FUND**

**FOR THE YEAR ENDED
30 JUNE, 2023**



UASIN GISHU COUNTY ALCOHOLIC DRINKS CONTROL FUND

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2023

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



**Uasin Gishu County Alcoholic Drinks Control Fund
Reports and Financial Statements
For the year ended June 30, 2023**

Table of Contents

1. KEY ENTITY INFORMATION AND MANAGEMENT	ii
2. THE BOARD MEMBERS	v
3. STATEMENT OF PERFORMANCE AGAINST COUNTY ENTITY'S PREDETERMINED OBJECTIVES	vi
4. MANAGEMENT TEAM	vii
5. BOARD/FUND CHAIRPERSON'S REPORT	viii
6. REPORT OF THE FUND MANAGER/ ADMINISTRATOR	ix
7. CORPORATE GOVERNANCE STATEMENT	x
8. MANAGEMENT DISCUSSION AND ANALYSIS	xii
9. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING	xiii
10. REPORT OF THE BOARD	xiv
11. STATEMENT OF MANAGEMENT'S RESPONSIBILITIES	xv
12. REPORT OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF UASIN GISHU COUNTY ALCOHOLIC DRINKS CONTROL FUND	xvi
13. FINANCIAL STATEMENTS	1
13.1 STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 TH JUNE 2023.	
13.2 STATEMENT OF FINANCIAL POSITION AS AT 30 TH JUNE 2023	2
13.3 STATEMENT OF CHANGES IN NET ASSETS AS AT 30 TH JUNE 2023	3
13.4 STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 TH JUNE 2023.....	4
13.5 STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE PERIOD ENDED 30 TH JUNE 2023.	5
14. NOTES TO THE FINANCIAL STATEMENTS	21
15. PROGRESS ON FOLLOW UP OF PRIOR YEAR AUDITOR'S RECOMMENDATIONS	33
16. APPENDIX I: INTER-ENTITY TRANSFERS	36

1. KEY ENTITY INFORMATION AND MANAGEMENT

a) Background information

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

The fund's objective is to:

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

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

b) Principal Activities

Vision

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

Mission

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

Core Objectives

- a) To develop legal and policy framework that will help in supply reduction of alcohol and drugs abuse through new control mechanisms and strengthening the existing ones
- b) To reduce demand for alcohol and drugs abuse through substance abuse prevention activities and addiction treatment through establishment of accessible treatment and rehabilitation facilities.
- c) To encourage inter-agency coordination and collaboration
- d) To partner and network with individuals, civil society organizations, faith based organizations and private organizations involved in the fight against alcohol and drug abuse.

**Uasin Gishu County Alcoholic Drinks Control Fund
Reports and Financial Statements
For the year ended June 30, 2023.**

c) Board of Trustees/Fund Administration Committee

Ref	Position	Name
	Chairperson of the Board	Josephine Tarus
1	Chief Officer	Joyce Sang
2	Chief Officer finance	Eliud K Chemaget
3	Board Member	Philip Cheruiyot Rono
4	Board Member	Elijah Matelong Cherus
6	Fund Manager/ Administrator	Koiya Arap Maiyo

d) Key Management

Ref	Position	Name
1	Fund Manager/ Administrator	Koiya Arap Maiyo
2	Fund Accountant	CPA Lagat Daniel Kipkoech

e) Fiduciary Oversight Arrangements

Ref	Position	Name
1	Directorate Internal Audit	Mary Kiarie
2		
3		

e) Alcoholic Drinks Control Fund Headquarters

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

f) Fund Contacts

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

g) Fund Bankers

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

**Uasin Gishu County Alcoholic Drinks Control Fund
Reports and Financial Statements
For the year ended June 30, 2023.**

h) Independent Auditors

Auditor General

Office of The Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

i) Principal Legal Adviser

The County Attorney

County Government of Uasin Gishu





Uganda Road

P.O. Box 40-30100

ELDORET, KENYA

**Uasin Gishu County Alcoholic Drinks Control Fund
Reports and Financial Statements
For the year ended June 30, 2023.**

2. THE BOARD MEMBERS

Name	Name Details of qualifications and experience
 Josephine Tarus	Chairperson of the Uasin Gishu County Alcoholic Drinks Control Board. Diploma in County Governance from Jomo Kenyatta University of Agriculture and Technology Diploma In Business Management from Excel Institute Holder of Silver Award from African Institute of Research and Development Studies
 Philip Cheruiyot Rono	Member of the Uasin Gishu County Alcoholic Drinks Control Board. Diploma in Theology from Harvert Bible College Certificate of Theology from Thompson Bible International Institute Certificate of Ordination from United Pentecostal Evangelistic Crusade
 Elijah Matelong Cherus	Member of the Uasin Gishu County Alcoholic Drinks Control Board. Doctorate Degree of Philosophy from Moi University Master's Degree in Cultural and Religious Studies from NLA University Norway Bachelor of Arts Degree in Cultural and Religious Studies from Moi University Diploma in Religious Studies from Moi University Certificate in Strategic Leadership in Development Programme from the Kenya School of Government
 Koiya Arap Maiyo	Currently the Secretary to the Uasin Gishu County Alcoholic Drinks Board. The Fund Administrator to the Uasin Gishu County Alcoholic Drinks Control Fund. Bachelor of Science (HRM)-Kampala University, MBA (Behavioural Science)-Mount Kenya University (2011), ongoing Doctor of Philosophy (HRM)JKUAT Former manager Town Manager Moi's Bridge. Former Ward Administrator-Kapkures Uasin Gishu County. Former Part Time Lecturer-University of Kabianga, Masinde Muliro, Kibabii University, Kisii University and Mount Kenya University. Former teacher-Kalyet Secondary School.

**Uasin Gishu County Alcoholic Drinks Control Fund
Reports and Financial Statements
For the year ended June 30, 2023.**

**3. STATEMENT OF PERFORMANCE AGAINST COUNTY ENTITY'S
PREDETERMINED OBJECTIVES**

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

During the year under review, the Uasin Gishu County Alcoholic Drinks Control Fund had objectives and the achievements as shown in the table below.

Ref	Objectives	Outcome	Indicator	Performance
1.	To conduct inspection of liquor outlets for licensing	Check the requirements of premises as recommended by the inspection team before the issuance of liquor licenses	61% of the premises were approved for the year 2022 liquor licensing	In FY 2022/2023, the licensed premises decreased by 22% following the political influences
2.	To Sensitize the public on Alcohol and Drug Abuse Issues	Enlighten the public on the dangers of alcohol and drug abuse	90 % of the residents of Uasin Gishu County were reached during sensitization programmes and educated on the issues of Alcohol and Drug Abuse	In FY 2022/2023 the sensitization meetings increased by 40% following decreased rate of Covid-19 infections, low political influences and participation of the Uasin Gishu County residents
3.	To rehabilitate alcoholic and drug addicts	Treat and counsel, the addicts through rehabilitation centres and after care programmes so as to live drug free lives.	85 % of the residents of Uasin Gishu County were rehabilitated through rehabilitation centres, after care programmes and family interventions.	In FY 2022/2023 rehabilitation services increased by over 30% due to diversified rehabilitation services from various rehabilitation centres and increased rate of after care and follow up programmes

**Uasin Gishu County Alcoholic Drinks Control Fund
Reports and Financial Statements
For the year ended June 30, 2023.**

4. MANAGEMENT TEAM

Name	Details of qualifications and experience
 DR SAM KOTUT	<p>Currently the county executive committee member for health services-Uasin Gishu County Government.</p> <p>Former Deputy Registrar for Students Affairs at Moi university. A Research Analyst Teaching Operations Research, Research Methods, and Marketing Management. Former Principal Administrative Officer (Research Dissemination and uptake including technology transfer and innovations)</p> <p>Former Principal Administrative Officer (Administrative functions of the Department of Research, Extension & Outreach).</p>
 MICAH ROGONY	<p>Currently the County Executive Committee Member CECM Finance and Economic Planning Uasin Gishu County Government.</p>
 Koiya Arap Maiyo	<p>Currently the Secretary to the Uasin Gishu County Alcoholic Drinks Board. The Fund Administrator to the Uasin Gishu County Alcoholic Drinks Control Fund.</p> <p>Bachelor of Science (HRM)-Kampala University, MBA (Behavioural Science)-Mount Kenya University (2011), ongoing Doctor of Philosophy (HRM)JKUAT</p> <p>Former manager Town Manager Moi's Bridge. Former Ward Administrator-Kapkures Uasin Gishu County. Former Part Time Lecturer-University of Kabianga, Masinde Muliro, Kibabii University, Kisii University and Mount Kenya University Kalyet Secondary School.</p>
 CPA LAGAT DANIEL .K	<p>Currently the Fund Accountant for the Uasin Gishu County Alcoholic Drinks Control Fund.</p> <p>Master of Science in Finance and Accounting-Jomo Kenyatta University of Agriculture and Technology. Bachelor of Commerce (Finance Option)-Chuka University. Higher National Diploma (Human Recourse Management)-Eldoret Technical Training Institute. A Certified Public Accountant CPA K. Associate Diploma-Kenya Institute of Bankers</p>

5. BOARD/FUND CHAIRPERSON'S REPORT

Section 4 (1) of the Uasin Gishu County Alcoholic Drinks Control Act, 2014 outlines that there is established the County Alcoholic Drinks Control Board which shall be a body co-operate with perpetual succession capable of entering into contracts, suing and being sued on its own name. The Board members were appointed on 1st November, 2020 and inaugurated on 21st January, 2021. The Board is a team of Five (5) members who are competent and dedicated to provision of quality services to the residents of Uasin Gishu County. The induction training for the Board Members was conducted in March 2021 hence equipping the team with the right knowledge and skills of performing as per the mandate.

The Board in July 2022 approved the fund's budget as its important mandate. The Work Plan also was revised and approved so as to ensure that the activities of the fund are carried out for the benefit of the residents of Uasin Gishu County.

The Board during the year under review approved the inspection exercise of One Thousand Five Hundred Thirty-Seven (1,537) liquor outlets sourced from the applications received from interested proprietors within Uasin Gishu County. The Board further approved Nine Hundred Thirty-Eight (938) successful liquor outlets sourced from licensing committee report for the year 2023 liquor licensing.

During the year under review, the Board Members reviewed and forwarded Regulation Policy and Treatment and Rehabilitation Policy to the County Cabinet for approval. The Board through the support of County Executive Committee Member for Health Services has continued seeking advices from higher authorities in establishing the county rehabilitation centre.

The Board supported the activities of the fund through the programme officers in carrying out prevention and advocacy campaigns in learning institutions, churches, and public barazas and in the work place. Further, the board sponsored the alcoholic addicts referred by the programme officers after their assessment for rehabilitation in other accredited rehabilitation centres. The officers further conducted after care programmes, family interventions and monitoring of the formed Alcohol Anonymous Groups

The Board Members are committed in collaborating with other stakeholders so as to ensure that this fund is providing the best and satisfactory services to the residents of Uasin Gishu County



JOSEPHINE TIREITO TARUS
CHAIRPERSON ALCOHOLIC DRINKS CONTROL BOARD.

6. REPORT OF THE FUND MANAGER/ ADMINISTRATOR

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

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

In the 2022/2023 financial year, there was an overall improvement in fiscal performance compared to the previous year. During the period under review, the revenue collected dropped as compared to the previous financial year. This is attributed to political influences that rendered most premises not to comply. The fund has strategized to deal with the non-compliant premises immediately after the election period.

The fund conducted several sensitization meetings on alcohol and drug abuse, carried out prevention and advocacy meetings in learning institutions, churches and public gatherings. The fund also sponsored some individuals to rehabilitation centres for addiction counselling and treatment. The fund has started its treatment, rehabilitation and skills development unit in Moiben Sub County Hospital so as to help sensible number of alcoholic addicts and drug abusers in Uasin Gishu County.

During the year under review, the Uasin Gishu County Alcoholic Drinks Control Fund staff received payment of their salaries amounting to Nine Million Six Hundred Fifty Seven Thousand Four Hundred and Eighty six Shillings (Kshs 9,657,486) from the Uasin Gishu County Treasury

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



KOIYA ARAP MAIYO
FUND ADMINISTRATOR
UASIN GISHU COUNTYALCOHOLIC DRINKS CONTROL FUND

7. CORPORATE GOVERNANCE STATEMENT

Alcoholic Drinks Control Board came into office vide the Uasin Gishu County Alcoholic Drinks Control Act (2012). The Board members were sworn into office in mid-January 2015 but their term came to an end in December 2018. The current Board Members were sworn to office in January 2021. During the year under review, the Board Members had Forty Eight (48) sittings.

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

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

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

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

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

Functions of the Board

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

**Uasin Gishu County Alcoholic Drinks Control Fund
Reports and Financial Statements
For the year ended June 30, 2023.**

The fund administrator is looking forward to the amendment of the Uasin Gishu County Alcoholic Drinks Control Act, 2014 so as to ensure that the fund's activities are fully conducted as per its Act.

Induction and Training

The Board Members were inducted and trained in March 2021, at Chebarorwa Agricultural Training Centre (ATC)

Board Remuneration

Pursuant to Part II Sub-Section (5) of The Uasin Gishu County Alcoholic Drinks Control Act, 2014, the County Public Service Board sought advisory from SRC and sitting allowances were determined as follows:

- i. Chairperson- Kshs 12,000
- ii. Vice Chairperson- Kshs 10,000
- iii. Members- Kshs 8,000

The Uasin Gishu County Alcoholic Drinks Control Board is committed in the service delivery as by as per the mandate outlined in the Uasin Gishu County Alcoholic Drinks Control Act, 2014.

8. MANAGEMENT DISCUSSION AND ANALYSIS

The Uasin Gishu County Alcoholic Drinks Control Fund had good progress during the financial year 2022/2023. The fund conducted several sensitization meetings through the programme officers with the main aim of educating the community on effects of alcohol and drug abuse.

The fund received applications of 2023 liquor licenses in the month of December 2022. One Thousand Five Hundred Thirty-Seven (1,537) applications were received. Inspection for the applied liquor outlets was conducted in the month of January, 2023 and Nine Hundred Thirty-Eight (938) liquor outlets were approved for the 2023 liquor licensing and this resulted to 61% of the total applicants. The approved premises comprised of 175 Hotels, 480 General Retailers, 262 Wines and Spirits, 10 Night Clubs, 1 Members Club and 10 Supermarkets. The enforcement team worked tirelessly during the year and several offenders (Selling before and after stipulated hours, operating without liquor licenses, illicit brewers and drunk & disorderliness) were arrested, charged and fined in the County Municipal Court. The total fines charged to the offenders during the year under review were Kshs 8,764,179.

The fund during the year under review sponsored Thirty Nine (39) alcoholic addicts to various NACADA Accredited Rehabilitation Centres in the Uasin Gishu County for a three-month session of psychology counselling and treatment. Over Two Thousand Five Hundred (2,000) people were helped through after care follow ups and Alcohol Anonymous (AA) groups. The fund also conducted work place alcohol and drug abuse sensitizations programmes and Fifty (50) employees were helped. The fund has been able to achieve all these through the services of its programme officers for Prevention & Advocacy and Treatment & Rehabilitation. However, the fund did not achieve its plan of constructing a rehabilitation centre during the financial year under review. However, this process is underway.

The fund realized several issues of concern in Uasin Gishu Alcoholic Drinks Control Act, 2014; an Act that established the fund and the Fund Administrator there is need to initiate the process of amending the Act. The Fund is also in the process of documenting its Regulation Policy.

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

9. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

The Alcoholic Drinks Control Board during the year under review conducted several public barazas, sensitization meetings, family interventions, treatment and rehabilitation and after care programmes.

The board through public barazas was able to create awareness to the public on the issues of alcohol and drug abuse and the importance of living drug free lives. The residents of Uasin Gishu County in various regions through prevention and advocacy programmes were educated on other alternatives of generating income while embracing education and spiritual matters. The youths also through youth extravaganzas were counselled and advised to be committed in their education, work places and to respect their elders as a way of their prosperity.

The board through the programme officers carried out several family interventions as a way of re-uniting families that had been affected by alcoholism. This exercise is of great impact to the society since a re-united family forms a functional unit in the community that gives an opportunity for family progress and success to the children in the long run. Family intervention also is very crucial to the society since it reduces the cases of family conflicts, social crimes and poverty.

The board during the year under review sponsored several individuals to the rehabilitation centres for psychology counselling and treatment. Several others were also rehabilitated through after care programmes. This programme is of great impact to the society since it restores hopes for the families of the alcoholic addicts, it gives employment opportunities to the rehabilitated individuals, it secures jobs for the rehabilitated persons who had been served with warning letters by the employers and it gives opportunity for Christianity to the rehabilitees which is a livelihood of every active society.

10. REPORT OF THE BOARD

The Board Members submit their report together with the financial statements for the year ended June 30, 2023 which show the state of the Fund affairs.

Principal activities

The principal activities of the Fund are:

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

Results

The results of the Fund for the year ended June 30, 2023 are set out on page 1

Board

The members of the Board were in office for Twelve (12) months during the year under review. Their term began on 1st November, 2021, a contract for Three (3) years.

Auditors

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

By Order of the Board
Uasin Gishu County Alcoholic Drinks Control Fund

Sign:

Name: JOSEPHINE TARU

Chairperson of the Board

Date: 15/12/2023

11. STATEMENT OF MANAGEMENT'S RESPONSIBILITIES

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

The Administrator of the Alcoholic Drinks Control Fund is responsible for the preparation and presentation of the Fund's financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 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 Alcoholic Drinks Control Fund accepts responsibility for the Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and Uasin Gishu County Alcoholic Drinks Control Act, 2014. The Administrator of the Fund is of the opinion that the Fund's financial statements give a true and fair view of the state of Fund's transactions during the financial year ended June 30, 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 Alcoholic Drinks Control Fund has assessed the Fund's ability to continue as a going concern and disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements. Nothing has come to the attention of the Administrator to indicate that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Fund's financial statements were approved by the Board on _____ 2023 and signed on its behalf by:



The official stamp is circular with a purple border. The text inside the stamp reads "GOVERNMENT OF UASIN GISHU COUNTY" around the top and "ALCOHOLIC DRINKS CONTROL FUND" around the bottom. In the center, it says "DIRECTOR".

Koiya Arap Maiyo
Fund Administrator Uasin Gishu County Alcoholic Drinks Control Fund

REPUBLIC OF KENYA

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

REPORT OF THE AUDITOR-GENERAL ON UASIN GISHU COUNTY ALCOHOLIC DRINKS CONTROL FUND FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

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

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

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Uasin Gishu County Alcoholic Drinks Control Fund set out on pages 1 to 35, which comprise of the statement of financial

position as at 30 June, 2023, and the statement of financial performance, statement of changes in net assets, statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Uasin Gishu County Alcoholic Drinks Control Fund as at 30 June, 2023, 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 Uasin Gishu County Alcoholic Drinks Control Act, 2014, the Public Finance Management Act, 2012 and the County Governments Act, 2012.

Basis for Qualified Opinion

1. Failure to Maintain Counterfoil License Book Register

The statement of financial performance reflects total revenue from non-exchange transactions of Kshs.66,120,986 which includes fines, penalties and other levies of Kshs.56,463,500 as disclosed in Note 3 to the financial statements. Review of records provided revealed that fifteen licence receipt books had been used to collect money from several revenue streams as licence fees during the financial year. However, the Management did not keep and maintain counterfoil receipt book register tracking all receipts book issued, receipts books that are completed and returned to the store duly signed and the receipt books that are in operation collecting revenues.

In the circumstances, the accuracy and completeness of the licence fees raised amounting to Kshs.56,463,500 could not be confirmed.

2. Failure to Provide Ageing Analysis for Receivables from Exchange Transactions

The statement of financial position reflects current portion of long-term receivables from exchange transactions of Kshs.6,647,700 which relates to other exchange debtors as disclosed in Note 11 to the financial statements. However, Management did not provide ageing analysis of debtors together with measures put in place to ensure full collection of the receivables. Further, there was no evidence that Management has made any provisions for non-collection of the receivables.

In the circumstances, the accuracy, completeness and recoverability of receivables balance of Kshs.6,647,700 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Uasin Gishu County Alcoholic Drinks Control Fund Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in

Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.75,815,262 and Kshs.79,428,762 respectively resulting to an over collection of Kshs.3,613,500 or 105% of the budget. Similarly, the Fund spent Kshs.70,046,778 against an approved budget of Kshs.75,815,262 resulting to an under-expenditure of Kshs.5,768,484 or 8% of the budget.

The under-expenditure may have affected the planned activities and impacted negatively on service delivery to the public.

My opinion is however not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

Other Matter

Unresolved Prior Year Matters

The audit report for the year ended 30 June, 2022 raised several unsatisfactory issues under Report on the Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources. However, the issues remained unresolved as at 30 June, 2023. Management has not provided reasons for the delay in resolving the issues.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Inadequate Board Composition

As previously reported, the Fund's records revealed that the three-year term of six (6) board members for Uasin Gishu County Alcoholic Drinks Control Fund ended on

31 December, 2018. The Governor appointed five (5) new members but one abstained and only four went to the County Assembly for vetting. A resolution was passed on 11 June, 2020 by the County Assembly that recommended four members to be appointed as new board members by the Governor. The appointment letters for the new members were signed on 10 November, 2020. However, at the time of audit no documentary evidence was provided to show efforts made to replace the other two directors. In this regard, the Board was not fully constituted contrary to Section 4(3) of the Uasin Gishu County Alcoholic Drinks Control Act, 2014 which states that the Board shall be composed of the Director who shall be the head and six (6) other members who shall be appointed by the Governor or recommendation of the County Public Service Board approved by the County Assembly.

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

2. Lack of Bank Signatory by the Fund Director

The Fund was established under the Uasin Gishu County Alcoholic Drinks Control Act, 2014. Section 7(1) of the Uasin Gishu County Alcoholic Drinks Control Act, 2014 indicates that the Fund shall be administered by the Director. Section 7(3)(c) of the Act further elaborate duties of the Director which includes among others to cause to be kept proper books of account and other books and records in relation to the Fund as well as to all the various activities and undertakings of the Fund. However, it was observed that the Director was not a signatory to the bank account of the Fund as this was being undertaken by an Accountant of the Municipal Board and the Director Finance of Uasin Gishu County Executive.

In the circumstance, it was not clear why the Director who administers the activities of the Fund is not included as the bank signatory.

3. Non-Remittance of Revenue from Non-Exchange Transactions

The statement of financial performance reflects revenues from non-exchange transactions of Kshs.66,120,986 which includes revenues from fines, penalties and other levies of Kshs.56,463,500 as disclosed in Note 3 to the financial statements. However, review of records provided revealed that penalties and fines of Kshs.8,764,179 which were charged to various offenders were not remitted to the Uasin Gishu County Alcoholic Drinks Control Fund account but instead was remitted into the Uasin Gishu County Revenue Fund account contrary to Section 6(2) (c) of the Uasin Gishu County Alcoholic Drinks Control Act, 2014 which requires that the Uasin Gishu County Alcoholic Drinks Control Fund should consist of sums as may be realized from fines imposed and property forfeited to the County Government under this Act.

In the circumstances, Management was in breach of the law. Further, the accuracy and completeness the revenue from non- exchange transactions of Kshs.56,463,500 could not be confirmed.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance

about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

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

Basis for Conclusion

1. Lack of Risk Management Policy

As previously reported, the Uasin Gishu County Alcoholic Drinks Control Fund did not have a risk management policy in place or formal risk assessments performed during the year under review contrary to Regulation 158 (1)(a) and (b) of the Public Finance Management (County Governments) Regulations, 2015 which requires the Accounting Officer to ensure that the county government entity develops risk management strategies, which include fraud prevention mechanism and the county government entity develops a system of risk management and internal control that builds robust business operations.

In the circumstances, the Fund lacked strategies of fraud prevention mechanisms and identification of threats and hence may not manage its risks.

2. Lack of Debt Management Policy

The statement of financial position reflects current portion of long-term receivables from exchange transaction amount of Kshs.6,647,700 which relates to other exchange debtors as disclosed in Note 11 to the financial statements. However, the Fund does not have a debt management policy to provide formal guidance on debt management.

In the absence of a debt management policy, there may be lack of guidance on recoverability of the debts.

3. Failure to Establish County Alcoholic Drinks Regulations Appeals Committee

During the year under review one thousand five hundred and thirty-seven (1,537) license applications were received by the county licensing committees out of which nine hundred and thirty-seven (937) applications were approved and five hundred and seventy-three (573) applications were rejected. However, more than twenty-six (26) license applicants whose applications had been rejected appealed the decision through the same County licensing committees as the Management failed to establish County Alcoholic Drinks Regulations Appeal committees to oversee the decisions made by the licensing

committees. This denied the residents of Uasin Gishu County alcoholic drink business operators a chance to be given fair hearing on the decisions made by the county committees.

In the circumstances, the Fund may have lost revenues that may have been realized out of successful appeals.

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

Those charged with governance are responsible for overseeing the Fund'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

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error,

and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229 (7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.


As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures, as I consider necessary in the circumstances.

I communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and where applicable, related safeguards.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

31 January, 2024

**Uasin Gishu County Alcoholic Drinks Control Fund
Reports and Financial Statements
For the year ended June 30, 2023**

13. FINANCIAL STATEMENTS

**13.1 STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED
30TH JUNE 2023.**

	Note	2022/2023	2021/2022
		KShs	KShs
Revenue from non-exchange transactions			
Public contributions and donations	1	-	-
Transfers from the County Government	2	9,657,486	8,178,100
Fines, penalties and other levies	3	56,463,500	41,550,500
Total Revenue from non-exchange transactions		66,120,986	49,728,600
Revenue from exchange transactions			
Interest income	4	-	-
Other income	5	-	-
Total Revenue from exchange transactions		-	-
Total revenue		66,120,986	49,728,600
Expenses			
Fund administration expenses	6	9,657,486	8,178,100
General expenses	7	60,389,292	46,318,340
Finance costs	8	-	-
Total expenses		70,046,778	54,496,440
Other gains/losses			
Gain/loss on disposal of assets	9	-	-
Surplus/(deficit) for the period		(3,925,792)	(4,767,840)

The notes set out on pages 21 to 32 form an integral part of these Financial Statements.

Koiya Arap Maiyo
Fund Administrator

Jkikat
CPA Lagat Daniel Kipkoeh
ICPAK NO: 29825
Fund Accountant

**Uasin Gishu County Alcoholic Drinks Control Fund
Reports and Financial Statements
For the year ended June 30, 2023**


13.2 STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2023

	Note	2022/2023	2021/2022
		KShs	KShs
Assets			
Current assets			
Cash and cash equivalents	10	11,523,109	13,307,776
Current portion of long- term receivables from exchange transactions	11	6,647,700	6,318,000
Receivables from Non- exchange transactions	12	-	-
Prepayments	13	-	387,883
Inventories	14	-	-
Total Current Assets		18,170,809	20,013,659
Non-current assets			
Long term receivables from exchange transactions	11	-	-
Property, plant and equipment	15	6,493,316	8,634,441
Intangible assets	16	-	-
Total Non- current Assets		6,493,316	8,634,441
Total assets		24,664,125	28,648,100
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	17	-	58,183
Provisions	18	-	-
Current portion of borrowings	19	-	-
Employee benefit obligations	20	-	-
Non-current liabilities		-	-
Long term portion of borrowings	19	-	-
Non-current employee benefit obligation	20	-	-
Total liabilities		-	58,183
Net assets		24,664,125	28,589,917
Revolving Fund		-	-
Reserves	21	14,640,444	14,640,444
Accumulated surplus	21	10,023,681	13,949,473
Total net assets and liabilities		24,664,125	28,589,917

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 _____ 2023 and signed by:


Koiya Arap Maiyo

Fund Administrator


CPA Lagat Daniel Kipkoech
ICPAK NO: 29825
Fund Accountant

**Uasin Gishu County Alcoholic Drinks Control Fund
Reports and Financial Statements
For the year ended June 30, 2023.**

13.3 STATEMENT OF CHANGES IN NET ASSETS AS AT 30TH JUNE 2023

	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
		KShs	KShs	KShs
Balance as at 1 July 2021	14,640,444	-	18,717,313	33,357,757
Surplus/(deficit) for the period	-	-	(4,767,840)	(4,767,840)
Funds received during the year	-	-	-	-
Capital funds- Fund Assets at cost as at 30 June 2022	-	-	-	-
Revaluation gain	-	-	-	-
Balance as at 30 June 2022	14,640,444	-	13,949,473	28,589,917
Balance as at 1 July 2022	14,640,444	-	13,949,473	28,589,917
Surplus/(deficit) for the period	-	-	(3,925,792)	(3,925,792)
Funds received during the year	-	-	-	-
Capital funds- Fund Assets at cost as at 30 June 2023	-	-	-	-
Revaluation gain	-	-	-	-
Balance as at 30 June 2023	14,640,444	-	10,023,681	24,664,125



Koiya Arap Maiyo

Fund Administrator

J. Kipkoech
CPA Lagat Daniel Kipkoech
ICPAK NO: 29825
Fund Accountant


**Uasin Gishu County Alcoholic Drinks Control Fund
Reports and Financial Statements
For the year ended June 30, 2023.**

**13.4 STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE
2023**

	Note	2022/2023	2021/2022
		KShs	KShs
Cash flows from operating activities			
Receipts			
Public contributions and donations	1	-	-
Transfers from the County Government	2	9,657,486	8,178,100
Interest received		-	-
Receipts from other operating activities	3	56,463,500	34,902,800
Total Receipts		66,120,986	43,080,900
Payments			
Fund administration expenses	6	9,657,486	8,178,100
General expenses	7	58,248,167	43,427,645
Finance cost	8	-	-
Total Payments		67,905,653	51,605,745
Net cash flows from operating activities		(1,784,667)	(8,524,845)
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets	15	-	-
Proceeds from sale of property, plant and equipment		-	-
Proceeds from loan principal repayments		-	-
Loan disbursements paid out		-	-
Net cash flows used in investing activities		-	-
Cash flows from financing activities			
Proceeds from revolving fund receipts		-	-
Additional borrowings		-	-
Repayment of borrowings		-	-
Net cash flows used in financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		(1,784,667)	(8,524,845)
Cash and cash equivalents at 1 JULY 2022	10	13,307,776	21,832,621
Cash and cash equivalents at 30 JUNE 2023	10	11,523,109	13,307,776


Koiya Arap Maiyo

Fund Administrator


CPA Lagat Daniel Kipkoech
ICPAK NO: 29825
Fund Accountant

Uasin Gishu County Alcoholic Drinks Control Fund
 Reports and Financial Statements
 For the year ended June 30, 2023

**13.5 STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE PERIOD ENDED
 30TH JUNE 2023.**

	Original budget	Adjustments	Final budget	Actual on comparable basis	Utilization %
	2023	2023	2023	2023	2023
	Kshs	KShs	KShs	KShs	
Revenue					
Public contributions and donations	-	-	-	-	
Transfers from County Govt.	-	9,657,486	9,657,486	9,657,486	100%
Interest income	-	-	-	-	
Other income	52,850,000	-	52,850,000	56,463,500	76%
Cash and cash equivalents	-	13,307,776	13,307,776	13,307,776	100%
Total income	52,850,000	22,965,262	75,815,262	79,428,762	105%
Expenses					
Fund administration expenses	3,000,000	9,657,486	12,657,486	9,657,486	76%
General expenses	48,850,000	13,307,776	62,157,776	60,389,292	97%
Acquisition of assets	1,000,000	-	1,000,000	0	0%
Finance cost	-	-	-	-	
Total expenditure	52,850,000	22,965,262	75,815,262	70,046,778	92%
Surplus for the period	-	-	-	9,381,984	

13.6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. 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.

**Uasin Gishu County Alcoholic Drinks Control Fund
Reports and Financial Statements
For the year ended June 30, 2023.**

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Adoption of new and revised standards

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

Standard/ Amendments : Applicable: 1 st January 2021:	Impact
a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks	There was no impact of the amendment to IPSAS 13 with respect to the current financial report
b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment. Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved	There was no impact of the amendment to IPSAS 13 and IPSAS 17 with respect to the current financial report
c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets. Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets.	There was no impact of the amendment to IPSAS 21 and IPSAS 26 with respect to the current financial report as the entity does not have Non-Cash Generating Assets and neither did it have impaired cash generating assets.
d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs). Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard	There was no impact

**Uasin Gishu County Alcoholic Drinks Control Fund
Reports and Financial Statements
For the year ended June 30, 2023.**

b) New and amended standards and interpretations in issue effective in the year ended 30 June 2023

Standard	Effective date and impact:
<p>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1st January 2022:</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity’s future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset’s cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity’s risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2022</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <p>(a) The nature of such social benefits provided by the entity;</p> <p>(b) The key features of the operation of those social benefit schemes; and</p>

**Uasin Gishu County Alcoholic Drinks Control Fund
 Reports and Financial Statements
 For the year ended June 30, 2023.**

Standard	Effective date and impact:
	(c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows.
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	<p>Applicable: 1st January 2022:</p> <p>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</p> <p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>

**Uasin Gishu County Alcoholic Drinks Control Fund
Reports and Financial Statements
For the year ended June 30, 2023.**

c) Early adoption of standards

The entity adopted the new or amended standards in year 2020/2021.

3. 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.

4. Budget information

The original budget for FY 2022/2023 was approved by the Uasin Gishu County Alcoholic Drinks Control Board on 5th July, 2022. 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.

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

In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

**Uasin Gishu County Alcoholic Drinks Control Fund
Reports and Financial Statements
For the year ended June 30, 2023.**

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actual as per the statement of financial performance has been presented under section 13.1 of these financial statements.

5. 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.

Assets are depreciated using reducing balances method at the following annual rates:

- i. Motor Vehicles (25%)
- ii. Furniture and fittings (12.5%)
- iii. Computer and equipment (33.30%)

2. 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.

3. Financial instruments

a) Financial assets

Initial recognition and measurement

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Entity determines the classification of its financial assets at initial recognition.

Loans and receivables

**Uasin Gishu County Alcoholic Drinks Control Fund
Reports and Financial Statements
For the year ended June 30, 2023.**

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

Held-to-maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Entity has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

Impairment of financial assets

The Entity assesses at each reporting date whether there is objective evidence that a financial asset or an entity of financial assets is impaired. A financial asset or an entity of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the entity of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

- The debtors or an entity of debtors are experiencing significant financial difficulty
- Default or delinquency in interest or principal payments
- The probability that debtors will enter bankruptcy or other financial reorganization
- Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

b) Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Entity determines the classification of its financial liabilities at initial recognition.

**Uasin Gishu County Alcoholic Drinks Control Fund
Reports and Financial Statements
For the year ended June 30, 2023.**

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

Loans and borrowing

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate

4. 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.

5. 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.

**Uasin Gishu County Alcoholic Drinks Control Fund
Reports and Financial Statements
For the year ended June 30, 2023.**

Where the Entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Contingent liabilities

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

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.

6. Nature and purpose of reserves

The Entity has not created and does not maintain reserves in terms of specific requirements.

7. 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.

8. 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

**Uasin Gishu County Alcoholic Drinks Control Fund
Reports and Financial Statements
For the year ended June 30, 2023.**

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.

9. 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.

10. 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.

11. 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/Trustee, the Fund Managers and Fund Accountant.

12. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank. Bank account balances include amounts held at the Kenya Commercial Bank at the end of the financial year.

13. Comparative figures

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

14. Events after the reporting period

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

15. Ultimate and Holding Entity

The entity is a County Public Fund established by the Uasin Gishu County Alcoholic Drinks Control Act, 2014 under the Department of Health Services. Its ultimate parent is the County Government of Uasin Gishu.

16. Currency

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

**Uasin Gishu County Alcoholic Drinks Control Fund
Reports and Financial Statements
For the year ended June 30, 2023.**

17. 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.

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:

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

c) Provisions

No provisions were raised during the year under review

18. 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.

**Uasin Gishu County Alcoholic Drinks Control Fund
Reports and Financial Statements
For the year ended June 30, 2023.**

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

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

	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2021				
Receivables from exchange transactions	6,318,000	6,318,000	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	13,307,776	13,307,776	-	-
Total	19,625,776	19,625,776	-	-
At 30 June 2023				
Receivables from exchange transactions	6,647,700	6,647,700	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	11,523,109	11,523,109	-	-
Total	18,170,809	18,170,809	-	-

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.

**Uasin Gishu County Alcoholic Drinks Control Fund
Reports and Financial Statements
For the year ended June 30, 2023.**

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

	Less than 1 month	Between 1- 3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2022				
Trade payables	58,183	-	-	58,183
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	58,183	-	-	58,183
At 30 June 2023				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	-	-	-	-

c) Market risk

The board has put in place an internal audit function to assist it in assessing the risk faced by the entity on an on-going 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.

d) Foreign currency risk

**Uasin Gishu County Alcoholic Drinks Control Fund
Reports and Financial Statements
For the year ended June 30, 2023.**

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

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

		Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June 2023			
Financial assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors/ receivables			
Liabilities			
Trade and other payables	-	-	-
Borrowings	-	-	-
Net foreign currency asset/(liability)	-	-	-

Foreign currency sensitivity analysis

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

	Change in currency rate	Effect on surplus/ deficit	Effect on equity
	KShs	KShs	KShs
2023			
Euro	10%	-	-
USD	10%	-	-
2022			
Euro	10%	-	-
USD	10%	-	-

e) 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.

**Uasin Gishu County Alcoholic Drinks Control Fund
Reports and Financial Statements
For the year ended June 30, 2023.**

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.

f) 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:

	2022/2023	2021/2022
	Kshs	Kshs
Revolving fund	-	-
Revaluation reserve	14,640,444	14,640,444
Accumulated surplus	10,023,681	13,949,473
Total funds	24,664,125	28,589,917
Total borrowings	-	-
Less: cash and bank balances	11,523,109	13,307,776
Net debt/ (excess cash and cash equivalents)	11,523,109	13,307,776
Gearing	-	-

**Uasin Gishu County Alcoholic Drinks Control Fund
Reports and Financial Statements
For the year ended June 30, 2023.**

14. NOTES TO THE FINANCIAL STATEMENTS

1. Public contributions and donations

Description	2022/2023	2021/2022
	KShs	KShs
Donation from development partners	-	-
Contributions from the public	-	-
Total	-	-

(Provide brief explanation for this revenue)

2. Transfers from County Government

Description	2022/2023	2021/2022
	KShs	KShs
Transfers from County Govt. – operations	-	-
Payments by County on behalf of the entity	9,657,486	8,178,100
Total	9,657,486	8,178,100

3. Fines, penalties and other levies

Description	2022/2023	2021/2022
	KShs	KShs
Late payment penalties	-	0-
Fines	-	-
Levies	-	-
Licences	56,463,500	41,550,500
Total	56,463,500	41,550,500

4. Interest income

Description	2022/2023	2021/2022
	KShs	KShs
Interest income from Mortgage loans	-	-
Interest income from car loans	-	-
Interest income from investments	-	-
Interest income on bank deposits	-	-
Total interest income	-	-

5. Other income

Description	2022/2023	2021/2022
	KShs	KShs
Insurance recoveries	-	-
Income from sale of tender documents	-	-
Miscellaneous income (specify)	-	-
Total other income	-	-

**Uasin Gishu County Alcoholic Drinks Control Fund
Reports and Financial Statements
For the year ended June 30, 2023.**

6. Fund administration expenses

Description	2022/2023	2021/2022
	KShs	KShs
Staff costs (Note 6a)	9,657,486	8,178,100
Loan processing costs	-	-
Professional services costs	-	-
Administration fees	-	-
Total	9,657,486	8,178,100

6A. Staff costs

Description	2022/2023	2021/2022
	KShs	KShs
Salaries and wages	9,657,486	8,178,100
Staff gratuity	-	-
Staff training expenses	-	-
Social security contribution	-	-
Other staff costs	-	-
Total	9,657,486	8,178,100

7. General expenses

Description	2022/2023	2021/2022
	KShs	KShs
Consumables	15,609,910	10,667,580
Electricity and water expenses	-	-
Fuel and oil costs	-	-
Insurance costs	-	-
Postage	-	-
Printing and stationery	2,510,850	1,489,820
Rental costs	446,066	729,770
Security costs	-	-
Telecommunication	-	-
Bank Charges	16,801	9,485
Hospitality	4,895,550	222,180
Depreciation and amortization costs	2,141,125	2,890,695
Other expenses	34,768,990	30,308,810
Total	60,389,292	46,318,340

8. Finance costs

Description	2022/2023	2021/2022
	KShs	KShs
Interest on Bank overdrafts	-	-

**Uasin Gishu County Alcoholic Drinks Control Fund
Reports and Financial Statements
For the year ended June 30, 2023.**

Interest on loans from banks	-	-
Total	-	-

9. Gain/(loss) on disposal of assets

Description	2022/2023	2021/2022
	KShs	KShs
Property, plant and equipment	-	-
Intangible assets	-	-
Total	-	-

10. Cash and cash equivalents

Description	2022/2023	2021/2022
	KShs	KShs
Car loan account	-	-
County mortgage account	-	-
Fixed deposits account	-	-
On – call deposits	-	-
Current account	11,523,109	13,307,776
Others	-	-
Total cash and cash equivalents	11,523,109	13,307,776

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

Financial institution	Account number	2022/2023	2021/2022
		KShs	KShs
a) Fixed deposits account			
Kenya Commercial bank		-	-
Equity Bank		-	-
Sub- total		-	-
b) On – call deposits			
Kenya Commercial bank		-	-
Equity Bank		-	-
Sub- total		-	-
c) Current account			
Kenya Commercial bank	1150930535	11,523,109	13,307,776
Bank B		-	-
Sub- total		11,523,109	13,307,776
d) Others(specify)			
Cash in transit		-	-
Cash in hand		-	-
Mobile Money		-	-
Sub- total		-	-
Grand total		11,523,109	13,307,776

**Uasin Gishu County Alcoholic Drinks Control Fund
Reports and Financial Statements
For the year ended June 30, 2023.**

11. Receivables from exchange transactions

Description	2022/2023	2021/2022
	KShs	KShs
Current Receivables		
Interest receivable	-	-
Current loan repayments due	-	-
Other exchange debtors	6,647,700	6,318,000
Less: impairment allowance	-	-
Total Current receivables	6,647,700	6,318,000
Non-Current receivables		
Long term loan repayments due	-	-
Total Non- current receivables	-	-
Total receivables from exchange transactions	6,647,700	6,318,000

Additional disclosure on interest receivable

Description	2022/2023	2021/2022
	KShs	KShs
Interest receivable		
Interest receivable from current portion of long-term loans of previous years	-	-
Accrued interest receivable from of long-term loans of previous years	-	-
Interest receivable from current portion of long-term loans issued in the current year	-	-
Current loan repayments due		
Current portion of long-term loans from previous years	-	-
Accrued principal from long-terms loans from previous periods	-	-
Current portion of long-term loans issued in the current year	-	-

**Uasin Gishu County Alcoholic Drinks Control Fund
Reports and Financial Statements
For the year ended June 30, 2023.**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12 Receivables from Non-Exchange transaction

Description	2022/2023	2021/2022
	KShs	KShs
Transfer from County Executive	-	-
Transfer from Uasin Gishu County Alcoholic Drinks Control Fund	-	-
Total receivables from non-exchange transactions	-	-

12. Prepayments

Description	2022/2023	2021/2022
	KShs	KShs
Prepaid rent	-	387,883
Prepaid insurance	-	-
Prepaid electricity costs	-	-
Other prepayments(specify)	-	-
Total	-	387,883

13. Inventories

Description	2022/2023	2021/2022
	KShs	KShs
Consumable stores	-	-
Spare parts and meters	-	-
Catering	-	-
Other inventories(specify)	-	-
Total inventories at the lower of cost and net realizable value	-	-

**Uasin Gishu County Alcoholic Drinks Control Fund
Reports and Financial Statements
For the year ended June 30, 2023.**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14. Property, plant and equipment

	Land and Buildings	Motor vehicles	Furniture and fittings	Computers and office equipment	Total
Cost	Kshs	Kshs	Kshs	Kshs	Kshs
At 1st July 2021	-	12,162,000	1,044,458	2,233,486	15,439,944
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Transfer/adjustments	-	-	-	-	-
At 30th June 2022	-	12,162,000	1,044,458	2,233,486	15,439,944
At 1st July 2022	-	12,162,000	1,044,458	2,233,486	15,439,944
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Transfer/adjustments	-	-	-	-	-
At 30th June 2023	-	12,162,000	1,044,458	2,233,486	15,439,944
At 1st July 2021	-	3,040,500	130,557	743,751	3,914,808
Depreciation		2,280,375	114,238	496,082	2,890,695
Disposals					
Impairment					
Transfer/adjustment					
At 30th June 2022		5,320,875	244,795	1,239,833	6,805,503
At 1st July 2022		5,320,875	244,795	1,239,833	6,805,503
Depreciation		1,710,281	99,958	330,886	2,141,125
Disposals					
Impairment					

**Uasin Gishu County Alcoholic Drinks Control Fund
Reports and Financial Statements
For the year ended June 30, 2023.**

	Land and Buildings	Motor vehicles	Furniture and fittings	Computers and office equipment	Total
Cost	Kshs	Kshs	Kshs	Kshs	Kshs
Transfer/adjustment					
At 30th June 2023		7,031,156	344,753	1,570,719	8,946,628
Net book values					
At 30th June 2022	-	6,841,125	799,663	993,653	8,634,441
At 30th June 2023	-	5,130,844	699,705	662,767	6,493,316

**Uasin Gishu County Alcoholic Drinks Control Fund
Reports and Financial Statements
For the year ended June 30, 2023.**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15. Intangible assets-software

Description	2022/2023	2021/2022
	KShs	KShs
Cost		
At beginning of the year	-	-
Additions	-	-
At end of the year	-	-
Amortization and impairment		
At beginning of the year	-	-
Amortization	-	-
At end of the year	-	-
Impairment loss	-	-
At end of the year	-	-
NBV	-	-

16. Trade and other payables from exchange transactions

Description	2022/2023	2021/2022
	KShs	KShs
Trade payables	-	58,183
Refundable deposits	-	-
Accrued expenses	-	-
Other payables	-	-
Total trade and other payables	-	58,183

17. Provisions

Description	Leave provision	Bonus provision	Other provision	Total
	KShs	KShs	KShs	KShs
Balance at the beginning of the year (1.07.2021)	-	-	-	-
Additional Provisions	-	-	-	-
Provision utilised	-	-	-	-
Change due to discount and time value for money	-	-	-	-
Transfers from non –current provisions	-	-	-	-
Balance at the end of the year (30.06.2022)	-	-	-	-

**Uasin Gishu County Alcoholic Drinks Control Fund
Reports and Financial Statements
For the year ended June 30, 2023.**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18. Borrowings

Description	2022/2023	2021/2022
	KShs	KShs
Balance at beginning of the period	-	-
External borrowings during the year	-	-
Domestic borrowings during the year	-	-
Repayments of external borrowings during the period	-	-
Repayments of domestic borrowings during the period	-	-
Balance at end of the period	-	-

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

	2022/2023	2021/2022
	KShs	KShs
External Borrowings		
Dollar denominated loan	-	-
Sterling Pound denominated loan	-	-
Euro denominated loan	-	-
Domestic Borrowings	-	-
Kenya Shilling loan from KCB	-	-
Kenya Shilling loan from Barclays Bank	-	-
Kenya Shilling loan from Consolidated Bank	-	-
Borrowings from other government institutions	-	-
Total balance at end of the year	-	-

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

Description	2022/2023	2021/2022
	KShs	KShs
Short term borrowings(current portion)	-	-
Long term borrowings	-	-
Total	-	-

**Uasin Gishu County Alcoholic Drinks Control Fund
Reports and Financial Statements
For the year ended June 30, 2023.**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19. Employee benefit obligations

Description	Defined benefit plan	Post employment medical benefits	Other Provisions	Total
	KShs	KShs	KShs	KShs
Current benefit obligation	-	-	-	-
Non-current benefit obligation	-	-	-	-
Total employee benefits obligation	-	-	-	-

20. Cash generated from operations

	2022/2023	2021/2022
	KShs	KShs
Surplus/ (deficit) for the year before tax	(3,925,792)	(4,767,840)
Adjusted for:		
Depreciation	2,141,125	2,890,695
Amortisation	-	-
Gains/ losses on disposal of assets	-	-
Interest income	-	-
Finance cost	-	-
Working Capital adjustments		
Increase in inventory	-	-
Increase in receivables	-	(6,318,000)
Increase in payables	-	58,183
Increase in prepayments	-	(387,883)
Net cash flow from operating activities	(1,784,667)	(8,524,845)

21. Revolving funds, Reserves and Accumulated surplus

Description	2022/2023	2021/2022
	Kshs	Kshs
Revolving Fund	-	-
Reserves	14,640,444	14,640,444
Accumulated surplus	10,023,681	13,949,473
Total	24,664,125	28,589,917

**Uasin Gishu County Alcoholic Drinks Control Fund
Reports and Financial Statements
For the year ended June 30, 2023.**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

22. 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) County Assembly;
- d) Key management;
- e) Board of Trustees;

b) Related party transactions

	2022/2023	2021/2022
	-	-
Transfers from related parties'	9,657,486	8,176,100
Transfers to related parties	-	-

c) Key management remuneration

	2022/2023	2021/2022
	Kshs	Kshs
Board of Trustees	2,396,250	1,672,000
Key Management Compensation	-	-
Total	2,396,250	1,672,000

**Uasin Gishu County Alcoholic Drinks Control Fund
Reports and Financial Statements
For the year ended June 30, 2023.**

d) Due from related parties

	2022/2023	2021/2022
	Kshs	Kshs
Due from parent Ministry	-	-
Due from County Government	-	-
Due from County Assembly	-	-
Total	-	-

e) Due to related parties

	2022/2023	2021/2022
	Kshs	Kshs
Due to parent Ministry	-	-
Due to County Government	-	-
Due to Key management personnel	-	-
Due to County Assembly	-	-
Total	-	-

23. Contingent assets and contingent liabilities

Contingent liabilities	2022/2023	2021/2022
	Kshs	Kshs
Court case against the Fund	-	-
Bank guarantees	-	-
Total	-	-

**Uasin Gishu County Alcoholic Drinks Control Fund
Reports and Financial Statements
For the year ended June 30, 2023.**

15. PROGRESS ON FOLLOW UP OF PRIOR YEAR AUDITOR'S RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.0	Unremitted Revenues The figure of Kshs 7,080,385 for Municipal Court penalties and fines for liquor license defaulters was excluded from the total receipts for the year 2022/2023	The management of the fund has initiated the process of ensuring that the penalties and fines are remitted to the fund as per the provisions of the Uasin Gishu County Alcoholic Drinks Act, 2014	Not Resolved	30 June 2024
2.0	Receivables from Exchange Transactions The management did not have aging analysis of debtors together with measures in place to ensure full collection of the receivables during the year under review.	The management of the fund has put in place measures to ensure full collection of the receivables and provisions for non-collection of the receivables.	Not resolved	In Progress

**Uasin Gishu County Alcoholic Drinks Control Fund
Reports and Financial Statements
For the year ended June 30, 2023.**

Reference No. on the	Issue / Observations from	Management comments	Status:	Timeframe:
external audit Report	Auditor		<i>(Resolved / Not Resolved)</i>	<i>(Put a date when you expect the issue to be resolved)</i>
	<p>2.1) Budgetary Control and performance. The statement of comparative budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs 76,160,721 and Kshs 71,561,221 respectively resulting to an under-funding of 6% of the budget. Also, the funding expended Kshs 54,496,440 against an approved budget of Kshs 76,160,721 resulting to under- expenditure of 28.4% of the budget.</p>	The management has put measures in place that ensure enough funding and full utilization of the funds as per the approved budget.	Partly resolved	In progress
2.0	<p>2.2) Unresolved Prior Year Matters 2.2.1) County Alcoholic Drinks Control Board During the year ended 30 June 2023, the board had three members being in the office with a deficit of two members as required in section 4(1) of Uasin Gishu</p>	The recruitment process was done whereby eligible persons were nominated and interview was conducted by the County Public Service Board. Successful candidates were vetted at the County Assembly and have been appointed.	Partly Resolved	In progress

**Uasin Gishu County Alcoholic Drinks Control Fund
Reports and Financial Statements
For the year ended June 30, 2023.**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status:	Timeframe:
	County Alcoholic Drinks Control Act, 2014	However, the board is not fully constituted and awaiting guidance from the concerned authorities	<i>(Resolved / Not Resolved)</i>	<i>(Put a date when you expect the issue to be resolved)</i>
	2.2.2) Lack of Debt Management Policy The statement of financial position reflects that the long-term receivables from exchange transaction of Kshs 6,318,000 which relates to other exchange debtors.	The management going forward shall develop an appropriate debt management policy that will put in place appropriate measures to manage risks.	Not resolved	In Progress
	2.2.3) Untagged Fixed Assets Assets were not tagged as required by law.	The management of the fund will tag its assets as required by the law.	Resolved	Resolved

**Uasin Gishu County Alcoholic Drinks Control Fund
Reports and Financial Statements
For the year ended June 30, 2023.**

16. APPENDIX I: INTER-ENTITY TRANSFERS

ENTITY NAME:				
Break down of Transfers from the County Executive of Uasin Gishu County Government				
FY 2022/2023				
a.	Recurrent Grants	Bank Statement Date	Amount (KShs)	Indicate the FY to which the amounts relate
			-	
		Total	-	
b.	Development Grants	Bank Statement Date	Amount (KShs)	Indicate the FY to which the amounts relate
			-	
		Total	-	
c.	Direct Payments	Bank Statement Date	Amount (KShs)	Indicate the FY to which the amounts relate
			9,657,486	2022/2023
		Total	9,657,486	

The above amounts have been communicated to and reconciled with the parent Ministry.

Fund Administrator
Uasin Gishu County Alcoholic Drinks Control Fund

Sign

Head of County Treasury at
Uasin Gishu County

Sign

