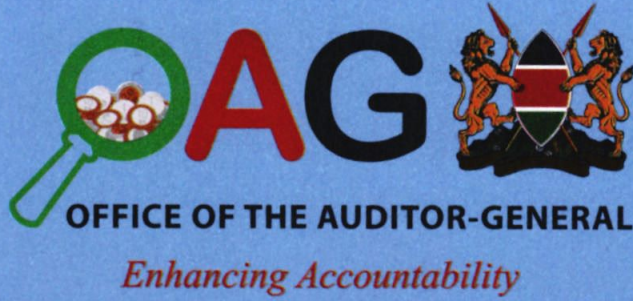
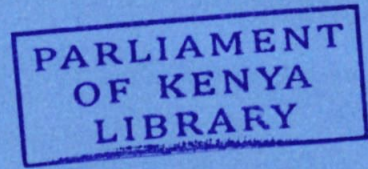


REPUBLIC OF KENYA



# REPORT

OF



**THE AUDITOR-GENERAL**

ON

**KISII COUNTY ALCOHOLIC  
DRINKS CONTROL FUND**

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

PAPERS LAID	
DATE	6/3/2025
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**Kisii County Alcoholic Drinks Control Fund**

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

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

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# Kisii County Alcoholic Drinks Control Fund

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

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

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**1. Acronyms and Glossary of Terms**

a) Acronyms

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

b) Glossary of Terms

Fiduciary Management	The key management personnel who had financial responsibility
Financial performance	Statement of revenues and expenses
Surplus	A situation in which revenues are more than expenses
Deficit	A situation in which expenses are more than revenues
Financial position	Statement of assets and liabilities as at a particular time
Asset	A resource with economic value and future benefits to an entity
Liability	An obligation that an entity owes to others, such as debt or taxes
Statement of Cash flow	The movement of cash into and out of an entity over a period of time.
Net assets	The residual interest in the assets of an entity after deducting liabilities

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

### **a) Background information**

The Kisii County Alcoholic Drinks Control Fund is established by and derives its authority and accountability from The Kisii County Alcoholic Drinks Control Act (2015) on 21<sup>st</sup> October 2015. The Fund is wholly owned by the County Government of Kisii and is domiciled in Kenya.

The fund's objective is to provide for the licensing and regulation of the production, sale, distribution, consumption, and outdoor advertising, of alcoholic drinks, and for connected purposes.

The Fund's principal activity is to finance initiatives aimed at controlling the production, distribution, consumption, and outdoor advertising of Alcoholic Drinks in the County and further as indicated in the Kisii County Alcoholic Drinks Control Act (2015).

### **b) Principal Activities**

Carrying out the functions of the Directorate which is outlined in section 4 of the Kisii County Alcoholic Drinks Control Act and includes the following:

The mandate of the fund is to;

- Support and facilitate Sub- County Committees in carrying out their functions.
- Carry out public education on alcoholic drinks control in the County directly and in collaboration with other public or private bodies and institutions.
- Facilitate citizen participation in matters related to alcoholic drinks control in accordance with framework for citizen participation established under the County Governments Act, the Urban Areas and Cities Act or any other relevant written law.
- Facilitate and promoted in collaboration with other County and National Government Institutions the establishment of treatment and rehabilitation facilities and programmes.
- Carry out research directly or in collaboration with other institutions and serve as the repository of data and statistics related to alcoholic drinks control.
- Develop in collaboration with other Counties, National Government Department's strategies and plans for implementing this Act and control of alcohol abuse and any other relevant national legislation and coordinate and support their implementation.

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

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- Advise the Executive Member generally on the exercise of his powers and performance of his functions under this Act, and in particular on County policy and laws to be adopted in regard to the production, manufacture, sale and consumption of alcoholic drinks.
- 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; recommended to the Executive Member to participate in the formulation of laws regulations related to alcoholic drinks; and regulations related to alcoholic drinks; monitoring and evaluating the implementation of this Act including the operations of the Sub-county Committees and advising the Executive Member on the measures to be adopted;
- Review decisions made by the Sub- County Committee, and
- Carry out such other functions as may be necessary for the implementation of the objectives and purpose of this Act and perform such other functions as may, from time to time, be assigned by the Executive Member.
- Assisting in the operations of the Sub-County Committees.

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

<b>Ref</b>	<b>Name</b>	<b>Position</b>
1	Erick Miyienda Ongeru	Chairperson
2	Tom Anjere	Co-Chair
3	PeritaWesaya	Member
4	Betty Kwamboka	Member
5	Dr. Richard Onkware	Member
6	Patrick Achoki	Member
7	Divina Moriango	Member
8	Kerosi Ondieki	Member
9	CPA Vincent Ratemo Mirera	Secretary

**Kisii County Alcoholic Drinks Control Fund**

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

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**d) Key Management team**

<b>Ref</b>	<b>Name</b>	<b>Position</b>
1	Cleophas Okioi	A.g Chief Officer Youth,Sports,Culture,Arts and Social Services
2	Vincent Okioma	Chief Officer Finance and Accounting
3	CPA Vincent Ratemo Mirera	Fund Administrator/ Director
4	CPA John Nyandanyi	Head of Accounting

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

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**e) Registered Offices**

P.O. Box 4550-40200  
Kisii Cultural Department Offices,  
Off Christamariane Junction

Kisii, KENYA

**f) Fund Contacts**

Telephone: (+254)711526500

E-mail: [liquor@kisii.go.ke](mailto:liquor@kisii.go.ke)

Website: [www.kisii.go.ke](http://www.kisii.go.ke)

**g) Fund Bankers**

National Bank of Kenya

Kisii Branch

Tel: 020-2828000

Fax: 020-311444/222304

E-Mail: [corporateaffairs@nationalbank.co.ke](mailto:corporateaffairs@nationalbank.co.ke)

**Key Entity and Management (Continued)**

**h) Independent Auditors**





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

**i) County Attorney**



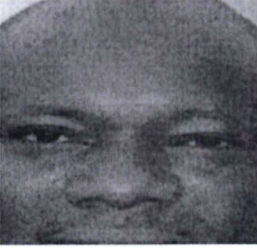
The County Attorney.  
County Government of Kisii.  
P.O Box 4550  
40200, Kisii, Kenya.

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

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





Name	Details of qualifications and experience
<p>Chairman of the Board</p> 	<p>Mr. Erick Miyianda Onger is the CECM for Youth, Sports, Culture, Arts &amp; Social Services.</p> <p>Prior to joining the County Government, he served as a High School Teacher.</p> <p>He holds a Bachelor's degree in Education Arts from Kenyatta University.</p>
<p>Fund administrator/ Secretary to the Board</p> 	<p>CPA Cs Vincent Ratemo Mirera MBA Accounting Option, BCOM Accounting, He is also a holder of CPA (K) and Certified Public Secretary of Kenya.</p> <p>Current Director Alcoholic Drinks Control Directorate.</p> <p>Also has undertaken the Strategic Leadership Development Programme and Senior Management from Kenya School of Government.</p> <p>Previously served as AG. Board Secretary to County Public Service Board, Deputy Director Directorate of Revenue Collection and Management, Kisii County Government and Finance Officer Kisii National Polytechnic.</p>
	<p>Mr Okerosi Ondieki</p> <p>Currently, he is a member of Alcoholic Drinks Kisii County.</p> <p>He Practising as An advocate of the High Court</p> <p>Also served as The First Speaker of Kisii County Assembly between 2013 to 2017.</p>
	<p>Ms Divina Moriango</p> <p>Currently she is a member of Alcoholic Drinks Kisii County having served as a teacher for the last 5 five years.</p> <p>She is a holder of Bachelors in Education also Done Certified Public Accountant of Kenya Part Two.</p>
	<p>Mr Patrick Achoki</p> <p>He is the Director Physical Planning Kisii County Government.</p> <p>He is a holder of Master in Planning, Bachelors of Arts and Economics.</p>

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

	<p>Dr. Onkware Richard  He is currently the Director Public Health Kisii County Government and previously worked as Senior Medical Officer.  He is a holder Master in Public Health and master of Business Administration.</p>
	<p>Ms Betty Kwamboka  She is a holder of Degree in Law and Diploma from Kenya School of Law and Senior Management Course.  Currently working with Kisii County as Principal Legal Officer and as an advocate in various Law Firms.</p>
	<p>Mr Tom Anjere  Currently County Commissioner Kisii County. He is the Co-Chair to the Chair Alcoholic Drinks and Control.  He is a holder of Master in Strategic Management.</p>
	<p>Mr Charles Kases  He is the Current County Commander Kisii County and Member of Alcoholic Drinks Control Directorate.  He is a holder of Bachelor of Arts Commerce.</p>

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

**3. Management Team**

Name	Details of qualifications and experience
<p>Chief Officer-Youth, Sports, Culture, Arts &amp; Social Services</p> 	<p>Mr Cleophas Okioi is the Acting Chief Officer department of Youth, Sports, Culture, Arts &amp; Social Services.</p> <p>A holder of Masters degree in Business Administration from University of Nicosia, Cyprus (2019), Bachelor of Science degree in Software Engineering from University of Eastern Africa, Baraton and a host of international professional certifications. He is an active member of the Computer Society of Kenya (CSK)</p> <p>Has cumulatively over 15 years of working experience in high-level practice in information technology, trade, business and in various industrial undertakings both in the public and private sectors.</p>
<p>Chief Officer Finance</p> 	<p>Mr. Vincent Okioma is the Chief Officer of Finance and Accounting services prior to that he served as the chief officer Infrastructure, Roads &amp; Public works in Kisii County Government. He also worked at the Parliamentary Service Commission as a constituency manager for Dagoretti North Constituency. He Holds a Bachelors of Arts in International Relations from the Kenya Methodist University.</p> <p>Has a vast of skills in administration, community mobilization, Budget and financial management as well as Project management</p>
<p>Fund Accountant</p> 	<p>John Nyandanyi CPA (K), Current Director Accounting services Kisii County Treasury.</p>
<p>Fund administrator/ Secretary to the Board</p> 	<p>CPA Cs Vincent Ratemo Mirera MBA Accounting Option, BCOM Accounting, He is also a holder of CPA (K) and Certified Public Secretary of Kenya. Current Director Alcoholic Drinks Control Directorate. Also has undertaken the Strategic Leadership Development Programme and Senior Management from Kenya School of Government. Previously served as AG. Board Secretary to County Public Service</p>

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

	Board, Deputy Director Directorate of Revenue Collection and Management, Kisii County Government and Finance Officer Kisii National Polytechnic.
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**4. Board/Fund Chairperson’s Report**

**Changes in the fund during the year.**

In the year under review, there were no changes in the County Alcoholic Drinks Control Board. However there were changes in the Management team affecting the Chief office Youth, sports culture and Social services and Chief officer Finance and Accounting Services.

**Review of the fund’s performance**

The revenue collected from the fund in terms of licensing fees has always been increasing despite the hard economic conditions. In the year under review the fund registered an increment in revenue collection as compared to the previous year. This has necessitated the Directorate in implementing its operational activities. The Directorate focused on its three key result areas namely:

1. Advocacy and public awareness
2. Counselling and rehabilitation
3. Compliance quality control and standards.


**Future outlook of the fund.**

Collections into the fund are projected to grow with the increasing economic activities. The Directorate in coordination with the County Treasury will from time to time change the licensing fees in the Finance Act to match the economic times.

Similarly, there is going to be greater activity around the key result areas identified.

**Rehabilitation Centres.**

The Kisii County Government, through the Department of Youth, Sports, Culture and Social services previously constructed a rehabilitation centre at Kiamwasi, in Kitutu Central ward upon completion of remaining works, this rehabilitation centre will be handed over to the Directorate of Alcoholic Drinks control as stipulated in the Kisii County Alcoholic Drinks control, Act (2015).

Name ERICK ONGERY Signature  Date 27/9/20

Chairperson of the Board/Fund

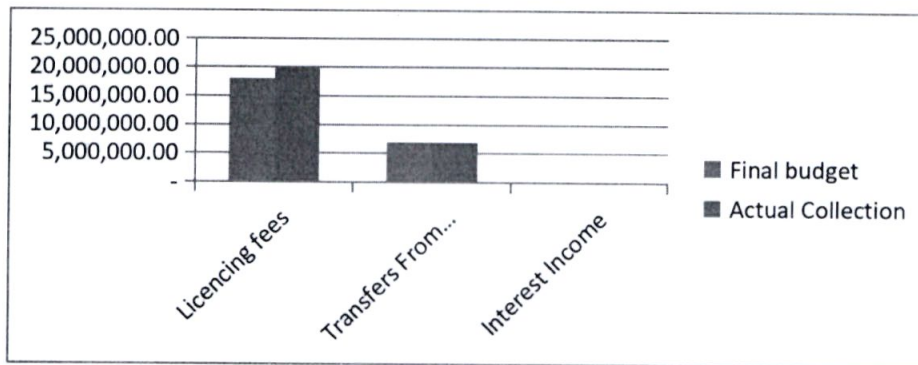
**Kisii County Alcoholic Drinks Control Fund  
Annual Report and Financial Statements for the year ended June 30, 2024**

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**5. Report of The Fund Administrator**

In the Period under review, the Directorate targeted to Collect Kshs 18,000,000 as supported by the projections, despite the challenges attributed to the political environment and difficult economic conditions, the Directorate collected Kshs 16,812,808, representing 93 % of the total projections.

**Figure 1:** Graphical Representation of Final budget versus Actual collection the financial year.

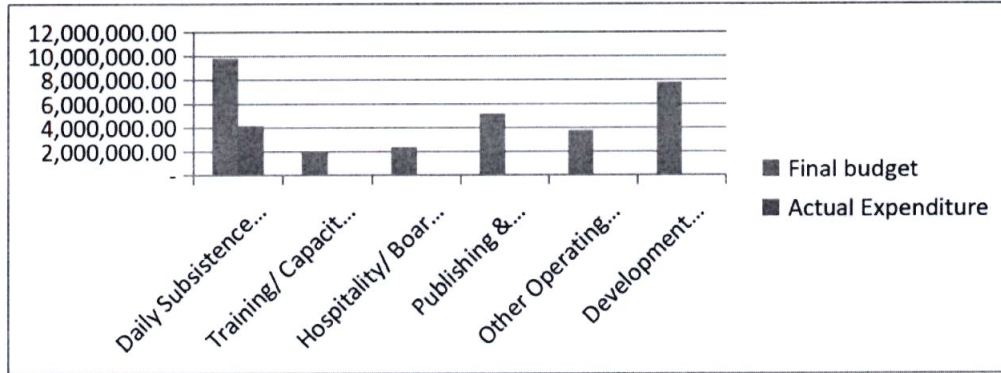


The Directorate spent Kshs 4,426,530.60 on implementing its mandate. This is an increase of 27.8% from the previous financial year's expenditure.

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

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**Figure 2: Graphical Representation of Budgeted Expenditure versus Actual expenditure for the financial year.**



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

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

The Kisii County Alcoholic Drinks Control Fund had a Projected revenue budget of Kshs 18,000,000 in the year 2023-2024 and actual revenue collection of Kshs 19,770,200 This represents 110% of the budget. The major source of this revenue collection was from licensing fees. The fund had also budgeted to spend Kshs 30,902,790. However, only Kshs 4,426,531.00 was spent resulting to under expenditure of Kshs 26,476,259.00 or 14% of the Budget.

The main challenge experienced in the attainment of objectives of the fund was mainly transition management and its associated of the fund and the overlapping roles between the County Government and National Government.

**Introduction**

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

The key objectives of the Kisii County Alcoholic Drinks Control Directorate during the FY 2023/2024 were:

- a) Public education and Advocacy
- b) Counselling, rehabilitation and reintegration
- c) Compliance, quality control and standards

**Progress on attainment of Strategic development objectives**

Below we provide the progress on attaining the stated objectives:

<b>Program</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>
Public education and advocacy	To enhance awareness on the effects of Alcohol and substance abuse	Reduced number of Alcohol and drug abuse dependency in Kisii County	Number of awareness activities conducted	In FY 2023/2024 the Directorate in collaboration with NACADA conducted sensitization program to all bar owners within Kisii Municipality.
Counselling rehabilitation and reintegration	To reduce alcohol and drug dependency.	Reduced number of individuals depending on alcohol and substance	Level of completion of Kiamwasi rehabilitation centre	-The Directorate Fast tracked the procurement

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

				process for construction of retainer wall at Kiamwasi rehabilitation centre which is ongoing being done by the department of trade where the budget is domiciled before changing the Directorate to the department of Youth, sports and culture.
Compliance quality control and standards	To regulate the production, sale and use of Alcoholic Drinks in the County	Increased compliance as per the Kisii County Alcoholic Drinks Control Act 2015	Inspections conducted.	The Directorate through the sub county liquor committees conducted inspections and authorized opening and closure of liquor outlets in the county. The Directorate conducted random swoops to ensure compliance as per Alcoholic Drinks Control Act 2015

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

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**7. Corporate Governance Statement**

Alcoholic Drinks Control Directorate has a board in place comprising of 9 (Nine) members. Members from the department of Administration are invited when necessary because the sub county Administrators report directly to the County Department of Administration and are also the Sub-County alcoholic drinks Control Committee Chairpersons.

The new members were appointed recently. The Board does not yet have a board charter but plans are underway to prepare one. Appointment to the board is done by the County Executive Committee Member (CECM) Youth, Sports, Culture, Arts and Social Services. The Kisii County Alcoholic Drinks Control Act 2015 is however silent on the removal of Board members.

The newly appointed County and Sub-County committee members were inaugurated into office in the year 2023. The role of the board is to support and facilitate sub county committees in carrying out their functions, review decisions made by Sub-County committees among others.

**Purpose of the fund**

The Fund shall be used for meeting the capital and recurrent expenditure relating to -  
Carrying out the functions of the Directorate. This is outlined in section 4 of the Kisii County Alcoholic Drinks Control Act and includes the following:

- Support and facilitate Sub- County Committees in carrying out their functions.
- Carry out public education on alcoholic drinks control in the County directly and in collaboration with other public or private bodies and institutions.
- Facilitate citizen participation in matters related to alcoholic drinks control in accordance with framework for citizen participation established under the County Governments Act, the Urban Areas and Cities Act or any other relevant written law.
- Facilitate and promote in collaboration with other County and National Government institutions the establishment of treatment and rehabilitation facilities and programmes.
- Carry out research directly or in collaboration with other institutions and serve as the repository of data and statistics related to alcoholic drinks control.
- Develop in collaboration with other county national government department's strategies and plans for implementing this Act and control of alcohol abuse and any other relevant national legislation and coordinate and support their implementation.
- Advise the Executive Member generally on the exercise of his powers and performance of his functions under this Act, and in particular on county policy and laws to be adopted in regard to the production, manufacture, sale and consumption of alcoholic drinks.
- 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

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

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Authority; recommend to the Executive Member participate in the formulation of laws regulations related to alcoholic drinks; and regulations related to alcoholic drinks; monitoring and evaluating the implementation of this Act including the operations of the Sub-county Committees and advising the Executive Member on the measures to be adopted.

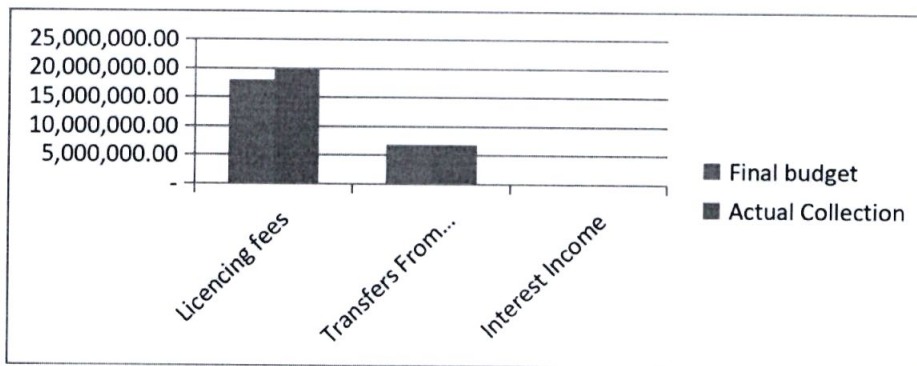
- Review decisions made by the Sub- County Committee; and
- Carry out such other functions as may be necessary for the implementation of the objects and purpose of this Act and perform such other functions as may, from time to time, be assigned by the Executive Member<sup>i</sup>.
- Assisting in the operations of the Sub-County Committees any other matter.

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

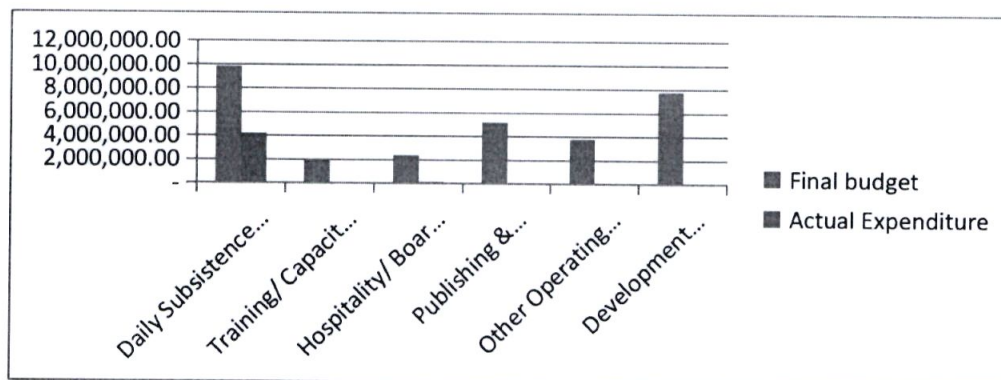
**8. Management Discussion and Analysis**

In the Period under review, the Directorate targeted to collect Kshs 18,000,000 as supported by the projections. Despite the challenges attributed to the political environment, transition period, reduced rates among others, the Directorate collected Kshs 16,812,808.20 representing 93% of the total collection. Therefore, falling short of the target at the close of the Financial Year by 7% however there was an increased performance of 8% from the previous year's performance.

**Figure 1:** Graphical Representation of Final budget versus Actual collection the financial year.



**Figure 2:** Graphical Representation of Budgeted Expenditure versus Actual expenditure for the financial year.



The Directorate was able to absorb Kshs 4,426,531.00 representing an absorption rate of 14.5% of the total budget.

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

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**Key Projects**

The Kisii County Government, through the Department of Trade Tourism and Industry has constructed a rehabilitation centre at Kiamwasi, in Kitutu Central ward. Upon full completion, this rehabilitation centre will be handed over to the Directorate of Alcoholic Drinks control as stipulated in the Kisii County Alcoholic Drinks control, Act (2015).

The construction of the Rehabilitation Block has been completed but additional funds have been allocated under Department of Trade, Tourism & Industry to construct retainer wall in the financial year 2023/2024 which is on-going. The Directorate is in the forefront in operationalizing this facility, once the remaining works are completed.

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

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**9. Environmental and Sustainability Reporting**

The Kisii County Alcoholic Drinks Control Fund exists to improve livelihoods of people by enforcing preventative measures to illegal production, sale, distribution, consumption, and advertising of alcoholic drinks within the county. This is what guides us to deliver our strategy, which is founded on the Kenya Vision 2030 Social Pillar: putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a brief highlight of our achievements:

**1. Sustainability strategy and profile -**

The fund manager instituted a team that developed the Directorate's 2022-2027 Strategic plan. This document guide the operations of the directorate in raising awareness on social issues pertaining alcohol and drug abuse. The Plan will also address revenue measures put in place to maximize collections while protecting citizens and stakeholders. It will also provide a clear framework on drug addiction treatment, rehabilitation, and reintegration in line with World Health Organizations regulations. The Directorate will seek to operationalize the Kiamwasi rehabilitation centre in the plan period.

**2. Environmental performance**

All development projects within the directorate's mandate will comply with the National Environmental Management Authority requirements.

Together with the County Department of Environment, the Directorate is in the process of developing a framework for safe disposal of alcoholic drinks containers, chemical waste and other by-products of alcohol production.

**3. Employee welfare.**

The directorate staffing is managed by the County Department of Youth, Sports, Culture and Social Services. There has been strict adherence to the Human resource policies and procedures manual. Continually, the directorate has trained several staff in managing alcohol and drug abuse at the workplace. All directorate offices are compliant to the Occupational safety and health Act of 2007.

**4. Market place practices-**

In the year under review the directorate has strict marketplace management practices which include.

- i. Enforcement of strict operating hours for alcoholic drinks outlets in line with the Alcoholic Drinks Control regulations. Warning notices are issued to non-compliant outlets and some licenses have been revoked due to continued non-compliance.
- ii. The directorate imposes licensing fees on Alcohol Distributors in the County in line with the Finance Act. Equally licenses are issued and may be revoked on non-compliance.
- iii. All outlets have complied with the requirement of relevant warnings within their premises.

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

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**10. Report of The Board**

The Board submit their report together with the financial statements for the year ended June 30, 2024 which show the state of the Fund affairs.

**Principal activities**

The principal activities of the Fund are carrying out the functions of the Directorate which is outlined in Section four of the Kisii County Alcoholic Drinks Control Act, 2015.

**Results**

The results of the Fund for the year ended June 30, 2024 are set out on page 1 to 7

**Board**

The members of the Board of Management who served during the year are shown on page V.

**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 for the year/period ended June 30, 2024 in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board



.....

**Chair of the Board/Fund**

**Date:**

27/9/24

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

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**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 Kisii County Alcoholic Drinks Control Fund established by The Kisii County Alcoholic Drinks Control Act shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

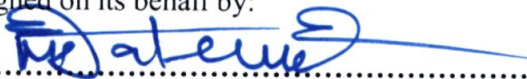
The Administrator of the County Public Fund is responsible for the preparation and presentation of the Fund's financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on 30th June 2024. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Fund; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Fund; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Administrator of the County Public Fund accepts responsibility for the Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and The Kisii County. 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, 2024, and of the Fund's financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control.

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

**Approval of the financial statements**

The Fund's financial statements were approved by the Board on 27/09 - 2024 and signed on its behalf by:

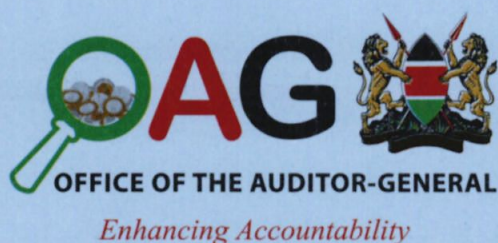
  
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**Cs, CPA Vincent Ratemo Mirera**

**Administrator of the County Public 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 KISII COUNTY ALCOHOLIC DRINKS CONTROL FUND FOR THE YEAR ENDED 30 JUNE, 2024

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### PREAMBLE

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

- A. Report on 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.

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of Kisii County Alcoholic Drinks Control Fund set out on pages 1 to 24, which comprise of the statement of financial

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*Report of the Auditor-General on Kisii County Alcoholic Drinks Control Fund for the year ended 30 June, 2024*

position as at 30 June, 2024, 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 Kisii County Alcoholic Drinks Control Fund as at 30 June, 2024, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1.0. Unconfirmed Accuracy of Licensing Fees Amount**

The statement of financial performance reflects licensing fees amount of Kshs.19,770,200 which, as disclosed in Note 1 to the financial statements, comprises the following:

<b>Description</b>	<b>Amount (Kshs.)</b>
Wholesalers	2,347,000
Club	2,461,000
Bar & Restaurants	9,954,000
Wines & Spirits	2,572,200
Small Bar	930,000
Application fees	698,000
Distributors	808,000
<b>Total</b>	<b>19,770,200</b>

However, the supporting schedules provided for audit show a corresponding amount of Kshs.20,468,200 as analyzed below, resulting in an unreconciled variance of Kshs.698,000:

<b>Description</b>	<b>Amount Paid Kshs.</b>	<b>Amount Payable Kshs.</b>	<b>Total Kshs.</b>
Wholesalers	1,859,000	488,000	2,347,000
Club	2,278,000	183,000	2,461,000
Bar & Restaurants	4,906,000	966,000	5,872,000
Wines & Spirits	2,178,200	394,000	2,572,200
Small Bar	4,780,000	930,000	5,710,000
Application fees	698,000	-	698,000

Description	Amount Paid	Amount Payable	Total
	Kshs.	Kshs.	Kshs.
Distributors	808,000	-	808,000
<b>Total</b>	<b>17,507,200</b>	<b>2,961,000</b>	<b>20,468,200</b>

Further, the detailed schedule that supports the application fees amount of Kshs.698,000 was not provided for audit.

In the circumstances, the accuracy and completeness of the licensing fees balance of Kshs.19,770,200 could not confirmed.

## **2.0. Unconfirmed Property, Plant and Equipment Balance**

The statement of financial position reflects nil balance in respect of property, plant and equipment. However, information provided indicated that the Fund had some completed buildings, parcels of land, computers, furniture, fittings among other assets in its possession whose values had not been determined and reported in the financial statements. Further, details of the land size, values and the ownership documents or title deeds for the parcels of land owned by the Fund were not provided for audit. In addition, the County Executive's asset register capturing such assets was not availed for audit.

Further, Management did not maintain fixed assets register to record necessary information such as date of acquisition, type of assets, suppliers' names, costs, accumulated depreciation, net book values, asset codes, custodians and locations among other details in respect of the assets the Fund owned. As a result, it was not possible to establish fully depreciated assets, bonded items and how the same will be written off in the books of accounts.

## **3.0. Unconfirmed Accuracy of the Statement of Cash Flows**

The statement of financial position reflects current portion of long-term receivables from non-exchange transactions balances of Kshs.2,000,000 and Kshs.6,850,000 as at 30 June, 2024 and 30 June, 2023 respectively. As disclosed in Note 6 to the financial statements, the balances represent borrowings by the County Treasury. Review of records revealed that the Kshs.2,000,000 was borrowed on 21 June, 2024, meaning that the whole of the balance of Kshs.6,850,000 was repaid by the County Treasury during the year under review. However, this amount is not reflected in the statement of cash flows as cash flows from financing activities during the year under review.

Further, the statement of cash flows reflects licensing fees amount of Kshs.19,770,200 as being cash received during the year under review. However, review of records revealed that the amount includes fees totalling Kshs.2,961,000 which had not been received as at 30 June, 2024, and as disclosed in the statement of financial position.

In the circumstances, the accuracy and completeness of the statement of cash flows could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kisii 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.

### **Key Audit Matters**

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

### **Other Matter**

#### **Unresolved Prior year matters**

In the report of the Auditor-General for the previous financial year, various audit matters were raised under Report on the Financial Statements, and Report on Lawfulness and Effectiveness in Use of Public Resources. However, the prior year audit matters remained unresolved as at 30 June, 2024, and Management has not provided satisfactory reasons for failure to solve the prior year issues.

### **Emphasis of Matter**

#### **Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects final Income budget and actual on comparable basis amounts of Kshs.30,902,790 and Kshs.32,676,598 respectively, resulting in overfunding of Kshs.1,773,808, or 6% of the budget. Similarly, the statement reflects final recurrent expenditure budget and actual on comparable basis amounts of Kshs.30,902,790 and Kshs.4,426,531 respectively, resulting in an under expenditure of Kshs.26,476,259, or 86% of the budget. Further, the statement reflects capital expenditure budget amount of Kshs.7,792,790 which was not utilized in full during the year under review.

In addition, the Fund spent only Kshs.4,426,531 out of the actual receipts of Kshs.32,676,598, resulting in an under-utilization of available funds by Kshs.28,250,068. The non-funding of development projects, under-expenditure and under-utilization of available funds affected planned activities and may have adversely impacted service delivery to the residents of Kisii County.

# 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 effect(s) of the matter(s) described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

## **Basis for Conclusion**

### **1.0. Irregular Application of the Fund's Resources**

The statement of financial position reflects current portion long term receivables from non-exchange transactions balance of Kshs.2,000,000, which, according to requisition memos provided for audit, was the balance of the Kshs.6,550,000 borrowed by the Kisii County Government in the months of July, 2023 to June, 2024. This was contrary to Section 6(4) of the Kisii County Alcoholic Drinks Control Act, 2015, which states that the Fund shall be used for meeting the capital and recurrent expenditure relating to – (a) carrying out the functions of the Directorate under section 4, (b) assisting in the operations of the Sub-County Committees: and (c) any other matter incidental to the matters stated in paragraphs (a) and (b).

Additionally, although requisition memos provided for audit indicated that the funds were borrowed by the Kisii County Government, there is no evidence that the funds were received by the Kisii County Government and if the transfers or borrowings were duly authorized. There was also no evidence that the amounts were refunded to the Fund as the Fund Administrator did not provide a detailed schedule of the total borrowings or transfers to the Kisii County Government for audit.

In the circumstances, the regularity of the borrowings by the County Government could not be confirmed. Also, Management was in breach of the law.

### **2.0. Failure to Develop and Implement Rehabilitation Facilities and Programs**

During the year under review, the Fund did not establish treatment and rehabilitation facilities and programs for persons dependent on alcoholic drinks in each Ward, contrary to Section 5(1) of the Kisii County Alcoholic Drinks Control Act, 2015, which states that the Directorate shall- (a) in collaboration with the other relevant county and National Government agencies establish treatment and rehabilitation facilities and programs for persons dependent on alcoholic drinks in each Ward; (b) ensure that the treatment and rehabilitation facilities have the necessary human resources for effective operation and service delivery; and (c) ensure that the treatment and rehabilitation services are designed in a manner that is accessible and affordable to persons dependent of alcoholic drinks.

Further, as reported in the previous year, review of the annual work plan for the Alcoholic Drinks and Substance Use Directorate for the financial year 2022/2023 indicated that the Directorate had planned to complete and equip the Kiamwasi Rehabilitation Centre to operationalize it at a cost of Kshs.10,000,000. However, evidence provided for audit indicated that as at the time of writing this report, the Rehabilitation Centre had not been completed and equipped and, therefore, was not operational.

In the circumstances, Management was in breach of the law. Also, the delayed operationalization of Kiamwasi Rehabilitation Centre has negatively impacted service delivery to the persons dependent on alcoholic drinks.

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

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

### Conclusion

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

### Basis for Conclusion

#### 1.0. Lack of Approved Strategic Plan

The Fund did not have an approved strategic plan in place to provide guidance on the broader objective that are to be achieved by it and the responsibilities as stipulated in Section 149(2)(g) of Public Finance Management Act 2012.

In the circumstances, the effectiveness of internal controls, risk Management and governance in the Fund could not be confirmed.

#### 2.0. Weaknesses in Internal Controls and Governance

##### 2.1. Control Weaknesses Over Cash and Cash Equivalent Management

Review of internal controls over cash and cash equivalents revealed the following weaknesses:

- i. The Fund operated only one bank account and cash book which captures both revenues and expenditures entries

- ii. The cash book entries were not correctly captured and did not include key details like entry date, receipts or payment voucher number/ reference, Descriptions/particulars among other details, rendering the cash book incomplete and un-reliable
- iii. Revenue/ income collections was spent at source without proper approvals.
- iv. Monthly reconciliations were not done, checked and approved on timely basis. The cash book was not closed off and balances brought forward on monthly basis.
- v. There was no evidence that copies of bank reconciliation statements were send to the relevant authorities on timely basis in line with the law.
- vi. No system generated cash books and ledgers were provided for audit review.
- vii. The Fund applies standing imprest system in some cases. However, there was no evidence of approved cash floats being applied.
- viii. The Fund's cash book was manual and not regularly updated hence was prone to errors, inaccuracies and possible manipulations of figures and single entry. Additionally, some procurement of the items and services were done through cash imprests or direct payments/claims or reimbursements which may be abused or used to circumvent the procurement laws. Although most of the procured items were within the low-cost procurements (Kshs.50,000 and below) range, they were rampant. Further, the payments/receipts or invoices were not supported by ETR receipts casting doubts on their authenticity.

In the circumstances, the effectiveness on internal controls over cash and cash equivalents management could not be confirmed.

## **2.2. Lack of Risk Management and Fire Management Strategy**

The Fund had not developed a risk management and fire management strategy. This was contrary to the provisions of Regulation 158(1) of the Public Finance Management (County Governments) Regulations, 2015.

## **2.3. Lack of a Finance and Accounting Policy Manual Other Key Policy Manuals**

Management did not provide approved key policy manuals for accounting and finance, ICT policy and the Human Resource Policy Manual, risk policy among others which play a very important role in guiding operations and acting as a reference guide. The provided policy documents were not signed and apparently not distributed for operationalization. Further, minutes approving the policies were also not provided for audit review.

In the circumstances, the effectiveness of controls and risk management could not be confirmed.

## **3.0. Information, Communication and Technology (ICT) Environment and Business Continuity Plan/Data Recovery Mechanism**

Review of the Funds ICT environment revealed that there was no approved ICT policy in place during the year under review, which includes data security policy, and disaster

recovery plans. Further, the ICT structure was not provided for audit review. In addition, during the year under review, the Fund did not have an Information Technology (IT) steering committee for ensuring effective IT controls and strategies.

Further, the fund did not have data backups outside its premises and proper data recovery mechanism in case of data loss. In addition, there was no evidence of approved business continuity plan in place.

Also, the Management did not provide licenses, service agreements and acquisition or ownership documents for its software, i.e. The MS-Suite, Antivirus and its licensing/ revenue collection system among others. Therefore, the legitimacy and ownership of the fund's software is in doubt.

In the circumstances, the security and reliability of the Fund's data, including its management information system could not be confirmed.

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 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 the Management and Fund Administration Committee**

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

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

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

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

The Fund Administration Committee is responsible for overseeing the Fund's, financial reporting process, reviewing the effectiveness of how Management monitors compliance

with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

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

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

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

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

  
FCPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**

**Nairobi**

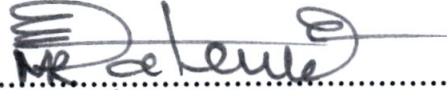
**23 December, 2024**

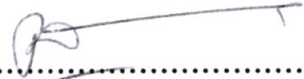
**Kisii County Alcoholic Drinks Control Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2024**

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

Description	Note	2023-2024	2022-2023
		Kshs	Kshs
<b>Revenue From Exchange Transactions</b>			
Licencing fees	1	19,770,200	15,538,200
Other incomes	2	3,608	-
<b>Total Revenue</b>		<b>19,773,808</b>	<b>15,538,200</b>
<b>Expenses</b>			
Use of goods and services	3	4,426,531	3,196,880
<b>Total Expenses</b>		<b>4,426,531</b>	<b>3,196,880</b>
<b>Surplus/(Deficit) for the Period</b>		<b>15,347,278</b>	<b>12,341,320</b>

The notes set out on pages 6 to 20 form an integral part of these Financial Statements

  
 Name: VINCENT MIRERA  
 Administrator of the Fund

  
 Name: JOHN M. MURUGU  
 Fund Accountant  
 ICPAK Member Number: 13733

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

**14. Statement of Financial Position As at 30<sup>th</sup> June 2024**


Description	Note	2023-2024	2022-2023
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	4	23,289,268	6,052,990
Current Portion of Long- Term Receivables From Exchange Transactions	5	2,961,000	-
Current Portion of Long- Term Receivables From Non-Exchange Transactions	6	2,000,000	6,850,000
<b>Total current assets</b>		<b>28,250,268</b>	<b>12,902,990</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment		-	-
<b>Total non- current assets</b>		-	-
<b>Total Assets (A)</b>		<b>28,250,268</b>	<b>12,902,990</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables from Exchange Transactions		-	-
<b>Total current liabilities</b>		-	-
<b>Non-Current Liabilities</b>			
Non-Current Provisions		-	-
<b>Total Liabilities (B)</b>		-	-
<b>Net Assets (A-B)</b>		<b>28,250,268</b>	<b>12,902,990</b>
<b>Represented By:</b>			
Revolving Fund		-	-
Reserves			
Accumulated Surplus		28,250,268	12,902,990
<b>Net Assets</b>		<b>28,250,268</b>	<b>12,902,990</b>

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

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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 07/09 2024 and signed by:

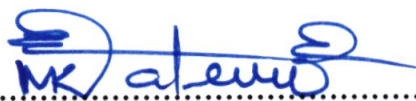
  
.....  
Name: **VINCENT MIREERA**  
Administrator of the Fund


  
.....  
Name: **Jatta Njambiri**  
Fund Accountant  
ICPAK Member Number: **13733**

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

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

Description	Accumulated surplus	Total
	Kshs	Kshs
Balance As At 1 July 2022	561,670	561,670
Surplus/(Deficit) For the Period	12,341,320	12,341,320
<b>Balance As At 30 June 2023</b>	<b>12,902,990</b>	<b>12,902,990</b>
		-
Balance As At 1 July 2023	12,902,990	12,902,990
Surplus/(Deficit) For the Period	15,347,278	15,347,278
<b>Balance As At 30 June (Current FY)</b>	<b>28,250,268</b>	<b>28,250,268</b>


  
 Name: **VINCENT MIRERA**  
 Administrator of the Fund


  
 Name: **JAY WAMATI**  
 Fund Accountant  
 ICPAK Member Number: **15733**

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

**16. Statement of Cash Flows for The Year Ended 30<sup>th</sup> June 2024**

Description	Note	2023-2024	2022-2023
		Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Licensing fees	1	19,770,200	15,538,200
Other Income	2	3,608	-
<b>Total receipts</b>		<b>19,773,808</b>	<b>15,538,200</b>
<b>Payments</b>			
Use of goods and services	3	4,426,531	3,196,880
Transfer to County Government			6,850,000
<b>Total Payments</b>		<b>4,426,531</b>	<b>10,046,880</b>
<b>Adjusted for:</b>			
Decrease in receivable		1,889,000	-
<b>Net cash flows from operating activities</b>	7	<b>17,236,278</b>	<b>5,491,320</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment and Intangible assets		-	-
<b>Net cash flows used in investing activities</b>		<b>-</b>	<b>-</b>
<b>Cash flows from financing activities</b>			
Proceeds from revolving fund receipts		-	-
<b>Net cash flows used in financing activities</b>		<b>-</b>	<b>-</b>
<b>Net increase/(decrease) in cash &amp; cash Equivalents</b>		<b>17,236,278</b>	<b>5,491,320.00</b>
Cash and cash equivalents at 1 July		6,052,990	561,670
<b>Cash and cash equivalents at 30 June</b>		<b>23,289,268</b>	<b>6,052,990</b>

  
 Name: **VINCENT MWIRERA**  
 Administrator of the Fund

  
 Name: **John Wanjani**  
 Fund Accountant  
 ICPAK Member Number: **13733**

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



**17. Statement Of Comparison Of Budget And Actual Amounts For The Period Ended 30<sup>th</sup> June 2024**

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	b	C=(a+b)	D	e=(c-d)	f=d/c*100
<b>Revenue</b>						
Licensing fees	18,000,000	-	18,000,000	19,770,200	-1,770,200	110
Transfers From County Govt.	6,850,000	-	6,850,000	6,850,000	-	100
Interest Income	-	-	-	3,608	-3,608	-
Unspent Balances b/f	6,052,790	-	6,052,790	6,052,790	-	100
<b>Total Income</b>	<b>30,902,790</b>	<b>-</b>	<b>30,902,790</b>	<b>32,676,598</b>	<b>-1,773,808</b>	<b>106</b>
<b>Expenses</b>						
Daily Subsistence Allowance & Field Operation	9,800,000		9,800,000	4,173,200	5,626,800	43
Training/ Capacity Building	1,950,000	-	1,950,000	-	1,950,000	-
Hospitality/ Board Allowances	2,380,000	-	2,380,000	110,300	2,269,700	5
Publishing & Printing	5,200,000	-	5,200,000	55,100	5,144,900	1
Other Operating expenses	3,780,000	-	3,780,000	87,931	3,692,069	2
Development Expense	7,792,790		7,792,790		7,792,790	-
<b>Total Expenditure</b>	<b>30,902,790</b>	<b>-</b>	<b>30,902,790</b>	<b>4,426,531</b>	<b>26,476,259</b>	<b>14</b>
<b>Surplus For the Period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28,250,068.00</b>	<b>-28,250,068.00</b>	
<b>Capital expenditure</b>	<b>7,792,790</b>		<b>7,792,790</b>	<b>0</b>	<b>7,792,790</b>	<b>0</b>

**Budget notes**


- i. The over-collection of revenue was achieved by revising the rates downwards in the Finance Act hence increasing the level of compliance

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- ii. The underutilization of Daily Subsistence allowance was caused by delays associated with transition in management from the department of Trade to the Department of Culture
- iii. The underutilization of training and capacity building was caused by delays associated with transition in management from the department of Trade to the Department of Culture
- iv. The underutilization in hospitality/Board allowance was caused by delays associated with transition in management from the department of Trade to the Department of Culture
- v. The underutilization in Publishing and printing allowance was caused by delays associated with transition in management from the department of Trade to the Department of Culture
- vi. The underutilization in other operating expense was caused by delays associated with transition in management from the department of Trade to the Department of Culture
- vii. The underutilization in Development expense was caused by delays associated with transition in management from the department of Trade to the Department of Culture

  
.....  
Name: **VINCENT MIRERA**  
Administrator of the Fund

  
.....  
Name: **Japhet W. Wanjau**  
Fund Accountant  
ICPAK Member Number: **13733**



**18. Notes to the Financial Statements**

**1. General Information**

Kisii County Alcoholic Drinks Control entity is established by and derives its authority and accountability from the Kisii County Alcoholic Drinks Control Act. The entity is wholly owned by the Kisii County Government and is domiciled in Kenya. The fund’s objective is to provide for the licensing and regulation of the production, sale, distribution, consumption, and outdoor advertising, of alcoholic drinks, and for connected purposes.

**2. Statement of compliance and basis of preparation**

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

**3. Adoption of new and revised standards**

(i) *New and amended standards and interpretations in issue but not yet effective in the year ended 30<sup>th</sup> June 2024*

<b>Standard</b>	<b>Effective date and impact</b>
<p><b>IPSAS 41: Financial Instruments</b></p>	<p><b>Applicable: 1<sup>st</sup> January 2023</b></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. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> <li>• 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;</li> <li>• Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to</li> </ul>

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Standard	Effective date and impact
	<p>impairment testing; and</p> <ul style="list-style-type: none"> <li>• 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.</li> </ul>
<p><b>IPSAS 42: Social Benefits</b></p>	<p><b>Applicable: 1<sup>st</sup> January 2023</b></p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ul style="list-style-type: none"> <li>(a) The nature of such social benefits provided by the Entity;</li> <li>(b) The key features of the operation of those social benefit schemes; and</li> <li>(c) The impact of such social benefits provided on the Entity’s financial performance, financial position and cash flows.</li> </ul>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p><b>Applicable: 1<sup>st</sup> January 2023</b></p> <ul style="list-style-type: none"> <li>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.</li> <li>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</li> <li>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</li> </ul> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which</p>

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Standard	Effective date and impact
	were inadvertently omitted when IPSAS 41 was issued.
Other improvements to IPSAS	<p><b><i>Applicable 1<sup>st</sup> January 2023</i></b></p> <ul style="list-style-type: none"> <li>• <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i></li> </ul> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> <li>• <i>IPSAS 39: Employee Benefits</i></li> </ul> <p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> <li>• <b>IPSAS 29: Financial instruments: Recognition and Measurement</b></li> </ul> <p>Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1<sup>st</sup> January 2023.</p>

*(ii) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2023.*

Standard	Effective date and impact:
IPSAS 43	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an Entity.</p> <p>The new standard requires entities to recognize, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non-Current Assets Held for Sale and	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The Standard requires, Assets that meet the criteria to be classified as held for sale to be</p>

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<b>Standard</b>	<b>Effective date and impact:</b>
Discontinued Operations	measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:  Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.

**(iii) Early adoption of standards**

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

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**1. Significant Accounting Policies**

**a) Revenue recognition**

**i. Revenue from non-exchange transactions**

**Transfers from other government entities**

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

**ii. Revenue from exchange transactions**

**Interest income**

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

**Dividends**

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

**Rental income**

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

**b) Budget information**

The original budget for FY 2023/2024 was approved by the County Assembly on 30<sup>th</sup> June 2023. Subsequent revisions or additional appropriations were not made.

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.

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

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

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

**c) Property, plant and equipment**

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

**d) Intangible Assets**

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

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

**e) Investment property**

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

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

**f) Financial instruments**

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the entity's financial statements. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

**Financial assets**

**Classification of financial assets**

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

**Subsequent measurement**

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

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

**Amortized cost**

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

**Fair value through net assets/ equity**

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

**Fair value through surplus or deficit**

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

**Trade and other receivables**

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

**Impairment**

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

**Significant Accounting Policies (Continued)**

**Financial liabilities**

**Classification**

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

**g) 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.

**h) Provisions**

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

**i) Social Benefits**

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

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

**j) 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.

**k) Nature and purpose of reserves**

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

**l) 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.

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

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

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

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

**n) 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.

**o) 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.

**p) Related parties**

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

**q) Cash and cash equivalents**

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

**r) Comparative figures**

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

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

**5. Significant judgments and sources of estimation uncertainty**

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

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

**a) Estimates and assumptions –**

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

**b) Useful lives and residual values**

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

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

**c) Provisions**

Provisions were raised and management determined an estimate based on the information available.

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

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**Notes To The Financial Statements**

**1. Licensing fees**

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Wholesalers	2,347,000.00	1,544,000.00
Club	2,461,000.00	1,759,000.00
Bar & Restaurants	9,954,000.00	7,874,500.00
Wines & Spirits	2,572,200.00	2,558,000.00
Small Bar	930,000.00	-
Application fees	698,000.00	654,000.00
Distributors	808,000.00	1,138,700.00
<b>Total</b>	<b>19,770,200.00</b>	<b>15,538,200.00</b>

**Note:** Arrears of Receipts for Bar & Restaurants and Small bar was aggregated under Bar & Restaurants

**2. Other Receipts**

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Interest income	3,608.00	-
<b>Total Other Income</b>	<b>3,608.00</b>	<b>-</b>

**3. Use of Goods and Services**

Description	FY 2023/2024	FY 2022/2023
	Kshs.	Kshs.
Daily Subsistence Allowance (DSA)	970,200	805,500
Field Operation	3,203,000	2,103,400
Office Supplies	60,000	180,000
Training/ Capacity Building	-	-
Hospitality/ Board Allowances	110,300	81,700
Publishing & Printing	55,100	-
Bank Charges	27,931.00	26,280
<b>Total</b>	<b>4,426,531.00</b>	<b>3,196,880.00</b>

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**4. Cash and Cash Equivalent**

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Current Account	23,289,268.00	6,052,990
<b>Total Cash And Cash Equivalents</b>	<b>23,289,268.00</b>	<b>6,052,990</b>

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

Financial Institution	Account number	FY 2023/2024
		Kshs
<b>c) Current Account</b>		
National Bank of Kenya	1090952900	23,289,268.00
<b>Sub- Total</b>		<b>23,289,268.00</b>

**5. Receivables from exchange transactions**

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
<b>Current Receivables</b>		
Debtors	2,961,000.00	-
<b>Total Current Receivables</b>	<b>2,961,000.00</b>	<b>-</b>

**6. Receivables from Non-Exchange transactions**

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Borrowings By County Treasury	2,000,000.00	6,850,000.00
<b>Total Inventories at The Lower of Cost and Net Realizable Value</b>	<b>2,000,000.00</b>	<b>6,850,000.00</b>

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**7. Cash generated from operations**

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
<b>Surplus/ (Deficit) For the Year Before Tax</b>	<b>15,347,278.00</b>	<b>12,341,320.00</b>
<b>Adjusted For:</b>		
Depreciation	-	-
Amortisation	-	-
Gains/ Losses On Disposal Of Assets	-	-
Interest Income	-	-
Finance Cost	-	-
<b>Working Capital Adjustments</b>		
Increase In Inventory	-	-
Increase/Decrease in Receivables	1,889,000.00	(6,850,000.00 )
Increase In Payables		-
<b>Net Cash Flow From Operating Activities</b>	<b>17,236,278.00</b>	<b>5,501,320.00</b>

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*Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024*

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

**8. Related party balances**

**a) Nature of related party relationships**

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

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

**b) Related party transactions**

Description	2023-2024	2022-2023
	Kshs	Kshs
Transfers From Related Parties'	11,450,000	-
Transfers To Related Parties	<b>11,450,000</b>	-

**c) Due from related parties**

Description	2023-2024	2022-2023
	Kshs	Kshs
Due From Parent Ministry	-	-
Due From County Government	2,000,000	6,850,000
<b>Total</b>	<b>2,000,000</b>	<b>6,850,000</b>

**Kisii County Alcoholic Drinks Control Fund**

*Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024*

**19. Annexes**

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


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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Time frame: (Put a date when you expect the issue to be resolved)
	Unconfirmed Accuracy of Licensing Fee Amount	The Management has addressed	Resolved	
	Budgetary Control and Performance	The management is in the process of addressing it.	Not Resolved	31 <sup>st</sup> December,2024
1.	Irregular Application of the Funds Resources	The management is in the process of addressing it.	Not Resolved	31 <sup>st</sup> December,2024
2.	Failure to Develop and Implement Rehabilitation Facilities and Program	The management has provided a budgetary provision for the constructing a perimeter wall to secure the premises for operationalization of the facility	Not Resolved	31 <sup>st</sup> December,2024

Fund Administrator

VINCENT

Date: 13/12/24

  
MUREIRA

*Kisii County*  
*Kisii County Alcoholic Drinks Control Fund*  
**Annual Report and Financial Statements for the year ended June 30<sup>th</sup> , 2024**

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