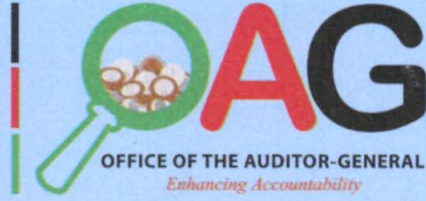


REPUBLIC OF KENYA



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REPORT

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OF

THE AUDITOR-GENERAL

ON

HOMA BAY COUNTY ALCOHOLIC DRINKS CONTROL FUND

PAPERS LAID	
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CLERK AT THE TABLE	

FOR THE YEAR ENDED 30 JUNE, 2025

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Republic of Kenya

29 OCT 2025



Homa Bay County Government

HOMA BAY COUNTY ALCOHOLIC AND DRINKS CONTROL FUND

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

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

HOMA BAY COUNTY ALCOHOLIC AND DRINKS CONTROL FUND
Annual Report and Financial Statements for the year ended June 30, 2025

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1. Acronyms and Definition of Key Terms

A. Acronyms

AG	Auditor General
BOM	Board of Management
CECM	Executive Committee member
CPAC	County Public Accounts Committee
CPISFC	County Public Investment and Special Funds Committee
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
PISFC	Senate's Public Investment and Special Funds Committee
PAC	Senate's Public Accounts Committee
KEBS	Kenya Bureau of Standards
KRA	Kenya Revenue Authority
Kshs	Kenya Shillings

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

2. Key Entity Information and Management

a) Background information

Homa Bay County Alcoholic Drinks Control Fund is established by and derives its authority and accountability from the Homa Bay County Alcoholic and Drinks Control Act 2015. The Fund is wholly owned by the County Government of Homa Bay, under Department of Trade, Industry, Tourism, Investment, Cooperative Development, & Marketing and is domiciled in Kenya.

Objectives of the Fund

The fund's object and purpose is to provide for the licensing of alcoholic drinks by the County Government pursuant to the **Fourth Schedule Part 2 (4) (c) of the Constitution of Kenya 2010 (COK 2010)** so as to control the production, sale, distribution, promotion and use of alcoholic drinks and the promotion of research, treatment and rehabilitation for persons. The other objectives are to; –

- i. Protect the health of the individual in the light of the dangers of excessive consumption of alcoholic drinks;
- ii. Protect persons under the age of eighteen years from negative impact on health and social development from exposure to advertisements of alcoholic drinks;
- iii. Protect consumers of alcoholic drinks from misleading or deceptive inducements and inform them of the risks of excessive consumption of alcoholic drinks;
- iv. 2015 Homa Bay County Alcoholic and Drinks Control No. 8 Protect the health of persons under the age of eighteen years by preventing their access to alcoholic drinks Inform and educate the residents in the County on the health, social and economic consequences of the consumption of alcoholic drinks
- v. Adopt and implement effective measures to eliminate illicit trade in alcohol including smuggling, illicit manufacturing and counterfeiting;
- vi. Ensure fair and ethical business practices related to production, distribution, promotion and scale of alcoholic drinks;
- vii. Reduce and mitigate the negative health, social and economic impact on communities resulting from production, sale and consumption of alcoholic drinks;
- viii. Promote fair trade practices.

b) Principal Activities

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

- i. Issue licenses in accordance to the Homa Bay County Alcoholic and Drinks Control Act of 2015.
- ii. Carry out public education on alcoholic drinks control in the county directly and in collaboration with other public or private bodies and institutions
- iii. Facilitate citizen participation in matters that relate to alcoholic drinks and drug abuse in accordance to the framework for citizen participation established under County Government and National Government legislations
- iv. Facilitate and promote in collaboration with other county and National government institutions the establishment of treatment and rehabilitation facilities and programs
- v. Carry out research directly or in collaboration with other institutions and serve as the repository of data and statistics related to alcoholic drinks and drug abuse control; and maintain a register of alcoholic license within the county

Key Entity Information and Management (Continued)

- vi. Develop in collaboration with other County and National government department's strategies and plans for implementing this Act and any other relevant National legislation relating to control of alcohol abuse and coordinate and support their implementation
- vii. Advise the executive member generally on the exercise of his/her powers and functions under the Act, and in particular on County policies and laws to be adopted in regards to the production, manufacture, sale and consumption of alcoholic drinks
- viii. In collaboration with other relevant County departments prepare and submit an alcoholic and drinks status report bi- annually in the prescribed manner to the executive member which shall be transmitted to the County Executive Board and County on the executive member the formulation of laws and regulations related to alcoholic drinks.
- ix. Monitoring and evaluating the implementation of the Act including the operation of the sub county committees and advising the executive member on the necessary measures to be adopted
- x. In collaboration with other County sub- board and enforcement board prepare and submit to the executive on quarterly basis, an alcohol abuse control status report containing such matters as may be specified by the executive member
- xi. Carry out such other roles necessary for the implementation of the objects and purpose of the Act and perform other such functions as may, from time to time, be assigned by the executive member

SOURCE OF FUNDS

The source of funds shall consist of-

- i. Such monies as may be appropriated by the County assembly;
- ii. Such license and other fees as may be payable under this Act;
- iii. Such sums received, including contributions, gifts or grants from or by way of testamentary bequest by any person;
- iv. Monies earned or arising from any investment of the fund;
- v. All other sums which may in any investment of the fund;
- vi. All other sums which may in any manner become payable to, or vested in the fund

EXPENDITURE OF THE FUND

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

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

HOMA BAY COUNTY ALCOHOLIC AND DRINKS CONTROL FUND
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Key Entity Information and Management (Continued)

c) Fund Administration Committee

Establishment of Committee

There is established a committee to be known as the Alcoholic Drinks Control Committee which shall be in the department of Trade, Industry, Tourism, Investment, Cooperative Development, & Marketing.

The Homa Bay County Alcoholic Drinks Control Committee under the department of Trade, Industry, Tourism, Investment, Cooperative Development, & Marketing shall consist of the following-

- i. The Chief Officer, Department of Trade, Industrialization, Cooperatives and Investment who shall be the chairperson
- ii. The officer for the time being in charge of County Public Health;
- iii. The officer commanding Kenya Police services in the County;
- iv. The officer responsible for coordination of national government functions in the county (**County Commissioner**);
- v. One officer designated by the Committee who shall be the Secretary who shall be an ex- officio member;
- vi. Director Trade;
- vii. The officer for the time being responsible physical planning in the county;
- viii. One officer designated by the county director of education;
- ix. Eight residents of the County, one per sub-county appointed by the Executive member through a competitive process in accordance with the prescribed rules, one of whom shall be the Co-Chair/
- x. All the sub county Trade officers, Sub-County Committees.
- xi. All the sub county Administrators-Chairperson Sub-County Committees.

For the period ending 30th June 2025, the membership of the committee was as shown below:

Ref	Name	Position
1	Eng.Benard Ohuru Nyobange	Chief Officer, Department of Trade, Industrialization, Cooperatives and Investment; Chairperson
2	Bob Onimo	Member -Representing Rachuonyo North Sub -County
3	Helida Achieng Onyango	Member- -Representing Suba North Sub -County
4	Paul Omwaro Akul	Member – Representing Ndhiwa Sub – County
5	Kennedy Saitoti Kiboye	Member – Representing Suba South Sub -County (Youth Rep)
6	David Odwar Outa	Member –Representing Rachuonyo South Sub –County
7	Peter Odhiambo Nyambuga	Member – Representing Rachuonyo East Sub –County
8	Paul Bunde	Member – Representing Rangwe Sub – County

HOMA BAY COUNTY ALCOHOLIC AND DRINKS CONTROL FUND
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Key Entity Information and Management (Continued)

Ref	Name	Position
9	Irine Atieno Otieno	Member –Representing Homa Bay Town Sub –County
10	Moses Lilan	Member- The County Commissioner
11	Sammy Kosey	Member- The officer commanding Kenya Police Service in the county
12	Dr. Kevin Osuri	Member- Officer responsible for County Public Health
13	Collins Obango	Member- Officer responsible for County Education
14	Fredrick Warega	Member- Officer responsible for County physical planning
15	Issack Onyonyi	Member- Director Trade or his/ her representative
16	William Onyango Luballo	One officer designated by the Board as an ex-officio member and Secretary to the Board.

d) Key Management team

Ref	Name	Position
1	Dr.Joash Aloo – PHD	CEC Trade – Member
2	Eng. Benard Nyobange	Chief Officer Trade- Chairperson
3	Bob Onimo	Board Member, Co-Chair
4	Isaack Onyonyi	Director Trade
5	Elsa Odeny	Fund Accountant

Administration of the Fund

The Fund is administered by the chairperson of the committee who is also the Chief Officer Trade, Industry, Tourism, Investment, Cooperative Development & Marketing.

The chairperson may, with the approval of the Executive member (CECM Trade) for the time being responsible for finance, invest or place on a deposit account any of the monies of the fund and any interest earned on the monies so invested or deposited shall be placed to the credit of the Fund.

Functions of the administrator of the fund shall be to:

- i. supervise and control the administration of the fund;
- ii. impose conditions on the use of any expenditure personally authorized and may impose any restriction or other requirements concerning use of expenditure;
- iii. ensure the earnings of, or accruals to the fund are retained in the fund, unless the county executive member for finance and economic planning direct otherwise;

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Key Entity Information and Management (Continued)

- iv. ensure that money held in the fund, including any earnings or accruals in paragraph (c) is spent only for the purposes for which the fund is established;
- v. cause to be kept proper, books of account and other books and records in relation to the Fund as well as to all the various activities and undertakings of the Funds;
- vi. prepare, sign and transmit through the executive member for finance to the Auditor General in respect of each financial year and within three (3) months after end thereof, a statement of accounts relating to the Fund in accordance with the Public Audit Act, 2003 and in such details as the County Treasury may from time to time direct;
- vii. furnish such additional information as may be required for examination and audit by the Auditor General or under any law;
- viii. ensure that the accounts of the fund and annual financial statements relating to those accounts comply with the accounting standards prescribed and established by the Accounting Standards Board from time to time;
- ix. present financial statements to the County Assembly;
- x. designate such staff as may be necessary to assist in the management of the Fund provided that such staff shall work in the department of Trade, Industrialization, Cooperatives and Investment;
- xi. Publish and publicize the fund and usage of money through the fund

e) Fiduciary Oversight Arrangements

SN	Position	Name
1	Directorate Internal Audit	Daniel Ochieng Anyango- Auditor In Charge
2	County Assembly of Homabay (CPISFC & CPAC)	Hon. Polycarp Okombo-Speaker
3.	Senate Public Investment and Special Fund Committee and PAC	Sen. Godfrey Osotsi-Chair PISFC Sen..Moses Kajwang-Chair PAC
4.	Office of the Auditor General	CPA Nancy Gadhungu- Auditor General
5.	Controller of Budget	Dr..Margaret Nyakang'o PHD

Key Entity Information and Management (Continued)

High description of the key fiduciary oversight arrangements.

S/N	POSITION	FUDICIARY OVERSIGHT ARRANGEMENTS
1	Directorate of Internal Audit	<p>The Internal Audit Department- carries out routine audit exercise to verify the books of accounts and financial reports of the Homa Bay County Alcohol and Drinks to ascertain whether they were valid and accurate. This is in line with our annual work plan and in compliance with PFM Act 155(3) and PFMR Sec 153 which aims at streamlining internal controls. Risk analysis in individual audit engagement covers identification, assessment, measurement and prioritization of risk related to an audit activity and suggesting appropriate mitigation measures for elimination of the identified risks.</p> <p><u>OBJECTIVES</u></p> <ul style="list-style-type: none"> i. To determine Budgetary Controls and Performance ii. To determine Establishment of Administration and Review Committee process iii. To determine establishment Treatment and Rehabilitation Facilities iv. To determine Administration of Alcoholic Drinks Control Fund v. To determine implementation of fees and charges by the County Alcoholic Drinks Control Committee vi. To establish whether the funds attains its budgetary ceiling vii. To verify the management of imprest according to PFMR 2015 Sec 92. viii. To determine cash management of the liquor fund and cash payments made. ix. To confirm the validity and accuracy of transactions i.e. whether payment vouchers were adequately supported and properly authorized by relevant accounting officers of the department x. To confirm whether the value for money was achieved. xi. To ascertain whether procurement procedures were dully followed.

Key Entity Information and Management (Continued)

S/N	POSITION	FUDICIARY OVERSIGHT ARRANGEMENTS
		xii. To determine whether the Internal Control System is adhered to by the management xiii. To determine the existence of licensing and invoice register. xiv. Approved budget and procurement plan xv. General liquor collection at source point as per individual eight sub counties
2.	County Assembly of Homa Bay (CPISFC & CPAC)	<p>The County Assembly oversees county special funds (Homa Bay County Alcoholic and Drinks Control Fund) by examining audit reports from the Auditor-General and the Controller of Budget, scrutinizing the financial management of the fund, investigating matters related to finance, and ensuring that funds are managed with sound financial and business principles to safeguard county resources. The committee's work supports the County Assembly's overall oversight function and aims to strengthen public funds.</p> <p>Key Roles and Functions</p> <p>Budget Allocation: The committee reviews budget estimates submitted by the Department of Trade & Industry (Homa Bay County Alcoholic and Drinks Fund), makes any necessary adjustments and Approve the budget.</p> <p>Financial Accountability: It investigates whether the Homa Bay county Alcoholic and drinks control fund is managed according to sound financial and business principles, promoting accountability and good governance.</p> <p>Inquiry and Investigation: The committee conducts investigations into specific issues or concerns raised regarding the Homa Bay County Alcoholic and Drinks Control fund by Special members, the entire hose or the senate, holding relevant officials accountable.</p> <p>Public Scrutiny and Participation: The committee can invite public bodies and professionals to provide submissions, offering a platform for public participation in the oversight process.</p>

Key Entity Information and Management (Continued)

S/N	POSITION	FUDICIARY OVERSIGHT ARRANGEMENTS
		<p>Reporting to the Plenary: After conducting its review and investigations, the committee reports its findings and recommendations to the entire County Assembly for consideration and action.</p> <p>Examination of Audit Reports: The committee reviews reports submitted by the Auditor-General concerning the management and use of the fund, ensuring compliance with financial laws and regulations.</p>
3.	<p>Senate’s Public Investments and Special Funds (PISFC) & Public Accounts (PAC) Committees</p>	<p>The committee oversees county special funds (Homa Bay County Alcoholic and Drinks Control Fund) by examining audit reports from the Auditor-General and the Controller of Budget, scrutinizing the financial management of county entities, investigating matters related to county finance, and ensuring that funds are managed with sound financial and business principles to safeguard county resources. The committee's work supports the Senate's overall oversight function and aims to strengthen public funds.</p> <p>Key Roles and Functions</p> <ul style="list-style-type: none"> • Oversight of County Public Investments and Funds: The primary role is to monitor the financial health and performance of county special funds and public investments. • Examination of Audit Reports: The committee reviews reports submitted by the Auditor-General concerning the management and use of these funds, ensuring compliance with financial laws and regulations. • Financial Accountability: It investigates whether county investments and special funds are managed according to sound financial and business principles, promoting accountability and good governance. • Inquiry and Investigation: The committee conducts investigations into specific issues or concerns raised regarding county public investments and special funds, holding relevant officials accountable.

Key Entity Information and Management (Continued)

S/N	POSITION	FUDICIARY OVERSIGHT ARRANGEMENTS
		<ul style="list-style-type: none"> • Public Scrutiny and Participation: The committee can invite public bodies and professionals to provide submissions, offering a platform for public participation in the oversight process. • Reporting to the House: After conducting its review and investigations, the committee reports its findings and recommendations to the entire Senate for consideration and action. • Strengthening Devolution: By ensuring proper management of county funds, the committee contributes to the effective safeguarding of the devolution process and the improvement of service delivery in counties. • In essence, the committee acts as a watchdog, scrutinizing how county funds and investments are managed, to ensure they are used effectively and responsibly for the benefit of the citizens.
4.	Office of the Auditor General (OAG)	<p>The Auditor-General on county public funds verifies that funds are managed lawfully, effectively, and efficiently, ensuring accountability and value for money.</p> <p>Key roles include auditing county government accounts, certifying financial statements to show they are prepared according to law, confirming public money is used for its intended purpose, and identifying weaknesses in financial systems and controls to prevent fraud and erro</p> <p>Core Mandate:</p> <ul style="list-style-type: none"> • Audit and Report: The Auditor-General (OAG) audits the accounts of all county governments and reports on the use and management of their public resources. • Ensure Lawful and Effective Use: The OAG confirms whether public money has been applied lawfully and in an effective way to achieve value for money.

Key Entity Information and Management (Continued)

S/N	POSITION	FUDICIARY OVERSIGHT ARRANGEMENTS
		<p>Specific Roles:</p> <ul style="list-style-type: none"> • Accountability: The OAG's audit provides assurance on the governance and accountability of public resources at the county level. • Certification of Accounts: The OAG certifies financial statements, expressing an opinion on whether they are prepared according to applicable financial reporting frameworks and statutory requirements. • Financial Systems and Controls: The OAG identifies deficiencies in the accounting systems and controls within county governments to make operations more efficient and less prone to fraud or error. • Stakeholder Confidence: By providing an independent audit, the OAG helps ensure that financial information is credible and reliable for stakeholders to use in their decision-making. • Accountability: The OAG's audit provides assurance on the governance and accountability of public resources at the county level. • Certification of Accounts: The OAG certifies financial statements, expressing an opinion on whether they are prepared according to applicable financial reporting frameworks and statutory requirements. • Financial Systems and Controls: The OAG identifies deficiencies in the accounting systems and controls within county governments to make operations more efficient and less prone to fraud or error. • Stakeholder Confidence: By providing an independent audit, the OAG helps ensure that financial information is credible and reliable for stakeholders to use in their decision-making.

Key Entity Information and Management (Continued)

S/N	POSITION	FUDICIARY OVERSIGHT ARRANGEMENTS
5.	Controller of Budget	<ul style="list-style-type: none"> • when they are satisfied that the withdrawals are legal and properly documented. • Reporting: The COB submits quarterly and annual reports to the National Assembly on the implementation of the county budgets, providing a comprehensive overview of how funds have been used. • Advisory Services: The COB advises Parliament and government entities on financial matters, including issues of budget implementation and the effective absorption of funds. • Public Sensitization: The COB also undertakes activities to inform and educate the public about financial management and accountability. <p>Why the Role is Important</p> <ul style="list-style-type: none"> • Prevents Misuse of Funds: The COB's oversight prevents fiscal indiscipline, corruption, and wastage of public resources by ensuring that all expenditures are authorized and well-documented. • Ensures Accountability: The COB holds county governments accountable for their financial performance by providing Parliament with information to exercise its oversight role effectively. • Promotes Transparency: By publishing its reports and providing public information on expenditure, the COB fosters greater fiscal transparency in the management of public funds. • Separates Financial Functions: The Office of the Controller of Budget was established to create a clear separation of financial management functions from other executive functions, enhancing checks a

Key Entity Information and Management (Continued)

f) Registered Offices

Homa Bay County Alcoholic Drinks Control Fund

P.O. Box 21

Department of Trade, Industrialization & Enterprise Development office

Behind HBC County Commissioner Office Block

Homa Bay

KENYA

g) Fund Contacts

C.O Trade, Industrialization: Telephone: (254) 721461990

E-mail: hbctradefinance@gmail.com

Website:

h) Fund Bankers

Equity Bank (K) Ltd- Homa Bay Branch

Account no.0980268093213

Key Entity and Management (Continued)

i) Independent Auditors

Auditor General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GOP 00100

Nairobi, Kenya

j) Principal Legal Adviser

The Attorney General

State Law Office

Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya

k) County Attorney

Homa Bay County Headquarters

P.O.Box 469

Homa Bay

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3. Board of Trustees/ Fund Administration Committee



The Fund's Administrative committee for the period ended 30th June 2025:-

Ref	Name	Position
1	Eng. Benard Ohuru Nyobange	Chief Officer Trade / Chairperson
2	Bob Onimo	Member - Rachuonyo North
3	Helida Achieng Onyango	Member- Suba North
4	Paul Omwaro Akul	Member – Ndhiwa
5	Kennedy Saitoti Kiboye	Member – Suba South – (Rep. Youths)
6	David Odwar Outa	Member – Rachuonyo South
7	Peter Odhiambo Nyambuga	Member – Rachuonyo East
8	Paul Bunde	Member – Rangwe
9	Irine Atieno Otieno	Member – Homa Bay Town
10	Moses Lilan	Member- The County Commissioner
11	Sammy Kosey	Member- The officer commanding Kenya Police Service in the county
12	Dr. Kevin Osuri	Member- Representative from County Public Health Department
13	Collins Obanga	Member- Representative from County Education Office
14	Fredrick Warega	Member- The officer for the time being responsible for physical planning in the county;
15	Issack Onyonyi	Member- County Director Trade or his/ her representative
16	William Onyango Luballo	An ex-officio member and Secretary to the Board.

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Fund Administration Committee (Continued)

Details of the Committee Members

S/ N	NAME	PASSPORT PHOTO	DATE OF BIRTH	POSITION	CONTACT DETAILS	DETAILS OF QUALIFICATIONS AND EXPERIENCE
1	Eng. Benard Ohuru Nyobange		01/01/1963	Chief Officer Trade / Chairperson	ID:8244827 Tel: 0721461990	<p><u>QUALIFICATIONS:</u></p> <ul style="list-style-type: none"> - Master of Science Project Management (JKUAT) - BSC in Civil Engineering (JKUAT) - Diploma in Port Design and Management (NIRAS)- Denmark - Higher Diploma in Construction & Building Economics (TUK) - Diploma in Civil Engineering (TUM) <p><u>WORK EXPERIENCE:</u></p> <ul style="list-style-type: none"> - Feb 2025 to date- Chief Officer Trade & Industry - June 2023-Feb 2025- Chief Officer Roads, Public works & Infrastructure - 2015-2022 Principal Civil Engineer-KPA - 2006-2015 Superintendent of works (Housing) KPA - 1985-2005 Senior Inspector of works (Port) -KPA
2	Robinson Bob Onimo		1960	Member - Rachuonyo North - Co-Chairperson	ID:1529353 TEL: 0729716307	<p><u>ACADEMIC</u></p> <p><u>QUALIFICATIONS:</u></p> <ul style="list-style-type: none"> -Diploma: Communication in Business & Management - Diploma: Sales and Marketing -Diploma: Tourism & Travel Management <p><u>WORK EXPERIENCE:</u></p> <ul style="list-style-type: none"> -Ad hoc Committee Member on Classification of Urban Areas in H/Bay County 2nd December 2022





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Fund Administration Committee (Continued)

S/ N	NAME	PASSPORT PHOTO	DATE OF BIRTH	POSITION	CONTACT DETAILS	DETAILS OF QUALIFICATIONS AND EXPERIENCE
						<ul style="list-style-type: none"> - Chairman HBay County Tourism Policy Committee- 18th May, 2021 -Chairman South Nyanza Tourism Association -2011 -Director National Forum for Cultural Heritage Promotions- 2009-2015 -Member Domestic Tourism Council of Kenya (Nat Govt) May 2009-June 2012
3	Helida Achieng Onyango		15/02/1970	Member-Suba North	ID:11395639 Tel: 0726530573	<p><u>ACADEMIC QUALIFICATIONS:</u></p> <ul style="list-style-type: none"> - KCSE-1989 <p><u>WORK EXPERIENCE:</u></p> <ul style="list-style-type: none"> - Uwezo Fund Board Member –Suba North 2014-2017 -Mbita Level 4 Hospital Board Member (Business Community)2012-2015 -Treasurer Our Lady Star of the Sea Mbita Parish 2021-date
4	Paul Omwaro Akul		01/01/1974	Member - Ndhiwa	ID: 20359019 Tel: 0795888493 PIN: A015656483 L	<p><u>ACADEMIC QUALIFICATIONS:</u></p> <ul style="list-style-type: none"> - <u>KCSE 1995</u> <p><u>WORK EXPERIENCE:</u></p> <ul style="list-style-type: none"> -Businessman
5	Kennedy Saitoti Kiboye		12/06/1986	Member – Suba South (Youth)	ID: 27890587 Tel: 0706313482	<p><u>ACADEMIC QUALIFICATIONS:</u></p> <ul style="list-style-type: none"> - KCSE <p><u>WORK EXPERIENCE:</u></p> <ul style="list-style-type: none"> -Businessman


HOMA BAY COUNTY ALCOHOLIC AND DRINKS CONTROL FUND
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Fund Administration Committee (Continued)

S/ N	NAME	PASSPORT PHOTO	DATE OF BIRTH	POSITION	CONTACT DETAILS	DETAILS OF QUALIFICATIONS AND EXPERIENCE
6	David Odwar Outa		24/6/1961	Member – Rachuonyo South	ID:2742536 Tel: 0723284390	<u>ACADEMIC QUALIFICATIONS:</u> - Diploma in Education Management <u>WORK EXPERIENCE:</u> - Retired Teacher
7	Peter Odhiambo Nyambuga		1960	Member – Rachuonyo East	ID:4749887 Tel: 0722886054	<u>ACADEMIC QUALIFICATIONS:</u> <u>WORK EXPERIENCE:</u> - Famer
8	Paul Omollo Bunde		1979	Member – Rangwe	ID: 8016381 Tel: 0757302613 PIN: A001601791 B	<u>ACADEMIC QUALIFICATIONS:</u> - Certificate in Droughts Man-KTTC – 1998 <u>WORK EXPERIENCE:</u> -HBC Waed bursary committee 2019-2022 - Droughts man, Fitter- Miwani Sugar Co. Ltd
9	Irine Atieno Otieno		01/01/1987	Member – Homa Bay Town	ID:2633380 Tel: 0710112288 PIN:	<u>ACADEMIC QUALIFICATIONS:</u> - KCSE-2002 <u>WORK EXPERIENCE:</u> - Field Coordinator- HBC Woman Representative office 2015-2022



HOMA BAY COUNTY ALCOHOLIC AND DRINKS CONTROL FUND
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Fund Administration Committee (Continued)

	NAME	PASSPORT PHOTO	DATE OF BIRTH	POSITION	CONTACT DETAILS	DETAILS OF QUALIFICATIONS AND EXPERIENCE
10	William Onyango Luballo		30/11/1968	Ex-Offio Member/Secretary	ID : 10010154 Tel: 0723730513	<u>ACADEMIC QUALIFICATIONS</u> -MBA (HRM) -CPS (K) - BA (Hons) -K.A.C.E - KCE <u>Work Experience</u> -Town Clerk Various Councils 1999 TO 2013. -Secretary/C.E.O Siaya County Public Service Board 2015 – 2021 -County government of Homa Bay


HOMA BAY COUNTY ALCOHOLIC AND DRINKS CONTROL FUND
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4. Management Team

S/N	NAME	PASSPORT PHOTO	DATE OF BIRTH	POSITION	CONTACT DETAILS	DETAILS OF QUALIFICATIONS AND EXPERIENCE
1	Dr.Joash Aloo PHD		01/01/1973	CECM Trade Member	ID:11631487 Tel: 0722634962	ACADEMIC QUALIFICATIONS: -PHD- Educational Management and Administration -Master Degree in Educational Management and Administration -BEAD English and Literature -Member and trustee of Educational Management Society of Kenya -Member of council of Elders-CITAM Church -Coordinator-Kasipul Elders Development Group (KEDAG) WORK EXPERIENCE: 2025 – CECM Trade Water, -Principal Kabianga School -Civil service for 27Yrs
2	Eng.Benard O. Nyobange		01/01/1963	Chief Officer Trade /Chairperson	ID:8244827 Tel: 0721461990	QUALIFICATIONS: - Master of Science Project Management (JKUAT) - BSC in Civil Engineering(JKUAT) - Diploma in Port Design and Management (NIRAS)-Denmark - Higher Diploma in Construction & Building Economics (TUK) Diploma in Civil Engineering (TUM) WORK EXPERIENCE: - Feb 2025 to date- Chief Officer Trade& Industry - June 2023-Feb 2025- Chief Officer Roads, Public works & Infrastructure - 2015-2022 Principal Civil Engineer-KPA



HOMA BAY COUNTY ALCOHOLIC AND DRINKS CONTROL FUND
Annual Report and Financial Statements for the year ended June 30, 2025

Management Team (Continued)

S/N	NAME	PASSPORT PHOTO	DATE OF BIRTH	POSITION	CONTACT DETAILS	DETAILS OF QUALIFICATIONS AND EXPERIENCE
						<ul style="list-style-type: none"> - 2006-2015 Superintendent of Works (Housing) KPA - 1985-2005 Senior Inspector of works (Port) - KPA
3	Robinson Bob Onimo		1960	Member - Rachuonyo North - Co- Chairperson	ID:1529353 TEL: 0729716307	<p><u>ACADEMIC QUALIFICATIONS:</u></p> <ul style="list-style-type: none"> -Diploma: Communication in Business & Management -Diploma: Sales and Marketing -Diploma: Tourism & Travel Management <p><u>WORK EXPERIENCE</u></p> <ul style="list-style-type: none"> - Ad hoc Committee Member on Classification of Urban Areas in H/Bay County 2nd December 2022 - Chairman HBay County Tourism Policy Committee- 18th May, 2021 - Chairman South Nyanza Tourism Association - 2011 - Director National Forum for Cultural Heritage Promotions- 2009-2015 -Member Domestic Tourism Council of Kenya (Nat Govt) May 2009-June 2012

HOMA BAY COUNTY ALCOHOLIC AND DRINKS CONTROL FUND
Annual Report and Financial Statements for the year ended June 30, 2025

Management Team (Continued)

S/N	NAME	PASSPORT PHOTO	DATE OF BIRTH	POSITION	CONTACT DETAILS	DETAILS OF QUALIFICATIONS AND EXPERIENCE
4	Isaak Onyonyi		12/4/1975	Director Trade	ID24.04.1974 Tel:0722348103	<p><u>ACADEMIC QUALIFICATIONS</u> -</p> <ul style="list-style-type: none"> - BBA- Marketing - Exec Dip – Marketing <p><u>WORK EXPERIENCE</u></p> <ul style="list-style-type: none"> - WeTu: Head of marketing and Communication - Dr. Braids EA: Commercial Manager. - PSI Kenya: National Manager, Trade Development - Nation Media Group: Sales Executive
5	Elsa Odeny		1986	Fund Accountant	0720581179	<p><u>QUALIFICATION</u></p> <ul style="list-style-type: none"> -Masters in business administration -Bachelor of business administration - CPA K <p><u>WORK EXPERIENCE</u></p> <ul style="list-style-type: none"> -Worked in Kemri for 5 yrs -Worked in CDC FROM 2011-2016

HOMA BAY COUNTY ALCOHOLIC AND DRINKS CONTROL FUND
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5. Fund Chairperson's Report

The object and purpose of the fund is to control the production, sale, distribution, promotion and use of alcoholic drinks in addition it should promote research, treatment and promote rehabilitation of persons affected.

During the year under review the Chief Officer and CECM Trade were transferred to other Departments in the County. The Fund also automated its Liquor Licensing process from application, payment and issuance of the Liquor permit. This increased Revenue collection and reduced pilferage of Funds.

In review of the routine functions, the board in collaboration with partners and other stakeholders has a planned to set up a treatment and rehabilitation centre in Homa Bay. A suitable land has been identified, a BOQ prepared and the procurement process set to begin soon. This plan will boost the lives and social stature of the affected individuals in the county once implemented.

The fund however had as a short-term plan of identify the liquor addicts in the county of Homa Bay and send them to already existing treatment /rehabilitation centres before completion of the Homa Bay County Rehabilitation and treatment centre.

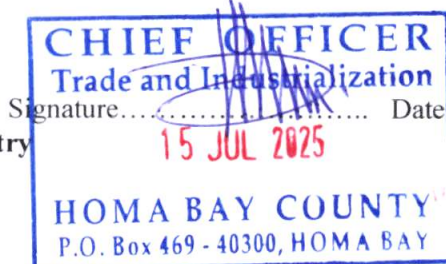
In the period July 2024 –June 2025, the fund collected a total of Kshs. 7,034,002 from its operations and spent Kshs. 1,433,088 on its day-to-day activities. This position is expected to improve in the coming Financial Year as the new cashless system of revenue collection is rolled out.

The fund in its operations has faced numerous challenges e.g.

- i. Smuggled alcoholic drinks from the neighboring countries of Uganda and Tanzania
- ii. Difficulty in getting grants and development partners
- iii. Reluctance on the side of National government in sparing structural development
- iv. Resistance on new collection system
- v. Lack of Motor Vehicle

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

Eng. Benard O. Nyobange
Chief Officer Trade and Industry
Chairperson of the Fund



6. Report of The Fund Administrator

The Homa Bay County Alcoholic and Drinks Control fund is administrated by the Chief Officer Trade and Industry whose key role is to manage the administrative duties, operational, financial, and regulatory aspects of the fund, handling tasks like fund accounting, financial reporting, investor reporting, regulatory compliance, and asset management.

The role often involves overseeing funds like the Training Fund committee members and staffs, ensuring proper management, loan disbursement, recovery procedures, and preparing annual estimates and reviews for approval by the Homa Bay Alcoholic and Drinks control Fund Committee.

In the period under review, the fund projected to collect Kshs.9,500,000/= and spend Kshs. Kshs.9,500,000/=, however, it collected Kshs. 7,034,002/= and spent Kshs. 1,433,088/= on its operations. The under collection was due to challenges encountered in transitioning to automated system of collecting and issuance of Liquor Licenses; the prevailing harsh economic situation among other challenges. This position is expected to improve in the coming Financial Year as the new cashless system of revenue collection is fully rolled out.

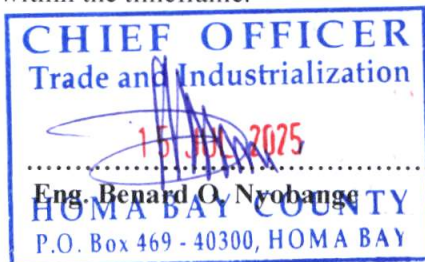
In the same FY 2024-2025, the fund held Public Education and sensitization campaigns in collaboration with other stakeholders ie. NACADA, KEBS, Anti Counter forfeit Authority and KRA as well as a joint Raids on illegal/ poor quality, smuggled liquor products.

The fund in its operations has faced numerous challenges e.g.

- i. Smuggled alcoholic drinks from the neighboring countries of Uganmda and Tanzania
- ii. Difficulty in getting grants and development partners
- iii. Reluctance on the side of National government in sparing structural development
- iv. Resistance on new collection system
- v. Lack of Motor Vehicle
- vi. Lack of proper and efficient waste management system

To mitigate the risk of under collection of Revenue, the fund's strategy is to train users on the new automated revenue collection system and ensure seamless implementation of the system.

The fund is also working on prompt procurement to ensure completion of projects and programs within the timeframe.



HOMA BAY COUNTY ALCOHOLIC AND DRINKS CONTROL FUND
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7. Statement of Performance Against the County Fund's Predetermined Objectives

Introduction

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

The key development objectives of the Fund as per the strategic plan for 2024-2025 FY are to:

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

Progress on attainment of Strategic development objectives

Below we provide the progress on attaining the stated objectives:

Program	Objective	Outcome	Indicator	Performance
To construct Rehabilitation and Treatment Centre for Alcohol and Drug abuse addicts	To Rehabilitate Alcohol and Drug addicts	Reduction in the number of Addicts in the County	Percentage of Work done.	Acquired Land, Drawind and BOQ done. 25%
Protection to consumers against illegal Alcoholic Drinks and Drugs.	To maintain High quality products in the market	Reduce to effects of illicit Alcohol and Drugs	Number of Raids conducted. Number of illicit products confiscated.	30 raids in the whole county. 2 joint Raids with NACADA, KRA, KEBS and Anti counterfeit Authority
Protection of Manufacturers and Traders against	To protect them from unfair competition	Enhanced returns from production and sales	Number of producers and sellers of poor quality products arrested	30 raids in the whole county. 2 joint Raids with NACADA, KRA, KEBS and

HOMA BAY COUNTY ALCOHOLIC AND DRINKS CONTROL FUND
Annual Report and Financial Statements for the year ended June 30, 2025

Statement of Performance Against the County Fund's Predetermined Objectives (Continued)

Program	Objective	Outcome	Indicator	Performance
Protect Learning Institutions against operation of liquor stores and prohibition of sale of alcohol to underage	To maintain the moral fabric of the society	Number of persons with good morals in the society	Number of outlets near learning institutions and the ones selling alcoholic drinks to underage persons arrested and business closed	31 Outlets were closed for non-compliance
Prompt review of alcoholic drink control policies and laws	To respond to new challenges in alcohol manufacturing, consumption and promotion within the county	Enhanced efficiency in manufacturing, consumption and promotion of alcoholic drinks within the county	Number of policies reviewed and approved	These policies are still a work in progress.

8. Corporate Governance Statement

i. Appointment of Committee members, Process of appointment and removal of directors, The size, diversity, and demographics of the Board, Existence of the board charter

The Alcoholic Drinks Control Committee has a total membership of 18 persons at the County level. These members are drawn from the County department of Trade and Industry, The National Government and the local communities (Sub Counties). Their appointments are conducted as below:-

1. Appointees of the County Public Service Board

The following officers employed by the County Public Service Board becomes members automatically by virtue of their offices:-

- a) CECM ,Department of Trade, Industrialization, Cooperatives and Investment who shall be an ex officio-Member of Key Management
- b) The Chief Officer, Department of Trade, Industrialization, Cooperatives and Investment who shall be the chairperson
- c) The officer for the time being in charge of County Public Health;
- d) Director Trade or his/ her representative
- e) One officer designated by the Committee who shall be the Secretary and also an ex-officio member;
- f) The officer for the time being responsible physical planning in the county;
- g) One officer designated by the county director of education;
- h) The Fund Accountant who shall be Member of Key Management

2. Appointments by the Public Service Commission:

The officer responsible for coordination of national government functions in the county (County Commissioner);

3. Appointments by the Kenya police service Commission.

The officer commanding Kenya Police services in the County;

4. Appointments by the CEC Member of Trade, Industrialization, Cooperatives and Investment

The Executive Committee member appoints Eight (8) residents of the County, one per sub-county through a competitive process in accordance with the prescribed Laws and Regulations, one of whom shall be youth provided that not more than two thirds shall be of the same gender and shall serve a term of 3Years.

Removal of the committee members

Committee Members appointed by either the County Public Service Board; Public service Commission and National police service Commission shall follow dismissal as provided in the relevant Laws and Regulations. Whereas removal of the committee members appointed through a competitive procedure by the CECM Trade shall be upon expiry of their terms or follow a procedure of dismissal of Board members as prescribed by the constitution of Kenya 2010, **Mwongozo Code of Conduct for State Corporations** and other related laws.

ii. Roles and functions of the board

The roles and functions of the committee shall be to-

- a) Support and facilitate sub-county committees in carrying out their functions;
- b) Carry out public education on alcoholic drinks control in the county directly and in collaboration with other public or private bodies and institutions;

Corporate Governance Statement (Continued)

- c) Facilitate citizen participation in matters that relate to alcoholic drinks control in accordance to the framework for citizen participation established under County Government and National Government legislations;
- d) facilitate and promote in collaboration with other County and National government institutions the establishment of treatment and rehabilitation facilities and programmes;
- e) Carry out research directly or in collaboration with other institutions and serve as the repository of data and statistics related to alcoholic drinks control; and maintain a register of alcoholic license within the County;
- f) Develop in collaboration with other County and National government departments strategies and plans for implementing this Act and any other relevant National legislation relating to control of alcohol abuse and coordinate and support their implementation;
- g) Advise the executive member generally on the exercise of his/her powers and functions under this Act, and in particular on County policies and laws to be adopted in regard to the production, manufacture, sale and consumption of alcoholic drinks;
- h) 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 and County assembly;
- i) Recommend to the executive member the formulation of laws and regulations related to alcoholic drinks;
- j) Monitoring and evaluating the implementation of this Act including the operation of the sub-county committees and advising the executive member on the necessary measures to be adopted;
- k) In collaboration with the county sub-committee and the enforcement committee prepare and submit to the executive on quarterly basis, an alcohol abuse control status report containing such matters as may be specified by the executive member;
- l) Carry out such other roles necessary for the implementation of the objects and purpose of this Act and perform other such functions as may, from time to time, be assigned by the executive member.
- m) The Alcoholic Drinks Control Committee shall have the power to review any decisions of the Sub-county committees established herein, and exercise any such other powers that may be necessary carry out its functions effectively under this Act

iii. Induction, training, and development

The Fund committee conducts inductions, trainings and allow development of individual Committee members, Key management team and support staff whenever an opportunity arises.

iv. Board and members' performance

During the year under review, both the Fund committee members, the key management team and the secretariat were able to automate the Liquor Licensing system, whereas the premises owners are able to print the License on their computers.

Corporate Governance Statement (Continued)

- v. **Number of Board meetings held and attendance by members**
During the year under review, Fund Committee held 3 meetings at the county level and several sub - committees meetings at the sub-county level.
- vi. **Succession plan**
The members representing the sub counties are replaced after expiry of 3years whereas, the other members remain in office till they are removed from employment by way of death, retirement, Transfer, resignation and dismissal from Service.
- vii. **Policy to manage conflict of interest.**
Under section 10 (6) of the Act, A person shall not be a member of the committee if such a person is -
a) the holder of a license under this Act;
b) a partner in the firm, director or shareholder of a company or other body which is a holder of a license under this Act;
c) directly or indirectly employed as an agent of a person, firm, company or body which is a holder of license under this Act;
d) undischarged bankrupt; or
e) a person who has been of an offence under this Act or of a felony.
- viii. **Board remuneration**
The Alcoholic Drinks Control Committee members are paid sitting allowances as prescribed by the Salaries and Remuneration Commission (SRC). No salaries are paid to the committee members.
- ix. **Ethics and Conduct**
The Constitution of Kenya 2010 (COK 2010) and other relevant Legislation governs the Ethics and Conduct of members of the Alcoholic Drinks Control Committee.
- x. **Governance audit**
The Board did not conduct A Governance Audit, however there are plans to conduct A Governance Audit in the FY 2025/2026.
- xi. **Communication policy**
The chain of command comes from the chair at the county level to all members of the county and sub county committees. All correspondences and enquiries are handled by Chair of the Board The chair person is also answerable to the CECM Trade who tables B i- annual reports to the County Executive meetings and the county Assembly for discussion and adoption.
- xii. **Terms of Reference of Committees**
The fund operates under the **Homa Bay County Alcoholic Drinks Control Act of 2015**, the **constitution of Kenya 2010**, the **Homa bay County Finance Act 2022** among other related laws and regulations.
- xiii. **Policy on related party transactions**
Related parties transactions eg from or on behalf of The County Government of Homa Bay; Department of Trade and Industry; Key management and the Board of Trustees are governed by the PFM Act 2012, The Homa Bay County Finance Act 2024, The Alcoholic Drinks Control Act 2015 and other related laws. The Fund has no specific policies on dealing with related parties transactions.

9. Management Discussion and Analysis

The Homa Bay County Alcoholic Drinks Control Fund has in its functions of controlling quality of liquor produced and sold, controlling consumption of liquor, mitigating the adverse effect of excess intake of alcoholic drinks as well as protecting the public against operations of bars near schools and other prohibited areas.

The management has the power to review decisions and exercise any such powers that may be necessary to carry its functions effectively. The management deliberated and concluded on the best ways to enhance the collections to enable the achievement of the intended purpose of the fund

It was noted that in the period July 2024-June 2025, the fund collected a total of Kshs. 7,034,002 from its operations and spent Kshs. 1,433,088 on its day-to-day activities. This position is expected to improve in the coming Financial Year as the new cashless system of revenue collection is rolled out.

The fund in its operations has faced numerous challenges e.g.

- i. Smuggled alcoholic drinks from the neighboring countries of Uganda and Tanzania
- ii. Difficulty in getting grants and development partners
- iii. Reluctance on the side of National government in sparing structural development
- iv. Resistance on new collection system
- v. Lack of mobility for both Board members and other relevant staff

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

10. Environmental and Sustainability Reporting

The 2030 agenda for sustainable development was adopted by all United Nations member States, it's shared a blueprint for peace and prosperity for the people and the planet now and into the future. The 17 sustainable goals (SDGs) are urgent call to action by all to improve health and education, reduce inequality and spur economic growth while tackling climate changes and working to preserve our oceans and forests.

The Alcoholic drinks and control fund during the year under review sustainably achieved the following:-

- i. Inspection and licensing of liquor premises with a team of professionals (Health, Physical planners, OCPD and Educationist) to ensure they conform to the Homa Bay county alcoholic drinks Control Fund Act 2015 requirements which includes, good sanitary conditions, observe 300mtrs distance from schools and residential areas, observe occupational health & safety standards and ensure no alcoholic drinks are sold to underage persons (18 and below)
- ii. Liaised with the department of environment to reduce noise pollution from liquor outlets through detection of noise and imposing fines and penalties to offenders.
- iii. Championed cleaning of the environment to get rid of waste from the alcohol sellers in collaboration with the department of environment adopting the strategy of the 3Rs (Reduce, Recycle and Reuse) waste.
- iv. Achieved full automation of liquor licensing and revenue collection which has eliminated use of paper work.
- v. Ensured all products (alcoholic drinks) satisfy minimum standards and collaborated with other Government Agencies such as KEBS, Anti-Counterfeit Authority, NACADA and other partners. This has been achieved through joint raids
- vi. Ensured stockholders engagement through public participation and education

During the same period, the fund experienced the following challenges: -

- i. Construction of Treatment and Rehabilitation Centre failed owing to failure to acquire appropriate land in time.
- ii. Failure to realize the targeted revenue due to transition challenges from manual to automated system.
- iii. Failure to get back moneys swiped to the CRF for operations to take place.
- iv. Late invoicing of liquor outlets leading to low collection during the period.

Environmental and Sustainability Reporting (Continued)

The fund took the following measures to mitigate the challenges; -

- i. enhanced the capacity of the system users through training to enable smooth and efficient revenue collection.
- ii. to arrange early invoicing to enable prompt payment from the liquor venders.
- iii. Having acquired a suitable land for Treatment and Rehabilitation Centre construction, we are now in the procuring process for the construction of the same.
- iv. have held discussions with the Department of Finance and County Assembly to ensure money is released.

The Homa Bay county Alcoholic drinks control fund uses the national environmental policy on carrying out its operations which has enable the fund to achieve:

- i. Elimination of cash transactions and paper work due to adoption of full automation
- ii. Reduced, recycle and reuse wastes from Liquor outlets.
- iii. Reduced noise pollution through enforcement.
- iv. Ensured all stores meet the required sanitation standards and occupational health and safety requirements.

The fund had the following shortcomings in achieving its goals:

- i. Lack of adequate staff
- ii. Immobility due to lack of adequate vehicles and motor cycles

The fund had the following mitigation measures;-

- i. Increased allocation for staff acquiring, training and for acquisition of equipment.
- ii. Enhancing water conservation by implementing rain water harvesting and water recycling by the business owners.

The fund has employees from the National and the county government which takes in to account the requirements of the Constitution 2010, the Employment Act 2007, Human resource procedure and policy manual 2016, and other related laws. These laws sets out the requirement for gender ratio, persons with disability and youth positions during employment.

Environmental and Sustainability Reporting (Continued)

The fund trained its staff and committee members to improve on their skills and competencies. At the end of the period, the staff are appraised on their early signed performance contracts with their respective supervisors.

During the period under review, the Department of Trade developed a service charter, translated in both English and Kiswahili and it displayed at the entrance of the office. The fund also transited from manual to cashless system of revenue collection and automated licensing process.

The fund ensures that the provisions of PMF Act 2012, the Public Procurement and Disposals Act 2015 and other related laws are followed during acquisition of goods and services.

The department of Trade participated in public participation during budget making and preparation of CIDP, these gave the members of the community the opportunity to give input on the budgeted items and amounts for efficient and effective development.

11. Report of The Trustees

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

Principal activities

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

- i. Issue licenses in accordance to the Homa Bay County Alcoholic Drinks Control Act of 2015.
- ii. Carry out public education on alcoholic drinks control in the county directly and in collaboration with other public or private bodies and institutions
- iii. Facilitate citizen participation in matters that relate to alcoholic drinks and drug abuse in accordance to the framework for citizen participation established under County Government and National Government legislations
- iv. Facilitate and promote in collaboration with other county and National government institutions the establishment of treatment and rehabilitation facilities and programs
- v. Carry out research directly or in collaboration with other institutions and serve as the repository of data and statistics related to alcoholic drinks and drug abuse control; and maintain a register of alcoholic license within the county
- vi. Develop in collaboration with other County and National government department's strategies and plans for implementing this Act and any other relevant National legislation relating to control of alcohol abuse and coordinate and support their implementation
- vii. Advise the executive member generally on the exercise of his/her powers and functions under the Act, and in particular on County policies and laws to be adopted in regards to the production, manufacture, sale and consumption of alcoholic drinks
- viii. In collaboration with other relevant County departments prepare and submit an alcoholic drinks status report bi- annually in the prescribed manner to the executive member which shall be transmitted to the County Executive Board and County o the executive member the formulation of laws and regulations related to alcoholic drinks.
- ix. Monitoring and evaluating the implementation of the Act including the operation of the sub county committees and advising the executive member on the necessary measures to be adopted
- x. In collaboration with other County sub- board and enforcement board prepare and submit to the executive on quarterly basis, an alcohol abuse control status report containing such matters as may be specified by the executive member
- xi. Carry out such other roles necessary for the implementation of the objects and purpose of the Act and perform other such functions as may, from time to time, be assigned by the executive member

HOMA BAY COUNTY ALCOHOLIC AND DRINKS CONTROL FUND
Annual Report and Financial Statements for the year ended June 30, 2025

Results

The results of the Fund for the year ended June 30, 2025 are set out on page 1-6

Trustees

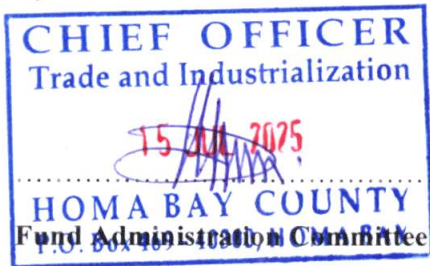
The members of the Board of Trustees who served during the year are shown on page xv-xxii. The changes in the Board during the financial year are as shown below:

S/N	OUT GOING	IN COMING
I	Hon. Polycarp Okombo- CECM Trade	Dr. Joash Aloo PHD- CECM Trade
Ii	Mr. Jack Maurice Obonyo – Chief officer Trade	Eng. Benard Nyobange- Chief officer Trade

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. No other Certified Public Accountants were nominated by the Auditor General to carry out the audit of the Homa Bay County Alcoholic Drinks Control Fund for the year/period ended June 30, 2025 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



Date: 15/07/2025

12. Statement of Management's Responsibilities

Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of Homa Bay County Alcoholic and Drinks Control Fund established by the Homa Bay County Alcoholic and Drinks Control Fund Act 2015 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 Homa Bay County Alcoholic and Drinks Control Fund is responsible for the preparation and presentation of the Fund's financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 2025. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Fund; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Fund; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Administrator of the Homa Bay County Alcoholic and Drinks Control 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 Homa Bay County Alcoholic and Drinks Control Fund Act 2015. The Administrator of the Fund is of the opinion that the Fund's financial statements give a true and fair view of the state of Fund's transactions during the financial year ended June 30, 2025, and of the Fund's financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Administrator of the Homa Bay County Alcoholic and Drinks Control Fund has assessed the Fund's ability to continue as a going concern and disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements.
OR

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

Approval of the financial statements

The Fund's financial statements were approved by the Board on 15/07/2025 and signed on its behalf by:

CHIEF OFFICER
Trade and Industrialization
[Signature]
15 JULY 2025
.....
Administrator of the Homa Bay County
Alcoholic Drinks Control Fund
P.O. Box 469 - 40300, HOMA BAY

REPUBLIC OF KENYA

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



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

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Homa Bay County Alcoholic Drinks Control Fund set out on pages 1 to 44, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of

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

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

In my opinion, except for the 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 Homa Bay County Alcoholic Drinks Control Fund as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Homabay County Alcoholic Drinks Control Act, 2015 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1.0. Inaccuracies in the Financial Statements

The statement of financial performance reflects Nil amount in respect of transfers from the County Government, while the supporting Annex II-Inter Fund Confirmation Letter to the financial statements indicates amount received from County Revenue Fund (CRF) of Kshs.18,087,894, resulting in an unreconciled variance of negative Kshs.18,087,894.

Further, the statement of comparison of budget and actual amounts reflects budget carryovers from the previous year amount Kshs.235,425 which is erroneous shown under Original Budget and Performance Difference columns. The amount should be indicated under Adjustments, Final budget and Actual on Comparable Basis columns.

In addition, the budget reconciliation schedule includes, as reconciling items, transfers to CRF amount of negative Kshs.7,253,809 and transfers from County Government (CRF) amount of Kshs.1,455,000, which are not supported as they are neither reported in the statement of comparison of budget and actual amounts nor statement of cash flows.

In the circumstances, the accuracy, completeness and fair presentation of the financial statements could not be confirmed.

2.0. Unconfirmed Receivables from Non-Exchange Transactions Balance

The statement of financial position reflects receivables from non-exchange transactions balance of Kshs.5,798,809 which, as disclosed in Note 18 to the financial statements, relates to amount transferred to the County Revenue Fund (CRF) of the County Government of Homa Bay, which had not been refunded. However, the balance excludes an amount of Kshs.10,834,085 transferred to the CRF in the previous year, but had not been refunded to the Fund as at 30 June, 2025, resulting in understatement of the receivables from non-exchange transactions balance. Further, evidence showing that Management made efforts to recover the receivables amounting to Kshs.16,632,894 from the County Government of Homa Bay was not provided for audit.

In the circumstances, the accuracy and completeness of the reported receivables from non-exchange transactions balance of Kshs.5,798,809 and the recoverability of receivables amounting to Kshs.16,632,894 from the County Government could not be confirmed.

3.0. Unconfirmed Valuation of Inventories

The statement of financial position reflects nil inventories balance. However, review of records revealed that the Fund held inventories of unknown value which are not disclosed in the financial statements.

Further, the inventory and stock taking report for the year under review was not provided for audit, contrary to Section 162(2) of the Public Procurement and Asset Disposal Act, 2015, which requires the Head of Procurement Function to arrange for occasional visits of inspection to the stores, at least quarterly in each calendar year, and conduct quarterly and annual inventory and stock taking in order to ensure compliance with all respective governing laws and submit the report to the Accounting Officer.

In the circumstances, the accuracy and completeness of the reported nil inventories balance and the effectiveness of internal controls over the management of inventories could not be confirmed.

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

Emphasis of Matter

1.0. Budgetary Control and Performance

The statement of comparison of budget and actual amount reflects final Income budget and actual on comparable basis amounts of Kshs.9,735,425 and Kshs.7,034,002 respectively, resulting in underfunding of Kshs.2,701,423 or 28% of the budget. Similarly, the statement reflects capital expenditure budget of Kshs.8,000,000 which was not utilized.

Further, out of the actual receipts of Kshs.7,034,002, the Fund utilized only Kshs.1,433,088, resulting in underutilization of Kshs.5,600,915 or 80%.

The under-funding and underutilization affected the planned activities and may have negatively impacted on service delivery by the Fund.

2.0. Failure to Develop and Implement a Rehabilitation Program

The County Alcoholic Drinks Control Board did not implement the construction of a rehabilitation facility valued at Kshs.8,000,000, as allocated in the approved budget for the financial year ended 30 June, 2025. Although Management attempted to acquire a

parcel of land measuring two (2) acres, the project had not proceeded as planned. The Management also did not include the rehabilitation facility in the approved procurement plan as required by the Public Procurement and Asset Disposal Act, 2015.

Failure to build a rehabilitation centre may adversely affect victims of alcoholism and substance abuse in Homa Bay County.

My opinion is not modified in respect of these matters.

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 effect of 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 prior year's audit report, several issues were raised under the Report on Financial Statements, Lawfulness and Effectiveness in Use of Public Resources, and Effectiveness of Internal Controls, Risk Management and Governance, respectively. Review of the status during audit of the Fund in 2024/2025 revealed that the following matters remained unresolved:

S/No.	Financial Year	Audit Issue
1	2023/2024	Budgetary Control and Performance
3	2023/2024	Weak Internal Controls over Cash and Bank Management
4	2023/2024	Ineffective Internal Audit Function
5	2023/2024	Weaknesses in Revenue Collection

Other Information

The management is responsible for the Other Information set out on page iii to xxxvi which comprises Key Entity Information and Management, Fund Administration Committee, Management Team, Fund Chairpersons Report, Report of the Fund Administrator, Statement of Performance Against the County Fund's predetermined Objectives Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Trustees and Statement of Management's Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

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

Basis for Conclusion

Regularity of Imprest Management

The statement of financial performance reflects use of goods and services amount of Kshs.1,433,088 which, as disclosed in Note 11 to the financial statements, includes field operations expenses of Kshs.355,000. However, review of records revealed that officers were paid per diems and allowances directly to their bank accounts without the use of imprest warrants, contrary to Regulation 91(2) of the Public Finance Management (County Governments) Regulations, 2015, which states that the officer authorized to hold and operate an imprest shall make formal application for the imprest through an imprest warrant.

Further, although the activities were budgeted for, various activities were undertaken during the year without prior approvals. It was noted that approvals were done after the activities and journeys were undertaken and, therefore, it was not possible for the Management to prevent journeys and activities that were not objective and strategic to the goals of the Fund. This was contrary to Regulation 93(4) of the Public Finance Management (County Governments) Regulations, 2015, which states that before issuing temporary imprests under paragraph (2), the Accounting Officer shall ensure that— (a) the main objective of the journey cannot be achieved by other cheaper means; (b) the applicant has no outstanding imprests; (c) the applicant imprest has been recorded in the imprest register including the amount applied for; and (d) that adequate funds are available against the relevant items of expenditure to meet the proposed expenditure.

In addition, examination of surrender documents revealed that officers surrender or accounted for imprests jointly and no explanation was provided on why surrenders were not done individually. This was contrary to Regulation 93(5) of the Public Finance Management (County Governments) Regulations, 2015, which requires a holder of a temporary imprest to account or surrender the imprest within 7 working days after returning to duty station.

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

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain

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

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

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

Basis for Conclusion

1.0. Administration of Alcoholic Drinks Control Fund

Audit review established that the Alcoholic Drinks Control Fund was being managed by the County Treasury through the Directorate of Revenue which was charged with the responsibility and duties of collecting license in the entire liquor outlets.

Treasury Order No. HB/CTY/FIN/8/23/Vol.2(132) of 14 September, 2023 directed that all funds should be swiped to the County Government CBK account. However, it was noted that the Executive Order did not instruct the County Revenue Fund to retain the funds.

Further, during the year under review, it was noted that the Fund's operations in terms of budgetary and vote allocations, procurements, revenue collection processes and revenue disbursement or release of funds were centralized at the County Executive of Homa Bay.

It was, therefore, not possible for the Fund to fulfil its mandate as outlined in the Homa Bay County Alcoholic Drinks Control Act, 2015.

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

2.0. Weaknesses in Revenue Collection

The statement of financial performance reflects fines, penalties and other levies amount of Kshs.7,034,002. The following unsatisfactory matters were noted:

2.1. Failure to Issue Invoices to Businesses

Paragraph 4.1.0 (iv) of the Internal Audit report provided for audit indicated that the Fund's Management did not issue invoices to the various outlets as required by the Homa Bay County Alcoholic Drinks Act, 2015. It was also noted that the business community did direct deposits to Equity account before being invoiced at the time using previous fees and charges due to delay in inspection and invoices issuance.

2.2. Revenue Mapping

Schedule three of the Homa Bay County Alcoholic Drinks Control Act, 2015 lists various types of licenses and their respective charges. However, the Fund had not carried out a comprehensive mapping of all the outlets in the sub-counties.

2.3. Revenue Collection

It was established that the revenue collection and documentation was carried out by the Receiver of Revenue. Management did not explain sufficiently why the Fund was not in charge of collecting and managing its own revenue.

2.4. Outlets Situated Near Learning Institutions

Physical verification of various outlets within Homa Bay and Mbita towns revealed that various outlets operated within less than 300 meters from learning institutions, contrary to Section 15(1(c)) of the Homa Bay County Alcoholic Drinks Control Act, 2015, which stipulates that premises selling alcoholic drinks must be located at least 300 meters from any learning institution.

2.5. Other Revenue Collection Weaknesses

- i. It was also noted that the liquor permits were used, instead of miscellaneous receipts, to record revenues collected, and serialized receipt vouchers were not maintained.
- ii. In addition, the liquor permits register was not properly maintained to reflect the liquor permits procured by the county and how many had been issued to the Sub-Counties Liquor License Committees and the resulting balance.
- iii. It was further noted that the Fund Administrator was not administratively in charge of the revenue collection process thus, creating gaps in the coordination of revenue collection across the various sub-counties.

In the circumstances, the effectiveness of internal controls over revenue collection could not be confirmed.

3.0. Weaknesses in Management of Cash and Cash Equivalents

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 captured both revenues and expenditures transactions.
- 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. Monthly reconciliations were not done, checked and approved on timely basis. The cash books were not closed off and balances brought forward on monthly basis.
- iv. There was no evidence that copies of bank reconciliation statements were sent to the relevant authorities on timely basis in line with the law.
- v. No system generated cash books and ledgers were provided for audit review.
- vi. The Fund applied standing imprest system in some cases. However, there was no evidence of approved cash floats being applied.
- vii. During the year under review, the cash book and bank reconciliation statements were not being reviewed by an accountant senior to the preparer.
- viii. The cash book was manual and not regularly updated hence, was prone to errors, inaccuracies and possible manipulations of amounts and single entry.

In the circumstance, the effectiveness of internal controls over the management of cash and cash equivalents 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 effective processes and systems of internal controls, risk management and overall governance were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of 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


28 November, 2025

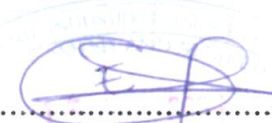
HOMA BAY COUNTY ALCOHOLIC DRINKS CONTROL FUND
Annual Report and Financial Statements for the year ended June 30, 2025

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

Description	Note	2024-2025	2023-2024
		Kshs	Kshs
Revenue From Non-Exchange Transactions			
Public Contributions and Donations	6	0	0
Fines, Penalties and Other Levies	7	7,034,002	10,978,513
		7,034,002	10,978,513
Revenue From Exchange Transactions			
Interest Income	8	0	0
Other Income	9	0	0
		0	0
Total Revenue		7,034,002	10,978,513
Expenses			
Employee Costs	10	0	0
Use of goods and services	11	1,433,088	1,126,338
Depreciation and Amortization Expense	12	0	0
Finance Costs	13	0	0
Total Expenses		1,433,088	1,126,338
Other Gains/Losses			
Gain/Loss on Disposal of Assets	14	0	0
Gain /Loss on fair value of investments	15	0	0
Surplus/(Deficit) for the Period		5,600,914	9,852,175

(The notes set out on pages 9 to 49 form an integral part of these Financial Statements)

CHIEF OFFICER
Trade and Industrialization

 15 JUL 2025
 Name: Eng. Benard O. Nyobange
 Administrator of the Fund
 HOMA BAY COUNTY
 P.O. Box 469 - 40300, HOMA BAY


 Name: Elsa Odeny
 Fund Accountant
 ICPAK Member Number: 13379

HOMA BAY COUNTY ALCOHOLIC AND DRINKS CONTROL FUND
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15. Statement of Financial Position As at 30 June 2025

Description	Note	2024-2025	2023-2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	16	37,531	235,425
Current Portion of Long- Term Receivables from Exchange Transactions	17	0	0
Receivables from Non Exchange Transactions	18	5,798,809	10,834,085
Prepayments	19	0	0
Inventories	20	0	0
Investments in financial assets	21	0	0
Total current assets		5,836,340	11,069,510
Non-Current Assets			
Property, Plant and Equipment	22	0	0
Intangible Assets	23	0	0
Long Term Receivables from Exchange Transactions	17	0	0
Investment Property	24	0	0
Total non- current assets		0	0
Total Assets (A)		5,836,340	11,069,510
Liabilities			
Current Liabilities			
Trade and Other Payables from Exchange Transactions	25	0	0
Current Provisions	26	0	0
Current Portion of Borrowings	27	0	0
Employee Benefit Obligations	28	0	0
Social benefit liabilities	29	0	0
Total current liabilities		0	0
Non-Current Liabilities			
Non-Current Provisions	26	0	0
Long Term Portion of Borrowings	27	0	0
Non-Current Employee Benefit Obligation	28	0	0

HOMA BAY COUNTY ALCOHOLIC AND DRINKS CONTROL FUND
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Description	Note	2024-2025	2023-2024
		Kshs	Kshs
Social benefit liabilities	29	0	0
Total Liabilities (B)		0	0
Net Assets (A-B)		5,836,340	11,069,510
Represented By:			
Revolving Fund		0	0
Reserves		0	0
Accumulated Surplus		5,836,340	11,069,510
Net Assets		5,836,340	11,069,510

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Homa Bay County Alcoholic Drinks Control fund financial statements were approved on 15/07 2025 and signed by:

CHIEF OFFICER
Trade and Industrialization
 Name: Eng. Bernard O. Nyobange
 Administrator of the Fund
HOMA BAY COUNTY
 P.O. Box 469 - 40300, HOMA BAY

Name: Elsa Odeny
Fund Accountant
ICPAK Member Number: 13379

HOMA BAY COUNTY ALCOHOLIC DRINKS CONTROL FUND
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16. Statement of Changes in Net Assets for the year ended 30th June 2025

Description	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
		Kshs	Kshs	Kshs
Balance As At 1 July 2023	0	0	1,217,335	1,217,335
Surplus/(Deficit) For the Period	0	0	9,852,175	9,852,175
Revaluation Gain	0	0	0	0
Balance As At 30 June 2024	0	0	11,069,510	11,069,510
Balance As At 1 July 2025	0	0	235,425	235,425
Surplus/(Deficit) For the Period		0	5,600,914	5,600,914
Revaluation Gain	0	0	0	0
Balance As At 30 June 2025	0	0	5,836,340	5,836,340

HOMA BAY COUNTY ALCOHOLIC AND DRINKS CONTROL FUND
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17. Statement of Cash Flows for The Year Ended 30 June 2025

Description	Note	2024-2025	2023-2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Fines, Penalties and other Levies	8	7,034,002	10,978,513
Transfers from the county government		0	0
Interest received		0	0
Receipts from other operating activities		0	0
Total receipts		7,034,002	10,978,513
Payments			
Use of goods	12	(1,433,088)	(1,126,338)
General expenses		0	0
Finance cost		0	0
Other payments		0	0
Net cash flows from operating activities	30	5,600,914	9,852,175
Cash flows from investing activities			
Purchase of property, plant, equipment and Intangible assets		0	0
Proceeds from sale of property, plant & equipment		0	0
Proceeds from loan principal repayments		0	0
Loan disbursements paid out		0	0
Net cash flows used in investing activities		0	0
Cash flows from financing activities			
Proceeds from revolving fund receipts		0	0
Additional borrowings		0	0
Repayment of borrowings		0	0
Net cash flows used in financing activities		0	0
Net increase/(decrease) in cash & cash Equivalents		(5,798,808)	(10,834,085)
Cash and cash equivalents at 1 July	16	235,425	1,217,335
Cash and cash equivalents at 30th June	16	37,531	235,425

HOMA BAY COUNTY ALCOHOLIC DRINKS CONTROL FUND
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18. Statement of Comparison of Budget and Actual Amounts for The Year Ended 30 June 2025

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	B	C=(a+b)	d	e=(c-d)	f=d/c*100
Budget carryovers from the previous year*	235,425	0	235,425	0	235,425	0%
Receipts						
Public Contributions and Donations	0	0	0	0	0	
Fines Penalties & Other Income	9,500,000	0	9,500,000	7,034,002	2,465,998	74%
Interest Income	0	0	0	0	0	0%
Other Income	0	0	0	0	0	0%
Total Income	9,735,425	0	9,735,425	7,034,002	2,701,423	72%
Expenses						
Use of Goods and Services	1,500,000	0	1,500,000	1,433,088	66,912	96%
Expenditure Adjustment	235,425	0	235,425	0	235,425	0%
Total Expenditure	1,735,425	0	1,735,425	1,433,088	302,337	83%
Capital expenditure	8,000,000	0	8,000,000	0	8,000,000	0%
Surplus For the Period	0	0	0	5,600,914	-5,600,914	0

**HOMA BAY COUNTY ALCOHOLIC AND DRINKS CONTROL FUND
Annual Report and Financial Statements for the year ended June 30, 2025**

Budget notes

1. Non utilization of capital expenditure of Kshs, 8,000,000 was occasioned by late acquisition of land for development of Rehabilitation Centre, which did not allow construction works to commence in time. However the management intend to commence construction works in the current financial year 2025-2026
2. The Under collection of Fines, Penalties and other Levies of Kshs. 2,465,998 or 26% of the budgeted Revenue was brought by the challenges experienced during system change from manual to automated revenue collection system
3. Underutilization of expenditure budget amounting to Ksh. 66,912 or 4% was due to delays in disbursement of funds from the CRF

Budget Reconciliation

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	A
1	Actual Surplus Amounts as per the statement of Budget	5,600,914
2	Transfer to CRF	(7,253,809)
3	Transfer from County government (CRF)	1,455,000
4	Add balance as at 31 July 2024 as per Cash and Cash Equivalent as per the statement of Cash flows	235,425
5	Closing Cash and Cash Equivalent as per the statement of Cash flows	37,531

HOMA BAY COUNTY ALCOHOLIC DRINKS CONTROL FUND
Annual Report and Financial Statements for the year ended June 30, 2025

19. Notes to the Financial Statements

Significant Accounting Policies

1. General Information

Homa Bay County Alcoholic Drinks Controls Fund is established by and derives its authority and accountability from Alcoholic Drinks Control Act 2015. The Fund is wholly owned by the Homa Bay County Government and is domiciled in Kenya. The Fund’s principal activity is to protect the public from the effect of alcoholic drinks while giving the traders on these substances a regulated platform to operate their businesses.

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

(When an IPSAS becomes effective on 1st January 2025, it is applicable in Kenya from 1st July 2025)

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

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

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

Standard	Effective date and impact:
IPSAS 43: Leases	<i>Applicable 1st January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities. <i>The fund does not have any lease arrangement</i>
IPSAS 44: Non- Current Assets Held for Sale and	<i>Applicable 1st January 2025</i> The Standard requires,

HOMA BAY COUNTY ALCOHOLIC DRINKS CONTROL FUND
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Discontinued Operations	<p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p><i>The fund did not have any Non- Current Assets Held for Sale and Discontinued Operations</i></p>
IPSAS 45: Property Plant and Equipment	<p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p><i>The Fund has no property currently, the change will have an impact once the fund acquires property & Equipment</i></p>
IPSAS 46: Measurement	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><i>There was no impact on the financial report of the period ended 30th June 2025</i></p>
IPSAS 47: Revenue	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial</p>

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	<p>statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><i>There was no impact on the financial report of the period ended 30th June 2025</i></p>
IPSAS 48: Transfer Expenses	<p>Applicable 1st January 2026</p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p><i>There was no impact on the financial report of the period ended 30th June 2025</i></p>
IPSAS 49: Retirement Benefit Plans	<p>Applicable 1st January 2026</p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p><i>The fund had no retired staff in the year under review.</i></p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p>Applicable 1st January 2027</p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ol style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized. <p><i>There was no impact on the financial report of the period ended 30th June 2025</i></p>

(i) Early adoption of standards

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

4. Summary of Significant Accounting Policies

a) Revenue recognition

i. Revenue from non-exchange transactions

Transfers from other government entities

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

ii. Revenue from exchange transactions

Interest income

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

Dividends

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

Rental income

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

b) Budget information

The original budget for FY 2024-2025 was approved by the County Assembly on 23 May 2025. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the fund upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Fund recorded additional appropriations of kshs.0 on the FY 2024-2025 budget following the governing body's approval.

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

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

c) Property, plant and equipment

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

a) Intangible Assets

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

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

b) Investment property

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

Summary of Significant Accounting Policies (Continued)

c) Financial instruments

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

Financial assets

Classification of financial assets

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

Subsequent measurement

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

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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 de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Summary of Significant Accounting Policies (Continued)

Financial liabilities

Classification

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

d) Inventories

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

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

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

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

e) Provisions

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

f) Social Benefits

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

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Summary of Significant Accounting Policies (Continued)

g) Contingent liabilities

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

Contingent assets

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

h) Nature and purpose of reserves

The Fund creates and maintains reserves in terms of specific requirements. *The fund has no reserves*

i) Changes in accounting policies and estimates

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

j) Employee benefits – Retirement benefit plans

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

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

Summary of Significant Accounting Policies (Continued)

k) Foreign currency transactions

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

l) Borrowing costs

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

m) Related parties

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

n) Cash and cash equivalents

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

o) Comparative figures

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

Summary of Significant Accounting Policies (Continued)

5. Significant judgments and sources of estimation uncertainty

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

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

a) Estimates and assumptions –

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

b) Useful lives and residual values

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

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

c) Provisions

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

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.

NB: The fund is yet to set provisions

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Notes To the Financial Statements Continued

6. Public contributions and donations

Description	2024-2025	2023-2024
	Kshs	Kshs
Donation From Development Partners	0	0
Contributions From the Public	0	0
Total	0	0

During the year under review, the fund any public contributions and donations.

7. Fines, penalties and other levies

Description		2024-2025	2023-2024
		Kshs	Kshs
Fines		0	0
Penalties		0	0
Other Levies	Application for License Fees	15,002	18,513
	License Fees	7,019,000	10,960,000
	Total Other Levies	7,034,002	10,978,513
Total		7,034,002	10,978,513

The Homa Bay County Alcoholic Drinks Control Fund derive its revenue from Issuance of Liquor License, the process which begins with application of License and attracts fines and penalties to late subscribers and Non adherence to set rules. The License issued is renewed every year.

In current FY, the fund experienced a kshs. 3,944,511 decrease in revenue collection due to challenges occasion by transition from manual to automated system of revenue collection. The management believe this will change once the system operates fully and effectively.

8. Interest income

Description	2024-2025	2023-2024
	Kshs	Kshs
Interest Income from Mortgage Loans	0	0
Interest Income From Car Loans	0	0
Interest Income From Investments in financial assets	0	0
Interest Income On Bank Deposits	0	0
Total Interest Income	0	0

During the year under review, the fund did not have Interest Income

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9. Other income

Description	2024-2025	2023-2024
	Kshs	Kshs
Insurance Recoveries	0	0
Income from Sale of Tender Documents	0	0
Bad debts recovered	0	0
Miscellaneous Income	0	0
Total Other Income	0	0

In the year under review, there were no other income received by the Fund other than in Note 8

10. Employee Costs

Description	2024-2025	2023-2024
	Kshs	Kshs
Salaries And Wages	0	0
Staff Gratuity	0	0
Staff Training Expenses	0	0
Social Security Contribution	0	0
Other (<i>Specify</i>)	0	0
Total	0	0

In the year under review, the fund did incur employment cost as the secretariat/support employees were paid by the County Government of Homa Bay while the Committee members were paid allowances and not salaries.

11. Use of Goods and Services

Description	2024-2025	2023-2024
	Kshs	Kshs
Hospitality supplies and services	0	288,050
Committee Allowances	565,505	0
Board Committees, Conferences and Seminars	287,115	690,800
Fuel And Oil Costs	0	59,000
Field Operation Expenses	355,000	0
Printing And Stationery	31,150	7,000
Hire of Equipment	25,000	0
Telephone And Communication Expenses	8,000	0
Bank Charges	10,318	10,488
General Office Supplies	4,500	0
Provision For Doubtful Debts	0	0
Motor Vehicle Hire	141,500	71,000

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Description	2024-2025	2023-2024
	Kshs	Kshs
Other Operating expense	5,000	0
Total	1,433,088	1,126,338

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

12. Depreciation and Amortization Expenses

Description	2024-2025	2023-2024
	Kshs	Kshs
Property Plant and Equipment	0	0
Intangible Assets	0	0
Total	0	0

13. Finance costs

Description	2024-2025	2023-2024
	Kshs	Kshs
Interest On Bank Overdrafts	0	0
Interest On Loans From Banks	0	0
Total	0	0

14. Gain/(loss) on disposal of assets

Description	2024-2025	2023-2024
	Kshs	Kshs
Property, Plant and Equipment	0	0
Intangible Assets	0	0
Total	0	0

15. Gain/ (loss) on Fair Value Investments

Description	2024-2025	2023-2024
	Kshs	Kshs
Investments at Fair Value- Equity investments	0	0
Fair value – Investment property	0	0
Fair value- other financial assets (specify)	0	0
Total Gain	0	0

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16. Cash and cash equivalents

Description	2024-2025	2023-2024
	Kshs	Kshs
Car Loan Account	0	0
County Mortgage Account	0	0
Fixed Deposits Account	0	0
On – Call Deposits	0	0
Current Account	37,531	235,425
Others	0	0
Total Cash and Cash Equivalents	37,531	235,425

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

Financial Institution	Account Number	2024-2025	2023-2024
		Kshs	Kshs
a) Fixed Deposits Account			
Kenya Commercial Bank		0	0
Equity Bank, Etc.		0	0
Sub- Total		0	0
b) On - Call Deposits			
Kenya Commercial Bank		0	0
Equity Bank - Etc.		0	0
Sub- Total		0	0
c) Current Account			
Kenya Commercial Bank		0	0
Equity Bank	0980268093213	37,531	235,425
Sub- Total		37,531	235,425
d) Others(Specify)			
Cash In Transit		0	0
Cash In Hand		0	0
Sub- Total		0	0
Grand Total		37,531	235,425

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17. Receivables from exchange transactions

Description	2024-2025	2023-2024
	Kshs	Kshs
Current Receivables		
Interest Receivable	0	0
Current Loan Repayments Due	0	0
Other Exchange Debtors	0	0
Less: Impairment Allowance	0	0
Total Current Receivables	0	0
Non-Current Receivables		
Long Term Loan Repayments Due	0	0
Total Non- Current Receivables	0	0
Total Receivables From Exchange Transactions	0	0

Additional disclosure on interest receivable

Description	2024-2025	2023-2024
	Kshs	Kshs
Interest Receivable		
Interest receivable from current portion of long-term loans of previous years	0	0
Accrued interest receivable from of long-term loans of previous years	0	0
Interest receivable from current portion of long-term loans issued in the current year	0	0
Current loan repayments due	0	0
Current portion of long-term loans from previous years	0	0
Accrued principal from long-terms loans from previous periods	0	0
Current portion of long-term loans issued in the current year	0	0

18. Receivables from Non exchange transactions

Description	2024-2025	2023-2024
	Kshs	Kshs
Amounts Transferred to CRF	7,253,809	10,834,085
Refund from CRF	(1,455,000)	0
Payments By County On Behalf Of The Entity	0	0
Total	5,798,809	10,834,085

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19. Prepayments

Description	2024-2025	2023-2024
	Kshs	Kshs
Prepaid Rent	0	0
Prepaid Insurance	0	0
Prepaid Electricity Costs	0	0
Other Prepayments (<i>Specify</i>)	0	0
Total	0	0

20. Inventories

Description	2024-2025	2023-2024
	Kshs	Kshs
Consumable Stores	0	0
Spare Parts And Meters	0	0
Catering	0	0
Other Inventories (<i>Specify</i>)	0	0
Total Inventories	0	0

Detailed disclosure on inventories

Description	2024-2025	2023-2024
Opening balance	0	0
Additional Inventory in the year	0	0
Inventory expensed in the year	0	0
Write-downs in the year	0	0
Others specify	0	0
Closing balance	0	0

21. Investments in financial assets

Description	2024-2025	2023-2024
	Kshs	Kshs
a. Investment in Treasury bills and bonds		
Financial institution		
CBK	0	0
CBK	0	0
Sub- total	0	0
b. Investment with Financial Institutions/ Banks		
Equity Bank	0	0

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Cooperative Bank	0	0
Sub- total	0	0
c. Equity investments (specify)		
Equity/ shares in another Entity	0	0
Sub- total	0	0
Grand total	0	0

During the year under review, the fund did not have any investment in treasury bills/bonds, investments in Financial Institutions/Banks or Investments in Equity.

Movement of Equity Investments

Impairment allowance/ provision	2024-2025	2023-2024
	Kshs	Kshs
At the beginning of the year	0	0
Purchase of investments in the year	0	0
Sale of investments during the year	0	0
Gain/(loss) in fair value of investments through surplus or deficit	0	0
At the end of the year	0	0

e) Shareholding in other entities

There is no investments in equity share listed above, therefore there is no equity investments to list down in categories:

Name of Entity where investment is held	No of shares			No of shares	No of shares	Fair value of shares
	Direct shareholding	Direct shareholding	Direct shareholding		2024-2025	2023-2024
	%	%	%	Kshs	Kshs	Kshs
Entity A	0	0	0	0	0	0
Entity B	0	0	0	0	0	0
Entity C	0	0	0	0	0	0
	0	0	0	0	0	0

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22. Property, plant, and equipment

	Land	Buildings	Motor vehicles	Furniture and fittings	Computers and office equipment	Total
Rate	X%	X%	X%	X%	X%	
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
At 1st July 2023	0	0	0	0	0	0
Additions	0	0	0	0	-	0
Disposals	0	0	0	-	-	0
Transfers/Adjustments	0	0	0	0	0	0
Revaluation Adjustments	0	0	0	0	0	0
At 30th June 2024	0	0	0	0	0	0
At 1st July 2024						
Additions	0	0	0	0	-	0
Disposals	0	0	-	-	-	0
Transfer/Adjustments	0	0	0	0	0	0
Revaluation Adjustments	0	0	0	0	0	0
At 30th June 2025	0	0	0	0	0	0
Depreciation And Impairment						
At 1 st July 2023	0	0	0	0	0	0
Depreciation	0	0	0	0	0	0
Impairment	0	0	-	-	-	0
At 30th June 2024	0	0	0	0	0	0
At 1st July 2024						
Depreciation	0	0	0	0	-	0
Disposals	0	0	-	-	-	0
Impairment	0	0	0	-	-	0
Transfer/Adjustment	0	0	0	0	0	0
At 30th June 2025	0	0	0	0	0	0
Net Book Values						
At 30th June 2024	0	0	0	0	0	0
At 30th June 2025	0	0	0	0	0	0

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23. Intangible assets

Description	2024-2025	2023-2024
	Kshs	Kshs
Cost		
At 1 st July 2024	0	0
Additions	0	0
At 30 th June 2025	0	0
Amortization And Impairment		
At 1 st July 2024	0	0
Amortization	0	0
At 30 th June 2025	0	0
Impairment Loss	0	0
At 30 th June 2025	0	0
NBV	0	0

24. Investment Property

Description	2024-2025	2023-2024
	Kshs	Kshs
At beginning of the year (July 2024)	0	0
Additions	0	0
Disposal during the year	0	0
Depreciation	0	0
Impairment	0	0
Gain/(loss) in fair value (if fair value is elected)	0	0
At end of the year (June 2025)	0	0

During the year under review, the Fund did not have any Investment Property.

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25. Trade and other payables from exchange transactions

Description	2024-2025		2023-2024	
	Kshs		Kshs	
Trade Payables	0		0	
Refundable Deposits	0		0	
Accrued Expenses	0		0	
Other Payables	0		0	
Total Trade and Other Payables	0		0	
Ageing analysis (Trade and other payables)	2024-2025	% of the Total	2023-2024	% of the Total
Under one year	0	%	0	%
1-2 years	0	%	0	%
2-3 years	0	%	0	%
Over 3 years	0	%	0	%
Total (tie to above total)	0		0	

26. Provisions

Description	Leave provision	Grauity Provision	Other provision	Total
	Kshs	Kshs	Kshs	Kshs
Balance b/f	0	0	0	0
Additional provisions	0	0	0	0
Provision utilised	0	0	0	0
Change due to discount and time value for money	0	0	0	0
Total provisions year end	0	0	0	0
Current Provisions	0	0	0	0
Non-Current Provisions	0	0	0	0

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27. Borrowings

Description	2024-2025	2023-2024
	Kshs	Kshs
Balance At Beginning of The Period	0	0
External Borrowings During the Year	0	0
Domestic Borrowings During the Year	0	0
Repayments of External Borrowings During the Period	0	0
Repayments of Domestic Borrowings During the Period	0	0
Balance At End of The Period	0	0

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

Description	2024-2025	2023-2024
	Kshs	Kshs
External Borrowings		
Dollar Denominated Loan From 'X Organization'	0	0
Sterling Pound Denominated Loan From 'Y Organization'	0	0
Euro Denominated Loan from Z Organization'	0	0
Domestic Borrowings		
Kenya Shilling Loan From KCB	0	0
Kenya Shilling Loan from Barclays Bank	0	0
Kenya Shilling Loan from Consolidated Bank	0	0
Borrowings From Other Government Institutions	0	0
Total Balance at End of The Year	0	0

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

Description	2024-2025	2023-2024
	Kshs	Kshs
Short Term Borrowings (Current Portion)	0	0
Long Term Borrowings	0	0
Total	0	0

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

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28. Employee benefit obligations

Description	Defined benefit plan	Post employment medical benefits	Other Provisions	2024-2025	2023-2024
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	0	0	0	0	0
Non-Current Benefit Obligation	0	0	0	0	0
Total	0	0	0	0	0

29. Social Benefit Liabilities

Description	2024-2025	2023-2024
	Kshs	Kshs
Health social benefit scheme	0	0
Unemployment social benefit scheme	0	0
Orphaned and vulnerable benefit scheme	0	0
Elderly social benefit scheme	0	0
Bursary social benefits	0	0
Total	0	0
Current social benefits	0	0
Non-current social benefits	0	0
Total (tie to totals above)	0	0

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

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30. Cash generated from operations.

Description	2024-2025	2023-2024
	Kshs	Kshs
Surplus/ (Deficit) For the Year Before Tax	5,600,914	9,852,175
Adjusted For:		
Depreciation	0	0
Amortization	0	0
Gains/ Losses On Disposal Of Assets	0	0
Interest Income	0	0
Finance Cost	0	0
Working Capital Adjustments		
Increase In Inventory	0	0
Increase In Receivables	0	0
Increase In Payables	0	0
Net Cash Flow From Operating Activities	5,600,914	9,852,175

31. Related party balances

a) Nature of related party relationships

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

- a) The County Government;
- b) The Parent County Government Ministry (Department of Trade and Industry);
- c) Key management;
- d) Board of Trustees;

b) Related party transactions

Description	2024-2025	2023-2024
	Kshs	Kshs
Transfer to Hama Bay County Revenue Fund (CRF)	1,455,000	0
Refund from Homa Bay County Revenue Fund (CRF)	7,253,809	10,834,085

c) Key management remuneration

Description	2024-2025	2023-2024
	Kshs	Kshs
Board Of Trustees	0	0
Key Management Compensation	0	0
Total	0	0

d) Due from related parties

Description	2024-2025	2023-2024
	Kshs	Kshs
Due From Parent Ministry	0	0
Due From County Government	5,798,809	10,834,085
Total	5,798,809	10,834,085

Due from related parties comes as a result of the difference between amounts transferred to the CRF and Refunds from the CRF in (a) above

Other Disclosures Continued

e) Due to related parties

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

32. Contingent assets and contingent liabilities

Contingent Liabilities	2024-2025	2023-2024
	Kshs	Kshs
Court Case Against the Fund	0	0
Bank Guarantees	0	0
Total	0	0

(During the year under review there were no contingency assets and liabilities)

33. Financial risk management

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

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

a) Credit risk

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

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2025				
Receivables From Exchange Transactions	0	0	0	0
Receivables From Non-Exchange Transactions	5,798,809	5,798,809	0	0
Bank Balances	37,531	37,531	0	0
Total	5,836,340	5,836,340	0	0
At 30 June 2024				
Receivables From Exchange Transactions	0	0	0	0
Receivables From Non-Exchange Transactions	10,834,085	10,834,085	0	0
Bank Balances	235,425	235,425	0	0
Total	11,069,510	11,069,510	0	0

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

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

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

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

b) Liquidity risk management

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

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

Description	Less than 1	Between 1-	Over 5	Total
	month	3 months	months	
	Kshs	Kshs	Kshs	Kshs
At 30 June 2025				
Trade Payables	0	0	0	0
Current Portion Of Borrowings	0	0	0	0
Provisions	0	0	0	0
Employee Benefit Obligation	0	0	0	0
Total	0	0	0	0
At 30 June 2024				
Trade Payables	0	0	0	0
Current Portion Of Borrowings	0	0	0	0
Provisions	0	0	0	0
Employee Benefit Obligation	0	0	0	0
Total	0	0	0	0

c) Market risk

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

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

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

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

i. Foreign currency risk

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

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

Description	Other currencies		Total
	Kshs	Kshs	Kshs
At 30 June 2024-2025			
Financial Assets	0	0	0
Investments	0	0	0
Cash	0	0	0
Debtors/ Receivables			
Liabilities			
Trade And Other Payables	0	0	0
Borrowings	0	0	0
Net Foreign Currency Asset/(Liability)	0	0	0

During the year under review, the Fund did not have any foreign exchange.

Foreign currency sensitivity analysis

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

Description	Change in currency rate	Effect on surplus/ deficit	Effect on Equity
	Kshs	Kshs	Kshs
(Current FY)			
Euro	10%	0	0
USD	10%	0	0
(Comparative FY)			
Euro	10%	0	0
USD	10%	0	0

ii. Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

The Fund analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs 0 (2024: Kshs 0). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs 0 (2025 – Kshs 0).

d) Capital risk management.

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

Description	2024-2025	2023-2024
	Kshs	Kshs
Revaluation reserve	0	0
Revolving fund	0	0
Accumulated surplus	5,836,340	11,069,510
Total funds	5,836,340	11,069,510
Total borrowings	0	0
Less: cash and bank balances	(5,836,340)	(11,069,510)
Net debt/(excess cash and cash equivalents)	0	0
Gearing	0%	0%

34. Events after the reporting period

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

35. Ultimate and Holding Entity

The Homa Bay County Alcoholic Drinks Control Fund is a County Public Fund established by Homa Bay County alcoholic and drinks control Act 2015 under the Ministry of Trade, Industry, Investment, Tourism, Co-operative development and marketing. Its ultimate parent is the County Government of Homa Bay.

36. Currency

The financial statements are presented in Kenya Shillings (Kshs)

20. Annexes

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	<p>Budgetary Control and Performance</p> <p>The statement of comparison of budget and actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.12,500,000 and Kshs.10,978,513 respectively resulting in under-funding of Kshs.1,521,487 or 12% of the budget. Similarly, the fund expended Kshs.1,126,338 against an approved expenditure budget of Kshs.11,567,000 resulting in an under expenditure of Kshs.10,440,662 or 90% of the approved budget.</p> <p>The under-funding and under-expenditure affected the planned activities and negatively impacted on the programs and activities of the fund.</p>	<p>The management concurs with the audit findings and wishes to state that the under-funding of Kshs.1,521,487 or 12% of the budget is expected to improve once the automated revenue collection is operationalized.</p> <p>Similarly, the management has put up a discussion with the County Treasury to recover the amounts swiped to the CRF. This will resolve the underutilization of expenditure budget.</p>	<p>Resolved by passing a balance budget and supplementary budget was done to cover the variance</p>	<p>31st December 2025</p>

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	My opinion is not modified in respect of this matter.			
2	<p>Non-compliance with Budget Guidelines</p> <p>The statement of comparison of budget and actual amounts reflects revenue budget of Kshs.12,500,000 and expenditure budget of Kshs.11,567,000, resulting in budgeted surplus of Kshs.933,000. This is contrary to Regulation 31 (c) and (e) of the Public Finance Management (County Governments) Regulations, 2015, which provides that unless provided otherwise in the Act, these Regulations or any other guidelines developed in furtherance of the Act or these Regulations, the budget revenue and expenditure appropriations shall be balanced and total budget revenue shall cover total budget expenditure.</p>	<p>Management Response:</p> <p>The management concurs with the audit findings and wishes to state the budget guideline has since been complied with in the subsequent financial year 2024-2025 by ensuring that the budgeted revenue and expenditure appropriations balances by the end of financial year and all the planned activities and programs implemented.</p> <p>Appendix:5- Copy of Approved Balanced</p>	Resolved	By 1 st July 2024

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	In the circumstance, Management was in breach of the law	Homa Bay County Alcoholic Drinks Control Fund Budget for 2024-2025		
3	<p>Weak Internal Controls over Cash and Bank Management</p> <p>Review of the internal control environment over cash and bank management revealed that the Fund's cash book and bank reconciliation statements were not reviewed on a regular basis during the year under review as required.</p> <p>In the circumstance, the effectiveness of internal controls over the management of cash and cash equivalents could not be confirmed.</p>	<p>Management Response</p> <p>The management is in concurrence with the audit finding and would like to state that in the current Fy the cashbook and bank reconciliations are regularly reviewed by the internal auditors hence the management of cash and cash equivalents can be confirmed</p> <p>Appendix Cash Book and Bank Reconciliation Statements Marked with a</p>	Resolved	From 1 st July 2024

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		brown pen by the Internal Auditor		
4	<p>Ineffective Internal Audit Function</p> <p>Review of the activities of the Internal Audit Department revealed that the Department did not finalize and submit any audit report on the operations of the Fund for adoption by the audit committee during the year under review.</p> <p>In the circumstances, effectiveness of internal controls, risk management and governance in the Fund could not be confirmed.</p>	<p>Management Response:</p> <p>The management concurs with the audit findings and wishes to state that during the period under review the audit committee was not in existence but currently the committee has been formed and has started its operations.</p> <p>Appendix:</p> <ul style="list-style-type: none"> - Appointment letter for Audit Committee & Gazettement 	Resolved	12 th March 2025
5	<p>Weaknesses in Revenue Collection</p> <p>Review of record relating to revenue revealed that the revenue collection</p>	<p>Management Response</p> <p>The management has noted with concerns and agrees</p>		

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>process was not automated. The invoices or demand letters to the various business establishments were manually generated and thereafter upon payment of the requisite fees, the Liquor Permits were by hand inscribed with the business establishment name. It was also noted that the Liquor Permits were used, instead of miscellaneous receipts, to record revenues collected and serialized receipt vouchers were not maintained. In addition, the Liquor Permits register was not properly maintained to reflect the Liquor Permits procured by the county and how many have been issued to the Sub-Counties Liquor License Committees and the resulting balance. It was further noted that the Fund administrator was not administratively in charge of the revenue collection process, thus creating gaps in</p>	<p>with the audit findings; however, the management wishes to respond as follows; -</p> <p>-The revenue Automation System has been operationalized and revenue collection process for liquor is now automated</p> <p>-The automation of the revenue collection process of liquor has addressed most of the issues raised herein ie Receipting, manual permit generation, proper maintenance of liquor register and reports on liquor revenue collected etc</p>	<p>Resolved</p>	<p>15th April 2025 (Automation of Liquor Licensing process)</p>

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>the coordination of revenue collection across the various sub-counties. Furthermore, summaries of the revenue collected from the issuance of the Liquor Permits in the sub counties were not prepared for comparison. Finally, mapping of liquor businesses in Suba North and South Sub-counties have not been completed.</p> <p>In the circumstances, the effectiveness of the revenue collection process and system could not be confirmed.</p>	<p>-Mapping of liquor business outlets in Suba North and South Sub Counties has been initiated and the exercise will be completed as soon as the funds are available.</p>	Partly Resolved	<p>31st December 2025</p> <p>(Mapping of Suba North and Suba South Sub)</p>

Guidance Notes:

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

Fund Manager/Accounting Officer Homa Bay County Alcoholic Drinks Control Fund

CHIEF OFFICER
Trade and Industrialization
Eng. Benard Nyobanga
Date..... 15th June 2025
HOMA BAY COUNTY
P.O. Box 469 - 40300, HOMA BAY

HOMA BAY COUNTY ALCOHOLIC DRINKS CONTROL FUND
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Annex II: Inter-Fund Confirmation Letter



REPUBLIC OF KENYA

COUNTY GOVERNMENT
 DEPARTMENT OF TRADE, INDUSTRY, TOURISM, INVESTMENT AND MARKETING
 P.O Box 166-40300

Homa Bay, Tel +254714792815 Website;
www.homabay.go.ke/trade-industrialization-investement



HOMA BAY COUNTY

Department of Finance and Economic Planning-Homa Bay County
 P.O Box 469-40300 Homa Bay

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

Confirmation of amounts received by Homa Bay County Alcoholic Drinks Control Fund as at 30 th June 2025							
Reference Number	Date Disbursed	Amounts Disbursed by Homa Bay County Revenue Fund (Kshs.) as at 30 th June 2025				Amount Received by The CRF (KShs) as at 30 th June 2025 (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
RTGS	04/12/2024	0	0	375,000	1,455,000	10,834,085	9,379,085
RTGS	28/04/2025	0	0	1,080,000	1,080,000	7,253,809	6,173,809
Total	Total	0	0	1,455,000	1,455,000	18,087,894	16,632,894

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

Head of Accountants department of Finance and Economic planning:

Name: Sephania Okelo Sita

Sign 

Date 



HOMA BAY COUNTY ALCOHOLIC DRINKS CONTROL FUND
Annual Report and Financial Statements for the year ended June 30, 2025

Annex III: Reporting of Climate Relevant Expenditures

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

The fund did no undertake any Climate Change relevant expenditure

HOMA BAY COUNTY ALCOHOLIC DRINKS CONTROL FUND
Annual Report and Financial Statements for the year ended June 30, 2025
Annex IV: Reporting on Disaster Management Expenditure

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

The Fund is yet to undertake any Disaster Management expenditure