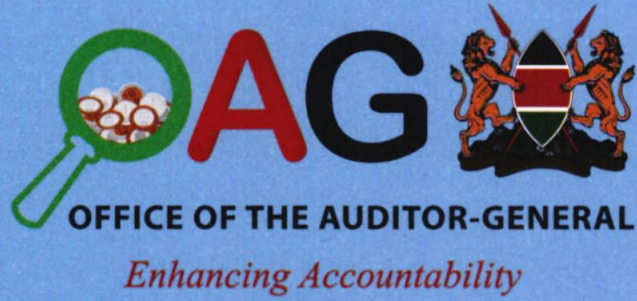


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

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ON

NANDI COUNTY ALCOHOLIC
DRINKS CONTROL FUND

FOR THE YEAR ENDED
30 JUNE, 2024

PAPERS LAID	
DATE	6/3/2025
TABLED BY	Dep Majority Whip
COMMITTEE	
CLERK AT THE TABLE	Muallim



NANDI COUNTY ALCOHOLIC DRINKS CONTROL FUNDS

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2024

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

OFFICE OF THE AUDITOR GENERAL
ELDORET REGIONAL OFFICE

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NANDI COUNTY ALCOHOLIC DRINKS CONTROL FUND
Annual Report and Financial Statements for the year ended June 30, 2024.

Table of Contents.....	Page
1. Acronyms, Abbreviations, and Definition of Key Terms	ii
2. Key Entity Information and Management	ii
3. The Board of Directors/Fund Committees.....	vii
4. Key Management Team.....	ix
5. Management Team	x
6. Chairman’s Statement.....	xii
7. Report of the Chief Executive Officer/Fund Administrator	xiii
8. Statement of Performance against Predetermined Objectives for FY 2023/2024	xiv
9. Corporate Governance Statement.....	xv
10. Management Discussion and Analysis	xvi
11. Environmental and Sustainability Reporting	xvi
12. Report of the Directors	xviii
13. Statement of Directors	xx
14. Report of the Independent Auditor for the Financial Statements of Nandi County Alcoholic Drinks Control Fund.	xxi
15. Statement of Financial Performance for the year ended 30 June 2024.....	1
15 Statement of Financial Position as at 30 June 2024	3
16. Statement of Changes in Net Assets for the year ended 30 June 2024	5
17. Statement of Cash Flows for the year ended 30 June 2024.....	6
18. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2024.....	8
19. Notes to the Financial Statements.....	9
I. Annexes	48

NANDI COUNTY ALCOHOLIC DRINKS CONTROL FUND
Annual Report and Financial Statements for the year ended June 30, 2024.

1. Acronyms, Abbreviations, and Definition of Key Terms

A: Acronyms and Abbreviations

CBK	Central Bank of Kenya
CECM	County Executive Committee Member
CEO	Chief Executive Officer
CO	Chief Officer
DG	Director General
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
MD	Managing Director
NT	National Treasury
OAG	Office of the Auditor General
OCOB	Office of the Controller of Budget
OSHA	Occupational Safety and Health Act of 2007
PFM	Public Finance Management
PPE	Property Plant & Equipment
PSASB	Public Sector Accounting Standards Board
SAGAs	Semi-Autonomous Government Agencies
SC	State Corporations
WB	World Bank

B: Definition of Key Terms

Fiduciary Management- Members of Management that are directly entrusted with the responsibility of financial resources of the organisation.

Comparative Year- Means the prior period.

NANDI COUNTY ALCOHOLIC DRINKS CONTROL FUND
Annual Report and Financial Statements for the year ended June 30, 2024.

2. Key Entity Information and Management

(a) Background information

Nandi County Alcoholic Drinks Control Fund is established by and derives its authority and accountability from Nandi County Alcoholic Drinks Control Act, 2014 Act on (3rd November 2014). The Fund is wholly owned by the County Government of Nandi and is domiciled in Kenya.

The main objective of the Fund is to assist the Directorate meet its capital and recurrent expenditures relating to;

- (a) Carrying out the functions of the Directorate
- (b) Assisting in the operations of the Sub-County Committees; as established under the Nandi County Alcoholic Drinks Control Act of 2014.
- (c) Any other matter incidental to the matters as stipulated on attached Nandi County Alcoholic Drinks Control Act of 2014.

(b) Principal Activities

The principal activity/mission/ mandate of the Fund is to provide for the Licensing and Regulation of the production, sale, distribution, consumption and outdoor advertising, of alcoholic drinks, and for connected purposes.

Key Management

The Nandi County Alcoholic Drinks Control Fund day-to-day management is under the following key organs:

No.	Details
1.	CPA Prisca Jepchirchir – Chief Officer Finance & Economic Planning
2.	Mr. Benjamin Kiprotich – Chief officer Trade, Tourism, Enterprise Development & Industrialisation
3.	Mr. Stephen Biwott- Fund Administrator Nandi County Alcoholic Drinks Control Fund.

NANDI COUNTY ALCOHOLIC DRINKS CONTROL FUND
Annual Report and Financial Statements for the year ended June 30, 2024.

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2024 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	CECM FINANCE	Mr. Hillary Serem
2.	CECM TRADE	CPA Alfred Lagat
3.	CO TRADE	Mr Benjamin Kiprotich
4.	DIRECTOR-ALCOHOLIC DRINKS CONTROL DIRECTORATE	Mr Stephen Biwott

NANDI COUNTY ALCOHOLIC DRINKS CONTROL FUND
Annual Report and Financial Statements for the year ended June 30, 2024.

Key Entity Information and Management (continued)

(d) Fiduciary Oversight Arrangements

1. MCA, Chair Trade
2. CECM Trade
3. Directorate Internal Audit-Nandi

(e) Entity Headquarters

NANDI COUNTY
P.O. Box 802-30300
KAPSABET, KENYA.

(f) Entity Contacts

Telephone: 254(0)535252355

E-mail: info@nandi.go.ke

Website: www.nandi.go.ke

(g) Entity Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya
2. National Bank of Kenya
Kapsabet Branch
P.O Box 34
Kapsabet

NANDI COUNTY ALCOHOLIC DRINKS CONTROL FUND
Annual Report and Financial Statements for the year ended June 30, 2024.

Key Entity Information and Management (continued)

(h) Independent Auditor

Auditor-General
Office Of The Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

(i) Principal Legal Adviser


i) The Attorney General
State Law Office And Department Of Justice
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya


ii) **County Attorney**

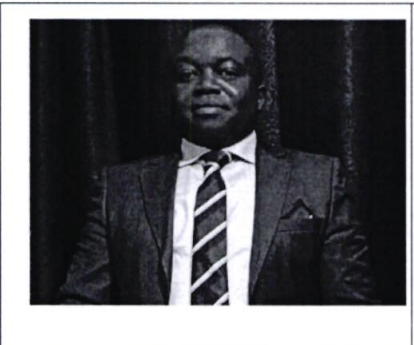
Amos Magut
Nandi County Government
Po Box 802-30300
Kapsabet, Kenya

NANDI COUNTY ALCOHOLIC DRINKS CONTROL FUND
Annual Report and Financial Statements for the year ended June 30, 2024.

3. The Board of Directors/Fund Committees

	<p>Mr. Hillary Serem -CECM, Finance and Economic Planning.</p> <p>Mr. Hillary Serem was appointed as the CECM, Finance and Economic Planning on 24th November 2022. Before his appointment Mr. Serem served as a MCA, Nandi County Assembly.</p> <p>Mr. Serem has worked in different capacities including Relationship Manager in Groups & Investment Program, Micro Credit Office-Group lending in Co-operative Bank of Kenya,</p> <p>Mr. Serem has been involved in management and leadership skills has a Member of County Assembly, Treasurer-Nandi County Sacco, Member, Board Management-Kapsigilai Girls Secondary School.</p> <p>Mr. Serem holds Bachelor of Business Management (Accounting option)</p>
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<p>CPA Alfred Lagat - CECM, Trade, Tourism Industrialization and Enterprise development</p> <p>CPA Alfred Lagat was appointed as the CECM, Trade, Tourism Industrialization and Enterprise development on 24th November 2022. Before his appointment CPA Alfred Lagat was serving as the CECM Finance and Economic Planning.</p> <p>CPA Alfred Lagat has worked as a Senior Associate in Deloitte and Touché. He also worked as an Assistant Finance Manager at Diamond Trust Bank. He was previously the lead consultant for Tullon Consulting Ltd. CPA Alfred holds a Bachelor Of Commerce (Finance). He is also a Certified Public Accountant of Kenya (CPAK).</p>	
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	<p>Mr. Benjamin Kiprotich - C.O Trade, Tourism, Industrialization and Enterprise Development Mr. Benjamin Kiprotich was appointed as the C.O Trade, Tourism, Industrialization and Enterprise Development on 20th March.2023. Before his appointment.</p> <p>Mr. Benjamin Kiprotich holds a Bachelor of Business Management</p>
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NANDI COUNTY ALCOHOLIC DRINKS CONTROL FUND
Annual Report and Financial Statements for the year ended June 30, 2024.



Mr. Stephen Biwott –Fund Administrator.

Mr. Biwott was appointed as the Fund Administrator 24th June 2023. Before his appointment Mr. Biwott served as a Director International Programmes under the department of Education and Vocational training.

Mr. Biwott has worked in different capacities including, Acting Director sports,

Mr. Biwott has been involved in management and leadership skills

Mr. Biwott holds Bachelor of Business information technology (strategic management option)


NANDI COUNTY ALCOHOLIC DRINKS CONTROL FUND
Annual Report and Financial Statements for the year ended June 30, 2024.


4. Key Management Team

Ref	Position	Name
1	Fund Manager/ Administrator	Mr. Stephen Biwott
2	Fund Accountant	Mathew Rop


NANDI COUNTY ALCOHOLIC DRINKS CONTROL FUND
Annual Report and Financial Statements for the year ended June 30, 2024.

5. Management Team

	<p>Mr. Hillary Serem -CECM, Finance and Economic Planning.</p> <p>Mr. Hillary Serem was appointed as the CECM, Finance and Economic Planning on 24th November 2022. Before his appointment Mr. Serem served as a MCA, Nandi County Assembly.</p> <p>Mr. Serem has worked in different capacities including Relationship Manager in Groups & Investment Program, Micro Credit Office-Group lending in Co-operative Bank of Kenya,</p> <p>Mr. Serem has been involved in management and leadership skills has a Member of County Assembly, Treasurer-Nandi County Sacco, Member, Board Management-Kapsigilai Girls Secondary School.</p> <p>Mr. Serem holds Bachelor of Business Management (Accounting option)</p>
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<p>CPA Alfred Lagat - CECM, Trade, Tourism Industrialization and Enterprise development</p> <p>CPA Alfred Lagat was appointed as the CECM, Trade, Tourism Industrialization and Enterprise development on 24th November 2022. Before his appointment CPA Alfred Lagat was serving as the CECM Finance and Economic Planning.</p> <p>CPA Alfred Lagat has worked as a Senior Associate in Deloitte and Touché. He also worked as an Assistant Finance Manager at Diamond Trust Bank. He was previously the lead consultant for Tullon Consulting Ltd. CPA Alfred holds a Bachelor of Commerce (Finance). He is also a Certified Public Accountant of Kenya (CPAK).</p>	
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	<p>Mr. Benjamin Kiprotich - C.O Trade, Tourism, Industrialization and Enterprise Development Mr. Benjamin Kiprotich was appointed as the C.O Trade, Tourism, Industrialization and Enterprise Development on 20th March.2023. Before his appointment.</p> <p>Mr. Benjamin Kiprotich holds a Bachelor of Business Management</p>
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NANDI COUNTY ALCOHOLIC DRINKS CONTROL FUND
Annual Report and Financial Statements for the year ended June 30, 2024.



Mr. Stephen Biwott –Fund Administrator.

Mr. Biwott was appointed as the Fund Administrator 24th June 2023. Before his appointment Mr. Biwott served as a Director International Programmes under the department of Education and Vocational training.

Mr. Biwott has worked in different capacities including, Acting Director sports,

Mr. Biwott has been involved in management and leadership skills

Mr. Biwott holds Bachelor of Business information technology (strategic management option)

NANDI COUNTY ALCOHOLIC DRINKS CONTROL FUND
Annual Report and Financial Statements for the year ended June 30, 2024.

6. Chairman's Statement

The County Executive Committee (CEC) member for finance of the County Government is responsible for the preparation and presentation of the County Government's financial statements, which give a true and fair view of the state of affairs of the Nandi County Alcoholic Drinks Control fund for and as at the end of the financial year ended on June 30, 2023. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the County Government; (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 County Government; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The CEC member for finance accepts responsibility for the Nandi County Alcoholic Drinks Control financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The CEC member for finance is of the opinion that the Nandi County Alcoholic Drinks Control Fund financial statements give a true and fair view of the state of the County Government's transactions during the financial year ended June 30, 2023, and of its financial position as at that date. The CEC member for finance further confirms the completeness of the accounting records maintained for the County Government which have been relied upon in the preparation of the its financial statements as well as the adequacy of the systems of internal financial control.

The CEC member for finance confirms that the Nandi County Alcoholic drinks control fund has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the County Government's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the CEC member for finance confirms that the Nandi Alcoholic Drinks Control Fund financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Name Mr. Hillary Serem

Signature 

Date 30th September, 2024

CECM Finance and Economic Planning.

NANDI COUNTY ALCOHOLIC DRINKS CONTROL FUND
Annual Report and Financial Statements for the year ended June 30, 2024.

7. Report of the Chief Executive Officer/Fund Administrator

The Nandi County Alcoholic Drinks Control Fund was established in the Financial Year 2022/2023 in fulfilment of the provisions of the Nandi County Alcoholic Drinks Control Act, 2014. Its main objective is to facilitate activities of the Directorate of Alcoholic Drinks Control and administrative and financial support to various committees formed under the Act.

The Fund is run with the technical assistance from the National Bank which provides online and hands-free management of the fund in terms of collections and disbursement. This has not only reduced incidences of unwanted interaction with money by the employees but provides a real time status of the fund at the click of a button. Access to the Fund accounts is restricted through graduated rights to only authorised officers with credentials to specific functions.

In the period ending June 30, 2024, the fund received a total of Kshs **9,429,500**. This is from Applications for licenses, Kshs **855,000**, from License fees and Kshs **8,338,000** from Appeals fee by Applicants kshs **236,500**

The Fund facilitated the following activities:

- i) Licencing process
- ii) Enforcement and compliance
- iii) Sensitization
- iv) Rehabilitation
- v) Litigation and Draft of new bill.

All the above activities were planned in the Annual Work plan, Procurement Plan and Budget estimates. The Activities were necessary since they were not only the core mandate of the Directorate but necessary as prioritised by stakeholders. The provisions of the PFM Act, County Government Act and the Nandi County Alcoholic Drinks Control Act 2014 guided implementation. All appropriations were duly authorised, spent as planned and supported adequately.

One of the Key Challenge faced was inadequate staff, inadequate funding to cover the entire County and delay by the traders to pay license fees on time thus starving the Directorate of requisite funding. The greatest risk facing the Fund Administration is managing expectation against available cash-flow.

In future, there is need to pool together all funds from trade in Alcoholic drinks including Single Business Permits, Fines and Penalties and provision for support in cash and kind by other entities in the books of Account.

Name: Mr Biwott Stephen Kirwa

Signature 

Date 30th September, 2024
Director Alcoholic Drinks Control.

NANDI COUNTY ALCOHOLIC DRINKS CONTROL FUND
Annual Report and Financial Statements for the year ended June 30, 2024.

8. Statement of Performance against Predetermined Objectives for FY 2023/2024

The total annual budget is approximately 10 million the objective of Alcoholic Drinks Control Directorate met in the FY2023-2024 are Licensing, Enforcement, Sensitization and facilitation of the Sub County Committees as stipulated per Nandi County Alcoholic Drinks Control Act of 2014. Some of the challenges encountered by the directorate in carrying out their mandate is the directive from the ministry of interior on 6th February 2024, and inadequate staff, poor Terrain and lack of mobility.

Introduction

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

The key development objectives of the Fund as per the strategic plan for the period ended June 30,2024 are to:

1. Receive applications and facilitate Sub County Committees
2. Licensing of the approved outlets by the sub county committee
3. Enforcement of non-compliance outlets
4. Appeal case
5. Sensitization program
6. Rehabilitation and advocacy

Progress on attainment of Strategic development objectives

Below we provide the progress on attaining the stated objectives:

Program	Objective	Outcome	Indicator	Performance
Provision of Mortgage facilities to all members of staff	N/A	N/A	N/A	N/A
Program 2	N/A	N/A	N/A	N/A

NANDI COUNTY ALCOHOLIC DRINKS CONTROL FUND
Annual Report and Financial Statements for the year ended June 30, 2024.

9. Corporate Governance Statement

Corporate Governance responsibility is an integral part of our culture. As a responsible organization, we respect the interests of our stakeholders – our employees, customers, suppliers and the wider community and we actively seek opportunities both to improve the environment and to contribute to the well-being of the communities around us. To ensure responsible competition practices, the Nandi County Alcoholic Drinks Control Fund, has undertaken vigorous training at various sub counties on emerging issues of corruption both touching on county staff and the public.

The Government has ensured that fair competition environment exist for all the residents living in Nandi by eliminating all unethical or illegal business practices and consumption of illicit brew.

NANDI COUNTY ALCOHOLIC DRINKS CONTROL FUND
Annual Report and Financial Statements for the year ended June 30, 2024.

10. Management Discussion and Analysis

The fund was able to finance operations of the Directorate, Sub-County Committees, Review Committees, sensitization programs and rehabilitation as stated by the act.

Risk: the fund didn't achieve its objective due to directive from the ministry of interior closed some outlets.

11. Environmental and Sustainability Reporting

i. Sustainability strategy and profile

In the financial year 2023-2024 we had to go an extra mile to balance the politics and service provision to the public, value for money remains to be our key objective.

The County Government of Nandi has advocated for all the stakeholders i.e. Constituencies and County officials to work together in promoting participatory, governance and accountability. The strategy has been achieved through public participation in budget making process.

ii. Environmental performance

When the County treasury provide departments with finance to invest in projects such as building a road, providing people with water the aim is to ensure that the people and the environment are protected from potential adverse impacts. This is done through policies that identify, avoid, and minimize harm to people and the environment. These policies require department to address certain environmental and social risks in order to receive further support for investment projects from experience including environmental and social considerations into project design and implementation to improve development outcomes.

Safeguard Policies

The current environmental and social policies are known as the "Safeguard Policies," the mechanism for addressing environmental and social issues in our project design, implementation and operation, and they provide a framework for consultation with communities and for public disclosure. Examples of these requirements include conducting environmental and social impact assessments, consulting with affected communities about potential project impacts, and restoring the livelihoods of displaced people.

iii. Employee welfare

Nandi county government has provided instruction, training and supervision so as to ensure health and safety at work of his workers.

Policies have been put in place to ensure Employment of worker at any machine or in any process that may cause ill health or bodily injury is prohibited unless worker has been fully instructed about the hazards involved and precautions that must be observed. Worker should be properly trained or required to work under supervision of experienced persons

iv. Market place practices

To ensure responsible competition practices, the County Government of Nandi has undertaken vigorous training at various sub counties on emerging issues of corruption both touching on county staff and the public.

The Government has ensured that fair competition environment exist for all the residents living in Nandi by eliminating all unethical or illegal business practices.

NANDI COUNTY ALCOHOLIC DRINKS CONTROL FUND
Annual Report and Financial Statements for the year ended June 30, 2024.

To maintain ethical marketing, the County Government of Nandi has embarked on ensuring that products of various companies operating within the county are not only benefiting consumers but also socially responsible and environmentally suitable.

To safeguard customer rights and interest, the County Government of Nandi has adopted weight & measures to ensure that majority of products sold to the public meet the required quantity and quality.

i) Corporate Social Responsibility / Community Engagements

The Directorate of Alcoholic Drinks Control was able to conduct two major cooperate responsibility to uplift the livelihood and social status of women reformed from brewing local drinks (changaa) in Lelmokwo Ngechek Ward. The Directorate was able to supply 5,000 nursery bed seedlings to women as a way of empowering them economically and also supported the youths to acquire the sporting training facilities (balls and nets) as a way of sensitising about the effects and vices on alcohol and promoting cohesiveness amongst themselves. Going in future the directorate will partner with other stakeholders to further have various activities as a way of promoting peace, unity and empowering them socially and economically.

NANDI COUNTY ALCOHOLIC DRINKS CONTROL FUND
Annual Report and Financial Statements for the year ended June 30, 2024.


12. Report of the Directors

The Nandi County Alcoholic Drinks Control Fund was established in the FY 2022/2023 pursuant to provisions of the Nandi County Alcoholic Drinks Control Act, 2014. Its main objective is to facilitate the functions of the Directorate and Committees in control of the production, sale, distribution, promotion and use of alcoholic drinks and the promotion of research, treatment and rehabilitation for persons dependent on Alcoholic Drinks in Nandi County.

Since its establishment, the Fund facilitated the licensing process of various categories of traders in Alcoholic Drinks in the Calendar year 2024, activities to put in place the structures necessary for prudent management of the Fund such as formulation of Fund regulations, Stakeholder engagement and Enforcement activities. Normal internal transfer within the County Public Service saw the change in the Fund Administrator/Director but this has not affected operations of the Fund in any way. The need to fine tune some provisions in the Act as highlighted by the County Legal Office and making of necessary Regulations are currently underway since compliance with legal provision for public participation is paramount.

A costed work plan guided appropriations of the Fund and the expedited availability of funds to meet the needs of the Directorate has made it more responsive to the needs and expectations of the public. There is every reason to believe that establishment of the Fund is timely and appropriate and going forward, not only will the run-away availability of dubious alcoholic drinks be a thing of the past but individuals conflicted due to abuse of the same will receive the necessary support in reform and rehabilitation.

Name CPA Alfred Lagat

Signature 

Date 30th September 2024

CEC Member-Trade, Tourism, Investment and Industrial Development

NANDI COUNTY ALCOHOLIC DRINKS CONTROL FUND
Annual Report and Financial Statements for the year ended June 30, 2024.

i) Principal activities

The principal activities of the Nandi County Alcoholic Drinks Control Fund are (continue to be)

ii) Results

The results of Nandi County Alcoholic Drinks Control Fund for the year ended June 30, 2024, are set out on page 1-8


iii) Directors

The members of the Fund Committee who served during the year are shown on page xxx. During the year, xxx director/fund committee retired/ resigned, and xxx was appointed with effect from xxx date.

iv) Auditors

The Auditor-General is responsible for the statutory audit of The Nandi County Alcoholic Fund Control in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 or XYZ Certified Public Accountants were nominated by the Auditor General to carry out the audit of the **Nandi County Alcoholic Drinks Control Fund** for the year/period ended June 30, 2024, in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board



.....

Name
Corporation Secretary/Secretary to the Board/Committee

NANDI COUNTY ALCOHOLIC DRINKS CONTROL FUND
Annual Report and Financial Statements for the year ended June 30, 2024.

13. Statement of Directors

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

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

The Administrator of the County Public Fund accepts responsibility for the Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and Nandi County FSSinance act 2012. The Administrator of the Fund is of the opinion that the Fund's financial statements give a true and fair view of the state of Fund's transactions during the financial year ended June 30, 2024, and of the Fund's financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control.

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

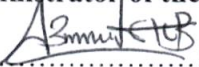
Nothing has come to the attention of the Administrator to indicate that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Fund's financial statements were approved by the Board on 30/09 2024 and signed on its behalf by:

.....

Administrator of the County Public Fund



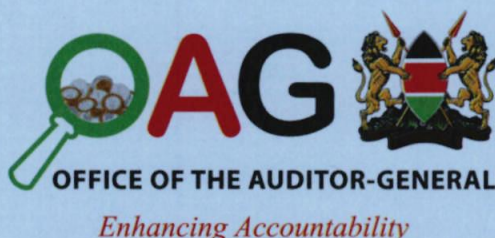
Name Biwott Stephen Kirwa

Accounting Officer/Fund Administrator

Accounting Officer/Fund Administrator

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 NANDI COUNTY ALCOHOLIC DRINKS CONTROL FUND FOR THE YEAR ENDED 30 JUNE, 2024

PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on the Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on the 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 Nandi County Alcoholic Drinks Control Fund set out on pages 1 to 44, which comprise of the statement of financial

position as at 30 June, 2024 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the 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 Nandi County Alcoholic Drinks Control Fund as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the Nandi County Alcoholic Drinks Control Fund Act, 2014.

Basis for Qualified Opinion

1. Lack of Trial Balance

The Management of the Fund prepared its financial statements and submitted for audit review. However, the Fund Management did not prepare a trial balance to accompany the financial statements presented for audit.

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

2. Unsupported Transfers to National Bank of Kenya

The statement of financial performance reflects use of goods and services amount of Kshs.11,625,225 which includes commission for liquor fees collected of Kshs.1,620,460 as disclosed in Note 7 to the financial statements. However, review of the bank statement revealed transfers to National Bank of Kshs.1,193,208 resulting to an unexplained variance of Kshs.427,252.

In the circumstances, the accuracy of the use of goods and services expenditure of Kshs.11,625,225 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.19,571,310 and Kshs.16,500,810 respectively resulting to an under collection of Kshs.3,070,500 or 16% of the budget. Similarly, the Fund utilized Kshs.12,581,225 against actual receipts of Kshs.16,500,810 resulting to budget underutilization of Kshs.3,919,585 or 24% of the actual receipts.

The budget under realization and underutilization affected the planned activities of the Fund and service delivery to the citizens of Nandi County.

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the 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

In the audit report of the previous year, one (1) issue was raised under Budgetary Control and Performance and another one (1) issue under Report on Lawfulness and Effectiveness in Use of Public Resources. However, the issues have remained outstanding to date.

Other Information

The Fund Administrator is responsible for the other information set out on pages ii to xx which comprise of Key Entity Information and Management, The Board of Directors/ Fund Committees, Key Management Team, Management Team, Chairman's Statement, Report of the Chief Executive Officer/Fund Administrator, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Directors and Statement of the Directors. The Other Information does not include the financial statements and my audit report thereon.

Basis for Conclusion

In connection with my audit on the Nandi County Alcoholic Drinks Control Fund 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. In my opinion, except for the

matters described in the Basis for Conclusion, I confirm that is not materially inconsistent with the financial statements.

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

REPORT ON THE LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

Failure to Establish Rehabilitation Centres

During the financial year under review, the Nandi County Alcoholic Drinks Control Fund Management did not in collaboration with other County and National Government institutions establish a treatment and rehabilitation facilities and programmes in Nandi County, contrary to Section to 4(2)(d) of the Nandi County Alcoholic Drinks Control Fund Act, 2014 which states that the functions of the Directorate shall be to facilitate and promote in collaboration with other County and National Government institutions the establishment of treatment and rehabilitation facilities and programmes.

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

The audit was conducted in accordance with ISSAIs 3000 and 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

Conclusion

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

Basis for Conclusion

1. Lack of a Substantive Board

Review of the Fund's operations and governance structure revealed that the Fund did not have a substantive board and the roles were being played by County Executive Committee Members of Trade and Finance and Chief officer of Trade. Chairman's statement was signed by County Executive Committee Member for Finance and Economic Planning and Directors statement signed by County Executive Committee Member for Trade, Tourism, Investment and Industrial Investment.

In the circumstances, the Fund did not enjoy the benefits of oversight.

2. Lack of internal Audit Reports

Review of Funds records revealed that the Institution had not been subjected to internal audit review to strengthen the internal controls and provide oversight as required by Regulation 157(I)(a) to (e) of the Public Finance Management (County) Regulations, 2015.

In the circumstances, the effectiveness of the funds internal control processes, risk management and governance processes could not be confirmed.

3. Lack of Strategic Plan

Review of the Fund records indicated that Nandi County Alcoholic Drinks Control Fund had not established strategic plan in line with Section 30(2) of the Public Finance Management (County Government) Regulations, 2015 which states that 'all budget proposals shall be supported by County Government entities' strategic plan'.

In the circumstances, the Fund's effectiveness of internal controls and risk management is not assured in the absence of strategic plan and the Fund may not have methodology for executing the long-term plans.

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

Responsibilities of the Management and those Charged with Governance

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

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

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

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

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

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements follow 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

27 December, 2024

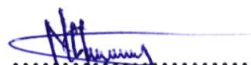
NANDI COUNTY ALCOHOLIC DRINKS CONTROL FUND
Annual Report and Financial Statements for the year ended June 30, 2024.

15. Statement of Financial Performance for the year ended 30 June 2024

Description	Note	FY 2023-2024	FY 2022-2023
		Kshs	Kshs
Revenue From Non-Exchange Transactions			
Public Contributions and Donations	1	-	-
Transfers From the County Government	2	-	-
Fines, Penalties and Other Levies	3	-	-
		-	-
Revenue From Exchange Transactions			
Interest Income	4	-	-
Other Income	5	9,429,500	11,285,815
Total Revenue		9,429,500	11,285,815
Expenses			
Employee Costs	6	-	-
Use of goods and services	7	11,625,225	4,214,505
Depreciation and Amortization Expense	8	-	-
Finance Costs	9	-	-
Total Expenses		11,625,225	4,214,505
Other Gains/Losses			
Gain/Loss on Disposal of Assets	10	-	-
Gain /Loss on fair value of investments	11	-	-
Surplus/(Deficit) for the Period		(2,195,725)	7,071,310



.....
Name: Stephen Biwott
Administrator of the Fund
Date 30th September 2024



.....
Name: Mathew Kipleting
Fund Accountant
ICPAK Member Number: 21626
Date 30th September 2024

NANDI COUNTY ALCOHOLIC DRINKS CONTROL FUND
Annual Report and Financial Statements for the year ended June 30, 2024.

15 Statement of Financial Position as at 30 June 2024

	Notes	FY 2023-2024	FY 2022-2023
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	12	3,919,586	7,071,310
Current Portion of Long- Term Receivables From Exchange Transactions	13	-	-
Prepayments	14	-	-
Inventories	15	-	-
Investments in financial assets	16	-	-
Total current assets		3,919,586	7,071,310
Non-Current Assets			
Property, Plant and Equipment	17	956,000	-
Intangible Assets	18	-	-
Long Term Receivables from Exchange Transactions	13	-	-
Investment Property	19	-	-
Total non- current assets		956,000	-
Total Assets (A)		4,875,586	7,071,310
Liabilities			
Current Liabilities			
Trade and Other Payables from Exchange Transactions	20	-	-
Current Provisions	21	-	-
Current Portion of Borrowings	22	-	-
Employee Benefit Obligations	23	-	-
Social benefit liabilities	24	-	-
Total current liabilities		-	-
Non-Current Liabilities			
Non-Current Provisions	21	-	-
Long Term Portion of Borrowings	22	-	-
Non-Current Employee Benefit Obligation	23	-	-

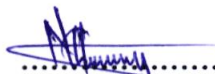
NANDI COUNTY ALCOHOLIC DRINKS CONTROL FUND
Annual Report and Financial Statements for the year ended June 30, 2024.

	Notes	FY 2023-2024	FY 2022-2023
		Kshs	Kshs
Social benefit liabilities	24	-	-
Total non current liabilities			
Total Liabilities (B)		-	-
Net Assets (A-B)		4,875,586	7,071,310
Represented By:			
Revolving Fund		-	-
Reserves		-	-
Accumulated Surplus		4,875,585	7,071,310
Net Assets		4,875,585	7,071,310

The financial statements set out on pages 1 to 4 were signed on behalf of the Board of Directors by:



.....
Name: Stephen Biwott
Administrator of the Fund
Date 30th September 2024



.....
Name: Mathew Kipleting
Fund Accountant
ICPAK Member Number: 21626
Date 30th September 2024

NANDI COUNTY ALCOHOLIC DRINKS CONTROL FUND
Annual Report and Financial Statements for the year ended June 30, 2024.

16. Statement of Changes in Net Assets for the year ended 30 June 2024

Description	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
		Kshs	Kshs	Kshs
Balance As At 1 July 2022	-	-	-	-
Surplus/(Deficit) For the Period		-	7,071,310.00	7,071,310.00
Funds Received During the Year	-	-		-
Transfers	-		-	-
Revaluation Gain	-	-	-	-
Balance As At 30 June 2023	-	-	7,071,310.00	7,071,310.00
Balance As At 1 July 2023	-	-	7,071,310.00	7,071,310.00
Surplus/(Deficit) For the Period		-	(2,195,725.00)	(2,195,725.00)
Funds Received During the Year	-	-	-	-
Transfers	-		-	-
Revaluation Gain	-	-	-	-
Balance As At 30 June 2024	-	-	4,875,585.00	4,875,585.00

NANDI COUNTY ALCOHOLIC DRINKS CONTROL FUND
Annual Report and Financial Statements for the year ended June 30, 2024.

17. Statement of Cash Flows for the year ended 30 June 2024

Description	Notes	FY 2023-2024	FY 2022-2023
		Kshs	Kshs
	Note	FY 2023-2024	FY 2022-2023
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Public contributions and donations		-	-
Transfers from the county government		-	-
Interest received		-	-
Receipts from other operating activities		9,429,500.00	11,285,815.00
Total receipts		9,429,500.00	11,285,815.00
Payments			
Fund administration expenses		(2,872,241.00)	(4,214,505.00)
General expenses		(8,749,614.00)	
Finance cost		(3,370.00)	-
Other payments		-	
Net cash flows from operating activities	24	(2,195,725.00)	7,071,310.00
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		(956,000.00)	-
Proceeds from sale of property, plant & equipment		-	-
Proceeds from loan principal repayments			
Loan disbursements paid out		(956,000.00)	-
Net cash flows used in investing activities			

NANDI COUNTY ALCOHOLIC DRINKS CONTROL FUND
Annual Report and Financial Statements for the year ended June 30, 2024.

		FY 2023-2024	FY 2022-2023
	Notes	Kshs	Kshs
Cash flows from financing activities			
Proceeds from revolving fund receipts		-	-
Additional borrowings		-	-
Repayment of borrowings		-	-
Net cash flows used in financing activities		-	-
Net increase/(decrease) in cash & cash Equivalent		(3,151,725.00)	7,071,310.00
Cash and cash equivalents at 1 July		7,071,310.00	-
Cash and cash equivalents at 30 June		3,919,585.77	7,071,310.00

NANDI COUNTY ALCOHOLIC DRINKS CONTROL FUND
Annual Report and Financial Statements for the year ended June 30, 2024.

18. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2024

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	b	c= (a+b)	d	e=(c-d)	f=d/c*100
Balannce b/f	7,071,310	-	7,071,310	7,071,310	-	100.00
Transfers From County Govt.	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-
Other Income	12,500,000		12,500,000	9,429,500	3,070,500	75.44
Total Income	19,571,310	-	19,571,310	16,500,810	3,070,500	84.31
Expenses						
Fund Administration Expenses	7,000,480	-	7,000,480	2,872,241	4,128,239	41.03
General Expenses	11,300,230	-	11,300,230	8,749,614	2,550,616	-
Finance Cost	3,370	-	3,370	3,370	-	100.00
Property, plant and equipment	1,267,230		1,267,230	956,000	311,230	75.44
Total Expenditure	19,571,310	-	18,304,080	12,581,225	6,990,085	68.73
Surplus For the Period	-	-		(3,919,585)	3,919,585	

NANDI COUNTY ALCOHOLIC DRINKS CONTROL FUND
Annual Report and Financial Statements for the year ended June 30, 2024

19. Notes to the Financial Statements

1. General Information

Nandi County Alcoholic Drinks Control Fund entity is established by and derives its authority and accountability from NANDI COUNTY ALCOHOLIC DRINKS CONTROL ACT, 2014 Act. The entity is wholly owned by the Nandi County Government and is domiciled in Kenya. The entity’s principal activity is to provide for the licensing and regulation of the production, sale, distribution, consumption and outdoor advertising, of Alcoholic Drinks, and for connected purposes.

2. Statement of Compliance and Basis of Preparation

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

3. Adoption of New and Revised Standards

- i. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024.*

Standard	Effective date and impact
<p>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1st January 2024</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity’s future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the

NANDI COUNTY ALCOHOLIC DRINKS CONTROL FUND
Annual Report and Financial Statements for the year ended June 30, 2024

Standard	Effective date and impact
	<p>asset's cash flows and the objective for which the asset is held;</p> <ul style="list-style-type: none"> • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2024</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ul style="list-style-type: none"> (a) The nature of such social benefits provided by the Entity; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows.
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2024</p> <ul style="list-style-type: none"> a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were

NANDI COUNTY ALCOHOLIC DRINKS CONTROL FUND
Annual Report and Financial Statements for the year ended June 30, 2024

Standard	Effective date and impact
	<p>inadvertently omitted when IPSAS 41 was issued.</p> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>
<p>Other improvements to IPSAS</p>	<p><i>Applicable 1st January 2024</i></p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> • <i>IPSAS 39: Employee Benefits</i> <p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> • IPSAS 29: Financial instruments: Recognition and Measurement <p>Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2024.</p>

ii. Early adoption of standards

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

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

NANDI COUNTY ALCOHOLIC DRINKS CONTROL FUND
Annual Report and Financial Statements for the year ended June 30, 2024

Standard	Effective date and impact:
	present information on right of use assets and lease liabilities.
IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <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>

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Fees and other charges

The *Entity* recognizes revenues from fees and other charges when the event occurs, and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the *Entity* and the fair value of the asset can be measured reliably.

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. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that have been acquired using such funds.

NANDI COUNTY ALCOHOLIC DRINKS CONTROL FUND
Annual Report and Financial Statements for the year ended June 30, 2024

ii) Revenue from exchange transactions

Rendering of services

The Entity recognizes revenue from the rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

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.

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 the Current FY2023-2024 was approved by the National/County Assembly on *June 2023*. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Entity upon receiving the respective approvals to conclude the final budget. The Entity recorded additional appropriations of *2m* on the 2023-2024 budget following the governing body's approval. The *Nandi County Alcoholic Drinks Control* budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on an 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

NANDI COUNTY ALCOHOLIC DRINKS CONTROL FUND
Annual Report and Financial Statements for the year ended June 30, 2024

financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section xxx of these financial statements.

c) Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the *Entity* operates and generates taxable income. Current income tax relating to items recognized directly in net assets is recognized in net assets and not in the statement of financial performance. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in controlled entities, associates, and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits, and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except in respect of

NANDI COUNTY ALCOHOLIC DRINKS CONTROL FUND
Annual Report and Financial Statements for the year ended June 30, 2024

deductible temporary differences associated with investments in controlled entities, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside surplus or deficit is recognized outside surplus or deficit. Deferred tax items are recognized in correlation to the underlying transaction in net assets. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable *Entity* and the same taxation authority.

Sales tax

Expenses and assets are recognized net of the amount of sales tax, except:

- i) When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- ii) When receivables and payables are stated with the amount of sales tax included
The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

d) 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*

NANDI COUNTY ALCOHOLIC DRINKS CONTROL FUND
Annual Report and Financial Statements for the year ended June 30, 2024

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. (the entity to amend appropriately based on the model adopted) 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. Transfers are made to or from investment property only when there is a change in use.

e) 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.

f) Leases

Finance leases are leases that transfer substantially all the risks and benefits incidental to ownership of the leased item to the *Entity*. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The *Entity* also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the

NANDI COUNTY ALCOHOLIC DRINKS CONTROL FUND
Annual Report and Financial Statements for the year ended June 30, 2024

Entity will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the *Entity*. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

g) 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. Intangible assets with an indefinite useful life are assessed for impairment at each reporting date.

h) Research and development costs

The *Entity* expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the *Entity* can demonstrate:

- i) The technical feasibility of completing the asset so that the asset will be available for use or sale.
- ii) Its intention to complete and its ability to use or sell the asset.
- iii) How the asset will generate future economic benefits or service potential
- iv) The availability of resources to complete the asset.
- v) The ability to measure reliably the expenditure during development.

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

NANDI COUNTY ALCOHOLIC DRINKS CONTROL FUND
Annual Report and Financial Statements for the year ended June 30, 2024

Financial instruments

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

a) Financial assets

Classification of financial assets

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

NANDI COUNTY ALCOHOLIC DRINKS CONTROL FUND
Annual Report and Financial Statements for the year ended June 30, 2024

Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

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 the 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.

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.

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 a surplus or deficit model.

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*.

NANDI COUNTY ALCOHOLIC DRINKS CONTROL FUND
Annual Report and Financial Statements for the year ended June 30, 2024

b) Financial liabilities

Classification

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

i) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or 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:

- i) Raw materials: purchase cost using the weighted average cost method.
- ii) 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*.

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.

NANDI COUNTY ALCOHOLIC DRINKS CONTROL FUND
Annual Report and Financial Statements for the year ended June 30, 2024

j) Contingent liabilities

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

k) 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.

l) Nature and purpose of reserves

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

m) 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.

n) 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 a proportional basis to all participating

NANDI COUNTY ALCOHOLIC DRINKS CONTROL FUND
Annual Report and Financial Statements for the year ended June 30, 2024

employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

o) 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.

p) 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 the construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

q) 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/Fund Committees, the CEO/Fund Administrator, and senior managers*.

r) Service concession arrangements

The *Entity* analyses all aspects of service concession arrangements that it enters in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the *Entity* recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement, or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the *Entity* also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

NANDI COUNTY ALCOHOLIC DRINKS CONTROL FUND
Annual Report and Financial Statements for the year ended June 30, 2024

s) 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 an insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and various commercial banks at the end of the financial year.

t) Comparative figures

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

u) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 20xx.

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:

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.

NANDI COUNTY ALCOHOLIC DRINKS CONTROL FUND
Annual Report and Financial Statements for the year ended June 30, 2024

Useful lives and residual value

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

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

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 37. 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.

NANDI COUNTY ALCOHOLIC DRINKS CONTROL FUND
Annual Report and Financial Statements for the year ended June 30, 2024

Notes To The Financial Statements Continued

1. Public contributions and donations

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Donation From Development Partners	-	-
Contributions From The Public	-	-
Total	-	-

2. Transfers from County Government

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Transfers From County Govt. –Operations	-	-
Payments By County On Behalf Of The Entity	-	-
Unconditional Development grants	-	-
Total	-	-

3. Fines, penalties and other levies

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Late Payment Penalties	-	-
Fines	-	-
Total	-	-

4. Interest income

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Interest Income from Mortgage Loans	-	-
Interest Income From Car Loans	-	-
Interest Income From Investments in financial assets	-	-
Interest Income On Bank Deposits	-	-
Total Interest Income	-	-

NANDI COUNTY ALCOHOLIC DRINKS CONTROL FUND
Annual Report and Financial Statements for the year ended June 30, 2024

Notes to the Financial Statements Continued

5. Other income

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Insurance Recoveries	-	-
Income From Sale Of Tender Documents	-	-
Bad Debts Recovered	-	-
Application Fee	855,000	900,700
Appeals Fee	236,500	428,000
Licenses Fee	8,338,000	9,957,000
Miscellaneous Income		115
Total Other Income	9,429,500	11,285,815

6. Employee Costs

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

7. Use of Goods and Services

Description	FY 2023-2024	FY 2022-2023
	Kshs.	Kshs.
General Office Expenses	205,000.00	-
Loan Processing Costs	-	-
Professional Services Costs	-	-
Administration Fees	553,900.00	284,000.00
Committee Allowances	2,318,341.00	1,446,200.00
Bank Charges	3,370.00	2,825.00
Electricity And Water Expenses	-	-
Fuel And Oil Costs	1,230,000.00	837,000.00

NANDI COUNTY ALCOHOLIC DRINKS CONTROL FUND
Annual Report and Financial Statements for the year ended June 30, 2024

Description	FY 2023-2024	FY 2022-2023
	Kshs.	Kshs.
Insurance Costs	-	-
Postage And Courier	-	-
Printing And Stationery	214,017.57	108,080.00
Rental Costs	-	-
Security Costs	-	-
Telephone And Communication Expenses	-	-
System Commission for liquor fee collected	1,620,460	-
Audit Fees	-	-
Provision For Doubtful Debts	-	-
Other (Specify)	-	-
Sensitisation program	1,184,000.00	-
Enforcemet and compliances fees	442,000.00	1,536,400.00
Specialised services	1,758,391.00	
Maitaince of motor vehicles	828,500.00	-
Staff Training Expenses	595,600.00	
Commission for liquor fee collected	671,645.80	-
Social benefit expenses		
Total	11,625,225.00	4,214,505.00

8. Depreciation and Amortization Expenses

Description	FY 2023-2024	FY 2022-2023
	Kshs.	Kshs.
Property Plant and Equipment	-	-
Intangible Assets	-	-
Total	-	-

9. Finance costs

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Interest On Bank Overdrafts	-	-
Interest On Loans From Banks	-	-
Total	-	-

NANDI COUNTY ALCOHOLIC DRINKS CONTROL FUND
Annual Report and Financial Statements for the year ended June 30, 2024

Gain/(loss) on disposal of assets

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Property, Plant and Equipment	-	-
Intangible Assets	-	-
Total	-	-

10. Gain/ (loss) on Fair Value Investments

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Investments at Fair Value- Equity investments	-	-
Fair value – Investment property	-	-
Fair value- other financial assets (specify)	-	-
Total Gain	-	-

11. Gain/ (loss) on Fair Value Investments

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Investments at Fair Value- Equity investments	-	-
Fair value – Investment property	-	-
Fair value- other financial assets (specify)	-	-
Total Gain	-	-

12. Cash and cash equivalents

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
On – Call Deposits	-	-
Current Account	3,919,585.77	7,071,310.00
Others (<i>Specify</i>)	-	-
Total Cash And Cash Equivalents	3,919,585.77	7,071,310.00

NANDI COUNTY ALCOHOLIC DRINKS CONTROL FUND
Annual Report and Financial Statements for the year ended June 30, 2024

Notes to the Financial Statements Continued

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

Financial Institution	Account number	FY 2023-2024	FY 2022-2023
		Kshs	Kshs
a) a) Fixed Deposits Account			
Kenya Commercial Bank		-	-
Equity Bank, Etc.		-	-
Sub- Total		-	-
b) b) On - Call Deposits			
National Bank of Kenya			
Equity Bank - Etc.			
Sub- Total			
c) c) Current Account			
National Bank of Kenya	01017252715700	3,919,585.77	7,071,310.00
Bank B		-	0
Sub- Total		3,919,585.77	7,071,310.00
d) d) Others(Specify)		-	0
Cash In Transit		-	0
Cash In Hand		-	0
Sub- Total		-	0
Grand Total		3,919,585.77	7,071,310.00

13. Receivables from exchange transactions

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Current Receivables		
Interest Receivable	-	-
Current Loan Repayments Due	-	-
Other Exchange Debtors	-	-
Less: Impairment Allowance	-	-
Total Current Receivables		
Non-Current Receivables		
Long Term Loan Repayments Due	-	-
Total Non- Current Receivables	-	-
Total Receivables From Exchange Transactions	-	-

Notes to the Financial Statements Continued

NANDI COUNTY ALCOHOLIC DRINKS CONTROL FUND
Annual Report and Financial Statements for the year ended June 30, 2024

Additional disclosure on interest receivable

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

14. Prepayments

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

15. Inventories

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

Notes to the Financial Statements Continued

NANDI COUNTY ALCOHOLIC DRINKS CONTROL FUND
Annual Report and Financial Statements for the year ended June 30, 2024

16. Investments in financial assets

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

Movement of Equity Investments

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

e) Shareholding in other entities

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

NANDI COUNTY ALCOHOLIC DRINKS CONTROL FUND
Annual Report and Financial Statements for the year ended June 30, 2024

Notes To The Financial Statements (Continued)

17. Property, plant and equipment

	Land and Buildings	Motor vehicles	Furniture and fittings	Computers and office equipment	Total
Cost	Kshs	Kshs	Kshs	Kshs	Kshs
At 1st July 2023	-	-	-	-	-
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Transfers/Adjustments	-	-	-	-	-
At 30th June 2023	-	-	-	-	-
At 1st July 2024	-	-	-	-	-
Additions	-	-	-	956,000	956,000
Disposals	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-
At 30th June 2024	-	-	-	-	-
Depreciation And Impairment	-	-	-	-	-
At 1 st July 2023	-	-	-	-	-
Depreciation	-	-	-	-	-
Impairment	-	-	-	-	-
At 30th June 2023	-	-	-	-	-
At 1st July 2024	-	-	-	-	-
Depreciation	-	-	-	-	-
Disposals	-	-	-	-	-
Impairment	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-
At 30th June 2024	-	-	-	-	-
Net Book Values	-	-	-	-	-
At 30th June 2023	-	-	-	-	-
At 30th June 2024	-	-	-	956,000	956,000

NANDI COUNTY ALCOHOLIC DRINKS CONTROL FUND
Annual Report and Financial Statements for the year ended June 30, 2024
Notes To The Financial Statements (Continued)

18. Intangible assets

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Cost		
At Beginning of The Year	-	-
Additions	-	-
At End of The Year	-	-
Amortization And Impairment		
At Beginning of The Year	-	-
Amortization	-	-
At End of The Year	-	-
Impairment Loss	-	-
At End of The Year	-	-
NBV	-	-

19. Investment Property

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

NANDI COUNTY ALCOHOLIC DRINKS CONTROL FUND
Annual Report and Financial Statements for the year ended June 30, 2024
Notes To The Financial Statements (Continued)

20. Trade and other payables from exchange transactions

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

21. Provisions

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

NANDI COUNTY ALCOHOLIC DRINKS CONTROL FUND
Annual Report and Financial Statements for the year ended June 30, 2024
Notes To The Financial Statements (Continued)

22. Borrowings

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Balance At Beginning of The Period	-	-
External Borrowings During the Year	-	-
Domestic Borrowings During the Year	-	-
Repayments of External Borrowings During the Period	-	-
Repayments of Domestic Borrowings During the Period	-	-
Balance At End of The Period	-	-

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

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

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

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Short Term Borrowings (Current Portion)	-	-
Long Term Borrowings	-	-
Total	-	-

NANDI COUNTY ALCOHOLIC DRINKS CONTROL FUND
Annual Report and Financial Statements for the year ended June 30, 2024
Notes To The Financial Statements (Continued)

23. Employee benefit obligations

Description	Defined benefit plan	Post employment medical benefits	Other Provisions	Insert Current FY	Insert Comparative FY
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	-	-	-	-	-
Non-Current Benefit Obligation	-	-	-	-	-
Total	-	-	-	-	-

24. Social Benefit Liabilities

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

NANDI COUNTY ALCOHOLIC DRINKS CONTROL FUND
Annual Report and Financial Statements for the year ended June 30, 2024
Notes To The Financial Statements (Continued)

25. Cash generated from operations.

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

NANDI COUNTY ALCOHOLIC DRINKS CONTROL FUND
Annual Report and Financial Statements for the year ended June 30, 2024

Notes To The Financial Statements (Continued)

26. Related party balances

a) Nature of related party relationships

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

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

b) Related party transactions

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Transfers From Related Parties'	-	-
Transfers To Related Parties	-	-

c) Key management remuneration

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Board Of Trustees	-	-
Key Management Compensation	-	-
Total	-	-

d) Due from related parties

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Due From Parent Ministry	-	-
Due From County Government	-	-
Total	-	-

NANDI COUNTY ALCOHOLIC DRINKS CONTROL FUND
Annual Report and Financial Statements for the year ended June 30, 2024

Other Disclosures Continued

e) Due to related parties

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Due To Parent Ministry	-	-
Due To County Government	-	-
Due To Key Management Personnel	-	-
Total	-	-

27. Contingent assets and contingent liabilities

Contingent Liabilities	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Court Case Xxx Against the Fund	-	-
Bank Guarantees	-	-
Total	-	-

NANDI COUNTY ALCOHOLIC DRINKS CONTROL FUND
Annual Report and Financial Statements for the year ended June 30, 2024

Notes To The Financial Statements (Continued)

28. Financial risk management

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

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

a) Credit risk

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

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

NANDI COUNTY ALCOHOLIC DRINKS CONTROL FUND
Annual Report and Financial Statements for the year ended June 30, 2024

Notes To The Financial Statements (Continued)

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

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

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

b) Liquidity risk management

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

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

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

NANDI COUNTY ALCOHOLIC DRINKS CONTROL FUND
Annual Report and Financial Statements for the year ended June 30, 2024

Notes To The Financial Statements (Continued)

c) Market risk

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

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

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

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

a) 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 (Current FY)			
Financial Assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors/ Receivables			
Liabilities			
Trade And Other Payables	-	-	-
Borrowings	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

NANDI COUNTY ALCOHOLIC DRINKS CONTROL FUND
Annual Report and Financial Statements for the year ended June 30, 2024

Notes To The Financial Statements (Continued)

Foreign currency sensitivity analysis

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

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

b) Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

The Fund analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs xxx (2022: Kshs xxx). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs xxx (2021 – Kshs xxx).

NANDI COUNTY ALCOHOLIC DRINKS CONTROL FUND
Annual Report and Financial Statements for the year ended June 30, 2024

Notes To The Financial Statements (Continued)

d) Capital risk management.

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

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Revaluation reserve	-	-
Revolving fund	-	-
Accumulated surplus	-	-
Total funds	-	-
Total borrowings	-	-
Less: cash and bank balances	-	-
Net debt/(excess cash and cash equivalents)	-	-
Gearing	%	%

29. Events after the reporting period

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

30. Ultimate and Holding Entity

The entity is a County Public Fund established by Act. Its ultimate parent is the County Government of Nandi.

31. Currency

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

**NANDI COUNTY ALCOHOLIC DRINKS CONTROL FUND
Annual Report and Financial Statements for the year ended June 30, 2024**

I. 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)
CG/NDI/FIN/7/5 . VOL.I./52	<p>Budget Control and Performance The statement of comparative budget and actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.11,286,000 and Kshs.11,285,815 respectively meaning the Fund collected the revenue that was budgeted. Similarly, the Fund expended Kshs.4,214,505 against an approved budget of Kshs.11,286,000 resulting to an under-expenditure of Kshs.7,071,310 or 63% of the budget. The underperformance affected the planned activities and may have impacted negatively on service delivery to the public</p>	<p>This was occasioned from the fact that the liquor licenses are issued based on calendar year rather than financial year. It's practically impossible to expend the monies collected within the two quarters i.e. 3rd & 4th quarter of the financial year. Licensing ordinarily is done in the 3rd quarter. The Directorate proposes a framework for licensing that will conform with the government financial year.</p>	Resolved	20 th December 2023

Fund Manager/Accounting Officer

Sign..... 

Date..... 30/09/2024

NANDI COUNTY ALCOHOLIC DRINKS CONTROL FUND
Annual Report and Financial Statements for the year ended June 30, 2024

Annex II: Inter-Fund Confirmation Letter

The Nandi County Alcoholic Fund wishes to confirm the amounts disbursed to you as at 30th June 2024 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by [Insert name of beneficiary Fund] as at 30 th June 20xx							
Referen ce Number	Date Disburse d	Amounts Disbursed by [SC/SAGA/Fund] (Kshs) as at 30 th June 2024				Amount Received by [beneficia ry Fund] (KShs) as at 30 th June 20xx (E)	Differenc es (KShs) (F)=(D- E)
		Recurr ent (A)	Developme nt (B)	Inter- Ministeri al (C)	Total (D)=(A+B+ C)		
Total							

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

Head of Accountants department of beneficiary Fund:

Name Benjamin Kiprotich Sign [Signature] Date 30/9/24

NANDI COUNTY ALCOHOLIC DRINKS CONTROL FUND
Annual Report and Financial Statements for the year ended June 30, 2024
Annex III: Reporting of Climate Relevant Expenditures

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

NANDI COUNTY ALCOHOLIC DRINKS CONTROL FUND
Annual Report and Financial Statements for the year ended June 30, 2024
Annex IV: Reporting on Disaster Management Expenditure

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