

REPUBLIC OF KENYA



**REPORT**

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OF KENYA  
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**OF**

**THE AUDITOR-GENERAL**

**ON**

PAPERS LAID	
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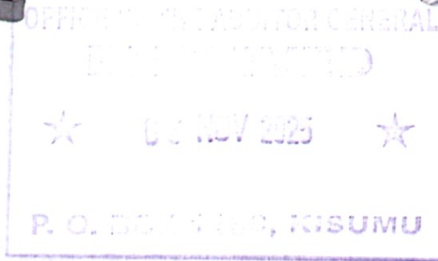
**SIAYA COUNTY ALCOHOLIC DRINKS  
CONTROL FUND**

**FOR THE YEAR ENDED**

**30 JUNE, 2025**

DATE	01/11/2025
TABLED BY	S.M.H.
COMMITTEE	-
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Revised 30<sup>th</sup> June 2025



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**SIAYA COUNTY ALCOHOLIC DRINKS CONTROL FUND**

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

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

**1. Acronyms and Definition of Key Terms**

**A. Acronyms**

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

**B. Definition of Key Terms**

**Fiduciary Management**

- Hon. Grace Agola-CECM  
Trade, Cooperatives, Enterprise and Industrialization Siaya
- Hon. Elizabeth Adongo-Chief Officer  
Trade, Cooperatives, Enterprise and Industrialization Siaya
- Mr. Cornel Otieno  
Fund Administrator/Director Alcoholic Drinks Control Fund
- Mr. George Kumo  
Fund Accountant

**Comparative Year**

- FY 2023/2024

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

### **a) Background information**

Siaya County Alcoholic Drinks Control Fund was established by Constitution of Kenya 2010 and derives its authority and accountability from Siaya County Alcoholic Drinks Control Act 2016. The Fund is wholly owned by the County Government of Siaya, in the Department of Trade, Cooperatives, Enterprise and is domiciled in Kenya. The Fund operates in all the Six (6) Sub Counties namely Alego Usonga, Bondo, Gem, Ugunja, Ugenya and Rarieda. The provides all its services to its residents including those from devolved functions.

His Excellency the Governor Hon. James Aggrey Orenge heads the County and is responsible for general Administration, Policy and Strategic direction of the County. This he does with the support of the Executive Committee as per the Constitution. These funds are created by the County Executive Committee Member for Finance and Planning.

The fund's objective is to involve inspection of liquor vendors' premises for compliance, Multi-agency Crackdown and Sensitization, licensing, enforcement and conducting committee meetings to approve vendors' application. These committees are headed by Sub County Administrators chairmen of these committees.

Its activities include:

1. Normal committee meetings for administration and planning purposes.
2. Committee meetings for vetting of applicants to consider them for approval.
3. Inspection of premises to ensure compliance before issuance of licenses and during operations.
4. Enforcement/crackdown to ensure adherence to the laws and regulations
5. Sensitization and awareness creation to inform the public and other stakeholders on the activities of the directorate and involve public participation principles. All stakeholders are involved including NACADA.

Other activities include prevention and control of alcohol and drug abuse and setting up of rehabilitation centers.

Once the applications are approved, the vendors are invoiced and the amount due to the County is deposited in KCB bank Account Number 1206483431 Siaya branch and a license is then issued. These activities were previously done by NACADA and were later transferred to the County.

**Siaya County Alcoholic Drinks Control Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

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**b) Principal Activities**

The principal activity/mission/ mandate of the Fund is to The main activities of this fund are licensing and regulation, sale, distribution, consumption and outdoor advertising of Alcoholic Drinks.

Other activities include control and management of use of alcoholic drinks, drug abuse and the promotion of research, treatment and rehabilitation of person's dependent on alcoholic drinks.

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

Ref	Name	Position
1	Hon. Grace Agola	CECM-Trade
	Hon. George Nyingiro	CECM-Finance and Economic Planning
2	Hon. Elizabeth Adongo	Chief Officer-Trade
3	Hon. Jacktone Odinga	Chief Officer-Finance
4	Mr. Cornel Otieno	Fund Administrator
5	Mr. George Kumo	Fund Accountant

**d) Key Management team**

Ref	Name	Position
1	Hon. Grace Agola	CECM-Trade
2	Hon. Elizabeth Adongo	Ag.Chief Officer-Trade
3	Mr. Cornel Otieno	Ag. Fund Manager/ Administrator
4	Mr. George Kumo	Fund Accountant

**Key Entity and Management (Continued)**

**e) Fiduciary Oversight Arrangements**

SN	Position	Name
1	Directorate Internal Audit	CPA. Jenifer Ogola
2	Head of Accounting Services	CPA. Geoffrey Ochieng

*Siaya County Alcoholic Drinks Control Fund*  
**Annual Report and Financial Statements for the year ended June 30, 2025**

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**f) Registered Offices**

P.O. Box 803-40600  
Trade Building  
Siaya, KENYA

**g) Fund Contacts**

Telephone: (254) 722785687  
E-mail: [info@siaya.go.ke](mailto:info@siaya.go.ke)/ [mondayjohns@yahoo.com](mailto:mondayjohns@yahoo.com)  
Website: [www.siaya.go.ke](http://www.siaya.go.ke)

**h) Fund Bankers**

1. Central Bank of Kenya  
Haile Selassie Avenue  
P.O. Box 60000  
City Square 00200  
Nairobi, Kenya
  
2. Kenya Commercial Bank  
Siaya Branch  
1206483431

**Key Entity and Management (Continued)**

**i) Independent Auditors**

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

**j) Principal Legal Adviser**





The Attorney General  
State Law Office  
Harambee Avenue  
P.O. Box 40112  
City Square 00200  
Nairobi, Kenya

**k) County Attorney**

The Siaya County Attorney  
Governor's Annex Building  
P.O. Box 803-40600,  
Siaya, Kenya

*Siaya County Alcoholic Drinks Control Fund*  
**Annual Report and Financial Statements for the year ended June 30, 2025**

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

	Hon. Grace Agola	CECM- Enterprise	Bachelor Degree Business Administration, Finance option. Vast Experience in Public Finance Management
	Mr. Jack Odinga	Chief Officer Finance	Bachelor's Degree in Accounting, Vast of Experience in Public Finance Mgt.
	Mr. George Kumo	Fund Accountant	B.com Accounting Option CPA(K) CPS(K) MBA More than 15 years of Public Finance Accounting
	Mr. Cornel Otieno	Fund Manager/ Administrator	Bachelor Degree in Business Management (Accounting Option) CPA(K) MBA and ongoing Phd. Finance

*Siaya County Alcoholic Drinks Control Fund*  
**Annual Report and Financial Statements for the year ended June 30, 2025**

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**4. Management Team**

Name	Designation
1. Hon. Grace Agola	CECM
2. Hon. Elizabeth Adongo	Ag.Chief Officer
3. Mr. Cornel Otieno	Fund Administrator/ Ag. Director
4. Mr. George Kumo	Fund Accountant

*Siaya County Alcoholic Drinks Control Fund*  
**Annual Report and Financial Statements for the year ended June 30, 2025**

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**5. Fund Chairperson's Report**

It's my pleasure to present the Annual Report and Financial Statement dated 30<sup>th</sup> June 2025 for Siaya County Alcoholic Drinks Control Fund which as created by the Siaya County Alcoholic Drinks Control Act 2016. The fund was created primarily to provide for licensing of alcoholic drinks by County Government pursuant to Part II of the Fourth Schedule of the Constitution so as to control the production, sale, distribution, promotion and use of alcoholic drinks and the promotion of research, treatment and rehabilitation for person's dependent on alcoholic drinks.

There is established in the County the Alcoholic Drinks Control Directorate charged with the responsibility of managing day to day operation of the Fund. The directorate is headed by a Director who is the Fund Administrator.

The Fund still suffers from the effects of High Cost of living and continuous protested within the Country in realisation of its annual revenue collection targets. The inadequate revenue collections have compromised achievement of planned activities and establishment of treatment and rehabilitation facilities and programmes.

The Directorate has put measures to enforce compliance to the Act through regular enforcement and public education.

Moving forward we intend to mobilise resources to ensure establishment of treatment and rehabilitation facilities. Also, of concern is to enhance our revenue collection mechanisms to meet set targets.

Signed: \_\_\_\_\_

Hon. Grace Agola

**CEC- Enterprise and Industrial Development.**

Date:



*Siaya County Alcoholic Drinks Control Fund*  
**Annual Report and Financial Statements for the year ended June 30, 2025**

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**6. Report of The Fund Administrator**

There is established in the County the Alcoholic Drinks Control Directorate charged with the responsibility of managing day to day operation of the Fund. The directorate is headed by a director who is the Fund Administrator.

The Fund still suffers from the effects of High Cost of living and continuous protested within the Country in realization of its annual revenue collection targets. The inadequate revenue collections have compromised achievement of planned activities and establishment of treatment and rehabilitation facilities and programs.

The Directorate has put up measures to enforce compliance to the Act through regular enforcement and public education.

During the period under review, we collected revenue of Kshs. **9,301,000** against an expenditure of Kshs. **5,481,258.33** resulting to a surplus of Kshs. **3,819,741.67** as compared to previous year where we collected a total of Kshs. **9,311,400** against an expenditure of Kshs. **9,272,438.25** resulting a surplus of Kshs. **38,961.75**. At the beginning of the financial year there was Kshs. **104,894.25** brought forward.

Liquor revenue collections streams are liquor application and license fees.

The County carried out training/ induction of stakeholders and public education alcoholic drinks control.

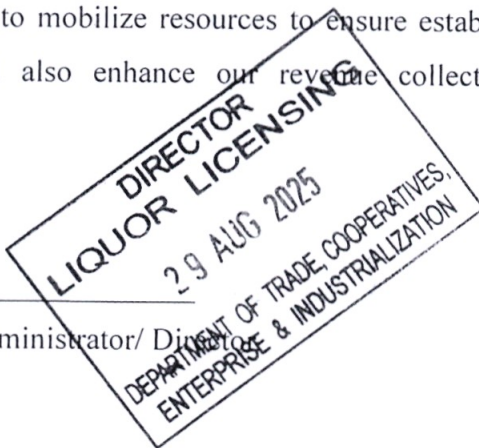
Moving forward we intend to mobilize resources to ensure establishment of treatment and rehabilitation facilities and also enhance our revenue collection mechanisms through automation

Signed: \_\_\_\_\_



Mr. Cornel Otieno- Fund Administrator/ Director

Date



*Siaya County Alcoholic Drinks Control Fund*  
**Annual Report and Financial Statements for the year ended June 30, 2025**

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

**Introduction**

Section 164 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting officer when preparing financial statements of each County Government 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 period ended 30<sup>th</sup> June 2025 are to:

- a) *Provide quality and favorable environment for ease of doing business for residence*
- b) *Provide Treatment for a Rehabilitation Center within Siaya*
- c) *Promote Sales, Distribution of alcoholic drinks control*
- d) *Control usage of Alcoholic Drinks Substance to people below the age of 18 years*

**Progress on attainment of Strategic development objectives**

Below we provide the progress on attaining the stated objectives of the Siaya County Alcoholic Drinks Control Fund for the period ended 30<sup>th</sup> June 2025 plan:

ACTIVITY	DETAILS	REMARKS
Requisition of Accountable Documents	Still being requisitioned from the Central stores.	Documents Issued
Preparation of Financial Reports	Fund accountant has complied to improve our accountability efforts.	Compliance with SCADCA, Art 7(3).
Partnership with NACADA	Very effective especially on policy issues.	Control efficiently done
Sensitization. Awareness Creation and Publicity	A continues exercise that must be enhanced.	A vehicle for the Directorate is needed.
Enforcement/Inspection Activities Conducted	Planned and random enforcement including a special one from the headquarter by the Directorate.	Island and beaches inspection is a challenge.
Review of Liquor Act (in progress) & other policy documents	Basically, on the operations of busaa production and sale.	KEBS standards are not easy to adhere to in busaa production thus not easy to regulate.
Mapping Review	Identification of outlets in terms of location and contacts very critical as we go digital in this area.	A tool is being polished to help us adopt this exercise in 2025.
Rehabilitation Program	Identification of a site and construction of the center is a	NACADA is ready to equip such a center if completed.

*Siaya County Alcoholic Drinks Control Fund*  
**Annual Report and Financial Statements for the year ended June 30, 2025**

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	necessity. Meanwhile a pilot program targeting vulnerable Chang'aa traders is in the offing.	Economic empowerment is necessary to change lives.
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## **8. Corporate Governance Statement**

1. The Act provides for the establishment of the following committees;
2. Sub-County Alcoholic Drinks Regulation Committee
3. County Alcoholic Regulation Administrative Review Committee and County Enforcement Committee
4. Automation of Alcoholic Drinks Control License and Application fees

The Sub-County Alcoholic Drinks Regulation Committee is operational and is the body that does the vetting of applications for liquor licensing. The County Enforcement Committee is responsible for ensuring compliance to the Act by liquor Vendors and the public.

The County has established Alcoholic Regulation Administrative Review Committee.

Meanwhile no application has been made that require be reviewed. The Sub-County Alcoholic Drinks Regulation Committee has been able to handle all applications before it.

Regular trainings and inductions are being carried out and also, committees also meet as scheduled.

*Siaya County Alcoholic Drinks Control Fund*  
**Annual Report and Financial Statements for the year ended June 30, 2025**

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**9. Management Discussion and Analysis**

On the operationalization of the fund, we collected revenue of Kshs. **9,301,000** against an expenditure of Kshs. **5,481,258.33** resulting to a surplus of Kshs. **3,819,741.67** as compared to previous year where we collected a total of Kshs. **9,311,400** against an expenditure of Kshs. **9,272,438.25** resulting a surplus of Kshs. **38,961.75**.

*Entity's key projects or investments decision implemented or ongoing.*

*-There were no projects carried out.*

*Fund's compliance with statutory requirements.*

*-The funds management has always endeavor to comply with statutory requirements.*

*Major risks facing the Fund, material arrears in statutory and other financial obligations.*

*-The monies collected from liquor license are not adequate to fund the directorate activities*

**10. Environmental and Sustainability Reporting**

*Siaya County Alcoholic Drinks Control Fund*  
**Annual Report and Financial Statements for the year ended June 30, 2025**

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**11. Report of The Trustees**

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

**Principal activities**

The principal activities of the Fund are *for meeting the capital and recurrent expenditure relating to carrying out the functions of the Directorate and assisting in the operation of the Sub- County Committees.*

**Results**

The results of the Fund for the year ended June 30, 2025 are set out on page 1-8

**Trustees**

The members of the Board of Trustees who served during the year are shown on page iv.

**Auditors**

The Auditor General is responsible for the statutory audit of the Fund in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board

Signed.....

Hon. Grace Agola-CECM



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

**Date:** .....

*Siaya County Alcoholic Drinks Control Fund*  
**Annual Report and Financial Statements for the year ended June 30, 2025**

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## **12. Statement of Management's Responsibilities**

Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a County Public Fund established by Siaya County Alcoholic Drinks Control Act 2016 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, 2025.

This responsibility includes:

- (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period
- (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Fund
- (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud
- (iv) safeguarding the assets of the Fund
- (v) selecting and applying appropriate accounting policies
- (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 Siaya County Alcoholic Drinks Control Act 2016. The Administrator of the Fund is of the opinion that the Fund's financial statements give a true and fair view of the state of Fund's transactions during the financial year ended June 30, 2025 and of the Fund's financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Administrator of the 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.

*Siaya County Alcoholic Drinks Control Fund*  
**Annual Report and Financial Statements for the year ended June 30, 2025**

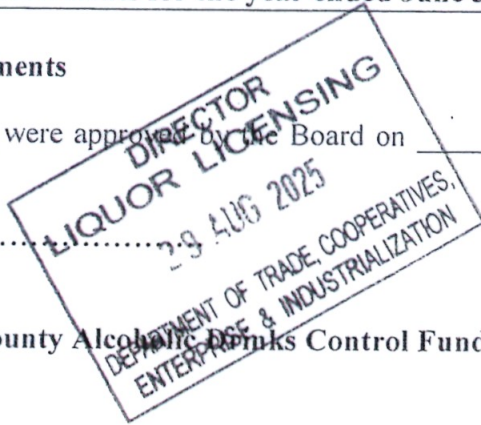
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**Approval of the financial statements**

The Fund's financial statements were approved by the Board on \_\_\_\_\_ 2025 and signed on its behalf by:

.....  


**Mr. Cornel Otieno**  
Administrator of the Siaya County Alcoholic Drinks Control Fund



# REPUBLIC OF KENYA



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

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

## **REPORT OF THE AUDITOR-GENERAL ON SIAYA COUNTY ALCOHOLIC DRINKS CONTROL FUND FOR THE YEAR ENDED 30 JUNE, 2025**

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### **PREAMBLE**

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

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

An Unmodified Opinion is issued when the Auditor-General concludes that 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 aim to address the Auditor-General's statutory roles and responsibilities 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**

#### **Opinion**

I have audited the accompanying financial statements of Siaya County Alcoholic Drinks Control Fund set out on pages 1 to 37, which comprise of the statement of financial

position as at 30 June, 2025 and the statement of financial performance, statement of 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, the financial statements present fairly, in all material respects, the financial position of Siaya County Alcoholic Drinks Control Fund as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Siaya County Alcoholic Drinks Control Act, 2016 and the Public Finance Management Act, 2012.

### **Basis for Opinion**

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

### **Emphasis of Matter**

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

The statement of comparative budget and actual amounts reflects total revenue totaling to Kshs.6,935,494 against final budget of Kshs.20,000,000 resulting to under collection of Kshs.13,064,506 or 65% of the budgeted revenue. Similarly, the project had budgeted to spend Kshs.20,000,000 but utilized an amount of Kshs.4,238,297 resulting to an under expenditure of Kshs.15,761,703 or 21% of the budget. The under expenditure which mainly occurred under transfer to CRF and NACADA was contrary to the Public Finance Management (County Government) Regulations, 2015 regulation 29(2) states ensuring that the Accounting Officer is responsible, in particular for ensuring that all services which can be reasonably foreseen are included in the estimates.

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. There were no key audit matters to report in the year under review.

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit section of the report including in relation to these matters. Accordingly, the audit included the performance of procedures designed to respond to the assessment of the risks of material misstatement of the financial statements. The results of the audit procedures, including the procedures performed to address the matters above provide the basis for my audit opinion on the accompanying financial statements.

## **Other Matter**

### **Unresolved Prior Year Matters**

In the prior year report three issues were raised under the Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal controls, Risk management and governance. Review of the status during the audit of the fund in 2024/2025 revealed that the issue listed below remained unresolved.

- (i) Irregular Borrowing from the Fund
- (ii) Irregular Expenditure on Members of County Assembly and
- (iii) Lack of Value for Money on Collection, and Accounting for Own Generated

## **Other Information**

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

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

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

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

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in the effective way.

## **Basis for Conclusion**

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

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

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Unsupported Committee Expenses**

The statement of financial performance and as disclosed in Note 8 to the financial statements reflects use of goods and services amount of Kshs.4,296,497 which includes committee allowances of Kshs.1,367,700. Review of the payment vouchers, and schedules revealed that imprests were issued to facilitate payment of the sub county alcoholic control committees. However, the fund does not maintain an imprest register. The imprest advances were being directly expensed upon issuance, instead of initially recording the advance as an accounts receivable. The action is contrary to Regulation 93 (4c) of the Public Finance Management (County Government) Regulations 2015, which provides that before issuing temporary imprests, the Accounting Officer shall ensure that the applicant has been recorded in the imprest register.

In the circumstances, the payment amounting to Kshs.1,367,700 was irregularly incurred.

#### **2. Irregular Borrowing from the Fund**

The statement of financial position and as disclosed in Note 11 to the financial statements reflects current portion of long-term receivables from exchange transactions Kshs.5,876,300. The audit revealed that Kshs.1,946,400 was advanced as a borrowing to the department of Agriculture in the last financial year. The amount remained outstanding as at 30 June, 2025. No explanation was given as to why the amount was not repaid to the fund. Additionally, an amount of Kshs.1,459,500 was advanced as a borrowing to the Department of Trade, Cooperatives, Enterprises and Industrialization. As at the end of the financial year, the amount remained outstanding. This was contrary

to section 149(1)(a) of the Public Finance Management Act, 2012, which states that the County Assembly may authorise short- term borrowing by county government entities for cash management only.

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

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

### **Responsibilities of the Management and Trustees**

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

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

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

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

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

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

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards 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 are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

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

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

**Nairobi**

**21 November, 2025**

*Siaya County Alcoholic Drinks Control Fund*

**Annual Report and Financial Statements for the year ended June 30, 2025**

**14. Statement of Financial Performance for the Year Ended 30<sup>th</sup> June 2025**

Description	Note	2024/25	2023/24
		Kshs	Kshs
<b>Revenue From Non-Exchange Transactions</b>			
Public Contributions and Donations			
Transfers From the County Government			
Fines, Penalties and Other Levies	6	9,301,000.00	9,311,400.00
		<b>9,301,000.00</b>	<b>9,311,400.00</b>
<b>Revenue From Exchange Transactions</b>			
Interest Income			
Other Income			
		-	
<b>Total Revenue</b>		<b>9,301,000.00</b>	<b>9,311,400.00</b>
<b>Expenses</b>			
Employee Costs	7	75,000.00	177,000.00
Use of goods and services	8	4,296,497.00	8,179,758.25
Depreciation and Amortization Expense	9	23,949.63	
Transfer to CRF	15	844,520.20	712,196.00
Transfer to NACADA	15	241,291.50	203,484.00
Finance Costs			
<b>Total Expenses</b>		<b>5,481,258.33</b>	<b>9,272,438.25</b>
<b>Other Gains/Losses</b>			
Gain/Loss on Disposal of Assets			
Gain /Loss on fair value of investments			
<b>Surplus/(Deficit) for the Period</b>		<b>3,819,741.68</b>	<b>38,961.75</b>

*(The notes set out on pages 30 to 56 form an integral part of these Financial Statements)*

*Siaya County Alcoholic Drinks Control Fund*  
**Annual Report and Financial Statements for the year ended June 30, 2025**

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*[Signature]*  
.....  
Name:  
Administrator of the Fund

*[Signature]*  
.....  
Name: George Kumo  
Fund Accountant  
ICPAK Member Number: 18506



**15. Statement of Financial Position as at 30 June 2025**

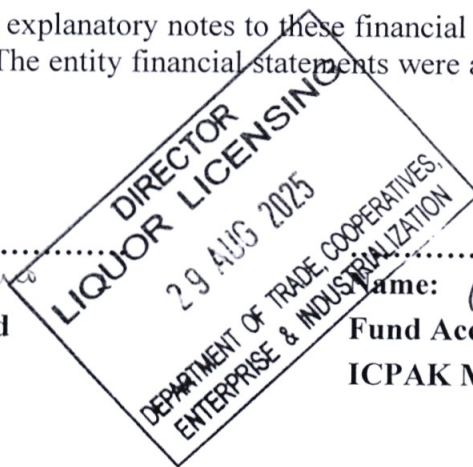
Description	Note	2024/25	2023/25
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	10	1,046,099.45	104,894.25
Current Portion of Long- Term Receivables from Exchange Transactions	11	5,876,300.00	
Prepayments			
Inventories			
Investments in financial assets			
<b>Total current assets</b>		<b>6,922,399.45</b>	<b>104,894.25</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	12	167,648.17	
Intangible Assets			
Long Term Receivables from Exchange Transactions			
Investment Property			
<b>Total non- current assets</b>		<b>167,648.17</b>	<b>-</b>
<b>Total Assets (A)</b>		<b>7,090,047.62</b>	<b>104,894.25</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables from Exchange Transactions	13	1,219,011.70	
Current Provisions			
Current Portion of Borrowings			
Employee Benefit Obligations			
Social benefit liabilities			
<b>Total current liabilities</b>		<b>1,219,011.70</b>	<b>-</b>
<b>Non-Current Liabilities</b>			
Non-Current Provisions			

**Siaya County Alcoholic Drinks Control Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

Long Term Portion of Borrowings			
Non-Current Employee Benefit Obligation			
Social benefit liabilities		-	
<b>Total Liabilities (B)</b>		<b>1,219,011.70</b>	-
<b>Net Assets (A-B)</b>		<b>5,871,035.92</b>	<b>104,894.25</b>
<b>Represented By:</b>			
Revolving Fund			
Reserves			
Accumulated Surplus		5,871,035.93	104,894.25
<b>Net Assets</b>		<b>5,871,035.93</b>	<b>104,894.25</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on \_\_\_\_\_ 2025 and signed by:

*[Signature]*  
 Name: *Amel Otieno*  
 Administrator of the Fund



*[Signature]*  
 Name: *George Kuno*  
 Fund Accountant  
 ICPAK Member Number: *18506*

*Siaya County Alcoholic Drinks Control Fund*  
**Annual Report and Financial Statements for the year ended June 30, 2025**

**16. Statement of Changes in Net Assets for the year ended 30<sup>th</sup> June 2025**

Description	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
		Kshs	Kshs	Kshs
<b>Balance As At 1 July 2023</b>			65,932.50	<b>65,932.50</b>
Surplus/(Deficit) For the Period			38,961.75	<b>38,961.75</b>
Funds Received During the Year				-
Transfers				-
Revaluation Gain				-
<b>Balance As At 30 June 2024</b>			<b>104,894.25</b>	<b>104,894.25</b>
Adjustments: (to recognize assets and liabilities)				
Adjustments: (to recognize assets and liabilities)			<b>1,946,400.00</b>	
Assets				-
<b>Pending Bills</b>			<b>2,051,294.25</b>	<b>2,051,294.25</b>
Surplus/(Deficit) For the Period			3,819,741.68	<b>3,819,741.68</b>
Funds Received During the Year				-
Transfers				-
Revaluation Gain				-
<b>Balance As At 30 June 2025</b>			<b>5,871,035.93</b>	<b>5,871,035.93</b>

*Siaya County Alcoholic Drinks Control Fund*  
**Annual Report and Financial Statements for the year ended June 30, 2025**

**17. Statement of Cash Flows for The Year Ended 30 June 2025**

Description	Note	2024/25	2023/24
		Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Public contributions and donations			
Transfers from the county government			
Interest received			
Receipts from other operating activities		6,831,600.00	9,311,400.00
<b>Total receipts</b>		<b>6,831,600.00</b>	<b>9,311,400.00</b>
<b>Payments</b>			
Fund administration expenses			177,000.00
General expenses		4,238,297.00	8,179,758.25
Transfers to CRF	15		712,196.00
Transfer to NACADA	15		203,484.00
Finance cost			
Other payments			
		4,238,297.00	9,272,438.25
<b>Net cash flows from operating activities</b>	14	<b>2,593,303.00</b>	<b>38,961.75</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment and Intangible assets		(191,597.80)	
Proceeds from sale of property, plant & equipment			
Proceeds from loan principal repayments			
Loan disbursements paid out		(1,459,500.00)	
<b>Net cash flows used in investing activities</b>		<b>(1,651,097.80)</b>	
<b>Cash flows from financing activities</b>			
Proceeds from revolving fund receipts			
Additional borrowings			
Repayment of borrowings			
<b>Net cash flows used in financing activities</b>			
<b>Net increase/(decrease) in cash &amp; cash Equivalents</b>		<b>942,205.20</b>	<b>38,961.75</b>
Cash and cash equivalents at 1 July	10	104,894.25	65,932.50
<b>Cash and cash equivalents at 30 June</b>	10	<b>1,046,099.45</b>	<b>104,894.25</b>

*(IPS:ASB has prescribed the direct method of cash flow preparation presentation for all entities under the IPS:AS accrual basis of accounting.)*

*Siaya County Alcoholic Drinks Control Fund*  
**Annual Report and Financial Statements for the year ended June 30, 2025**

**18. Statement of Comparison Of Budget And Actual Amounts For The Period 2025**

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	B	C=(a+b)	D	e=(c-d)	f=d/c*100
Budget carryovers from the previous year*		0		104,894.25		
Receipts	-	0	-			
Public Contributions and Donations	-	0	-			
Transfers From County Govt.	-	0	-			
Interest Income						
Other Income	20,000,000	0	20,000,000	6,830,600.00	13,169,400	33%
<b>Total Income</b>	<b>20,000,000</b>	<b>0</b>	<b>20,000,000</b>	<b>6,935,494.25</b>	<b>13,064,505</b>	<b>33%</b>
Expenses		0				
Fund Administration Expenses	9,500,000	0	9,500,000		9,500,000	
General Expenses	4,000,000	0	4,000,000	4,238,297.00	-238,297	106%
Finance Cost	1,200,000	0	1,200,000		1,200,000	
<b>Total Expenditure</b>	<b>15,000,000</b>		<b>15,000,000</b>	<b>4,238,297.00</b>	<b>10,761,103</b>	<b>28.3%</b>
Capital expenditure		0		<b>191,597.80</b>		
Surplus For the Period		0		<b>2,505,599.45</b>		

**Budget notes**

1. Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization (IPSAS 24.14)
2. Provide an explanation of changes between original and final budget indicating whether the difference is due to reallocations or other causes. (IPSAS 24.29)

0

*Siaya County Alcoholic Drinks Control Fund*  
**Annual Report and Financial Statements for the year ended June 30, 2025**

**Budget Reconciliation**

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	2,505,599.45
1	Reason for differences	1,459,500
2	Reason for differences	
3	Reason for differences	
4	Reason for differences	
	Closing Cash and Cash Equivalent as per the statement of Cash flows	1,046,099.45

**19. Notes to the Financial Statements**

**Significant Accounting Policies**

**1. General Information**

Siaya County Alcoholic Drinks Control Fund was established by Siaya County Government under the Ministry of Trade, Enterprise and Industrial Development and derives its authority and accountability from Siaya County Alcoholic Drinks Control Act. The entity is wholly owned by the Siaya County Government and is domiciled in Trade Department. The entity’s principal activity involves inspection of liquor vendors’ premises for compliance, licensing, enforcement and conducting committee meetings to approve vendors’ application.

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

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

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

*(When an IPSAS becomes effective on 1<sup>st</sup> January 2008, it is applicable in Kenya from 1<sup>st</sup> July 2025)*

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

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

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

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

*Siaya County Alcoholic Drinks Control Fund*

**Annual Report and Financial Statements for the year ended June 30, 2025**

<p>IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations</p>	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>
<p>IPSAS 45: Property Plant and Equipment</p>	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognized as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p>
<p>IPSAS 46: Measurement</p>	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b> The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS.</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ul> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
<p>IPSAS 47: Revenue</p>	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b> This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non-exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>

*Siaya County Alcoholic Drinks Control Fund*  
**Annual Report and Financial Statements for the year ended June 30, 2025**

<p>IPSAS 48: Transfer Expenses</p>	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b>  The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>
<p>IPSAS 49: Retirement Benefit Plans</p>	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b>  The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>
<p>IPSAS 50: Exploration For &amp; Evaluation of Mineral Resources</p>	<p><b><i>Applicable 1<sup>st</sup> January 2027</i></b>  The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ol style="list-style-type: none"> <li>i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</li> <li>ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26.</li> <li>iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.</li> </ol>

**(i) Early adoption of standards**

The Entity did not early – adopt any new or amended standards in the financial year 2024/2025

#### **4. Summary of Significant Accounting Policies**

##### **a) Revenue recognition**

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

###### **Transfers from other government entities**

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

###### **ii. Revenue from exchange transactions**

###### **Interest income**

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

###### **Dividends**

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

###### **Rental income**

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

##### **b) Budget information**

The original budget for FY 2024/2025 was approved by the County Assembly on 14th June, 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Fund recorded additional appropriations of (Amount) on the FY 2024 budget following the governing body's approval.

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

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

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial cash flows has been presented.

**c) Property, plant and equipment**

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

**a) Intangible Assets**

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

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

**b) Investment property**

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

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

**c) Financial instruments**

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

**Financial assets**

**Classification of financial assets**

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

**Subsequent measurement**

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

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

**Amortized cost**

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

**Fair value through net assets/ equity**

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

**Fair value through surplus or deficit**

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

**Trade and other receivables**

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

**Impairment**

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

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

**Financial liabilities**

**Classification**

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

**d) Inventories**

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

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

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

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

**e) Provisions**

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

**f) Social Benefits**

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

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

**g) Contingent liabilities**

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

**Contingent assets**

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

**h) Nature and purpose of reserves**

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

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

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

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

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

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

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

**k) Foreign currency transactions**

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

**l) Borrowing costs**

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

**m) Related parties**

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

**n) Cash and cash equivalents**

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

**o) Comparative figures**

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

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

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

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

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

**a) Estimates and assumptions –**

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

**b) Useful lives and residual values**

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

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

**c) Provisions**

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 21.

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

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

*Siaya County Alcoholic Drinks Control Fund*  
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**Notes to the Financial Statements Continued**

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

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Late Payment Penalties	-	-
Fines	9,301,000.00	9,311,400.00
<b>Total</b>	<b>9,301,000.00</b>	<b>9,311,400.00</b>

*Siaya County Alcoholic Drinks Control Fund*

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**7. Employee Costs**

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Salaries And Wages		
Staff Gratuity		
Staff Training Expenses	75,000.00	177,000
Social Security Contribution		
Other ( <i>Specify</i> )		
<b>Total</b>	<b>75,000.00</b>	<b>177,000</b>

**8. Use of Goods and Services**

Description	2024/25	2023/25
	Kshs.	Kshs.
General Office Expenses		
Loan Processing Costs		
Professional Services Costs	615,000.00	3,696,400.00
Administration Fees		
Committee Allowances	1,367,760.00	1,115,000.00
Bank Charges		
Electricity And Water Expenses		
Fuel And Oil Costs	250,000.00	556,000.00
Insurance Costs		
Postage And Courier		
Printing And Stationery	81,100.00	98,300.00
Rental Costs		
Security Costs		
Telephone And Communication Expenses		
Bank Charges	7,637.00	<b>10,368.25</b>
Audit Fees		
Provision For Doubtful Debts		
Other ( <i>Specify</i> )		
Domestic Subsistence Allowances	1,975,000.00	2,703,690.00
Social benefit expenses*		
<b>Total</b>	<b>4,296,497.00</b>	<b>8,179,758.25</b>

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

**9. Depreciation and Amortization Expenses**

Description	FY 2024/2025	FY 2023/2024
	Kshs.	Kshs.
Property Plant and Equipment	23,949.63	
Intangible Assets		
<b>Total</b>	<b>23,949.63</b>	

**10. Cash and cash equivalents**

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Dept. Car Loan Account	-	-
Siaya County Mortgage Account	-	-
Fixed Deposits Account	-	-
On – Call Deposits	-	-
Current Account	1,046,099.45	104,894.25
Others ( <i>Specify</i> )	-	-
<b>Total Cash and Cash Equivalents</b>	<b>1,046,099.45</b>	<b>104,894.25</b>

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

Financial Institution	Account number	2024/25	2023/24
		Kshs	Kshs
<b>a) Fixed Deposits Account</b>			
Kenya Commercial Bank			
Equity Bank, Etc.			
<b>Sub- Total</b>			
<b>b) On - Call Deposits</b>			
Kenya Commercial Bank			
Equity Bank - Etc.			
<b>Sub- Total</b>			
<b>c) Current Account</b>			
Kenya Commercial Bank	1206483431	1,046,099.45	104,894.25

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<b>Sub- Total</b>		<b>1,046,099.45</b>	<b>104,894.25</b>
<b>d) Others(Specify)</b>			
Cash In Transit			
Cash In Hand			
<b>Sub- Total</b>			
<b>Grand Total</b>		<b>1,046,099.45</b>	<b>104,894.25</b>

**11. Receivables from exchange transactions**

Description	2024/25	2023/24
	FY	FY
	Kshs	Kshs
<b>Current Receivables</b>		
Interest Receivable		
Current Loan Repayments Due		
Other Exchange Debtors	5,876,300.00	
Less: Impairment Allowance		
<b>Total Current Receivables</b>		
<b>Non-Current Receivables</b>		
Long Term Loan Repayments Due		
<b>Total Non- Current Receivables</b>		
<b>Total Receivables From Exchange Transactions</b>	<b>5,876,300.00</b>	

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**Additional disclosure on interest receivable**

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
<b>Interest Receivable</b>	-	-
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	-	-
<b>Current loan repayments due</b>	-	-
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	-	-

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**Annual Report and Financial Statements for the year ended June 30, 2025**

**12. Property, plant, and equipment**

	Land	Buildings	Motor vehicles	Furniture and fittings	Computers and office equipment	Total
Rate	2%	X%	12.50%	33.50%	2%	
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
At 1st July 2023						
Additions						
Disposals						
Transfers/Adjustments						
Revaluation Adjustments						
At 30th June 2024						
At 1st July 2024						
Additions				191,597.80		191,597.80
Disposals						
Transfer/Adjustments						
Revaluation Adjustments						
At 30th June (Current FY)	-	-	-	191,597.80	-	191,597.80
Depreciation And Impairment						
At 1st July (Previous FY)						-
Depreciation						-
Impairment						-
At 30th June (Previous FY)						-
At 1st July (Current FY)						-
Depreciation				(23,949.73)		(23,949.73)
Disposals						-
Impairment						-
Transfer/Adjustment						-
At 30th June 2025				167,648.08		167,648.08



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	Land	Buildings	Motor vehicles	Furniture and fittings	Computers and office equipment	Total
Rate	2%	X%	12.50%	53.50%	2%	
Net Book Values						-
At 30th June 2024						-
At 30th June 2025				167,648.08		167,648.08

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

Description	FY 2024/2025		FY 2023/2024	
	Kshs		Kshs	
Trade Payables				
Refundable Deposits				
Accrued Expenses	1,219,011.70			
Other Payables				
<b>Total Trade and Other Payables</b>	<b>1,219,011.70</b>			
<b>Ageing analysis (Trade and other payables)</b>	2024/25	% of the Total	2023/24	% of the Total
Under one year				
1-2 years	1,219,011.70	100		%
2-3 years				%
Over 3 years				%
<b>Total (tie to above total)</b>	<b>1,219,011.70</b>			%

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**14. Cash generated from operations.**

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Surplus/ (Deficit) For the Year Before Tax	3,819,741.68	38,961.75
Adjusted For:		
Depreciation	23,949.63	
Amortization		
Gains/ Losses On Disposal Of Assets		
Interest Income		
Finance Cost		
Working Capital Adjustments		
Increase In Inventory	-	
Increase In Receivables	(2,469,400.00)	
Increase In Payables	1,219,011.70	
<b>Net Cash Flow From Operating Activities</b>	<b>2,593,303.00</b>	<b>38,961.75</b>

## 15. 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 2024/2025	FY 2023/2024
	Kshs	Kshs
Transfers From Related Parties'		
Transfers To Related Parties		
Transfer to NACADA		203,484.00
Transfer to CRF		712,196.00

### c) Key management remuneration

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Board Of Trustees	-	-
Key Management Compensation	-	-
<b>Total</b>	-	-

### d) Due from related parties

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Due From Parent Ministry	1,459,500.00	-
Due From County Government	1,946,400.00	-
<b>Total</b>	<b>3,405,900.00</b>	-

**Other Disclosures Continued**

**e) Due to related parties**

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Due To Parent Ministry	844,520.20	-
Due To County Government	241,291.50	-
Due To Key Management Personnel		-
<b>Total</b>	<b>1,085,811.70</b>	<b>-</b>

**16. 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 minimize 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
<b>At 30 June 2022</b>				
Receivables From Exchange Transactions	-	-	-	-
Receivables From Non-Exchange Transactions	-	-	-	-
Bank Balances	-	-	-	-
<b>Total</b>	-	-	-	-
<b>At 30 June 2021</b>	-	-	-	-
Receivables From Exchange Transactions	-	-	-	-
Receivables From Non-Exchange Transactions	-	-	-	-
Bank Balances	-	-	-	-
<b>Total</b>	-	-	-	-

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 recognized 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 \_

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

**b) Liquidity risk management**

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
<b>At 30 June (FY 2024/2025)</b>				
Trade Payables	1,219,011.70	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligation	-	-	-	-
<b>Total</b>	-	-	-	-
<b>At 30 June (FY 2023/2024)</b>	-	-	-	-
Trade Payables	-	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligation	-	-	-	-
<b>Total</b>	<b>1,219,011.70</b>	-	-	-

**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 optimizing the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

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

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

**i. Foreign currency risk**

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

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

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

**Foreign currency sensitivity analysis**

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

Description	Change in currency rate	Effect on surplus/ deficit	Effect on equity
	Kshs	Kshs	Kshs
<b>(FY 2024/2025)</b>			
Euro	10%	-	-
USD	10%	-	-

<b>(FY 2023/2024)</b>			
Euro	10%	-	-
USD	10%	-	-

## ii. Interest rate risk

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

### *Management of interest rate risk*

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

### *Sensitivity analysis*

The Fund analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs \_ (20\_ : Kshs \_). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs \_ (20\_ – Kshs \_).

**d) Capital risk management.**

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

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Revaluation reserve		
Revolving fund		
Accumulated surplus	5,871,035.93	104,894.25
<b>Total funds</b>	<b>5,871,035.93</b>	<b>104,894.25</b>
Total borrowings		
Less: cash and bank balances	(1,047,099.45)	(104,894.25)
Net debt/(excess cash and cash equivalents)		
<b>Gearing</b>	<b>_%</b>	<b>_%</b>

**17. Events after the reporting period**  
There were no material adjusting events after the reporting period.

**18. Ultimate and Holding Entity**  
The entity is a County Public Fund established under the Ministry of Trade, Cooperatives and Industrialization. Its ultimate parent is the County Government of Siaya County Alcoholic Drinks Act 2016

**19. Currency**  
The financial statements are presented in Kenyan Shillings (Kshs)

**20. Annexes****Annex I: Progress on Follow Up of Prior Year Auditor's Recommendations**

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	Failure to Collect Revenue		Not Resolved	
2	Budgetary Control and Performance		Not Resolved	
3	Irregular Borrowing from the Fund		Resolved	
4	Lack of an Approved Budget		Not Resolved	
5	Irregular Expenditure on Members of County Assembly		Resolved	
6	Lack of Value for Money on Collection and Accounting for Own Source Revenue		Resolved	

**Guidance Notes:**

- (i) Use the same reference numbers as contained in the external audit report.

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

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

**Date**.....

*Siaya County*  
*Alcoholic Drinks Control Fund/Board*  
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**Annex II: Inter-Fund Confirmation Letter**



*Siaya County Alcoholic Drinks Control Fund*  
*P.O BOX 803-40600, SIAYA*

The \_wishes to confirm the amounts disbursed to you as at 30<sup>th</sup> June 2025 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by [Insert name of beneficiary Fund] as at 30 <sup>th</sup> June 2025							
Reference Number	Date Disbursed	Amounts Disbursed by [CC/SAGA/Fund] (Kshs) as at 30 <sup>th</sup> June 2025				Amount Received by [beneficiary Fund] (Kshs) as at 30 <sup>th</sup> June 2025 (E)	Differences (Kshs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (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 ..... Sign .....Date .....

Annex III: Reporting of Climate Relevant Expenditures

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



Siaya County

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Annex IV: Reporting on Disaster Management Expenditure

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