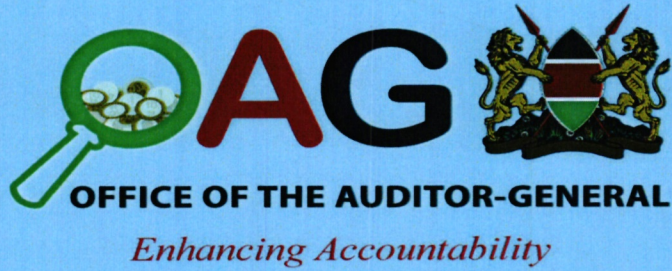


REPUBLIC OF KENYA



REPORT

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THE AUDITOR-GENERAL

ON

**NAIROBI CITY COUNTY ALCOHOLIC
DRINKS CONTROL AND LICENSING BOARD**

**FOR THE YEAR ENDED
30 JUNE, 2020**



Revised Template: June 2020



**NAIROBI CITY COUNTY ALCOHOLIC DRINKS AND LICENSING
BOARD**

REPORTS AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2020**

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

**NAIROBI CITY COUNTY ALCOHOLIC DRINKS CONTROL AND LICENSING
BOARD**

Reports and Financial Statements

For the year ended June 30, 2020

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**NAIROBI CITY COUNTY ALCOHOLIC DRINKS CONTROL AND LICENSING
BOARD**

**Reports and Financial Statements
For the year ended June 30, 2020**

1. KEY ENTITY INFORMATION AND MANAGEMENT

a) Background information

Section 43 of the Nairobi City County Alcoholic Drinks Control and Licensing Act 2014 established the fund. This fund was established in line with Section 109 2(a) and (b) of the public finance management act 2012.

The above County alcohol act empowers the County Executive Committee Member for Finance as the fund manager but this power has been delegated by the act to the County Executive committee member for trade while the Chief Officer for Trade is the accounting officer

b) Key Management

Planning organizing, directing and overall control of all activities within the organization

c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2020 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	Accounting Officer	- Allan Igambi CECM- For trade Fund manager
2.	Chief Officer	- Mohamed Sahal
3.	Director Liquor	- HesbonAgwena

d) Fiduciary Oversight Arrangements

- *County Audit Committee*
- *Public Accounts Committee*

e) Entity Headquarters

P.O. Box 30075
Weights and measures building
POPO Road
Nairobi, KENYA

f) Entity Contacts

Telephone:(254)0716933701

**NAIROBI CITY COUNTY ALCOHOLIC DRINKS CONTROL AND LICENSING
BOARD**

Reports and Financial Statements

For the year ended June 30, 2020

g) Entity Bankers

1. Co-operative Bank of Kenya
City Hall
P.O. Box 48231
GPO 00100
Nairobi, Kenya

h) Independent Auditors

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

i) Principal Legal Adviser

The County Attorney General
City hall
City hall way
P.O. Box 30075
City Square 00200
Nairobi, Kenya

NAIROBI CITY COUNTY ALCOHOLIC DRINKS CONTROL AND LICENSING BOARD

Reports and Financial Statements

For the year ended June 30, 2020

2. FORWARD BY THE DIRECTOR LIQUOR LICENSING

ANNUAL MONITORING & EVALUATION REPORT FOR LIQUOR BOARD FY 2019/2020

For the purpose of planning process, the Liquor Licensing Board is organized as follows;

Programmes and their Objectives

Programmes	Objectives
General Administration, Planning and Support services	To provide efficient and effective administrative, planning and support services to the other sections of the Liquor.
Liquor Board and Sub-County Services	To ensure that the national government policy on the control of alcoholic drinks as set out in the national Alcoholic Drinks Act is implemented at the County level in accordance with the requirements of Article 198 of the Constitution.
Liquor enforcement services	To facilitate the application and enforcement of standards on the regulation of manufacture, advertisement, sale and consumption of alcoholic drinks.

Summary of Key Achievements 2019/2020

- i. During the FY 2019/2020, Liquor Board managed to construct the nine Sub-County Containerized offices against a target of ten.
- ii. In order to enhance the Liquor Enforcement, the Liquor Board acquired a van in the same financial year which is now in operation.
- iii. To control the Liquor businesses in the County, Liquor Board inspected 3,800 premises and issued 4,000 Liquor licenses in the year under review.
- iv. In line with its mandate of control of alcohol and drug abuse, Liquor Board conducted 30 sensitization programmes across the County.

2.0 Liquor Board Performance

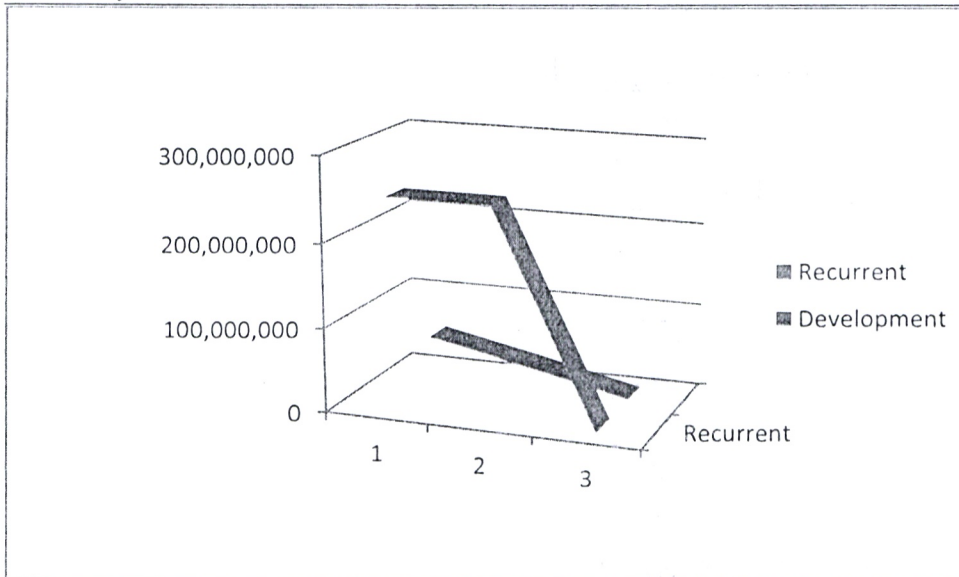
2.1 Recurrent Expenditure

Economic Classification	Budgetary Allocation 2019/20 Kshs	Total Expenditure Kshs	Absorption Rate %
Recurrent	251,000,000	250,848,288	99.94
Development	52,000,000	26,456,114	50.88
Total	303,000,000	277,304,402	91.52

NAIROBI CITY COUNTY ALCOHOLIC DRINKS CONTROL AND LICENSING BOARD

Reports and Financial Statements

For the year ended June 30, 2020



2.2 Capital Programmes

Implementation status of projects per programme as at 30th June, 2020

Programme	Strategic Objective	Project Name	Description of Activities	K.P.I.	Budget Allocation Ksh.	Amount Paid Ksh.	Project Status	Remarks
General Administration, Planning and Support services	To provide efficient and effective administrative, planning and support services to the other sections of the Liquor.	Sub county offices	Construction of 10 containerized offices		19m	19M	9 offices Complete	One office rolled over to the next FY
		Drop in Centres	Construction of Drop in centres		26M	Nil	Procurement stage	Rolled over to the next FY
		Purchase of motor vehicle	Purchase of motor vehicle		7M	7M	Complete	Vehicle in operation

NAIROBI CITY COUNTY ALCOHOLIC DRINKS CONTROL AND LICENSING BOARD

**Reports and Financial Statements
For the year ended June 30, 2020**

2.3 Service Delivery

Achievements for Liquor Licensing Board FY2019/2020

Service Area	Objective	Delivery Unit	K.I.P.	Annual Target	Achievement	Variance	Remarks
All Sub-Counties	To control Liquor outlets	Sub-County Committees	No. of Licenses Issued	5,500	4,000	1,500	Field operations affected in Q4 by Covid 19
	To controlled Liquor outlets	Enforcement Unit	No. of Liquor premises visited	5,000	3,800	1,200	
	To facilitate the development of rehabilitation facilities. and facilitate sensitization and public participation in the control of alcohol and drug abuse	Administration	Reports on sensitization and public fora held	48 sensitization and education forums	30 Workshops conducted in various sub-counties.	18	
Members & Staff	Facilitate sensitization and public participation in the control of alcohol and drug abuse	Administration	No. of workshops conducted and training reports	Three training workshops	One training workshop done	2	
Administration	To finalize Liquor policy, and amend the Liquor Act and regulations	Administration	Draft of Liquor policy, amended Liquor Act and regulations	Review the Act and licensing regulations	Completed drafts submitted to the County Attorney's office	0	

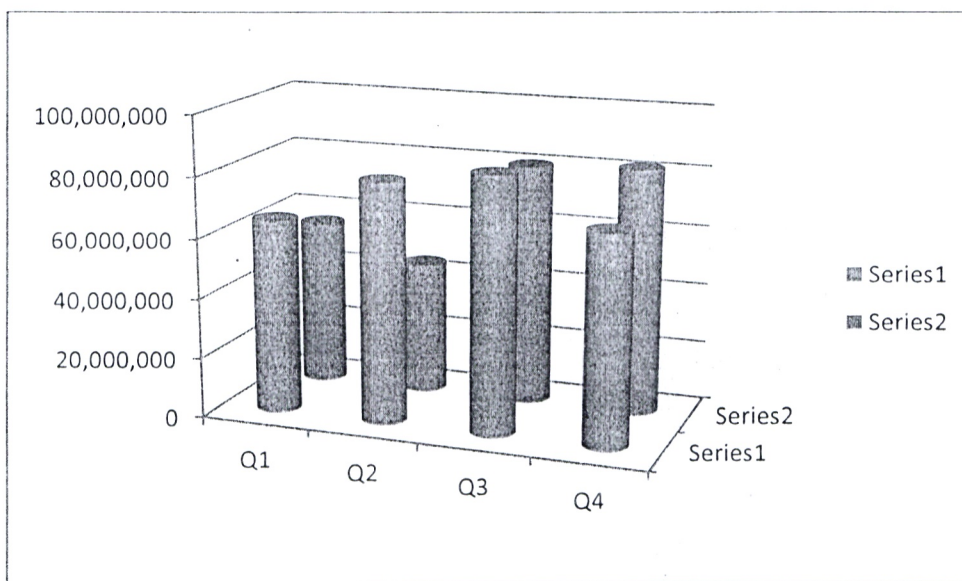
NAIROBI CITY COUNTY ALCOHOLIC DRINKS CONTROL AND LICENSING BOARD

**Reports and Financial Statements
For the year ended June 30, 2020**

2.4 Revenue Performance

Liquor Board Revenue Performance

S/No.	Revenue Stream	Annual Target Kshs		Accumulated Achievement Ksh.	Remarks
	Liquor Licensing	Q1	65,000,000	55,873,000	Affected by the transition of Jambo pay to the current platform.
		Q2	80,000,000	44,559,000	
		Q3	85,000,000	80,598,000	
		Q4	70,000,000	81,970,000	
		Total	300,000,000	263,000,000	



3.0 Institutional policy Recommendations

It is highly recommended that the formulation of Liquor policy and the amendment of Liquor Act and regulations be finalized and implemented in order to enhance the Liquor performance

Sign
DIRECTOR LIQUOR LICENSE
Nairobi County Alcoholic Drinks and License Board

**NAIROBI CITY COUNTY ALCOHOLIC DRINKS CONTROL AND LICENSING
BOARD**

**Reports and Financial Statements
For the year ended June 30, 2020**

NAIROBI CITY COUNTY ALCOHOLIC DRINKS CONTROL AND LICENSING BOARD

**Reports and Financial Statements
For the year ended June 30, 2020**

**3. STATEMENT OF PERFORMANCE AGAINST COUNTY LIQUOR BOARD
PREDETERMINED OBJECTIVES**

**COUNTY INTEGRATED DEVELOPMENT PLAN (CIDP)-2018-2022
COUNTY LIQUOR AND LICENSING BOARD**

Vision

A Nairobi County free from alcohol and drug abuse.

Mission

To lead and coordinate the fight against alcohol and drug abuse through implementation of the national government policy on alcoholic drinks and for the control, licensing, advocacy, awareness creation, sale and consumption of alcoholic drinks and for connected purposes in Nairobi county.

Development Challenges

Alcohol and Drug abuse affects the nation as a whole-both urban and rural areas, cutting across the social class. It is not only in slums or low income areas where people are poor and unhappy but also with families living under better conditions (rich and calmer) where children are better controlled. According to the National Campaign against Drug Abuse (NACADA) the past twenty years has seen drugs and drug abuse soar to an extent that it now cuts across all sectors of life. The level of drug abuse is startling because of the fact that many young people are getting introduced to drug abuse each day. Alcohol, bhang and tobacco are increasingly being abused by school going children.

Development challenges associated with alcohol and drug abuse are: A lot of resources are channelled to manage or control the menace by the government for instance to rehabilitate addicts that could have otherwise been used for development purposes; alcohol and substance abuse results in social issues such as family break ups and immorality in families; low productivity at the work places and schools has been associated with drug abuse. This is because it results in absenteeism and inefficiency at the work place leading to job losses. In some cases it results in deaths thus reducing the labour force; traffic accidents: most of road accidents have

NAIROBI CITY COUNTY ALCOHOLIC DRINKS CONTROL AND LICENSING BOARD

Reports and Financial Statements For the year ended June 30, 2020

been linked to alcohol and drug abuse; crime: police records indicate relations between alcoholism and various aggressive and criminal acts. Crimes are usually planned in liquor shops and bars where alcohol is sold. People may resort to embezzlement, forgery, corruption, bribery and extortion in order to manage their drinking habits and; alcohol and drug abuse has been a major threat to savings especially in the informal sector employment. This is because most of the income is consumed in through alcohol and drugs.

The liquor licensing board has been inhibited to combat the above challenges due to the following challenges: Lack of sub-county offices; inadequate motor vehicles; inadequate resource allocation and; conversion of residential areas into commercial areas which has brought up regulation problems in the city.

In view of the aforementioned challenges, the Board has identified six strategic objectives to address the above challenges. These objectives have been converted into development outcomes which are linked to identifiable and measurable outputs and activities together with SMART indicators to measure and track performance.

Strategic Objectives

1. To provide and facilitate the development and operation of rehabilitation facilities, programs and standards for persons with substance use disorders through licensing and regulations in collaboration with other lead agencies;
2. To coordinate and facilitate public participation in the control of alcohol and drug abuse;
3. To coordinate and facilitate inter-agency collaboration and liaison among lead agencies responsible for alcohol and drug demand reduction;
4. To facilitate and promote the monitoring and surveillance of national and international emerging trends and patterns in the production, manufacture, sale, consumption, trafficking, promotion of alcohol and drug abuse in collaboration with other lead agencies;
5. To coordinate the formulation of county policies, laws and plans of action on control of alcohol and drug abuse in collaboration with other lead agencies and non-state actors;
6. To promote and coordinate research on alcohol and drug abuse.

NAIROBI CITY COUNTY ALCOHOLIC DRINKS CONTROL AND LICENSING BOARD

**Reports and Financial Statements
For the year ended June 30, 2020**

Sector Development Objectives

SN	OBJECTIVE	OUTCOMES	INDICATORS
1	To provide and facilitate the development and operation of rehabilitation facilities, programs and standards for persons with substance use disorders	Increased licensing and regulations of rehabilitation facilities, programs and persons with substance use disorders;	No. of rehabilitation facilities licensed; No. of alcohol and drug abuse programs;
2	To coordinate and facilitate public participation in the control of alcohol and drug abuse	Increased public participation in the control of alcohol and drug abuse	No. of public participation forums
3	To coordinate and facilitate inter-agency collaboration and liaison among lead agencies responsible for alcohol and drug demand reduction	Strengthen inter-agency collaboration and liaison on alcohol and drug abuse	Annual reports on inter-agency collaboration and liaison; No. of inter-agency collaboration forums and activities held
4	To facilitate and promote the monitoring and surveillance of national and international emerging trends and patterns in the production, manufacture, sale, consumption, trafficking, promotion of alcohol and drugs of abuse in collaboration with other lead agencies	Increased monitoring and surveillance on alcohol and drug abuse;	No. of surveillances conducted;
5	To coordinate the formulation of county policies, laws and plans of action on control of alcohol and drug abuse in collaboration with other lead agencies and non-state actors	Increased control of alcohol and drug abuse; Enhanced awareness of county government policies on alcohol and drug abuse	% compliance with NCC Alcoholic Drinks Control and Licensing Act; No. of policies developed; Operational policies on alcohol and drug abuse; No. of sensitization workshops

NAIROBI CITY COUNTY ALCOHOLIC DRINKS CONTROL AND LICENSING BOARD

Reports and Financial Statements For the year ended June 30, 2020

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.

Strategic development objectives

The County's 2018-2022 CIDP has identified six (6) key strategic development objectives. Broadly, these objectives have been identified through a participatory process that reviewed the development priorities of the Governor's Manifesto, the National Government's "Big Four", NIUPLAN, SDGs and the MTP III.

The strategic objectives are a synthesised product of the afore-mentioned planning frameworks that amalgamate the thematic focus and development aspirations in these policy frameworks.

The key development objectives of the Nairobi County's 2018-2022 CIDP are to:

1. To provide and facilitate the development and operation of rehabilitation facilities, programs and standards for persons with substance use disorders through licensing and regulations in collaboration with other lead agencies;
2. To coordinate and facilitate public participation in the control of alcohol and drug abuse;
3. To coordinate and facilitate inter-agency collaboration and liaison among lead agencies responsible for alcohol and drug demand reduction;
4. To facilitate and promote the monitoring and surveillance of national and international emerging trends and patterns in the production, manufacture, sale, consumption, trafficking, promotion of alcohol and drug abuse in collaboration with other lead agencies;
5. To coordinate the formulation of county policies, laws and plans of action on control of alcohol and drug abuse in collaboration with other lead agencies and non-state actors;
6. To promote and coordinate research on alcohol and drug abuse.

NAIROBI CITY COUNTY ALCOHOLIC DRINKS CONTROL AND LICENSING BOARD

Reports and Financial Statements

For the year ended June 30, 2020

4. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

Nairobi City County Alcoholic Drinks and Licensing Board exist to transform lives. This is our purpose; the driving force behind everything we do. It is what guides us to deliver our strategy, which is founded on social pillars: putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a brief highlight of our achievements in each pillar

1. Sustainability strategy and profile

Excessive consumption of alcohol affects human productivity and hence human health. One of the sustainable development goals is to reduce consumption of alcoholic drinks by controlling through the licenses issued. A County free from alcohol will increase good health and wellbeing of the society.

2. Environmental performance

The Nairobi City County Alcoholic Drinks Control and Licensing Board carries out monthly cleaning in their respective sub counties.

3. Employee welfare

The Nairobi City County Alcoholic Drinks Control and Licensing Board ensures that employee welfare is well taken care of by encouraging staff to add to their credentials and giving them administrative days to sit for their exams. Appraisal form are filled to give an account of staff progress report and interventions required to mitigate any negative reports.

4. Market place practices-

- a) The Nairobi City County Alcoholic Drinks Control and Licensing Board has a supply chain section which deals with procuring commodities for the section, budget lines and procurement plan are strictly adhered to.
- b) The Nairobi City County Alcoholic Drinks Control and Licensing Board ensure that only licenses are given to credible facilities and thus inspection has to be done before issuance of the license. This helps in safe guarding consumer rights and interests

5. Community Engagements-

The Nairobi City County Alcoholic Drinks Control and Licensing Board *engages the community in Social activities like holding sports tournament and engaging the youth in extra curriculum activities. It also invests in its staff by training them in various fields of their specialization.*

NAIROBI CITY COUNTY ALCOHOLIC DRINKS CONTROL AND LICENSING BOARD

**Reports and Financial Statements
For the year ended June 30, 2020**

5. STATEMENT OF MANAGEMENT RESPONSIBILITIES

Sections 163,164 and 165 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the County Treasury shall prepare financial statements of each County Government entity, receiver of receipts and consolidated financial statements for all County Government entities in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

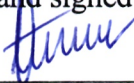
The County Executive Committee (CEC) member for finance of the County Government is responsible for the preparation and presentation of the County Government's financial statements, which give a true and fair view of the state of affairs of the County Government for and as at the end of the financial year ended on June 30, 2020. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the County Government; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the County Government; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The CEC member for finance accepts responsibility for the County Government's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The CEC member for finance is of the opinion that the County Government's financial statements give a true and fair view of the state of the County Government's transactions during the financial year ended June 30, 2020, and of its financial position as at that date. The CEC member for finance further confirms the completeness of the accounting records maintained for the County Government which have been relied upon in the preparation of the its financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

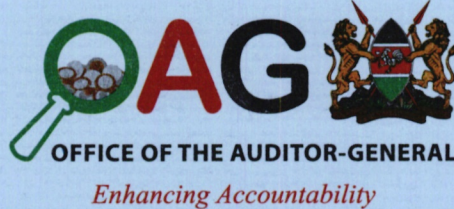
The Nairobi City County Alcoholic Drinks and Licensing Board financial statements were approved and signed by the Director License on 10th July 2020.



Director - Liquor License

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: 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 NAIROBI CITY COUNTY ALCOHOLIC DRINKS CONTROL AND LICENSING BOARD YEAR ENDED 30 JUNE, 2020

REPORT ON THE FINANCIAL STATEMENTS

Disclaimer of Opinion

I have audited the accompanying financial statements of Nairobi City County Alcoholic Drinks Control and Licensing Board set out on pages 1 to 26, which comprise of the statement of assets and liabilities as at 30 June, 2020, and the statement of receipts and payments, statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015.

I do not express an opinion on the accompanying financial statements. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

1. Non-Compliance with Law on Submission of Financial Statements

The Board had not submitted financial statements for the year 2014/2015, 2015/2016, 2016/2017, 2017/2018 and 2018/2019 for audit. Further, the financial statements for the year ended 30 June, 2020 were submitted to the Auditor-General for audit on 21 June, 2022, more than one (1) year and eight (8) months after the statutory deadline of 30 September, 2020. This was contrary to Section 47(1) of the Public Audit Act, 2015 which states that the financial statements required under the Constitution, the Public Finance Management Act, 2012 and any other legislation, shall be submitted to the Auditor-General within three months after the end of the fiscal year to which the accounts relate.

In the circumstances, the accuracy, validity and completeness of the comparative balances could not be confirmed. Further, Management was in breach of the law.

2. Presentation and Disclosure of Financial Statements

The financial statements prepared and presented for audit were prepared in accordance with International Public Sector Accounting Standards (Cash Basis) framework instead the prescribed International Public Sector Accounting Standards (Cash Basis) framework.

In the circumstances, the financial statements are not prepared as per the format prescribed by the Public Sector Accounting Standard Board (PSASB) in accordance with Section 194(1)(d) of the Public Finance Management Act, 2012.

3. Unsupported Receipts and Payments

The statement of receipts and payments reflects total receipts of Kshs.427,267,499 and payments totalling Kshs.277,304,402 for the ended 30 June, 2020. However, supporting documents including receipt books, cash books, payment vouchers, ledgers and supporting schedules were not provided for audit. This was contrary to the provisions of Section 100 of the Public Finance Management Act, (County Governments) Regulations, 2015 which states that Accounting Officers shall keep in all offices concerned with receiving cash or making payments a cash book showing the receipts and payments and shall maintain such other books and registers as may be necessary for the proper maintenance and production of the accounts of the vote for which he or she is responsible.

In the circumstances, the accuracy, completeness and validity of receipts and payments of Kshs.427,267,499 and Kshs.277,304,402 respectively could not be confirmed.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

I do not express a conclusion on the Lawfulness and Effectiveness in the Use of Public Resources as required by Article 229(6) of the Constitution. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for my audit conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

I do not express a conclusion on the Effectiveness of Internal Controls, Risk Management and Governance as required by Section 7(1)(a) of the Public Audit Act, 2015. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for my audit conclusion.

Responsibilities of Management and those Charged with Governance

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

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

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

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


Those Charged with governance are responsible for overseeing the Board's financial reporting process, reviewing the effectiveness of how the 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 Board's financial statements in accordance with International Standards of Supreme Audit Institutions (ISSAIs) and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. However, because of the matters described in the Basis for Disclaimer of Opinion section of my report, I was not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

In addition, my responsibility is to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them, and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution. I also consider internal control, risk management and governance processes and systems in order to give an assurance on the effectiveness of internal controls, risk management and governance in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. However, because of the matters described in the Basis for Disclaimer of opinion, I was not able to obtain sufficient appropriate audit evidence to provide a basis for an audit conclusion on Lawfulness and Effectiveness in Use of Public Resources, and Internal Controls, Risk Management and Governance sections of my report.

I am independent of the Board in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya.


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

28 July, 2022

NAIROBI CITY COUNTY ALCOHOLIC DRINKS CONTROL AND LICENSING BOARD

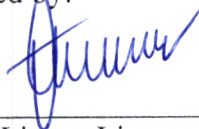
**Reports and Financial Statements
For the year ended June 30, 2020**

7. FINANCIAL STATEMENTS

7.1. STATEMENT OF RECEIPTS AND PAYMENTS

		2019-2020	2018-2019
	Notes	KShs	KShs
RECEIPTS			
Exchequer releases	1		
Proceeds from Domestic and Foreign Grants	2		
Transfers from Other Government Entities	3		
Proceeds from Domestic Borrowings	4		
Proceeds from Foreign Borrowings	5		
Proceeds from Sale of Assets	6		
Reimbursements and Refunds	7		
Returns of Equity Holdings	8		
Liquor Own Generated Receipts	9	427,267,499.30	515,876,790.40
Returned CRF issues	10		
TOTAL RECEIPTS		427,267,499.30	515,876,790.40
PAYMENTS			
Compensation of Employees	11		
Use of goods and services	12		
Subsidies	13		
Transfers to Other Government Units	14		
Other grants and transfers	15		
Social Security Benefits	16		
Acquisition of Assets	17		
Finance Costs, including Loan Interest	18		
Repayment of principal on Domestic and Foreign borrowing	19		
Other Payments	20	277,304,402	207,978,301.50
TOTAL PAYMENTS		277,304,402	207,978,301.50
SURPLUS/DEFICIT		149,963,097.30	307,898,488.90

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 _____ 2020 and signed by:



Director Liquor License
Name: Mr Hesbon Agwena



Head of Treasury
Name: Clare Kenya
ICPAK Member Number: 18231

NAIROBI CITY COUNTY ALCOHOLIC DRINKS CONTROL AND LICENSING BOARD

Reports and Financial Statements

For the year ended June 30, 2020

7.2. STATEMENT OF ASSETS AND LIABILITIES

		2019-2020	2018-2019
	Notes	KShs	KShs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	21A	149,963,097.34	94,333,820.84
Cash Balances	21B		
Total Cash and cash equivalent		<u>149,963,097.34</u>	<u>94,333,820.84</u>
Accounts receivables – Outstanding Imprests	22	-	
TOTAL FINANCIAL ASSETS		149,963,097.34	94,333,820.84
FINANCIAL LIABILITIES			
Accounts Payables – Deposits and retentions	23		
NET FINANCIAL ASSETS			
REPRESENTED BY			
Fund balance b/fwd	24		
Prior year adjustments	25		
Surplus/Deficit for the year			
NET FINANCIAL POSITION		149,963,097.34	94,333,820.84

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 10th July 2020 and signed by:

Director liquor license
Name: Hesbon Agwena

Head of Treasury
Name: Clare Kenya
ICPAK Member Number: 18231

NAIROBI CITY COUNTY ALCOHOLIC DRINKS CONTROL AND LICENSING
BOARD

Reports and Financial Statements
For the year ended June 30, 2020

7.3. STATEMENT OF CASHFLOWS

	Notes	2019-2020 KShs	2018-2019 KShs
Receipts from operating income			
Exchequer Releases	1		
Proceeds from Domestic and Foreign Grants	2		
Transfers from Other Government Entities	3		
Reimbursements and Refunds	7		
Returns of Equity Holdings	8		
County Liquor Own Generated Receipts	9	427,267,499.30	298,333,820.84
Returned CRF issues	10		
Payments for operating expenses			
Compensation of Employees	11		
Use of goods and services	12		
Subsidies	13		
Transfers to Other Government Units	14		
Other grants and transfers	15		
Social Security Benefits	16		
Finance Costs, including Loan Interest	18		
Other Payments	20	277,304,402	204,000,000
Adjusted for:			
Decrease/(Increase) in Accounts receivable: (outstanding imprest)	26		
Increase/(Decrease) in Accounts Payable: (deposits and retention)	27		
Other Adjustments	28		
Net cash flow from operating activities			
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	6		
Acquisition of Assets	17		
Net cash flows from Investing Activities			
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from Domestic Borrowings	4		
Proceeds from Foreign Borrowings	5		
Repayment of principal on Domestic and Foreign borrowing	19		
Net cash flow from financing activities			
NET INCREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at BEGINNING of the year	21		
Cash and cash equivalents at END of the year	24	149,963,097.30	94,333,820.84

NAIROBI CITY COUNTY ALCOHOLIC DRINKS CONTROL AND LICENSING BOARD

Reports and Financial Statements

For the year ended June 30, 2020

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 10th July 2020 and signed by:



Director Liquor License
Name: Hesbon Agwena



Head of Treasury
Name: Clare Kenya
ICPAK Member Number 18231

7.4. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

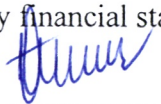
Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Exchequer releases						
Proceeds from Domestic and Foreign Grants						
Transfers from Other Government Entities						
Proceeds from Domestic Borrowings						
Proceeds from Foreign Borrowings						
Proceeds from Sale of Assets						
Reimbursements and Refunds						
Returns of Equity Holdings						
County Liquor Own Generated receipts	250,000,000	53,000,000	303,000,000	277,304,402	25,695,598	91.52
Return issues to CRF						
TOTAL						
PAYMENTS						
Compensation of Employees						
Use of goods and services				166,382,641.20		
Subsidies						
Transfers to Other Government Units						
Other grants and transfers						
Social Security Benefits						
Acquisition of Assets						
Finance Costs, including Loan Interest						
Repayment of principal on borrowings						
Other Payments				110,921,760.80		
TOTAL						

Reports and Financial Statements

For the year ended June 30, 2020

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
SURPLUS/(DEFICIT)						

The entity financial statements were approved on _10th July 2020 and signed by:



Director liquor license
Name:Hesbon Agwena



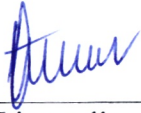
Head of Treasury Accounts
Name:Clare Kenya
ICPAK Member Number 18231

7.5. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Exchequer releases						
Proceeds from Domestic and Foreign Grants						
Transfers from Other Government Entities						
Proceeds from Domestic Borrowings						
Proceeds from Foreign Borrowings						
Proceeds from Sale of Assets						
Reimbursements and Refunds						
Returns of Equity Holdings						
Liquor Own Generated receipts	200,000,000	51,000,000	251,000,000	225,900,000	25,100,000	10
Return CRF issues						
TOTAL						
PAYMENTS						
Compensation of Employees						
Use of goods and services				135,540,000		
Subsidies						
Transfers to Other Government Units						
Other grants and transfers						
Social Security Benefits						
Acquisition of Assets						
Finance Costs, including Loan Interest						
Repayment of principal on borrowings						
Other Payments				90,360,000		
TOTAL						
SURPLUS/(DEFICIT)						

Reports and Financial Statements
For the year ended June 30, 2020

The entity financial statements were approved on 10th July 2020 and signed by:



Director Liquor license
Name:Hesbon Agwena



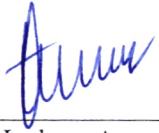
Head of Treasury Accounts
Name:Clare Kenya
ICPAK Member Number:18231

7.6. SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c%
RECEIPTS						
Exchequer releases						
Proceeds from Domestic and Foreign Grants						
Transfers from Other Government Entities						
Proceeds from Domestic Borrowings						
Proceeds from Foreign Borrowings						
Proceeds from Sale of Assets						
Reimbursements and Refunds						
Returns of Equity Holdings						
Liquor Own Generated receipts	50,000,000	2,000,000	52,000,000	51,404,402	595,598	98.9
TOTAL						
PAYMENTS						
Compensation of Employees						
Use of goods and services						
Subsidies						
Transfers to Other Government Units						
Other grants and transfers						
Social Security Benefits						
Acquisition of Assets						
Finance Costs, including Loan Interest						
Repayment of principal on borrowings						
Other Payments			52,000,000			
TOTALS						
SURPLUS/(DEFICIT)						

Reports and Financial Statements
For the year ended June 30, 2020

The entity financial statements were approved on 10th July 2020 and signed by:



Director Hesbon Agwena
Name:



Head of Treasury Accounts
Name: Clare Kenya
ICPAK Member Number: 18231

7.7. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2019/2020		2019/2020	Date, 20xx	
	KShs	KShs	KShs	KShs	KShs
Programme 1					
Sub-programme 1	200,000,000	51,000,000	251,000,000	225,900,000	25,100,000
Sub-programme 2					
Sub-programme 3					
Programme 2					
Sub-programme 1	50,000,000	2,000,000	52,000,000	51,404,402	595,598
Sub-programme 2					
Sub-programme 3					

(NB: This statement is a disclosure statement indicating the utilisation in the same format at the County budgets which are programmatic)

7.8. SIGNIFICANT ACCOUNTING POLICIES

The principle accounting policies adopted in the preparation of these financial statements are set out below:

1. Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with Cash-basis IPSAS financial reporting under the cash basis of Accounting, as prescribed by the PSASB and set out in the accounting policy notes below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include deposits and retentions.

The receivables and payables are disclosed in the Statement of Assets and Liabilities.

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the entity all values are rounded to the nearest Kenya Shilling. The accounting policies adopted have been consistently applied to all the years presented.

The financial statements comply with and conform to the form of presentation prescribed by the PSASB.

2. Reporting entity

The financial statements are for the Nairobi City County Alcoholic Drinks Control and Licensing Board. The financial statements encompass the reporting entity as specified under section 164 of the PFM Act 2012.

3. Recognition of receipts and payments

a) Recognition of receipts

The Nairobi City County Alcoholic Drinks Control and Licensing Board recognises all receipts from the various sources when the event occurs and the related cash has actually been received by the Liquor Board.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

County Own Generated Receipts

These include Appropriation-in-Aid and relates to receipts such as trade licences, income generated by the Liquor Board. These are recognised in the financial statements the time associated cash is received.

b) Recognition of payments

The entity recognises all expenses when the event occurs and the related cash has actually been paid out by the entity.

**NAIROBI CITY COUNTY ALCOHOLIC DRINKS CONTROL AND LICENSING
BOARD**

**Reports and Financial Statements
For the year ended June 30, 2020**

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of goods and services

Goods and services are recognized as payments in the period when the goods/services are consumed and paid for. Such expenses, if not paid during the period where goods/services are consumed, shall be disclosed as pending bills.

Acquisition of fixed assets

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment.

A fixed asset register is maintained by each public entity and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the consolidated financial statements.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. 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 at various commercial banks at the end of the financial year.

Restriction on cash

Restricted cash represents amounts that are limited /restricted from being used to settle a liability for at least twelve months after the reporting period. This cash is limited for direct use as required by stipulation.

Amounts maintained in deposit bank accounts are restricted for use in refunding third party deposits. As at 30th June 2020, this amounted to 149,963,097.30.

There were no other restrictions on cash during the year

5. Accounts Receivable

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year is treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as payments when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

**NAIROBI CITY COUNTY ALCOHOLIC DRINKS CONTROL AND LICENSING
BOARD**

Reports and Financial Statements

For the year ended June 30, 2020

6. Accounts Payable

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized as accounts payables. This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted and prescribed by the Public Sector Accounting Standards Board. Other liabilities including pending bills are disclosed in the financial statements.

**NAIROBI CITY COUNTY ALCOHOLIC DRINKS CONTROL AND LICENSING
BOARD**

Reports and Financial Statements

For the year ended June 30, 2020

SIGNIFICANT ACCOUNTING POLICIES (Continued)

7. Non-current assets

Non-current assets are expensed at the time of acquisition while disposal proceeds are recognized as receipts at the time of disposal. However, the acquisitions and disposals are reflected in the entity fixed asset register a summary of which is provided as a memorandum to these financial statements.

8. Pending bills

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they are recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the *entity* at the end of the year. Pending bill form a first charge to the subsequent year budget and when they are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

9. Contingent Liabilities

A contingent liability is:

- a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- b) A present obligation that arises from past events but is not recognised because:
 - (i) It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
 - (ii) The amount of the obligation cannot be measured with sufficient reliability.

Some of contingent liabilities may arise from: litigation in progress, guarantees, indemnities. Letters of comfort/ support, insurance, Public Private Partnerships,

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. Annex 6 of this financial statement is a register of the contingent liabilities in the year.

Section 185 (2) (i) of the PFM Act requires the County Government to report on the payments made, or losses incurred, by the county government to meet contingent liabilities as a result of loans during the financial year, including payments made in respect of loan write-offs or waiver of interest on loans

**NAIROBI CITY COUNTY ALCOHOLIC DRINKS CONTROL AND LICENSING
BOARD**

**Reports and Financial Statements
For the year ended June 30, 2020**

SIGNIFICANT ACCOUNTING POLICIES (Continued)

10. 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.

11. Budget

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The *entity's* budget was approved as required by Law and as detailed in the County Revenue Allocation Act. The original budget was approved by the County Assembly for the period 1st July 2019 to 30 June 2020 as required by law. There was one number of supplementary budgets passed in the year. A high-level assessment of the *entity's* actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

12. Comparative figures

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

13. Subsequent events

Events subsequent to submission of the financial year end financial statements to the National Treasury and other stakeholders with a significant impact on the financial statements may be adjusted with the concurrence of National Treasury.

14. Errors

Material prior period errors shall be corrected retrospectively in the first set of financial statements authorized for issue after their discovery by: i. restating the comparative amounts for prior period(s) presented in which the error occurred; or ii. If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.

NAIROBI CITY COUNTY ALCOHOLIC DRINKS CONTROL AND LICENSING BOARD

Reports and Financial Statements

For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS

1. PROCEEDS FROM SALE OF ASSETS

	2019 - 2020	2018 - 2019
	KShs	KShs
Receipts from the Sale of Buildings		
Receipts from Sale of Vehicles and Transport Equipment		
Receipts from Sale of Plant Machinery and Equipment		
Receipts from Sale of Certified Seeds and Breeding Stock		
Receipts from Sale of Strategic Reserves Stocks		
Receipts from Sale of Inventories, Stocks and Commodities		
Disposal and Sales of Non-Produced Assets		
Total		

	KShs	KShs
--	------	------

2. USE OF GOODS AND SERVICES

	2019 - 2020	2018 - 2019
	KShs	KShs
Utilities, supplies and services	6,550,000	7,250,000
Communication, supplies and services	1,200,000	2,000,000
Domestic travel and subsistence	4,500,000	5,680,000
Foreign travel and subsistence	8,000,000	11,000,000
Printing, advertising and information supplies & services	5,600,000	6,000,000
Rentals of produced assets	7,000,000	8,000,000
Training expenses	23,000,000	18,000,000
Hospitality supplies and services	1,500,000	2,000,000
Insurance costs	1,000,000	950,000
Specialized materials and services	10,000,000	17,000,000
Office and general supplies and services	15,000,000	11,000,000
Other operating expenses	191,954,402	112,020,000
Routine maintenance – vehicles and other transport equipment		1,600,000
Routine maintenance – other assets	2,000,000	1,500,000
Total	277,304,402	204,000,000

**NAIROBI CITY COUNTY ALCOHOLIC DRINKS CONTROL AND LICENSING
BOARD**

**Reports and Financial Statements
For the year ended June 30, 2020**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NAIROBI CITY COUNTY ALCOHOLIC DRINKS CONTROL AND LICENSING
BOARD

Reports and Financial Statements

For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. ACQUISITION OF ASSETS

Non-Financial Assets	2019 - 2020	2018 - 2019
	KShs	KShs
Purchase of Buildings		
Construction of Buildings		
Refurbishment of Buildings		
Construction of Roads		
Construction and Civil Works		
Overhaul and Refurbishment of Construction and Civil Works		
Purchase of Vehicles and Other Transport Equipment		
Overhaul of Vehicles and Other Transport Equipment		
Purchase of Household Furniture and Institutional Equipment		
Purchase of Office Furniture and General Equipment		
Purchase of ICT Equipment		
Purchase of Specialized Plant, Equipment and Machinery		
Rehabilitation and Renovation of Plant, Machinery and Equip.		
Purchase of Certified Seeds, Breeding Stock and Live Animals		
Research, Studies, Project Preparation, Design & Supervision		
Rehabilitation of Civil Works		
Acquisition of Strategic Stocks and commodities		
Acquisition of Land		
Acquisition of Intangible Assets		
Total acquisition of non- financial assets	xxx	xxx
Financial Assets		
Domestic Public Non-Financial Enterprises		
Domestic Public Financial Institutions		
Total acquisition of financial assets		
Total acquisition of assets	xxx	xxx

**NAIROBI CITY COUNTY ALCOHOLIC DRINKS CONTROL AND LICENSING
BOARD**

Reports and Financial Statements

For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NAIROBI CITY COUNTY ALCOHOLIC DRINKS CONTROL AND LICENSING
BOARD

Reports and Financial Statements
For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. CASH AND BANK BALANCES

21A. BANK BALANCES

Name of Bank, Account No. & currency	Amount in bank account currency	Indicate whether recurrent, Development deposit, receipts e.t.c	Ex. rate (if in foreign currency)	2019 - 2020	2018 - 2019
				KShs	KShs
<i>Coopertive Bank, 011412230914900</i>	kshs	Reciepts		149,963,097.34	94,333,820.84
Total				149,963,097	94,333,820.84

21B. CASH IN HAND

	2019 - 2020	2018 - 2019
	KShs	KShs
Cash in Hand – Held in domestic currency		
Cash in Hand – Held in foreign currency		
Total		

Cash in hand should also be analysed as follows:

	2019 - 2020	2018 - 2019
	KShs	KShs
Location 1		
Location 2		
Location 3		
Total		

NAIROBI CITY COUNTY ALCOHOLIC DRINKS CONTROL AND LICENSING BOARD

**Reports and Financial Statements
For the year ended June 30, 2020**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. ACCOUNTS RECEIVABLE - OUTSTANDING IMPRESTS

<i>Description</i>	2019 - 2020	2018 - 2019
	KShs	KShs
Government Imprests		
Clearance accounts		
Total		

[Include a breakdown of the outstanding imprest below or as an annex to the notes if the list is longer than 1 page.]

<i>Name of Officer or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
		KShs	KShs	KShs
<i>Name of Officer or Institution</i>	dd/mm/yy			
<i>Name of Officer or Institution</i>	dd/mm/yy			
<i>Name of Officer or Institution</i>	dd/mm/yy			
<i>Name of Officer or Institution</i>	dd/mm/yy			
Total				Xxx

6. ACCOUNTS PAYABLE

	2019 - 2020	2018 - 2019
	KShs	KShs
Deposits		
Retention monies		
Total		

[Provide short appropriate explanations as necessary]

7. FUND BALANCE BROUGHT FORWARD

	2019 - 2020	2018 - 2019
	KShs	KShs
Bank accounts	149,963,097.34	94,333,820.84
Cash in hand		
Accounts Receivables		
Accounts Payables		
Total	149,963,097.34	94,333,820.84

NAIROBI CITY COUNTY ALCOHOLIC DRINKS CONTROL AND LICENSING BOARD

**Reports and Financial Statements
For the year ended June 30, 2020**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. PRIOR YEAR ADJUSTMENTS a prior period adjustment really applies to the correction of an error in the financial statements of a prior period

	Balance b/f FY 2018/2019 as per Financial statements	Adjustments	Adjusted Balance b/f FY 2018/2019
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	149,963,097.34		94,333,820.84
Cash in hand			
Accounts Payables			
Receivables			
Others (<i>specify</i>)			

(Explain whether the prior year relates to errors noted in prior year, changes in estimates or accounting policy.)

9. CHANGES IN RECEIVABLES

Description of the error	2019 - 2020 KShs	2018 - 2019 KShs
Outstanding Imprest as at 1 st July 2019 (A)		
Imprest issued during the year (B)	5,800,000	6,750,250
Imprest surrendered during the Year (C)	5,800,000	6,750,250
Net changes in account receivables D= A+B-C	-	

10. CHANGES IN ACCOUNTS PAYABLES – DEPOSITS AND RETENTIONS

Description of the error	2019 - 2020 KShs	2018 - 2019 KShs
Deposit and Retentions as at 1 st July 2019 (A)		
Deposit and Retentions held during the year (B)		
Deposit and Retentions paid during the Year (C)		
Net changes in account receivables D= A+B-C		

NAIROBI CITY COUNTY ALCOHOLIC DRINKS CONTROL AND LICENSING BOARD

**Reports and Financial Statements
For the year ended June 30, 2020**

7.9. OTHER IMPORTANT DISCLOSURES

1. PENDING ACCOUNTS PAYABLE (See Annex 2)

	Balance b/f FY 2018/2019	Additions for the period	Paid during the year	Balance c/f FY 2019/2020
Description	Kshs	Kshs	Kshs	Kshs
Construction of buildings				
Construction of civil works				
Supply of goods				
Supply of services				
Total				

2. PENDING STAFF PAYABLES (See Annex 2)

	Balance b/f FY 2018/2019	Additions for the period	Paid during the year	Balance c/f FY 2019/2020
Description	Kshs	Kshs	Kshs	Kshs
Senior management				
Middle management				
Unionisable employees				
Others				
Total				

3. OTHER PENDING PAYABLES (See Annex 3)

	Balance b/f FY 2018/2019	Additions for the period	Paid during the year	Balance c/f FY 2019/2020
Description	Kshs	Kshs	Kshs	Kshs
Amounts due to National Government entities				
Amounts due to County Government entities				
Amounts due to third parties				
Total	Xxx	xxx	(xxx)	xxx

(Provide explanations for the prior year adjustments made, their nature and effect on the fund balance of the County)

NAIROBI CITY COUNTY ALCOHOLIC DRINKS CONTROL AND LICENSING BOARD

**Reports and Financial Statements
For the year ended June 30, 2020**

4. ESTABLISHMENT OF OTHER COUNTY GOVERNMENT ENTITIES

The PFM Act, 2012 section 182 enables the County Government to establish and dissolve County Corporations/ entities. For purposes of follow up on financial reporting, audit and disclosure, outlined below is a list of entities established by the County Government since inception.

Entity	Date Established/Date taken over	Location	Accounting Officer responsible
Nairobi City County Alcoholic Drinks and Licensing Board	2014	South c popo road	Mr Mohamed Sahal

5. DISCLOSURE OF BALANCES IN REVENUE COLLECTION ACCOUNTS

County Government Own source revenue is recognized in the financial statements when it has be swiped to CRF. Revenue collection account balances need to be disclosed at the end of the reporting period as below. Revenue collection accounts should be swept to CRF on reporting dates.

Name of Bank, Account No. & currency	Amount in bank account currency	Ex. rate (if in foreign currency)	2019 - 2020	2018 - 2019
			KShs	KShs
<i>Cooperative bank, 01141230914900, kshs</i>	149,963,0 97.34		149,963,09 7.34	94,333,820. 84
Total	149,963,0 97.34		149,963,097 .34	94,333,820. 84

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6. PROGRESS ON FOLLOW UP ON PRIOR YEAR AUDITOR'S RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be 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 entity 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.

CEC, County Treasury

Sign.....

Date.....

ANNEXES

ANNEX 1 – ANALYSIS OF TRANSFERS FROM THE EXCHEQUER

Period	Equitable Share	DANIDA	Level 5 hospitals allocation	Other transfers- Donor funds transferred through exchequer	Total Transfers from the National Treasury/ Exchequer
Exchequer Releases for quarter 1					
Exchequer Releases for quarter 1					
Exchequer Releases for quarter 1					
Exchequer Releases for quarter 1					
Total					

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ANNEX 2–ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2018/2019	Outstanding Balance 2017/2018	Comments
	A	B	c	d=a-c		
Construction of buildings						
1.						
2.						
3.						
Sub-Total						
Construction of civil works						
4.						
5.						
6.						
Sub-Total						
Supply of goods						
7.						
8.						
9.						
Sub-Total						
Supply of services						
10.						
11.						
12.						
Sub-Total						
Grand Total						

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ANNEX 3—ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2018/2019	Outstanding Balance 2017/2018	Comments
		a	b	c	d=a-c		
Senior Management							
1.							
2.							
3.							
Sub-Total							
Middle Management							
4.							
5.							
6.							
Sub-Total							
Unionisable Employees							
7.							
8.							
9.							
Sub-Total							
Others (specify)							
10.							
11.							
12.							
Sub-Total							
Grand Total							

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ANNEX 4–ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2018/2019	Outstanding Balance 2017/2018	Comments
		A	b	c	d=a-c		
Amounts due to National Govt Entities							
1.							
2.							
3.							
Sub-Total							
Amounts due to County Govt Entities							
4.							
5.							
6.							
Sub-Total							
Amounts due to Third Parties							
7.							
8.							
9.							
Sub-Total							
Others (specify)							
10.							
11.							
12.							
Sub-Total							
Grand Total							

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ANNEX 5 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (KShs) 2017/2018	Additions during the year (KShs)	Disposals during the year (KShs)	Transfers in/(out) during the year (KShs)	Historical Cost c/f (KShs) 2018/2019
Land					
Buildings and structures					
Transport equipment					16,500,000
Office equipment, furniture and fittings					7,000,500
ICT Equipment					2,500,000
Machinery and Equipment					
Heritage and cultural assets					
Biological assets					
Intangible assets					
Infrastructure assets- Roads, Rails					
Work in progress					
Total					26,000,500

(NB: The balance as at the end of the year is the cumulative cost of all assets bought and inherited by the County Government. Additions during the year should tie to note 17 on acquisition of assets during the year.)

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ANNEX 6 – INTER-ENTITY TRANSFERS

Ref	Entity	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Amount transferred KShs	Amount Confirmed as received KShs	difference	explanation
1	County Assembly								
2	Xxx fund								
3	Xxx project								
4	Xxx board								
5	Xxx corporation								
6	Xxx								
7	Xxx								
8	Xxx								
9	Total								

Director of Finance
County Executive

Director of Finance
County Assembly/fund/project

(NB: This appendix must be agreed and signed by the issuing and receiving party)

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ANNEX 6 Contingent liabilities register

	Nature of contingent liability	Payable to	Currency	Estimated amount Kshs.	Expected date of payment	Remarks
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						

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ANNEX7 – BANK RECONCILIATION/FO 30 REPORT

(Attach FO 30 Reports from IFMIS)