

GOVERNMENT OF NAIROBI CITY COUNTY



THE NAIROBI CITY COUNTY ASSEMBLY

OFFICE OF THE CLERK

THIRD ASSEMBLY

(FOURTH SESSION)

NCCA/TJ/PL/2025(80)

18TH NOVEMBER 2025

PAPER LAID

SUBJECT: REPORT OF A COMMITTEE

Pursuant to Article 229 (8) of the Constitution of Kenya, 2010 and Standing Order 196, I beg to lay the following Paper on the Table of this Assembly, today Tuesday 18th November 2025:

- **THE REPORT OF SELECT COMMITTEE ON PUBLIC ACCOUNTS ON CONSIDERATION OF THE REPORT OF AUDITOR GENERAL ON NAIROBI CITY COUNTY ALCOHOLIC DRINKS CONTROL AND LICENSING BOARD FOR THE YEAR ENDED 30TH JUNE 2023.**

(The Chairperson, Select Committee on Public Accounts)

Copies to:
The Speaker
The Clerk
Hansard Editor
Hansard Reporters
The Press

GOVERNMENT OF NAIROBI CITY COUNTY



THE NAIROBI CITY COUNTY ASSEMBLY

OFFICE OF THE CLERK

THIRD ASSEMBLY

(FOURTH SESSION)

*laid by
Paper Hon. Chege Thwasa
18/11/2025
P. But*



NCCA/TJ/PL/2025(80)

12TH NOVEMBER 2025

PAPER LAID

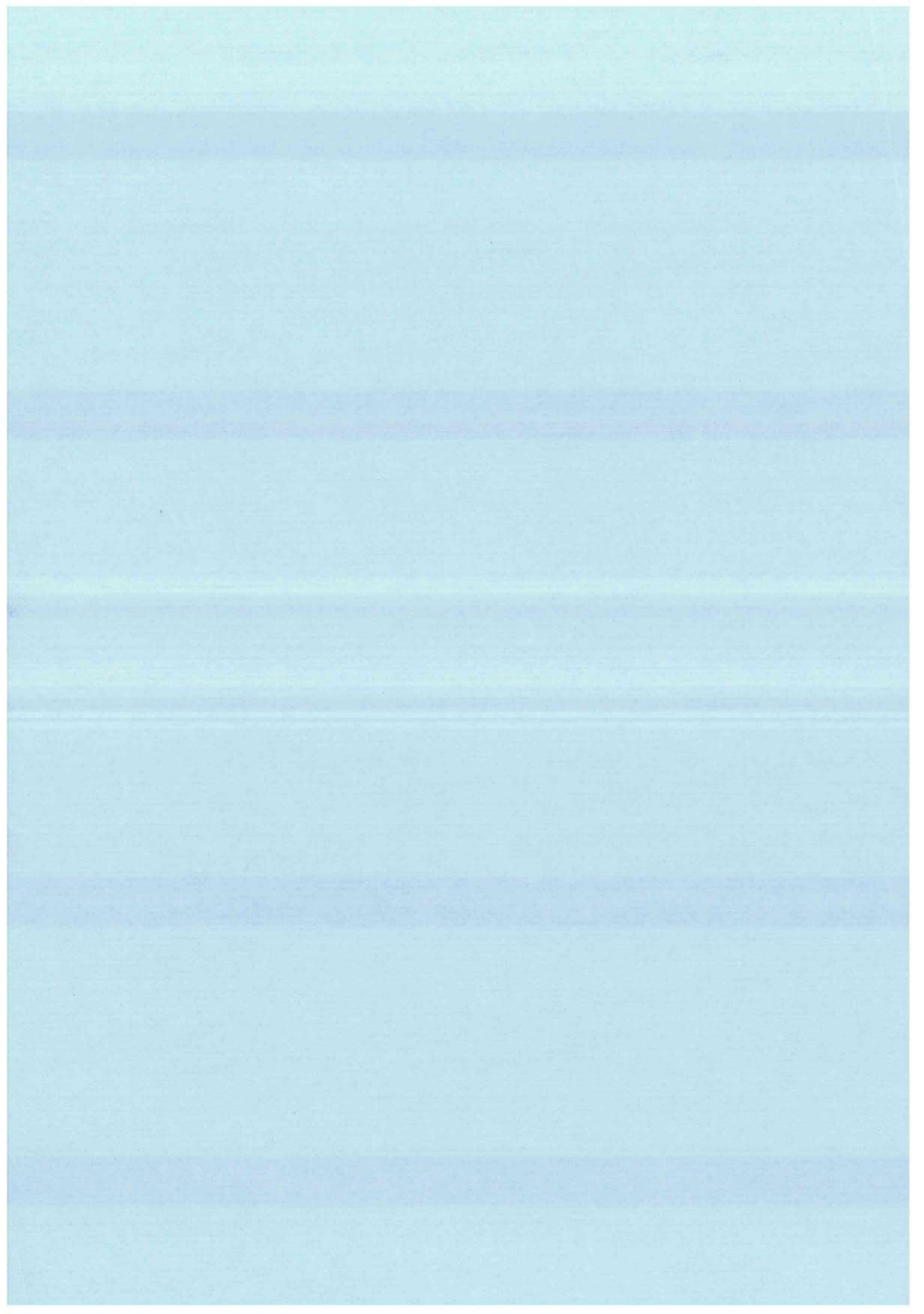
SUBJECT: REPORT OF A COMMITTEE

Pursuant to Article 229 (8) of the Constitution of Kenya, 2010 and Standing Order 196, I beg to lay the following Papers on the Table of this Assembly, today Wednesday 12th November 2025:

- THE REPORT OF SELECT COMMITTEE ON PUBLIC ACCOUNTS ON CONSIDERATION OF THE REPORT OF AUDITOR GENERAL ON NAIROBI CITY COUNTY ALCOHOLIC DRINKS CONTROL AND LICENSING BOARD FOR THE YEAR ENDED 30TH JUNE 2023.

(The Chairperson, Select Committee on Public Accounts)

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NCCA/TJ/NTC/2025

GOVERNMENT OF NAIROBI CITY COUNTY



THE NAIROBI CITY COUNTY ASSEMBLY

THIRD ASSEMBLY

(FOURTH SESSION)

18th November 2025

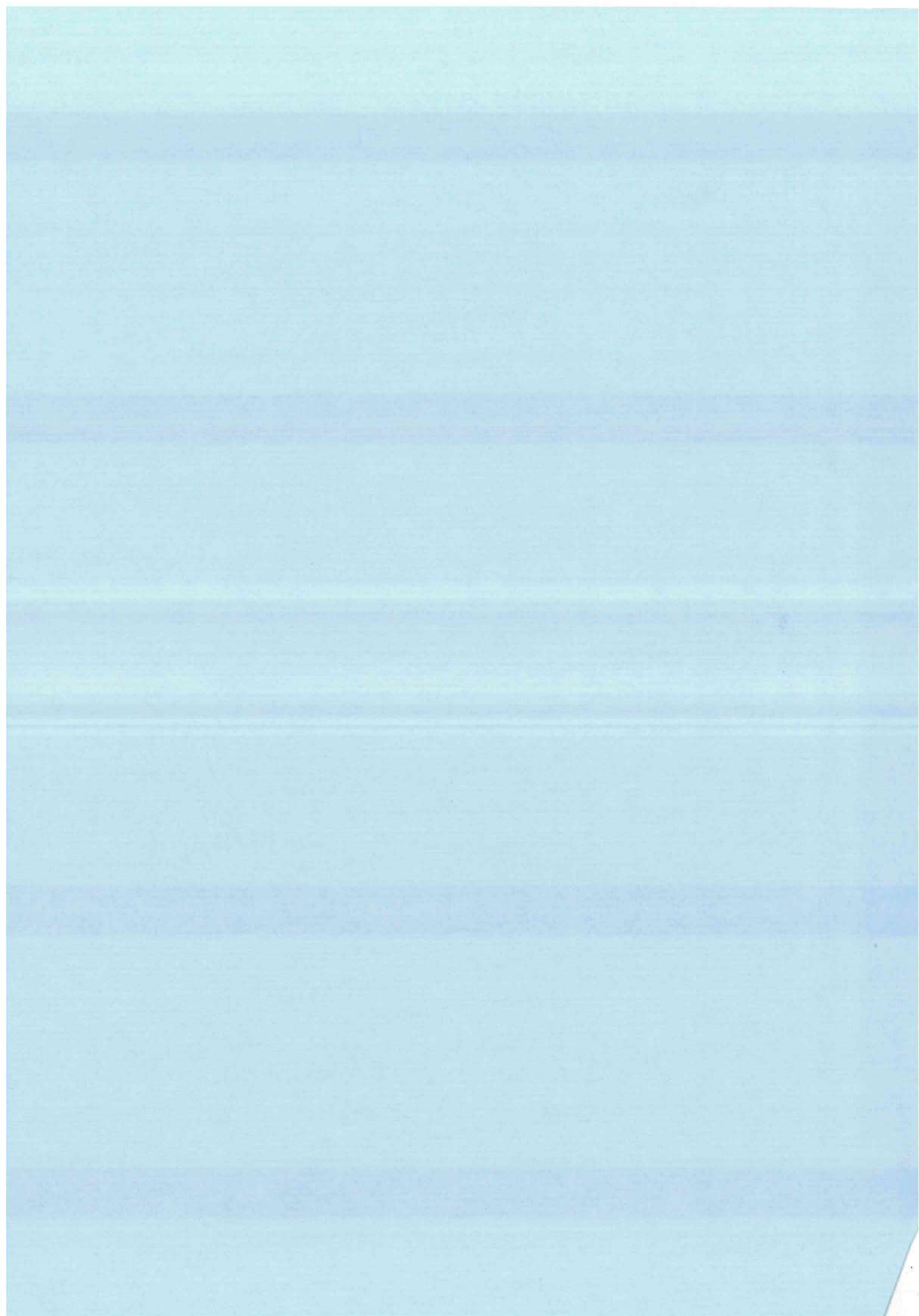
NOTICE OF MOTION

Subject: Adoption of report of a Committee

Hon. Speaker, I beg to give notice of the following motion:-

- **THAT**, this Assembly adopts **THE REPORT OF SELECT COMMITTEE ON PUBLIC ACCOUNTS ON CONSIDERATION OF THE REPORT OF AUDITOR GENERAL ON NAIROBI CITY COUNTY ALCOHOLIC DRINKS CONTROL AND LICENSING BOARD FOR THE YEAR ENDED 30TH JUNE 2023** laid on the Table of the Assembly on 18th November 2025.

(Chairperson, Select Committee on Public Accounts)



NCCA/TJ/NTC/2025

GOVERNMENT OF NAIROBI CITY COUNTY



THE NAIROBI CITY COUNTY ASSEMBLY

THIRD ASSEMBLY
(FOURTH SESSION)

12th November 2025

NOTICE OF MOTION

Subject: Adoption of report of a Committee

Hon. Speaker, I beg to give notice of the following motion:-

- **THAT,** this Assembly adopts **THE REPORT OF SELECT COMMITTEE ON PUBLIC ACCOUNTS ON CONSIDERATION OF THE REPORT OF AUDITOR GENERAL ON NAIROBI CITY COUNTY ALCOHOLIC DRINKS CONTROL AND LICENSING BOARD FOR THE YEAR ENDED 30TH JUNE 2023** laid on the Table of the Assembly on 12th November 2025.

(Chairperson, Select Committee on Public Accounts)

Nairobi City County Government



Nairobi City County Assembly Third Assembly – Fourth Session

The Report of the Select Committee on Public Accounts on The Consideration of the Report of the Auditor-General on Nairobi City County Alcoholic Drinks Control and Licensing Board for the year ended 30th June 2023

**Clerks Chambers
Nairobi City County Assembly
City Hall Buildings
Nairobi**

November, 2025

Table of Contents

1.0. PREFACE	2
1.1. Mandate of the Public Accounts Committee.....	2
1.2. Guiding principles	2
1.3. Obligations of the Accounting Officer	3
1.4. Committee Membership.....	3
1.5. Background.....	4
1.6. Establishment of the Fund	5
1.7. Auditor-General's Responsibility	6
1.8. Evidence taken.....	6
1.9. Appreciation	6
2.0. CONSIDERATION OF THE AUDIT REPORT OF THE AUDITOR GENERAL	8
2.1. Inaccuracies in the Financial Statement	8
2.1.1 Statement of Financial Performance.....	8
2.1.2 Statement of Changes in Net Assets	9
2.1.3 Statement of Comparison of Actual Budget and Actual Amounts.....	10
2.2. Omission of Rent Arrears in Trade and Other Payables	11
2.3. Other Matter.....	12
2.3.1 Unresolved Prior Year Matters.....	12
2.4. Non-Enforcement of Collection of Revenue.....	12
2.5. Non-Provision of Rehabilitation Facilities	13
2.6. Incomplete Payment Process.....	14
2.7. Incomplete Fixed Assets Register.....	15
3.0 SUMMARY OF ALL RECOMMENDATIONS	17
3.1. Inaccuracies in the Financial Statement.....	17
3.1.1 Statement of Financial Performance.....	17
3.1.2 Statement of Changes in Net Assets	17
3.1.2 Statement of Comparison of Actual Budget and Actual Amounts.....	17
3.2 Omission of Rent Arrears in Trade and Other Payables	17
3.3 Other Matter	18
3.3.1 Unresolved Prior Year Matters.....	18
3.4. Non-Enforcement of Collection of Revenue	18
3.5. Non- Provision of Rehabilitation Facilities	18
3.6. Incomplete Payment Process.....	18
3.7. Incomplete Fixed Assets Register	19
4.0 ANNEXURES.....	20

1.0. PREFACE

Hon. Speaker,

On behalf of the Public Accounts Committee (PAC) and pursuant to the provision of Standing Order 196(6), it is my pleasant privilege and honor to present to this Assembly this report of the Public Accounts Committee on the consideration of the *“Report of the Auditor General on Nairobi City County Alcoholic Drinks Control and Licensing Board for the Year ended 30th June 2023”*.

1.1. Mandate of the Public Accounts Committee

The Public Accounts Committee derives its mandate from Standing Order 203 (2) of the Nairobi City County Assembly, which provides that: -

“The Public Accounts Committee shall be responsible for the examination of the accounts showing the appropriations of the sum voted by the County Assembly to meet the public expenditure and of such other accounts laid before the County Assembly as the Committee may think fit”.

The primary mandate of the Committee is therefore to oversight the expenditure of public funds by Nairobi City County entities, to ensure value for money and adherence to government financial regulations and procedures. The Committee further aims at ensuring that Nairobi City County public funds are prudently and efficiently utilized. The Committee executes its mandate on the basis of annual and audit reports prepared by the Office of the Auditor General (OAG).

Article 229 (8) of the Constitution provides that within three months after receiving the report of the Auditor General, Parliament or the **County Assembly** shall debate and consider the report and take appropriate action. It is on this basis that this report has been produced by the Committee for consideration and adoption by the County Assembly.

1.2. Guiding principles

In the execution of its mandate, the Committee is guided by core constitutional and statutory principles on public finance management, as well as established customs, traditions, practices and usages. These principles include the following: -

(a) Constitutional Principles on Public Finance

Article 201 enacts fundamental principles aimed at guiding all aspects of public finance in the Republic. It states that the principles are, *inter alia*, *openness and accountability, including public participation in financial matters; public money shall be used in a prudent and responsible way; and*

financial management shall be responsible, and fiscal reporting shall be clear. The Committee places high regard on these principles, among others, and has been guided by them in the entire process that has led to this report.

(b) Direct Personal Liability

Article 226(5) of the Constitution is unequivocal that: - *“If the holder of a public office, including a political office, directs or approves the use of public funds contrary to law or instructions, the person is liable for any loss arising from that use and shall make good the loss, whether the person remains the holder of the office or not”*. Consequently, Section 203(1) of the PFM Act, 2012 enacts that: - *“A public Officer is personally liable for any loss sustained by a county government that is attributable to-*

(a) the fraudulent or corrupt conduct, or negligence, of the officer; or

(b) the officer’s having done any act prohibited by sections 196, 197 and 198”

The Committee considers this Constitutional and legal provisions as the basis for holding Accounting Officers and other Public Officers directly and personally liable for any loss of public funds that may occur under their watch.

1.3. Obligations of the Accounting Officer

Article 226(2) of the Constitution provides, inter alia, that: *“the Accounting Officer of a national public entity is accountable to the National Assembly for its financial management, and the Accounting Officer of a county public entity is accountable to the County Assembly for its financial management”*. Subsequently, Section 149(1) of the Public Finance Management (PFM) Act, 2012 provides that: *“An accounting officer is accountable to the County Assembly for ensuring that the resources of the entity for which the officer is designated are used in a way that is—*

(a) lawful and authorized; and

(b) Effective, efficient, economical and transparent.”

These provisions obligate the the Accounting Officer and the administrator of fund to appear before the Public Accounts Committee to respond to audit queries raised by the Auditor General.

1.4. Committee Membership

The Committee comprises of the following Members: -

- | | |
|---|---------------------------|
| 1. Hon. Chege Mwaura, MCA | - Chairperson |
| 2. Hon. Abel Osumba Atito, MCA | - Vice-Chairperson |
| 3. Hon. Benter Juma Obiero, MCA | |
| 4. Hon. Redson Otieno Onyango, MCA | |

5. Hon. John Rex Omolleh, MCA
6. Hon. Stazo Omung'ala Ang'ila, MCA
7. Hon. Richardo Nyantika Billy, MCA
8. Hon. John Ndile Musila, MCA
9. Hon. Cyrus Mugo Mubea, MCA
10. Hon. Jane Musangi Muthembwa, MCA
11. Hon. Emmy Khatemeshi Isalambo, MCA
12. Hon. Fuad Hussein Mohamed, MCA
13. Hon. Fatuma Abduwahid Abey, MCA
14. Hon. Eutyclus Mukiri Muriuki, MCA
15. Hon. Fredrick Njoroge Njogu, MCA
16. Hon. Rachel Wanjiru Maina, MCA
17. Hon. Aaron Kangara Wangare, MCA
18. Hon. Carrington Gichunji Heho, MCA
19. Hon. Mark Thiga Ruyi, MCA
20. Hon. Simon Maina Mugo, MCA
21. Hon. Paul Wachira Kariuki, MCA
22. Hon. Martin Mbugua Mwangi, MCA
23. Hon. Mary Wanjiru Kariuki, MCA

The Committee comprises of the following Secretariat;

- | | |
|--------------------------|--------------------------|
| 1. Mr. Kevin Wasike | - Senior Clerk Assistant |
| 2. Mr. Benedict Ochieng | - Second Clerk Assistant |
| 3. Mr. Klinsman Munase | - Legal Counsel |
| 4. Mr. Anthony Nyandiere | - Hansard Editor |

Allow me **Hon. Speaker** to thank the entire membership of this Committee for its hard work and commitment which made the taking of evidence and production of this Report a success.

1.5. Background

The audit involved auditing of the financial statements of Nairobi City County Alcoholic Drinks Control and Licensing Board Fund by the Auditor General which comprise statement of financial position as at 30th June, 2022; statement of income and expenditure; statement of changes in equity; statement of cash flows for the year ended; 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.

1.6. Establishment of the Fund

The Nairobi City County Alcoholic Drinks Control and Licensing Act, 2014 was established through Gazette Notice dated 19th May, 2014. Establishment of the fund is under part v (Section 43) of the Act;

1. *There is established a fund to be known as the Nairobi City County Alcoholic Drinks Control Fund which shall be managed by the County Executive Committee Member responsible for Trade.*
2. *The Fund shall consist of-*
 - a) *such monies as may be appropriated by the County Assembly and such license and other fees as may be payable under this Act;*
 - b) *sums received, including contributions, gifts or grants from or by way of testamentary bequest by any person;*
 - c) *moneys earned or arising from any investment of the Fund; and*
 - d) *all other sums which may in any manner become payable to, or vested in, the Fund.*
3. *The Fund shall be used for meeting the expenditure relating to-*
 - a) *research, documentation and dissemination of information on alcoholic drinks in the county;*
 - b) *promoting cessation and rehabilitation programs in the county;*
 - c) *financing the operations of the sub-county committees and voluntary programmes in the county in accordance with such guidelines as may be prescribed;*
 - d) *carrying out the functions of the Nairobi County Alcoholic Drinks Control and Licensing Board established under section 4 (I) and the objects of this Act; and*
 - e) *any other matter incidental to the matters set out in paragraphs (a), (b), (c), (d).*

The Chief Officer for Business and Hustler opportunities being the Accounting Officer of the Fund, is the administrator of the fund. Section 167 of the Public Finance Management Act 2012 mandates the administrator of Public Funds with the preparation of Annual Financial Statements.

1.7. Auditor-General's Responsibility

The Auditor General's responsibility was to obtain reasonable assurance about whether the financial statements as a whole were free from material misstatement, whether due to fraud or error, and to express an opinion on the financial statements in accordance with Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement. The matters mentioned in the audit report were identified through tests considered necessary for the purpose of the audit and it is possible that there might be other matters and/or weaknesses that were not identified.

1.8. Evidence taken

The Committee held sittings of which it interrogated the former Chief Officer for Trade, Tourism and Commerce, former Director and the Accountant for the Nairobi City County Alcoholic Drinks Control and Licensing Board on key findings raised by the Auditor General. Similarly, the Committee received written responses to the special audit findings.

While taking evidence, the Committee was guided by the existing procedures and modalities of operations of the Nairobi City County Assembly derived from the Constitution of the Republic of Kenya, Acts of National Parliament, Acts of Nairobi City County Assembly and Nairobi City County Assembly Standing Orders, conventions, usages, practices and rulings and directives of the Chairperson.

1.9. Appreciation

Hon. Speaker,

The Committee would like to thank the **Accounting Officer** for appearing before it and subsequently submitting written responses which provided valuable insights into the issues raised by the Auditor General.

Hon. Speaker,

The Committee also wishes to sincerely thank the Offices of the Speaker and the Clerk for the services extended to the Committee while considering this matter. The Committee further wishes to appreciate the Officers from the Office of the Auditor General and the Committee secretariat for their exemplary advisory services that enabled Members effectively execute their mandate.

Hon. Speaker,

On behalf of the Committee, I now wish to table this report and urge the Assembly to adopt it and the recommendations therein.

SIGNED

HON. CHEGE MWAURA (CHAIRPERSON)

DATE

10/11/2025

2.0. CONSIDERATION OF THE AUDIT REPORT OF THE AUDITOR GENERAL

2.1. Inaccuracies in the Financial Statement

2.1.1 Statement of Financial Performance

The statement of financial performance reflects revenue from non-exchange transactions amount of Kshs. 238,856,549 relating to licenses which declined by Kshs.27,008,337 or 10 % compared to prior year amount of Kshs. 265,864,886. However, review of the system indicated that the Board had no existing database of all liquor outlets in the County and Management did not provide work plan to ensure revenue targets are achieved. Further, no evidence of remittance of the funds to the County Revenue Fund (CRF) was provided for audit implying that the revenue was spent at source. In addition, the Board has not established Regulations and other controls on how the funds should be managed or treated.

Management Response

The County Executive Management response to the Statement of Financial Performance was as follows;

- That the management has conducted a mapping exercise to establish the number of outlets operating in Nairobi County and therefore there is now a database. Further management has initiated the process of acquiring an integrated licensing system to be used for licensing of outlets this will ensure all outlets are captured and license and thus an increase in revenue.
- That the decline in Revenue collection was also occasioned by the executive order which stopped the licensing of night clubs in residential areas.
- That the issue of remittance of funds to CRF has been addressed in the proposed amendment to the Liquor Act 2014.

Appendix I

- That Attached is an extract from the mapping document showing the number of outlets that are operational, the TORs from ICT Department on the Licensing system, also attached is the notice that stopped the licensing of night clubs in residential areas thus leading to a reduction in revenue.
- That an extract from the proposed amendment to the Act is attached.

Committee Observation(s)

The Committee while interrogating the management response made the following observations: -

- That there was a decline in revenue relating to licenses by Kshs.27,008,337 or 10 % compared to prior year amount due to the Executive orders that stopped the licensing of night clubs in residential areas.
- The Board did not remit collected revenue to County Revenue Fund. However, there is a proposed amendment of the Nairobi City County Alcoholic drinks and Control Act 2014 to allow the Board to spend at source.
- The Board has developed a new database for all the liquor outlets.

Committee Recommendation(s)

The Committee made the following recommendations: -

- That based on the recent court ruling on the remittance of Liquor Board fund to the CRF, the County Liquor Board and the County Assembly should consider and approved the proposed amendments to the Nairobi City County Alcoholic Drinks Control and Licensing Act of 2014 within ninety (90) days after the adoption of this report; and
- That County Liquor Board should undertake an annual update of database of all liquor outlets within the County.

2.1.2 Statement of Changes in Net Assets

The statement of changes in net assets reflects a balance of Kshs. 14,811,380 as at 30 June,2023 which excludes a prior year's adjustment of Kshs.686,334,311 relating to revenue collected since 2015/2016 financial year. However, the expenditure arising from the revenue was not supported by payment vouchers and other supporting documents.

Management Response

The County Executive Management response to the Statement of Changes in Net Assets was as follows;

- That the management noted that the balances carried forward from 2015/2016 were the cumulative balance and not balance as per that financial year. Management is going back to the records from 2016 with the view of final reconciliation of the figures. This will be corrected in the financial year 2023/2024.

Committee Observation(s)

The Committee while interrogating the management response made the following observations: -

- The Committee observes that, supporting documents and reconciliation were not provided.

Committee Recommendation(s)

The Committee made the following recommendations: -

- That the then Accounting Officer be reprimanded for failure to provide the supporting documents as required by Section 62 of the Public Audit Act, 2015; and
- That the Management should provide a report on reconciliation on the statement of changes in net assets and submit to the County Assembly within three months after the adoption of this report.

2.1.3 Statement of Comparison of Actual Budget and Actual Amounts

The statement of comparison of budget and actual amounts reflects actual total expenditure of Kshs.224,062,399. However, statement of financial performance reflects Kshs. 197,495,121 resulting in an unexplained variance of Kshs. 26,567,278. In the circumstances, the accuracy and completeness of the financial statements could not be confirmed.

Management Response

The County Executive Management response to the Statement of Comparison of Actual Budget and Actual Amounts was as follows;

- That the management in the year under review utilized kshs 197,495,121 on recurrent expenditure and kshs 26,567,278 on development expenditure.

Appendix 2

- That attached is a copy of the statement of cash flows for the year ended 30th June 2023. The statement indicates that 197,495,121 was utilized on recurrent budget and kshs 26,567,278 was utilized on development expenditure.

Committee Observation(s)

The Committee while interrogating the management response made the following observations: -

- That Budget utilization on recurrent and development expenditure was confirmed.
- That Cashflow statement was verified.

Committee Recommendation(s)

- **The Committee recommend that the matter be marked as resolved.**

2.2. Omission of Rent Arrears in Trade and Other Payables

The statement of financial position and as disclosed in Note 20 to the financial statements reflect trade and other payables from exchange transactions balance of Kshs.38,633,788. However, review of documents revealed that rent arrears amounting to Kshs. 5,732,975 owed to the State Department for Trade were not included in the balance. Management explained that the rent had been omitted since there was a dispute between the Board and the landlord.

In the circumstances, the accuracy and completeness of the trade and other payables balance of Kshs. 38,633.788 could not be confirmed.

Management Response

The County Executive Management response to the Omission of Rent Arrears in Trade and Other Payables was as follows;

- That the management has ensured that the current rent is paid up to date. Management has also engaged the State Department for Trade (Landlord) on a payment plan of the previous pending years including seeking a waiver.

Committee Observation(s)

The Committee while interrogating the management response made the following observations: -

- The Committee noted that rent arrears amounting to Kshs. 5,732,975 had not been reflected in the financial statement. The management claim to have engaged the state Department for Trade and that they have agreed on payment plan was not supported by any evidence.

Committee Recommendation(s)

- **The Committee recommends that within three months upon adoption of this report the Board to provide the Committee with the payment plan they entered into with the State Department for Trade.**

2.3. Other Matter

2.3.1 Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on Financial Statements. However, the Management has not resolved the issues or given any explanation for failure to do so, as part of the contents provided for in the reporting format prescribed by the Public Sector Accounting Standards Board.

Management Response

The County Executive Management response to the Unresolved Prior Year Matters was as follows;

- That the management has addressed the issues including appearing before the Public Accounts Committee. The unresolved prior year matters are resolved and will be reflected in the next financial year 2023/2024.

Committee Observation(s)

The Committee while interrogating the management response made the following observation(s): -

- That Committee observed that the Board failed to include prior year issues in their financial statements contrary to section 163 of the Public Finance Management Act, 2012 which requires Accounting Officers to prepare financial statements in a form that complies with Public Sector Accounting Standards Board

Committee Recommendations

- **The Committee recommends for a reprimand of the then Accounting Officer for contravening provisions of section 163 of the Public Finance Management Act, 2012. Henceforth the Accounting officer must always ensure adherence to Public Finance Management Act, 2012.**

2.4. Non-Enforcement of Collection of Revenue

Review of records provided revealed that the Board collected a total of Kshs. 1,500,000 from three manufacturers of alcoholic products. However, the Board would have collected a total of Kshs. 34,500,000 had the law on rates been enforced. This was contrary to the third schedule to the Nairobi City County Alcoholic Drinks Control and Licensing Act, 2014 which specifies the type of license and fee applicable for each category of brewer. In the circumstances, Management was in breach of the law.

Management Response

The County Executive Management response to the Non-Enforcement of Collection of Revenue was as follows;

- That management is in the process of amending the Act so as to define the term product line with the view of effective invoicing of our clients.

Committee Observation(s)

The Committee while interrogating the management response made the following observations: -

- That the Committee observed that the management had submitted a draft proposed amendment of the Act to the County Assembly relevant Committee. However, the proposed schedule was not attached for consideration.

Committee Recommendation(s)

The Committee made the following recommendations: -

- **The County Assembly to provide a clear schedule on licensing fees indicating the type of license and prescribed fees during the consideration of the proposed amendment Bill.**

2.5. Non-Provision of Rehabilitation Facilities

The Board has not provided any evidence in respect of establishment of treatment and rehabilitation facilities and programmes for persons dependent on alcoholic drinks and programmes to promote cessation and rehabilitation in the county since its inception in the financial year 2014.

In the circumstances, it was not possible to confirm effectiveness on utilization of the revenue generated from the revenue collected.

Management Response

The County Executive Management response to the Non-Provision of Rehabilitation Facilities was as follows;

- That in the year under review Management did establish one rehabilitation center at Sinai in Makadara sub county and so far, the facility has attended to over 1,400 patients. Management is in the process of establishing another rehabilitation center in Mutuini Dagoretti Sub-County.

Appendix 3

- That attached is a photo of the Sinai rehabilitation center. An extract copy of the Bid

- That the Document for the proposed construction of Rehabilitation Center (Methadone) at Mutuini Level 4 Hospital attached.

Committee Observation(s)

The Committee while interrogating the management response made the following observations:

- That only one (1) rehabilitation center has been established in Sinai (as per photo attached).
- That an extract of 1st page of bid document for proposed construction of 2nd rehabilitation center at Mutuini attached (page not authenticated)
- That the Management failed to establish treatment and rehabilitation facilities and develop programmes for persons dependent on alcoholic drinks in each Ward in accordance with Section 5(g) of the Nairobi City County Alcoholic Drinks Control and Licensing Act, 2014.

Committee Recommendation(s)

The Committee made the following recommendations: -

- That the County Assembly reprimands the Nairobi City County Alcoholic Drinks Control and Licensing Board for failure to establish treatment and rehabilitation facilities and develop programmes for persons dependent on alcoholic drinks in each Ward in accordance with Section 5(g) of the Nairobi City County Alcoholic Drinks Control and Licensing Act, 2014.
- That the Nairobi City County Alcoholic Drinks Control and Licensing Board should establish treatment and rehabilitation facilities and develop programmes for persons dependent on alcoholic drinks in each Ward in accordance with Section 5(g) of the Nairobi City County Alcoholic Drinks Control and Licensing Act, 2014.

2.6. Incomplete Payment Process

Review of payment vouchers revealed that item codes and vote book balances were not indicated on the Board's payment vouchers as required. Further, the payment vouchers had not been authorized by both Authority to Incur Expenditure (AIE) and Accounting Officer while some payment vouchers were not stamped 'PAID'. In addition, it was noted that no withholding taxes had been deducted from the suppliers as required under Income Tax Act. In the circumstances, the effectiveness of internal controls in the processing of payments could not be confirmed.

Management Response

The County Executive Management response to the Incomplete Payment Process was as follows;

- That the management noted that in the start the internal controls were not adequate. Management resolved that by making sure that all paid payment vouchers are stamped PAID and all Vote heads indicated and filled.
- That on withholding tax Suppliers taxes were withheld and forwarded to Kenya Revenue Authority through the Bulk payment under Agency Notice.

Committee Observation(s)

The Committee while interrogating the management response made the following observations: -

- That the management failed to adhere to the provisions of Regulation 104 of the Public Finance Management (County Governments) Regulations, 2015 which provides that all receipts and payments vouchers of public moneys shall be properly supported by prenumbered receipt and payment vouchers and shall be supported by the appropriate authority and documentation.
- That management has not given reasons why the Payment Vouchers were missing crucial information.
- That the management did not provide evidence of withholding taxes and subsequent payment as stated in response.

Committee Recommendation(s)

The Committee made the following recommendations: -

- That the County Assembly reprimands the then Nairobi City County Alcoholic Drinks Control and Licensing Board Accounting Officer for failure to adhere to the provisions of the Regulation 104 of the Public Finance Management (County Governments) Regulations, 2015.
- That the Nairobi City County Alcoholic Drinks Control and Licensing Board Accounting Officer should adhere to the provisions of the Regulation 104 of the Public Finance Management (County Governments) Regulations, 2015.

2.7. Incomplete Fixed Assets Register

Review of records revealed that the Board has several fixed assets in the form of property, plant and equipment. However, the fixed assets register provided for audit did not indicate details of the assets including date of purchase, description of assets including model and serial numbers, cost, specific location, asset number, responsible official, class, category of assets and its condition. In addition, the

assets were not coded or tagged for ease of identification and tracking. In the circumstances, the effectiveness of controls in fixed assets management could not be confirmed.

Management Response

The County Executive Management response to the Incomplete Fixed Assets Register was as follows;

- That the Management has corrected this and now has an asset register with all the details indicated.

Appendix 4

Attached is a copy of the Asset register for Nairobi County Alcoholic Drinks and Control Board.

Committee Observation(s)

The Committee while interrogating the management response made the following observations:

- That the assets register was provided. However, important details like date of purchase and cost still not indicated.

Committee Recommendation(s)

The Committee recommends that the matter be marked as resolved.

3.0 SUMMARY OF ALL RECOMMENDATIONS

Following the Committee's consideration of the **"Report of the Auditor General on Nairobi City County Alcoholic Drinks Control and Licensing Board for the Year ended 30th June 2023"** and having considered responses from the Accounting Officers, the Committee urges the County Assembly to resolve as follows: -

3.1. Inaccuracies in the Financial Statement

3.1.1 Statement of Financial Performance

The Committee recommends that;

- That based on the recent court ruling on the remittance of Liquor Board fund to the CRF, the County Liquor Board and the County Assembly should consider and approved the proposed amendments to the Nairobi City County Alcoholic Drinks Control and Licensing Act of 2014 within ninety (90) days after the adoption of this report; and
- That County Liquor Board should undertake an annual update of database of all liquor outlets within the County.

3.1.2 Statement of Changes in Net Assets

The Committee recommends that;

- That the then Accounting Officer be reprimanded for failure to provide the supporting documents as required by Section 62 of the Public Audit Act, 2015; and
- That the Management should provide a report on reconciliation on the statement of changes in net assets and submit to the County Assembly within three months after the adoption of this report.

3.1.3 Statement of Comparison of Actual Budget and Actual Amounts

The Committee recommends that;

- The Committee recommend that the matter be marked as resolved.

3.2 Omission of Rent Arrears in Trade and Other Payables

The Committee recommends that;

- The Committee recommends that within three months upon adoption of this report the Board to provide the Committee with the payment plan they entered into with the State Department for Trade.

3.3 Other Matter

The Committee recommends that;

- **The Committee recommends for reprimand of the then Accounting Officer for contravening provisions of section 163 of the Public Finance Management Act, 2012. Henceforth the Accounting officer must always ensure adherence to Public Finance Management Act, 2012.**

3.3.1 Unresolved Prior Year Matters

The Committee recommends that;

- **The Committee recommends for a reprimand of the then Accounting Officer for contravening provisions of section 163 of the Public Finance Management Act, 2012. Henceforth the Accounting officer must always ensure adherence to Public Finance Management Act, 2012.**

3.4. Non-Enforcement of Collection of Revenue

The Committee recommends that;

- **The County Assembly to provide a clear schedule on licensing fees indicating the type of license and prescribed fees during the consideration of the proposed amendment Bill.**

3.5. Non- Provision of Rehabilitation Facilities

The Committee recommends that;

- **That the County Assembly reprimands the Nairobi City County Alcoholic Drinks Control and Licensing Board for failure to establish treatment and rehabilitation facilities and develop programmes for persons' dependent on alcoholic drinks in each Ward in accordance with Section 5(g) of the Nairobi City County Alcoholic Drinks Control and Licensing Act, 2014; and**
- **That the Nairobi City County Alcoholic Drinks Control and Licensing Board should establish treatment and rehabilitation facilities and develop programmes for persons' dependent on alcoholic drinks in each Ward in accordance with Section 5(g) of the Nairobi City County Alcoholic Drinks Control and Licensing Act, 2014.**

3.6. Incomplete Payment Process

The Committee recommends that;

- **That the County Assembly reprimands the then Nairobi City County Alcoholic Drinks Control and Licensing Board Accounting Officer for failure to adhere to the provisions**

of the Regulation 104 of the Public Finance Management (County Governments) Regulations, 2015; and

- That the Nairobi City County Alcoholic Drinks Control and Licensing Board Accounting Officer should adhere to the provisions of the Regulation 104 of the Public Finance Management (County Governments) Regulations, 2015.

3.7. Incomplete Fixed Assets Register

The Committee recommends that;

- The Committee recommends that the matter be marked as resolved.

4.0 ANNEXURES

Annex	Title
Annex 1	Minutes of the Sitzings
Annex 2	Written Responses to all audit queries by the Accounting Officer

MINUTES OF THE 54TH SITTING OF THE NAIROBI CITY COUNTY ASSEMBLY SELECT COMMITTEE ON COUNTY PUBLIC ACCOUNTS HELD ON FRIDAY, 3RD OCTOBER, 2025 AT 9:00 A.M. AT SERENA HOTEL, MOMBASA COUNTY.

MEMBERS PRESENT:

1. Hon. Chege Mwaura, MCA – Chairman
2. Hon. Abel Osumba Atito, MCA – Vice-Chairman
3. Hon. Emmy Khatemeshi Isalambo, MCA
4. Hon. Rachel Wanjiru Maina, MCA
5. Hon. Paul Wachira Kariuki, MCA
6. Hon. Eutychus Mukiri Muriuki, MCA
7. Hon. Cyrus Mugo Mubea, MCA
8. Hon. Mary Wanjiru Kariuki, MCA
9. Hon. Mark Thiga Ruyi, MCA
10. Hon. Jane Musangi Muthembwa, MCA
11. Hon. Martin Mbugua Mwangi, MCA
12. Hon. Billy Richardo Nyantika, MCA
13. Hon. Carrington Gichunji Heho, MCA
14. Hon. Redson Otieno Onyango, MCA
15. Hon. Fredrick Njoroge Njogu, MCA
16. Hon. Fatuma Abduwahid Abey, MCA
17. Hon. Benter Juma Obiero, MCA
18. Hon. Simon Maina Mugo, MCA
19. Hon. Stazo Elijah Omung'ala Ang'ila, MCA
20. Hon. John Ndile Musila, MCA
21. Hon. Aaron Kangara Wangare, MCA

MEMBERS ABSENT:

1. Hon. Hussein Fuad Mohammed, MCA
2. Hon. John Rex Omolleh, MCA

IN-ATTENDANCE – OAG

1. Mr. Jeff Otieno

SECRETARIAT

1. Mr. Kevin Wasike – Senior Clerk Assistant
2. Mr. Benedict Ouma – Clerk Assistant
3. Mr. Anthony Nyandiere – Hansard Officer

MIN.226/NCCA/PAC/OCTOBER/2025 – PRELIMINARIES

The Chairman called the meeting to order at twenty-three minutes past nine O'clock and said the opening prayers. He then welcomed Members present to the meeting and took them through the agenda which was adopted for consideration as proposed by Hon. Emmy Khatemeshi, MCA and seconded by Hon. Paul Wachira, MCA as follows: -

1. Preliminaries (prayers and adoption of the agenda),

2. Consideration and adoption of the draft Report on the consideration of the Report of the Auditor-General on the County Receiver of Revenue for the year ended 30th June, 2023;
3. Consideration and adoption of the draft Report on the consideration of the Report of the Auditor-General on the County Revenue Fund for the year ended 30th June, 2023;
4. Consideration and adoption of the draft Report on the consideration of the Report of the Auditor-General on the Liquor Board for the year ended 30th June, 2023;
5. Any Other Business, and
6. Adjournment.

MIN.227/NCCA/PAC/OCTOBER/2025 – CONSIDERATION AND ADOPTION OF THE DRAFT REPORT ON THE CONSIDERATION OF THE REPORT OF THE AUDITOR-GENERAL ON THE COUNTY RECEIVER OF REVENUE FOR THE YEAR ENDED 30TH JUNE, 2023

The Secretariat tabled and took the Committee through the draft report on the consideration of the Report of the Auditor-General on the County Receiver of Revenue for the year ended 30th June, 2023. The Committee deliberated on the report and adopted the same for tabling in the Assembly as proposed by Hon. Fatuma Abduwahid Abey, MCA and seconded by Hon. Fredrick Njogu, MCA.

MIN.228/NCCA/PAC/OCTOBER/2025 – CONSIDERATION AND ADOPTION OF THE DRAFT REPORT ON THE CONSIDERATION OF THE REPORT OF THE AUDITOR-GENERAL ON THE COUNTY REVENUE FUND FOR THE YEAR ENDED 30TH JUNE, 2023

The Secretariat tabled and took the Committee through the draft report on the consideration of the Report of the Auditor-General on the County Revenue Fund for the year ended 30th June, 2023. The Committee deliberated on the report and adopted the same for tabling in the Assembly as proposed by Hon. Emmy Khatemeshi Isalambo, MCA and seconded by Hon. Benter Juma, MCA.

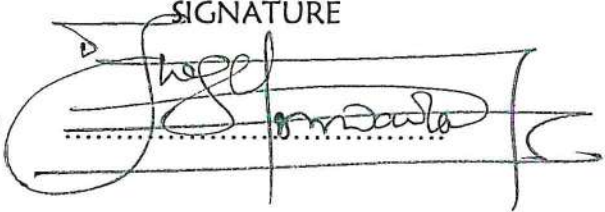
MIN.229/NCCA/PAC/OCTOBER/2025 – CONSIDERATION AND ADOPTION OF THE DRAFT REPORT ON THE CONSIDERATION OF THE REPORT OF THE AUDITOR-GENERAL ON THE LIQUOR BOARD FOR THE YEAR ENDED 30TH JUNE, 2023

The Secretariat tabled and took the Committee through the draft report on the consideration of the Report of the Auditor-General on the Liquor Board for the year ended 30th June, 2023. The Committee deliberated on the report and adopted the same for tabling in the Assembly as proposed by Hon. Jane Musangi, MCA and seconded by Hon. Aaron Kangara, MCA.

MIN.230/NCCA/PAC/OCTOBER/2025 – A.o.B & ADJOURNMENT

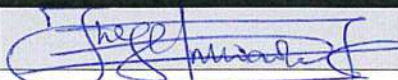
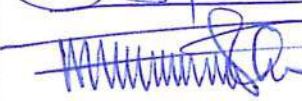
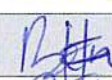




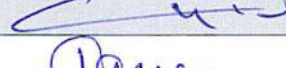
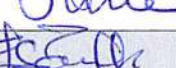



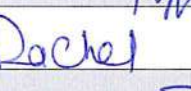
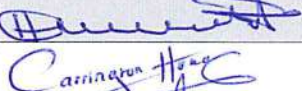

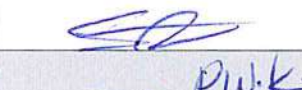

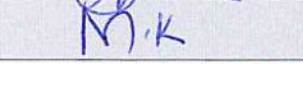


The being no other business and the time being forty minutes past three O'clock, the Chairman adjourned the meeting. The next meeting was scheduled to be by a way of notice.

CONFIRMED AS A TRUE RECORD OF THE PROCEEDINGS

SIGNATURE
CHAIRPERSON 

DATE
15/10/2025

We Members of the Public Accounts Committee (PAC) do hereby affix our signatures to this report to affirm the correctness of the contents and support for the report: -

S/N	Honourable Member	Signature
1.	Hon. Chege Mwaura, MCA - Chairperson	
2.	Hon. Abel Osumba Atito, MCA - Vice - Chairperson	
3.	Hon. Benter Juma Obiero, MCA	
4.	Hon. Redson Otieno Onyango, MCA	
5.	Hon. John Rex Omolleh, MCA	
6.	Hon. Stazo Omung'ala Ang'ila, MCA	
7.	Hon. Richardo Nyantika Billy, MCA	
8.	Hon. John Ndile Musila, MCA	
9.	Hon. Cyrus Mugo Mubea, MCA	
10.	Hon. Jane Musangi Muthembwa, MCA	
11.	Hon. Emmy Khatemeshi Isalambo, MCA	
12.	Hon. Fuad Hussein Mohamed, MCA	
13.	Hon. Fatuma Abduwahid Abey, MCA	
14.	Hon. Eutyclus Mukiri Muriuki, MCA	
15.	Hon. Fredrick Njoroge Njogu, MCA	
16.	Hon. Rachel Wanjiru Maina, MCA	
17.	Hon. Aaron Kangara Wangare, MCA	
18.	Hon. Carrington Gichunji Heho, MCA	
19.	Hon. Mark Thiga Ruyi, MCA	
20.	Hon. Simon Maina Mugo, MCA	
21.	Hon. Paul Wachira Kariuki, MCA	
22.	Hon. Martin Mbugua Mwangi, MCA	
23.	Hon. Mary Wanjiru Kariuki, MCA	