

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

PAPERS LAID	
DATE	6/13/2024
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COMMITTEE	
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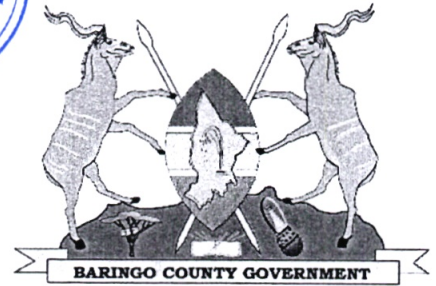
OF

THE AUDITOR-GENERAL

ON

**BARINGO COUNTY EMERGENCY
FUND**

**FOR THE YEAR ENDED
30 JUNE, 2023**



BARINGO COUNTY GOVERNMENT
BARINGO COUNTY EMERGENCY FUND

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2023

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

Baringo County Emergency Fund
Annual Report and Financial Statements for the year ended June 30, 2023

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1. Acronyms and Glossary of Terms

a) Acronyms

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

b) Glossary of Terms

Fiduciary Management	The key management personnel who had financial responsibility
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2. Key Entity Information and Management

a) Background information

Baringo County Emergency Fund is established by and derives its authority and accountability from section 110 of the Public Finance Management Act 2012. It was established on 3rd February 2015. The Fund is wholly owned by the County Government of Baringo and is domiciled in Kenya.

The fund's objective is to allow the County Executive Member to make payments when there is an urgent and unforeseen need for expenditure for which there is no specific legislative authority and meet expenses for emergency preparedness and mitigation.

The Fund's principal activity is to meet expenditures on urgent and unforeseen events characterized as:

1. Events not budgeted for and cannot be delayed until a later financial year without harming the general public interest.
2. Payments meant to alleviate the damage, loss, hardship or suffering which may be caused directly by the event.
3. The damage caused by the event is on a small scale and limited to the county.

b) Principal Activities

The principal activity/mission/ mandate of the Fund is to manage disaster promptly and the objectives are:

- *Prevention of danger or threat of any disaster*
- *Mitigation or reduction of risk of any disaster or severity or consequence.*
- *Capacity building.*
- *Preparedness to deal with any disaster.*
- *Prompt response to any threatening disaster or disaster.*
- *Assessing severity or magnitude of any disaster.*
- *Evacuation, rescue and relief.*

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c) Board of Trustees/Fund Administration Committee

Ref	Position	Name
1	Chairperson	CPA Kipkorir Gikono Kiptoo
2	Baringo County Emergency Fund Management Committee Members	Tom Tubei Michael Baimet Vincent Abuje Noah Chepwarwa Bethwel Wafula
3	Fund Administrator	CPA David Kibowen Rerimoi
4		
5		

d) Key Management Steam

Ref	Name	Position
1	CPA Kipkorir Gikono Kiptoo	Fund Chairperson
2	CPA David Rerimoi	Fund Administrator
3	Alvin Kipkemei	Fund Accountant
4		
5		

Key Entity and Management

e) Fiduciary Oversight Arrange

SN	Position	Name
1	Directorate Internal Audit	CPA Catherine Kibet
2	County Attorney	Julius Tarus
3	County Legal Officer	Patricia Tororei

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f) Registered Offices

P.O BOX 53-30400
AFC Building
Kabarnet – Iten Road

g) Fund Contacts

Telephone:(254) 053-22115
E-mail: baringocountyExecutive@gmail.com
Website: www.baringoExecutive.go.ke

h) Fund Bankers

1. Access Bank
Matetai Building
Philemon road –Kabarnet
Account number 0140130000003

Key Entity and Management (Continued)

i) Independent Auditors

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




j) Principal Legal Adviser

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



k) County Attorney

PO Box 53-30400
Office Of the Governor
Kabarnet, Kenya.

3. Baringo county Emergency Fund Administration Committee




Name	Details of qualifications and experience
<p>1. CPA Kipkorir Gikono Kiptoo</p> 	<p>Year of Birth:1980 Key Qualifications: Masters in Business Administration (JKUAT), BCOM,CPA(K) Senior Management Course. Experience: Chief Officer Finance. Chairman, Baringo County Emergency Fund Management committee.</p>
<p>2. Noah Cheparwa</p>	<p>Year of Birth:1979 Key Qualifications: Degree Water Engineering Experience: Chief Officer Water and Irrigation. Member, Baringo County Emergency Fund Management committee.</p>
<p>3. Tom Tubei</p> 	<p>Year of Birth: 1972 Key Qualifications: Holder of a Masters degree. Experience: Currently, Chief Officer Education. Member, Baringo County Emergency Fund Management committee.</p>
<p>4. Vincent Abuje</p> 	<p>Year of Birth:1977 Key Qualifications: Masters Experience: Director Agriculture for 17 years. Member, Baringo County Emergency Fund Management committee.</p>

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<p>5. Bethwel Wafula</p> 	<p>Year of Birth:1970</p> <p>Key Qualifications: Degree</p> <p>Experience: Director Draught Management Authority. Member, Baringo County Emergency Fund Management committee.</p>
<p>6. Michael Baimet</p> 	<p>Year of Birth:1986</p> <p>Key Qualifications: Degree</p> <p>Experience: Director Disaster Risk Management. Secretary, Baringo County Emergency Fund Management committee.</p>

**Baringo County Emergency Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

4. Baringo County Emergency Fund Management Team

Name	Details of qualifications and experience
<p>1. CPA Kipkorir Gikono kiptoo</p> 	<p>Year of Birth:1980 Key Qualifications: Masters in Business Administration (JKUAT), BCOM,CPA(K) Senior Management Course. Experience: Chief Officer Finance. Chairman, Baringo County Emergency Fund Management committee.</p>
<p>2. CPA David Kibowen Rerimoi</p> 	<p>Year of birth 1980 Key Qualifications: Masters in Business Administration (UON) ,BCOM,CPA(K) Senior Management Course, SLDP Fund Administrator, Baringo County Emergency Fund Management committee</p>
<p>3. Alvin Kipkemei</p> 	<p>Year of birth 1986 Key Qualification : Degree Bachelor of Commerce (Accounting Option) CPA Part II-Section IV Fund Accountant, Baringo County Emergency Fund Management committee</p>

Baringo County Emergency Fund
Annual Report and Financial Statements for the year ended June 30, 2023

5. Fund Chairperson's Report

Fund stakeholders, it is yet another end of year and it is therefore my duty to provide a report on the performance and operation of the fund for the 2022/2023 financial year. Despite the challenges encountered by fund management, the performance was fairly good. This can be depicted by cases handled using the fund. The fund did not however operate optimally due to low funding unlike prior years.

During the year under review, the fund did witness a change in the composition of its board and management team. Jane Barus left the Fund administration committee and was replaced by CPA Kipkorir Gikono Kiptoo. Other members were Noah Chepwarwa, Micheal Baimet, Vincent Abuje and Bethwel Wafula. Total revenue for the year was ksh 18,900,000.00, while Total expenditure during the year was ksh 16,513,114.75, compared to the previous Fy 2021/2022, When Total revenue was 12,500,000 and Total Expenditure was 16,649,622.20. The surplus at the end of financial year was ksh 2,386,885.25, while in FY 2021/2022 was Ksh (4,149,622.20) In the year under review, total expenses decreased by ksh 136,507.45. Going forward, the fund will analyse its prior year's income and expenditure so as to present a realistic budget. Further, the fund has laid strategies to increase its revenue by partnering with several donors and government institutions so as to handle various emergent issues.

Name..... Cutbow Kiptoo Signature.....  Date..... 14/12/23

Chairperson Baringo County Emergency Fund


6. Report of The Fund Administrator

In the year under review, the fund committee composition was made up of Kipkorir Gikono Kiptoo being the Chairperson while members were Noah Chepwarwa, Tom Tubei, Micheal Baimet, Vincent Abuje and Bethwel Wafula. Total revenue for the year was ksh 18,900,000. Total expenditure during the year was ksh 16,513,114.75 paid to meet various expenditure request by disaster management committee. The surplus at the end of financial year was ksh 2,386,885.25 while 2021/2022 was Ksh (4,149,622.20).

Total asset is made up of cash and cash equivalent of ksh 3,340,688.30 while in the previous year it was ksh 953,803.05. Total liabilities for the two years has been zero.

From the above financials, it is clear that the fund budgetary allocation is not consistent. Baringo County Emergency Fund faced a myriad of challenges while implementing its strategic objectives. Key challenge was allocation of limited resources to an ever increasing demand for emergency response due to effects of climate change. This curtailed the scope of impact the fund could have made. Going forward, the fund will analyse its prior year's income and expenditure so as to present a realistic budget. Further, the fund has laid strategies to increase its revenue by partnering with several donors and government institutions so as to effectively handle various emergent issues. Notable achievements by the fund include water trucking services in drought-stricken areas, food and non-food items donation to victims of drought, insecurity, landslides, fire tragedies victims. To effectively mitigate risk, the fund through its committee has adopted the following risk management strategies: risk identification, risk analysis, risk evaluation, risk treatment, risk monitoring, risk avoidance, risk reduction and risk sharing. This was adopted from Baringo County Risk Management Policy.

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Name..... DARIO DEZIMONSignature..... Date..... 13 DEC 2023

Fund Administrator Baringo County Emergency Fund



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

Introduction

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

The key development objectives of the Baringo County Government Emergency Fund for the period 2022-2023 plan are to:

- a) *Prevention of danger or threat of any disaster*
- b) *Mitigation or reduction of risk of any disaster or severity or consequence.*
- c) *Capacity building.*
- d) *Preparedness to deal with any disaster.*
- e) *Prompt response to any threatening disaster or emergency.*
- f) *Assessing severity or magnitude of any disaster.*
- g) *Evacuation, rescue and relief.*

Progress on attainment of Strategic development objectives

Below we provide the progress on attaining the stated objectives:

Program	Objective	Outcome	Indicator	Performance
Prevention	<i>Prevention of danger or threat of any disaster</i>	Decreased danger or threat of any disaster	% of danger or disaster decreased	In FY 22/23 we prevented disaster by 70% in areas prone to dangers liked drowning, resource based conflict, landslides and Human

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				wild life attack,drought,human and livestock diseases outbreak through continuous community capacity building and sensitization, dissemination of early warning information,
Mitigation	<i>Mitigation or reduction of risk of any disaster or severity or consequence</i>	Decreased occurrence of disaster or severity or consequence	% of cases mitigated	In FY 22/23 we mitigated risk of starvation, floods, insecurity, by 60% in areas prone to starvation by early prepositioning of foodstuffs, assessment for rehabilitation of water infrastructural facilities, support from stakeholders and partners through implementation of various cash transfer programme to worst hit households, water trucking services

Baringo County Emergency Fund

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Capacity building	<i>Capacity building.</i>	Increased awareness	Increased number of trained persons	In FY 22/23, trained personnel increased by 60% while 100% trainings was conducted to residents in areas prone to dangers liked drowning, cattle rustling, landslides and animal attacks
Preparedness	<i>Preparedness to deal with any disaster</i>	Facilities and personnel to deal with disaster	Availability of facilities and rescuers	In FY 22/23 we engaged Cheploch divers as stand by rescuers. Partnered with Kenya Redcross, Kenya meteorological department to predict weather conditions in time. Stocked cereals in time to deal with drought.
Response time	<i>Prompt response to any threatening disaster or disaster</i>	Decreased response time	Time taken to respond to disaster	In FY 22/23, our response time to hazards liked drowning, cattle rustling, landslides and animal attacks decreased.

Baringo County Emergency Fund
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Assessment	<i>Assessing severity or magnitude of any disaster</i>	Increased Statistics and reports of assessments.	% statistics and reports to provide trend	In FY 22/23 assessment reports increased by 40%.A good examples include, food security assessment, and flood assessment
Action	<i>Evacuation, rescue and relief.</i>	Increased number of evacuated, rescued and relief cases handled.	% of people evacuated, rescued and relief provided.	In FY 22/23 90% of cases reported was successfully evacuated, rescued and provided with relief.

8. Corporate Governance Statement

We remain committed to the highest standards of corporate governance and ethics in order to deliver long term and sustainable stakeholder value. Baringo County Emergency Fund continues to adhere to its obligations as a public entity in Kenya in compliance with Code of Corporate Governance Practices.

The primary role of the Baringo County Emergency Fund is to assist various stakeholders in society affected by urgent and unforeseen catastrophies. The Committee is solely responsible for its agenda. However, it is the responsibility of the chairman and the fund secretary to come up with the annual committee work plan and an agenda for the meetings. Baringo County Emergency Fund meets at least four times a year and the meetings are structured in a way that allows for open discussions. Comprehensive board papers are prepared and circulated to all fund committee members for all substantive agenda items at least two weeks prior to the meeting. This allows time for the committee members to undertake an appropriate review of the board papers to facilitate full and effective discussions at the meetings.

The Board Charter is critical to the funds governance framework, and offers guidance on matters including but not limited to the following; The separation of the roles, functions, responsibilities and powers of the fund management committee and its individual members; Powers delegated to the fund committees; Matters reserved for final decision-making and approval by the fund management committee; Policies and practices of the fund management on matters of corporate governance, committees' declarations and conflict of interest, conduct of fund and fund committee meetings; and Nomination, appointment, induction, ongoing training and performance evaluation of the fund and its committees.

The committee members and chairman are obligated to fully disclose any real or potential conflict of interest, which comes to any committee's attention, whether direct or indirect. The statutory duty to avoid situations in which the committee have or may have interests that conflict with those of the fund has been observed by the board in the financial year under review. All business transactions with all parties, committee or their related parties are carried out at arm's length. An acknowledgement that should it come to the attention of a committee member that a matter concerning the fund may result in a conflict of interest, obligates the fund committee member to declare the same and exclude himself / herself from any discussion or decision over the matter in question.

Baringo County Emergency Fund
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Fund committee members are paid a sitting allowance for every meeting attended depending on availability of funds.

Baringo County Emergency Fund committee members are expected to act with honesty, integrity and fairness in all their dealings with one another and with stakeholders and to respect the diverse cultures of the Kenyan people. The fund adopted Baringo County Government code of conduct. When joining the Fund management, every committee members are provided with a copy of the code and must commit to abide by its requirements.

Committee members undergo regular training and education to enable them fulfil their responsibilities through respective departments. All members receive an induction upon joining. This provides an overview of the fund, new developments in the environment in which the fund operates, accounting and financial reporting developments, as well as any regulatory changes. Committee members are appointed depending on the departmental representation however the committee is made up of employees on contract and permanent terms. This ensures that there is continuity at all times.

9. Management Discussion and Analysis

In the year under review, total revenue was ksh 18,900,000 FY 2022/2023, while Total expenditure during the year was ksh 16,513,114.75 paid to meet various expenditure request by disaster management committee.

Total asset is made up of cash and cash equivalent of ksh 3,340,688.30 while in the previous year it was ksh 953,803.05. Total liabilities for the two years has been zero.

By holding huge amounts of assets in form of cash and cash equivalents, the fund deprives services to victims of disaster. Therefore, the fund has not achieved value for money for such cash. The fund has complied to a high level in adhering to statutory requirements. The fund has faced systematic risk in its operation.

10. Environmental and Sustainability Reporting

Baringo County Emergency Fund aims to minimize any harmful effects and consider the development and implementation of environmental standards that are compatible with the topography of Baringo County. As such, we strongly encourage the internationally established 3 Rs: Reduce, Re-use and Recycle. Through the County department of Environment, the fund has a policy to guide its operations. We seek to identify opportunities to optimise consumption of energy, water and other natural resources by striving to re-use and recycle where possible and dispose of non-recyclable items responsibly, thereby minimizing negative impact of waste on the environment. Being a county prone to floods, landslide and drought, measures has been put in place to encourage various stakeholders to plant trees with a view to conserving the environment. In the just concluded year, we actively participated in donor funded activities and projects aimed at reducing environmental degradation.

1. Employee welfare

Hiring process is guided by the Human Resource Manual. This is undertaken by the department of Human resource after receiving request from Baringo County Government Emergency Fund. Staff is trained periodically on professional issues.

2. Market place practices

a) Responsible competition practice.

Baringo County Government Emergency Fund has maintained responsible competition practices by adopting various strategies. Code of ethics and anti- corruption declaration form is used to reduce instances of corruption malpractices. Open tenders, framework contracts and quotations are used to maintain fair competition amongst suppliers. Declaration of conflict of interest is usually adopted to avoid instances where stakeholders interfere with the activities of the fund.

b) Responsible Supply chain and supplier relations

Baringo County Government Emergency Fund maintains good business practices with suppliers through timely provision of information, prompt payments, good communication and proper record keeping of supplier documents. This has resulted in harmonious relationship.

c) Responsible marketing and advertisement

During public awareness of impending disasters, Baringo County Government Emergency Fund ensures that advertisements are structured in such a manner that it does not infringe the rights of citizens and also ensures that confidentiality is kept.

d) Product stewardship

While making donations to persons who have been struck by a disaster, Baringo County Government Emergency Fund ensures that the donations meet the recommended quality standards for the purpose of ensuring safety of beneficiaries. Such donations may include basic needs.

Baringo County Emergency Fund
Annual Report and Financial Statements for the year ended June 30, 2023

11. Report of Management Committee

The Fund Administration Committee submits their report together with the audited financial statements for the year ended June 30, 2023 which show the state of the Fund affairs.

Principal activities

The principal activity/mission/ mandate of the Fund is to manage disaster promptly and the objectives are:

- *Prevention of danger or threat of any disaster*
- *Mitigation or reduction of risk of any disaster or severity or consequence.*
- *Capacity building.*
- *Preparedness to deal with any disaster.*
- *Prompt response to any threatening disaster or disaster.*
- *Assessing severity or magnitude of any disaster.*
- *Evacuation, rescue and relief.*

Fund Administration Committee

The members of the Fund Administration Committee who served during the year are shown on page vi-ix. The changes in the Board during the financial year are shown in page x

Auditors

The Auditor General is responsible for the statutory audit of the Fund in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board



.....
Fund Management Committee

Date: 14/2/2023

Baringo County Emergency Fund
Annual Report and Financial Statements for the year ended June 30, 2023

Baringo County Emergency Fund
Annual Report and Financial Statements for the year ended June 30, 2023

12. Statement of Management's Responsibilities

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

The Administrator of the Baringo County Emergency Fund is responsible for the preparation and presentation of the Fund's financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 2023. This responsibility includes:

- (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Fund;
- (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud;
- (iv) Safeguarding the assets of the Fund;
- (v) Selecting and applying appropriate accounting policies; and
- (vi) Making accounting estimates that are reasonable in the circumstances.

The Administrator of the County Public Fund accepts responsibility for the Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and Baringo County Government Emergency Fund) Regulations 2015. The Administrator of the Fund is of the opinion that the Fund's financial statements give a true and fair view of the state of Fund's transactions during the financial year ended June 30, 2023, and of the Fund's financial position as at that date. The Administrator further confirm the completeness of the accounting records

Baringo County Emergency Fund
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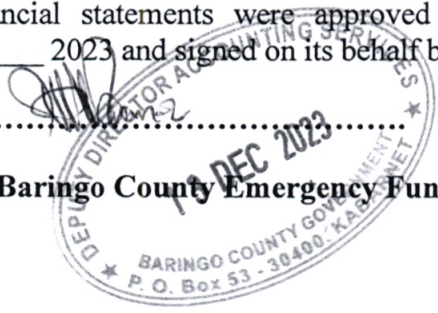
maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Administrator of the County Public Fund has assessed the Fund's ability to continue as a going concern and disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements. Nothing has come to the attention of the Administrator to indicate that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

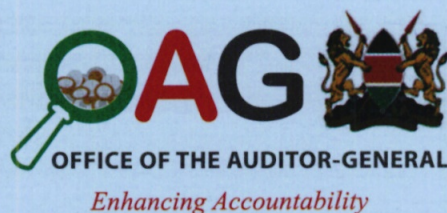
The Fund's financial statements were approved by the Fund Management Committee on _____ 2023 and signed on its behalf by:

.....
Administrator Baringo County Emergency Fund



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 BARINGO COUNTY EMERGENCY FUND FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

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

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

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Baringo County Emergency Fund set out on pages 1 to 40, which comprise the statement of financial position as at

30 June, 2023 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Baringo County Emergency Fund as at 30 June, 2023 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management (Baringo County Emergency Fund) Regulations, 2018 and the Public Finance Management Act, 2012.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. I have determined that there were no key audit matters to report in the year under review.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Irregular Appointment of the Fund Administrator

The Fund is administered by the county director of finance-accounting services contrary to Section 111(1) of the Public Finance Management Act, 2012 which requires the County

Executive Committee Member for Finance to administer the County Government Emergency Fund.

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

2. Irregular Emergency Expenditure

The statement of financial performance reflects use of goods and services expenditure of Kshs.16,513,115 as disclosed in Note 7 to the financial statements. Included in the amount, is expenditure incurred on training of national police reservists and peace building activities of Kshs.806,920 and Kshs.529,200 respectively, totalling Kshs.1,336,120 which were not of emergency in nature. This was contrary to Section 112(1) of the Public Finance Management Act, 2012 which requires the County Executive Committee Member for Finance to make payments from the County Government's Emergency Fund only if he or she is satisfied that there is an urgent and unforeseen need for the expenditure.

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

3. Lack of an Approved Budget

During the year under review, the Fund operated without an approved budget. This is contrary to Section 149(2)(h)&(i) of the Public Finance Management Act, 2012 which requires the accounting officer to prepare estimates of expenditure of the entity in conformity with the strategic plan and submit the estimates to the County Executive Committee Member for Finance.

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

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

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

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015 and based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

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

Responsibilities of the Management and Those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue to sustain 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, the Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements comply with the authorities which govern them and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, 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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect

a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed 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.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal controls that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal controls may not prevent or detect misstatements and instances of non compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:


- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to

continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to sustain services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL



Nairobi

03 January, 2024

Baringo County Emergency Fund
Annual Report and Financial Statements for the year ended June 30, 2023

14. Statement of Financial Performance for the Year Ended 30th June 2023

Description	Note	FY 2022-2023	FY 2021-2022
		Kshs	Kshs
Revenue From Non-Exchange Transactions			
Public Contributions and Donations	1	0.00	0.00
Transfers From the County Government	2	18,900,000.00	12,500,000.00
Fines, Penalties and Other Levies	3	0.00	0.00
		18,900,000.00	12,500,000.00
Revenue From Exchange Transactions			
Interest Income	4	0.00	0.00
Other Income	5	0.00	0.00
		0.00	0.00
Total Revenue		18,900,000.00	12,500,000.00
Expenses			
Employee Costs	6	0.00	0.00
Use of goods and services	7	16,513,114.75	16,649,622.20
Depreciation and Amortization Expenses	8	0.00	0.00
Finance Costs	9	0.00	0.00
Total Expenses		16,513,114.75	16,649,622.20
Other Gains/Losses			
Gain/Loss on Disposal of Assets	10	0.00	0.00
Gain /Loss on fair value of investments	11	0.00	0.00
Surplus/(Deficit) for the Period		2,386,885.25	-4,149,622.20



 Name: CPA DAVID RERIMOI
 Fund Administrator
 ICPAK Member Number: 6624



 Name: ALVIN KIPKEMEI
 Fund Accountant
 ICPAK Member Number:

Baringo County Emergency Fund
Annual Report and Financial Statements for the year ended June 30, 2023

15. Statement of Financial Position As at 30 June 2023

Description	Note	FY 2022-2023	FY 2021-2022
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	12	3,340,688.30	953,803.05
Current Portion of Long- Term Receivables From Exchange Transactions	13	0.00	0.00
Prepayments	14	0.00	0.00
Inventories	15	0.00	0.00
Investments in financial assets	16	0.00	0.00
Total current assets		3,340,688.30	953,803.05
Non-Current Assets			
Property, Plant and Equipment	17	0.00	0.00
Intangible Assets	18	0.00	0.00
Long Term Receivables from Exchange Transactions	13	0.00	0.00
Investment Property	19	0.00	0.00
Total non- current assets		0.00	0.00
Total Assets		3,340,688.30	953,803.05
Liabilities			
Current Liabilities			
Trade and Other Payables from Exchange Transactions	20	0.00	0.00
Current Portion of Borrowings	21	0.00	0.00
Employee Benefit Obligations	22	0.00	0.00
Social benefit liabilities	23	0.00	0.00
Total current liabilities		0.00	0.00
Non-Current Liabilities			
Long Term Portion of Borrowings	21	0.00	0.00
Non-Current Employee Benefit Obligation	22	0.00	0.00
Social benefit liabilities	23	0.00	0.00
Total Liabilities		0.00	0.00



Baringo County Emergency Fund
Annual Report and Financial Statements for the year ended June 30, 2023

Description	Note	FY 2022-2023	FY 2021-2022
		Kshs	Kshs
Net Assets			
Revolving Fund		0.00	0.00
Reserves		953,803.05	5,103,425.25
Accumulated Surplus		2,386,885.25	-4,149,622.20
Total Net Assets and Liabilities		3,340,688.30	953,803.05

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 _____ 2023 and signed by:




Name: CPA DAVID RERIMOI
Fund Administrator
ICPAK Member Number: 6624

Name: ALVIN KIPKEMEI
Fund Accountant
ICPAK Member Number:


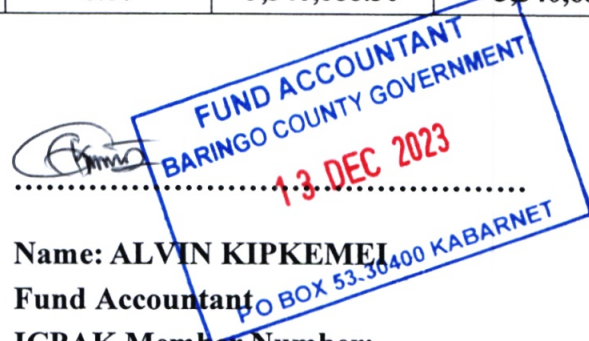
**Baringo County Emergency Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

16. Statement Of Changes in Net Assets for the year ended 30th June 2023

Description	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
		Kshs	Kshs	Kshs
Balance As At 1 July,2021 (Previous FY)	0.00	0.00	5,103,425.25	5,103,425.25
Surplus/(Deficit) For the Period	-	-	(4,149,622.20)	(4,149,622.20)
Funds Received During the Year	0.00	-		
Transfers	0.00		0.00	0.00
Revaluation Gain	-	0.00	-	-
Balance As At 30 June,2022 (Previous FY)	0.00	0.00	953,803.05	953,803.05
Balance As At 1 July,2021 (Current FY)	0.00	0.00	953,803.05	953,803.05
Surplus/(Deficit) For the Period		-	2,386,885.25	2,386,885.25
Funds Received During the Year	0.00	-	-	-
Transfers	0.00		(0.00)	(0.00)
Revaluation Gain	-	0.00	0.00	0.00
Balance As At 30 June,2023 (Current FY)	0.00	0.00	3,340,688.30	3,340,688.30




Name: CPA DAVID RERIMOI
 Fund Administrator
 ICPAK Member Number: 6624

Name: ALVIN KIPKEMEI
 Fund Accountant
 ICPAK Member Number:

Baringo County Emergency Fund**Annual Report and Financial Statements for the year ended June 30, 2023****17. Statement of Cash Flows for The Year Ended 30 June 2023**

Description	Note	FY 2022-2023	FY 2021-2022
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Public contributions and donations		0.00	0.00
Transfers from the county government		18,900,000.00	12,500,000.00
Interest received		0.00	0.00
Receipts from other operating activities		0.00	0.00
Total receipts		18,900,000.00	12,500,000.00
Payments			
Fund administration expenses		0.00	0.00
General expenses		16,513,114.75	16,649,622.20
Finance cost		0.00	0.00
Other payments		0.00	0.00
Net cash flows from operating activities	24	2,386,885.25	(4,149,622.20)
Cash flows from investing activities			
Purchase of property, plant, equipment and Intangible assets		(0.00)	(0.00)
Proceeds from sale of property, plant & equipment		0.00	0.00
Proceeds from loan principal repayments		0.00	0.00
Loan disbursements paid out		(0.00)	(0.00)
Net cash flows used in investing activities		(0.00)	(0.00)
Cash flows from financing activities			
Proceeds from revolving fund receipts		0.00	0.00
Additional borrowings		0.00	0.00
Repayment of borrowings		(0.00)	(0.00)
Net cash flows used in financing activities		(0.00)	(0.00)
Net increase/(decrease) in cash & cash Equivalents		2,386,885.25	(4,149,622.20)
Cash and cash equivalents at 1 July		953,803.05	5,103,425.25
Cash and cash equivalents at 30 June		3,340,688.30	953,803.05

Baringo County Emergency Fund
Annual Report and Financial Statements for the year ended June 30, 2023

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

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	b	C=(a+b)	d	e=(c-d)	f=d/c*100
Revenue						
Public Contributions and Donations	0.00	(0.00)	0.00	0.00	(0.00)	0%
Transfers From County Govt.	18,900,000	(0.00)	18,900,000	18,900,000	(0.00)	100%
Interest Income	0.00	0.00	0.00	0.00	(0.00)	0%
Other Income	0.00	-	0.00	0.00	0.00	0%
Total Income	18,900,000	(0.00)	18,900,000	18,900,000	(0.00)	100%
Expenses						
Fund Administration Expenses	0.00	-	0.00	0.00	(0.00)	0%
General Expenses	16,513,114.75	(0	16,513,114.75	16,513,114.75	(0.00)	100%
Finance Cost	0.00	(0.00)	0.00	0.00	(0.00)	
Total Expenditure	16,513,114.75	0.00)	16,513,114.75	16,513,114.75	(0)	100%
Surplus For the Period	2,386,885.25	-	2,386,885.25	2,386,885.25	0	100%
Capital expenditure	0	0	0	0	0	

Baringo County Emergency Fund
Annual Report and Financial Statements for the year ended June 30, 2023

19. Notes to the Financial Statements

1. General Information

Baringo county Emergency fund is established by and derives its authority and accountability from section 110 of the Public Finance Management Act 2012 on 3rd February 2015. The entity is wholly owned by the Baringo County Government and is domiciled in Kenya. The entity’s principal activity is is to manage disaster promptly.

2. Statement of compliance and basis of preparation

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

3. Adoption of new and revised standards

(i) *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2023*

Standard	Effective date and impact
<p>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1st January 2023</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity’s future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset’s cash flows and the objective for which the asset is held;

Baringo County Emergency Fund

Annual Report and Financial Statements for the year ended June 30, 2023

Standard	Effective date and impact
	<ul style="list-style-type: none">• Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
IPSAS 42: Social Benefits	Applicable: 1st January 2023 <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ul style="list-style-type: none">(a) The nature of such social benefits provided by the Entity;(b) The key features of the operation of those social benefit schemes; and(c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows.
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	Applicable: 1st January 2023 <ul style="list-style-type: none">a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.

Baringo County Emergency Fund

Annual Report and Financial Statements for the year ended June 30, 2023

Standard	Effective date and impact
	<p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>
<p>Other improvements to IPSAS</p>	<p>Applicable 1st January 2023</p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> • <i>IPSAS 39: Employee Benefits</i> <p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> • IPSAS 29: Financial instruments: Recognition and Measurement <p>Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.</p>

(ii) *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2023.*

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

Baringo County Emergency Fund
Annual Report and Financial Statements for the year ended June 30, 2023

Standard	Effective date and impact:
IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>

(iii) Early adoption of standards

The Entity did not early – adopt any new or amended standards in the financial year 2022

1. Significant Accounting Policies

a) Revenue recognition

i. Revenue from non-exchange transactions

Transfers from other government entities

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

ii. Revenue from exchange transactions

Interest income

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

Dividends

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

Rental income

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

b) Budget information

The original budget for FY 2023 was approved by the County Assembly on 30th June, 2022. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Fund recorded additional appropriations of Zero on the FY 2022/2023 budget following the governing body's approval.

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

Baringo County Emergency Fund
Annual Report and Financial Statements for the year ended June 30, 2023

Summary of Significant Accounting Policies (Continued)

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

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

c) Property, plant and equipment

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

d) Intangible Assets

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

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

e) Investment property

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

Summary of Significant Accounting Policies (Continued)

f) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial assets

Classification of financial assets

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

Subsequent measurement

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

Baringo County Emergency Fund
Annual Report and Financial Statements for the year ended June 30, 2023

Summary of Significant Accounting Policies (Continued)

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date.

Significant Accounting Policies (Continued)

Financial liabilities

Classification

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

g) Inventories

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

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

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

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

h) Provisions

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

i) Social Benefits

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

Baringo County Emergency Fund

Annual Report and Financial Statements for the year ended June 30, 2023

Summary of Significant Accounting Policies (Continued)

j) Contingent liabilities

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

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.

k) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements. Changes in accounting policies and estimates

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

l) Employee benefits – Retirement benefit plans

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

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

Summary of Significant Accounting Policies (Continued)

m) Foreign currency transactions

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

n) Borrowing costs

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

o) Related parties

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

p) Cash and cash equivalents

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

q) Comparative figures

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

Baringo County Emergency Fund
Annual Report and Financial Statements for the year ended June 30, 2023

Summary of Significant Accounting Policies (Continued)

5. Significant judgments and sources of estimation uncertainty

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

a) Estimates and assumptions –

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

b) Useful lives and residual values

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

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

c) Provisions

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

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

Baringo County Emergency Fund
Annual Report and Financial Statements for the year ended June 30, 2023

6. Notes To The Financial Statements

1. Public contributions and donations

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Donation From Development Partners	0.00	0.00
Contributions From The Public	0.00	0.00
Total	0.00	0.00

2. Transfers from County Government

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Transfers From County Govt. –Operations	18,900,000.00	12,500,000.00
Payments By County On Behalf Of The Entity	0.00	0.00
Unconditional Development grants	0.00	0.00
Total	18,900,000.00	12,500,000.00

3. Fines, penalties and other levies

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Late Payment Penalties	0.00	0.00
Fines	0.00	0.00
Total	0.00	0.00

4. Interest income

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Interest Income from Mortgage Loans	0.00	0.00
Interest Income From Car Loans	0.00	0.00
Interest Income From Investments in financial assets	0.00	0.00
Interest Income On Bank Deposits	0.00	0.00
Total Interest Income	0.00	0.00

Notes to the Financial Statements Continued

Baringo County Emergency Fund**Annual Report and Financial Statements for the year ended June 30, 2023****5. Other income**

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Insurance Recoveries	0.00	0.00
Income from Sale of Tender Documents	0.00	0.00
Bad debts recovered	0.00	0.00
Miscellaneous Income	0.00	0.00
Total Other Income	0.00	0.00

6. Employee Costs

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Salaries And Wages	0.00	0.00
Staff Gratuity	0.00	0.00
Staff Training Expenses	0.00	0.00
Social Security Contribution	0.00	0.00
Other (<i>Specify</i>)	0.00	0.00
Total	0.00	0.00

7. Use of Goods and Services

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
General Office Expenses	0.00	11,249,000.00
Loan Processing Costs	0.00	0.00
Professional Services Costs	0.00	0.00
Administration Fees	0.00	0.00
Committee Allowances	334,600.00	0.00
Bank Charges	0.00	0.00
Electricity And Water Expenses	0.00	0.00
Fuel And Oil Costs	3,077,595.00	993,103.40
Insurance Costs	0.00	0.00
Postage And Courier	0.00	0.00
Printing And Stationery	0.00	0.00
Rental Costs	29,370.75	0.00
Security Costs	0.00	0.00
Telephone And Communication Expenses	0.00	0.00

Baringo County Emergency Fund**Annual Report and Financial Statements for the year ended June 30, 2023**

Description	FY 2022-2023	FY 2021-2022
	Kshs.	Kshs.
Bank Charges	5,160.00	4,680.00
Audit Fees	0.00	0.00
Provision For Doubtful Debts	0.00	0.00
Other (<i>Specify</i>)	13,066,389.00	4,402,838.80
Social benefit expenses*	0.00	0.00
Total	16,513,114.75	16,649,622.20

8. Depreciation and Amortization Expense

Description	FY 2022-2023	FY 2021-2022
	Kshs.	Kshs.
Property Plant and Equipment	0.00	0.00
Intangible Assets	0.00	0.00
Total	0.00	0.00

9. Finance costs

Description	FY 2022-2023	FY 2021-2022
	Kshs.	Kshs.
Interest On Bank Overdrafts	0.00	0.00
Interest On Loans From Banks	0.00	0.00
Total	0.00	0.00

10. Gain/(loss) on disposal of assets

Description	FY 2022-2023	FY 2021-2022
	Kshs.	Kshs.
Property, Plant and Equipment	0.00	0.00
Intangible Assets	0.00	0.00
Total	0.00	0.00

11. Gain/ (loss) on Fair Value Investments

Description	FY 2022-2023	FY 2021-2022
	Kshs.	Kshs.
Investments at Fair Value- Equity investments	0.00	0.00
Fair value – Investment property	0.00	0.00
Fair value- other financial assets (specify)	0.00	0.00

Baringo County Emergency Fund

Annual Report and Financial Statements for the year ended June 30, 2023

Total Gain	0.00	0.00
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12. Cash and cash equivalents

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Baringo County Emergency Fund	3,340,688.30	953,803.05
County Mortgage Account	0.00	0.00
Fixed Deposits Account	0.00	0.00
On – Call Deposits	0.00	0.00
Current Account	0.00	0.00
Others (<i>Specify</i>)	0.00	0.00
Total Cash And Cash Equivalents	3,340,688.30	953,803.05

Baringo County Emergency Fund
Annual Report and Financial Statements for the year ended June 30, 2023

Notes to the Financial Statements Continued

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

Financial Institution	Account number	FY 2022-2023	FY 2021-2022
		Kshs	Kshs
a) Fixed Deposits Account			
Kenya Commercial Bank		0.00	0.00
Equity Bank, Etc.		0.00	0.00
Sub- Total		0.00	0.00
b) On - Call Deposits			
Kenya Commercial Bank		0.00	0.00
Equity Bank - Etc.		0.00	0.00
Sub- Total		0.00	0.00
c) Current Account			
Access Bank	0140130000003	3,340,688.30	953,803.05
Bank B		0.00	0.00
Sub- Total		0.00	0.00
d) Others(Specify)			
Cash In Transit		0.00	0.00
Cash In Hand		0.00	0.00
Sub- Total		0.00	0.00
Grand Total		3,340,688.30	953,803.05

13. Receivables from exchange transactions

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Current Receivables		
Interest Receivable	0.00	0.00
Current Loan Repayments Due	0.00	0.00
Other Exchange Debtors	0.00	0.00
Less: Impairment Allowance	(0.00)	(0.00)
Total Current Receivables		
Non-Current Receivables		
Long Term Loan Repayments Due	0.00	0.00
Total Non- Current Receivables	0.00	0.00
Total Receivables From Exchange Transactions	0.00	0.00

Baringo County Emergency Fund

Annual Report and Financial Statements for the year ended June 30, 2023

Notes to the Financial Statements Continued

Additional disclosure on interest receivable

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Interest Receivable		
Interest receivable from current portion of long-term loans of previous years	0.00	0.00
Accrued interest receivable from of long-term loans of previous years	0.00	0.00
Interest receivable from current portion of long-term loans issued in the current year	0.00	0.00
Current loan repayments due		
Current portion of long-term loans from previous years	0.00	0.00
Accrued principal from long-terms loans from previous periods	0.00	0.00
Current portion of long-term loans issued in the current year	0.00	0.00

14. Prepayments

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Prepaid Rent	0.00	0.00
Prepaid Insurance	0.00	0.00
Prepaid Electricity Costs	0.00	0.00
Other Prepayments (<i>Specify</i>)	0.00	0.00
Total	0.00	0.00

15. Inventories

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Consumable Stores	0.00	0.00
Spare Parts And Meters	0.00	0.00
Catering	0.00	0.00
Other Inventories (<i>Specify</i>)	0.00	0.00
Total Inventories at The Lower of Cost and Net Realizable Value	0.00	0.00

Notes to the Financial Statements Continued

Baringo County Emergency Fund

Annual Report and Financial Statements for the year ended June 30, 2023

16. Investments in financial assets

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
a. Investment in Treasury bills and bonds		
Financial institution		
CBK	0.00	0.00
CBK	0.00	0.00
Sub- total	0.00	0.00
b. Investment with Financial Institutions/ Banks		
Bank	0.00	0.00
Bank	0.00	0.00
Sub- total	0.00	0.00
c. Equity investments (specify)		
Equity/ shares in Entity xxx	0.00	0.00
Sub- total	0.00	0.00
Grand total	0.00	0.00

Movement of Equity Investments

Impairment allowance/ provision	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
At the beginning of the year	0.00	0.00
Purchase of investments in the year	0.00	0.00
Sale of investments during the year	(0.00)	(0.00)
Gain/(loss) in fair value of investments through surplus or deficit	0.00	0.00
At the end of the year	0.00	0.00

e) Shareholding in other entities

Name of Entity where investment is held	No of shares			Nominal value of shares	Fair value of shares of current year	Fair value of shares of prior year
	Direct shareholding	Indirect shareholding	Effective shareholding			
	%	%	%	Kshs	Kshs	Kshs
Entity A	0.00	0.00	0.00	0.00	0.00	0.00
Entity B	0.00	0.00	0.00	0.00	0.00	0.00
Entity C	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00

Baringo County Emergency Fund
Annual Report and Financial Statements for the year ended June 30, 2023

Notes To The Financial Statements (Continued)

17. Property, plant and equipment

Cost	Land and Buildings Kshs	Motor vehicles Kshs	Furniture and fittings Kshs	Computers and office equipment Kshs	Total Kshs
At 1st July, 2021 (Previous FY)	-	-	-	-	-
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Transfers/Adjustments	-	-	-	-	-
At 30th June, 2022 (Previous FY)	-	-	-	-	-
At 1st July (Current FY)	-	-	-	-	-
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-
At 30th June (Current FY)	-	-	-	-	-
Depreciation And Impairment	-	-	-	-	-
At 1st July (Previous FY)	-	-	-	-	-
Depreciation	-	-	-	-	-
Impairment	-	-	-	-	-
At 30th June (Previous FY)	-	-	-	-	-
At 1st July (Current FY)	-	-	-	-	-
Depreciation	-	-	-	-	-
Disposals	-	-	-	-	-
Impairment	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-
At 30th June (Current FY)	-	-	-	-	-
Net Book Values	-	-	-	-	-
At 30th June (Previous FY)	-	-	-	-	-
At 30th June (Current FY)	-	-	-	-	-

Baringo County Emergency Fund

Annual Report and Financial Statements for the year ended June 30, 2023

Notes To The Financial Statements (Continued)

18. Intangible assets

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Cost		
At Beginning of The Year	0.00	0.00
Additions	0.00	0.00
At End of The Year	0.00	0.00
Amortization And Impairment		
At Beginning of The Year	0.00	0.00
Amortization	0.00	0.00
At End of The Year	0.00	0.00
Impairment Loss	0.00	0.00
At End of The Year	0.00	0.00
NBV	0.00	0.00

19. Investment Property

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
At beginning of the year	0.00	0.00
Additions	0.00	0.00
Disposal during the year	(0.00)	(0.00)
Depreciation	(0.00)	(0.00)
Impairment	(0.00)	(0.00)
Gain/(loss) in fair value (if fair value is elected)	0.00	0.00
At end of the year	0.00	0.00

Baringo County Emergency Fund

Annual Report and Financial Statements for the year ended June 30, 2023

Notes To The Financial Statements (Continued)

20. Trade and other payables from exchange transactions

Description	FY 2022-2023		FY 2021-2022	
	Kshs		Kshs	
Trade Payables	0.00		0.00	
Refundable Deposits	0.00		0.00	
Accrued Expenses	0.00		0.00	
Other Payables	0.00		0.00	
Total Trade and Other Payables	0.00		0.00	
Ageing analysis (Trade and other payables)	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (tie to above total)	-		-	

21. Provisions

Description	Leave provision	Bonus provision	Other provision	Total
	Kshs	Kshs	Kshs	Kshs
Balance At the Beginning Of The Year	0.00	0.00	0.00	0.00
Additional Provisions	0.00	0.00	0.00	0.00
Provision Utilised	(0.00)	(0.00)	(0.00)	(0.00)
Change Due To Discount And Time Value For Money	(0.00)	(0.00)	(0.00)	(0.00)
Transfers From Non -Current Provisions	0.00	0.00	0.00	0.00
Balance At The End of The Year	0.00	0.00	0.00	0.00

Baringo County Emergency Fund

Annual Report and Financial Statements for the year ended June 30, 2023

Notes To The Financial Statements (Continued)

22. Borrowings

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Balance At Beginning of The Period	0.00	0.00
External Borrowings During the Year	0.00	0.00
Domestic Borrowings During the Year	0.00	0.00
Repayments Of External Borrowings During the Period	(0.00)	(0.00)
Repayments Of Domestic Borrowings During the Period	(0.00)	(0.00)
Balance At End of The Period	0.00	0.00

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

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
External Borrowings		
Dollar Denominated Loan From 'X Organization'	0.00	0.00
Sterling Pound Denominated Loan From 'Y Organization'	0.00	0.00
Euro Denominated Loan from Z Organization'	0.00	0.00
Domestic Borrowings	0.00	0.00
Kenya Shilling Loan From KCB	0.00	0.00
Kenya Shilling Loan from Barclays Bank	0.00	0.00
Kenya Shilling Loan from Consolidated Bank	0.00	0.00
Borrowings From Other Government Institutions	0.00	0.00
Total Balance at End of The Year	0.00	0.00

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

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Short Term Borrowings (Current Portion)	0.00	0.00
Long Term Borrowings	0.00	0.00
Total	0.00	0.00

Baringo County Emergency Fund

Annual Report and Financial Statements for the year ended June 30, 2023

Notes To The Financial Statements (Continued)

23. Employee benefit obligations

Description	Defined benefit plan	Post employment medical benefits	Other Provisions	Insert Current FY	Insert Comparative FY
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	0.00	0.00	0.00	0.00	0.00
Non-Current Benefit Obligation	0.00	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	0.00	0.00

24. Social Benefit Liabilities

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Health social benefit scheme	0.00	0.00
Unemployment social benefit scheme	0.00	0.00
Orphaned and vulnerable benefit scheme	0.00	0.00
Elderly social benefit scheme	0.00	0.00
Bursary social benefits	0.00	0.00
Total	0.00	0.00
	0.00	0.00
Current social benefits	0.00	0.00
Non- current social benefits	0.00	0.00
Total (tie to totals above)	0.00	0.00

Baringo County Emergency Fund

Annual Report and Financial Statements for the year ended June 30, 2023

Notes To The Financial Statements (Continued)

25. Cash generated from operations

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Surplus/ (Deficit) For the Year Before Tax	0.00	0.00
Adjusted For:		
Depreciation	0.00	0.00
Amortisation	0.00	0.00
Gains/ Losses On Disposal Of Assets	(0.00)	(0.00)
Interest Income	(0.00)	(0.00)
Finance Cost	0.00	0.00
Working Capital Adjustments		
Increase In Inventory	(0.00)	(0.00)
Increase In Receivables	(0.00)	(0.00)
Increase In Payables	0.00	0.00
Net Cash Flow From Operating Activities	0.00	0.00

Notes To The Financial Statements (Continued)

26. Related party balances

a) Nature of related party relationships

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

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

b) Related party transactions

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Transfers From Related Parties'	0.00	0.00
Transfers To Related Parties	0.00	0.00

c) Key management remuneration

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Board Of Trustees	0.00	0.00
Key Management Compensation	0.00	0.00
Total	0.00	0.00

d) Due from related parties

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Due From Parent Ministry	0.00	0.00
Due From County Government	0.00	0.00
Total	0.00	0.00

Other Disclosures Continued

e) Due to related parties

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Due To Parent Ministry	0.00	0.00
Due To County Government	0.00	0.00
Due To Key Management Personnel	0.00	0.00
Total	0.00	0.00

27. Contingent assets and contingent liabilities

Contingent Liabilities	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Court Case Against the Fund	0.00	0.00
Bank Guarantees	0.00	0.00
Total	0.00	0.00

Notes To The Financial Statements (Continued)

28. Financial risk management

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

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

a) Credit risk

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

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2023				
Receivables From Exchange Transactions	0.00	0.00	0.00	0.00
Receivables From Non-Exchange Transactions	0.00	0.00	0.00	0.00
Bank Balances	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	0.00
At 30 June 2022				
Receivables From Exchange Transactions	0.00	0.00	0.00	0.00
Receivables From Non-Exchange Transactions	0.00	0.00	0.00	0.00
Bank Balances	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	0.00

Notes To The Financial Statements (Continued)

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

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

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

b) Liquidity risk management

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June (2022-2023)				
Trade Payables	0.00	0.00	0.00	0.00
Current Portion Of Borrowings	0.00	0.00	0.00	0.00
Provisions	0.00	0.00	0.00	0.00
Employee Benefit Obligation	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	0.00
At 30 June (2021-2022)	0.00	0.00	0.00	0.00
Trade Payables	0.00	0.00	0.00	0.00
Current Portion Of Borrowings	0.00	0.00	0.00	0.00
Provisions	0.00	0.00	0.00	0.00
Employee Benefit Obligation	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	0.00

Notes To The Financial Statements (Continued)

c) Market risk

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

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

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

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

i. Foreign currency risk

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

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

Description	Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June (2022-2023)			
Financial Assets	0.00	0.00	0.00
Investments	0.00	0.00	0.00
Cash	0.00	0.00	0.00
Debtors/ Receivables			
Liabilities			
Trade And Other Payables	0.00	0.00	0.00
Borrowings	0.00	0.00	0.00
Net Foreign Currency Asset/(Liability)	0.00	0.00	0.00

Notes To The Financial Statements (Continued)**Foreign currency sensitivity analysis**

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

Description	Change in currency rate	Effect on surplus/ deficit	Effect on equity
	Kshs	Kshs	Kshs
(Current FY)		0.00	0.00
Euro	10%	0.00	0.00
USD	10%	0.00	0.00
(Comparative FY)		0.00	0.00
Euro	10%	0.00	0.00
USD	10%	0.00	0.00

ii. Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

The Fund analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year.

Notes To The Financial Statements (Continued)

d) Capital risk management.

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

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Revaluation reserve	0.00	0.00
Revolving fund	0.00	0.00
Accumulated surplus	0.00	0.00
Total funds	0.00	0.00
Total borrowings	0.00	0.00
Less: cash and bank balances	(0.00)	(0.00)
Net debt/(excess cash and cash equivalents)	0.00	0.00
Gearing	0%	0%

29. Events after the reporting period

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

30. Ultimate and Holding Entity

The entity is a County Public Fund established by section 164 (2) Public Finance Management Act under the Ministry of Devolution. Its ultimate parent is the County Government of Baringo.

31. Currency

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

20. Annexes

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	Inaccuracies in Annual Report and Financial statements	The variances were corrected in Final Financial statements	Resolved	
2	Unaccounted for cash withdrawals	All documents were provided for Audit review	Resolved	
3	Non Disclosure of significant Accounting policies and other Exhalatory information	The standard template of reporting prescribed by PSASB was used in Final Financial statements	Resolved	
Other Matters				
1	Budgetary controls and performance	This was corrected in the Final Financial statement	Resolved	
2.	Unresolved prior year Matters	The issue was addresses during the Audit review	Resolved	
Conclusion				
Basis of Conclusion				
1	Irregular Expenditure	Most of the expenditure were emergency in Nature warranting Direct procuring of goods and services	Resolved	
4	Irregular Procurement of Goods and services	Direct procurement was done due to the Nature of Needs arising from Emergencies	Resolved	

*Baringo County Emergency fund
Annual Report and Financial Statements For the year ended 30th June 2023*

Reference No. on the external audit Report	Issue/ Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
5	Failure to Appoint Fund Administrator	The appointment letter was provided	Resolved	
6	Lack of Approved Budget	The Approved was provided during Audit Review	Resolved	
Report on Effectiveness of Internal controls , Risk Management and Governance				
Conclusion				
Basis of Conclusion				
	Lack of Risk Management Policy	The policy has been approved	Resolved	

Guidance Notes:

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

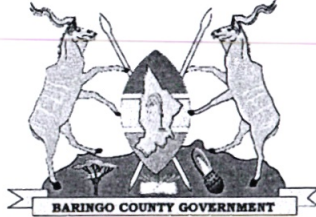
Fund Administrator

Date



**Baringo County
Emergency Fund
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Annex II: Inter-Fund Confirmation Letter



Baringo County Emergency Fund
PO BOX 53-30400
KABARNET

The *Baringo County Emergency Fund* wishes to confirm the amounts disbursed to you as at 30th June 2023 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below. Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by [Insert name of beneficiary Fund] as at 30 th June 2023							
Reference Number	Date Disbursed	Amounts Disbursed by [SC/SAGA/Fund] (Kshs) as at 30 th June 2023				Amount Received by [beneficiary Fund] (KShs) as at 30 th June 20xx (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
Total							
In confirm that the amounts shown above are correct as of the date indicated.							

*Baringo County
Emergency Fund*

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Head of Accountants department of beneficiary Fund:

Name DAMO DE RIMO Sign [Signature] Date 13 DEC 2023



**Baringo County
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Annex III: Reporting of Climate Relevant Expenditures

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

**Baringo County
Emergency Fund**

Annual Report and Financial Statements for the year ended June 30, 2023

Annex IV: Reporting on Disaster Management Expenditure

Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments
Disaster Risk Management	Emergency Preparedness	Drought, Insecurity	Prepositioning of foodstuffs to support Vulnerable families affected by adverse effect of drought	2640201	7,676,411	
	Emergency response	Insecurity	Support conflict resolution and peace building initiatives among worrying communities	2640201	1,658,120	
	Emergency response	Wild Wind, Flush floods, Fire	Support affected households and institutions that were affected	2640201	3,241,258	