

REPUBLIC OF KENYA



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REPORT

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CLERK AT THE TABLE	CAROLYNE C.

OF

THE AUDITOR-GENERAL

ON

**BARINGO COUNTY OLDER PERSONS AND
PERSONS WITH SEVERE DISABILITY FUND**

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



BARINGO COUNTY OLDER PERSONS AND PERSONS WITH SEVERE

DISABILITY 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 Older Persons and Persons with Severe Disability Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

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**Baringo County Older Persons and Persons with Severe Disability Fund
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1. Acronyms and Glossary of Terms

a) Acronyms

BBA	Bachelor of Business Administration
BOM	Board of Management
CPA(K)	Certified Public Accountants of Kenya
CECM	County Executive Committee Member
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
IT	Information Technology
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
Kshs	Kenya Shillings

b) Glossary of Terms

Fiduciary Management	The key management personnel who had financial responsibility
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**Baringo County Older Persons and Persons with Severe Disability Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

2. Key Fund Information and Management

a) Background information

The Baringo County Older Persons and Persons with Severe Disability Fund is established by and derives its authority and accountability from section 116 (1) of the Public Finance Management Act, 2012 (No. 18 of 2012) and Regulations, 2022 (28th September, 2022). The Fund is wholly owned by the County Government of Baringo and is domiciled in Kenya.

The fund's objective is to contribute to poverty reduction in households of older people and persons with severe disabilities through provision of a cash transfer

The Fund's principal activity is

1. Provide older persons and person with severe disability with a health cover
2. Ensure that older persons and persons with severe disabilities have access to adequate food and nutrition; and
3. Empower caregivers and improve the livelihood opportunities of the household members

b) Principal Activities

The principal activity/mission/ mandate of the Fund is to The principal activity of the Fund is to be the leading contributor to poverty reduction in households of older persons and persons with severe disabilities through provision of cash transfer for adequate food and proper nutrition and quality health care through insurance health cover.

c) Fund Administration Committee

Ref	Name	Position
1	Hon. Maurine Limashep	CEC M / Chairperson – Gender and Social Services
2	Victor K Kipchumba	Chief Officer - Fund Administrator / Secretary
3	Kiptoo K. Gikono	Chief Officer – Finance or Designate
4	Chemirmir K Joel	Social Services Officer
5	Isaiah K Belion	Chairperson – Persons Living with Disability in the County
6	Elisha Rotich	Chairperson – Dully registered or recognized organization of the older persons
7	Susan Kandie	A woman representing older women or those with disability nominated by CECM Gender and Social Services

**Baringo County Older Persons and Persons with Severe Disability Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

d) Key Management Team

Ref	Name	Position
1	Victor K Kipchumba	Fund Administrator/Secretary
2	Thomas Chesaro	Fund Accountant
3	Kiptoo K. Gikono	Chief Officer – Treasury Finance
4	Joel K. Chemirmir	Ag. Director - Social Services

e) Fiduciary Oversight Arrangements

SN	Position	Name
1	Directorate Internal Audit	CPA James L. Rotich

f) Registered Offices

P.O. Box 53-30400,
Youth Empowerment Centre Kabarnet,
Near Kabarnet Fire Station,
Kabarnet, KENYA

g) Fund Contacts

Telephone:
E-mail:
Website: www.baringo.go.ke

h) Fund Bankers

1. BORESHA SACCO LTD
P.O. Box 80- 20103
ELDAMA RAVINE, Kenya
KABARNET BRANCH
 - a. Older Persons and Persons with disability Main A/C.NO 504512804-1-01
 - b. Older Persons and Persons with disability Disbursement A/C.NO 5-42-000044-0

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




Office of the Governor building
P.O. Box 53 - 30400
Kabarnet, Kenya

**Baringo County Older Persons and Persons with Severe Disability Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

3. Fund Administration Committee





Name	Details of qualifications and experience
<p>1. Hon. Maurine Limashep</p> 	<p>Date of birth: 13.09.1987 Qualification - Bachelor of Arts Profession - Human Resource Management Work experience - 10yrs County Executive Committee member /fund Chairperson</p>
<p>2. Victor K Kipchumba</p> 	<p>Date of birth: 10.08.1991 Qualification - Bachelor of information technology (software engineering option) Profession - IT officer Work experience - 10yrs Chief Officer Culture /Fund manager</p>
<p>3. Gikono Kiptoo</p> 	<p>Date of birth: 19/08/1980 Key Professional Qualification-Masters Business Administration, BBA, CPA(K), Certified Credit Profession, Certified Investment Analyst, Higher National Diploma in Human Resource, Diploma in Supplies and Purchasing. Profession- Finance and Administration Work experience -16yrs Chief Officer Finance</p>
<p>4. Chemirmir K Joel</p> 	<p>Date of birth: 22.06.1979 Qualification- Bachelor of Arts in Community Development, Diploma in Public relations, Diploma in Community Development, Certificate in Social Protection Management, Certificate in Public Speaking Skills, Profession - Social Worker Work experience - 23yrs Officer in-charge of Social Services</p>

**Baringo County Older Persons and Persons with Severe Disability Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

<p>5. Susan Kandie.</p> 	<p>Date of birth -11/4/1976 Qualification - masters Profession - teacher Work experience - 23yrs Represents women</p>
<p>6. Isaiiah Belion</p> 	<p>Date of birth: 31/12/1955 Qualification - Masters in Education Profession - teacher Work experience - 36yrs Represents: Council of Elders</p>
<p>7. Isaiiah Belion</p> 	<p>Date of birth -15/11/1983 Qualification - Degree Profession - Civil servant Work experience - 14yrs Represents PWDs</p>

**Baringo County Older Persons and Persons with Severe Disability Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

4. The Key Management Team

Name	Details of qualifications and experience
<p>1. Victor K Kipchumba</p> 	<p>Date of birth: 10.08.1991 Qualification - Bachelor of information technology (software engineering option) Profession - IT officer Work experience - 10yrs Chief Officer Social Services-Fund Administrator/Secretary</p>
<p>2. Kiptoo K. Gikono</p> 	<p>Date of birth: 19/08/1980 Qualification - Masters Business Administration, BBA, CPA(K), Certified Credit Profession, Certified Investment Analyst, Higher National Diploma in Human Resource, Diploma in Supplies and Purchasing. Profession - Finance and Administration Work experience - 16yrs Chief Officer Finance</p>
<p>3. Thomas Chesaro</p> 	<p>Date of birth; 01/01/1979 Key academic and professional qualifications; BCOM – Finance Option (UON), CPA(K), Senior Management Course Work experience; 23 Years Fund Accountant – Gender and Social Services</p>
<p>4. Chemirmir Joel</p> 	<p>Date of birth: 22.06.1979 Qualification - BA in Community Development, Diploma in Public relations, Diploma in Community Development, Diploma in Public Relation, Certificate in Social Protection Management, Certificate in Capacity Development Program, Certificate in Business Calculation and Certificate in Public Speaking Skills, Profession - Social Worker Work experience - 23yrs Officer in-charge of Social Services</p>

**Baringo County Older Persons and Persons with Severe Disability Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

5. Fund Chairperson's Report

During the year under review, the fund did witness change in the composition of its board and management team. Despite financial constraints, the fund was able to utilize the available resources at its disposal to meet its objectives. Total revenue was kshs 18,113,952 (previous year kshs. 16,076,000) while total expenses were Kshs 12,306,043 (previous year expenses Kshs. 15,621,540). For a fruitful social impact, the fund should be allocated more funds in the future estimates to enhance social development as follows; -

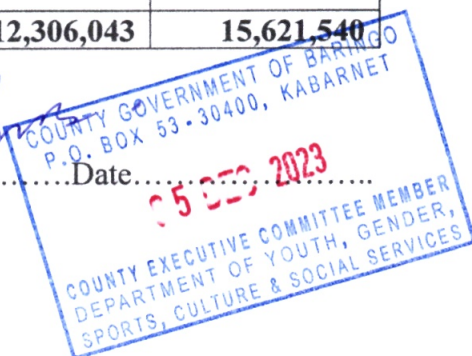
Description and reference of the transfer	Date of transfer	2022-2023	2021-2022
		Kshs	Kshs
Revenue from Non-Exchange Transaction			
Balance Brought Forward	1/7/2022	0	0.00
1st quarter transfer	15/7/2022	6,100,000	10,000,000
4th quarter transfer	31/5/2023	12,000,000	6,000,000
Interest Income/Earned (Prior Year Adjustments)		13,952	76,000
Total Revenue		18,113,952	16,076,000

FUND USES / EXPENDITURE / DISBURSEMENT	2022-2023	2021-2022
	Kshs	Kshs
Disbursement to the Elderly & PWDs	10,864,000	10,000,000
Domestic travel and subsistence Allowances (Adm. Costs)	155,000	300,000
NHIF Remittances	1,284,000	3,000,000
Other expenses (Transfer to Youth \$ Women Fund)	0	1,900,000
Other operating expenses (Bank Charges/Tax Deducted)	3,043	421,540
Total Revenue	12,306,043	15,621,540

Name..... **MAURINE K. LIMASHEP**Signature..... 

CECM - Chairperson of the Board/Fund

Fund Administration committee



**Baringo County Older Persons and Persons with Severe Disability Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

6. Report of The Fund Administrator

The performance of the Baringo County Older Persons and Persons with Severe Disability Fund was disbursed as stipulated in the law. Total revenue received was Kshs 18,113,952 out of which there was Kshs. 740,275 as bank balance brought forward and Kshs. 10,864,000 were Funds disbursed to Older Persons and Persons Living with Disability. Administration expenses Kshs. 155,000, N.H.I.F remittances were Kshs. 1,284,000 and bank charges was Kshs. 3,043. This resulted in a balance of Kshs. 6,548,184 (Balance as per cash books for Main Account and Disbursement Account) as under; -

Description and reference of the transfer	Date of transfer	2022-2023	2021-2022
Revenue from Non-Exchange Transaction		Kshs	Kshs
Balance Brought Forward	1/7/2022	0	0.00
1st quarter transfer	15/7/2022	6,100,000	10,000,000
4th quarter transfer	31/5/2023	12,000,000	6,000,000
Interest Income/Earned (Prior Year Adjustments)		13,952	76,000
Total Revenue		18,113,952	16,076,000

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Disbursement to the Elderly & PWDs	10,864,000	10,000,000
Domestic travel and subsistence Allowances (Adm. Costs)	155,000	300,000
NHIF Remittances	1,284,000	3,000,000
Other expenses (Transfer to Youth \$ Women Fund)	0	1,900,000
Other operating expenses (Bank Charges/Tax Deducted)	3,043	421,540
Total Revenue	12,306,043	15,621,540

Name of Bank, Account No. & currency	2022-2023	2021-2022
	Kshs	Kshs
Boresha Sacco, Main A/c no. 504512804-01 (Kshs)	6,264,974	457,065
Fund Disbursement A/c No. 5-42-000044-0	283,210	283,210
Total Balance	6,548,184	740,275

**Baringo County Older Persons and Persons with Severe Disability Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

On the value-for-money achievements is that the fund has managed to Transfer cash and remit NHIF dues for the beneficiaries for the Quality health care and adequate food and nutrition respectively.

The key risk management strategies may include such issues of disbursing funds to older persons or persons with disability who may have passed on without notice of the fund management and also funds disbursed may fail to benefit the intended older persons or persons with disability.

**Baringo County Older Persons and Persons with Severe Disability Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

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

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 fund Government funds in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the county government fund's performance against predetermined objectives.

The key development objectives of the Older Persons and Persons with Disability Fund's 2022-2023 plan are to:

- a) Secure grant to older persons throughout their active lives
- b) Poverty reduction through provision of regular cash transfer to older persons and Persons with disabilities
- c) Provision of a reliable medical cover through NHIF for the access of quality health care
- d) Ensure that older and persons Living with disability have access to adequate food and nutrition
- e) Empower caregivers and improve the livelihood opportunities of the household members

**Baringo County Older Persons and Persons with Severe Disability Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

**Progress on attainment of Strategic development objectives as Adopted from Baringo
County Older Persons and Persons Living with Disability Fund**

Below we provide the progress on attaining the stated objectives:

Program	Objective	Outcome	Indicator	Performance
Older persons and Persons with Disability	To Secure grant to older persons throughout their active lives	Sustainable number of beneficiaries	Secured older persons and persons with Disability throughout their active lives	In Financial Year 2022/2023 we improved efficiency of funds disbursement to the beneficiaries
Older persons and Persons with Disability	To Secure older persons and Persons with disability of through cash transfer	Prompt cash transfer to the beneficiaries	Secured older persons and Persons with disability of through cash transfer	In Financial Year 2022/2023 we improved efficiency of cash transfer to the beneficiaries
Older persons and Persons with Disability	To provide reliable medical cover through NHIF	There was access to quality health care	Proper access to quality health care	In Financial Year 2022/2023 we improved efficiency of NHIF remittances for quality health care access
Older persons and Persons with Disability	To ensure that older and persons with disability have access to adequate food and nutrition	Efficient and efficient access to adequate food and nutrition	Prompt cash transfer has enhanced adequate food and nutrition	In Financial Year 2022/2023 we enhanced cash transfer for adequate food and nutrition

**Baringo County Older Persons and Persons with Severe Disability Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

8. Corporate Governance Statement

The Fund Administration Committee meeting held were two and the attendance to those meetings by members was satisfactory,

The succession plan of the fund is that when a member resigns or retires or removed a new member shall be appointed or replaced on such terms and conditions as may be specified in the instrument of appointment,

An appointee of a Fund Administration Committee member shall hold office for a period of five years or until new members of the committee are appointed and Administration Committee members are removed from office by the Governor on recommendation of the committee if the member has been absent from three consecutive meetings.

The roles and functions of the Fund Administration Committee, the executive committee Member for older persons and Persons with disability chairs the meetings, the County Chief Officer in charge of Finance is financial advisor, the County Chief Officer responsible for the older persons and Persons with disability is the Secretary and Fund administrator.

The induction and training of the Fund Administration Committee members and member's performance is not usually done due to insufficient management resources,

To address conflict of interest the Fund Administration Committee members are advised to avoid any specific interest during cash transfer awards, but if there is any, it is stated that in case there is such incident then it should be declared early enough so that relevant member may not attend the meeting or may be exempted during the cash transfer award process.,

The members of the board are not entitled for remuneration, but the allocation of 5% of the Fund, administrative expenses is used to pay sitting allowances and transport reimbursement during the meetings held.

The members are guided by Chapter Six of the constitution so as to work while observing the integrity issues on allocating cash transfers. All beneficiaries shall be vetted through a transparent, equitable and fair process that is Community-based in order to ensure that prospective benefits of the fund are available to a widespread cross-section of the older persons and Persons with disability in the county.

**Baringo County Older Persons and Persons with Severe Disability Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

9. Management Discussion and Analysis

During the period under review, the Fund had a balance of Ksh 740,275, in 1st and 4th quarter the fund received from County Treasury Kshs 18,100,000 and interest earned of Ksh 13,952 making total revenue of Kshs 18,113,952. The expenditure amounted to Kshs 12,306,043 as compared to the previous period of Kshs 15,621,540. Also the remaining closing balances as at end of the period under review is Kshs 6,548,184 being Kshs 6,264,974 and Kshs 283,210 in the disbursement account as below:-

Description and reference of the transfer	Date of transfer	2022-2023	2021-2022
Revenue from Non-Exchange Transaction		Kshs	Kshs
Balance Brought Forward	1/7/2022	0	0.00
1st quarter transfer	15/7/2022	6,100,000	10,000,000
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Interest Income/Earned (Prior Year Adjustments)		13,952	76,000
Total Revenue		18,113,952	16,076,000

FUND USES / EXPENDITURE / DISBURSEMENT	2022-2023	2021-2022
	Kshs	Kshs
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Domestic travel and subsistence Allowances (Adm. Costs)	155,000	300,000
NHIF Remittances	1,284,000	3,000,000
Other expenses (Transfer to Youth & Women Fund)	0	1,900,000
Other operating expenses (Bank Charges/Tax Deducted)	3,043	421,540
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Name of Bank, Account No. & currency	2022-2023	2021-2022
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Boresha Sacco, Main A/c no. 504512804-01 (Kshs)	6,264,974	457,065
Fund Disbursement A/c No. 5-42-000044-0	283,210	283,210
Total Balance	6,548,184	740,275

The Fund core mandate is to ensure that a portion of the County Budget is devoted to the older persons and Persons with disability for purpose of contributing to poverty reduction in households of older persons and persons with severe disabilities through provision of a cash transfer in the County, The Fund is prepared in accordance with Public Finance Management Act, 2012 and Baringo County Older Persons and Persons with Disability Fund Regulation 2022.

There are no Management risks facing the Fund, also, material arrears in statutory and other financial obligations are not applicable unless there is delay in disbursements that may cause NHIF remittances penalties.

10. Environmental and Sustainability Reporting

Baringo County Older Persons and Persons with Disability Fund exists to transform lives by ensuring that a portion of the County Budget is devoted to the older persons and Persons with disability for purposes of contributing to poverty reduction in households of older persons and persons with severe disabilities through provision of a cash transfer in the County. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on cash transfer and NHIF allocation pillar: putting the beneficiaries first, delivering equitable access to cash transfer for the older persons and Persons with disability, and improving operational excellence. Below is a brief highlight of our achievements in the pillars.

1. Sustainability strategy for cash transfer Allocation

The top management especially the accounting officer made reference to sustainable efforts, broad trends in cash transfer grants assistance affecting sustainability of adequate food and nutrition, in reference to the best practices for fair and equitable cash transfer access opportunities.

2. Sustainability strategy for NHIF Remittances

The fund provides evidence of the policy that guides the NHIF programme to the cash transfer beneficiaries for the sake of sustainable quality health care services through monthly individual remittance by the Fund of Kshs 500.

3. Employee welfare

The Fund set aside 5% of the total budget allocation to cater for the Administration Expenses during County Management Committee and ward Management Committee meeting allowances and transport reimbursements.

4. Market place practices

The Fund tries its best give notices for applicants to take opportunity at equal chance through proper communication

a) Responsible competition practice.

All applicants are vetted through a transparent, democratic, equitable and fair process that is community-based in order to ensure that prospective benefits of the Fund are available to widespread cross-section of older persons and persons with disability in the entire Baringo County.

b) Responsible Supply chain and supplier relations

The Fund ensures that every older persons and persons with disability wishing to be considered for cash transfers shall make an application to respective ward committee by filling a prescribed application form.

c) Responsible marketing and advertisement

The Fund ensures that every applicant gets the prescribed form at convenient points, that is at ward level and low costs.

d) Product stewardship

The Fund enables applicants to deposit their forms at ward level

5. Community Engagements

The fund engages the Community in ward and County Management committees. Respective County committee members compost of Fund administrator as secretary, one youth representing persons with disability nominated by the association of Persons with disability, a women representing older persons and persons with disability.

**Baringo County Older Persons and Persons with Severe Disability Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

11. Report of The Trustees

The Trustees submit 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 activities of the Fund are to be the leading contributor to poverty reduction in households of older persons and persons with severe disabilities through provision of cash transfer for adequate food and proper nutrition and quality health care through insurance health cover

Results

The results of the Fund for the year ended June 30, 2023 are set out on page 1.

Fund Administration Committee

The members of the Fund Administration Committee who served during the year are shown on page VII and VIII. There were no changes in the Board during the financial year.

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, or Certified Public Accountants nominated by the Auditor General to carry out the audit of the Baringo County Older Persons and Persons with Severe Disability Fund for the year/period ended June, 30, 2023 in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board


.....


Chair of the Fund Administration Committee

Date:

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 Regulations, 2022 (28th September, 2022) 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 Older Persons and Persons with Severe Disability 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.

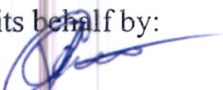
The Administrator of the Baringo County Older Persons and Persons with Severe Disability Fund accepts responsibility for the Fund’s financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and Regulations, 2022 (28th September, 2022). 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 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 Baringo County Older Persons and Persons with Severe Disability 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 Board on 5/12/ 2023 and signed on its behalf by:

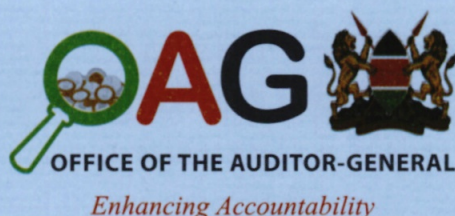


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Administrator of the County Public Fund

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 OLDER PERSONS AND PERSONS WITH SEVERE DISABILITY 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

Qualified Opinion

I have audited the accompanying financial statements of Baringo County Older Persons and Persons with Severe Disability Fund set out on pages 1 to 39, 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, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Baringo County Older Persons and Persons with Severe Disability 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 Older Persons and Persons with Severe Disability Fund) Regulations, 2022 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Unsupported Use of Goods and Services Expenditure

The statement of financial performance and as disclosed in Note 7 to the financial statements reflects a balance of Kshs.12,306,043 in respect to use of goods and services. The amount includes other transfer to beneficiaries of Kshs.10,864,000 which includes stipends paid to persons with disability amounting to Kshs.4,380,000. However, the payments were not supported by way of beneficiaries listing indicating the beneficiary's names amount paid, national identity number and the National Council of People Living with Disabilities (NCPWD) numbers.

In the circumstances, the accuracy, validity and propriety of use of goods and services expenditure totalling Kshs.4,380,000 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final total income budget and actual on comparable basis of Kshs.12,000,000 and Kshs.18,100,000 respectively resulting to an unauthorized funding of Kshs.6,100,000 or 51% of the budget. Similarly, the statement reflects final total expenditure budget of Kshs.12,000,000 against actual expenditure of Kshs.12,306,043 resulting to over expenditure of Kshs.306,043. This is contrary to Regulation 53(1) of the Public Finance Management (County Governments) Regulations, 2015 which requires an Accounting Officer of an entity not

to authorize payment to be made out of funds earmarked for specific activities for purposes other than those activities.

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

Key Audit Matters

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

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 on Lawfulness and Effectiveness in the 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. Illegal Operation of the Fund

The Fund's regulations was approved on 28 September, 2022 while the Fund operated from 1 July, 2022 without an enabling legislation being in force. This is contrary to Section 116(1) of the Public Finance Management Act, 2012 which states that the County Executive Committee Member for Finance may establish other public funds with the approval of the County Executive Committee and the County Assembly.

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

2. Irregular Maintenance of Bank Accounts

The Fund maintained two bank accounts in a private Saving and Credit Society (SACCO) contrary to Regulation 82 of the Public Finance Management (County Governments) Regulations, 2015 which states that all Government bank accounts shall be opened at Central Bank of Kenya except the imprest account.

Under 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, the 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.

The 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 Fund's 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

27 March, 2024

**Baringo County Older Persons and Persons with Severe Disability 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	2022/2023	2021/2022
		Kshs	Kshs
Revenue From Non-Exchange Transactions			
Public Contributions and Donations	1	-	-
Transfers From the County Government	2	18,100,000	16,000,000
Fines, Penalties and Other Levies	3	-	-
		18,100,000	16,000,000
Revenue From Exchange Transactions			
Interest Income	4	13,952	-
Other Income	5	-	-
		13,952	-
Total Revenue		18,113,952	16,000,000
Expenses			
Employee Costs	6	-	-
Use of goods and services	7	12,306,043	15,621,540
Depreciation and Amortization Expense	8	-	-
Finance Costs	9	-	-
Total Expenses		12,306,043	15,621,540
Other Gains/Losses			
Gain/Loss on Disposal of Assets	10	-	-
Gain /Loss on fair value of investments	11	-	-
Surplus/(Deficit) for the Period		5,807,909	378,460

The notes set out on pages 19 to 38 form an integral part of these Financial Statements.

.....
Name: Victor K. Kandie
Administrator of the Fund

.....
Name: Thomas Chesaro
Fund Accountant
ICPAK Member Number: 15566

**Baringo County Older Persons and Persons with Severe Disability Fund
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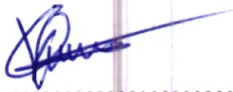
15. Statement of Financial Position As at 30th June, 2023

Description	Note	2022/2023	2021/2022
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	12	6,548,184	740,275
Current Portion of Long- Term Receivables From Exchange Transactions	13	-	-
Prepayments	14	-	-
Inventories	15	-	-
Investments in financial assets	16	-	-
Total current assets		6,548,184	740,275
Non-Current Assets			
Property, Plant and Equipment	17	-	-
Intangible Assets	18	-	-
Long Term Receivables from Exchange Transactions	13	-	-
Investment Property	19	-	-
Total non- current assets		-	-
Total Assets		6,548,184	740,275
Liabilities			
Current Liabilities			
Trade and Other Payables from Exchange Transactions	20	-	-
Current Portion of Borrowings	21	-	-
Employee Benefit Obligations	22	-	-
Social benefit liabilities	23	-	-
Total current liabilities		-	-
Non-Current Liabilities			
Long Term Portion of Borrowings	21	-	-
Non-Current Employee Benefit Obligation	22	-	-
Social benefit liabilities	23	-	-
Total Liabilities		-	-

**Baringo County Older Persons and Persons with Severe Disability Fund
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Description	Note	2022/2023	2021/2022
		Kshs	Kshs
Net Assets			
Revolving Fund		-	-
Reserves		-	-
Accumulated Surplus	12	6,548,184	740,275
Total Net Assets and Liabilities		6,548,184	740,275

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The fund financial statements were approved on 07TH SEPT, 2023 and signed by:



.....
Name: Victor K. Kandie
Administrator of the Fund



.....
Name: Thomas Chesaro
Fund Accountant
ICPAK Member Number: 15566

**Baringo County Older Persons and Persons with Severe Disability 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	-	-	285,815	285,815
Surplus/(Deficit) For the Period	-	-	378,460	378,460
Funds Received During the Year	-	-	76,000	76,000
Transfers	16,000,000	-	-	16,000,000
Revaluation Gain	(16,000,000)	-	-	(16,000,000)
Balance As At 30 June, 2022	-	-	740,275	740,275
Balance As At 1 July, 2022	-	-	740,275	740,275
Surplus/(Deficit) For the Period	-	-	5,807,909	5,807,909
Funds Received During the Year	-	-	-	-
Transfers	-	-	(-)	(-)
Revaluation Gain	-	-	-	-
Balance As At 30th June, 2023	-	-	6,548,184	6,548,184

**Baringo County Older Persons and Persons with Severe Disability Fund
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17. Statement of Cash Flows for The Year Ended 30th June, 2023

Description	Note	2022/2023	2021/2022
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Public contributions and donations		-	-
Transfers from the county government	2	18,100,000	16,000,000
Interest received	4	13,952	-
Receipts from other operating activities	5	-	76,000
Total receipts		18,113,952	16,076,000
Payments			
Fund administration expenses		-	-
General expenses	7	12,306,043	15,621,540
Finance cost		-	-
Other payments			
		12,306,043	15,621,540
Net cash flows from operating activities	25	5,807,909	454,540
Cash flows from investing activities			
Purchase of property, plant, equipment and Intangible assets		(-)	(-)
Proceeds from sale of property, plant & equipment		-	-
Proceeds from loan principal repayments		-	-
Loan disbursements paid out		(-)	(-)
Net cash flows used in investing activities		(-)	(-)
Cash flows from financing activities			
Proceeds from revolving fund receipts		-	-
Additional borrowings		-	-
Repayment of borrowings		(-)	(-)
Net cash flows used in financing activities		(-)	(-)
Net increase/(decrease) in cash & cash Equivalents		5,807,909	285,815
Cash and cash equivalents at 1 st July, 2022		740,275	454,460
Cash and cash equivalents at 30th June, 2023		6,548,184	740,275

**Baringo County Older Persons and Persons with Severe Disability 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%
Transfers From County Govt.	12,000,000	-	12,000,000	18,100,000	(6,100,000)	151%
Interest Income	-	-	-	13,952	(13,952)	0%
Other Income	-	-	-	-	-	0%
Total Income	12,000,000	(-)	12,000,000	18,113,952	(6,113,952)	151%
Expenses						
Fund Administration Expenses	-	-	-	-	(-)	0%
General Expenses	12,000,000	(-)	12,000,000	12,306,043	(306,043)	103%
Finance Cost	-	(-)	-	-	(-)	0%
Total Expenditure	12,000,000	(-)	12,000,000	12,306,043	(-)	103%
Surplus For the Period	-	(-)	-	5,807,909	5,807,909	
Capital expenditure	-	-	-	-	-	0%

Budget notes

1. The disbursement on 14th July, 2022 related to the previous financial year 2021/2022 allocation (IPSAS 24.29)

**Baringo County Older Persons and Persons with Severe Disability Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

19. Notes to the Financial Statements

1. General Information

The Baringo County Older Persons and Persons with Severe Disability Fund is established by and derives its authority and accountability from section 116 (1) of the Public Finance Management Act, 2012 (No. 18 of 2012) and Regulations, 2022 (28th September, 2022). The fund is wholly owned by the Baringo County Government and is domiciled in Kenya. The Fund's principal activity is to contribute to poverty reduction in households of older people and persons with severe disabilities through provision of a cash transfer.

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 30th June, 2023

Standard	Effective date and impact
IPSAS 41: Financial Instruments	Applicable: 1st January 2023 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 Fund's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:

**Baringo County Older Persons and Persons with Severe Disability 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 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; • 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 Fund's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Fund 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 Fund; (b) The key features of the operation of those social benefit schemes; <p>and</p> <ul style="list-style-type: none"> (c) The impact of such social benefits provided on the Fund's financial performance, financial position and cash flows.
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2023</p> <ul style="list-style-type: none"> a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.

**Baringo County Older Persons and Persons with Severe Disability Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

Standard	Effective date and impact
	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.
Other improvements to IPSAS	<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 30th June, 2023.*

Standard	Effective date and impact:
IPSAS 43	<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 cash flows of an Fund.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non-Current Assets Held for Sale and	<p>Applicable 1st January 2025</p> <p>The Standard requires,</p>

**Baringo County Older Persons and Persons with Severe Disability Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

Standard	Effective date and impact:
Discontinued Operations	<p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>

(iii) Early adoption of standards

The fund did not early – adopt any new or amended standards in year 2022.

2. 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 fund 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 Fund'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 2022/2023 was approved by the County Assembly on 30th June, 2023. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the fund upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Fund recorded additional appropriations of Ksh 6,100,000 on the FY 2022/2023 budget following the governing body's approval.

The fund'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 Older Persons and Persons with Severe Disability 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 under section 14 of 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 fund 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. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a one-year period or investment property is measured at fair value with gains and losses recognised through surplus or deficit. 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. The fund does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. A financial instrument is any contract that gives rise to a financial asset of one fund and a financial liability or equity instrument of another fund. At initial recognition, the fund 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 fund 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 fund's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an fund 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 fund 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 Older Persons and Persons with Severe Disability Fund
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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 fund 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 fund 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 fund recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in *Note xx*.

Significant Accounting Policies (Continued)

Financial liabilities

Classification

The fund 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 Fund.

h) Provisions

Provisions are recognized when the Fund 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 Fund 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 fund 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 fund will incur in fulfilling the present obligations represented by the liability.

**Baringo County Older Persons and Persons with Severe Disability Fund
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Summary of Significant Accounting Policies (Continued)

j) Contingent liabilities

The Fund 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 Fund 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 Fund 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 Fund don't create and maintain reserves.

l) Changes in accounting policies and estimates

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

m) Employee benefits – Retirement benefit plans

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

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

**Baringo County Older Persons and Persons with Severe Disability Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

Summary of Significant Accounting Policies (Continued)

n) 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.

o) 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.

p) Related parties

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

q) 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.

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

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

a) Estimates and assumptions –

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Fund 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 Fund. 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 Fund
- 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.

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 Older Persons and Persons with Severe Disability 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	2022/2023	2021/2022
	Kshs	Kshs
Donation From Development Partners	-	-
Contributions From The Public	-	-
Total	-	-

2. Transfers from County Government

Description	2022/2023	2021/2022
	Kshs	Kshs
Transfers From County Govt. –Operations	18,100,000	16,000,000
Payments By County On Behalf Of The Fund	-	-
Unconditional Development grants	-	-
Total	18,100,000	16,000,000

3. Fines, penalties and other levies

Description	2022/2023	2021/2022
	Kshs	Kshs
Late Payment Penalties	-	-
Fines	-	-
Total	-	-

(Provide brief explanation for this revenue)

4. Interest income

Description	2022/2023	2021/2022
	Kshs	Kshs
Interest Income from Mortgage Loans	-	-
Interest Income From Car Loans	-	-
Interest Income From Investments in financial assets	-	-
Interest Income On Bank Deposits	13,952	-
Total Interest Income	13,952	-

**Baringo County Older Persons and Persons with Severe Disability Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

Notes to the Financial Statements Continued

5. Other income

Description	2022/2023	2021/2022
	Kshs	Kshs
Insurance Recoveries	-	-
Income from Sale of Tender Documents	-	-
Bad debts recovered	-	-
Miscellaneous Income	-	76,000
Total Other Income	-	76,000

6. Employee Costs

Description	2022/2023	2021/2022
	Kshs	Kshs
Salaries And Wages	-	-
Staff Gratuity	-	-
Staff Training Expenses	-	-
Social Security Contribution	-	-
Other	-	-
Total	-	-

7. Use of Goods and Services

Description	2022/2023	2021/2022
	Kshs.	Kshs.
General Office Expenses	-	-
Loan Processing Costs	-	-
Professional Services Costs	-	-
Administration Fees	155,000	300,000
Committee Allowances	-	-
Bank Charges	3,043	421,540
Electricity And Water Expenses	-	-
Fuel And Oil Costs	-	-
Insurance Costs – NHIF Remittances	1,284,000	3,000,000
Postage And Courier	-	-
Printing And Stationery	-	-

**Baringo County Older Persons and Persons with Severe Disability Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

Description	2022/2023	2021/2022
	Kshs.	Kshs.
Rental Costs	-	-
Security Costs	-	-
Telephone And Communication Expenses	-	-
Audit Fees	-	-
Provision For Doubtful Debts	-	-
Other – Transfer to Beneficiaries	10,864,000	10,000,000
Social benefit expenses* - Other Transfer	-	1,900,000
Total	12,306,043	15,621,540

8. Depreciation and Amortization Expense

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

9. Finance costs

Description	2022/2023	2021/2022
	Kshs	Kshs
Interest On Bank Overdrafts	-	-
Interest On Loans From Banks	-	-
Total	-	-

10. Gain/(loss) on disposal of assets

Description	2022/2023	2021/2022
	Kshs	Kshs
Property, Plant and Equipment	-	-
Intangible Assets	-	-
Total	-	-

**Baringo County Older Persons and Persons with Severe Disability Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

11. Gain/ (loss) on Fair Value Investments

Description	2022/2023	2021/2022
	Kshs	Kshs
Investments at Fair Value- Equity investments	-	-
Fair value – Investment property	-	-
Fair value- other financial assets	-	-
Total Gain	-	-

12. Cash and cash equivalents

Description	2022/2023	2021/2022
	Kshs	Kshs
Baringo county Car Loan Account	-	-
Baringo County Mortgage Account	-	-
Fixed Deposits Account	-	-
On – Call Deposits	-	-
Current Account -	6,548,184	740,275
Others	-	-
Total Cash And Cash Equivalents	6,548,184	740,275

**Baringo County Older Persons and Persons with Severe Disability 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	2022/2023	2021/2022
		Kshs	Kshs
a) Fixed Deposits Account			
Kenya Commercial Bank		-	-
Equity Bank, Etc.		-	-
Sub- Total		-	-
b) On - Call Deposits			
Kenya Commercial Bank		-	-
Equity Bank - Etc.		-	-
Sub- Total		-	-
c) Current Account			
Boresha Sacco Ltd Kabarnet	504512804-01	6,264,974	457,065
Boresha Sacco Ltd Kabarnet	5-42-000044-0	283,210	283,210
Sub- Total		6,548,184	740,275
d) Others			
Cash In Transit		-	-
Cash In Hand		-	-
Sub- Total		-	-
Grand Total		6,548,184	740,275

13. Receivables from exchange transactions

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

Notes to the Financial Statements Continued

**Baringo County Older Persons and Persons with Severe Disability Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

Additional disclosure on interest receivable

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

14. Prepayments

Description	2022/2023	2021/2022
	Kshs	Kshs
Prepaid Rent	-	-
Prepaid Insurance	-	-
Prepaid Electricity Costs	-	-
Other Prepayments	-	-
Total	-	-

15. Inventories

Description	2022/2023	2021/2022
	Kshs	Kshs
Consumable Stores	-	-
Spare Parts And Meters	-	-
Catering	-	-
Other Inventories	-	-
Total Inventories at The Lower of Cost and Net Realizable Value	-	-

**Baringo County Older Persons and Persons with Severe Disability Fund
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Notes to the Financial Statements Continued

16. Investments in financial assets

Description	2022/2023	2021/2022
	Kshs	Kshs
a. Investment in Treasury bills and bonds		
Financial institution		
CBK	-	-
CBK	-	-
Sub- total	-	-
b. Investment with Financial Institutions/ Banks		
Bank x	-	-
Bank y	-	-
Sub- total	-	-
c. Equity investments		
Equity/ shares in Fund	-	-
Sub- total	-	-
Grand total	-	-

Movement of Equity Investments

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

e) Shareholding in other entities

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

**Baringo County Older Persons and Persons with Severe Disability Fund
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Notes To The Financial Statements (Continued)

17. Property, plant and equipment

	Land and Buildings	Motor vehicles	Furniture and fittings	Computers and office equipment	Total
Cost	Kshs	Kshs	Kshs	Kshs	Kshs
At 1st July, 2021	-	-	-	-	-
Additions	-	-	-	-	-
Disposals	(-)	(-)	(-)	(-)	(-)
Transfers/Adjustments	-	-	-	-	(-)
At 30th June, 2022	-	-	-	-	-
At 1st July, 2022					
Additions	-	-	-	-	-
Disposals	(-)	(-)	(-)	(-)	(-)
Transfer/Adjustments	(-)	(-)	(-)	(-)	(-)
At 30th June, 2023	-	-	-	-	-
Depreciation And Impairment					
At 1st July,2021	(-)	(-)	(-)	(-)	(-)
Depreciation	(-)	(-)	(-)	(-)	(-)
Impairment	(-)	(-)	(-)	(-)	(-)
At 30th June, 2022	-	-	-	-	-
At 1st July, 2022					
Depreciation	(-)	(-)	(-)	(-)	(-)
Disposals	-	-	-	-	-
Impairment	(-)	(-)	(-)	(-)	(-)
Transfer/Adjustment	-	-	-	-	-
At 30th June, 2023	-	-	-	-	-
Net Book Values					
At 30th June, 2022	-	-	-	-	-
At 30th June, 2023	-	-	-	-	-

**Baringo County Older Persons and Persons with Severe Disability Fund
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Notes To The Financial Statements (Continued)

18. Intangible assets

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

19. Investment Property

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

**Baringo County Older Persons and Persons with Severe Disability 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	2022/2023		2021/2022	
	Kshs		Kshs	
Trade Payables	-		-	
Refundable Deposits	-		-	
Accrued Expenses	-		-	
Other Payables	-		-	
Total Trade and Other Payables	-		-	
Ageing analysis (Trade and other payables)	2022/2023	% of the Total	2021 / 2022	% 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	-	-	-	-
Additional Provisions	-	-	-	-
Provision Utilised	(-)	(-)	(-)	(-)
Change Due To Discount And Time Value For Money	(-)	(-)	(-)	(-)
Transfers From Non -Current Provisions	-	-	-	-
Balance At The End of The Year	-	-	-	-

**Baringo County Older Persons and Persons with Severe Disability Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

Notes To The Financial Statements (Continued)

22. Borrowings

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

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

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

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

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

**Baringo County Older Persons and Persons with Severe Disability 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	2022 / 2023	2021 / 2022
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	-	-	-	-	-
Non-Current Benefit Obligation	-	-	-	-	-
Total	-	-	-	-	-

24. Social Benefit Liabilities

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

**Baringo County Older Persons and Persons with Severe Disability 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	2022/2023	2021/2022
	Kshs	Kshs
Surplus/ (Deficit) For the Year Before Tax	-	-
Adjusted For:		
Depreciation	-	-
Amortisation	-	-
Gains/ Losses On Disposal Of Assets	(-)	(-)
Interest Income	(-)	(-)
Finance Cost	-	-
Working Capital Adjustments		
Increase In Inventory	(-)	(-)
Increase In Receivables	(-)	(-)
Increase In Payables	-	-
Net Cash Flow From Operating Activities	5,807,909	454,540

**Baringo County Older Persons and Persons with Severe Disability Fund
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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	2022/2023	2021/2022
	Kshs	Kshs
Transfers From Related Parties'	-	-
Transfers To Related Parties	-	-

c) Key management remuneration

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

d) Due from related parties

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

**Baringo County Older Persons and Persons with Severe Disability Fund
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Other Disclosures Continued

e) Due to related parties

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

27. Contingent assets and contingent liabilities

Contingent Liabilities	2022/2023	2021/2022
	Kshs	Kshs
Court Case Xxx Against the Fund	-	-
Bank Guarantees	-	-
Total	-	-

**Baringo County Older Persons and Persons with Severe Disability Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

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 fund'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 fund'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	-	-	-	-
Receivables From Non-Exchange Transactions	-	-	-	-
Bank Balances	6,548,184	6,548,184	-	-
Total	6,548,184	6,548,184	-	-
At 30 June 2022				
Receivables From Exchange Transactions	-	-	-	-
Receivables From Non-Exchange Transactions	-	-	-	-
Bank Balances	740,275	740,275	-	-
Total	740,275	740,275	-	-

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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 fund has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

The fund has significant concentration of credit risk on amounts due from Boresha Sacco Society Ltd

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 fund's short, medium and long-term funding and liquidity management requirements. The fund 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, 2023				
Trade Payables	-	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	-	-	-	-
At 30 June, 2022				
Trade Payables	-	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	-	-	-	-

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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 fund 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 fund'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 fund's exposure to market risks or the manner in which it manages and measures the risk.

i. Foreign currency risk

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

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

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
2022/2023			
Euro	10%	-	-
USD	10%	-	-
2021/2022			
Euro	10%	-	-
USD	10%	-	-

ii. Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

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

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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 fund capital structure comprises of the following funds:

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

29. Events after the reporting period

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

30. Ultimate and Holding Fund

The fund is a County Public Fund established by section 116 (1) of the Public Finance Management Act, 2012 (No. 18 of 2012) and Regulations, 2022 (28th September, 2022) under the Ministry of Gender and Social Services. Its ultimate parent is the County Government of Baringo.

31. Currency

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

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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)
	Cash and Cash Equivalent	The Sacco was considered nearer to beneficiaries	Not resolved	
	Legality of the Operations of the Fund	The regulation was still under process for the approvals and gazettelement	Resolved	

Fund Accounting Officer


Date.....

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Annex II: Inter-Fund Confirmation Letter



Baringo County Older Persons and Persons with Severe Disability Fund
P.O. Box 53 – 30400 KABARNET

The Baringo County Older Persons and Persons with Severe Disability 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 Baringo County Older Persons and Persons with Severe Disability Fund as at 30 th June, 2023							
Reference Number	Date Disbursed	Amounts Disbursed by Baringo County Government (Kshs) as at 30 th June, 2023				Amount Received by Baringo County Older Persons and PWSD Fund (KShs) as at 30 th June, 2023 (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
RTGs	11/7/2022	6,100,000	-	-	6,100,000	6,100,000	-
RTGs	17/5/2023	12,000,000	-	-	12,000,000	12,000,000	-
Total		<u>18,100,000</u>	=	=	<u>18,100,000</u>	18,100,000	-

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

Head of Accountants department of beneficiary Fund:

Name THOMAS CHE SAKO Sign [Signature] Date 5/12/2023

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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		

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Annex IV: Reporting on Disaster Management Expenditure

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