

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

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COMMITTEE	_____
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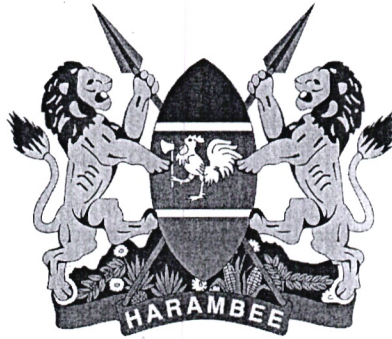
THE AUDITOR-GENERAL

ON

**BARINGO COUNTY LAKE BOGORIA
COMMUNITY GRANT**

**FOR THE YEAR ENDED
30 JUNE, 2022**





COUNTY GOVERNMENT OF BARINGO

BARINGO COUNTY LAKE BOGORIA COMMUNITY GRANT

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2022

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

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**Baringo County Lake Bogoria Community Grant
Reports and Financial Statements
For the year ended June 30, 2022**

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1. KEY GRANT INFORMATION AND MANAGEMENT

a) Background information

The Baringo County Lake Bogoria Community Grant is established by and derives its authority and accountability from section 116(1) of the Public Finance Management Act 2012. The grant is wholly owned by the County Government of Baringo and is domiciled in Kenya.

The grant's objective is to grant the community in the development, sustainment, exploitation, utilisation and conservation of wildlife in accordance with Article 69 of the Constitution. The Grant's / grants principal activity is to meet expenditures characterized as:

Lake Bogoria National Reserve adjacent communities bear many of the direct and indirect costs of wildlife conservation, both through human-wildlife conflicts and the loss of access to land and natural resources at the reserve which they see as their own land. As such and in line with the Cabinet Memo (County Government of Baringo on Guidelines for Lake Bogoria Community grant) that directs that 10% of revenue from Lake Bogoria National Reserve in every financial year is allocated to spend 4% on community conservation projects, activities under this programme will aim to mitigate the costs of wildlife conservation incurred by the reserve-adjacent communities, and increase the direct benefits communities receive from the Lake Bogoria National Reserve. While 6% is utilized on improvement of Lake Bogoria National Reserve

b) Principal Activities

The principal activity/mission/ mandate of the Grant is to mitigate adverse environmental impacts of human activities that has lead to extinction of species and habitats;

- c) Provide overall management and oversight of the grant.
- d) Ensure there is timely and efficient disbursement of grants to beneficiaries.
- e) Ensure keeping of proper books of accounts, file returns and reports from all the beneficiaries of the grant; the books of account shall be kept by the chief officer, tourism & wildlife.
- f) Create public awareness on the important of the grant
- g) Manage the capacity building of the grants beneficiaries.
- h) Receive and address complaints and disputes and take any appropriate actions.
- i) Consider proposed beneficiaries and approve for granting of those that are consistent with these guidelines and send grants to the respective successful ones.
- j) Facilitate the operations of the community committee
- k) Receive reports on the performance of the grant from the ward management committees.
- l) Reconcile the financial position of the grant at the end of every financial year.
- m) Undertake the overall performance status of the grant.
- n) Undertake periodic evaluation of the impact of the grant.

**Baringo County Lake Bogoria Community Grant
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For the year ended June 30, 2022..**

o) Perform any other task as the unit may deem necessary from time to time for the proper management of the grant

p) Grant Administration Committee





The grant is managed by a Board referred to as the Baringo County Lake Bogoria Community Grant Committee.

Members of the County Grant Management Committee

1. The County Chief Officer in charge of finance who is the financial advisor
2. The County Chief Officer of Tourism and Wildlife who is the Grant Administrator
3. The County Director of Tourism and wildlife
4. The County Chief Warden
5. Chairperson Baringo County Conservation Association

Ref	Position	Name
1	Chief Officer Finance	John Kisang -Chairperson
2	Chief Officer Tourism and Wildlife	Richard Rutto-Member
3	CECM - Treasury & Economic Planning	CPA EnockKeston
4	County Chief Warden	William Kimosop-Member
5	County Director Tourism and wildlife	Evans Kipturgo- Member
6	Deputy Director Accounting Services	CPA David Rerimoi

q) Key Management

Ref	Name		Position
1	Fund Administrator - Chief Officer		Richard Rutto
2	Fund Accountant		Phyllis Cheboiwo
3	John Kisang-Chairperson of the Fund		Chief Officer Finance
4	James Kimaru- Site Warden		Game Warden Lake Bogoria N. Reserve

**Baringo County Lake Bogoria Community Grant
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5	Chairperson Kimeli Moses		Lake Bogoria community grants 
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r) Fiduciary Oversight Arrangements

Ref	Position	Name
1	Directorate Internal Audit	CPA James Rotich
2		

s) Registered Offices

P.O. Box 53-30400
JAMABA Building
Kabarnet-County Commissioner's Offices
Kabarnet, KENYA

t) Fund Contacts

Telephone: 053-22290
E-mail: cectreasurybaringo@gmail.com.
Website: www.baringo.go.ke

u) Fund Bankers

Access Bank Kenya PLC
Kabarnet
Acct No. 0140130000004

v) Independent Auditors





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

w) Principal Legal Adviser

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

**Baringo County Lake Bogoria Community Grant
Reports and Financial Statements
For the year ended June 30, 2022.**

1. THE COUNTY GRANT MANAGEMENT COMMITTEE

Name	Passport-Size Photo	Details of qualifications and experience
1. John Kisang- Chief Officer Finance - Chairperson		Year of Birth: 1972 Key Qualifications: Bachelor of Science Natural Resource Management. SMC and several workshops and Seminars Work Experience: 15 Years
2. CPA Enock Keston - CECM - Treasury & Economic Planning		Year of Birth: 1983 Key Qualifications: MBA (Finance) – Egerton, B.COM (Accounting), CPA-K Work Experience: 17 Years
3. Richard Rutto Tourism and Wildlife Chief Officer - Secretary & Grant Administrator		Year of Birth: 1968 Key Qualifications: BSC (AGEN), M SC (WATER) PGD (PM) Senior Management Course Work Experience: 25 Years
5. CPA David Rerimoi Deputy Director Accounting Services		Year of Birth: 1980 Key Qualifications: Masters in Business Administration (UON), BCOM, CPA(K) Senior Management Course. Work Experience: 21 years

2. STATEMENT OF PERFORMANCE AGAINST COUNTY GRANT'S PREDETERMINED OBJECTIVES

Introduction

Section 164 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a Lake Bogoria Community grant established by the Public Finance Management Act 2012 shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The Administrator of the Lake Bogoria Community Grant 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 30th2022.

This responsibility officer administering the Grant shall;

- a. Ensure compilation of proper records, returns and reports from all the beneficiary of the grant.
- b. Ensure capacity building grant of the beneficiary
- c. Receive an address complains, dispute and take appropriate actions.
- d. Undertake the overall performance, report of the grant to be sent to the department of the committee.
- e. Receive application from the beneficiary
- f. Undertake monitories of activities including making official impromptu visit to the beneficiary groups.
- g. Provision of over sight to the disbursement in respective wards.

The Administrator of the Lake Bogoria Grant 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 Lake Bogoria Grant 2015. The Administrator of the Fund is of the opinion that the Fund's financial statements give a true and fair view of the state of Fund's transactions during the financial year ended June 30th 2022, 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 Lake Bogoria Grant 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.

**Baringo County Lake Bogoria Community Grant
Reports and Financial Statements
For the year ended June 30, 2022.**

3. MANAGEMENT TEAM

Name	Details of qualifications and experience
1. Richard Rutto –Tourism and Wildlife Chief Officer - Secretary & Grant Administrator	<p>Year of Birth:1968 Key Qualifications: BSC (AGEN) , M SC (WATER) PGD (PM) Senior Management Course Work Experience: 25 Years</p>
2. John Kisang– County Chief Officer Finance	<p>Year of Birth: 1972 Key Qualifications: Bachelor of Science Natural Resource Management. SMC and several workshops and Seminars Work Experience:15 Years</p>
3. Evans Kipturgo - Director Tourism and wildlife	<p>Year of Birth:1982 Key Qualifications: Bachelor of Tourism and Hospitality Mgt, SMC Work Experience: 12 Years</p>
4. CPA David Rerimoi- Deputy Director Accounting Services	<p>Year of Birth:1980 Key Qualifications: Masters in Business Administration (UON),BCOM,CPA(K) Senior Management Course Work Experience: 21 years</p>
5. CPA Phyllis Cheboiwo – Grant Accountant	<p>Year of Birth:1974 Key Qualifications: MBA(Finance & Accounting) BCOM, CPA(K) Work Experience: 22 years</p>

4. COUNTY GRANT MANAGEMENT COMMITTEE CHAIRPERSON'S REPORT

During the year under review, the grant did not witness any change in the composition of its board and management team. Despite financial constraints, the grant was able to utilize the available resources at its disposal to meet its objectives. There were no revenue but total expenses were **Ksh 350** (Bank Charges). For a fruitful impact, the grant should be allocated resources in the subsequent County Budget.

Signed: _____



**Grant Chairperson Name: John Kisang
Chief Officer - Finance & Economic Planning**

5. REPORT OF THE GRANTADMINISTRATOR

The performance of the Baringo County Lake Bogoria Community Grant was disbursed as stipulated in the law. The budget allocated was not available

The Physical progress based on outputs, outcomes and impacts since establishment of Baringo County Lake Bogoria Community Grant Conservation Grant is that there has been increase in grant beneficiaries due to continuous budget allocation. The value-for-money has been achieved since the needy bright students who were supported through the grant had been increasing while most of them have completed their courses.

The implementation challenges of strategic objectives for the Baringo County Lake Bogoria Community Grant Conservation Grant may include the time taken being too long due to the procedure followed till the approval of the real achievement of the desired list of beneficiaries and its future outlook is encouraging as the budget allocation for the coming year of substantial amount will enable the Grant to undertake its mandate in line with the grant's strategic plan.

Some of the key risk management strategies include frequent changes of the management team members as well as delay in grants disbursement by the County Treasury and improper record keeping.

Signed: _____

Name; Richard Ruto

Grant Administrator



6.0 CORPORATE GOVERNANCE STATEMENT

Number of Fund Administration Committee meetings held and the attendance to those meetings by members.

6. MANAGEMENT DISCUSSION AND ANALYSIS

Lake Bogoria National Reserve adjacent communities bear many of the direct and indirect costs of flooding, wildlife conservation both through human-wildlife conflicts and the loss of access to land and natural resources at the reserve which they see as their own land. Covid 19 pandemic disease which have really paralyses the industry globally and even locally The rising of water levels from 2013 to date the Lake level maintained its volume leading to road diversion and lose of the hot spring including the camping/picnic sites and Insecurity threats around the North rift tourism Circuits resulting to low turnout of visitors hence low revenue earning.

7. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

There is need of the implementation of Lake Bogoria National Reserve management plan since it entails a lot of involvement with the stakeholders and community thus has resulted in the increment of the community and reserve operation to 25% which account to 15% to the community and 10% for the operation in the park.

1) Sustainability strategy and profile

The top management especially the accounting officer and the management should undertake more training's for the sustainable efforts, broad trends in political and macroeconomic affecting sustainability priorities, reference to international best practices and key achievements and failure.

2) Environmental performance

The department has also developed some policies on climate change that will cover a lot on environment.

3) Employee welfare

Give account of the policies guiding the hiring process and whether they take into account the gender ratio, whether they take in stakeholder engagements and how often they are improve, explain efforts made in improving skills and managing careers, appraisal and reward systems. The organisation should also disclose their policy on safety and compliance with Occupational Safety and Health Act of 2007, (OSHA)

4) Market place practices

The organisation should outline its efforts to:

a) Responsible competition practice.

Explain how the organisation ensures responsible competition practices with issues like anti-corruption, responsible political involvement, fair competition and respect for competitors.

**CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY
REPORTING (CONTINUED)**

b) Responsible Supply chain and supplier relations

Explain how the organisation maintains good business practices, treats its own suppliers responsibly by honouring contracts and respecting payment practices.

c) Responsible marketing and advertisement

Development of Covid 19 recoveries strategies -Increased in visitors information Programmes and development of marketing strategies.

d) Product stewardship

Outline efforts to safeguard consumer rights and interests

5) Community Engagements

The community has engaged including public participation in budgetary allocation and project development. Increased stakeholder knowledge, awareness and participation on Covid 19 campaigning, communicated through public barazas/ meeting and educations forums, among others.

8. REPORT OF THE COUNTY GRANT MANAGEMENT COMMITTEE

The Trustees submit their report together with the audited financial statements for the year ended June 30th2022, which show the state of the Fund affairs. Attached is the bank reconciliation, Cash book and bank statement.

9.1 Principal activities

The principal activities of the Fund are;

- a. Giving back to the community that is, the department of tourism acknowledge that there can be no better way of registering appreciation to the community for having played a role in conserving the reserve by giving them a share of revenue collected.
- b. Historical practice that is the community has the legitimate expectation of Baringo County Government to continue disbursing grants as it is used to be by the local authorities.
- c. By disbursing the grants to the community the department of tourism intend to accord them the sense of ownership of the reserve as well as a firm their inclusion in the same.
- a. The commitment of Baringo County Government to better the livelihood of its people speaks by itself on the basis of these guidelines hence improving their living standard.

9.2 Performance

The performance of the Fund for the year ended June 30, 2021, are set out on page

9.3 Trustees

The members of the Board of Trustee /Administration Committee who served during the year are shown on page 06. The changes in the Board during the financial year are as shown below:

9.4 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 [XYZ Certified Public Accountants were nominated by the Auditor General to carry out the audit of the Baringo County Government for the year/period ended June 30, 2022 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].

Name: RICHARD RUTTO

Fund Administration Committee

Date: 28/9/2022



9. 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 shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The Administrator of the County Public Fund is responsible for the preparation and presentation of the Fund's financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30th2021. This responsibility includes:

- a. maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- b. maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the fund;
- c. 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;
- d. Safeguarding the assets of the fund;
- e. Selecting and applying appropriate accounting policies; and
- f. Making accounting estimates that are reasonable in the circumstances.

The Administrator of the County Public Fund accepts responsibility for the Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012. 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 30th2022, 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.

**Baringo County Lake Bogoria Community Grant
Reports and Financial Statements
For the year ended June 30, 2022.**

In preparing the financial statements, the Administrator of the County Public Fund has assessed the Fund's ability to continue as a going concern and disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements.

Nothing has come to the attention of the Administrator to indicate that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Fund's financial statements were approved by the Board on 20th September 2022 and signed on its behalf by



**Grant Administrator
Baringo County Lake Bogoria Community Grant**

REPUBLIC OF KENYA



Enhancing Accountability

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

REPORT OF THE AUDITOR-GENERAL ON BARINGO COUNTY LAKE BOGORIA COMMUNITY GRANT FOR THE YEAR ENDED 30 JUNE, 2022

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 Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment and the 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

Adverse Opinion

I have audited the accompanying financial statements of Baringo County Lake Bogoria Community Grant set out on pages 18 to 57, which comprise of the statement of financial position as at 30 June, 2022, 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, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly the financial position of Baringo County Lake Bogoria Community Grant as at 30 June, 2022 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 do not comply with the Public Finance Management Act, 2012.

Basis for Adverse Opinion

1. Inaccuracies in Presentation of Financial Statements

The statement of changes in net assets reflects revolving grants balance of Kshs.11,000,000 which was also reflected as income in the statement of financial performance. This amounted to double posting. Further, the same statement reflected opening accumulated surplus balance of Kshs.1,987,723 whereas the closing balance as at 30 June 2021 was Kshs.1,826,017 resulting to unreconciled difference of Kshs.161,206. The surplus for the year was reflected as Kshs.1,142,404 whereas the total is incorrectly reflected as a loss of Kshs.3,087,962. The revaluation reserve was not updated to the current year balances.

In addition, the statement of financial position reflects revolving funds and revaluation reserves as nil whereas the statement of changes in net assets reflects the same as Kshs.11,000,000 and Kshs.101,106 respectively. Similarly, the statement reflects cash and bank balance of Kshs.1,987,223 whereas, the statement of cash flows reflects Kshs.3,129,627, resulting to unreconciled variance of Kshs.1,142,404.

Further, the progress on follow up of prior year auditor's recommendations was not included in the financial statements.

In the circumstance, the accuracy and presentation of the financial statements presented for audit do not comply with reporting template issued by the Public Sector Accounting Standards Board.

2. Unsupported Transfers from the County Government

The statement of financial performance reflects transfers from the County Government of Kshs.11,000,000 which relates to the ten percent (10%) of the revenue collected from the Lake Bogoria National Reserve. However, no documentary evidence was provided for audit verification in support of revenue collections by the Lake Bogoria National Reserve. Further the revenue collected was not disclosed under the report of the Grant Administrator.

Under the circumstance, the accuracy and completeness of transfers from County Government of Kshs.11,000,000 for the year ended 30 June, 2022 could not be confirmed.

3. Unsupported Grant Administration Expenses

The statement of receipts and payments reflects grant administration expenses of Kshs.1,308,350 being expenditure incurred on sitting allowances for committee members. However, the expenditure was not supported by way of meeting notices, minutes of the committee meetings and signed attendance register. Further, a payment was made to the chairperson of the Fund instead of the chief officer who is the Administrator of the Fund, contrary to Section 148(2) of the Public Finance Management Act, 2012 which requires the Accounting Officer of a County Government entity to be responsible for managing the finances of the entity. It was also not possible to confirm whether the committee was properly constituted, and the sitting allowance paid to the committee members was valid in the absence of enabling legislations.

In the circumstances, the accuracy and propriety of grant administration expenses totaling to Kshs.1,308,350 for the year ended 30 June, 2022 could not be confirmed.

4. Unsupported Expenditure on Development of Lake Bogoria Community Grant Policy

Included in the general expenses (project and bank charges) amount of Kshs.4,472,496 is expenditure incurred on the developing of Lake Bogoria Community Grant policy of Kshs.2,182,400. However, procurement records, signed contract, inspection and acceptance reports and the policy document were not provided for audit verification. Further, the expenditure was not budgeted. This was contrary to Regulation 29(2) of the Public Finance Management (County Governments) Regulations, 2015 which states that the Accounting Officer is responsible, in particular for ensuring that all services which can be reasonably foreseen are included in the estimates and that they are within the capacity of her or his county government entity during the financial year.

In the circumstances, the accuracy and propriety of expenditure of Kshs.2,182,400 could not be confirmed.

5. Unconfirmed receipt of Bursary Disbursements

The statement of financial performance reflects disbursements to beneficiaries (bursary) totaling to Kshs.4,076,750. However, the criteria for identifying the beneficiaries and confirmation that the bursaries were received by the intended persons were not provided for audit verification. Further, the disbursements to beneficiaries (bursary) was not disclosed in Note 6 to the financial statements as reflected in the statement of financial performance.

In the circumstance, the accuracy and propriety of disbursements to beneficiaries (bursary) totaling to Kshs.4,076,750 for the year ended 30 June, 2022 could not be confirmed.

6. Unreconciled Cash and Cash Equivalents

The statement of financial position reflects cash and cash equivalents balance of Kshs.1,987,223 whereas Note 10 to the financial statements reflects Kshs.3,954,227 resulting to unreconciled variance of Kshs.1,967,004. Further, a review of bank

reconciliation statement for the month of June, 2022 revealed stale cheques totalling Kshs.114,600 which had not been written back into the cash book.

In addition, the Fund's bank account was maintained at a commercial bank as disclosed in Note 10 to the financial statements, contrary to Regulation 82(1and 2) of the Public Finance Management (County Governments) Regulations, 2015 which stipulates that all county government bank accounts shall be opened at the Central Bank of Kenya except for imprest bank accounts for petty cash. No explanation was provided for maintaining the Fund bank account outside Central Bank of Kenya. Further, the authority to open the fund bank account, was not provided for audit verification.

In the circumstances, the accuracy of the cash and cash equivalents balance of Kshs.1,987,223 as at 30 June, 2022 could not be confirmed.

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, 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, because of the significance of the matters discussed in the Basis for Adverse Opinion and Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources Sections of my report based on the audit procedures performed, I confirm that public resources have not been applied lawfully and in an effective way.

1. Non-Response to Management Letter

Management did not respond to the management letter issued on 9 February, 2023. This was contrary to Section 31(4) of the Public Audit Act, 2015, which states that the accounting officer shall within fourteen (14) days from the date of receipt of the draft management letter, submit a response to the Auditor-General including remedial actions that have been undertaken to address any qualifications in the draft management letter.

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

2. Absence of Enabling Legislation

Records provided for audit review indicate that Lake Bogoria Community Grant was established in 2015. However, the Fund enabling legislation had not been approved by the County Assembly.

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

3. Grant Administration Expenses

The statement of financial performance reflects grant administration expenses of Kshs.1,308,350 or twelve percent (12%) of the approved budgeted amount of Kshs.11,000,000. This was contrary to Regulation 197 (1) (d) of the Public Finance Management (County Governments) Regulations, 2015 which states that the administration costs of a Fund shall be a maximum of three percent (3%) of the approved budgets of the Fund.

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

4. Lack of Approved Budget

The statement of comparison of budget and actual amounts reflects final budget on revenue of Kshs.11,000,000 and nil (o) final budget on expenditure. However, approved budget estimates in support of the revenue and expenditure were not prepared and approved. This was contrary to Regulations 31(a) of the Public Financial Management (County Governments) Regulations, 2015, which stipulates that all revenue and expenditure shall be entered into the County Government Budget estimates and approved for one year only.

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

Basis for Conclusion

The audit was conducted in accordance with 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 are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1) (a) of the Public Audit Act, 2015, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, based on the audit procedures performed, I confirm that internal controls, risk management and governance were not effective.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective

processes and systems of internal control, 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 Management and those Charged with Governance

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

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

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

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

Those charged with governance are responsible for overseeing the Grant'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 all 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 control 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 control 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 control.
- 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 Grant'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 Grant to cease to continue to sustain its 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 Grant to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the 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 to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

18 April, 2023

**Baringo County Lake Bogoria Community Grant
Reports and Financial Statements
For the year ended June 30, 2022.**

11. FINANCIAL STATEMENTS

13.1 STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30th JUNE 2022.

	Note	2020/2022	2019/2022
		KShs	KShs
Revenue from non-exchange transactions			
Public contributions and donations	1	0	0
Transfers from the County Government	2	11,000,000	4,800,000
Fines, penalties and other levies	3	0	0
		11,000,000	4,800,000
Revenue from exchange transactions			
Interest income	4	0	17,146
Other income	5	0	0
Total revenue		11,000,000	4,817,146
Expenses			
Grant administration expenses	6	1,308,350	1,561,460
General expenses (Projects & Bank charges)	7	4,472,496.10	6,326,502
Disbursements to Beneficiaries (Bursary)	6	4,076,750	-
Total expenses		9,857,596.10	7,887,962
Other gains/losses			
Gain/loss on disposal of assets	9		
Surplus/(deficit) for the period		1,142,403.90	-3,070,816

**Baringo County Lake Bogoria Community Grant
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For the year ended June 30, 2022**

13.2 STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

	Note	2021/2022	2020/2021
		KShs	KShs
Assets			
Current assets			
Cash and cash equivalents	10	1,987,223	1,927,123
Current portion of long- term receivables from exchange transactions	11	0	0
Receivables from Non- exchange transactions	12	0	0
Prepayments	13	0	0
Inventories	14	0	0
		1,987,223	1,927,123
Non-current assets			
Long term receivables from exchange transactions	11	0	0
Property, plant and equipment	15	0	0
Intangible assets	16	0	0
Total assets			
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	17	0	0
Provisions	18	0	0
Current portion of borrowings	19	0	0
Employee benefit obligations	20	0	0
		0	0
Non-current liabilities		0	0
Long term portion of borrowings	19	0	0
Non-current employee benefit obligation	20	0	0
Total liabilities		0	0
Net assets		1,987,223	1,927,123
Revolving Grant		0	0
Reserves		0	101,106
Accumulated surplus		1,987,223	1,826,017
Total net assets and liabilities		1,987,123	1,927,123

**Baringo County Lake Bogoria Community Grant
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For the year ended June 30, 2022.**

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The grant financial statements were approved on 28/9 2022 and signed by:



Administrator of the Grant

Name: Richard Rutto

Phyllis

Grant Accountant

Name: CPA Phyllis Cheboiwo

ICPAK Member Number: 21650

**Baringo County Lake Bogoria Community Grant
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For the year ended June 30, 2022**

13.3 STATEMENT OF CHANGES IN NET ASSETS AS AT 30 JUNE 2022

	Revolving Grant	Revaluation Reserve	Accumulated surplus	Total
		KShs	KShs	KShs
Balance as at 1 July 2020	-	83,960	4,913,979	4,997,939
Surplus/(deficit) for the period	-	0	-3,087,962	-3,087,962
Grants received during the year	4,800,000	0	0	0
Revaluation gain	-	17,146	0	17,146
Balance as at 30 June 2021	4,800,000	101,106	1,826,017	1,927,123
	-	-		
Balance as at 1 July 2021	-	-	1,987,223	1,987,223
Surplus/(deficit) for the period	-	0	1,142,403.90	-3,087,962
Grants received during the year	11,000,000	0	0	0
Revaluation gain	-	17,146	0	17,146
Balance as at 30 June 2022	11,000,000	101,106	3,129,626.90	1,927,123

**Baringo County Lake Bogoria Community Grant
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13.4 STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE 2022

	Note	2021/2022	2020/2021
		KShs	KShs
Cash flows from operating activities			
Receipts			
Public contributions and donations		-	-
Transfers from the County Government		11,000,000	6,000,000
Interest received		-	83,960
Receipts from other operating activities			
Total Receipts		11,000,000	6,083,960
Payments			
Grant administration expenses		1,308,350	537,900
General expenses (Projects & Bank Charges)		4,472,496.10	3,594,634
Finance cost		-	-
Disbursements of Bursary to beneficiaries		4,076,750	-
Total Payments		9,857,596.10	4,132,534
Net cash flows from operating activities		1,142,403.90	1,951,426
Cash flows from investing activities		0	0
Purchase of property, plant, equipment and intangible assets		0	0
Proceeds from sale of property, plant and equipment		0	0
Proceeds from loan principal repayments		0	0
Loan disbursements paid out		0	0
Net cash flows used in investing activities		0	0
Cash flows from financing activities		0	0
Proceeds from revolving grant receipts		0	0
Additional borrowings		0	0
Repayment of borrowings		0	0
Net cash flows used in financing activities			
Net increase /(decrease) in cash and cash equivalents		1,142,403.90	1,951,426
Cash and cash equivalents at 1 JULY, 2021	10	1,987,223.00	3,046,513
Cash and cash equivalents at 30 JUNE, 2022	10	3,129,626.90	4,997,939

**Baringo County Lake Bogoria Community Grant
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For the year ended June 30, 2022**

13.5 STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE PERIOD ENDED 30TH JUNE 2022.

	Original budget	Adjust ments	Final budget	Actual on comparable basis	% utilizati on
	2022	2022	2022	2022	2022
Revenue	KShs	KShs	KShs	KShs	
Public contributions and donations	0.00	(0.00)	0.00	0.00	0%
Transfers from County Govt.	11,000,000	0	11,000,000	11,000,000	100%
Interest income	-	-	-	-	-
Other income	-	-	-	-	-
Total income	11,000,000	-	11,000,000	11,000,000	100%
Expenses					
Grant administration expenses	-	-	-	1,308,350	13.27%
General expenses	-	-	-	4,472,496.10	45.37%
Finance cost	-	-	-	-	-
Disbursements of Bursary to beneficiaries	-	-	-	4,076,750	41.36%
Total expenditure	-	-	-	9,857,596.10	100%
Surplus for the period	11,000,000	-	11,000,000	1,142,403.90	10.39%

13.6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(1) 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.

Baringo County Government
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SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(2) Adoption of new and revised standards

a) Relevant new standards and amendments to published standards effective for the year ended 30th June 2022

Standard/ Amendments : Applicable: 1 st January 2022:	Impact
a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks	There was no impact of the amendment to IPSAS 13 with respect to the current financial report
b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment. Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved	There was no impact of the amendment to IPSAS 13 and IPSAS 17 with respect to the current financial report as the Lake Bogoria Community Grant did not apply any of the transitional provisions in the FY 2021/2022
c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets. Amendments to ensure consistency of impairment guidance to account for devalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets.	There was no impact of the amendment to IPSAS 21 and IPSAS 26 with respect to the current financial report as the Lake Bogoria Community Grant does not have Non-Cash Generating Assets and neither did it have impaired cash generating assets.
d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs). Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard	<i>Document the impact if the fund is reporting for the first time on accrual/ Otherwise indicate that there was no impact</i>

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2022

Standard	Effective date and impact:
<p>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1st January 2022:</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of Lake Bogoria Community Grant’s future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset’s cash flows and the objective for which the asset is held; • 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 Lake Bogoria Community Grant’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 2022</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Lake Bogoria Community Grant 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>

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Standard	Effective date and impact:
	<p>(a) The nature of such social benefits provided by the Lake Bogoria Community Grant;</p> <p>(b) The key features of the operation of those social benefit schemes; and</p> <p>(c) The impact of such social benefits provided on the Lake Bogoria Community Grant’s financial performance, financial position and cash flows.</p>
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	<p>Applicable: 1st January 2022:</p> <p>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.</p> <p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c) Early adoption of standards

The Lake Bogoria Community Grant did not earlier adopt any new or amended standards in the year 2021.

(3) 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 Lake Bogoria Community Grant 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.

4) Budget information

Original budget FY 2021/2022 was approved by the County Assembly on 30th June 2022. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Lake Bogoria Community Grant upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Fund recorded additional appropriations of **Ksh.11, 000,000** on 30th June, 2022 the FY 2021/2022 budget following the governing body's approval.

The Lake Bogoria Community Grant'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 is **ksh 3,954,226.90**, as reported in bank reconciliation statement and this figure was as a result of un presented cheques in the bank statement at the closure of FY 2021/2022

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 actual as per the statement of financial performance has been presented under section 13.5 of these financial statements.

1. 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 Lake Bogoria Community Grant recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise when a major inspection is performed, its costs 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.

5) 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.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6) Financial instruments

a) Financial assets

Initial recognition and measurement

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classifieds financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Lake Bogoria Community Grant determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

Held-to-maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Lake Bogoria Community Grant has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

Impairment of financial assets

The Lake Bogoria Community Grant assesses at each reporting date whether there is objective evidence that a financial asset or Lake Bogoria Community Grant of financial assets is impaired. A financial asset or a Lake Bogoria Community Grant of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financials.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Asset or the Lake Bogoria Community Grant of financial assets that can be reliably estimated evidence of impairment may include the following indicators;

- i. The debtors or a Lake Bogoria Community Grant of debtors are experiencing significant financial difficulty
- ii. Default or delinquency in interest or principal payments
- iii. The probability that debtors will enter bankruptcy or other financial reorganization
- iv. Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

b) Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Lake Bogoria Community Grant determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

Loans and borrowing

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

7) 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.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 Lake Bogoria Community Grant.

8) Provisions

Provisions are recognized when the Lake Bogoria Community Grant 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 Lake Bogoria Community Grant 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.

Contingent liabilities

The Lake Bogoria Community Grant 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.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contingent assets

The Lake Bogoria Community Grant 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 Lake Bogoria Community Grant 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.

9) Nature and purpose of reserves

The Lake Bogoria Community Grant creates and maintains reserves in terms of specific requirements. The department shall all times be guided by provision of Article 43(1) of the constitution.

10) Changes in accounting policies and estimates

The Lake Bogoria Community Grant recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

11) Employee benefits– Retirement benefit plans

The Lake Bogoria Community Grant provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an Lake Bogoria Community Grant pays fixed contributions into a separate Lake Bogoria Community Grant (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.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

12) 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.

13) 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.

14) Related parties

The Lake Bogoria Community Grant regards a related party as a person or Lake Bogoria Community Grant with the ability to exert control individually or jointly, or to exercise significant influence over the Lake Bogoria Community Grant, or vice versa. Members of key management are regarded as related parties and comprise the directors/ Trustee, the Fund Managers and Fund Accountant.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

15) Cash and cash equivalents

Cash and cash equivalents comprise 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 Access bank at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents does not include short term cash imprest and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

16) Comparative figures

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

17) Events after the reporting period

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

19) Ultimate and Holding Lake Bogoria Community Grant

The Lake Bogoria Community Grant is a county public Fund established by Cabinet Memo No. Micted3/2015 Regulation, in department of industrialization, commerce, tourism and enterprise development. Its ultimate parent is the County Government of Baringo.

18) Currency

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

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

19) Significant judgments and sources of estimation uncertainty

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

a) Estimates and assumptions

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

- i) The condition of the asset based on the assessment of experts employed by the Lake Bogoria Community Grant
- ii) The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- iii) The nature of the processes in which the asset is deployed
- iv) Availability of funding to replace the asset
- v) Changes in the market in relation to the asset

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c) Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is not included in any Note.

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.

20) 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 Lake Bogoria Community Grant management based on prior experience and their assessment of the current economic environment.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The carrying amount of financial assets recorded in the financial statements representing the Lake Bogoria Community Grant's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

	Total amount KShs	Fully performing KShs	Past due KShs	Impaired KShs
At 30 June 2022				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	3,954,226.90	3,954,226.90	-	-
Total	3,954,226.90	3,954,226.90	-	-
At 30 June 2021				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	7,228,773	7,228,773	-	-
Total	7,228,773	7,228,773	-	-

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 Lake Bogoria Community Grant has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Lake Bogoria Community Grant has no significant concentration of credit risk on any amounts due.

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.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 Lake Bogoria Community Grant's short, medium and long-term funding and liquidity management requirements. The Lake Bogoria Community Grant 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.

	Less than 1 month	Between 1- 3 months	Over 5 months	Total
	KShs	KShs	KShs	KShs
At 30 June 2022				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	-	-	-	-
At 30 June 2021				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	-	-	-	-

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c) Market risk

The board has put in place an internal audit function to assist it in assessing the risk faced by the Lake Bogoria Community Grant 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 Lake Bogoria Community Grant 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 Lake Bogoria Community Grant exposure to market risks or the manner in which it manages and measures the risk.

d) Foreign currency risk

The Lake Bogoria Community Grant 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.

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SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

		Other currencies	Total
	KShs	KShs	KShs
At 30 June 2022			
Financial assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors/ receivables	-	-	-
Liabilities			
Trade and other payables	-	-	-
Borrowings	-	-	-
Net foreign currency asset/(liability)	-	-	-

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.

	Change in currency rate	Effect on surplus/ deficit	Effect on equity
	KShs	KShs	KShs
2022			
Euro	10%	0%	0%
USD	10%	0%	0%
2021			
Euro	10%	0%	0%
USD	10%	0%	0%

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e) Interest rate risk

Interest rate risk is the risk that the Lake Bogoria Community Grant's financial condition may be adversely affected as a result of changes in interest rate levels. The Lake Bogoria Community Grant'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 Nil (2022: KShs-). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of KShs Nil (2021- KShs-)

f) 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 Lake Bogoria Community Grant capital structure comprises of the following funds:

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SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

	2021/2022	2020/2021
	KShs	KShs
Revaluation reserve	-	-
Revolving fund	-	101,106
Accumulated surplus	1,142,403.90	1,826,017
Total funds	1,142,403.90	1,927,123
Total borrowings	-	-
Less: cash and bank balances	(1,142,403.90)	(1,927,123)
Net debt/(excess cash and cash equivalents)	-	-
Gearing	0%	0%

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12. NOTES TO THE FINANCIAL STATEMENTS

1. Public contributions and donations

Description	2021/2022	2020/2021
	KShs	KShs
Donation from development partners	-	-
Contributions from the public	-	-
Total	-	-

2. Transfers from County Government

Description	2021/2022	2020/2021
	KShs	KShs
Transfers from County Govt. – operations	11,000,000	4,800,000
Payments by County on behalf of the Lake Bogoria Community Grant	-	-
Total	11,000,000	4,800,000

3. Fines, penalties and other levies

Description	2021/2022	2020/2021
	KShs	KShs
Late payment penalties	-	-
Fines	-	-
Levies	-	-
Licences	-	-
Total	-	-

4. Interest income

Description	2021/2022	2020/2021
	KShs	KShs
Interest income from Mortgage loans	-	-
Interest income from car loans	-	-
Interest income from investments	-	-
Interest income on bank deposits	-	17,146
Total interest income	-	17,146

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. Other income

Description	2021/2022	2020/2021
	KShs	KShs
Insurance recoveries	-	-
Income from sale of tender documents	-	-
Miscellaneous income (specify)	-	-
Total other income	-	-

(NB: All income should be classified as far as possible in the relevant classes and other income should be used to recognise income not elsewhere classified).

6. Fund administration expenses

Description	2021/2022	2020/2021
	KShs	KShs
Staff costs (Note 6a)	-	-
Loan processing costs	-	-
Professional services costs	-	-
Administration fees	1,303,350	1,561,460
Total	1,303,350	1,561,460

6A. Staff costs

Description	2021/2022	2020/2021
	KShs	KShs
Salaries and wages	-	-
Staff gratuity	-	-
Staff training expenses	-	-
Social security contribution	-	-
Other staff costs	-	-
Total	-	-

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. General expenses

Description	2021/2022	2020/2021
	KShs	KShs
Consumables	-	-
Electricity and water expenses	-	-
Fuel and oil costs	-	-
Insurance costs	-	-
Postage	-	-
Printing and stationery	-	-
Rental costs	-	-
Security costs	-	-
Telecommunication	-	-
Bank Charges	19,096.10	18,912
Hospitality	-	-
Depreciation and amortization costs	-	-
Other expenses - Grants	8,530,150	6,307,590
Total	8,549,246.10	6,326,502

8. Finance costs

Description	2021/2022	2020/2021
	KShs	KShs
Interest on Bank overdrafts	-	-
Interest on loans from banks	-	-
Total	-	-

9. Gain/(loss) on disposal of assets

Description	2021/2022	2020/2021
	KShs	KShs
Property, plant and equipment	-	-
Intangible assets	-	-
Total	-	-

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. Cash and cash equivalents

Description	2021/2022	2020/2021
	KShs	KShs
Xxx Car loan account	-	-
Xxx County mortgage account	-	-
Fixed deposits account	-	-
On – call deposits	-	-
Current account	3,954,226.90	1,927,123
Others	-	-
Total cash and cash equivalents	3,954,226.90	1,927,123

(The amount should agree with the closing and opening balances as included in the statement of cash flows)

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

Financial institution	Account number	2021/2022	2020/2021
		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			
Access bank		3,954,226.90	1,927,123
Bank B		-	-
Sub- total		3,954,226.90	1,927,123
d) Others(specify)			
Cash in transit		-	-
Cash in hand		-	-
Mobile Money		-	-
Sub- total		-	-
Grand total		-	-

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. Receivables from exchange transactions

Description	2021/2022	2020/2021
	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	-	-

Additional disclosure on interest receivable

Description	2021/2022	2020/2021
	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	-	-

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12. Receivables from Non-Exchange transaction

Description	2021/2022	2020/2021
	KShs	KShs
Transfer from County Executive	-	-
Transfer from any Fund	-	-
Total receivables from non-exchange transactions	-	-

13. Prepayments

Description	2021/2022	2020/2021
	KShs	KShs
Prepaid rent	-	-
Prepaid insurance	-	-
Prepaid electricity costs	-	-
Other prepayments(specify)	-	-
Total	-	-

14. Inventories

Description	2021/2022	2020/2021
	KShs	KShs
Consumable stores	-	-
Spare parts and meters	-	-
Catering	-	-
Other inventories(specify)	-	-
Total inventories at the lower of cost and net realizable value	-	-

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15. 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 2020	-	-	-	-	-
Additions	-	-	-	-	-
Disposals	(-)	(-)	-	-	(-)
Transfers/adjustments	-	(-)	-	(-)	(-)
At 30th June 2021	-	-	-	-	-
At 1st July 2021					
Additions	-	-	-	-	-
Disposals	(-)	-	-	-	(-)
Transfer/adjustments	(-)	-	-	(-)	(-)
At 30th June 2022	-	-	-	-	-
Depreciation and impairment					
At 1 st July 2020	(-)	(-)	(-)	(-)	(-)
Depreciation	(-)	(-)	(-)	(-)	(-)
Impairment	(-)	-	-	-	(-)
At 30th June 2021	-	-	-	-	-
At 1st July 2022					
Depreciation	(-)	(-)	(-)	-	(-)
Disposals	-	-	-	-	-
Impairment	(-)	(-)	-	-	(-)
Transfer/adjustment	-	(-)	(-)	-	-

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	Land and Buildings	Motor vehicles	Furniture and fittings	Computers and office equipment	Total
Cost	KShs	KShs	KShs	KShs	KShs
At 30th June 2022	-	-	-	-	-
Net book values					
At 30th June 2021	-	-	-	-	-
At 30th June 2022	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. Intangible assets-software

Description	2021/2022	2020/2021
	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	-	-

17. Trade and other payables from exchange transactions

Description	2021/2022	2020/2021
	KShs	KShs
Trade payables	-	-
Refundable deposits	-	-
Accrued expenses	-	-
Other payables	-	-
Total trade and other payables	-	-

18. Provisions

Description	Leave provision	Bonus provision	Other provision	Total
	KShs	KShs	KShs	KShs
Balance at the beginning of the year(1.07.2021)	-	-	-	-
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 (30.06.2022)	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19. Borrowings

Description	2021/2022	2020/2021
	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:

	2021/2022	2020/2021
	KShs	KShs
External Borrowings		
Dollar denominated loan from 'xxx organization'	-	-
Sterling Pound denominated loan from 'organization'	-	-
Euro denominated loan from 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	2021/2022	2020/2021
	KShs	KShs
Short term borrowings(current portion)	-	-
Long term borrowings	-	-
Total	-	-

(NB: the total of this statement should tie to note 18 totals. Current portion of borrowings are those borrowings that are payable within one year or the next financial year. Additional disclosures on terms of borrowings, nature of borrowings, security and interest rates should be disclosed)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

20. Employee benefit obligations

Description	Defined benefit plan	Post employment medical benefits	Other Provisions	Total
	KShs	KShs	KShs	KShs
Current benefit obligation	-	-	-	-
Non-current benefit obligation	-	-	-	-
Total employee benefits obligation	-	-	-	-

21. Cash generated from operations

	2021/2022	2020/2021
	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	-	-

(The total of this statement should tie to the cash flow section on net cash flows from operating activities)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

22. 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) County Assembly;
- d) Key management;
- e) Board of Trustees; etc

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

b) Related party transactions

	2021/2022	2020/2021
	KShs	KShs
Transfers from related parties'	-	-
Transfers to related parties	-	-

c) Key management remuneration

	2021/2022	2020/2021
	KShs	KShs
Board of Trustees	-	-
Key Management Compensation	-	-
Total	-	-

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d) Due from related parties

	2021/2022	2020/2021
	KShs	KShs
Due from parent Ministry	-	-
Due from County Government	-	-
Due from County Assembly	-	-
Total	-	-

e) Due to related parties

	2021/2022	2020/2021
	KShs	KShs
Due to parent Ministry	-	-
Due to County Government	-	-
Due to Key management personnel	-	-
Due to County Assembly	-	-
Total	-	-

23. Contingent assets and contingent liabilities

Contingent liabilities	2021/2022	2020/2021
	KShs	KShs
Court case xxx against the Fund	-	-
Bank guarantees	-	-
Total	-	-

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**13. 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. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue Observations from Auditor	Management / comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>

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14. APPENDIX I: INTER-LAKE BOGORIA COMMUNITY GRANT TRANSFERS

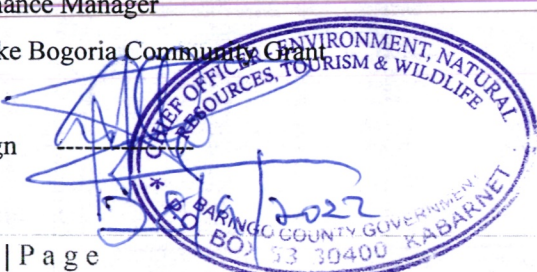
NAME:				
Break down of Transfers from the County Executive of Baringo County Government				
FY 2021/2022				
a.	Recurrent Grants	<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		Total		
b.	Development Grants	<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
			11,000,000	
			-	
			-	
		Total	11,000,000	
c.	Direct Payments	<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		Total	11,000,000	

The above amounts have been communicated to and reconciled with the parent Ministry.

Finance Manager

Lake Bogoria Community Grant

Sign



Head of County Treasury at

Baringo County Government

Sign