REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

BARINGO COUNTY ASSEMBLY CATERING AND HEALTH SERVICES SCHEME FUND

FOR THE YEAR ENDED 30 JUNE, 2024

HARAMBEE

BARINGO COUNTY GOVERNMENT

BARINGO COUNTY ASSEMBLY
CATERING AND HEALTH SERVICES SCHEME FUND

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2024

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

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1. Acronyms and Glossary of Terms

a) Acronyms

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

b) Glossary of Terms

Fiduciary Management	The key management personnel who had financial responsibility

2. Key Entity Information and Management

a) Background information

Section 116 of Public Finance Management Act of 2012 gives powers to County Executive member for finance to establish other Public funds which necessitated the establishment of Baringo County Assembly Catering and Health Services Scheme Fund Regulation of 2017. The fund is wholly owned by the Baringo County Assembly and is domiciled in Kenya.

The key objectives of the Fund include:

(i) Purchase equipment for the improvement of the catering facility
(ii) Provide quality catering services to the members of County Assembly and the staff hence enhancing their welfare
(iii) Provide privacy to the member to enable them to deliver on their mandate of representation, legislation and oversight.

b) Principal Activities

To provide for the purchase of catering equipment, managing and administration of the restaurant activities and for matters related or incidental thereto.

c) Catering and Health Services Scheme Fund Committee members

Ref	Name	Position
1	Hon. .Jeruto Kiptala	Chairperson
2	Hon. Miriam Katurkana	Vice chairperson
3	Hon. Ernest Tarus	Member
4	Hon. Solomon Kuria	Member
5	Hon. Vincent Kemboi	Member
6	Hon. Symon Kiplagat	Member
7	Hon. Caroline Lesaaya	Member
8	Hon. Peter Akimat	Member
9	Ms. Jepkemoi Chemase	Fund Administrator
10	Mr. Amos Kiprop	Ex- officio Member
11	Mr. David Bargotio	Ex-officio Member

d) Key Management team

Ref	Name	Position
1	Ms Jepkemoi Chemase	Fund administrator
2	CPA. Alfred Keitany	Director, Finance and Accounting Services
3	Mr. David Bargotio	Senior Hospitality Officer

Key Entity and Management (Continued)

e) Fiduciary Oversight Arrangement

SN	Position	Name
1	Principal Internal Auditor	Kiprotich Kipsegerwo
2	County Public Accounts & Investments Committee	1.Hon. Sialo Kimiring- Chairperson 2.Hon. Clement Lomongoria– Vice Chairperson 3. Hon. Ayub Keitany – Member 4. Hon. Kennedy Kiprono – Member 5. Hon. Loice Kipseba– Member 6. Hon. Makal Solomon – Member 7. Hon. Linah Chebet – Member

f) Registered Offices

P.O. Box 159-30400,
County Assembly Building,
Kabarnet-Iten Road,

g) Fund Contacts

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

h) Fund Bankers

Kenya Commercial Bank
Kabarnet Branch
P.O. Box 175-30400
Kabarnet
Account number 1219723320

Key Entity and Management (Continued)

i) Independent Auditors

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

j) Principal Legal Adviser

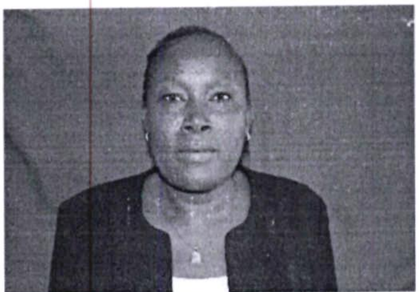
The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

k) Principal Legal Officer

Baringo County Assembly
P.O. Box 159-30400
Kabarnet, Kenya.

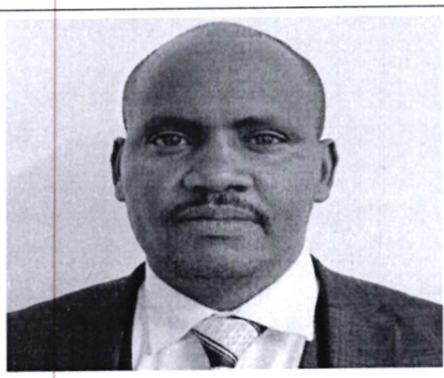
3. Catering and Health Services Scheme Fund Committee.

Name	Details of qualifications and experience
 1. Hon. Jeruto Kiptala	Year of Birth: 1988 Key Qualifications: Bachelors degree in procurement Work experience : Currently the Member, Baringo County Assembly Chairperson
 2. Hon. Miriam Katurkana	Year of Birth: 1982 Key Qualification: Diploma in Human Resource Work experience : Currently the Member, Baringo County Assembly Member
 3. Hon. Ernest Tarus	Year of Birth: 1977 Key Qualifications: Degree Bachelors of Commerce Work experience : Currently the Member, Baringo County Assembly Member
 4. Hon. Solomon Kuria	Year of Birth: 1982 Key Qualifications: Diploma in Banking and Finance Work experience : Currently the Member, Baringo County Assembly Member

 5. Hon. Vincent Kemboi	Year of Birth: 1987 Key Qualifications: An Advocate of the High Court of Kenya experience in legal practice Work experience : Currently the Speaker, Baringo County Assembly Member
 6. Hon. Symon Kiplagat	Year of Birth: 1988 Key Qualifications: Bachelors in Business Administration Finance option. Work experience : Currently the Member, Baringo County Assembly Member
 7. Hon. Caroline Lesaaya	Year of Birth: 1982 Key Qualification: Diploma in Human Resource Work experience : Currently the Member, Baringo County Assembly Member
 8. Hon. Peter Akimat	Year of Birth: 1997 Key Qualifications: Bachelor environmental science Work experience : Currently the Member, Baringo County Assembly Member
 9. Jepkemoi Chemase	Year of Birth: 1976 Key Qualifications: Bachelor of Education Masters in Business Administration (Human Resource Management(Option) Work experience: Clerk to County Assembly May 2022 to date. Deputy Clerk Administration 2013 to May 2022 Employee of the Teachers Service Commission: 1998 to date

 10. Amos Kiprop	Year of Birth: 1982 Key Qualifications: Degree Bachelors of Applied Science Work experience: Currently Principal Sergeant at Arms, Baringo County Assembly.
 11. David Bargotio	Year of Birth: 19 June 1973 Key Qualifications: Higher Diploma in Business management. Diploma Food and Beverage Management. Work experience: Senior Hospitality Officer, Baringo County Assembly.

4. Management Team

Name	Details of qualifications and experience
 1. Ms. Jepkemoi Chemase Clerk to County Assembly	Year of Birth:1976 Key Qualifications: Bachelor of Education Masters in Business Administration (Human Resource Management Option) Work experience: Employee of the Teachers Service Commission: 1998 to 2013 Deputy Clerk- Administration, Baringo County Assembly: 2013 to 2022 Currently Clerk to the County Assembly. (Fund administrator)
 . 2. CPA Alfred Keitany Director Finance and Accounting Services	Year of Birth: 12/01/1983 Key Qualifications: MBA-Finance from Catholic University of East Africa ,BBM Accounting Option from Moi University and CPA (K) Work experience: Principal Accountant Ministry of Health (NASCOP), and currently Director Finance and Accounting Services Baringo County Assembly.
 3. David Bargotio Senior hospitality officer	Year of Birth: 19/06/1973 Key Qualifications: Advanced diploma in business management Diploma in Food and beverage management Work experience: Manager Freedom hotel Southern Sudan Currently Senior Hospitality Officer, Baringo County Assembly.

5. Fund Chairperson's Report

The membership of the Catering and Health Services Scheme Fund is composed of 8 Honourable members of County Assembly and 3 ex-officio members who are mandated with the management and operation of the Fund. During the year under review there were no changes in the funds key management team.

The committee's operations are guided by the Catering and Health Services Scheme Fund Regulations of 2017 and other relevant laws. The Catering and Health Services committee shall be constituted by a session of the County Assembly whose membership shall conform to the constitution. The meetings of the committee shall be convened by the chairperson or in the absence of the chairperson, by a member designated by the chairperson and shall be convened at such a times as may be necessary for the discharge of committee functions.

The Fund became operational in November 2017 with an injection of initial Capital of Kshs. 300,000 that was used for purchase of food and drinks for the members' restaurant and the bar. The Fund has realised a surplus of Kshs. 586,805 for the period.

Based on the performance of the Fund in terms of incomes and expenditure trends, during the financial year, the fund intends to undertake the following:

- Increasing the purchase of foods and drinks or other goods for supply for the members' restaurant and the bar in the County Assembly;
- Purchasing equipment for improvement of the catering facility.

To be able to enhance efficient and effective operation of the fund, the management requests for an additional budgetary allocation.

In conclusion, the Fund has served its major purpose to offer the members quality Catering services, privacy, safety and has saved them time to discharge their mandate of Oversight, Representation and Legislation and is entirely indebted to the Baringo County Assembly Management for the noble course.

Name: Jemp Kiptalla Signature: .... Date: 27/12/24

Chairperson of the Fund

6. Report of the Fund Administrator

The membership of the Catering and Health Services Scheme Fund is composed of 8 honourable members of County Assembly and 3 ex-officio members who are mandated with the management and operation of the Fund.

The committee's operations are guided by the Catering and Health Services Scheme Fund Regulations of 2017 and other relevant laws. The objective and purpose of the fund is to provide quality catering services to the members and staff of the County Assembly. The Fund's key management are composed of three members that is, the fund administrator, catering manager and the director finance and accounting services.

The Fund became operational in November 2017 with an injection of initial capital of Kshs. 300,000 that was used for purchase of food and drinks for the members' restaurant. Further, the fund generated an income of Ksh 5,458,820 compared to 4,676,381 in the prior year. The cost of sales was Ksh 4,860,377 compared to Ksh Ksh 4,309,669 in the prior year and expenditure of Ksh 11,638 compared to Ksh 12,691 in the prior year.
The fund realised a surplus of Ksh 586,805 for the period under review compared to Ksh 354,021 in financial year 2022/2023.

Based on the performance of the Fund in terms of incomes and expenditure trends, during the financial year, the fund intends to undertake the following:

- Increasing the purchase of foods and drinks or other goods for supply for the members' restaurant in the County Assembly;
- Purchasing equipment for improvement of the catering facility.

To be able to enhance efficient and effective operation of the fund, the management requests for an additional budgetary allocation.

In conclusion, the Fund has served its major purpose to offer the members quality catering services, privacy, safety and has saved them time to discharge their mandate of oversight, representation and legislation and is entirely indebted to the Baringo County Assembly management for the noble course.

Name....Jepkemoi Chemase....Signature.........................Date..........

Administrator of the Fund

BARINGO COUNTY ASSEMBLY
THE CLERK
27 DEC 2024
Sign
P.O. Box 159 - 30400, KABARNET

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

Introduction

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

The key objectives of the Fund as per the Regulation are to:

a) *Purchase equipment for the improvement of the catering facility*
b) *Provide quality catering services to the members of County Assembly and the staff hence enhancing their welfare*
c) *Provide privacy to the member to enable them to deliver on their mandate of representation, legislation and oversight.*

Progress on attainment of Strategic development objectives

Below we provide the progress on attaining the stated objectives:

Program	Objective	Outcome	Indicator	Performance
Catering and Health Services Scheme Fund	To provide quality catering services to members and staff	Improved welfare of members and staff to deliver on the Assembly mandate of legislation, oversight and representation	% of Members and staff provided with quality catering services	95% of Members and staff provided with quality catering services

8. Corporate Governance Statement

The county executive committee member for finance shall designate a person responsible for administration of the fund in accordance with section 116 (2) of the Public Finance Management Act 2012 with approval of County Assembly. The Public Procurement and Asset Disposal Act of 2015 and regulation shall guide the procurement of goods and services.

During the year ended 30 June 2024 the Catering and Health Services Scheme Fund held 42 sittings. The process of appointment is laid out in the fund regulation that is the committee shall elect the chairperson amongst themselves in addition to the constituted members, there shall be three ex-officio members namely, the clerk to the Assembly, the catering manager and the sergeant at arms. The recruitment of staff is done by the Baringo County Assembly Service Board.

The roles

The committee shall ensure that all the expenditure incurred and the profits realized therein shall be used in:

Purchasing of food, drinks or other goods for supply to the members restaurant and bar in the county assembly.

Purchasing equipment or improvement of the catering facility.
The committee shall ensure that the monies accrued from the restaurant are used in a manner as deemed just and fit.

The committee allowance is determined based on Salaries and Remuneration Commission Circular. The annual financial statements of the fund are subject to the Auditor General.

9. Management Discussion and Analysis

The Baringo County Assembly Catering and Health Scheme Fund became operational in November 2017 with an injection of initial capital of Ksh. 300,000. During the year under review the fund generated sales of Ksh 5,458,820 made cost of sales of Ksh 4,860,377 and incurred expenditure of Ksh 11,638.

The fund realised a surplus of Ksh 586,805 for the year ended 30 June 2024. The entity's operations are in compliance with the Assembly's Catering and Health Services Scheme Fund Regulation 2017 and other relevant laws.

The officer administering the Fund shall ensure that the accounts for the Fund and the annual financial statements relating to those accounts comply with the accounting standards prescribed and published by the Accounting Standards Board from time to time.

There are currently no ongoing or potential court cases and no default reported in relation to the fund. The fund is not planning to undertake a major investment project but is optimizing on the available resources and investment already made. There is currently no major financial improbity as reported by internal audit/Board committee and external auditors.

10. Report of The Trustees

The Trustees submit their report together with the audited financial statements for the year ended June 30, 2024 which show the state of the Fund affairs.

Principal activities

To provide for the purchase of catering equipment, managing and administration of the restaurant activities and for matters related or incidental thereto.

Results

The results of the Fund for the year ended June 30, 2024 are set out on page 1 to 5.

Trustees

The members of the Catering and Health Services Scheme Fund Committee who served during the period under review are shown on page vi to ix.

Auditors

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

By Order of the Board

....

Chair Catering and Health Services Scheme Fund Committee

Date: ...27/12/24.........

11. Statement of Management's Responsibilities

Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a County Public Fund established by Catering and Health Scheme Fund became operational in November 2017 shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The Administrator of the Baringo County Assembly Catering and Health Scheme Fund is responsible for the preparation and presentation of the Fund's financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 2024. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Fund; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Fund; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Administrator of the Baringo County Assembly Catering and Health Scheme Fund accepts responsibility for the Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and Catering and Health Scheme Fund became operational in November 2017. The Administrator of the Fund is of the opinion that the Fund's financial statements give a true and fair view of the state of Fund's transactions during the financial year ended June 30, 2024, and of the Fund's financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Administrator of the Baringo County Assembly Catering and Health Scheme 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 ________________ 2024 and signed on its behalf by:

....

Administrator of the County Public Fund

BARINGO COUNTY ASSEMBLY
THE CLERK
27 DEC 2024
.... Sign
P.O. Box 159 - 30400, KABARNET

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
Email: info@oagkenya.go.ke
Website:www.oagkenya.go.ke

OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

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

REPORT OF THE AUDITOR-GENERAL ON BARINGO COUNTY ASSEMBLY CATERING AND HEALTH SERVICES SCHEME FUND FOR THE YEAR ENDED 30 JUNE, 2024

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, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Baringo County Assembly Catering and Health Services Scheme Fund set out on pages 1 to 22, which comprise of the statement of financial position as at 30 June, 2024 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Baringo County Assembly Catering and Health Services Scheme Fund as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management (Baringo County Assembly Catering and Health Services Scheme Fund) Regulations, 2017 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccurate Statement of Cash Flows

The statement of cash flows reflects comparative purchases and total payments amounts of Kshs.4,518,703 and Kshs.4,531,394 respectively. However, the prior year audited financial statements reflect balances of Kshs.3,951,379 and Kshs.3,938,688 respectively resulting to unexplained and unreconciled variances of Kshs.567,324 and Kshs.592,706 respectively. In addition, the statement of cash flows reflects total payments amount of Kshs.4,803,192 while a recast of the statement results in total payments amount of Kshs.4,802,708 leading to another unexplained and unreconciled variance of Kshs.484.

In the circumstances, the accuracy of the statement of cash flows could not be confirmed.

2. Unsupported Inventories

The statement of financial position reflects inventories balance amounting to Kshs.43,717. However, stock taking report was not provided for audit review. It was therefore not possible to confirm that inventories were valued as required under International Public Sector Accounting Standards (IPSAS) 12 – Inventories.

In the circumstances, the accuracy and completeness of inventories balance of Kshs.43,717 could not be confirmed.

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the matters described in the Basis for Qualified Opinion, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Matters

In the audit of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, Management has not resolved the issues or provided any explanation for failure to adhere to the provisions of the Public Sector Accounting Standards Board Templates.

Other Information

The Management is responsible for the other information set out on page iii to xvi which comprise of Key Entity Information and Management, Catering and Health Services Scheme Fund Committee, Management Team, Report of the Fund Administrator, Statement of Performance Against the County Fund's Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Report of The Trustees and Statement of Management's Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Fund's financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

Conclusion

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

Basis for Conclusion

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

Responsibilities of 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 Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention 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 Fund's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. 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 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 conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not 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 addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1) (a) of the Public Audit Act, 2015.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/. This description forms part of my auditor's report.

FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

31 December, 2024

13. Statement of Financial Performance for the Year Ended 30th June 2024

Description	Note	FY2023/2024	FY2022/2023
		Kshs	Kshs
Revenue From Exchange Transactions			
Sale of goods	1	5,458, 820	4,676,381
Total revenue		**5,458,820**	**4,676,381**
Less:			
Cost of sales	2	4,860,377	**4,309,669**
Gross profit		**598,443**	366,712
Less expenses			
Use of goods and services	3	11,638	12,691
Surplus/(Deficit) for the Period		**586,805**	**354,021**

(The notes set out on pages 15 to 22 form an integral part of these Financial Statements)

....
Name: Ms Jepkemoi Chemase
Administrator of the Fund

BARINGO COUNTY ASSEMBLY
THE CLERK
27 DEC 2024
Sign
P.O. BOX 159 - 30400, KABARNET

....
Name: CPA Alfred Keitany
Director Finance &Accounting Services
ICPAK Member Number: 17968

BARINGO COUNTY ASSEMBLY
DIRECTOR FINANCE & ACCOUNTING SERVICES
27 DEC 2024
SIGN:..
P.O. BOX 159 - 30400, KABARNET

14. Statement of Financial Position As at 30 June 2024

Description	Note	FY2023/2024	FY20222/2023
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	4	2,563,444	2,212,612
Inventories	5	43,717	60,709
Accounts Receivables	6	728,935	423,655
Total current assets (A)		**3,336,096**	**2,696,976**
Liabilities			
Current Liabilities			
Trade and other Payables	7	432,199	379,884
Total current liabilities (B)		**432,199**	**379,884**
Net Assets (A-B)		**2,903,897**	**2,317,092**
Represented By:			
Revolving Fund		300,000	300,000
Accumulated Surplus		2,603,897	2,017,092
Net assets		**2,903,897**	**2,317,092**

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 27/12/ 2024 and signed by:

....
Name: Ms Jepkemoi Chemase
Administrator of the Fund

BARINGO COUNTY ASSEMBLY
THE CLERK
27 DEC 2024
Sign
P.O. Box 159 - 30400, KABARNET

....
Name: CPA Alfred Keitany
DirectorFinance&Accounting Services
ICPAK Member Number:17968

BARINGO COUNTY ASSEMBLY
DIRECTOR FINANCE & ACCOUNTING SERVICES
27 DEC 2024
SIGN:..................................
P.O. BOX 159 - 30400, KABARNET

15. Statement of Changes in Net Assets for the year ended 30th June 2024

Description	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
		Kshs	Kshs	Kshs
Balance As At 1 July 2022	300,000	-	**1,663,071**	**1,963,071**
Surplus/(Deficit) For the Period	-	-	354,021	354,021
Balance As At 30 June 2023	**300,000**	-	**2,017,092**	**2,317,092**
Balance As At 1 July 2023	**300,000**	-	**2,017,092**	**2,317,092**
Surplus/(Deficit) For the Period	-	-	586,805	586,805
Balance As At 30 June 2024	**300,000**	-	**2,603,897**	**2,903,897**

16. Statement of Cash Flows for the Year Ended 30 June 2024

Description	Note	FY2023/2024	FY 2022/2023
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Sales	1	4,729,885	4,252,726
Debtors recovered	8	423,655	298,895
Total receipts		**5,153,540**	**4,551,621**
Payments			
Purchases	9	4,791,070	4,518,703
Use of goods and services	3	11,638	12,691
Total payments		**4,803,192**	**4,531,394**
Net cash flows from operating activities		**350,832**	**20,227**
Cash flows from investing activities		-	-
Cash flows from financing activities activities		-	-
Net increase/(decrease) in cash & cash Equivalents		**350,832**	**20,227**
Cash and cash equivalents at 1 July		2,212,612	2,192,385
Cash and cash equivalents at 30 June		**2,563,444**	**2,212,612**

(PSASB has prescribed the direct method of cash flow preparation/ presentation for all entities under the IPSAS accrual basis of accounting.)

17. Statement Of Comparison Of Budget And Actual Amounts For The Period ended 30 June 2024

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	B	C=(a+b)	d	e=(c-d)	f=d/c*100
Revenue						
Sale of food stuffs	5,520,000	-	5,520,000	5,458,820	61,180	98
Total Income	**5,520,000**	**-**	**5,520,000**	**5,458,820**	**61,180**	**98**
Cost of sales						
Cost of sales	4,866,000	-	4,866,000	4,860,377	5,623	99
Total	**4,866,000**	**-**	**4,866,000**	**4,860,377**	**5,623**	99
Gross propfit	654,000	-	654,000	598,443	55,557	
Expenditure						
Use of goods and services	12,500	-	12,500	11,638	637	**93**
Total	**12,500**	**-**	**12,500**	**11,638**	**637**	**93**
Surplus For the Period	**641,500**	**-**	**641,500**	**586,805**	**54,698**	**91**

Budget notes

1. *Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization (IPSAS 24.14)*
2. *Provide an explanation of changes between original and final budget indicating whether the difference is due to reallocations or other causes. (IPSAS 24.29)*
3. *Where the total of actual on comparable basis does not tie to the statement of financial performance totals due to differences in accounting basis (budget is cash basis, statement of financial performance is accrual) provide a reconciliation.*

18. Notes to the Financial Statements

Significant Accounting Policies

1. General Information

Section 116 of Public Finance Management Act of 2012 gives powers to County Executive member for finance to establish other Public funds which necessitated the establishment of Baringo County Assembly Catering and Health Services Scheme Fund Regulation of 2017. The fund is wholly owned by the Baringo County Assembly and is domiciled in Kenya.
The Baringo County Assembly Catering and Health Services Scheme Fund became operational in November 2017 with an injection of initial capital of Ksh. 300,000 appropriated by the County Assembly

2. Statement of compliance and basis of preparation

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

3. Adoption of new and revised standards

(i) ***New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024***

There were no new and amended standards issued in the financial year.

(ii) ***New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024.***

Standard	Effective date and impact:
IPSAS 43	***Applicable 1st January 2025*** The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non- Current Assets Held	***Applicable 1st January 2025*** The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the

for Sale and Discontinued Operations	lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.
IPSAS 45-Property Plant and Equipment	***Applicable 1st January 2025*** The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.
IPSAS 46 Measurement	***Applicable 1st January 2025*** The objective of this standard was to improve measurement guidance across IPSAS by: i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. The standard also introduces a public sector specific measurement bases called the current operational value.
IPSAS 47-Revenue	***Applicable 1st January 2026*** This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.
IPSAS 48-Transfer Expenses	***Applicable 1st January 2026*** The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such

	transfers.
IPSAS 49-Retirement Benefit Plans	***Applicable 1st January 2026*** The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.

(i) Early adoption of standards

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

Summary of Significant Accounting Policies

a) Revenue recognition

i. Revenue from non-exchange transactions

Transfers from other government entities

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

ii. Revenue from exchange transactions

Interest income

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

Dividends

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

Rental income

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

b) Budget information

The original budget for FY 2023-2024 was approved by the County Assembly on 26 June 2023. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

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

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

c) Property, plant and equipment

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

a) 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.

b) Investment property

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

c) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. *The entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements.* A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial assets

Classification of financial assets

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

Subsequent measurement

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

Summary of Significant Accounting Policies (Continued)

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Financial liabilities

Classification

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

d) Inventories

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

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

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

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

e) Provisions

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

f) Contingent liabilities

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

Contingent assets

The Entity does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

g) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements.

h) Changes in accounting policies and estimates

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

i) 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.

j) Related parties

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

k) Cash and cash equivalents

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

l) Comparative figures

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

5. Significant judgments and sources of estimation uncertainty

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

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

a) Estimates and assumptions –

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

b) Useful lives and residual values

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

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

c) Provisions

Provisions were raised and management determined an estimate based on the information available.

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.

19. Notes To The Financial Statements Continued

1. **Sale of goods**

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Cash sales	4,729,885	4,252,726
Credit sales	728,935	423,655
Total	**5,458,820**	**4,676,381**

2. **Cost of sales**

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Cost of sales	4,860,377	4,309,669
Total	**4,860,377**	**4,309,669**

3. **Use of goods and services**

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Bank charges	11,638	12,691
Total	**11,638**	**12,691**

4. **Cash and cash equivalents**

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Cash and cash equivalents	2,563,444	2,212,612
Total	**2,563,444**	**2,212,612**

Detailed analysis of the cash and cash equivalents

Description		FY 2023-2024	FY 2022-2023
		Kshs.	Kshs.
a) Current account	Account number		
Kenya commercial bank	1219723320	2,563,444	2,212,612
Total		**2,563,444**	**2,212,612**

5. Inventories

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Inventories	43,717	60,709
Total	**43,717**	**60,709**

6. Accounts Receivables

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Accounts receivables	728,935	423,655
Total	**728,935**	**423,655**

7. Trade and other payables

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Trade Payables	432,199	379,884
Total Trade payables	**432,199**	**379,884**

8. Debtors recovered

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Debtors recovered	423,655	298,895
Total	**423,655**	**298,895**

9. Purchases

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Cash purchases	4,791,070	4,518,703
Total	4,791,070	4,518,703

10. Cash generated from operations.

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Surplus/ (Deficit) For the Year	**586,805**	**354,021**
Adjusted For:		
Working Capital Adjustments		
Increase In Inventory	16,992	(21,594)
Increase In Receivables	(305,280)	(124,760)
Increase In Payables	52,315	(187,440)
Net Cash Flow From Operating Activities	**350,832**	**20,227**

Notes To The Financial Statements (Continued)

19. Related party balances

a) Nature of related party relationships

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

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

b) Related party transactions

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Transfers From Related Parties'	-	-
Transfers To Related Parties	-	-

c) Key management remuneration

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Board Of Trustees	-	-
Key Management Compensation	-	-
Total	**-**	**-**

The Baringo County Assembly Catering and Health Scheme Fund does not pay any remuneration for its key management and Boards of Trustees as this is paid for by Baringo County Assembly and reported in separate set of financial statements.

Notes To The Financial Statements (Continued)

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 entity's management based on prior experience and their assessment of the current economic environment. The carrying amount of financial assets recorded in the financial statements representing the entity's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2024				
Receivables From Exchange Transactions	728,935	728,935	-	-
Bank Balances	2,563,444	2,563,444	-	-
Total	**3,292,379**	**3,292,379**		
At 30 June 2023				
Receivables From Exchange Transactions	423,655	423,655	-	-
Bank Balances	2,212,612	2,212,612	-	-
Total	**2,636,267**	**2,636,267**	**-**	**-**

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

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

b) Liquidity risk management

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2024				
Trade Payables	432,199	-	-	432,199
Total	**432,199**	-	-	**432,199**
At 30 June 2023				
Trade Payables	379,884	-	-	379,884
Total	**379,884**	-	-	**379,884**

c) Market risk

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

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

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

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

i. Interest rate risk

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

Management of interest rate risk

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

d) Capital risk management.

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

Description	FY2023-2024	FY 2022-2023
	Kshs	Kshs
Revolving fund	300,000	300,000
Accumulated surplus	2,603,897	2,017,092
Total funds	**2,903,897**	**2,317,092**
Total borrowings	-	-
Less: cash and bank balances	(2,563,444)	(2,212,612)
Net debt/(excess cash and cash equivalents)	(2,563,444)	(2,212,612)
Gearing	-	-

21. Events after the reporting period

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

22. Ultimate and Holding Entity

The Baringo County Assembly Catering and Health Services Scheme Fund is a County Public Fund established by the Baringo County Assembly Catering and Health Services Scheme Regulations of 2017.

23. Currency

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

20. Annexes

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: *(Resolved / Not Resolved)*	Timeframe: *(Put a date when you expect the issue to be resolved)*
1.	**Unsupported Inventories**	The detail analysis of the inventories has been supported and disclosed in the financial statements.	Resolved	N/A
2.	**Unsupported Accounts Receivable**	The detail analysis of the accounts receivables has been supported and disclosed in the financial statements.	Resolved	N/A
3.	**Unsupported Trade Payables**	The detail analysis of the accounts payables has been supported and disclosed in the financial statements.	Resolved	N/A
4.	**Budget Preparation Process**	The fund budget has been prepared and accounted.	Resolved	N/A

Guidance Notes:

(i) Use the same reference numbers as contained in the external audit report.

(ii) Obtain the "Issue/Observation" and "management comments", required above, from final external audit report that is signed by Management.

(iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your Fund responsible for implementation of each issue.

(iv) Indicate the status of "Resolved" or "Not Resolved" by the date of submitting this report to National Treasury.

Fund Administrator

Date.......................................

BARINGO COUNTY ASSEMBLY
THE CLERK
27 DEC 2024
Sign
P.O. Box 159 - 30400, KABARNET