

REPUBLIC OF KENYA



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REPORT

PARLIAMENT
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OF

THE AUDITOR-GENERAL

ON

**BARINGO COUNTY ASSEMBLY
CATERING AND HEALTH SERVICES
SCHEME FUND**

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



**REPUBLIC OF KENYA
BARINGO COUNTY GOVERNMENT**

info@baringoassembly.go.ke
www.baringoassembly.go.ke



P.O BOX 159-30400
KABARNET

BARINGO COUNTY ASSEMBLY

**BARINGO COUNTY ASSEMBLY
CATERING AND HEALTH SERVICES SCHEME FUND**

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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



Baringo County Assembly Catering and Health Services Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2022

Table of Content

1. Key Entity Information and Management	iii
2. Catering and Health Services Scheme Fund Committee	v
3. Management Team	ix
4. Fund Chairman's Report	x
5. Report of the Fund Administrator	xi
6. Statement of Performance Against the County Fund's Predetermined Objectives	xii
7. Corporate Governance Statement	xiii
8. Management Discussion and Analysis	xiv
9. Report of the Trustees	xv
10. Statement of Management's Responsibilities	xvi
12. Statement of Financial Performance for the Year ended 30 th June 2022	1
13. Statement of Financial Position as at 30th June 2022	2
14. Statement of Changes in Net Assets for the year ended 30 th June 2022	3
15. Statement of Cash flows for the year ended 30th June 2022	4
16. Statement of Comparison of Budget and Actual Amounts for the year ended 30th June 2022	5
17. Significant Accounting Policies	6
18. Notes to the Financial Statements	16
19. Progress on Follow Up Of Prior Year Auditor's Recommendations	23

**Baringo County Assembly Catering Health and Scheme Fund
Reports and Financial Statements
For the year ended June 30, 2022.**

1. 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 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.

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

Ref	Name	Position
1	Hon. Charles Bowen	Chairman
2	Hon. Jeruto Kiptalla	Vice Chairman
3	Hon. Valerie Ngeny	Member
4	Hon. Elizabeth Kipsang	Member
5	Hon. David Kiplagat	Member
6	Hon. Francis Kibai	Member
7	Hon. Reuben Chepsongol	Member
8	Hon. Cornelius Cheruiyot	Member
9	Ms Jepkemoi Chemase	Fund Administrator
10	Mr. David Bargoutio	Ex officio member
11	Mr. Amos Cherogony	Ex officio member

d) Key Management

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

e) Registered Offices

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

f) Fund Contacts

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

g) Fund Bankers




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

h) Auditor General




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

**Baringo County Assembly Catering Health and Scheme Fund
Reports and Financial Statements
For the year ended June 30, 2022.**




2. Catering and Health Services Scheme Fund Committee

Name	Details of qualifications and experience
<p>1.</p>  <p>Hon. Charles Bowen</p>	<p>Year of Birth: 1947 Key Qualifications: Graduate Approved Teacher 1 Work experience : Currently the Member, Baringo County Assembly (Chairperson)</p>
<p>2.</p>  <p>Hon. Jeruto Kiptalla</p>	<p>Year of Birth: 1988 Key Qualifications: Diploma in Procurement Work experience : Currently the Member, Baringo County Assembly (Vice chairperson)</p>
<p>3.</p>  <p>Hon. Valarie Ngeny</p>	<p>Year of Birth: 1989 Key Qualifications: Degree Bachelor of Education Work experience : Currently the Member, Baringo County Assembly (Member)</p>



**Baringo County Assembly Catering Health and Scheme Fund
Reports and Financial Statements
For the year ended June 30, 2022.**

<p>4.</p>  <p>Hon. Elizabeth Kipsang</p>	<p>Year of Birth: 1967 Key Qualifications: Certificate in Entrepreneurship Work experience : Currently the Member, Baringo County Assembly (Member)</p>
<p>5.</p>  <p>Hon. David Kiplagat Kerich</p>	<p>Year of Birth: 1968 Key Qualifications: An Advocate of the High Court of Kenya with over 24 years experience in legal practice Work experience : Currently the Speaker, Baringo County Assembly (Member)</p>
<p>6</p>  <p>Hon. Francis Kibai</p>	<p>Year of Birth: 1983 Key Qualifications: Certified Public Accounts section 11 Work experience : Currently the Member, Baringo County Assembly (Member)</p>

**Baringo County Assembly Catering Health and Scheme Fund
Reports and Financial Statements
For the year ended June 30, 2022.**




<p>7</p>  <p>.Hon. Reuben Chepsongol</p>	<p>Year of Birth: 1969 Work experience: Currently the member of Baringo County Assembly. (Member)</p>
<p>8</p>  <p>Hon. Cornelius Cheruiyot</p>	<p>Year of Birth: 1991 Key Qualifications: Diploma in Civil Engineering Work experience : Currently the Member, Baringo County Assembly (Member)</p>
<p>9.</p>  <p>Ms. Jepkemoi Chemase</p>	<p>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)</p>

**Baringo County Assembly Catering Health and Scheme Fund
Reports and Financial Statements
For the year ended June 30, 2022.**

<p>10.  Mr. Amos Kiprop</p>	<p>Year of Birth: 1982 Key Qualifications: Degree Bachelors of Applied Science Work experience: Currently Principal Sergeant at Arms, Baringo County Assembly. (ex-officio member)</p>
<p>11.  Mr. David Bargotio</p>	<p>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. (ex-officio member)</p>

**Baringo County Assembly Catering Health and Scheme Fund
Reports and Financial Statements
For the year ended June 30, 2022.**

3. Management Team

Name	Details of qualifications and experience
<p>1.</p>  <p>Ms. Jepkemoi Chemase Clerk to County Assembly</p>	<p>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</p>
<p>2.</p>  <p>CPA Alfred Keitany Director Finance and Accounting Services</p>	<p>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.</p>
<p>3.</p>  <p>Mr. David Bargoutio Senior Hospitality Officer</p>	<p>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.</p>

4. Fund Chairman'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 changes in the funds key management team with the exit of former fund administrator CPA Richard Koech and subsequent appointment of new fund administrator Madam Jepkemoi Chemase in May 2022.

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. 210,597 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.

Signed: _____



Name of Chairperson: Hon. Charles Bowen

**Baringo County Assembly Catering Health and Scheme Fund
Reports and Financial Statements
For the year ended June 30, 2022.**

5. 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 fund accountant.

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 4,246,864 compared to Ksh3, 554,015 in the prior year. The cost of sales was Ksh 4,027,482 compared to Ksh 2,934,670 in the prior year and expenditure of Ksh 8,785 compared to Ksh 10,539 in the prior year.

The fund realised a surplus of Ksh 210,597 for the period under review compared to Ksh 608,806 in financial year 2020/2021. The staff in the catering department undertook training on First Aid and human safety by St John Ambulance in Nairobi based on the training needs and availability of funds.

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.

Signed: _____

Name of Fund Administrator: Ms. Jepkemoi Chemase



6. 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

Baringo County Assembly Catering Health and Scheme Fund
Reports and Financial Statements
For the year ended June 30, 2022.

7. 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 2022 the Catering and Health Services Scheme Fund held 57 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.

8. 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 4,246,864 made cost of sales of Ksh 4,027,482 and incurred expenditure of Ksh 8,785.

The fund realised a surplus of Ksh 210,597 for the year ended 30 June 2022. 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.

***Baringo County Assembly Catering Health and Scheme Fund
Reports and Financial Statements
For the year ended June 30, 2022.***

9. Report of the Trustees

The Trustees submit their report together with the audited financial statements for year ended 30 June 2022 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 30 June 2022 are set out on page 1 to 5 of this report.

Trustees

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

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

Sign:

Name



Chair Catering and Health Services Scheme Fund Committee

Date:

17/1/2023

10. 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 Services Scheme Fund Regulations of 2017 shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

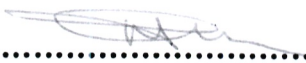
The Administrator of the Baringo County Assembly Catering and Health Services Scheme Fund is responsible for the preparation and presentation of the Fund's financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 2022. 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 Services 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 Services Scheme Fund Regulations of 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, 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 up on in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control.

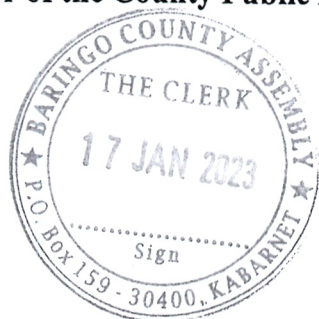
In preparing the financial statements, the Administrator of the *Baringo County Assembly Catering and Health Services Scheme Fund* has assessed the Fund's ability to continue as a going concern and disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial 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

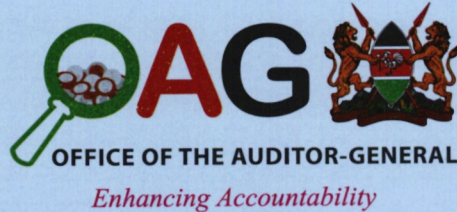
The Fund's financial statements were approved by the Board on 17/01/2023 2023 and signed on its behalf by:

.....


Administrator of the County Public Fund



REPUBLIC OF KENYA



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

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

REPORT OF THE AUDITOR-GENERAL ON BARINGO COUNTY ASSEMBLY CATERING AND HEALTH SERVICES SCHEME FUND 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 the 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

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 23, which comprise

Report of the Auditor-General on Baringo County Assembly Catering and Health Services Scheme Fund for the year ended 30 June, 2022

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, 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, 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 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. Unreconciled Sale of Goods Amount

The statement of financial performance reflects sale of goods amount of Kshs.4,246,864 whereas the statement of cash flows reflects an amount of Kshs.3,868,014 for the same account resulting to unreconciled variance of Kshs.378,850. No explanation was provided for the difference.

In the circumstances, the accuracy and completeness of the sale of goods amount of Kshs.4,246,846 could not be confirmed.

2. Unsupported Inventories

The statement of financial position reflects inventories balance of Kshs.39,115. However, detailed schedule indicating the stock movements by way of opening stock purchases, and issues in arriving at the closing stock value was not provided for audit.

In the circumstances, the accuracy, completeness and fair statement of the inventories balances of Kshs.39,115 could not be confirmed.

3. Unsupported Accounts Receivables

The statement of financial position reflects accounts receivables balance of Kshs.298,895. However, detailed schedules in support of the balances was not provided for audit.

In the circumstances, the accuracy and completeness of the accounts receivable balance of Kshs.298,895 could not be confirmed.

4. Unsupported Accounts Payable

The statement of financial position reflects accounts payable balance of Kshs.567,324. However, detailed schedules in support of the balance was not provided for audit.

In the circumstances, the accuracy and completeness of the accounts payable balance of Kshs.567,324 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Baringo County Assembly Catering and Health Services Scheme Fund 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 qualified 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 on during the year under review.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

Budget Preparation Process

The statement of comparison of budget and actual amounts reflects total sales budget of Kshs.4,246,864. However, the Fund's budget was not prepared in accordance with the Government budget classification and standard chart of accounts issued by the National Treasury as stipulated in Section 40(1) of the Public Finance Management (County Governments) Regulations, 2015.

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

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, 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 overall 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 governance.

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

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, 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 governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal 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 Fund's 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 sustainability of services basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern or to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to sustain 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 Fund 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

31 March, 2023

**Baringo County Assembly Catering and Health Services Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2022**

12. Statement of Financial Performance for the Year ended 30th June 2022

	Note	FY2021/2022	FY2020/2021
		KShs	KShs
Revenue from exchange transactions			
Sale of goods	1	4,246,864	3,554,015
Total revenue		4,246,864	3,554,015
Less			
Cost of sales	2	4,027,482	2,934,670
Gross profit		219,382	619,345
less expenses			
Finance Costs	3	8,785	10,539
Surplus/(deficit) for the period		210,597	608,806

(The notes set out on pages 17 to 24 form an integral part of these Financial Statements)

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

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



**Baringo County Assembly Catering Health and Scheme Fund
Reports and Financial Statements
For the year ended June 30, 2022.**

13. Statement of Financial Position as at 30th June 2022

	Note	FY 2021/2022	FY 2020/2021
		KShs	KShs
Assets			
Current assets			
Cash and cash equivalents	4	2,192,385	1,491,785
Inventories	5	39,115	27,362
Accounts Receivables	6	298,895	629,430
Total assets		2,530,395	2,148,577
Liabilities			
Current liabilities			
Accounts payable	7	567,324	396,103
Total liabilities		567,324	396,103
Net assets		1,963,071	1,752,474
Revolving Fund		300,000	300,000
Accumulated surplus		1,663,071	1,452,474
Total net assets and liabilities		1,963,071	1,752,474

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 17/01/2023 and signed by:

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

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



**Baringo County Assembly Catering and Health Services Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2022**

14. Statement of Changes in Net Assets for the year ended 30th June 2022

	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
	Kshs	Kshs	Kshs	Kshs
Balance As At 1 July 2020	300,000	-	843,668	1,143,668
Surplus/(Deficit) For the Period	-	-	608,806	608,806
Balance As At 30 June 2021	300,000	-	1,452,474	1,752,474
Balance As At 1 July 2021	300,000	-	1,452,474	1,752,474
Surplus/(Deficit)For the Period		-	210,597	210,597
Balance As At 30 June 2022	300,000	-	1,663,071	1,963,071



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



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



**Baringo County Assembly Catering and Health Services Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2022**

15. Statement of Cash flows for the year ended 30th June 2022

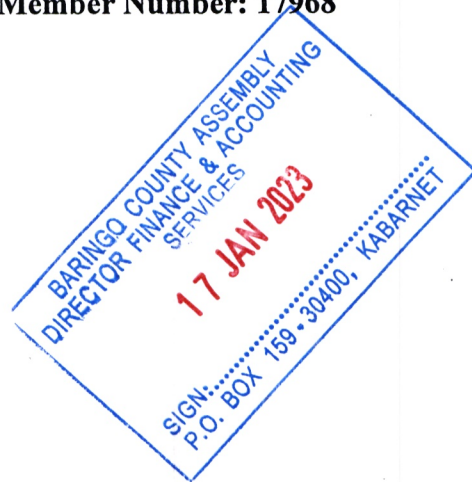
	Note	IPY 2021/2022	IPY 2020/2021
		KSh	KSh
Cash flows from operating activities			
Receipts			
Sales	1	3,947,969	2,924,585
Debtors recovered	8	629,430	352,000
Total Receipts		4,577,399	3,276,585
Payments			
Purchases	9	3,868,014	2,553,045
Finance Costs	3	8,785	10,539
Total Payments		3,876,799	2,563,584
Net cash flow s from operating activities		700,600	713,001
Net cash flows from investing activities		-	-
Net cash flows from financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		700,600	713,001
Cash and cash equivalents as at 1 JULY	4	1,491,785	778,784
Cash and cash equivalents at 30 JUNE	4	2,192,385	1,491,785

.....

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

.....

**Name: CPA Alfred Keitany
Director Finance & Accounting services
ICPAK Member Number: 17968**



16. Statement of Comparison of Budget and Actual Amounts for the year ended 30th June 2022

	2021	2022	2022	2022	2022	2022
	KShs	KShs	KShs	KShs	KShs	
Revenue						
Sales	4,246,864	-	4,246,864	4,246,864	-	100%
Less: cost of sales	4,027,482	-	4,027,482	4,027,482	-	100%
Total income(Gross profit)	219,382	-	219,382	219,382	-	100%
Expenses						
Bank charges	8,785	-	8,785	8,785	-	100%
Total expenditure	8,785	-	8,785	8,785	-	100%
Surplus	210,597		210,597	210,597		100%

Baringo County Assembly Catering and Health Services Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2022

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

IPSASB deferred the application date of standards from 1st January 2022 owing to Covid 19. This was done to provide entities with time to effectively apply the standards. The deferral was set for 1st January 2023.

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

Standard	Effective date and impact
IPSAS 41: Financial Instruments	<p>Applicable: 1st January 2023:</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity's future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful</p>

**Baringo County Assembly Catering and Health Services Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2022**

Standard	Effective date and impact
	<p>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 an Entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ul style="list-style-type: none"> (a) The nature of such social benefits provided by the Entity; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows.
<p>Amendments to Other IPSAS resulting from</p>	<p>Applicable: 1st January 2023:</p> <ul style="list-style-type: none"> a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were

**Baringo County Assembly Catering and Health Services Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2022**

Standard	Effective date and impact
<p>IPSAS 41, Financial Instruments</p>	<p>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>
<p>Other improvements to IPSAS</p>	<p><i>Applicable 1st January 2023</i></p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> • <i>IPSAS 39: Employee Benefits</i> <p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> • IPSAS 29: Financial instruments: Recognition and Measurement <p>Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023</p>
<p>IPSAS 43</p>	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and</p>

**Baringo County Assembly Catering and Health Services Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2022**

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

(iii) Early adoption of standards

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

Baringo County Assembly Catering and Health Services Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2022

4. 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

Sale of goods and services

Sales income accrue from the sale of food items and beverages to the staff, Members of the County Assembly. Sales are recognized when they are earned.

b) Budget information

The original budget for FY 2021-2022 was approved by the County Assembly on 30th June 2021. 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) Financial instruments

Financial assets

Initial recognition and measurement

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as 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 Entity 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 Entity 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 Entity assesses at each reporting date whether there is objective evidence that a financial asset or a entity of financial assets is impaired. A financial asset or a entity 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 financial asset or the entity of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

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

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 Entity 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

Baringo County Assembly Catering and Health Services Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2022

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.

b) 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.

c) 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.

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.

d) Nature and purpose of reserves

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

e) 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.

f) 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.

g) 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.

h) Comparative figures

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

i) Events after the reporting period

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

Baringo County Assembly Catering and Health Services Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2022

j) 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.

k) Currency

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

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

Baringo County Assembly Catering and Health Services Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2022

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

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

Baringo County Assembly Catering and Health Services Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2022

18. Notes to the Financial Statements

1. Sale of goods

Description	2021-2022	2020-2021
	KShs	KShs
Cash sales	3,947,969	2,924,585
Credit sales	298,895	629,430
Total	4,246,864	3,554,015

2. Cost of sales

Description	2021-2022	2020-2021
	KShs	KShs
Cost of sales	4,027,482	2,934,670
Total	4,027,482	2,934,670

3. Finance Costs

Description	2021-2022	2020-2021
	KShs	KShs
Bank charges	8,785	10,539
Total	8,785	10,539

4. Cash and Cash equivalents

Description	2021-2022	2020-2021
	KShs	KShs
Cash and cash equivalents	2,192,385	1,491,785
Total	2,192,385	1,491,785

Baringo County Assembly Catering and Health Services Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2022

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

Financial institution	Account number	2021-2022	2020-2021
		KShs	KShs
a) Current account			
Kenya Commercial bank	1219723320	2,192,385	1,491,785
Total		2,192,385	1,491,785

5. Inventories

Description	2021-2022	2020-2021
	KShs	KShs
Inventories	39,115	27,362
Total	39,115	27,362

6. Accounts Receivable

Description	2021-2022	2020-2021
	KShs	KShs
Credit sales	298,895	629,430
Total	298,895	629,430

7. Accounts payable

Description	2021-2022	2020-2021
	KShs	KShs
Creditors	567,324	396,103
Total	567,324	396,103

Baringo County Assembly Catering and Health Services Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2022

8. Debtors recovered

Description	2021-2022	2020-2021
	KShs	KShs
Debtors recovered	629,430	352,000
Total	629,430	352,000

9. Purchases

Description	2021-2022	2020-2021
	KShs	KShs
Total Cash Purchases	3,868,014	2,553,045

10. Cash generated from operations

Description	2021-2022	2020-2021
	KShs	KShs
Surplus/ (deficit) for the year	210,597	608,806
Adjusted for:		
Working Capital adjustments		
Decrease in inventory	(11,753)	(5,428)
(Increase)/Decrease in receivables	330,535	(277,430)
Increase/(Decrease) in payables	171,221	387,053
Net cash flow from operating activities	700,600	713,001

11. Related party balances

a) Nature of related party relationships

Entities and other parties related to the Baringo County Assembly Catering and Health Services Scheme 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 and their associates. The fund/scheme is related to the following entities:

- a) The County Assembly of Baringo;
- b) The County Government of Baringo;
- c) Key management;
- d) Board of Trustees;

Baringo County Assembly Catering and Health Services Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2022

b) Related party transactions

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

c) Key management remuneration

Description	2021-2022	2020-2021
	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.

Other Disclosures Continued

1. 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.

**Baringo County Assembly Catering and Health Services Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2022**

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:

	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2022				
Receivables From Exchange Transactions	298,895	298,895	-	-
Bank Balances	2,192,385	2,192,385	-	-
Total	2,491,280	2,491,280	-	-
At 30 June 2021				
Receivables From Exchange Transactions	629,430	629,430	-	-
Bank Balances	1,491,785	1,491,785	-	-
Total	2,121,215	2,121,215	-	-

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.

Baringo County Assembly Catering and Health Services Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2022

	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2022				
Trade Payables	567,324	-	-	567,324
Total	567,324	-	-	567,324
At 30 June 2021				
Trade Payables	396,103	-	-	396,103
Total	396,103	-	-	396,103

c) Market risk

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

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

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

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

i. 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.

Baringo County Assembly Catering and Health Services Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2022

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:

	2021-2022	2020-2021
	Kshs	Kshs
Revolving fund	300,000	300,000
Accumulated surplus	1,663,071	1,452,474
Total funds	1,963,071	1,752,474
Total borrowings	-	-
Less: cash and bank balances	(2,192,385)	(1,491,785)
Net debt/(excess cash and cash equivalents)	(2,192,385)	(1,491,785)
Gearing	-	-

**Baringo County Assembly Catering and Health Services Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2022**

19. 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. of the Special 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.	Presentation of Financial Statements	The fund administrator has been appointed vide letter reference no.REF: BCA/CT/FAA/111/VOL.1/(11)	Resolved	N/A
2.	Unsupported Cost of Sales	The detail analysis of the cost of sales as been disclosed in the financial statements.	Resolved	N/A
3.	Budget preparation	The fund budget has been prepared, accounted for and reported in accordance with the government of Kenya classification.	Resolved	N/A

