



REPUBLIC OF KENYA



**OAG**



OFFICE OF THE AUDITOR-GENERAL

*Enhancing Accountability*

# REPORT

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COMMITTEE	—
CLERK AT THE TABLE	Angelo

**THE AUDITOR-GENERAL**

PARLIAMENT  
OF KENYA  
LIBRARY

**ON**

**BARINGO COUNTY ASSEMBLY  
(MEMBERS) CAR LOAN AND  
MORTGAGE FUND**

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



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**BARINGO COUNTY ASSEMBLY (MEMBERS) CAR LOAN AND  
MORTGAGE FUND**

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

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

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**Baringo County Assembly (Members) Car Loan and Mortgage Fund  
Annual Report and Financial Statements for the year ended June 30, 2023**

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***Baringo County Assembly (Members) Car Loan and Mortgage Fund***  
**Annual Report and Financial Statements for the year ended June 30, 2023**

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**1. Acronyms and Glossary of Terms**

a) Acronyms

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
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**2. Key Entity Information and Management**

**a) Background information**

Baringo County Assembly (Members) Car Loan and Mortgage Fund is established by and derives its authority and accountability from the Public Finance Management (Baringo County Assembly Members Car Loan Scheme Fund Regulations 2014 and the Public Finance Management (Baringo County Assembly Members Mortgage Scheme Fund Regulations, 2018). The Fund is wholly owned by the County Assembly of Baringo and is domiciled in Kenya.

The fund's object and purpose is to provide a loan scheme for the purchase of motor vehicles and the purchase, development, renovation or repair of residential property by members of the County Assembly as is prescribed by the Salaries and Remuneration Commission in their letter dated 27<sup>th</sup> November 2013.

**b) Principal Activities**

The Fund's principal activity is the provision of loans and mortgages to the Members of County Assembly and ensuring that loans advanced are recovered.

**c) Loans Management Committee Members**

Ref	Name	Position
1	Hon. Vincent Kemboi	Chairman
2	Hon. Lawi Tallam	Vice Chairman
3	Hon. Sam Lourien	Member
4	Hon. Benjamin Koech	Member
5	Hon. Ernest Tarus	Member
6	Jepkemoi Chemase	Fund Administrator
7	CPA Alfred Keitany	Director Finance & Accounting Services (ex-officio member)
8	Betty Toroitich	Legal Officer( ex-officio member)

**d) Key Management team**

Ref	Name	Position
1	Jepkemoi Chemase	Clerk to the Assembly
2	CPA Alfred Keitany	Director Finance & Accounting Services
3	Betty Toroitich	Legal Officer

**Baringo County Assembly (Members) Car Loan and Mortgage Fund  
Annual Report and Financial Statements for the year ended June 30, 2023**

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**Key Entity and Management (Continued)**

**e) Fiduciary Oversight Arrangements**

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

**f) Registered Offices**

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

**g) Fund Contacts**

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

**h) Fund Bankers**

1. Central Bank of Kenya  
Haile Selassie Avenue  
P.O. Box 60000  
City Square 00200  
Nairobi, Kenya
2. Kenya Commercial Bank  
Kabarnet Branch  
P.O. Box 175-30400  
Kabarnet

**Key Entity and Management (Continued)**

**i) Independent Auditors**

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

**j) Principal Legal Adviser**






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

**k) Principal Legal Officer**




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

**Baringo County Assembly (Members) Car Loan and Mortgage Fund  
Annual Report and Financial Statements for the year ended June 30, 2023**

**3. Loans Management Committee**

Name	Details of qualifications and experience
 <p>1. Hon. Vincent Kemboi - The Speaker of the County Assembly (Chairperson)</p>	<p>Year of Birth: 1987 Key Qualifications:: An Advocate of the High Court of Kenya with wide experience in legal practice Work experience: Currently the Speaker, Baringo County Assembly</p>
 <p>2. Hon. Lawi Tallam - Leader of Majority Party to the County Assembly</p>	<p>Year of Birth: 1977 Key Qualifications: K.C.S.E Work experience : Currently Member, Baringo County Assembly</p>
 <p>3. Hon. Sam Lourien -Leader of Minority Party to the County Assembly</p>	<p>Year of Birth:1984 Key Qualifications: Diploma in Public Administration Work experience : Currently Member, Baringo County Assembly</p>
 <p>4. Hon. Benjamin Koech</p>	<p>Year of Birth:1974 Key Qualifications: K.C.S.E Work experience : Currently Member, Baringo County Assembly</p>
 <p>5. Hon. Ernest Tarus</p>	<p>Year of Birth:1977 Key Qualifications: Bachelor's Degree in Commerce Work experience : Currently Member, Baringo County Assembly</p>

**Baringo County Assembly (Members) Car Loan and Mortgage Fund  
Annual Report and Financial Statements for the year ended June 30, 2023**

	<p>Year of Birth:1976 Key Qualifications: Bachelor of Education Masters in Business Administration (Human Resource Management Option) Work experience: Currently Clerk to the County Assembly Administrator of the Fund and Secretary to the LMC Deputy Clerk- Administration, Baringo County Assembly: 2013 to 2022 Employee of the Teachers Service Commission: 1998 to 2013</p>
	<p>Year of Birth:1983 Key Qualifications: MBA(Finance)- Catholic University of Eastern Africa Bachelor of Business Management(Accounting Option)-Moi University Work experience: Director Finance &amp; Accounting Services, Baringo County Assembly-April 2020 to date Principal Accountant- Min. of Health(NASCOP)-2009-2020</p>
	<p>Year of Birth:1986 Key Qualifications: Bachelor of Law Work experience : Currently Legal Officer, Baringo County Assembly Ex-Officio member</p>




6. Jepkemoi Chemase – Administrator of the Fund and Secretary to the Committee ( Clerk to County Assembly)

7. CPA Alfred Keitany the Director Finance & Accounting Services ( ex-officio member)

8. Betty Toroitich

**Baringo County Assembly (Members) Car Loan and Mortgage Fund  
Annual Report and Financial Statements for the year ended June 30, 2023**

**4. Management Team**

Name	Details of qualifications and experience
 <p>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/            Administrator of the Fund and Secretary to the LMC</p>
 <p>CPA Alfred Keitany</p>	<p>Year of Birth:1983            Key Qualifications: MBA (Finance)-Catholic University of Eastern Africa.            Bachelor of Business Management (Accounting Option)-Moi University.            CPA(K)            Work Experience: Principal Accountant-Min of Health (NASCOP) 2009-2020.            Currently Director Finance and Accounting Services, Baringo County Assembly            Ex-Officio member</p>
 <p>Betty Toroitich</p>	<p>Year of Birth:1986            Key Qualifications: Bachelor of Law            Work experience : Currently Legal Officer, Baringo County Assembly            Ex-Officio member</p>

**5. Loans Management Committee Chairperson's Report**

It is my pleasure to present the Baringo County Assembly Members Car Loan & Mortgage Fund financial statements for the year ended 30<sup>th</sup> June 2023. The financial statements present the financial performance of the Fund over the past year.

**(a) Changes in the Fund's Management during the year**

During the period under review, there were changes in the membership of the Fund's Loans Management Committee with the exit of the Members of the Second Assembly and the entry of the Members of the 3<sup>rd</sup> Assembly in September 2022.

**(b) Car Loans loan and Mortgage recoveries**

During the year ended 30<sup>th</sup> June 2023, car loans and mortgages of Ksh.37,163,604 was recovered from the Members during the period.

**(c) Surplus for the period**

During the year ended 30<sup>th</sup> June 2023, the Fund realized a surplus of Ksh. 4,037,478 as compared to Ksh. 1,252,618 during FY 2021/2022.


**(d) Future Outlook of the Fund**

All Members of the County Assembly who were eligible to the Car Loans & Mortgage in the period under review have already been advanced and recoveries are under way and progressing well.

**(e) Conclusion**

In conclusion, FY 2022/2023 was a good year in general. Good progress was made and the momentum has been created to enable the Fund on a trajectory into prosperity. The Fund has been instrumental in facilitating the Members purchase motor vehicles and/or purchase or develop residential property to improve their welfare and enable them deliver on their mandate.

I thank all the Members of the Loans Management Committee for their continued commitment and dedication through hard work in delivering services to the Members and staff of the Assembly.

Name Hon Vincent Kemboi Signature  Date 14/12/2023

Chairperson of the Loans Management Committee

**Baringo County Assembly (Members) Car Loan and Mortgage Fund  
Annual Report and Financial Statements for the year ended June 30, 2023**

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**6. Report of the Fund Administrator**

It is my pleasure to present the Baringo County Assembly Members Car Loan & Mortgage Fund financial statements for the year ended 30<sup>th</sup> June 2023. The financial statements present the financial performance of the Fund over the past year.

The performance of the Fund can be summarized in the following major areas:

**(a) Key Management Team**

The Fund's key management team is comprised of the Fund Administrator, Director Finance and Accounting Services and the Legal Officer.

**(b) Car Loans and Mortgages recoveries**

Out of the total loans disbursed to date, Ksh. 37,163,604 was recovered from the Members during the period.

All loans are currently being recovered in full with no reported case of default.

**(c) Surplus for the period**

During the year ended 30<sup>th</sup> June 2023, the Fund realized a surplus of Ksh.4,037,478 as compared to Ksh. 1,252,618 during FY 2021/2022. The interest income earned during the period amounted to Ksh.4,697,649 compared to Ksh. 1,255,615 in FY 2021/2022 while the expenses in the period were Ksh. 675,055 compared to Ksh. 2,997 in FY 2021/2022.

**(d) Future Outlook of the Fund**

All Members of the County Assembly who were eligible to the Car Loans & Mortgage in the period under review have already been advanced and recoveries are under way and progressing well.

The Loans Management Committee has set up a loan revolving fund (mortgage) for Members matching their entitlement as per the Salaries and Remuneration Commission guidelines.

**Conclusion**

In conclusion, FY 2022/2023 was a good year in general. Good progress was made and the momentum has been created to enable the Fund on a trajectory into prosperity.

I thank all the Members of the Loans Management Committee for their continued commitment and dedication through hard work in delivering services to the Members and staff of the Assembly.

Name Jepkemoi Chemase

Signature..........Date.....

**Fund Administrator**



**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 and purpose of the Fund as per the Regulations are to:

- a) Provide a loan scheme for the purchase of motor vehicles by Members of the County Assembly (MCAs) as may be prescribed by the Salaries and Remuneration Commission; and
- b) Provide a loan scheme for the purchase, development, renovation or repair of residential property by Members of the County Assembly (MCAs) as shall be determined by the Salaries and Remuneration Commission.

**Progress on attainment of the Fund’s objectives**

Below we provide the progress on attaining the stated objectives:

Program	Objective	Outcome	Indicator	Performance
Car Loan Fund	To provide a loan scheme for the purchase of motor vehicles by MCAs	Increased efficient and effective transport facilitation for the MCAs	% of MCAs advanced and fully repaying their car loans	In FY 22/23, 100 % of MCAs had been advanced and are fully repaying their car loans
Mortgage Fund	To provide a loan scheme for the purchase, development, renovation or repair of residential property by MCAs	Increased efficient and effective housing facilitation for the MCAs	% of MCAs advanced and fully repaying their mortgage loans	In FY 22/23, 100 % of MCAs had been advanced and are fully repaying their mortgage loans

***Baringo County Assembly (Members) Car Loan and Mortgage Fund***  
**Annual Report and Financial Statements for the year ended June 30, 2023**

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## **8. Corporate Governance Statement**

Baringo County Assembly consists of the Members of County Assembly (MCAs) who are elected by the people to represent them in the Assembly. The County Assembly (CA) is currently composed of 30 elected and 15 nominated members. The County Assembly is headed by the Speaker, who is elected by the MCAs.

The Loans Management Committee consist of the following members:

- (a) The Speaker of the County Assembly, who shall be the Chairperson to the committee;
- (b) Leader of Majority Party to the County Assembly;
- (c) Leader of Minority Party to the County Assembly;
- (d) One person appointed to the County Assembly Service Board under Section 12 (3) (d) of the County Government Act, 2012;
- (e) Two Members elected by members of the County Assembly, one representing either gender;
- (f) The County Assembly Head of Finance (ex-officio member);
- (g) The County Assembly Legal Officer (ex-officio member);
- (h) The County Chief Officer, Treasury and Economic Planning or his or her representative (ex-officio member) and
- (i) Administrator of the Fund who shall be the Secretary of the Committee appointed under regulation 7.

During financial year 2022-2023, the Loans Management Committee held eighteen meetings. The meetings of the Committee are convened by the Chairperson or in the absence of the Chairperson, by a member designated by the Chairperson and shall be convened at such times as may be necessary for the discharge of the Committee's functions. The quorum for a meeting of the Committee shall be Chairperson and any other three members.

The Committee administers the Fund by:

- (a) Processing applications for loans in accordance with the existing terms and conditions of borrowing;
- (b) Liaising with the housing company (if any) to set up a revolving fund for the disbursements of the loans; and
- (c) Supervising the day-to-day running of the Fund.

The allowances payable to the Committee members are determined by the Salaries and Remuneration Commission.

The annual financial statements of the Fund are subject to audit by the Auditor- General.

**9. Management Discussion and Analysis**

The major risk facing the Assembly's Car Loan & Mortgage Fund is loan default in case of the death of a member. However, this risk has been mitigated by insuring all the members' loans for the benefit of the member of the scheme. This will ensure that in the unfortunate death of a member of the Fund, the loan balance due to the Fund will be reimbursed by the Insurance Company.

Where a repayment of loan is not made in accordance with the terms and conditions of the Regulations, the sums of money due and owing to the Fund shall be recoverable by the Loans Committee, without prejudice to any other remedy, in civil proceedings in the High Court.

All Car Loan & Mortgages granted to the Members are currently being recovered through the payroll check-off system from the members' monthly emolument. There is currently no major financial improbity as reported by internal audit/Board audit committee, external auditors, or other County Government Agencies providing oversight.

***Baringo County Assembly (Members) Car Loan and Mortgage Fund***  
**Annual Report and Financial Statements for the year ended June 30, 2023**

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**10. Report of The Trustees**

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

**Principal activities**

The principal activities of the Fund are to provide a loan scheme for the purchase of motor vehicles and the purchase, development, renovation or repair of residential property by members of the County Assembly as prescribed by the Salaries and Remuneration Commission.

**Results**

The results of the Fund for the year ended June 30, 2023 are set out on page 1 to 5.

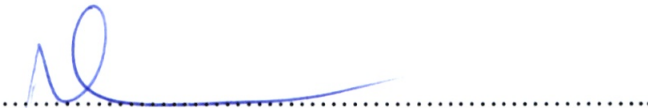
**Trustees**

The members of the LMC who served during the year are shown on pages vii 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



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**Chair of the Loans Management Committee**

**Date:**

## **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 the Baringo County Assembly Members Car Loan Scheme Regulations 2014 and the Baringo County Assembly Members Mortgage Scheme Fund Regulations 2018 shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The Administrator of the County Public Fund is responsible for the preparation and presentation of the Fund's financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 2023. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Fund; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Fund; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Administrator of the County Public Fund accepts responsibility for the Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the Baringo County Assembly Members Car Loan Scheme Regulations 2014 and the Baringo County Assembly Members Mortgage Scheme Fund Regulations 2018. The Administrator of the Fund is of the opinion that the Fund's financial statements give a true and fair view of the state of Fund's transactions during the financial year ended June 30, 2023, and of the Fund's financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control.

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

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

### **Approval of the financial statements**

The Fund's financial statements were approved by the Board on 14/12/ 2023 and signed on its behalf by:

.....  


**Administrator of the County Public Fund**



# REPUBLIC OF KENYA

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*Enhancing Accountability*

**HEADQUARTERS**  
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Monrovia Street  
P.O. Box 30084-00100  
NAIROBI

## **REPORT OF THE AUDITOR-GENERAL ON BARINGO COUNTY ASSEMBLY (MEMBERS) CAR LOAN AND MORTGAGE FUND FOR THE YEAR ENDED 30 JUNE, 2023**

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### **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 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 Control, 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 (Members) Car Loan and Mortgage Fund set out on pages 1 to 28, which comprise of the

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*Report of the Auditor-General on Baringo County Assembly (Members) Car Loan and Mortgage Fund for the year ended 30 June, 2023*

statement of financial position as at 30 June, 2023 and the statement of financial performance, statement of changes in net asset, 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 (Members) Car Loan and Mortgage Fund as at 30 June, 2023 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012, the Public Finance Management (Baringo County Assembly (Members) Car Loan Fund) Regulations, 2014 and the Public Finance Management (Baringo County Assembly (Members) Mortgage Scheme Regulations, 2018.

### **Basis for Qualified Opinion**

#### **1. Variance in Interest Income Balance**

The statement of financial performance reflects interest income amount of Kshs.4,697,649 as disclosed in Note 1 to the financial statements. However, the supporting schedule reflects an amount of Kshs.4,562,734 resulting to an unreconciled and unexplained variance of Kshs.134,915. Further, the detailed schedule showing opening balance, loans issued, and the rate of interest was not provided for audit.

In the circumstances, the accuracy and completeness of the interest income of Kshs.4,697,649 could not be confirmed.

#### **2. Current Portion of Long-Term Receivables**

The statement of financial position reflects current portion of long-term receivables balance of Kshs.52,738,522 as disclosed in Note 5 to the financial statements. However, the detailed schedule showing opening balance, loans issued and repayments for the year in arriving at the closing balance was not provided for audit.

In the circumstances, the accuracy and fair statement of current portion of receivables balance of Kshs.52,738,522 could not be confirmed.

#### **3. Trade and Other Payables**

The statement of financial position reflects trade and other payables from exchange transactions balance of Kshs.5,200,000 as disclosed in Note 6 to the financial statements. However, the detailed schedule showing the creditors names, amount owed, and services provided to the Fund was not provided for audit.

In the circumstances, the accuracy and fair statement of the debtor's balance of Kshs.5,200,000 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 (Members) Car Loan and Mortgage 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.

### **Emphasis of Matter**

#### **Budgetary Control and Performance**

The statement of comparison of budget and actual reflects a final income budget and actual receipts on a comparable basis of Kshs.4,712,533. Similarly, the Fund expended Kshs.675,055 against an approved budget of Kshs.4,712,533 resulting an under expenditure of Kshs.4,037,478 or 86 of the budget. Further, the approved budget was not provided for audit, therefore the lawfulness of the budget could not be confirmed. In addition, the Fund had an unbalanced budget.

My opinion is not modified in respect of this matter.

### **Key Audit Matters**

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

### **Other Matter**

#### **Unresolved Prior year Matters**

In the audit report of the previous year, several paragraphs were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources. However, Management has not resolved the issues or explained the failure to adhere to the provisions of the Public Sector Accounting Standards Board template.

## **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**

### **1. Irregular Combination of the Financial Statements**

As previously reported, Baringo County Assembly (Members) Car Loan and Scheme Fund Regulations, 2014 and Baringo County Members Mortgage Fund Regulations, 2018 are separate Schemes of which Management ought to prepare separate financial statements. However, the Management has continued to prepare combined financial statements for Car Loan and Mortgage Scheme Funds.

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

### **2. Statement of Changes in Net Assets**

The statement of changes in net assets reflects a write off of Kshs.164,573. However, the Accounting Officer is only allowed to write off losses up to a maximum of Kshs.100,000, resulting to unauthorized write off of Kshs.64,573 in accordance with Section 141(5) of the Public Finance Management (County Government) Regulations,2015.

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

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

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

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015 and based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that Internal Controls, Risk Management and Governance were not effective.

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 of the intention to terminate the Fund or to cease operations.

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, 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 the 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 going concern 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.



**FCPA Nancy Gathungu, CBS**  
**AUDITOR-GENERAL**

**Nairobi**

**14 February, 2024**

**Baringo County Assembly (Members) Car Loan and Mortgage Fund  
Annual Report and Financial Statements for the year ended June 30, 2023**

**13. Statement of Financial Performance for the Year Ended 30<sup>th</sup> June 2023**

Description	Note	FY 2022-2023	FY2021-2022
		Kshs	Kshs
<b>Revenue From Exchange Transactions</b>			
Interest Income	1	4,697,649	1,255,615
<b>Total Revenue</b>		<b>4,697,649</b>	<b>1,255,615</b>
<b>Expenses</b>			
Use of goods and services	2	675,055	2,997
<b>Total Expenses</b>		<b>675,055</b>	<b>2,997</b>
<b>Other Gains/Losses</b>			
Gain/Loss on Settlement of Loans	3	14,884	-
<b>Surplus/(Deficit) for the Period</b>		<b>4,037,478</b>	<b>1,252,618</b>

*(The notes set out on pages 18 to 26 form an integral part of these Financial Statements)*

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



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






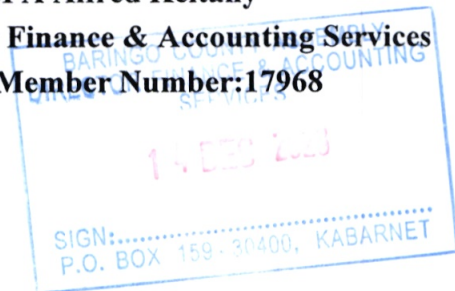
**Baringo County Assembly (Members) Car Loan and Mortgage Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2023**

**14. Statement of Financial Position as at 30 June 2023**

Description	Note	FY 2022-2023	FY 2021-2022
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	4	23,612,672	112,576,474
Current Portion of Long- Term Receivables From Exchange Transactions	5	52,738,522	5,606,341
<b>Total current assets</b>		<b>76,351,194</b>	<b>118,182,815</b>
<b>Non-Current Assets</b>			
Long Term Receivables from Exchange Transactions	5	167,254,526	-
<b>Total non- current assets</b>		<b>167,254,526</b>	<b>-</b>
<b>Total Assets</b>		<b>243,605,720</b>	<b>118,182,815</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables from Exchange Transactions	6	5,200,000	100,000
<b>Total current liabilities</b>		<b>5,200,000</b>	<b>100,000</b>
<b>Total Liabilities</b>		<b>5,200,000</b>	<b>100,000</b>
<b>Net Assets</b>		<b>238,405,720</b>	
Revolving Fund		227,091,991	110,741,991
Accumulated Surplus		11,313,729	7,440,824
<b>Total Net Assets and Liabilities</b>		<b>238,405,720</b>	<b>118,182,815</b>

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 14/12 2023 and signed by:

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


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


**Baringo County Assembly (Members) Car Loan and Mortgage Fund**  
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**15. Statement of Changes in Net Assets for the year ended 30<sup>th</sup> June 2023**

Description	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
		Kshs	Kshs	Kshs
<b>Balance As At 1 July 2021</b>	110,741,991	-	6,188,206	116,930,197
Surplus/(Deficit) For the Period	-	-	1,252,618	1,252,618
<b>Balance As At 30 June 2022</b>	<b>110,741,991</b>	-	<b>7,440,824</b>	<b>118,182,815</b>
<b>Balance As At 1 July 2022</b>	<b>110,741,991</b>	-	<b>7,440,824</b>	<b>118,182,815</b>
Surplus/(Deficit) For the Period		-	4,037,478	4,037,478
Funds Received During the Year	116,250,000	-	-	116,250,000
Capitalizing of last expense claim for the late David Rotich	100,000	-	-	100,000
Bad debts written off (Late Maccah Hamisi)	-	-	(164,573)	(164,573)
<b>Balance As At 30 June 2023</b>	<b>227,091,991</b>	-	<b>11,313,729</b>	<b>238,405,720</b>

**Baringo County Assembly (Members) Car Loan and Mortgage Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2023**

**16. Statement of Cash Flows for the Year Ended 30 June 2023**

Description	Note	FY 2022-2023	FY 2021-2022
		Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Interest received	1	4,697,649	1,255,615
<b>Total receipts</b>		<b>4,697,649</b>	<b>1,255,615</b>
<b>Payments</b>			
Use of Goods and Services	2	675,055	2,997
<b>Net cash flows from operating activities</b>		<b>4,022,594</b>	<b>1,252,618</b>
<b>Cash flows from investing activities</b>			
Proceeds from loan principal repayments	7	37,163,604	39,629,468
Loan disbursements paid out	8	(244,190,000)	-
Loan balance compensation from Jubilee Insurance Ltd	9	-	1,126,465
<b>Net cash flows used in investing activities</b>		<b>(207,026,396)</b>	<b>40,755,933</b>
<b>Cash flows from financing activities</b>			
Proceeds from revolving fund receipts	10	116,250,000	-
Receipt of last expense claim for the late David Rotich	11	100,000	100,000
Land/Property valuation fee	12	(60,000)	-
Car Loan/Mortgage Insurance	13	(2,250,000)	-
Payment for Supply of fuel	14	-	(1,600,000)
Refund for the supply of fuel	15	-	1,500,000
Other Receipts	16	-	250,440
Other Payments	17	-	(238,853)
<b>Net cash flows from financing activities</b>		<b>114,040,000</b>	<b>11,587</b>
<b>Net increase/(decrease) in cash &amp; cash Equivalents</b>		<b>(88,963,802)</b>	<b>42,020,138</b>
Cash and cash equivalents at 1 July		112,576,474	70,556,336
<b>Cash and cash equivalents at 30 June</b>		<b>23,612,672</b>	<b>112,576,474</b>

(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<sup>th</sup> June 2023

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
<b>Revenue</b>						
Interest Income	4,697,649	-	4,697,649	4,697,649	-	100%
Other Income	14,884	-	14,884	14,884	-	100%
<b>Total Income</b>	<b>4,712,533</b>	<b>-</b>	<b>4,712,533</b>	<b>4,712,533</b>	<b>-</b>	<b>100%</b>
<b>Expenses</b>						
Fund Administration Expenses	675,055	-	675,055	675,055	-	100%
<b>Total Expenditure</b>	<b>675,055</b>	<b>-</b>	<b>675,055</b>	<b>675,055</b>	<b>-</b>	<b>100%</b>
<b>Surplus For the Period</b>	<b>4,037,478</b>	<b>-</b>	<b>4,037,478</b>	<b>4,037,478</b>	<b>-</b>	<b>100%</b>

**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.

***Baringo County Assembly (Members) Car Loan and Mortgage Fund  
Annual Report and Financial Statements for the year ended June 30, 2023***

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**18. Notes to the Financial Statements**

**1. General Information**

Baringo County Assembly (Members) Car Loan and Mortgage Fund entity is established by and derives its authority and accountability from the Baringo County Assembly Members Car Loan Scheme Regulations 2014 and the Baringo County Assembly Members Mortgage Scheme Fund Regulations 2018. The entity is wholly owned by the Baringo County Government and is domiciled in Kenya. The entity's principal activity is the provision of loans and mortgages to the Members of County Assembly and ensuring that loans advanced are recovered.

**2. Statement of compliance and basis of preparation**

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

**3. Adoption of new and revised standards**

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

Standard	Effective date and impact
<p><b>IPSAS 41:</b> Financial Instruments</p>	<p><b>Applicable: 1<sup>st</sup> January 2023</b></p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity's future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p>

**Baringo County Assembly (Members) Car Loan and Mortgage Fund  
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Standard	Effective date and impact
	<ul style="list-style-type: none"> <li>• 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;</li> <li>• Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and</li> <li>• 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.</li> </ul>
<p><b>IPSAS 42: Social Benefits</b></p>	<p><b>Applicable: 1<sup>st</sup> January 2023</b></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"> <li>(a) The nature of such social benefits provided by the Entity;</li> <li>(b) The key features of the operation of those social benefit schemes; and</li> <li>(c) The impact of such social benefits provided on the Entity’s financial performance, financial position and cash flows.</li> </ul>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p><b>Applicable: 1<sup>st</sup> January 2023</b></p> <ul style="list-style-type: none"> <li>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</li> <li>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</li> </ul>

**Baringo County Assembly (Members) Car Loan and Mortgage Fund  
Annual Report and Financial Statements for the year ended June 30, 2023**

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

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

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

***Baringo County Assembly (Members) Car Loan and Mortgage Fund***  
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Standard	Effective date and impact:
IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1<sup>st</sup> 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 the financial year.

*Baringo County Assembly (Members) Car Loan and Mortgage Fund*  
**Annual Report and Financial Statements for the year ended June 30, 2023**

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**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**

**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 2022-2023 was approved by the County Assembly on 30<sup>th</sup> June 2022. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget.

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

***Baringo County Assembly (Members) Car Loan and Mortgage Fund***  
**Annual Report and Financial Statements for the year ended June 30, 2023**

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**Summary of Significant Accounting Policies (Continued)**

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

**c) Property, plant and equipment**

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

**d) Intangible Assets**

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

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

**e) Investment property**

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, 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.

*Baringo County Assembly (Members) Car Loan and Mortgage Fund*  
**Annual Report and Financial Statements for the year ended June 30, 2023**

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**Summary of Significant Accounting Policies (Continued)**

**f) Financial instruments**

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The 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 cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an 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.

***Baringo County Assembly (Members) Car Loan and Mortgage Fund***  
**Annual Report and Financial Statements for the year ended June 30, 2023**

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**Significant Accounting Policies (Continued)**

**Financial liabilities**

**Classification**

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

**g) Inventories**

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

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

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

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

**h) Provisions**

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

**i) Social Benefits**

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

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**j) Contingent liabilities**

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

**Contingent assets**

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

**k) Nature and purpose of reserves**

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

**l) 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.

**m) Employee benefits – Retirement benefit plans**

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

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

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***Summary of Significant Accounting Policies (Continued)***

**n) Foreign currency transactions**

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

**o) Borrowing costs**

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

**p) Related parties**

The 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.

**q) Cash and cash equivalents**

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

**r) Comparative figures**

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

**Summary of Significant Accounting Policies (Continued)**

**5. Significant judgments and sources of estimation uncertainty**

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

**a) Estimates and assumptions –**

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

**b) Useful lives and residual values**

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

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

**c) Provisions**

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

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.

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**6. Notes To The Financial Statements**

**1. Interest income**

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Interest Income from Mortgage & Car Loans	4,697,649	1,255,615
<b>Total Interest Income</b>	<b>4,697,649</b>	<b>1,255,615</b>

Interest is charged on car loans & mortgages at 3% p.a. on a reducing balance basis.

**2. Use of Goods and Services**

Description	FY 2022-2023	FY 2021-2022
	Kshs.	Kshs.
Committee Allowances	640,000	-
Bank Charges	35,055	2,997
<b>Total</b>	<b>675,055</b>	<b>2,997</b>

**3. Gain/(loss) on Settlement of Loans**

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Gain on settlement of loans for Members of 2 <sup>nd</sup> Assembly	14,884	-
<b>Total</b>	<b>14,884</b>	<b>-</b>

**4. Cash and cash equivalents**

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Baringo County Assembly Fund Account	23,612,672	112,576,474
<b>Total Cash And Cash Equivalents</b>	<b>23,612,672</b>	<b>112,576,474</b>

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**Notes to the Financial Statements Continued**

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

Financial Institution	Account number	FY 2022-2023	FY 2021-2022
		Kshs	Kshs
<b>a) Current Account</b>			
Kenya Commercial Bank	1152063324	23,612,672	112,576,474
<b>Grand Total</b>		<b>23,612,672</b>	<b>112,576,474</b>

**5. Receivables from exchange transactions**

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
<b>Current Receivables</b>		
Current Loan Repayments Due	52,738,522	5,606,341
<b>Total Current Receivables</b>	<b>52,738,522</b>	<b>5,606,341</b>
<b>Non-Current Receivables</b>		
Long Term Loan Repayments Due	167,254,526	-
<b>Total Non- Current Receivables</b>	<b>167,254,526</b>	<b>-</b>
<b>Total Receivables From Exchange Transactions</b>	<b>219,993,048</b>	<b>5,606,341</b>

**6. Trade and other payables from exchange transactions**

Description	FY 2022-2023		FY 2021-2022	
	Kshs		Kshs	
Trade Payables ( Mortgage loan due to Hon. Sharon Keter)	3,000,000		-	
Other Payables(Insurance premium & land valuation fees)	2,200,000		-	
<b>Total Trade and Other Payables</b>	<b>5,200,000</b>		<b>-</b>	
<b>Ageing analysis (Trade and other payables)</b>	<b>FY 2022-2023</b>	<b>% of the Total</b>	<b>FY 2021-2022</b>	<b>% of the Total</b>
Under one year	5,200,000	100%	-	-
<b>Total</b>	<b>5,200,000</b>	<b>100%</b>	<b>-</b>	<b>-</b>

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**7. Proceeds from Principal Loan Repayments**

Description	FY2022/2023	FY2021/2022
	KShs	KShs
Principal Loan Repayments	37,163,604	39,629,468
<b>Total</b>	<b>37,163,604</b>	<b>39,629,468</b>

This refers to the part of the total loan (principal & interest) repaid exclusive of interest i.e. the principal loan repayments for which the cash had been received in the Fund Account as at 30 June 2023.

**8. Loan disbursements paid out**

Description	FY2022/2023	FY2021/2022
	KShs	KShs
Loan disbursements paid out	244,190,000	-
<b>Total</b>	<b>244,190,000</b>	<b>-</b>

This refers to the car loans and mortgages loaned to the Members as at 30 June 2023.

**9. Loan balance compensation from Jubilee Insurance Ltd**

Description	FY2022/2023	FY2021/2022
	KShs	KShs
Loan balance compensation from Jubilee Insurance Ltd	-	1,126,465
<b>Total</b>	<b>-</b>	<b>1,126,465</b>

This refers to the payment received from Jubilee Insurance Ltd being loan balance compensation for the late Macca Hamisi.

**10. Proceeds from revolving fund receipts**

Description	FY2022/2023	FY2021/2022
	KShs	KShs
Exchequer receipts	116,250,000	-
<b>Total</b>	<b>116,250,000</b>	<b>-</b>

This refers to the Exchequer receipts from the Appropriation Act for the year ended 30 June 2023 which went to enhance the revolving fund.

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**11. Receipt of last expense claim for the late David Rotich**

Description	FY2022/2023	FY2021/2022
	KShs	KShs
Receipt of last expense claim for the for the late David Rotich	100,000	100,000
<b>Total</b>	<b>100,000</b>	<b>100,000</b>

This refers to the cash amount received from Jubilee Insurance Ltd as at 30<sup>th</sup> June 2023, being the last expense claim for the late David Rotich.

**12. Land/Property valuation fee**

Description	FY2022/2023	FY2021/2022
	KShs	KShs
Land/property valuation fee	60,000	-
<b>Total</b>	<b>60,000</b>	<b>-</b>

This refers to the land/property valuation fee paid for Hon. Lawi Tallam, Hon. Ernest Kibet, Hon. Sam Lourien and Hon. Benjamin Koech.

**13. Car Loan & Mortgage Insurance**

Description	FY2022/2023	FY2021/2022
	KShs	KShs
Car Loan & Mortgage Insurance premium	2,250,000	-
<b>Total</b>	<b>2,250,000</b>	<b>-</b>

This refers to the life insurance premium paid to APA Insurance Company Ltd to cover the Loans advanced to the Members against death and disability.

**14. Payment for supply of fuel**

Description	FY2022/2023	FY2021/2021
	KShs	KShs
Supply of fuel	-	1,600,000
<b>Total</b>	<b>-</b>	<b>1,600,000</b>

This refers to the payment for the supply of fuel for Assembly vehicles made from the Car Loan & Mortgage Fund account

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**15. Refund of amount paid for supply of fuel**

Description	FY2022/2023	FY2021/2022
	KShs	KShs
Refund of amount paid for supply of fuel	-	1,500,000
<b>Total</b>	<b>-</b>	<b>1,500,000</b>

This refers to the refund to the Car Loan & Mortgage Fund account of the amount paid for supply of fuel for Assembly vehicles.

**16. Other Receipts**

Description	FY2022/2023	FY2021/2022
	KShs	KShs
Erroneous loan repayment	-	40,197
Erroneous loan repayment	-	35,285
Erroneous receipts from Catering Fund Payroll deductions	-	163,371
Cash receipts-debtors underpayment of March 2022 Loan repayment	-	11,587
<b>Total</b>	<b>-</b>	<b>250,440</b>

This refers to cash receipts from non-operating activities of the Fund e.g. erroneous loan repayment, erroneous receipts from Catering Fund payroll deductions and receipts from debtors on underpayment of loan repayment, and which were on transit to be transferred to the appropriate account.

**17. Other Payments**

Description	FY2022/2023	FY2021/2022
	KShs	KShs
Refund of erroneous receipts to Catering Fund Account	-	163,371
Refund of erroneous loan repayment to County Executive Car Loan & Mortgage Fund Account	-	11,229
Refund of erroneous loan repayment to Staff Car Loan & Mortgage Fund Account	-	64,253
<b>Total</b>	<b>-</b>	<b>238,853</b>

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This refers to payments for non-operating activities of the Fund e.g. refund of erroneous loan repayment and refund of erroneous receipts from Catering Fund Account which were transferred to the appropriate account.

**18. Related party balances**

**a) Nature of related party relationships**

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

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

**b) Related party transactions**

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Transfers From County Assembly Recurrent Account	116,250,000	-
<b>Total</b>	<b>116,250,000</b>	<b>-</b>

**c) Key management remuneration**

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Loans Management Committee Sitting allowance	640,000	-
<b>Total</b>	<b>640,000</b>	<b>-</b>

**19. 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

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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
<b>At 30 June 2023</b>				
Receivables From Exchange Transactions	219,993,048	219,993,048	-	-
Bank Balances	23,612,672	23,612,672	-	-
<b>Total</b>	<b>243,605,720</b>	<b>243,605,720</b>	-	-
<b>At 30 June 2022</b>				
Receivables From Exchange Transactions	5,606,341	5,606,341	-	-
Bank Balances	112,516,474	112,516,474	-	-
<b>Total</b>	<b>118,182,815</b>	<b>118,182,815</b>	-	-

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.

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Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
<b>At 30 June 2023</b>				
Trade Payables	-	5,200,000	-	5,200,000
<b>Total</b>	-	<b>5,200,000</b>	-	<b>5,200,000</b>
<b>At 30 June 2022</b>				
Trade Payables	-	-	100,000	100,000
<b>Total</b>	-	-	<b>100,000</b>	<b>100,000</b>

**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.

***Sensitivity analysis***

The Fund analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The

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sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year.

**d) Capital risk management.**

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

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Revolving fund	227,091,991	110,741,991
Accumulated surplus	11,313,729	7,440,824
<b>Total funds</b>	<b>238,405,720</b>	<b>118,182,815</b>
Total borrowings	-	-
Less: cash and bank balances	(23,612,672)	(112,576,474)
Net debt/(excess cash and cash equivalents)	(23,612,672)	(112,576,474)
<b>Gearing</b>	-	-

**20. Events after the reporting period**

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

**21. Ultimate and Holding Entity**

The entity is a County Public Fund established by the Baringo County Assembly Members Car Loan Scheme Regulations 2014 and the Baringo County Assembly Members Mortgage Scheme Fund Regulations 2018 under the County Assembly of Baringo. Its ultimate parent is the County Government of Baringo.

**22. Currency**

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

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**19. 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)
1.1	Undisclosed fuel expenses	The item has been disclosed in the Notes to the Financial Statements	Resolved	N/A
1.2	Undisclosed car loan insurance premiums	The item has been disclosed in the Notes to the Financial Statements	Resolved	N/A
1.3	Inaccurate Statement of Cash flows	The issue has been corrected in the Statement of Cash flows	Resolved	N/A
2.0	Unsupported interest income	A general ledger has been prepared to support principal loan, loan repayment, interest repayment & outstanding loan balance	Resolved	N/A
Basis for Conclusion				
1.0	Irregular combination of the financial statements	The management is reviewing the two relevant legislations with a view to aligning the financial statements to the legislations.	Not Resolved	30/6/2024
2.0	Unsecured mortgaged properties	The management is working to ensure that mortgaged properties are secured, a mortgage protection policy and fire policy is in place	Not Resolved	30/6/2024
3.0	Non-compliance with the Public Sector	The Fund Administrator has been appointed vide letter	Resolved	N/A

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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)
	Accounting Standards	REF:BCG/CT/FAA/111/ VOL.I(11)		

**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.....