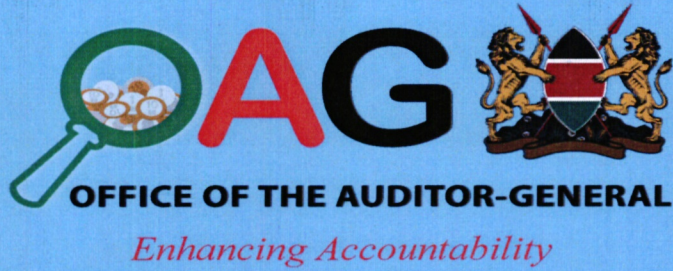


REPUBLIC OF KENYA



REPORT

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THE AUDITOR-GENERAL

ON

COUNTY REVENUE FUND

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

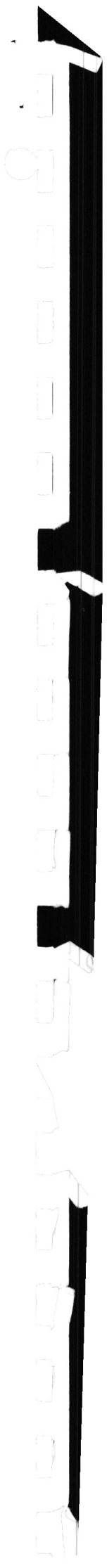
COUNTY GOVERNMENT OF BARINGO





COUNTY REVENUE FUND
COUNTY GOVERNMENT OF BARINGO

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2022.



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1. Key Entity Information and Management

a) Background information

Article 207 of the Constitution of Kenya provides for the establishment of the County Revenue Fund into which shall be paid all money raised or received by or on behalf of the County Government.

b) Key Management

The County Revenue Funds day-to-day management is under the following key organs:

- CECM Finance and Economic planning
- C.O Finance
- Director Accounting Services/Finance

c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2022 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	CECM Finance and Economic Planning	CPA Hon. Enock K. Keston
2.	Accounting Officer in charge of Finance	Mr. John K. Kisang
3.	Director Finance & Administration	CPA Gikono Kiptoo

d) Fiduciary Oversight Arrangements

Baringo County oversight responsibilities were presided over by: -

(a) County Public Accounts and Investment Committee

The County Public Accounts and Investment Committee performed the following responsibilities as per Baringo County Assembly Standing Order no188 which established the committee it.

- Examination of the accounts showing the appropriations of the sum voted by the house to meet public expenditure and of such other accounts laid before the house.
- Examination of the working of the public investment
- Examine the reports and accounts of the public investment
- Examine any report from the Auditor General on public investment
- Examine autonomy and efficiency of public investment expenditure in relation to efficiency and prudence.

(b) County Internal Audit

The County Internal Audit and Risk Management Unit which is made up of qualified staff also plays an oversight role to ensure the effectiveness and efficiency of the County Internal Control. They review the County Financial statements, Internal Control and perform System Audits. They are mandated to ensure that all risk exposures to the county are eliminated and the proper mitigation measures are put in place.

(c) Audit Committee

Baringo County have an Audit committee in place that meet quarterly basis to carry out their duties as mandated by law.

(d) Auditor General

The Auditor General as per the Article 229 of the constitution of Kenya plays an oversight responsibility by auditing the County Financial Statements to ensure that the public money has been applied lawfully.

e) County Headquarters

P.O. Box 53 – 30400,
AFC Building/House/Plaza
KABARNET, KENYA

f) County Bankers

Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
NAIROBI, KENYA

g) Independent Auditors

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

h) Principal Legal Adviser

The County Attorney
Office of County Attorney
Baringo County Government
P.O. Box 53 - 30400
KABARNET, KENYA

i) County Fund Contacts

Baringo County Treasury
P.O. Box 53 – 30400,
AFC Building/House/Plaza
KABARNET, KENYA

2. Statement by the CECM Finance

Pursuant to article 183 of the Constitution, the County Executive Committee is mandated to manage and coordinate the functions of the county administration and its departments and make regular reports to the County Assembly. Additionally, Section 166 of the Public Finance Management Act 2012 requires Accounting Officer to prepare and submit timely quarterly reports which shall be published and shared with the Controller of Budget, the National Treasury and the Commission of Revenue Allocation. The report contains both financial and non-financial information. The report aims at improving transparency and enhancing oversight over the financial and non-financial performance of the county and other public entities. Both financial and non-financial performance is important in measuring the performance of government institutions. As such, a uniform system of collecting, storing, consolidating and analysing financial and non-financial information is essential. While financial information (expenditure and revenue) is critical for determining the costs and efficiencies of programmes/objectives/activities, non-financial information is equally important for assessing progress towards predetermined service delivery or performance targets. This report indicates budget implementation performance of all the departments for the fourth quarter of the financial year 2021/2022. It is based on analysis of reports on financial and non-financial performance submitted to the County Treasury, financial reports generated from the Integrated Financial Management Information System (IFMIS) and financial information analysed from financial receipts from National Treasury. Further, the report highlights the key challenges encountered by the departments during budget implementation and suggested measures to address the challenges. The information on implementation of the budget is presented on aggregate and on individual department. This report also includes performance trends, which is a useful trajectory of revenue and expenditure performance. The information herein is useful to the county stakeholders including; policy makers, County legislators, analysts, and the general public. While successful budget implementation depends on a number of factors within and outside of government, public participation and effective monitoring of its implementation remain critical principles. It is my hope that this report will generate interest and participation by the public and other stakeholders in monitoring budget implementation by this administration.

The Financial Year 2021-2022 budget was prepared as per the Public Finance Management Act, 2012 Section 125 (e) which states that the county shall prepare budget estimates for the county government and submitting estimates to the county assembly.

Expected Revenue Estimates

To finance the budget, the government expected to receive Kshs. 6,369,394,592 as equitable share and Kshs. 288,546,935 as own-source of revenue.

Table 2 below shows the revised budget and Actual amounts received in the FY 2021/2022.

Table 1 Budgeted Revenue vs Actual received per Sources-

Revenue Source	Budget Estimates FY 2021/2022 (Kshs.)	Actual Amounts FY 2021/2022 (Kshs.)	Variance (Kshs.)
Equitable Share	6,369,394,592	5,859,843,030	509,551,562
Conditional Grants	153,297,872	-	153,297,872
Universal Health Care	132,841,617	-	132,841,617
KCSAP	373,116,011	180,592,263	192,523,748
EU IDEAS	36,744,378	-	36,744,378
DANIDA Primary Health Care - Devolved Unit	23,525,578	5,645,063	17,880,515
KDSP Level I	47,890,010	75,822,876	(27,932,866)
KDSP Level II	310,835,800	-	310,835,800
ADSP II	25,575,467	8,779,013	16,796,454
Emergency Locusts Project	27,905,333	9,653,447	18,251,886
Compensation For Use Fees Forgone	13,191,000	-	13,191,000
KUSP (UDG)	66,689,606	-	66,689,606
RMLF	325,664,467	76,409,452	249,255,015
Village Polytechnics	30,173,192	-	30,173,192
COVID Emergency	39,576,035	-	39,576,035
Local Revenue	288,546,935	253,222,149	35,324,786
Balance Carried Forward	1,355,658,711	-	-
Total Revenue	9,620,626,604	6,469,967,293	

In the financial year 2021-2022 Kshs.6,997,169,177 comprising of transfers to County Executive and County Assembly of Kshs.6,221,161,311 and Kshs.776,007,866 respectively was withdrawn from the CRF account to fund the county executive and county assembly operations.



Hon. Enock K. Keston
CECM Finance and Economic Planning
County Government of Baringo

3. Management Discussion and Analysis

In the year under review, the County Government of Baringo realized a general performance of Kshs. 6,493,919,891.20 as revenue to County Revenue Fund.

The major source of revenue to the fund are: Exchequer releases amounting to Kshs. 5,859,843,020.00; other transfers from other government agencies which includes grants and donations amounting to Kshs. 360,389,816.60; Own Source revenue being received through appointed County Receiver of Revenue amounting to Kshs. 253,222,149.00 and bank balances for the year ending 30th June, 2021 being returned to CRF amounting to Kshs. 464,905.60.

The table below clearly indicates that in the year under review, the fund realized an increase in its revenues compared to the last financial year ending 30th June, 2021.

Revenue sources to CRF	Performance FY 2021/22	Performance FY 2020/21
Exchequer releases	5,859,843,020.00	5,533,875,900.00
Transfers from other government agencies	360,389,816.60	76,409,452.00
Other grants	-	-
Proceeds from Domestic Borrowing	-	-
Proceeds from Foreign Borrowing	-	-
Own Source Revenue	253,222,149.00	205,203,689.00
Return to CRF issues	464,905.60	3,244,030
Total Receipts	6,473,919,891.20	5,818,733,071.00

The withdrawal of funds from the County Revenue Fund is authorized by the County appropriation Act. The County Treasury seeks the approval from Controller of Budget for withdrawal of funds from the County Revenue Fund. In the year under review the County Government of Baringo withdrawn kshs. 6,997,169,172 from CRF to the County Executive and County Assembly bank accounts to finance their budgets items.

4. Statement of Management Responsibility

Article 207 of the Constitution, Sections 109 and 167 of the Public Finance Management Act, 2012 requires a County Revenue Fund established by the Constitution, an Act of Parliament or county legislation shall prepare financial statements for the Fund for each financial year in a form prescribed by the Public Sector Accounting Standards Board and submit to the Auditor General and a copy to the Commission on Revenue Allocation and the Controller of Budget.

The Accounting Officer of the County Government is responsible for the preparation and presentation of the County Revenue Fund financial statements, which give a true and fair view of the state of affairs of the Fund 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 County Revenue 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 County Executive; (v) Selecting and applying appropriate accounting policies; and (iv) Making accounting estimates that are reasonable in the circumstances.

The Accounting Officer accepts responsibility for the County Revenue Fund's financial statements, which have been prepared on the Cash Basis Method of financial reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the County Revenue Fund's financial statements give a true and fair view of the state of the County Revenue Fund's transactions during the financial year ended June 30, 2022, and of its financial position as at that date.

The Accounting Officer further confirms the completeness of the accounting records maintained for the County Revenue Fund which have been relied upon in the preparation of its financial statements as well as the adequacy of the systems of internal financial control. The Accounting Officer confirms that the County Revenue Fund has complied fully with applicable Government Regulations and the terms of external financing covenants. Further, Accounting Officer confirms that the County Revenue Fund's Financial Statements have been prepared in a form that complies with relevant Accounting Standards prescribed by the Public Sector Accounting Standards Board of Kenya.

County Government of Baringo

County Revenue Fund

Annual Report and Financial Statements for the financial year ended 30th June 2022

Approval of the Financial Statements

The County Revenue Fund's financial statements were approved and signed on 30/6 2022.



John K. Kisang

Chief Officer - Finance

County Government of Baringo

5. Overview of the County Revenue Fund Operations

Background

Article 207 of the Constitution of Kenya provides for the establishment of a County Revenue Fund into which shall be paid all money raised or received by or on behalf of the County Government. As outlined under Section 109 of the Public Finance Management (PFM) Act, 2012 the County Treasury is responsible for administration of the County Revenue Fund. The County Revenue Fund is maintained as the County Exchequer Account at the Central Bank of Kenya.

Receipts into the County Revenue Fund

County Government revenue is received through appointed County Receiver of Revenue by the County Executive Committee Member for finance to the County Treasury pursuant to Section 157 (1) of the PFM Act 2012. Other receipt includes Exchequer releases, grants from development partners, proceeds from domestic and foreign borrowings, and other miscellaneous deposits in the County Revenue Fund Account.

Transfers from the County Revenue Fund

The withdrawal of funds from the County Revenue Fund is authorized by the County appropriation Act. The County Treasury is required to seek the Controller of Budget's approval for withdrawal of funds from the County Revenue Fund to the County Executive and County Assembly bank accounts. These entities are responsible for the administration of their respective approved budgets.

Financial Reporting requirements

The Accounting Officer for the County Revenue Fund is required to prepare and submit the financial statements to the Auditor-General and a copy to the Controller of Budget, and the Commission on Revenue Allocation.

This statement therefore covers the operations of the County Exchequer Account for the financial year ended 30th June 2022.

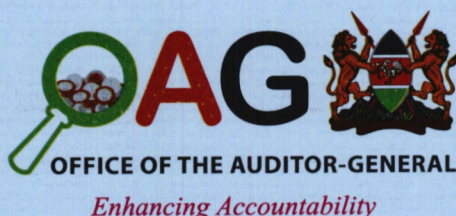


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John K. Kisang
Chief Officer – Finance

REPUBLIC OF KENYA

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Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON COUNTY REVENUE FUND FOR THE YEAR ENDED 30 JUNE, 2022 - COUNTY GOVERNMENT OF BARINGO

PREAMBLE

I draw your attention to the contents of my report which is in three parts:

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment and the internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

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

REPORT ON THE FINANCIAL STATEMENTS

Adverse Opinion

I have audited the accompanying statements of County Revenue Fund set out on pages 1 to 9, which comprise the statement of receipts and payments and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the

provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, the financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and do not comply with the Public Finance Management Act, 2012.

Basis for Adverse Opinion

1. Receipts

The statement of receipts and payments reflects total receipts balance of Kshs.6,473,919,891 which differ from amount in the County Revenue Fund bank statements of Kshs.6,944,703,498 resulting to unreconciled variance of Kshs.470,783,607 as detailed below:

Receipts	Financial Statements (Kshs.)	Bank Statements - County Revenue Fund (Kshs.)	Variance (Kshs.)
Exchequer Releases	5,859,843,020	6,322,212,621	(462,369,601)
Transfers from Other Government Agencies	360,389,816	354,401,067	5,988,749
Remittance from Own Source Revenue	253,222,149	195,259,334	57,962,815
Returns to CRF Issues	464,906	69,342,774	(68,877,868)
Other Receipts	0	3,487,702	(3,487,702)
Total	6,473,919,891	6,944,703,498	

In the circumstances, the accuracy of receipts amount of Kshs.6,473,919,891 could not be confirmed.

2. Unreconciled Own Revenue

The statement of receipts and payments reflects own source revenue amount of Kshs.253,222,149 as disclosed in Note 6 to the financial statements. The amount differed from the County Executive financial statement, amount of Kshs.264,898,800 resulting to unreconciled variance of Kshs.11,676,651 arising from the items as detailed below:

Receipt	Financial Statements County Revenue Fund (Kshs.)	Financial Statement County Executive (Kshs.)	Variance (Kshs.)
Cess	0	32,914,366	(32,914,366)
Land/ Plot Rates	0	4,916,383	(4,916,383)
Property Rent	13,846,640	24,186,731	(10,340,091)

Receipt	Financial Statements County Revenue Fund (Kshs.)	Financial Statement County Executive (Kshs.)	Variance (Kshs.)
Parking Fees	0	11,684,100	(11,684,100)
Market Fees	32,180,930	6,957,260	25,223,670
Hospital Fees	122,845,242	134,521,893	(11,676,651)
Slaughterhouses Administration/ Animal Vaccination	1,894,830	0	1,894,830
Administration Control Fees and Charges	0	1,894,830	(1,894,830)
Sales of Market Establishments	32,914,366	0	32,914,366
Other Property Income	1,716,904	0	1,716,904
Total	205,398,912	217,075,563	

In the circumstances, the accuracy and completeness of the own source revenue amount of Kshs.253,222,149 could not be confirmed.

3. Unreconciled Payments

The statement of receipts and payments reflects total payments of Kshs.6,997,169,177 comprising of transfers to County Executive and County Assembly of Kshs.6,221,161,311 and Kshs.776,007,866 respectively. However, the payments differed from total payments of Kshs.6,316,655,713 reflected in the County Revenue Fund bank statement resulting in unreconciled variance of Kshs.680,513,464.

In the circumstances, the accuracy and completeness of the total payments amount of Kshs.6,997,169,177 could not be confirmed.

4. Accuracy of Fund Balances

The statement of receipts and payments reflects closing fund balance of Kshs.878,990,115. However, the balance differed from the reconciled cashbook balance of Kshs.870,939,401 resulting to unexplained variance of Kshs.8,050,714. Further, the fund closing balance for 2020/21 financial year of Kshs.5,112,086,092, differs from the fund opening balance brought forward of Kshs.1,402,239,400 resulting to unexplained variance of Kshs.3,709,846,692.

In the circumstances, the accuracy and fair statement of the Fund balance of Kshs.878,990,115 could not be confirmed.

5. Variance between Statement of Comparison of Budget and Actuals and Approved Budget Balances

The summary statement of appropriation - recurrent and development combined reflects balances that differed from the approved budget balances as detailed below;

Particulars	Statement of Comparison of Budget and Actuals-Final Budget (Kshs.)	Summary Statement of Appropriation (Recurrent+Development (Kshs.)	Variance (Kshs.)
Exchequer Releases	6,522,692,464	6,369,394,592	153,297,872
Transfers from Other Government Agencies	-	325,664,467	(325,664,467)
Proceeds from Domestic and Foreign Grants	-	667,338,025	(667,338,025)
Own Generated Revenue	288,546,935	258,546,935	30,000,000
Return to CRF Issues	1,355,658,711	2,498,762,283	(1,143,103,572)
Transfers to County Assembly	802,519,020	784,428,380	18,090,640

In the circumstances, the accuracy and completeness of the statement of comparison of budget and actual final amounts for the year ended 30 June, 2022 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the County Government of Baringo Revenue 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 adverse opinion.

Key Audit Matters

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

Other Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.9,620,626,604 and Kshs.6,473,919,891, resulting to an underfunding of Kshs.3,146,706,713 or 33%. The statement also reflects approved amounts of Kshs.9,620,626,604 against actual payments of Kshs.6,997,169,177 resulting to under expenditure of Kshs.2,623,457,427 or 27%. The Fund expenditure was limited to the amount realised.

In the circumstances, under funding and under expenditure affected the planned activities and may have impacted negatively on service delivery to the public.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, because of the significance of the matters discussed in the Basis for Adverse Opinion and Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources sections of my report, based on the audit procedures performed, I confirm that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

Late Submission of Financial Statements

The annual report and financial statements for year ended 30 June, 2022 were submitted for audit on 24 November, 2022 instead of the stipulated timeline of 30 September, 2022. This is contrary to Section 167(3) of the Public Finance Management Act, 2012 which states that the administrator of a county public fund shall submit the financial statements to the Auditor-General not later than three months after the end of each financial year.

In the circumstances, 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, because of the significance of the matters discussed in the Basis for Adverse Opinion and Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance sections of my report, based on the audit procedures performed, I confirm that internal controls, risk management and governance were not effective.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standard requires 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 the International Public Sector Accounting Standards

(Cash Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of 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 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 overall governance processes and systems in accordance with the provisions of Section 7(1) (a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the 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 ability of the County Executive's 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 County Revenue Fund to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the County Revenue 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

7. Statement of Receipts and Payments for the year ended 30th June, 2022.

		2021/22	2020/21
	Notes	Kshs.	Kshs.
Receipts			
Exchequer releases	1	5,859,843,020.00	5,533,875,900.00
Transfers from other government agencies	2	360,389,816.60	76,409,452
Other grants	3	-	-
Proceeds from Domestic Borrowing	4	-	-
Proceeds from Foreign Borrowing	5	-	-
Own Source Revenue	6	253,222,149.00	205,203,689.00
Return to CRF issues	7	464,905.60	3,244,030
Total Receipts		6,473,919,891.20	5,818,733,071.00
Payments			
Transfers to County Executive	8	6,221,161,311.00	-
Transfers to County Assembly	9	776,007,866.00	706,646,979.00
Other Transfers	10	-	-
Total Payments		6,997,169,177.00	706,646,979.00
Net increase (decrease) in cash for the year		(523,249,285.80)	5,112,086,092.00
Add Opening fund balance b/f	11	1,402,239,400.50	-
Closing Fund balance for the period	11	878,990,114.70	5,112,086,092.00



John K. Kisang
Chief Officer - Finance

ICPAK Member No.....

Date: 30/6/22



CPA Gikono Kiptoo
Director Finance & Administration

ICPAK Member No. 6624

Date: 30/6/22

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

Receipt/Payments	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Realisation Difference	% of Realisation
	A	B	c=a+b	d	e=c-d	f=d/c %
Receipts	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	
Exchequer releases	6,522,692,464.00	0.00	6,522,692,464.00	5,859,843,020.00	662,849,444.00	90%
Transfers from other government agencies	-	0.00	-	360,389,816.60	-	0%
Other conditional grants	667,338,025.00	786,390,469.00	1,453,728,494.00	0.00	1,453,728,494.00	0%
Proceeds from Domestic Borrowing	-	-	-	-	-	0%
Proceeds from Foreign Borrowing	-	-	-	-	-	0%
Own Source Revenue	258,546,935.00	30,000,000.00	288,546,935.00	253,222,149.00	35,324,786.00	88%
Return to CRF issues	2,498,762,283.00	1,143,103,572.00	1,355,658,711.00	464,905.60	1,355,193,805.40	0%
Total Receipts	9,947,339,707.00	-326,713,103.00	9,620,626,604.00	6,473,919,891.20	3,146,706,712.80	67%
Payments						
Transfers to County Executive	9,099,820,687.00	-281,713,103.00	8,818,107,584.00	6,221,161,311.00	2,596,946,273.00	71%
Transfers to County Assembly	847,519,020.00	-45,000,000.00	802,519,020.00	776,007,866.00	26,511,154.00	97%
Others	-	-	-	-	-	
Total Payments	9,947,339,707.00	-326,713,103.00	9,620,626,604.00	6,997,169,177.00	2,623,457,427.00	73%

County Government of Baringo
 County Revenue Fund
 Annual Report and Financial Statements for the financial year ended 30th June 2022

Receipt/Payments	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Realisation Difference	% of Realisation
	A	B	c=a+b	d	e=c-d	f=d/c %
Balance				-523,249,285.80		

9. Notes to the Financial Statements

1. Exchequer releases

The following is an analysis by revenue type of the receipts collected in the County Revenue Fund:

	2021/22	2020/21
	Kshs.	Kshs.
Equitable Share (a)	5,859,843,020.00	5,533,875,900.00
Level 5 hospitals (b)	-	-
Others (C)	-	-
Total (d=a+b+c)	5,859,843,020.00	5,533,875,900.00

2. Transfers from other government agencies

	2021/22	2020/21
	Kshs.	Kshs.
DANIDA - Universal Healthcare in Devolved Units Programme	5,645,063.00	14,490,000.00
World Bank – THUSCP	-	98,161,897.75
Kenya Devolution Support Programme	75,822,876.00	45,000,000.00
Youth Polytechnic support grant	-	20,494,894.00
Abolishment of user fees in health centres and dispensaries	-	13,191,000.00
Emergency Locust Response project Fund	9,653,447.00	-
Agriculture Sector Development Support Project (ASDSP)	8,779,013.50	13,058,503.00
Kenya Climate Smart Agriculture Project (KCSAP)	180,592,263.10	263,705,512.15
Kenya Urban Development Grant (UDG)	-	29,239,345.10
Road maintenance levy fund	76,409,452.00	-
Transfers from other Government entities(Road maintenance levy fund)	-	76,409,452.00
Others (Reimbursement from Individuals& Private organization)	3,487,702.00	2,820,000.00
Total	360,389,816.60	576,570,604.00

3. Other grants

	2021/22	2020/21
	Kshs.	Kshs.
Donor 1	-	-
Donor 2	-	-
Donor 3	-	-
Others	-	-
	-	-

4. Proceeds from Domestic borrowing

	2021/22	2020/21
	Kshs.	Kshs.
Borrowing within General Government	-	-
Borrowing from Monetary Authorities (Central Bank)	-	-
Other Domestic Depository Corporations (Commercial Banks)	-	-
Borrowing from Other Domestic Financial Institutions	-	-
Borrowing from Other Domestic Creditors	-	-
Domestic Currency and Domestic Deposits	-	-
Others	-	-
Total	-	-

Notes to the Financial Statements (Continued)

5. Proceeds from Foreign Borrowing

	2021/22	2020/21
	Kshs.	Kshs.
Foreign Borrowing – Drawdowns Through Exchequer	-	-
Foreign Borrowing - Direct Payments	-	-
Foreign Currency and Foreign Deposits	-	-
Others	-	-
Total	-	-

6. Own Source Revenue

Description	2021/22	2020/21
	Kshs.	Kshs.
Cess (Sale of Market Establishment and Animal stock sale fee)	-	-
Land/Poll Rate	-	13,760,887.00
Single/Business Permits	37,301,917.00	37,296,688.00
Property Rent	13,846,640.00	-
Parking Fees	-	-
Market Fees	32,180,930.00	28,956,094.00
Advertising	-	-
Hospital Fees	122,845,242.00	-
Public Health Service Fees	2,433,670.00	1,942,100.00
Slaughter houses administration animal Vaccination	1,894,830.00	1,836,360.00
Conservancy Administration	-	-
Administration Control Fees and Charges	-	-
Park Fees	8,087,650.00	2,341,450.00
Sales of market establishments	32,914,366.00	34,859,059.00
Other Health and sanitation	-	81,837,356.00
Other property income	1,716,904.00	2,373,695.00
Total County Own Source Revenue	253,222,149.00	205,203,689.00

Notes to the Financial Statements (Continued)

7. Return to CRF Issues

	2021/22	2020/21
	Kshs.	Kshs.
Recurrent Account (<i>County Executive</i>)	228,803.95	-
Development Account (<i>County Executive</i>)	-	-
Recurrent Account (<i>County Assembly</i>)	146,921.10	3,182,675.15
Development Account (<i>County Assembly</i>)	89,180.55	61,354.95
Others	-	-
Total	464,905.60	3,244,030.10

8. Transfers to County Executive

	2021/22	2020/21
	Kshs.	Kshs.
Recurrent Account	4,431,990,305.00	-
Development Account	1,311,557,635.00	-
Special purpose Accounts	477,613,371.00	-
Others	-	-
Total	6,221,161,311.00	-

Notes to the Financial Statements (Continued)

9. Transfers to County Assembly

	2021/22	2020/21
	Kshs.	Kshs.
Recurrent Account	740,554,603.00	686,593,507
Development Account	35,453,263.00	20,053,472
Special purpose accounts	-	-
Others	-	-
Total	776,007,866.00	706,646,979

10. Other Transfers

Description	2021/22	2020/21
	Kshs.	Kshs.
Agency Notices	-	-
Others (Reimbursement from Individuals & Private organization)	-	-
Total	-	-

11. Fund balance

	2021/22	2020/21
	Kshs.	Kshs.
County Exchequer Account - (CBK ACC No. 1000171561)	870,939,588.55	1,402,239,400.50
Baringo county Health services Improvement fund (CBK Account no. 1000540621)	11,553,000	-
Total	882,492,588.55	1,402,239,400.50

10. Annexes

Annex 1: Progress on follow up of 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)



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John K. Kisang
Chief Officer Finance
 ICPAK Member No.....
 Date: 28/6/22

Annex 2 . Analysis of Receipts from the National Treasury Exchequer Releases

Period (2021/22)	Quarter 1 (Kshs.)	Quarter 2 (Kshs.)	Quarter 3 (Kshs.)	Quarter 4 (Kshs.)	Total (Kshs.)
Equitable Share	1,050,950,107.00	1,050,950,106.00	1,050,950,107.00	2,706,992,700.00	5,859,843,020.00
DANIDA - Universal Healthcare in Devolved Units Programme	-	-	-	5,645,063.00	5,645,063.00
Cooperative Bank of Kenya Ltd – Insurance Claim for 30CG063A	-	-	3,487,702.00	-	3,487.702.00
Kenya Devolution Support Programme	75,822,876.00	-	-	-	75,822,876.00
Road Maintenance Fuel Levy	-	76,409,452.00	-	-	76,409,452.00
Youth Polytechnic support grant	-	-	-	-	-
Emergency Locust Response Project Fund	-	-	-	9,653,447.00	9,653,477.00
Kenya Urban Support Programme	-	-	-	-	-
Agriculture Sector Development Support Project (ASDSP)	-	2,501,047.50	-	6,277,966.00	8,779,013.50
Kenya Climate Smart Agriculture Project (KCSAP)	-	-	127,088,257.00	53,504,006.10	180,592,263.10
Water and Sanitation Development Project	-	-	-	-	-
Total	1,126,772,983.00	1,129,860,605.50	1,181,526,066.00	2,782,073,182.10	6,220,232,836.60

Annex 3: Analysis of Transfers from the County Revenue Fund

Period (2021/22)	Quarter 1 (Kshs.)	Quarter 2 (Kshs.)	Quarter 3 (Kshs.)	Quarter 4 (Kshs.)	Total (Kshs.)
County Executive -Rec	558,764,670.00	1,325,483,691.00	1,208,717,928.00	1,339,024,016.00	4,431,990,305.00
County Executive -Dev	-	147,797,044.00	106,026,466.00	1,057,734,125.00	1,311,557,635.00
County Assembly -Rec	132,433,325.00	200,017,083.00	198,972,500.00	209,131,695.00	740,554,603.00
County Assembly -Dev	-	-	3,198,018.00	32,255,245.00	35,453,263.00
Special Purpose A/c	-	-	70,874,991.00	406,738,380.00	477,613,371.00
Total	691,197,995.00	1,673,297,818.00	1,587,789,903.00	3,044,883,461.00	6,997,169,177.00