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REPORT

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THE AUDITOR-GENERAL

ON

**BARINGO COUNTY CO-OPERATIVE
DEVELOPMENT FUND**

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



BARINGO COUNTY CO-OPERATIVE DEVELOPMENT FUND

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

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

Baringo County Co-operative Development Fund
Annual Report and Financial Statements for the year ended June 30, 2023

Table of Content

1. Acronyms and Glossary of Terms	iii
2. Key Fund Information and Management	iv
3. Fund Administration Committee	viii
4. Management Team	xii
6. Report of the Fund Administrator	xvii
7. Statement of Performance Against the County Fund's Predetermined Objectives	xix
8. Corporate Governance Statement	xx
9. Management Discussion and Analysis	xxi
10. Environmental and Sustainability Reporting	xxii
11. Report of the Trustees	xxiii
12. Statement of Management's Responsibilities	xxiv
13. Report of The Independent Auditor on the Financial Statements for Cooperative Development Fund	xxv
14. Statement of Financial Performance for the Year Ended 30 th June 2023	1
15. Statement of Financial Position As at 30 June 2023	2
16. Statement Of Changes in Net Assets for the year ended 30 th June 2023	4
17. Statement of Cash Flows for The Year Ended 30 June 2023	5
18. Statement Of Comparison Of Budget And Actual Amounts For The Period	6
19. Notes to the Financial Statements	7
20. Annexes	39

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 Fund Information and Management

a) Background information

- I. Baringo County **Co-operative Development Fund** is established by and derives its authority and accountability from Baringo County Cooperative Development Fund Regulation 2014 and revised regulations 2022. The Fund is wholly owned by the County Government of Baringo.
- II. The Fund's objective is to allow the County Executive to make lending to Co-operative Societies in the County and issue grants to Co-operative Societies in Baringo County.
- III. The Fund's principal activity is to lend money to Cooperative societies in the County and issue grants to Co-operative Societies in Baringo County.

b) Principal Activities

The principal activity/mission/ mandate of the Fund is to manage loans promptly, monitor and evaluate grant and loan beneficiaries and the objectives are:

- i. Disburse loans to eligible Co-operative Societies.
- ii. Recovery of loan money from loanees.
- iii. Capacity building of loan beneficiaries and those in need.
- iv. They are the custodian of loan securities for the loan beneficiaries.
- v. Disburse grants to eligible Co-operative Societies.
- vi. Capacity building of grant beneficiaries and those in need.
- vii. Carry out monitoring and evaluation on the grant beneficiaries.

Core objectives of the fund

1. Accelerate growth and development of registered Co-operative Societies in the County and promote access to business financial capital base.
2. Issuing of loans and grants to finance viable project proposals prepared by eligible Co-operative Societies in the County..
3. Contribute to creation of employment and alleviation of poverty in the County.
4. Improvement of profitability and sustainability of business ventures in Co-operative Societies.
5. Promote access to affordable credit facilities to small scale Co-operators.

c) Fund Administration Committee

Ref	Name	Position
1	Hon. ZakariKiprotich	Fund Chairperson
2	Collins Nakedi	Fund Administrator
3	GikonoKiptoo	Chief Officer for Finance-Member
4	Moses Toroitich	Fund Secretary- County Director Co-operative Development
5	Stephen Chemjor	Committee Member, representing BCCU Ltd
6	Farida Toma Haji	Committee Member, Representing Boresha DTSacco Society Ltd
7	Pamela KoskeiKimeto	Committee Member, Representing BAMSCOS Union Ltd

d) Key Management team

Ref	Name	Position
1	Hon. ZakaryKiprotich	Fund Chairperson
2	Collins Nakedi	Fund Administrator
3	GikonoKiptoo	Chief Officer for Finance-Committee Member
4	Moses Toroitich	County Director, Co-operative Development - Secretary

Key Fund and Management (Continued)

e) Fiduciary Oversight Arrangements

SN	Position	Name
1	Directorate Internal Audit	Catherine Kibet

f) Registered Offices

P.O. Box 53-30400
Mwalimu Plaza 1ST Floor
Kabarnet, KENYA

g) Fund Contacts

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

h) FundBankers

Boresha Sacco Society Ltd

Branch: Kabarnet Branch

Bank Name: Baringo County Cooperative Development Fund

Account Number: 50451152201

Key Fund 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

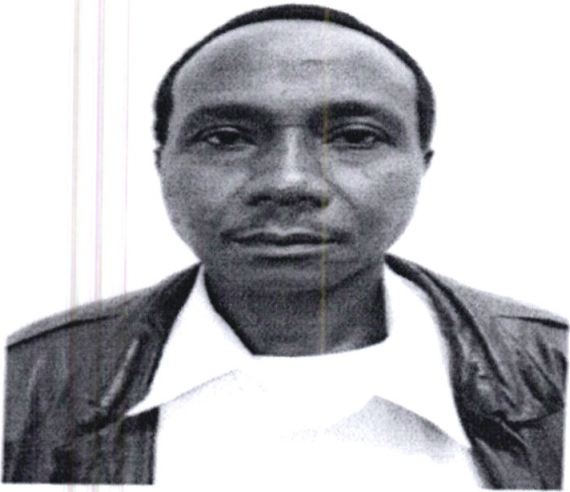

k) County Attorney

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

3. Fund Administration Committee

Name	Details of qualifications and experience
 <p>Hon. Zachary Kiprotich - CECM; Trade & Co-operatives</p>	<p>Date of Birth: 20/11/1968</p> <p>Academic and professional Qualifications; B.A. Degree; CPA III</p> <p>Work experience; Over 20 years in NGOs, Commercial Company, Hospitality & Managing Co-operative Society</p> <p>Chairperson to the Fund: Baringo County Co-operative Development Fund</p>
 <p>Collins Nakedi – Chief Officer – Trade & Co-operatives</p>	<p>Date of Birth: 20/10/1989</p> <p>Academic qualifications: United States International University, Master of Science in Management and Organization Development – To date United Nations Summer School in UN Headquarters, Geneva, Switzerland – 2016 Arizona States University College of Public Service and Community Solutions – 2015 United States International University, Bachelor of Science in International Business Administration with Concentration in Finance and Management – 2013 Baringo High School, Kenya Certificate of Secondary Education (KCSE) – 2007</p> <p>Professional qualification</p>

	<p>Co-Founder & Director, Hifadhi Africa – 2014 to date Accountant, Coptic Mission Hospital – Sept. 2013 to March 2014 Economic Adviser, American Embassy (Foreign Commercial Service), Nairobi – Feb to May 2013 Office Assistant, United States International University – May 2009 to Dec. 2012 Work experience: Chief Officer for Trade and Co-operatives in Department of Industry, Commerce, Enterprises and Co-operatives Fund administrator: Baringo County Co-operative Development Fund</p>
 <p>Gikono Kiptoo -Chief Officer for Finance</p>	<p>Date of Birth: 19th Aug 1980 Key Academic & Professional qualifications: Masters in Business Administration, BBA, CPA K, CIFA, Diploma in Human Resource Work experience: Chief officer Baringo county treasury, Director Finance, Chair Audit Committee Baringo County Assembly, Internal Audit Boresha. Committee member: Baringo County Co-operative Development Fund</p>
 <p>Moses Toroitich</p>	<p>Date of Birth: 1988 Academic and professional qualifications: Master of Science in Procurement and Logistics Degree in Procurement and supply Chain Management. Advanced Diploma in Procurement and Logistics. Work experience: 2021 to date-Director Co-Operative Development, Baringo County Government. 2019-2021-Director Supply Chain Management, Baringo</p>

	<p>County Government. Secretary: Baringo County Co-operative Development Fund committee.</p>
 <p><i>Stephen Chemjor, Baringo County Co-operative Union</i></p>	<p>Date of Birth: 1966</p> <p>Academic and professional qualifications: Degree in Bachelor of Arts, Community Development and Sociology.</p> <p>Work experience: Child Fund Kenya-Manager 1993-2007, Programme Coordinator UNDP-2009-2013, Development Consultant, Farmer and Business Man.</p> <p>Committee Member: Baringo County Co-operative Development Fund</p>
 <p>Farida Haji, Boresha Sacco Society Ltd</p>	<p>Date of Birth: 1966</p> <p>Key Qualifications: O Level, Teacher, (ATSI)</p> <p>Work Experience: Boresha DT Sacco Society Ltd, Board of Management</p> <p>Committee Member; Baringo County Co-operative Development Fund</p>



Pamela Koskei Kimeto, Bamsco Ltd

Date of Birth: 1969

Academic and professional qualifications:



Education O level



Work experience: Worked in Private Sector
1993 to 1997



1997-2008 Worked with Electoral
Commission of Kenya.


Committee Member: Baringo County Co-
operative Development Fund

4. Management Team

Name	Details of qualifications and experience
 <p data-bbox="215 1115 807 1182">Hon. Zachary Kiprotich - CECM; Trade & Co-operatives</p>	<p data-bbox="927 353 1273 383">Date of Birth: 20/11/1968</p> <p data-bbox="927 416 1430 490">Academic and professional Qualifications; B.A. Degree; CPA III</p> <p data-bbox="927 546 1471 689">Work experience; Over 20 years in NGOs, Commercial Company, Hospitality & Managing Co-operative Society</p> <p data-bbox="927 745 1471 819">Chairperson to the Fund: Baringo County Co-operative Development Fund</p>
 <p data-bbox="215 1765 799 1832">Collins Nakedi – Chief Officer – Trade & Co-operatives</p>	<p data-bbox="927 1205 1254 1234">Date of Birth: 20/10/1989</p> <p data-bbox="927 1249 1465 1886">Academic qualifications: United States International University, Master of Science in Management and Organization Development – To date United Nations Summer School in UN Headquarters, Geneva, Switzerland. Arizona States University College of Public Service and Community Solutions. United States International University, Bachelor of Science in International Business Administration with Concentration in Finance and Management. Baringo High School, Kenya Certificate of Secondary Education (KCSE). Professional qualification: Co-Founder</p>

	<p>& Director, Hifadhi Africa. Accountant, Coptic Mission Hospital. Economic Adviser, American Embassy (Foreign Commercial Service), Nairobi. Office Assistant, United States International University. Work experience: Chief Officer for Industrialization & Co-operative Development in Department of Industry, Commerce, Enterprises and Co-operatives Fund administrator: Baringo County Co-operative Development Fund.</p>
 <p>Gikono Kiptoo-Ag. Chief Officer for Finance</p>	<p>Date of Birth: 19th Aug 1980 Key Academic & Professional qualifications: Masters in Business Administration, BBA, CPA K, CIFA, Diploma in Human Resource Work experience: Chief officer Baringo county treasury, Director Finance, Chair Audit Committee Baringo County Assembly, Internal Audit Boresha. Committee member: Baringo County Co-operative Development Fund</p>
 <p>Moses Toroitich</p>	<p>Date of Birth: 1988 Academic and professional qualifications: Master of Science in Procurement and Logistics Degree in Procurement and supply Chain Management. Advanced Diploma in Procurement and Logistics. Work experience: 2021 to date-Director Co-Operative Development, Baringo County Government. 2019-2021-Director Supply Chain Management, Baringo County Government.</p>

 <p><i>Stephen Chemjor, Baringo County o-operative Union</i></p>	<p>Secretary: Baringo County Co-operative Development Fund committee.</p> <p>Date of Birth: 1966</p> <p>Academic and professional qualifications: Degree in Bachelor of Arts, Community Development and Sociology.</p> <p>Work experience: Child Fund Kenya-Manager 1993-2007, Programme Coordinator UNDP-2009-2013, Development Consultant, Farmer and Business Man.</p> <p>Committee Member: Baringo County Co-operative Development Fund</p>
 <p>Farida Haji, Boresha Sacco Society Ltd</p>	<p>Date of Birth: 1966</p> <p>Key Qualifications: O Level, Teacher, (ATSI)</p> <p>Work Experience: Boresha DT Sacco Society Ltd, Board of Management</p> <p>Committee Member; Baringo County Co-operative Development Fund</p>

	<p>Date of Birth: 1969</p> <p>Academic and professional qualifications: Education O level</p> <p>Work experience: Worked in Private Sector 1993 to 1997 1997-2008 Worked with Electoral Commission of Kenya.</p> <p>Committee Member: Baringo County Co-operative Development Fund</p>
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Pamela Koskei Kimeto, Bamskos Ltd

5. Fund Chairperson’s Report

During the Financial Year under review, the Fund did witness changes in its composition of the management team. The Fund regulation provides for the County Executive Committee member for Co-operatives to be the Chairperson of the Fund Committee. With the change in the executive after the last general elections the Ag. CECM, Hon. David Sergon was replaced by Hon. Zachary Kiprotich and that meant Hon Sergon ceased to be Chair of the Fund.

At the level Fund administrator, Jane Barus left as Chief Officer and was replaced by Mr. Lemale Sauroki as Ag. Chief Officer hence, Fund administrator.

Despite financial constraints, the fund was able to utilize the available resources at its disposal to meet some of its objectives. The Fund did not have adequate funds to disburse during the financial year. For a fruitful impact, the fund should be allocated more funds to accommodate the whole County.

Baringo County Co-operative Development Fund
Annual Report and Financial Statements for the year ended June 30, 2023

This is a Fund established in 2014 by the County Government of Baringo realization that a majority of the Co-operative Societies cannot access credit from mainstream banks due to lack of credit worthiness.

The loans are administered and advanced by the Department in-charge of Co-operative Development through Co-operative's office (the county office). The day to day running of the Fund is vested with the County Director Co-operative Development Officer under delegated powers by the respective Chief Officer.

In conclusion, the Fund has had challenges of default in some parts of the county and are in process of engaging a debt collector to assist with such cases. Since the demand for loan is higher than the available fund we need to enhance the kitty so as to make impact to the traders.

Name Hon Zachary Kiprotich

Chairperson of the Fund



Signature... *Zachary Kiprotich* ...Date... 18/01/2024

6. Report of the Fund Administrator

During the year the Funds received the following amounts from Baringo County Government through appropriation by Baringo county Assembly total disbursement as follows;

FINANCIAL YEAR	AMOUNT RECEIVED BY THE FUND FROM COUNTY GOVERNMENT (Kshs.)		AMOUNT DISBURSED (Kshs.)	
	DATE	KSHS	DATE	KSHS
2014/2015	21/01/2015	6,000,000	2014/2015	11,000,000
2015/2016	13/2/2015	6,000,000	2015/2016	5,000,000
2015/2016	17/12/2015	5,791,200	2016/2017	5,00,0000
2016/2017	02.11.2016	3,000,000		
2016/2017	01.03.2017	899,399		
TOTAL		21,690,599		21,000,000

Loan repayments are on-going and beneficiaries have made profits and actually added stock hence actually expanded their businesses.

Implementation challenges

1. Un -equitable distribution of the Fund at inception.

There was no uniform sharing of the Fund amongst the six sub counties.

2. Under Staffing

There are only five technical officers manning the Fund.

3. Mobility of administering the Fund

There are no vehicles specifically meant for the Fund since this exercise require close supervision by visiting fund beneficiaries at their areas of operation.

Recommendations

1. The department recommends equitable allocations amongst the six Sub-counties to have fare distribution across the whole County.
2. We recommend improvement on staffing for better service delivery.
3. We recommend for provision of a vehicle for the Fund to ease of mobility of the officers.
4. There is need for improved sensitization of loan beneficiaries on availability and use of the Fund. This will include up scaled capacity building for the beneficiaries across the whole County.

The performance of the fund was low due to limited resources hence could not meet the Fund's objectives as stipulated in the law.

The Co-operative Societies which were advanced loans provided securities. Loan default is actually high and demand notices have been issued to none performers awaiting further legal action as per fund regulation, revised 2022.

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 in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the county government fund's performance against predetermined objectives.

The key development objectives of the Baringo County Co-operative Development Fund are to:

- i. Accelerate growth and development of registered Co-operative Societies in the County and promote access to business financial capital base
- ii. Issuing of loans to finance viable project proposals prepared by eligible Co-operative Societies in the County.
- iii. Contribute to creation of employment and alleviation of poverty in the County,
- iv. Improvement of profitability and sustainability of business ventures in Co-operative Societies
- v. Promote access to affordable credit facilities to small scale Co-operators.

Below we provide the progress on attaining the stated objectives:

Program	Objective	Outcome	Indicator	Performance
Baringo County Co-operative Development Fund loan advance	To promote registered Co-operative Societies through provision of affordable credit.	Increased number of Co-operative Societies getting affordable credit.	Number of Co-operative Societies accessing loans and amount of loans disbursed.	In FY 22/23 there was ongoing repayments but no disbursement across the co-operative Societies.
Baringo County Co-operative Development Fund Loan recoveries	To make appropriate recoveries as it is a revolving fund for others to benefit.	Increased amounts to benefit other borrowers.	Amount recovered during the period.	For FY 22/23 a total of Kshs.57,220 was recovered from loanees.

8. Corporate Governance Statement

The Fund Administration Committee held a meeting and the attendance to that meeting by members was satisfactory.

The succession plan of the fund is that when a member resigns or retires or removed a new member shall be appointed or replaced on such terms and conditions as may be specified in the instrument of appointment. The committee members are appointed and gazetted for a term period of three years and eligible for re-appointment for one more term. The current committee members were gazetted on 28TH Feb 2020.

The induction and training of the County Cooperative Committee members and member's performance is not usually done due to insufficient management resources,

To address the conflict of interest the County Cooperative Committee members are advised to avoid any specific interest during loan awards, but if there is any it is stated that in case there is such incident then it should be declared early enough so the concerned member may not attend the meeting or may be exempted during the loan award process.,

The members of the board are not entitled for remuneration, but the allocation of 3% of the Fund, administrative expenses is used to pay sitting allowances and transport reimbursement during the meetings held.

The members are guided by Chapter Six of the constitution so as to work while observing the integrity issues on allocating loans. All beneficiaries shall be vetted through a transparent, equitable and fair process that is Community-based in order to ensure that prospective benefits of the fund are available to a widespread cross-section of groups.

9. Management Discussion and Analysis

As stated elsewhere the recoveries were low during the period under review where total collection was Kshs 57,220. Operational expenditure were majorly for meetings and bank charges total-ing Kshs 438,584.74.

To ensure conformity with Fund requirements, consistency and regional fairness in loaning and a prudent assessment of the credit risks, all prospective borrowers shall follow the professional and standard process in loan processing consisting of the steps under these regulations.

All loans issued by the Committee shall be repaid in accordance with the terms and conditions contained in the loan agreement, using mobile phone money transfer, banker's cheques, postal orders, standing orders or direct deposits to the bank account of the Fund.

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

The adequate management of credit risk in Baringo County Co-operative Development Fund is critical for the survival and growth of financial institutions. In the case of Baringo County Co-operative Development Fund the issue of credit risk is of greater concern because of the higher levels of perceived risk resulting from some of the characteristics of clients and business conditions that they find themselves. Credit Risk management is a structured approach to managing uncertainties through risk assessment, development of strategies to manage it and mitigation of risk using managerial resources.

The strategies include transferring, issue of demand notice, avoiding the risk by following due process, reducing the negative effects of the risk, and accepting some or all of the consequences of a particular risk and taking legal action.

10. Environmental and Sustainability Reporting

Baringo County Cooperative Development Fund exists to transform lives by ensuring that a portion of the County Budget is devoted to the Cooperative Development for purposes of fighting poverty and improvement of their standard of living and social development. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on loan allocation pillar: putting the beneficiaries first, delivering equitable access to loans for the Cooperative Development, and improving operational excellence. Below is a brief highlight of our achievements in the pillar.

I. Sustainability strategy for Loan Allocation

The top management especially the accounting officer made reference to sustainable efforts, broad trends in loan Funds assistance affecting sustainability of business enterprises, in reference to the best practices for fair and equitable business opportunities.

II. Employee welfare

The Fund set aside 3% of the total budget allocation to cater for the Administration Expenses during County Cooperative Development Committee meeting allowances and transport reimbursements.

III. Market place practices

The Fund tries its best give notices for applicants to take opportunity at equal chance through proper communication.

IV. Responsible competition practice.

All applicants are vetted through a transparent, democratic, equitable and fair process that is Sub County -based in order to ensure that prospective benefits of the Fund are available to widespread cross-section of Cooperative Development in the entire Baringo County.

V. Responsible Supply chain and supplier relations

The Fund ensures that every Cooperative Development wishing to be considered for loans shall make an application to respective Sub county offices by filling a prescribed application form.

VI. Responsible marketing and advertisement

The Fund ensures that every applicant gets the prescribed form at convenient points, that is at Sub county level and low costs.

VII. Product stewardship

The Fund enables applicants to deposit their forms at Sub county level

11. Report of the Trustees

The committee 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

- Disburse loans to beneficiary Co-operative Societies
- Recovery of loan money from loanees.
- Capacity building of loan beneficiaries and those in need
- They are the custodian of loan securities for the loan beneficiaries

Results

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

Trustees

The Fund administration committee who served during the year are shown on page vi.

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 Fund Administration committee.

.....
Hon. Zakary Kiprotich



18/07/2024

12. 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 Baringo County Co-operative Development Fund regulations, 2014 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 judgments 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 Cooperative Development Fund Regulations 2014. 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 confirms 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 Fund on **15/07/2023** and signed on its behalf by:

.....
Collins Nakedi

Administrator of the Baringo County Co-operative Development Fund



REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



Enhancing Accountability

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

REPORT OF THE AUDITOR-GENERAL ON BARINGO COUNTY CO-OPERATIVE DEVELOPMENT FUND FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Adverse Opinion

I have audited the accompanying financial statements of Baringo County Co-operative Development Fund set out on pages 1 to 39, which comprise of the statement of financial position as at 30 June, 2023 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget

Report of the Auditor-General on Baringo County Co-operative Development Fund for the year ended 30 June, 2023

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 described in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, in all material respects, the financial position of Baringo County Co-operative Development 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 do not comply with the Public Finance Management (Baringo County Cooperative Development Fund) Regulations, 2020 and the Public Finance Management Act, 2012.

Basis for Adverse Opinion

1. Inaccuracies in the Financial Statements

Review of financial statements submitted for audit revealed the following inaccuracies;

- i. The statement of financial position reflects net assets balance of Kshs.37,202,476 which differs from the total net assets and liabilities balance of Kshs.20,964,842 resulting to an unbalanced statement by Kshs.16,237,634.
- ii. Further ,the statement of financial position reflects cash and cash equivalents balance of Kshs.4,879,153 which differs with the disclosure Note 12 balance of Kshs.4,879,652 in the financial statements resulting to unexplained variance of Kshs.499.
- iii. In addition, the statement of financial position reflects long-term receivables from exchange transactions amounting to Kshs.16,236,212 which differs with the zero-amount disclosed in Note 13 to the financial statements resulting to unexplained variance of Kshs.16,236,212. Further, the statement reflects amount of Kshs 16,236,212 for long-term receivables from exchange transaction and the current portion of long-term receivables from exchange transaction, respectively resulting to double accounting.
- iv. The statement of changes in net assets reflects revolving fund opening balance of Kshs.21,333,982 which differs the previous year closing audited balance of Kshs.20,489,343 resulting to unexplained variance of Kshs.844,639. The statement also reflects opening and closing balances of accumulated surplus of Kshs.844,639 for the period ending 30 June 2022 which do not take into account a deficit incurred in the year of Kshs.334,097. As a result, the closing balance of Kshs.369,140 for the year ended 30 June 2023 has not taken into account the movements in the period.

- v. The statement of cash flows reflects deficit of Kshs.369,140 in net cash flows from operating activities which differs with the disclosure Note 25 to the financial statements that reflects an amount of Kshs.438,585 resulting to unexplained and unreconciled variance of Kshs.847,725. Further, the net cashflow from operating activities the disclosed in Note 25, is reported as Kshs.438,585 instead of Kshs.299,695 arising from a deficit opening balance of Kshs.369,140.14 and an interest income for the period of Kshs.69,444.60.

In the circumstances, the completeness and accuracy of the balances reflected in the financial statements submitted for audit could not be confirmed.

2. Unsupported Interest Income

The statement of financial performance reflects Interest Income amounting to Kshs.69,445 as disclosed in Note 4 to the financial statements. The amount relates to bank deposits which has however not been supported with interest ledger and bank statements.

In the circumstance, the validity, completeness and accuracy of the interest income amount of Kshs.69,445 could not be confirmed.

3. Unsupported Trade and Other Payables Balance

The statement of financial position reflects trade and other payables from exchange transactions of Kshs.149,100. However, detailed schedule in support of the balance was not provided for the audit.

In the circumstance, the propriety, accuracy and fair statement of trade and other payables from exchange transactions balance of Kshs.149,100 could not be confirmed.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Baringo County Co-operative Development Fund Management in accordance with ISSAI 130 on the 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 judgement, 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 given any explanation

for 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, because of the significance of the matters discussed in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources, I confirm that that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Unrealized Transfers from County Government

The statement of comparison of budget and actual amounts reflects budgeted transfers from County government amounting to Kshs.10,000,000. Review of the County Executive budget for the year under review revealed that Kshs.10,000,000 was allocated to the Fund. However, the funds were not transferred. This is contrary to Section 154 (1)(a) of the Public Finance Management Act, 2012 which states that an accounting officer shall not authorize the transfer of an amount that is appropriated for transfer to another county government entity or person. Further, the statement reflects revenue and expenditure final budget amounting to Kshs.10,100,000 and Kshs.503,799 which is an indication of unbalanced budget. This is contrary to Regulation 31(c) of the Public Finance Management (County Governments) Regulations, 2015 which requires budgeted revenue and expenditure appropriations to be balanced.

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

2. Non-Compliance with County Law on Recovery of Loans

The statement of financial position reflects current portion of long-term receivables from exchange transactions amounting to Kshs.16,236,212. The amount includes current loan repayment due amounting to Kshs.15,746,256 and interest receivable amounting to Kshs.489,956 as disclosed in Note 13 to the financial statements. Review of records revealed that the current loan repayment due amounting to Kshs.15,746,256 relates to initial loan amounting to Kshs.21,000,000 disbursed to twenty-three (23) co-operative societies between 2014 and 2017. This is an indication that the loans due have remained outstanding for over ten (10) years. Management has not taken any measures to recover the loans contrary to Regulation 13 of the Public Finance Management (Baringo County Cooperative Development Fund) Regulations, 2020 which states that a loan issued under these Regulations shall be fully paid within three years in accordance with the loan agreement entered into between the County Government and the Co-operative Society.

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, because of the significance matters described in the Basis for Adverse Opinion section of my report, I confirm that, internal controls, risk management and governance were not effective.

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

The 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 controls 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 controls, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Fund or 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 comply with the authorities which govern them and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 review of compliance, I consider internal controls 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 controls would not necessarily disclose all matters in the internal controls 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 controls 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 controls may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the 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 controls that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and 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

15 February, 2024

14. Statement of Financial Performance for the Year Ended 30th June 2023

Description	Note	FY 2022/2023	FY 2021/2022
		Kshs	Kshs
Revenue From Non-Exchange Transactions			
Public Contributions and Donations	1	-	-
Transfers From the County Government	2	-	-
Fines, Penalties and Other Levies	3	-	-
		-	-
Revenue From Exchange Transactions			
Interest Income	4	69,444.60	19,655.00
Other Income	5	-	-
		-	-
Total Revenue		69,444.60	19,655.00
Expenses			
Employee Costs	6	-	-
Use of goods and services	7	438,584.74	353,752.00
Depreciation and Amortization Expense	8	-	-
Finance Costs	9	-	-
Total Expenses		438,584.74	353,752.00
Other Gains/Losses			
Gain/Loss on Disposal of Assets	10	-	-
Gain /Loss on fair value of investments	11	-	-
Surplus/(Deficit) for the Period		(369,140.14)	(334,097.00)


 Name: **Collins Nakedi**
 Administrator of the Fund


 Name: **George Kiprotich**
 Fund Accountant
 ICPAK Member Number **18980**

15. Statement of Financial Position Asat 30 June 2023


Description	Note	FY 2022/2023	FY 2021/2022
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	12	4,879,152.80	5,193,316.00
Current Portion of Long- Term Receivables From Exchange Transactions	13	16,236,211.67	16,289,766.00
Prepayments	14	-	-
Inventories	15	-	-
Investments in financial assets	16	-	-
Total current assets		21,115,364.47	21,483,083.00
Non-Current Assets			
Property, Plant and Equipment	17	-	-
Intangible Assets	18	-	-
Long Term Receivables from Exchange Transactions	13	16,236,211.67	-
Investment Property	19	-	-
Total non- current assets		16,236,211.67	-
Total Assets		37,351,576.14	-
Liabilities			
Current Liabilities			
Trade and Other Payables from Exchange Transactions	20	149,100.00	149,100.00
Current Portion of Borrowings	21	-	-
Employee Benefit Obligations	22	-	-
Social benefit liabilities	23	-	-
Total current liabilities		149,100.00	149,100.00
Non-Current Liabilities			
Long Term Portion of Borrowings	21	-	-
Non-Current Employee Benefit Obligation	22	-	-
Social benefit liabilities	23	-	-
Total Liabilities		149,100.00	149,100.00
		37,202,476.14	21,333,982.00

Baringo County Co-operative Development Fund

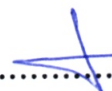
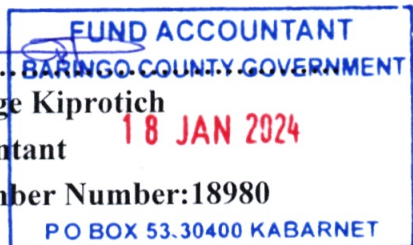
Annual Report and Financial Statements for the year ended June 30, 2023

Description	Note	FY 2022/2023	FY 2021/2022
		Kshs	Kshs
NetAssets			
Revolving Fund		21,333,982.27	20,489,343.00
Reserves		-	-
Accumulated Surplus		(369,140.14)	844,639.00
Total Net Assets and Liabilities		20,964,842.13	21,333,982.00

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 5/7 2023 and signed by:



 Name: **Collins Nakedi**
 Administrator of the Fund



 Name: **George Kiprotich**
 Fund Accountant
 ICPAK Member Number: 18980

Baringo County Co-operative Development Fund
Annual Report and Financial Statements for the year ended June 30, 2023

16. Statement Of Changes in Net Assets for the year ended 30th June 2023

Description	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
		Kshs	Kshs	Kshs
Balance As At 1 July (FY2021/2022)	20,489,343.00	-	844,639.00	21,333,982.00
Surplus/(Deficit) For the Period	-	-	(334,097.00)	(334,097.00)
Funds Received During the Year	-	-		-
Transfers	-		-	
Revaluation Gain	-	-	-	-
Balance As At 30 June (FY2021/2022)	20,489,343.00	-	844,639.00	21,333,982.27
Balance As At 1 July (FY2022/2023)	21,333,982.27	-	-	21,333,982.27
Surplus/(Deficit) For the Period		-	(369,140.14)	(369,140.14)
Funds Received During the Year	-	-	-	
Transfers	-		-	
Revaluation Gain	-	-	-	-
Balance As At 30 June (FY2022/2023)	21,333,982.27	-	(369,140.14)	20,964,842.13

17. Statement of Cash Flows for The Year Ended 30 June 2023

Description	Note	FY 2022/2023	FY 2021/2022
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Public contributions and donations		-	-
Transfers from the county government		-	-
Interest received		69,444.60	19,655.00
Receipts from other operating activities		-	-
Total receipts		69,444.60	19,655.00
Payments			
Fund administration expenses		-	-
General expenses		438,584.74	353,752.00
Finance cost		-	-
Other payments		-	-
		438,584.74	353,752.00
Net cash flows from operating activities	24	(369,140.14)	(334,097.00)
Cash flows from investing activities			
Purchase of property, plant, equipment and Intangible assets		-	-
Proceeds from sale of property, plant & equipment		-	-
Proceeds from loan principal repayments		-	-
Loan disbursements paid out		57,220.00	38,955.00
Net cash flows used in investing activities		57,220.00	38,955.00
Cash flows from financing activities			
Proceeds from revolving fund receipts		-	-
Additional borrowings		-	-
Repayment of borrowings		-	-
Net cash flows used in financing activities		-	-
Net increase/(decrease) in cash & cash Equivalents		(311,920.14)	(295,142.00)
Cash and cash equivalents at 1 July 2022		5,193,316.32	5,488,458.00
Cash and cash equivalents at 30 June 2023		4,879,652.48	5,193,316.00

Baringo County Co-operative Development Fund
Annual Report and Financial Statements for the year ended June 30, 2023

18. Statement Of Comparison Of Budget And Actual Amounts For The Period

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	b	C=(a+b)	d	e=(c-d)	f=d/c*100
Revenue						
Public Contributions and Donations	-	-	-	-	-	
Transfers From County Govt.	10,000,000.00	-	10,000,000.00	-	10,000,000.00	-
Interest Income	100,000.00	-	100,000.00	69,444.60	30,556	69.4%
Other Income	-	-	-	-	-	
Total Income	10,100,000.00	-	10,100,000.00	69,444.60	10,030,556.00	0.068%
Expenses						
Fund Administration Expenses	-	-	-	-	-	
General Expenses	503,799.00	-	503,799.00	438,584.74	65,214.26	87%
Finance Cost	-	-	-	-	-	
Total Expenditure	503,799.00	-	503,799.00	438,584.74	65,214.26	
Surplus For the Period	9,596,201.00	-	9,596,201.00	(369140)	996,534.74	
Capital expenditure	-	-	-	-	-	

Baringo County Co-operative development Fund
Annual Report and Financial Statements for the year ended June 30, 2023

19. Notes to the Financial Statements

1. General Information

Baringo County **Co-operative Development Fund** is established by and derives its authority and accountability from Baringo County Cooperative Development Fund Regulation 2014 and revised regulations 2022. The Fund is wholly owned by the County Government of Baringo and is domiciled in Kenya. The entity's principal activity is

- Disburse loans to eligible Co-operative Societies.
- Recovery of loan money from loanees.
- Capacity building of loan beneficiaries and those in need.

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

Standard	Effective date and impact
IPSAS 41: Financial Instruments	<p>Applicable: 1st January 2023</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity's future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none">• Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's

**Baringo County Co-operative development Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

Standard	Effective date and impact
	<p>cash flows and the objective for which the asset is held;</p> <ul style="list-style-type: none"> • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between anFund’s risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Fund provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ul style="list-style-type: none"> (a) The nature of such social benefits provided by the Fund; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the Fund’s financial performance, financial position and cash flows.
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2023</p> <ul style="list-style-type: none"> a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which

**Baringo County Co-operative development Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

Standard	Effective date and impact
	<p>were inadvertently omitted when IPSAS 41 was issued.</p> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>
<p>Other improvements to IPSAS</p>	<p><i>Applicable 1st January 2023</i></p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> • <i>IPSAS 39: Employee Benefits</i> <p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> • IPSAS 29: Financial instruments: Recognition and Measurement <p>Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.</p>

Standard	Effective date and impact:
<p>IPSAS 43</p>	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an Fund.</p> <p>The new standard requires funds to recognise, measure and present information on right of use assets and lease liabilities.</p>
<p>IPSAS 44: Non-</p>	<p><i>Applicable 1st January 2025</i></p>

**Baringo County Co-operative development Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

Standard	Effective date and impact:
Current Assets Held for Sale and Discontinued Operations	<p>The Standard requires, 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>

(i) Early adoption of standards

The Fund did not early – adopt any new or amended standards in the financial year. **Significant Accounting Policies**

a) Revenue recognition

i. Revenue from non-exchange transactions

Transfers from other government funds

Revenues from non-exchange transactions with other government funds 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 fund 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 funds 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

Baringo County Co-operative development Fund
Annual Report and Financial Statements for the year ended June 30, 2023

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

The fund'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.

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.

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance.

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 fund 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. 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 derecognition.

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. A financial instrument is any contract that gives rise to a financial asset of one fund and a financial liability or equity instrument of another fund. At initial recognition, the fund 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 fund 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 fund'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 a fund 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 fund 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 fund recognizes a loss allowance for such losses at each reporting date.

Significant Accounting Policies (Continued)

Financial liabilities

Classification

The fund 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 fund 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 fund 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.

Summary of Significant Accounting Policies (Continued)

j) Contingent liabilities

The Fund 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 Fund 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 Fund 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 Fund creates and maintains reserves in terms of specific requirements. Changes in accounting policies and estimates

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

l) Employee benefits– Retirement benefit plans

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

Summary of Significant Accounting Policies (Continued)

m) 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.

n) 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.

o) Related parties

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

p) 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.

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

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

a) Estimates and assumptions –

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

b) Useful lives and residual values

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

- The condition of the asset based on the assessment of experts employed by the Fund
- 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.

Baringo County Co-operative development Fund
Annual Report and Financial Statements for the year ended June 30, 2023

6. Notes To The Financial Statements

1. Public contributions and donations

Description	FY2022/2023	FY 2021/2022
	Kshs	Kshs
Donation From Development Partners	-	-
Contributions From The Public	-	-
Total	-	-

2. Transfers from County Government

Description	FY2022/2023	FY 2021/2022
	Kshs	Kshs
Transfers From County Govt. –Operations	-	-
Payments By County On Behalf Of The Entity	-	-
Unconditional Development grants	-	-
Total	-	-

3. Fines, penalties and other levies

Description	FY2022/2023	FY 2021/2022
	Kshs	Kshs
Late Payment Penalties	-	-
Fines	-	-
Total	-	-

4. Interest income

Description	FY2022/2023	FY 2021/2022
	Kshs	Kshs
Interest Income from Mortgage Loans	-	-
Interest Income From Car Loans	-	-
Interest Income From Investments in financial assets	-	-
Interest Income On Bank Deposits	69,444.60	19,655.00
Total Interest Income	69,444.60	19,655.00

Notes to the Financial Statements Continued

5. Other income

Description	FY2022/2023	FY 2021/2022
	Kshs	Kshs
Insurance Recoveries	-	-
Income from Sale of Tender Documents	-	-
Bad debts recovered	-	-
Miscellaneous Income	-	-
Total Other Income	-	-

6. Employee Costs

Description	FY2022/2023	FY 2021/2022
	Kshs	Kshs
Salaries And Wages	-	-
Staff Gratuity	-	-
Staff Training Expenses	-	-
Social Security Contribution	-	-
Other (<i>Specify</i>)	-	-
Total	-	-

7. Use of Goods and Services

Description	FY2022/2023	FY 2021/2022
	Kshs.	Kshs.
General Office Expenses	-	-
Loan Processing Costs	-	-
Professional Services Costs	-	-
Administration Fees	426,700.00	351,300.00
Committee Allowances	-	-
Bank Charges	11,884.74	2,452.00
Electricity And Water Expenses	-	-
Fuel And Oil Costs	-	-
Insurance Costs	-	-

Baringo County Co-operative development Fund
Annual Report and Financial Statements for the year ended June 30, 2023

Description	FY2022/2023	FY 2021/2022
	Kshs.	Kshs.
Postage And Courier	-	-
Printing And Stationery	-	-
Rental Costs	-	-
Security Costs	-	-
Telephone And Communication Expenses	-	-
Bank Charges	-	-
Audit Fees	-	-
Provision For Doubtful Debts	-	-
Other (<i>Specify</i>)	-	-
Social benefit expenses*	-	-
Total	438,584.74	353,752.00

Social benefit schemes include benefits such as cash transfers for unemployment or elderly in line with IPSAS 42

8. Depreciation and Amortization Expense

Description	FY2022/2023	FY 2021/2022
	Kshs.	Kshs.
Property Plant and Equipment	-	-
Intangible Assets	-	-
Total	-	-

9. Finance costs

Description	FY2022/2023	FY 2021/2022
	Kshs	Kshs
Interest On BankOverdrafts	-	-
Interest On Loans From Banks	-	-
Total	-	-

10. Gain/(loss) on disposal of assets

Description	FY2022/2023	FY 2021/2022
	Kshs	Kshs
Property,PlantandEquipment	-	-
Intangible Assets	-	-
Total	-	-

Baringo County Co-operative development Fund
Annual Report and Financial Statements for the year ended June 30, 2023

11. Gain/ (loss) on Fair Value Investments

Description	FY2022/2023	FY 2021/2022
	Kshs	Kshs
Investments at Fair Value- Equity investments	-	-
Fair value – Investment property	-	-
Fair value- other financial assets (specify)	-	-
TotalGain	-	-

12. Cash and cash equivalents

Description	FY2022/2023	FY 2021/2022
	Kshs	Kshs
Car Loan Account	-	-
County Mortgage Account	-	-
Fixed Deposits Account	-	-
On – Call Deposits	-	-
Current Account	4,879,652.48	5,193,316.00
Others (<i>Specify</i>)	-	-
TotalCashAndCashEquivalent	4,879,652.48	5,193,316.00

Baringo County Co-operative development Fund
Annual Report and Financial Statements for the year ended June 30, 2023

Notes to the Financial Statements Continued

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

Financial Institution	Account number	FY2022/2023	FY 2021/2022
		Kshs	Kshs
a) Fixed Deposits Account			
Kenya Commercial Bank		-	-
Equity Bank, Etc.		-	-
Sub- Total		-	-
b) On - Call Deposits			
Kenya Commercial Bank		-	-
Equity Bank - Etc.		-	-
Sub- Total		-	-
c) Current Account			
Kenya Commercial Bank		4,879,652.48	5,193,316.00
Boresha Sacco	50451152201	4,879,652.48	5,193,316.00
Sub- Total		-	-
d) Others(Specify)			
Cash In Transit		-	-
Cash In Hand		-	-
Sub- Total		-	-
Grand Total		4,879,652.48	5,193,316.00

13. Receivables from exchange transactions

Description	FY2022/2023	FY 2021/2022
	Kshs	Kshs
Current Receivables		
Interest Receivable	489,955.93	436,271.00
Current Loan Repayments Due	15,746,255.74	15,853,495.00
OtherExchangeDebtors	-	-
Less:ImpairmentAllowance	-	-
Total Current Receivables	16,236,211.67	16,289,766.00
Non-Current Receivables		
Long Term Loan Repayments Due	-	-
Total Non- Current Receivables	-	-
TotalReceivables From Exchange Transactions	16,236,211.67	16,289,766.00

**Baringo County Co-operative development Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

Notes to the Financial Statements Continued

Additional disclosure on interest receivable

Description	FY2022/2023	FY 2021/2022
	Kshs	Kshs
Interest Receivable		
Interest receivable from current portion of long-term loans of previous years	-	-
Accrued interest receivable from of long-term loans of previous years	489,955.93	436,271.00
Interest receivable from current portion of long-term loans issued in the current year	-	-
Current loan repayments due		
Current portion of long-term loans from previous years	-	-
Accrued principal from long-terms loans from previous periods	15,746,255.74	15,853,495.00
Current portion of long-term loans issued in the current year	-	-

14. Prepayments

Description	FY2022/2023	FY 2021/2022
	Kshs	Kshs
Prepaid Rent	-	-
Prepaid Insurance	-	-
Prepaid Electricity Costs	-	-
Other Prepayments (<i>Specify</i>)	-	-
Total	-	-

15. Inventories

Description	FY2022/2023	FY 2021/2022
	Kshs	Kshs
ConsumableStores	-	-
SparePartsAndMeters	-	-
Catering	-	-
Other Inventories (Specify)	-	-
TotalInventories atTheLower ofCost andNetRealizableValue	-	-

Notes to the Financial Statements Continued

Baringo County Co-operative development Fund
Annual Report and Financial Statements for the year ended June 30, 2023

16. Investments in financial assets

Description	FY2022/2023	FY 2021/2022
	Kshs	Kshs
a. Investment in Treasury bills and bonds		
Financial institution		
CBK	-	-
CBK	-	-
Sub- total	-	-
b. Investment with Financial Institutions/ Banks		
Bank x	-	-
Bank y	-	-
Sub- total	-	-
c. Equity investments (specify)		
Equity/ shares in Entity xxx	-	-
Sub- total	-	-
Grand total	-	-

Movement of Equity Investments

Impairment allowance/ provision	FY2022/2023	FY 2021/2022
	Kshs	Kshs
At the beginning of the year	-	-
Purchase of investments in the year	-	-
Sale of investments during the year	-	-
Gain/(loss) in fair value of investments through surplus or deficit	-	-
At the end of the year	-	-

e) Shareholding in other entities

Name of Entity where investment is held	No of shares			Nominal value of shares	Fair value of shares	Fair value of shares
	Direct shareholding	Indirect shareholding	Effective shareholding	Kshs	Current year	Prior year
	%	%	%		Kshs	Kshs
Entity A	-	-	-	-	-	-
Entity B	-	-	-	-	-	-
Entity C	-	-	-	-	-	-
	-	-	-	-	-	-

Baringo County Co-operative development Fund
Annual Report and Financial Statements for the year ended June 30, 2023

Notes To The Financial Statements (Continued)

17. Property, plant and equipment

	Land and Buildings	Motor vehicles	Furniture and fittings	Computers and office equipment	Total
Cost	Kshs	Kshs	Kshs	Kshs	Kshs
At 1st July FY2021/2022)	-	-	-	-	-
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Transfers/Adjustments	-	-	-	-	-
At 30th June FY2021/2022)	-	-	-	-	-
At 1st July FY2022/2023)					
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-
At 30th June FY2022/2023)	-	-	-	-	-
Depreciation And Impairment					
At 1 st July FY2021/2022)	-	-	-	-	-
Depreciation	-	-	-	-	-
Impairment	-	-	-	-	-
At 30th June FY2021/2022)	-	-	-	-	-
At 1st July FY2022/2023)					
Depreciation	-	-	-	-	-
Disposals	-	-	-	-	-
Impairment	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-
At 30th June FY 2022/2023)	-	-	-	-	-
Net Book Values					
At 30 th June FY2021/2022)	-	-	-	-	-
At 30 th June FY2022/2023)	-	-	-	-	-

Baringo County Co-operative development Fund
Annual Report and Financial Statements for the year ended June 30, 2023

Notes To The Financial Statements (Continued)

18. Intangible assets

Description	FY2022/2023	FY 2021/2022
	Kshs	Kshs
Cost		
At Beginning of The Year	-	-
Additions	-	-
At End of The Year	-	-
Amortization And Impairment		
At Beginning of The Year	-	-
Amortization	-	-
At End of The Year	-	-
Impairment Loss	-	-
At End of The Year	-	-
NBV	-	-

19. Investment Property

Description	FY2022/2023	FY 2021/2022
	Kshs	Kshs
At beginning of the year	-	-
Additions	-	-
Disposal during the year	-	-
Depreciation	-	-
Impairment	-	-
Gain/(loss) in fair value (if fair value is elected)	-	-
At end of the year	-	-

**Baringo County Co-operative development Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

Notes To The Financial Statements (Continued)

20. Trade and other payables from exchange transactions

Description	FY2022/2023		FY 2021/2022	
	Kshs		Kshs	
Trade Payables	-		-	
Refundable Deposits	10,490.00		10,490.00	
Accrued Expenses	-		-	
Other Payables	138,610.00		138,610.00	
Total Trade and Other Payables	149,100.00		149,100.00	
Ageing analysis (Trade and other payables)	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (tie to above total)	-		-	

21. Provisions

Description	Leave provision	Bonus provision	Other provision	Total
	Kshs	Kshs	Kshs	Kshs
Balance At the Beginning Of The Year	-	-	-	-
Additional Provisions	-	-	-	-
Provision Utilised	-	-	-	-
Change Due To Discount And Time Value For Money	-	-	-	-
Transfers From Non -Current Provisions	-	-	-	-
Balance At The End of The Year	-	-	-	-

Baringo County Co-operative development Fund
Annual Report and Financial Statements for the year ended June 30, 2023

Notes To The Financial Statements (Continued)

22. Borrowings

Description	FY2022/2023	FY 2021/2022
	Kshs	Kshs
Balance At Beginning of The Period	-	-
External Borrowings During the Year	-	-
Domestic Borrowings During the Year	-	-
Repayments Of External Borrowings During the Period	-	-
Repayments Of Domestic Borrowings During the Period	-	-
Balance At End of The Period	-	-

The table below shows the classification of borrowings into external and domestic borrowings:

Description	FY2022/2023	FY 2021/2022
	Kshs	Kshs
External Borrowings		
Dollar Denominated Loan From 'X Organization'	-	-
Sterling Pound Denominated Loan From 'Y Organization'	-	-
Euro Denominated Loan from Z Organization'	-	-
Domestic Borrowings		
Kenya Shilling Loan From KCB	-	-
Kenya Shilling Loan from Barclays Bank	-	-
Kenya Shilling Loan from Consolidated Bank	-	-
Borrowings From Other Government Institutions	-	-
Total Balance at End of The Year	-	-

The table below shows the classification of borrowings long-term and current borrowings:

Description	FY2022/2023	FY 2021/2022
	Kshs	Kshs
Short Term Borrowings (Current Portion)	-	-
Long Term Borrowings	-	-
Total	-	-

Baringo County Co-operative development Fund
Annual Report and Financial Statements for the year ended June 30, 2023

Notes To The Financial Statements (Continued)

23. Employee benefit obligations

Description	Defined benefit plan	Post employment medical benefits	Other Provisions	Insert Current FY	Insert Comparative FY
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	-	-	-	-	-
Non-Current Benefit Obligation	-	-	-	-	-
Total	-	-	-	-	-

24. Social Benefit Liabilities

Description	FY2022/2023	FY 2021/2022
	Kshs	Kshs
Health social benefit scheme	-	-
Unemployment social benefit scheme	-	-
Orphaned and vulnerable benefit scheme	-	-
Elderly social benefit scheme	-	-
Bursary social benefits	-	-
Total	-	-
Current social benefits	-	-
Non- current social benefits	-	-
Total (tie to totals above)	-	-

Baringo County Co-operative development Fund
Annual Report and Financial Statements for the year ended June 30, 2023

Notes To The Financial Statements (Continued)

25. Cash generated from operations

Description	FY2022/2023	FY 2021/2022
	Kshs	Kshs
Surplus/ (Deficit) For the Year Before Tax	-369,140.14	-353,752.00
Adjusted For:		
Depreciation	-	-
Amortisation	-	-
Gains/ Losses On Disposal Of Assets	-	-
Interest Income	69,444.60	-
Finance Cost	-	-
Working Capital Adjustments		
Increase In Inventory	-	-
Increase In Receivables	-	-
Increase In Payables	-	-
Net Cash Flow From Operating Activities	438,584.74	-353,752.00

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

**Baringo County Co-operative development Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

Notes To The Financial Statements (Continued)

26. 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	FY2022/2023	FY 2021/2022
	Kshs	Kshs
Transfers From Related Parties'	-	-
Transfers To Related Parties	-	-

c) Key management remuneration

Description	FY2022/2023	FY 2021/2022
	Kshs	Kshs
Board Of Trustees	-	-
Key Management Compensation	-	-
Total	-	-

d) Due from related parties

Description	FY2022/2023	FY 2021/2022
	Kshs	Kshs
Due From Parent Ministry	-	-
Due From County Government	-	-
Total	-	-

**Baringo County Co-operative development Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

Other Disclosures Continued

e) Due to related parties

Description	FY2022/2023	FY 2021/2022
	Kshs	Kshs
Due To Parent Ministry	-	-
Due To County Government	-	-
Due To Key Management Personnel	-	-
Total	-	-

27. Contingent assets and contingent liabilities

Contingent Liabilities	FY2022/2023	FY 2021/2022
	Kshs	Kshs
Court Case Against the Fund	-	-
Bank Guarantees	-	-
Total	-	-

**Baringo County Co-operative development Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

Notes to the Financial Statements (Continued)

28. Financial risk management

The Fund's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Fund's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The Fund does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

The Fund's financial risk management objectives and policies are detailed below:

a) Credit risk

The Fund has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the entity's management based on prior experience and their assessment of the current economic environment. The carrying amount of financial assets recorded in the financial statements representing the entity's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2022				
Receivables From Exchange Transactions	-	-	-	-
Receivables From Non-Exchange Transactions	-	-	-	-
Bank Balances	-	-	-	-
Total	-	-	-	-
At 30 June 2021				
Receivables From Exchange Transactions	-	-	-	-
Receivables From Non-Exchange Transactions	-	-	-	-
Bank Balances	-	-	-	-
Total	-	-	-	-

**Baringo County Co-operative development Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

Notes to The Financial Statements (Continued)

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 entity has significant concentration of credit risk on amounts due fromxxxx

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

b) Liquidity risk management

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June (FY2022/2023)				
Trade Payables	-	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	-	-	-	-
At 30 June (FY 2021/2022)				
Trade Payables	-	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	-	-	-	-

**Baringo County Co-operative development Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

Notes to the Financial Statements (Continued)

c) Market risk

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

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

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

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

i. Foreign currency risk

The entity has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate.

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

Description		Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June (Current FY)			
Financial Assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors/ Receivables			
Liabilities			
Trade And Other Payables	-	-	-
Borrowings	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

**Baringo County Co-operative development Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

Notes To The Financial Statements (Continued)

Foreign currency sensitivity analysis

The following table demonstrates the effect on the Fund's statement of financial performance on applying the sensitivity for a reasonable possible change in the exchange rate of the three main transaction currencies, with all other variables held constant. The reverse would also occur if the Kenya Shilling appreciated with all other variables held constant.

Description	Change in currency rate	Effect on surplus/ deficit	Effect on equity
	Kshs	Kshs	Kshs
(FY 2022/2023)			
Euro	10%	-	-
USD	10%	-	-
(FY2021/2022)			
Euro	10%	-	-
USD	10%	-	-

ii. 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 sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs- (2022: Kshs-). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs- (2021 – Kshs-).

**Baringo County Co-operative development Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

Notes To The Financial Statements (Continued)

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	FY2022/2023	FY 2021/2022
	Kshs	Kshs
Revaluation reserve	-	-
Revolving fund	-	-
Accumulated surplus	-	-
Total funds	-	-
Total borrowings	-	-
Less: cash and bank balances	-	-
Net debt/(excess cash and cash equivalents)	-	-
Gearing	-%	-%

29. Events after the reporting period

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

30. Ultimate and Holding Entity

Baringo County **Co-operative Development Fund** is established by and derives its authority and accountability from Baringo County Cooperative Development Fund Regulation 2014 and revised regulations 2022. The Fund is wholly owned by the County Government of Baringo and is domiciled in Kenya.

31. Currency

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

**Baringo County Co-operative development Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

20. Annexes

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

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

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

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 Manager *Collins Nakedi*

Date..... *18/01/2024*




Baringo County
 Co-operative development Fund
Annual Report and Financial Statements for the year ended June 30, 20xx
Annex II: Inter-Fund Confirmation Letter

The [insert SC/SAGA/Fund name here] wishes to confirm the amounts disbursed to you as at 30th June 2023 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by [Insert name of beneficiary Fund] as at 30 th June 20xx							
Reference Number	Date Disbursed	Amounts Disbursed by [SC/SAGA/Fund] (Kshs) as at 30 th June 20xx				Amount Received by [beneficiary Fund] (KShs) as at 30 th June 20xx (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
Total							

In confirm that the amounts shown above are correct as of the date indicated.

Head of Accountants department of beneficiary Fund: **18 JAN 2024**

Name Collins Nakedi Sign  Date 18/01/2024

BARINGO COUNTY GOVERNMENT
 P. O. Box 53 - 30400, KABARNET
 DEPARTMENT OF AGRICULTURE, COMMERCE,
 ENTERPRISE AND CO-OPERATIVE DEVELOPMENT

Baringo County
 Co-operative development Fund
Annual Report and Financial Statements for the year ended June 30, 20xx

Annex III: Reporting of Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		

Baringo County

Co-operative development Fund

Annual Report and Financial Statements for the year ended June 30, 20xx

Annex IV: Reporting on Disaster Management Expenditure

Column I Programme	Column II Sub-programme	Column III Disaster Type	Column IV Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Column V Expenditure item	Column VI Amount (Kshs.)	Column VII Comments