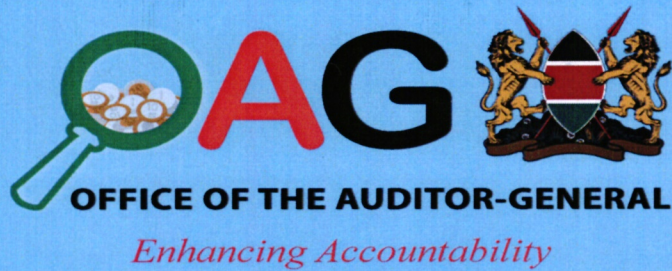


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REPORT

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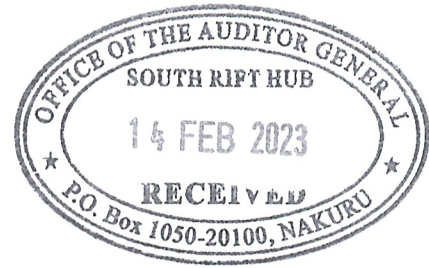
THE AUDITOR-GENERAL

ON

**BARINGO COUNTY YOUTH
AND WOMEN FUND**

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





BARINGO COUNTY YOUTH AND WOMEN FUND

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2022**

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

Baringo County Youth and Women Fund
Annual Report and Financial Statements for the year ended June 30, 2022

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1. Key Baringo County Youth and Women Fund Information and Management

a) Background information

The Baringo County Youth and Women Fund is established by Section 116(1) of Public Finance Management Act, 2012 and derives its authority and accountability from Baringo County Youth and Women Fund Regulations, 2014. The Fund is wholly owned by the County Government of Baringo and is domiciled in Kenya.

The fund's objective is to ensure that a portion of the County Budget is devoted to the youth and women for purpose of fighting poverty and improvement of their standard of living and social development in the Baringo County.

b) Principal Activities

The Fund's principal activity is to....

1. Make provisions for giving Youth and Women loans
2. The enhancement of equitable access to loan opportunities for the youth and women
3. Empower youth and women Economically
4. Helping youth and women to access loans at low interest rate
5. Providing convenient loans to youth and women
6. Ensuring that youth and women grow in their business enterprises

The principal activity/mission/ mandate of the Fund is to ensure that a portion of the County Budget is devoted to the youth and women for purpose of fighting poverty and improvement of their standard of living and social development in the Baringo County.

c) County Credit Management Committee

Ref	Position	Name
1	CECM - Education, Youth, Gender, Culture, Sports and Social Services	Dr. David Sergon
2	CECM - Treasury & Economic Planning	CPA Enock Keston
3	County Chief Officer – Youth, Gender, Culture, Sports and Social Services Secretary & Fund Administrator	Gladys M. Kiseku
4	Chief Officer – Treasury Finance	John Kisang
5	Ag. Director - Youth, Gender and Social Services	Aengwo Daudi

d) Key Management

Ref	Position	Name
1	CECM - Education, Youth, Gender, Sports, Culture and Social Services Chairperson	Hon. Dr. David Sergon
2	County Chief Officer – Youth, Gender, Sports, Culture and Social Services Secretary & Fund Administrator	Gladys M. Kiseku
3	Chief Officer – Treasury Finance	John Kisang
4	Ag. Director - Youth, Gender and Social Services	Aengwo Daudi
5	Fund Accountant	Thomas Chesaro

e) Registered Offices

P.O. Box 53-30400,
Youth Empowerment Centre Kabarnet,
Near Kabarnet Fire Station,
Kabarnet, KENYA

f) Fund Contacts

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

g) Fund Bankers

1. BORESHA SACCO LTD
P.O. Box 80- 20103
ELDAMA RAVINE, Kenya
KABARNET BRANCH

Baringo County Youth and Women Fund
Annual Report and Financial Statements for the year ended June 30, 2022

- a) Youth and Women Main A/C.NO 504511846-1-01
- b) Youth and Women Disbursement and Repayment A/C.NO 5-30-000005-0(Closed)
- c) Youth and Women Interest Recovery A/C.NO 7-10-000011-0
- d) Loan Recovery/Disbursement A/c No. 5-43-000028-0

h) Independent Auditors

Auditor General

Office of The Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya.

i) Principal Legal Adviser







The County Attorney

Office of the Governor building

P.O. Box 53 - 30400

Kabarnet, Kenya

2. The County Credit Management Committee

Name	Passport-Size Photo	Details of qualifications and experience
1.Hon. Dr. David Sergon - CECM - Education, Youth, Gender, Sports, Culture and Social Services Chairperson		Year of Birth: 1974 Key Qualifications: Doctorate in Entrepreneurship Studies (Moi University), Masters in Business Administration (KU), B.ED (Accounting and Mathematics) UON. Work Experience: 22 Years
2.Hon. CPA Enock Keston - CECM Treasury Finance & Economic Planning		Year of Birth: 1983 Key Qualifications: MBA(Finance) – Egerton, B.COM(Accounting), CPA-K Work Experience: 18 Years
3.Gladys M. Kiseku - County Chief Officer – Youth, Gender, Sports, Culture and Social Services Secretary& Fund Administrator		Year of Birth: 1985 Key Qualifications: Bachelor of Education Arts (Mathematics & Business) MBA (Strategic Management) Work Experience: 11 Years
4.John Kisang - Chief Officer – Treasury Finance		Year of Birth: 1972 Key Qualifications: Bachelor of Science Natural Resource Management. SMC and several workshops and Seminars Work Experience: 16 Years
5.Aengwo Daudi - Ag. Director - Youth, Gender and Social Services		Year of Birth: 1976 Key Qualifications: B.ED (SC) SMC, SLDP, Management of Social Protection Services (MSPS), Advanced Professional Mediator (APM). Work Experience: 20 years
6.David Rerimoi - Deputy Director Accounting Services		Year of Birth: 1980 Key Qualifications: Masters in Business Administration (UON),BCOM,CPA(K) Senior Management Course. Work Experience: 22 years

Baringo County Youth and Women Fund
Annual Report and Financial Statements for the year ended June 30, 2022

3. Management Team


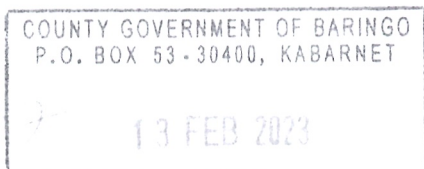
Name	Details of qualifications and experience
1. Gladys M. Kiseku – Secretary and Fund Administrator	<p>Year of Birth:1985</p> <p>Key Qualifications: BED Arts (Mathematics & Business) MBA (Strategic Management).</p> <p>Work Experience: 11 years</p>
2. John Kisang - Member	<p>Year of Birth: 1972</p> <p>Key Qualifications: Bachelor of Science Natural Resource Management. SMC and several workshops and Seminars</p> <p>Work Experience:16 Years</p>
3. Aengwo Daudi - Ag. Director - Youth, Gender and Social Services	<p>Year of Birth:1976</p> <p>Key Qualifications: B.ED (SC)</p> <p>SMC, SLDP, Management of Social Protection Services (MSPS), Advanced Professional Mediator (APM).</p> <p>Work Experience: 20years</p>
4. David Rerimoi - Deputy Director Accounting Services	<p>Year of Birth:1980</p> <p>Key Qualifications: Masters in Business Administration (UON),BCOM,CPA(K)</p> <p>Senior Management Course.</p> <p>Work Experience: 22 years</p>
5. Thomas Chesaro –Fund Accountant	<p>Year of Birth:1979</p> <p>Key Qualifications: BCOM – Finance Option, (UON), CPA(K)</p> <p>Work Experience: 22years</p>


4. Fund Chairperson's Report

During the year under review, the fund did not witness any change in the composition of its board and management team. Despite financial constraints, the fund was able to utilize the available resources at its disposal to meet its objectives. Total revenue was Kshs 70,538 (previous year Kshs. 296,789) while total expenses were Kshs 1,300 (previous year expenses Kshs. 209,143). For a fruitful impact, the fund should be allocated more funds in the future estimates.

Description and reference of the transfer	Date of transfer	2021-2022	2020-2021
Revenue from Non-Exchange Transaction		Kshs	Kshs
Balance Brought Forward		-	-
Loan Repayment		-	-
Interest Income/Earned		70,538	296,789
Total Revenue		70,538	296,789

Fund Uses / Expenditure / Disbursement	2021-2022	2020-2021
	Kshs	Kshs
Award of the Loans / disbursement	-	-
Domestic travel and subsistence Allowances (Adm. Costs)	-	200,000
Other operating expenses (Bank Charges/Tax Deducted)	1,300	9,143
Total Revenue	1,300	209,143

Signed:  

Fund Chairperson Name: 
 CECM - Education, Youth, Gender, Sports, Culture and Social Services

5. Report of the Fund Administrator

The performance of the Baringo County Youth and Women Fund was disbursed as stipulated in the law. Total budget allocated was Kshs 1,970,538 out of which Kshs 70,538 were receipts from interest earned during the year under review and Kshs 1,900,000 being funds disbursement from Baringo County Treasury through Older Persons and PWDs Fund Account. Kshs 200,000 were Funds disbursed to Youth and Women Groups. Bank charges were Kshs. 1,300 As a result, the accumulated closing balance of Cash and Cash equivalents as at the year-end was Kshs. 11,207,315

Description and reference of the transfer	Date of transfer	2021-2022	2020-2021
Revenue from Non-Exchange Transaction		Kshs	Kshs
Balance Brought Forward		-	-
Loan Repayment		-	-
Interest Income/Earned		70,538	296,789
Total Revenue		70,538	296,789

Fund Uses / Expenditure / Disbursement	2021-2022	2020-2021
Revenue from Non-Exchange Transaction	Kshs	Kshs
Award of the Loans / disbursement	-	-
Domestic travel and subsistence Allowances (Adm. Costs)	-	200,000
Other operating expenses (Bank Charges/Tax Deducted)	1,300	9,143
Total Revenue	1,300	209,143

Name of Bank, Account No. and currency	2021-2022	2020-2021
	Kshs	Kshs
Boresha Sacco, Main A/c no. 504511846-01 (Kshs)	4,230,159	2,331,459
Loan Recovery/Disbursement A/c No. 5-43-000028-0	4,683,559	4,551,670
Interest Earned A/c no. 7-10-000011-0)	2,293,597	2,223,059
Total Balance	11,207,315	9,106,188

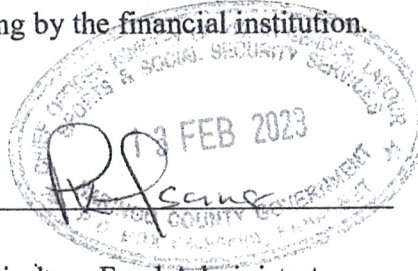
Baringo County Youth and Women Fund
Annual Report and Financial Statements for the year ended June 30, 2022

The progress based on outputs, outcomes and impacts since establishment of Baringo County Youth and Women Fund is that there has been increase in fund beneficiaries due to revolving funds allocated to groups annually. The value-for-money has been achieved since the Youth and Women who were supported through the fund have been increasing while most of them have fought poverty and improved in their standard of living and social development.

The implementation challenges of the Baringo County Youth and Women Fund may include the credit risk and loan sanctions and enforcement strategies to mitigate loan defaulters and its future outlook is encouraging as the improved revolving funds and loan repayments will enable the Fund to undertake its mandate in line with the fund's strategic plan.

Some of the key risk management strategies include frequent changes of the management team members as well as delay in funds loan repayment by the Youth and Women groups and improper record keeping by the financial institution.

Signed: _____



Gladys M. Kiseku – Fund Administrator

6. Statement of Performance against the County Fund's Predetermined Objectives

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 fund 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 Youth and Women Fund 2021-2022 plan are to:

- a) Ensure timely and efficient disbursement of funds to Youth and Women groups;
- b) Administer and manage loan recovery process and mechanism including sanctions and enforcement in case of loan repayment defaults;
- c) Prepare financial statements of the fund periodically

7. Progress on attainment of Strategic development objectives (Adopted from Baringo County Youth and Women Fund,

Below we provide the progress on attaining the stated objectives:

Program	Objective	Outcome	Indicator	Performance
Youth and Women	To ensure timely and efficient disbursement of funds to Youth and Women groups	Increased number of group beneficiaries accessing loans	25% of increased groups which accessed loans	In FY 21/22 we increased loan access by 25% to beneficiary groups
Youth and Women	To Administer and manage loan recovery process and mechanism including sanctions and enforcement in case of loan repayment defaults	Improved loan access and recoveries by the groups	Equal disbursement and recovery of loans	In FY 21/22 we improved loan equity to the beneficiary groups
Youth and Women	To Ensure that youth and women grow in their business enterprises	Increased number of youth and Women enterprises	Growth in business enterprises	In FY 21/22 there were great development in beneficiary groups
Youth and Women	To prepare financial statements of the fund periodically	Reports made on timely basis	Reports submitted on time in line with regulation	In FY 21/22 we presented timely quarterly reports for Youth and Women as required

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.

An appointee of a County Credit Committee member shall hold office for a period of five years or until new members of the committee are appointed and Administration Committee members are removed from office by the Governor on recommendation of the committee if the member has been absent from three consecutive meetings.

The roles and functions of the County Credit Committee members include: the executive committee Member for Education chairs the meetings, the County Chief Officer in charge of Finance is financial advisor, the County Chief Officer responsible for the youth and women is the Secretary and Fund administrator.

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

To address the conflict of interest the County Credit 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.

8. Management Discussion and Analysis

During the period under review, the Fund had an Interest earned of Kshs 70,538 and Receipts of funds from County Treasury of Kshs 1,900,000 through the Older Persons and PWDs Fund Account. The expenditure amounted to Kshs 1,300 as compared to the previous period of Kshs 209,143 as below; -

Description and reference of the transfer	Date of transfer	2021-2022	2020-2021
Revenue from Non-Exchange Transaction		Kshs	Kshs
Balance Brought Forward		-	-
Loan Repayment		-	-
Interest Income/Earned		70,538	296,789
Total Revenue		70,538	296,789

Fund Uses / Expenditure / Disbursement	2021-2022	2020-2021
Revenue from Non-Exchange Transaction	Kshs	Kshs
Award of the Loans / disbursement	-	-
Domestic travel and subsistence Allowances (Adm. Costs)	-	200,000
Other operating expenses (Bank Charges/Tax Deducted)	1,300	9,143
Total Revenue	1,300	209,143

The Fund's core mandate is to ensure that a portion of the County Budget is devoted to the youth and women for the purpose of fighting poverty and improvement of their standard of living and social development in the Baringo County,

The Fund is prepared in accordance with the Public Finance Management Act, 2012 and Baringo County Youth and Women Fund Regulation 2014.

There are Credit risks facing the Fund, there were no material arrears in statutory and other financial obligations.

9. Environmental and Sustainability Reporting

Baringo County Youth and Women Fund exists to transform lives by ensuring that a portion of the County Budget is devoted to the youth and women 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 Youth and Women, and improving operational excellence. Below is a brief highlight of our achievements in the pillar.

1. 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.

2. Employee welfare

The Fund set aside 5% of the total budget allocation to cater for the Administration Expenses during County Credit Committee and ward Credit Committee meeting allowances and transport reimbursements.

3. Market place practices

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

a) Responsible competition practice.

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

b) Responsible Supply chain and supplier relations

The Fund ensures that every youth and women wishing to be considered for loans shall make an application to respective ward committee by filling a prescribed application form.

c) Responsible marketing and advertisement

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

d) **Product stewardship**

The Fund enables applicants to deposit their forms at ward level

4. **Community Engagements**

The fund engages the Community in ward and County Credit committees. Respective ward committee members compost of ward administrator as secretary, one youth, two women and two men appointed by Executive Committee Member of Youth and Women in consultation with the patron, a person with disability, two religious persons and a chief or assistant chief in the ward. In the board there are four community members appointed by the Governor.

10. Report of the Credit Management Committee

The committee submit their report together with the audited financial statements for the year ended June 30, 2022, which show the state of the Fund affairs.

10.1 Principal activities

The principal activities of the Fund are; -

1. Make provisions for giving Youth and Women loans
2. The enhancement of equitable access to loan opportunities for the youth and women
3. Empower youth and women Economically
4. Helping youth and women to access loans at low interest rate
5. Providing convenient loans to youth and women
6. Ensuring that youth and women grow in their business enterprises

10.2 Performance

The performance of the Fund for the year ended June 30, 2022, are set out on page 1

10.3 The County Credit Management Committee

The members of the County Credit Management Committee who served during the year are shown on page vi. There were no changes in the Board during the financial year under review.

10.4 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.

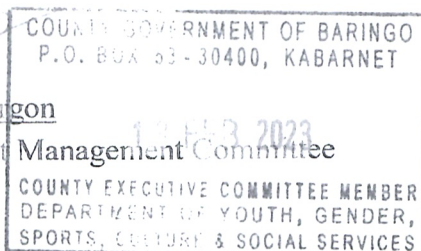
By Order of the County Credit Management Committee
Baringo County Youth and Women Fund,

Sign: 

Name: Hon, Dr. David Serگون

Chair of the County Credit Management Committee

Date: _____



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 Baringo County Youth and Women Fund established by the Public Finance Management Act 2012 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 Youth and Women Fund is responsible for the preparation and presentation of the Fund's financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 2022. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the fund; (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) Safeguarding the assets of the fund; (v) Selecting and applying appropriate accounting policies; and (vi) Making accounting estimates that are reasonable in the circumstances.

The Administrator of the Youth and Women Fund accepts responsibility for the Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and Baringo County Youth and Women 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, 2022, and of the Fund's financial position as at that date.

The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied 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.

Baringo County Youth and Women Fund
Annual Report and Financial Statements for the year ended June 30, 2022

Approval of the financial statements

The Fund's financial statements were approved by the Committee on _____ 2023
and signed on its behalf by:



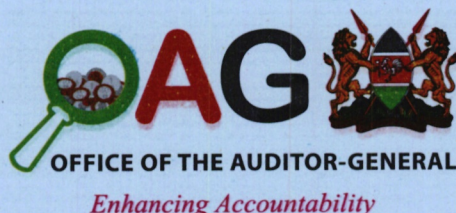
Name: Gladys M. Kiseku

Fund Administrator

Baringo County Youth and Women Fund

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON BARINGO COUNTY YOUTH AND WOMEN FUND FOR THE YEAR ENDED 30 JUNE, 2022

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Baringo County Youth and Women Fund set out on pages 1 to 37, which comprise the statement of financial position

Report of the Auditor-General on Baringo County Youth and Women Fund for the year ended 30 June, 2022

as at 30 June, 2022 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Baringo County Youth and Women Fund as at 30 June, 2022 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the Baringo County Youth and Women Fund Regulations, 2014.

Basis for Qualified Opinion

1. Long Outstanding Receivables from Exchange Transactions

As disclosed in Note 12 to the financial statements, the statement of financial position; reflects current portion of long-term receivables from exchange transactions of Kshs.12,531,666 and Kshs.6,061,917 totalling Kshs.18,593,583. The loans were issued to two hundred and fifteen (215) youths and women who did not repay contrary to Regulation 16(1)(d) of the Baringo County Youth and Women Fund Regulations, 2014 requiring them to fully repay within twenty-four (24) months from the date of disbursement of the loan. Credit Management Committee has not recovered the amounts and no provisions made for bad and doubtful debts.

In the circumstances, the recoverability of long-term receivables from exchange transactions balance of Kshs.18,593,583 could not be confirmed.

2. Unsupported Interest Income

The statement of financial performance reflects interest income balance of Kshs.70,538. However, basis for computing the interest and loan movement schedule were not provided. Further, the five percent(5%) interest chargeable on loans was not disclosed.

In the circumstances, the accuracy of interest income of Kshs.70,538 could not be confirmed.

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

Key Audit Matters

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

Other Matters

Unresolved Prior Year Audit Matters

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, and Report on Lawfulness and Effectiveness in Use of Public Resources, However, the Management has not resolved the issues or given any explanation for failure to adhere to the provisions of the Public Sector Accounting Standards Board templates and The National Treasury Circular.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Non-Compliance with Public Finance Management (County Governments) Regulation, 2015

The statement of financial position reflects cash and cash equivalents balance of Kshs.11,207,315. However, the bank accounts are maintained at a SACCO contrary to Regulation 82(1)(b) of the Public Finance Management (County Governments) Regulations, 2015 which requires that bank accounts be opened at the Central Bank of Kenya.

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

2. Improper Appointment of County Credit Management Committee

Review of appointment letters for the County Executive Committee Member revealed that Education, Youth, Gender, Culture, Sports and Social Services, Treasury and Economic Planning, Deputy Director Accounting Services and Acting Directors for Youth, Gender, Culture, Sports and Social Services contrary to Regulation 9(2) of Baringo County Youth and Women Fund Regulations, 2014.

Further, the Fund Administrator was not designated by the County Executive Committee Member for finance and approved by the County Assembly as required by Regulation 6(1) of Baringo County Youth and Women Fund Regulations, 2014.

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

3. Unbalanced Budget

The statement of comparison of budget and actual amounts reflects a final revenue and expenditure budgets of Kshs.70,538 and Kshs.1,300 resulting in an unbalanced budget of Kshs.69,238 against Regulation 33(c) of the Public Finance Management Regulation, 2015 which requires the budget to be balanced during formulation and approval.

In the circumstances, the youth and women development projects may have been underfunded due to lack of expenditure budget.

4. Revolving Fund

The statement of financial position reflects revolving fund balance of Kshs.29,044,003. However, the Regulation 5(1) of PFM Act, Baringo County Youth and Women Fund Regulations, 2014 provides for initial capital of the fund to be Kshs.44,500,000 resulting in an under funding of Kshs.15,455,997.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015 based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

Lack of Risk Management Policy

Review of records maintained by the Fund revealed that there was no risk management policy developed indicating fraud prevention mechanism; and system of risk management and internal control that builds robust business operations.

In the circumstances, the organization have weak internal controls exposing it to risk of fraud .

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

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to 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 to cease operations.

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

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

reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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


- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the 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 sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.



CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi


31 March, 2023

13. Statement of Financial Performance for the Year Ended 30th June 2022

	Note	2021/2022	2020/2021
		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	70,538	296,789
Other income	5	-	-
		70,538	296,789
Total revenue		70,538	296,789
Expenses			
Employee Costs	6	-	-
Use of goods and services	7	1,300	209,143
Depreciation and Amortization Expenses	8	-	-
Finance costs	9	-	-
Total expenses		1,300	209,143
Other gains/losses			
Gain/loss on disposal of assets	10	-	-
Surplus/(deficit) for the period		69,238	87,645



 Name: Gladys M Kiseku
 Administrator of the Fund




 Name: Thomas Chesaro
 Fund Accountant
 ICPAK Member Number:15566


14. Statement of Financial Position as at 30 June 2022

	Note	2021/2022	2020/2021
		KShs	KShs
Assets			
Current assets			
Cash and cash equivalents	11	11,207,315	9,106,187
Current portion of long- term receivables from exchange transactions	12	12,531,666	13,999,271 ®
Receivables from Non- exchange transactions	12	-	-
Prepayments	13	-	-
Inventories	14	-	-
		23,738,981	23,105,458
Non-current assets			
Long term receivables from exchange transactions	12	6,061,917	4,726,202
Property, plant and equipment	15	-	-
Intangible assets	16	-	-
		6,061,917	4,726,202
Total assets		29,800,898	27,831,660
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	17	-	-
Provisions	18	-	-
Current portion of borrowings	19	-	-
Employee benefit obligations	20	-	-
		-	-
Non-current liabilities			
Long term portion of borrowings	19	-	-
Non-current employee benefit obligation	20	-	-
Total liabilities		-	-
Net assets		29,800,898	27,831,660
Revolving Fund		29,044,003	27,144,003
Reserves		-	-
Accumulated surplus		756,895	687,657
Total net assets and liabilities		29,800,898	27,831,660

(R) - Restated

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Baringo County Youth and Women Fund financial statements were approved on _____ 2023 and signed by:


.....
Name: Gladys M Kiseku
Administrator of the Fund


.....
Name: Thomas Chesaro
Fund Accountant
ICPAK Member Number:15566

Baringo County Youth and Women Fund
Annual Report and Financial Statements for the year ended June 30, 2022

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

	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
	KShs	KShs	KShs	KShs
Balance as at 1 July 2020	27,144,003	-	600,012	27,744,015
Surplus/(deficit) for the period	-	-	87,645.45	87,645
Funds received during the year	-	-	-	-
Revaluation gain	-	-	-	-
Balance as at 30 June 2021	27,144,003	-	687,657	27,831,660
Balance as at 1 July 2021	27,144,003	-	687,657	27,831,660
Surplus/(deficit) for the period	-	-	69,238	69,238
Funds received during the year	1,900,000	-	-	1,900,000
Revaluation gain	-	-	-	-
Balance as at 30 June 2022	29,044,003	-	756,895	29,800,898

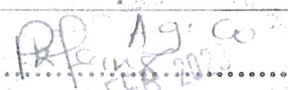
.....
 Name: Gladys M Kiseku
 Administrator of the Fund

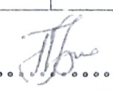
.....
 Name: Thomas Chesaro
 Fund Accountant

ICPAK Member Number:15566

16. Statement of Cash Flows for the Year Ended 30 June 2022

	Note	2021/2022	2020/2021
		KShs	KShs
Cash flows from operating activities			
Receipts			
Public contributions and donations		-	-
Transfers from the County Government		1,900,000	-
Interest received	4	70,538	296,789
Receipts from other operating activities		-	-
Total Receipts		1,970,538	296,789
Payments			
Employee Costs	6	-	-
Use of goods and services	7	1,300	209,143
Depreciation and Amortization Expenses	8	-	-
Finance cost	9	-	-
Total Payments		1,300	209,143
Net cash flows from operating activities		1,969,238	87,645
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		-	-
Proceeds from loan principal repayments		331,890	1,444,922
Loan disbursements paid out		(200,000)	(200,000)
Net cash flows used in investing activities		131,890	1,244,922
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 and cash equivalents		2,101,128	1,332,568
Cash and cash equivalents at 1 JULY, 2021	11	9,106,187	7,773,619
Cash and cash equivalents at 30 JUNE, 2022	11	11,207,315	9,106,187

.....

 Name: Gladys M. Kiseku
 Administrator of the Fund

.....

 Name: Thomas Chesaro
 Fund Accountant
 ICPAK Member Number: 15566

17. Statement of Comparison of Budget and Actual Amounts For The Period

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% utilisation
Revenue	KShs	KShs	KShs	KShs		
Public contributions and donations	-	-	-	-	-	-
Transfers from County Govt.	-	-	-	1,900,000	-1,900,000	-
Interest income	70,538	-	70,538	70,538	-	100%
Other income	-	-	-	-	-	-
Total income	70,538	-	70,538	1,970,538	-1,900,000	2793.58%
Expenses						
Fund administration expenses	-	-	-	-	-	-
General expenses	1,300	-	1,300	1,300	-	100%
Finance cost – Loan Disbursement	-	-	-	-	-	-
Total expenditure	1,300	-	1,300	1,300	-	100%
Surplus for the period	69,238	-	69,238	1,969,238	-1,900,000	2844.16%

Budget notes

The disbursement of Kshs 1,900,000 of the previous Financial year allocation was done in July, 2021 which affected the year under review as above.

18. Notes to the Financial Statements

1. General Information

Youth and Women Fund is established by and derives its authority and accountability from vide cabinet memoranda guidelines Ref: Cabinet Memo No. MICTED 3/2015 dated 25th February 2015. The Baringo County Youth and Women Fund is wholly owned by the Baringo County Youth and Women Fund and is domiciled in Kenya. The Baringo County Youth and Women Fund's principal activity is;

- a. Provide overall management and oversight of the Fund.
- b. Ensure there is timely and efficient disbursement of Funds to beneficiaries.
- c. Ensure keeping of proper books of accounts, file returns and reports from all the beneficiaries of the Fund; the books of account shall be kept by the chief officer, tourism & wildlife.
- d. Create public awareness on the important of the Fund
- e. Manage the capacity building of the Funds beneficiaries.
- f. Receive and address complaints and disputes and take any appropriate actions.
- g. Consider proposed beneficiaries and approve for Funding of those that are consistent with these guidelines and send Funds to the respective successful ones.
- h. Facilitate the operations of the community committee
- i. Receive reports on the performance of the Fund from the ward management committees.
- j. Reconcile the financial position of the Fund at the end of every financial year.
- k. Undertake the overall performance status of the Fund.
- l. Undertake periodic evaluation of the impact of the Fund.

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.

Baringo County Youth and Women Fund
Annual Report and Financial Statements for the year ended June 30, 2022

The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the direct method. The financial statements are prepared on accrual basis.

3. Adoption of new and revised standards

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

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

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

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

Baringo County Youth and Women Fund
Annual Report and Financial Statements for the year ended June 30, 2022

Standard	Effective date and impact:
<p>resulting from IPSAS 41, Financial Instruments</p>	<p>components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</p> <p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>
<p>Other improvements to IPSAS</p>	<p><i>Applicable 1st January 2023</i></p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> • <i>IPSAS 39: Employee Benefits</i> <p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> • IPSAS 29: Financial instruments: Recognition and Measurement <p>Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.</p>
<p>IPSAS 43</p>	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of a Fund.</p> <p>The new standard requires entities 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 Youth and Women Fund
Annual Report and Financial Statements for the year ended June 30, 2022

Standard	Effective date and impact:
Current Assets Held for Sale and Discontinued Operations	<p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>

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

iv) Early adoption of standards

The Baringo County Youth and Women Fund did not early – adopt any new or amended standards in year 2022.

20. Significant Accounting Policies

a) Revenue recognition

i. Revenue from non-exchange transactions

Transfers from other government entities

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

b) Budget information

The original budget for FY 2021/2022 was approved by the County Assembly on 30th June, 2021. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the fund upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Fund recorded additional appropriations of Kshs Nil on 21st March, 2022 the FY 2021/2022 budget following the Baringo County Youth and Women Fund's approval.

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 has been presented under section 167 of these financial statements.

c) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the 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) Financial instruments

Financial assets

Initial recognition and measurement

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Baringo County Youth and Women Fund determines the classification of its financial assets at initial recognition.

Summary Of Significant Accounting Policies (Continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

Held-to-maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Baringo County Youth and Women Fund has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

Impairment of financial assets

The Baringo County Youth and Women Fund assesses at each reporting date whether there is objective evidence that a financial asset or a Baringo County Youth and Women Fund of financial assets is impaired. A financial asset or a Baringo County Youth and Women Fund of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the Baringo County Youth and Women Fund of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

- The debtors are experiencing significant financial difficulty
- Default or delinquency in interest or principal payments
- The probability that debtors will enter bankruptcy or other financial reorganization
- Observable data indicates a measurable decrease in estimated future cash flows

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Fund determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

Summary Of Significant Accounting Policies (Continued)

Loans and borrowing

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

f) 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 Fund.

g) 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 Fund 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.

Summary Of Significant Accounting Policies (Continued)

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 Baringo County Youth and Women 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.

h) Nature and purpose of reserves

The Baringo County Youth and Women Fund creates and maintains reserves in terms of specific requirements.

i) 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.

j) 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 the Fund pays fixed contributions into a separate 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.

k) 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

Summary Of Significant Accounting Policies (Continued)

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.

l) 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.

m) Related parties

The Fund regards a related party as a person 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.

n) 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.

o) Comparative figures

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

p) Events after the reporting period

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

q) Ultimate and Holding Baringo County Youth and Women Fund

The Youth and Women Fund is a County Public Fund established by vide cabinet memoranda guidelines for Youth and Women Fund Ref: Cabinet Memo No. MICTED 3/2015 dated 25th February 2015

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

Summary Of Significant Accounting Policies (Continued)

5. Significant judgments and sources of estimation uncertainty

The preparation of the Baringo County Youth and Women 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 Baringo County Youth and Women Fund 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 Baringo County Youth and Women Fund. 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 Baringo County Youth and Women 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. Additional disclosure of these estimates of provisions is included in Note xxx.

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.

6. Notes to the Financial Statements

1. Public contributions and donations

Description	2021-2022	2020-2021
	Kshs	Kshs
Donation From Development Partners	-	-
Contributions From The Public	-	-
Total	-	-

2. Transfers from County Government

Description	2021-2022	2020-2021
	Kshs	Kshs
Transfers From County Govt.	-	-
Payments by County On Behalf Of The Baringo County Youth and Women Fund	-	-
Total	-	-

3. Fines, penalties and other levies

Description	2021-2022	2020-2021
	Kshs	Kshs
Late Payment Penalties	-	-
Fines	-	-
Total	-	-

4. Interest income

Description	2021-2022	2020-2021
	Kshs	Kshs
Interest Income From Mortgage Loans	-	-
Interest Income From Car Loans	-	-
Interest Income From Investments	-	-
Interest Income On Bank Deposits	70,538	296,789
Total Interest Income	70,538	296,789

Baringo County Youth and Women Fund
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Notes to the Financial Statements Continued

5. Other income

Description	2021-2022	2020-2021
	Kshs	Kshs
Insurance Recoveries	-	-
Income From Sale Of Tender Documents	-	-
Miscellaneous Income		
Total Other Income	-	-

6. Employee Costs

Description	2021-2022	2020-2021
	Kshs	Kshs
Salaries And Wages	-	-
Staff Gratuity	-	-
Staff Training Expenses	-	-
Social Security Contribution	-	-
Other	-	-
Total	-	-

7. Use of Goods and Services

Description	2021/22	2020/21
	Kshs.	Kshs.
General Office Expenses	-	-
Loan Processing Costs	-	-
Professional Services Costs	-	-
Administration Fees	-	200,000
Committee Allowances	-	-
Bank Charges	1,300	9,143
Electricity And Water Expenses	-	-
Fuel And Oil Costs	-	-
Insurance Costs	-	-
Postage And Courier	-	-
Printing And Stationery	-	-
Rental Costs	-	-
Security Costs	-	-

Baringo County Youth and Women Fund
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Telephone And Communication Expenses	-	-
Bank Charges	-	-
Audit Fees	-	-
Provision For Doubtful Debts	-	-
Other	-	-
Total	1,300	209,143

8. Depreciation and Amortization Expense

Description	2021/22	2020/21
	Kshs.	Kshs.
Property Plant and Equipment	-	-
Intangible Assets	-	-
Total	-	-

9. Finance costs

Description	2021-2022	2020-2021
	Kshs	Kshs
Interest On Bank Overdrafts	-	-
Interest On Loans From Banks	-	-
Total	-	-

10. Gain/(loss) on disposal of assets

Description	2021-2022	2020-2021
	Kshs	Kshs
Property, Plant And Equipment	-	-
Intangible Assets	-	-
Total	-	-

Notes to the Financial Statements Continued
11. Cash and cash equivalents

Description	2021-2022	2020-2021
	Kshs	Kshs
Xxx Car Loan Account	-	-
Xxx County Mortgage Account	-	-
Fixed Deposits Account	-	-
On – Call Deposits	-	-
Current Account	11,207,315	9,106,187
Others	-	-
Total Cash And Cash Equivalents	11,207,315	9,106,187

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

		2021-2022	2020-2021
Financial Institution	Account number	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			
Boresha Sacco Ltd Kabarnet	504511846-01	4,230,159	2,331,458
Boresha Sacco Ltd Kabarnet	5-43-000028-0	4,683,559	4,551,670
Boresha Sacco Ltd Kabarnet	7-10-000011-0	2,293,597	2,223,059
Sub- Total		11,207,315	9,106,187
d) Others			
Cash In Transit		-	-
Cash In Hand		-	-
Sub- Total		-	-
Grand Total		11,207,315	9,106,187

12. Receivables from exchange transactions

Description	2021-2022	2020-2021
Current Receivables	Kshs	Kshs
Interest Receivable	3,391,452	4,546,868
Current Loan Repayments Due	9,140,214	9,452,403
Other Exchange Debtors	-	-
Less: Impairment Allowance	-	-
Total Current Receivables	12,531,666	13,999,271
Total Current Receivables		
Non-Current Receivables		
Long Term Loan Repayments Due	1,217,620	-
Total Non- Current Receivables	4,844,297	4,726,202
Total Receivables From Exchange Transactions	6,061,917	4,726,202
Total Receivables From Exchange Transactions	18,593,583	18,725,473

Additional disclosure on interest receivable

Description	2021-2022	2020-2021
	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	3,391,452	3,199,671
Interest receivable from current portion of long-term loans issued in the current year	1,217,620	1,147,197
Current loan repayments due	-	-
Current portion of long-term loans from previous years	9,040,214	9,452,403
Accrued principal from long-terms loans from previous periods	4,744,297	4,726,202
Current portion of long-term loans issued in the current year	200,000	200,000

13. Prepayments

Description	2021-2022	2020-2021
	Kshs	Kshs
Prepaid Rent	-	-
Prepaid Insurance	-	-
Prepaid Electricity Costs	-	-
Other Prepayments	-	-
Total	-	-

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14. Inventories

Description	2021-2022	2020-2021
	Kshs	Kshs
Consumable Stores	-	-
Spare Parts And Meters	-	-
Catering	-	-
Other Inventories (Specify)	-	-
Total Inventories At The Lower Of Cost And Net Realizable Value	-	-

Baringo County Youth and Women Fund
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Notes to the Financial Statements (Continued)

15. Property, plant and equipment

	Land and Buildings	Motor vehicles	Furniture and fittings	Computers and office equipment	Total
Cost	Kshs	Kshs	Kshs	Kshs	Kshs
At 1 st July 2020	-	-	-	-	-
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Transfers/Adjustments	-	-	-	-	-
At 30 th June 2021	-	-	-	-	-
At 1 st July 2021					
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-
At 30 th June 2022	-	-	-	-	-
Depreciation And Impairment					
At 1 st July 2020	-	-	-	-	-
Depreciation	-	-	-	-	-
Impairment	-	-	-	-	-
At 30 th June 2021	-	-	-	-	-
At 1 st July 2021					
Depreciation	-	-	-	-	-
Disposals	-	-	-	-	-
Impairment	-	-	-	-	-

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	Land and Buildings	Motor vehicles	Furniture and fittings	Computers and office equipment	Total
Cost	Kshs	Kshs	Kshs	Kshs	Kshs
Transfer/Adjustment	-	-	-	-	-
At 30th June 2022	-	-	-	-	-
Net Book Values					
At 30th June 2021	-	-	-	-	-
At 30th June 2022	-	-	-	-	-

Baringo County Youth and Women Fund
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Notes To The Financial Statements (Continued)

16. Intangible assets

Description	2021-2022	2020-2021
	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	-	-

17. Trade and other payables from exchange transactions

Description	2021-2022	2020-2021
	Kshs	Kshs
Trade Payables	-	-
Re Fundable Deposits	-	-
Accrued Expenses	-	-
Other Payables	-	-
Total Trade And Other Payables	-	-

18. Provisions

Description	Leave provision	Bonus provision	Other provision	Total
	Kshs	Kshs	Kshs	Kshs
Balance At The Beginning Of The Year (1.07.2021)	-	-	-	-
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 (30.06.2022)	-	-	-	-

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Notes To The Financial Statements (Continued)

19. Borrowings

Description	2021-2022	2020-2021
	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:

	2021-2022	2020-2021
	Kshs	Kshs
External Borrowings		
Dollar Denominated Loan From 'X Organisation'	-	-
Sterling Pound Denominated Loan From 'Y Organisation'	-	-
Euro Denominated Loan from Z Organisation'	-	-
Domestic Borrowings		
Kenya Shilling Loan From	-	-
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	2021-2022	2020-2021
	Kshs	Kshs
Short Term Borrowings(Current Portion)	-	-
Long Term Borrowings	-	-
Total	-	-

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Notes To The Financial Statements (Continued)

20. Employee benefit obligations

Description	Defined benefit plan	Post employment medical benefits	Other Provisions	2021-2022	2020-2022
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	-	-	-	-	-
Non-Current Benefit Obligation	-	-	-	-	-
Total	-	-	-	-	-

21. Cash generated from operations

	2021-2022	2020-2021
	Kshs	Kshs
Surplus/ (Deficit) For the Year Before Tax	-	-
Adjusted For:		
Depreciation	-	-
Amortisation	-	-
Gains/ Losses On Disposal Of Assets	-	-
Interest Income	70,538	296,789
Finance Cost	-	-
Working Capital Adjustments		
Increase In Inventory	-	-
Increase In Receivables	-	-
Increase In Payables	-	-
Net Cash Flow From Operating Activities	-	-

Baringo County Youth and Women Fund
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Other Disclosures

22. 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) County Credit Management Committee

b) Related party transactions

	2021-2022	2020-2021
	Kshs	Kshs
Transfers From Related Parties'	-	-
Transfers To Related Parties	-	-

c) Key management remuneration

	2021-2022	2020-2021
	Kshs	Kshs
Board Of Trustees	-	-
Key Management Compensation	-	-
Total	-	-

d) Due from related parties

	2021-2022	2020-2021
	Kshs	Kshs
Due From Parent Ministry	-	-
Due From County Government	-	-
Total	-	-

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Other Disclosures Continued

e) Due to related parties

	2021-2022	2020-2021
	Kshs	Kshs
Due To Parent Ministry	-	-
Due To County Government	-	-
Due To Key Management Personnel	-	-
Total	-	-

23. Contingent assets and contingent liabilities

Contingent Liabilities	2021-2022	2020-2021
	Kshs	Kshs
Court Case Against The Fund	-	-
Bank Guarantees	-	-
Total	-	-

Baringo County Youth and Women Fund
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Other Disclosures Continued

24. 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 Baringo County Youth and Women Fund'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 Baringo County Youth and Women Fund's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2022				
Receivables From Exchange Transactions	-	-	-	-
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 Youth and Women Fund
Annual Report and Financial Statements for the year ended June 30, 2022

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 Fund has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

The Fund Administration Committee 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 Fund's short, medium and long-term Funding and liquidity management requirements. The Fund 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.

	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2022				
Trade Payables	-	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total				
At 30 June 2021				
Trade Payables	-	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total				

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c) Market risk

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

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the Fund'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 Baringo County Youth and Women Fund's exposure to market risks or the manner in which it manages and measures the risk.

i. Foreign currency risk

The Fund 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 Baringo County Youth and Women Fund's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

		Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June 2021			
Financial Assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors/ Receivables			
Liabilities			
Trade And Other Payables	-	-	-
Borrowings	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

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.

	Change in currency rate	Effect on surplus/ deficit	Effect on equity
	Kshs	Kshs	Kshs
2022			
Euro	-	-	-
USD	-	-	-
2021	-	-	-
Euro	-	-	-
USD	-	-	-

ii. Interest rate risk

Interest rate risk is the risk that the Fund's financial condition may be adversely affected as a result of changes in interest rate levels. The Fund'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.

Baringo County Youth and Women Fund
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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 Fund capital structure comprises of the following Funds:

	2021-2022	2020-2021
	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	-	-

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20. Progress on Follow up of Prior Year Auditor’s Recommendations

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status:	Timeframe:
	Inaccuracies in Transfer from County Government	Fund disbursement done by Financial institution upon full repayment	Resolved	July, 2021
	Unsupported Interest Income	A letter has been written to Financial Institution to update the Interest Statement to reflect the true value	Not resolved	January, 2023
	Unsupported Cash and Cash Equivalents	To update interest bank statement	Not resolved	January, 2023
	Unsupported Trade and Other Payables	No Payables	Resolved	January, 2023