

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

	PAPERS LAID
DATE	12/03/2024
TABLED BY	MAJORITY LEADER
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OF

THE AUDITOR-GENERAL

ON

**BARINGO COUNTY LAKE BOGORIA
COMMUNITY GRANT**

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



BARINGO COUNTY LAKE BOGORIA COMMUNITY GRANT

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

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

Baringo County Lake Bogoria Community Grant
Annual Report and Financial Statements for the year ended June 30, 2023

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1. Acronyms and Glossary of Terms

a) Acronyms

BOM	Board of Management
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
Kshs	Kenya Shillings
PWD's	People with Disabilities
GPS	Geographical Positioning System
TVET	Technical Vocational Education Training
MICTED	Ministry of Industrialization, Tourism and Enterprise Development
CECM	County Executive Committee Member
CO	Chief Officer

b) Glossary of Terms

Fiduciary Management	The key management personnel who had financial responsibility
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2. Key Entity Information and Management

a) Background information

The Baringo County Lake Bogoria Community Grant is established by and derives its authority and accountability from section 116(1) of the Public Finance Management Act 2012. The Grant is wholly owned by the County Government of Baringo and is domiciled in Kenya. Livestock grazing has, however, continued within the reserve, resulting in competition for pastures, diseases transmission, poaching and other forms of human-wildlife conflict. Baringo County government is working closely with the community to protect and conserve the environment and its associated wildlife biodiversity, especially the rare and threatened species, and perpetuate the traditional livestock management systems that support conservation for the benefit of present and future generations. Lake Bogoria National Reserve adjacent communities bear many of the direct and indirect costs of wildlife conservation, both through human-wildlife conflicts and the loss of access to land and natural resources at the reserve which they see as their own land. In line with the cabinet memo; No. MICTED 3/2015 dated 25th February 2015 (County Government of Baringo on Guidelines for Lake Bogoria Community grant) that directs that 10% of revenue from reserve in every financial year is allocated to community development projects, activities under this programme aim to mitigate the negative impacts of the increasingly interconnected relationships between the reserve and the communities that live around. The community grant covers 15 administrative locations around reserve and its environs based on grant guidelines which were developed by the County. The grant is administered by a committee composed of a Reserve Warden, 2 members of Endorois Welfare Council, Ward administrator, Area Members of County Assembly, local administration, and a representative each of the following groups: youth, women, opinion leaders, faith based organizations, and People Living With Disability, the grant is distributed to the community as follows: 60% bursaries, 35% for community livelihoods/conservation and 5 % for administration. The commitment of Baringo County to better the livelihoods of its people speaks for itself and is the basis of this guideline. The grant is in the best interest of the lake Bogoria community and will support community projects and initiatives. Its objective is to improve the livelihoods much better. Lake Bogoria National Reserve adjacent communities bear many of the direct and indirect costs of wildlife conservation, both through human-wildlife conflicts and the loss of access to land and natural resources at the reserve which they see as their own land. If these costs are not offset, their support, which is necessary for the continued survival of the reserve, will be weak or unavailable and

conservation efforts may not be sustainable. This policy focuses on improving coordination, management and governance on community benefits, exploitation of natural resources, and conservation of reserve and its ecosystem for future generations. It will also provide the establishment of a network of partners and community structures to promote effective community governance, legal clarity and certainty, clear procedures and decisions.

Equally, the Policy takes into cognizance access and benefit sharing of Natural resources with communities and intends to achieve through capacity building for all interested and affected by Lake Bogoria National Reserve resources on the expected roles and obligations to ensure sustainable management of the resource. This will be done with special emphasis to address capacity needs and priorities of women as required in Article 22 of the Nagoya Protocol. The strategic objective of this policy is to establish clear and transparent criteria by which financial assistance requests will be assessed and allocations determined; provide a process which allows grant committee to conduct a meaningful and equitable comparison of requests; provide guidelines for the submission of applications and assessment process inform grantees of the requirements to acquit their funding.

b) Principal Activities

The principal activity of the Grant is to mitigate adverse environmental impacts of human activities that have led to extinction of species and habitats;

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

**Baringo County Lake Bogoria Community Grant
Annual Report and Financial Statements for the year ended June 30, 2023**

c) Grant Administration Committee

Ref	Name	Position
1	Gikono Kiptoo - Fund Manager	Chief Officer - Finance and Economic Planning
2	Wilson Cheserek - Member	CEC – Finance and Economic Planning
3	Nancy Korir- Grant Administrator	Chief Officer Industrialisation, Commerce, Enterprise, Tourism, Wildlife and Cooperative Development
3	Zachary Kiprotich Kobetbet – Grant Chairperson	CEC Industrialisation, Commerce, Enterprise, Tourism, Wildlife and Cooperative Development
4	Moses Kimeli – Grant Chair Committee	Committee Chair
5	CPA David Rerimoi – Head of Accountants	Deputy Director Accounting Services

d) Key Management

Ref	Name	Position
1	Phyllis Cheboiwo	Fund Accountant
2	James Kimaru	Game Warden Lake Bogoria N. Reserve
3	David Tuwei	Accountant

e) Fiduciary Oversight Arrangements

SN	Position	Name
1	Directorate Internal Audit	Catherine Kibet

f) Registered Offices

P.O. Box 53-30400
Jamaba Building/House/Plaza
Kabarnet-County Commissioner's Office
Kabarnet, KENYA

g) Grant Contacts

Telephone: 53-22290
E-mail: cectreasurybaringo@gmail.com.
Website: www.baring.go.ke

h) Grant Bankers

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

2. Access Bank Kenya PLC
Kabarnet
Account Number. 0140130000004

i) Independent Auditors





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

j) Principal Legal Adviser






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

**Baringo County Lake Bogoria Community Grant
Annual Report and Financial Statements for the year ended June 30, 2023**

3. The County Grant Management Committee

Name	Details of qualifications and experience
<p>Nancy C. Korir - CO Tourism and Wildlife - Grant Administrator</p> 	<p>Year of Birth: 1978 Key Qualifications: BCOM, MBA Finance Work Experience: 20 Years</p>
<p>Gikono Kiptoo- Chief Officer Finance – Head of the Grant</p> 	<p>Year of Birth: 1980 Key Qualifications: Key Qualifications: Masters in Business Administration (JKUAT),BCOM,CPA(K) Senior Management Course. Work Experience: 12</p>
<p>Hon Zachary Kiprotich Kobetbet - CECM - Industry, Commerce, Tourism, Co-operatives and Enterprises</p> 	<p>Date of Birth: 20/11/1968 Academic and professional Qualifications; B.A. Degree; CPA III Work experience; Over 20years in NGOs, Commercial Company, Hospitality & Managing Co-operative Society Chairperson to the Fund: Baringo County Micro and Small Enterprises Fund</p>
<p>CPA David Rerimoi Deputy Director Accounting Services</p> 	<p>Year of Birth:1980 Key Qualifications: Masters in Business Administration (UON),BCOM,CPA(K) Senior Management Course. SLDP Work Experience: 21 years</p>

4. Management Team

Name	Details of qualifications and experience
<p>Nancy C. Korir - CO Tourism and Wildlife Chief Officer - Grant Administrator</p> 	<p>Year of Birth: 1978 Key Qualifications: BCOM, MBA Finance Work Experience: 20 Years</p>
<p>Gikono Kiptoo- Chief Officer Finance – Chairperson</p> 	<p>Year of Birth: 1980 Key Qualifications: Key Qualifications: Masters in Business Administration (JKUAT),BCOM,CPA(K) Senior Management Course. Work Experience: 12</p>
<p>CECM - Hon Zachary Kiprotich Kobetbet - CECM - Industry, Commerce, Tourism, Co- operatives and Enterprises</p> 	<p>Date of Birth: 20/11/1968 Academic and professional Qualifications; B.A. Degree; CPA III Work experience; Over 20years in NGOs, Commercial Company, Hospitality & Managing Co-operative Society Chairperson to the Fund: Baringo County Micro and Small Enterprises Fund</p>
<p>CPA David Rerimoi Deputy Director Accounting Services</p> 	<p>Year of Birth:1980 Key Qualifications: Masters in Business Administration (UON),BCOM,CPA(K) Senior Management Course. Work Experience: 12 years</p>
<p>CPA Phyllis Cheboiwo – Grant Accountant</p> 	<p>Year of Birth:1974 Key Qualifications: MBA(Finance & Accounting) BCOM, CPA(K) Work Experience: 12 years</p>

5. County Grant Management Committee Chairperson's Report

During the year under review, the Grant did not witness any changes in the composition of its Board and Management. The grant was able to utilize the available resources at its disposal to meet its needs with increase of incidences of human wildlife coexistence, need for conservation and appreciation from host community, the Grant should be enhanced to avoid incidences of shortfall. In conclusion the future desired state at the reserve and its ecosystem is where communities receive optimum benefits from the reserve. This objective therefore focuses on improving community benefits from the use and exploitation of the natural resources in the reserve ecosystem. Optimized benefits will be realized by effective engagement of reserve and stakeholders through established community structures and development of grant policy.



.....

Name:

Grant Chairperson

6. Report of the Grant Administrator

The performance of Lake Bogoria Community Grant was disbursed following cabinet memoranda guidelines for Community Grant. The Physical progress based on outputs, outcomes and impacts since establishment of Baringo County Lake Bogoria Community Grant Conservation Grant is that there has been increase in grant beneficiaries due to continuous budget allocation. The value-for-money has been achieved since the needy bright students who were supported through the grant have been increasing while most of them have completed their courses.

The Challenges of implementing the strategic objectives for the Grant include the prolonged time taken till approval of the list of beneficiaries. The future outlook of the fund is encouraging as the budget allocation for the coming year is of a substantial amount that will enable the Grant undertake its mandate in line with the Lake Bogoria Natural Reserve Management plan. Key risks include delay in disbursement of funds from the County Treasury and improper record

keeping.

CHIEF OFFICER
DEPARTMENT OF TOURISM AND WILDLIFE
DEVELOPMENT
NGO JAN 2024
Name: KODIR
BARINGO COUNTY GOV
PHONE 53-30400

Grant Administrator

7. Statement of Performance against the County Grant's Predetermined Objectives

Introduction

Section 164 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a Lake Bogoria Community grant 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 Lake Bogoria Community Grant 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 30th 2023.

The key development objectives of the Grant as per the management plan for are to:

- a. Ensure compilation of proper records, returns and reports from all the beneficiary of the grant.
- b. Ensure capacity building grant of the beneficiary
- c. Receive an address complains, dispute and take appropriate actions.
- d. Undertake the overall performance, report of the grant to be sent to the department of the committee.
- e. Receive application from the beneficiary
- f. Undertake monitories of activities including making official impromptu visit to the beneficiary groups.
- g. Provision of over sight to the disbursement in respective wards.

The Administrator of the Lake Bogoria Grant 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 Lake Bogoria Grant 2015. 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 30th 2023, and of the Fund's financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Administrator of the Lake Bogoria Grant has assessed the ability to continue as a going concern and disclosed, as applicable, matters relating to the basis of preparation of the financial statements.

Progress on attainment of Strategic development objectives as detailed below;

Program	Objective	Outcome	Indicator	Performance
1. Lake Bogoria Community grant	To ensure timely and efficient disbursement of bursary	Efficient Bursary disbursement	Reduced illiteracy in community	In FY 22/23 Education level increased by at least over 50%
2. Lake Bogoria Community grant	To ensure timely and efficient disbursement of development	Efficient supply of water to community farms To open Canals for irrigation purposes for the community	Increased food production	In FY 22/23 Poverty Level in the Community will be reduced by at least 25%

8. Corporate Governance Statement

Capacity Development on policy, regulation and guidelines for community grant was conducted to notify all members that the board of management for the grant and the technical team did capacity development on as per the resolution passed via minutes dated 18th February 2022, **min 04/2022.**

There was also public notice and tentative budget/ programmes for the development of Lake Bogoria Community grant policy and Regulation through the public participation as follows;

SUB COUNTY	WARD	DATE	VENUE
Baringo South	Mochongoi	5/5/2022	Loboi (Main gate)
Mogotio	Kisanana	4/5/2022	Olkokwe
Mogotio	Emining	3/5/2022	Maji Moto

The Department of industry, commerce, Tourism, wildlife, Co-operatives and enterprise development developed a draft for Lake Bogoria Community Grant Policy to guide the utilization of Funds derived from the benefit sharing through percentage from the Lake Bogoria National Reserve Entrances Fee that raise from 10% to 25% (tabulated 10% out total 25% to be used to manage park operations and 15% of the 25% to be for community inform form of Bursaries, Development and administration). Series of workshops were conducted to set out the governance arrangements to formally monitor and report the benefits of the grants program for the community and to maintain good records. Also in line with this is to identify higher risk grants which require monitoring, decide on how to manage unspent grants or grant money not appropriately spent, develop a practical acquittal process and advise grant recipients in implementing a procedure to manage non-acquittals including regular review and, where appropriate, cessation of grant funding and to ensure grantees in promoting the community grant program and to acknowledge the grant committee as the provider of the grant.

9. Management Discussion and Analysis

Management responsibilities relating to financial management arrangements as part of oversight responsibilities, management is to ensure existence of the proper organization structure and procedures are in place, accuracy in the keeping of the accounting records, generation of various financial reports, and financial statements and other financial documents of the organization are accurate and completed by signing these documents. Management should also organize the timely filing of financial statements with the relevant authorities, as well as provide for the timely disclosure of the relevant information to stakeholders.

The grant committee and the technical team from the department have mechanisms for engagement of stakeholders according to the context and advisory on decision-making. The grant committee often assign to professional staff and experts the task of developing technical documents, such as management plans, zoning arrangements, specific regulations and prohibitions, in line with the activities in the reserve.

Development of cultural tourism programs with the local community

There is great potential for cultural tourism which needs to be opened in conjunction with local communities by developing cultural tourism packages and linking them with reserve visits so that they are marketed together. The grant committees are in support for such activities to promote a cultural event for them to improve their livelihood.

Create environmental awareness to minimize pollution

To minimize pollution in the reserve, reserve management and other stakeholders need to create more environmental awareness during visitor briefings. In particular, they are made to be aware of the government's ban on the use of plastic bottles, straws and related products within all protected areas that was gazetted on 5th June 2019. Values and importance According to Baringo CIDP, section 4.1.2.3 on Natural Environment, Baringo County Government has plans on creation environmental awareness through public education and sensitization.

Revive the Joint Management Committee

The Joint Management Committee offers a forum where communities living adjacent to the reserve can directly participate in making management decisions regarding management and development of the reserve. Hence under this management action, the Joint Management Committee will revive the work of Community grant committee and strengthens collaboration between Reserve management and Endorois Community. This community is the only community bordering the reserve. The area used to be their ancestral home before the reserve was established. The African Commission decision on restitution of Lake Bogoria National Reserve provides that the community can graze their livestock in the reserve, especially during drought seasons. Furthermore, the Endorois have a wealth of traditional knowledge based on their past management of the reserve that can be harnessed in management as stipulated in Nagoya Protocol. As such, to enhance inclusiveness, reserve management will ensure that the community participates in reserve management through their established traditions.

10. Environmental and Sustainability Reporting

Lake Bogoria community grant exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on grant's pillars: putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a brief highlight of our achievements in each pillar

1. Sustainability strategy and profile -

The top management especially the accounting officer should make reference to sustainable efforts, broad trends in political and macroeconomic affecting sustainability priorities, reference to international best practices and key achievements and failure.

2. Environmental performance

Outline clearly, environmental policy guiding the organisation, provide evidence of the policy. Outline successes, shortcomings, efforts to manage biodiversity, waste management policy and efforts to reduce environmental impact of the organisation's products.

3. Employee welfare

Give account of the policies guiding the hiring process and whether they take into account the gender ratio, whether they take in stakeholder engagements and how often they are improved. Explain efforts made in improving skills and managing careers, appraisal and reward systems. The organisation should also disclose their policy on safety and compliance with Occupational Safety and Health Act of 2007.

4. Market place practices-

The organisation should outline its efforts to:

a) Responsible competition practice.

Explain how the organisation ensures responsible competition practices with issues like anti-corruption, responsible political involvement, fair competition and respect for competitors

b) Responsible Supply chain and supplier relations- explain how the organisation maintains good business practices, treats its own suppliers responsibly by honouring contracts and respecting payment practices.

c) Responsible marketing and advertisement-outline efforts to maintain ethical marketing practices

d) Product stewardship- outline efforts to safeguard consumer rights and interests

5. Community Engagements-

Give evidence of community engagement including charitable giving (cash & material), Community Social Investment and any other forms of community

11. Report of the County Grant Management Committee

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

Principal activities

The principal activities of the fund are;

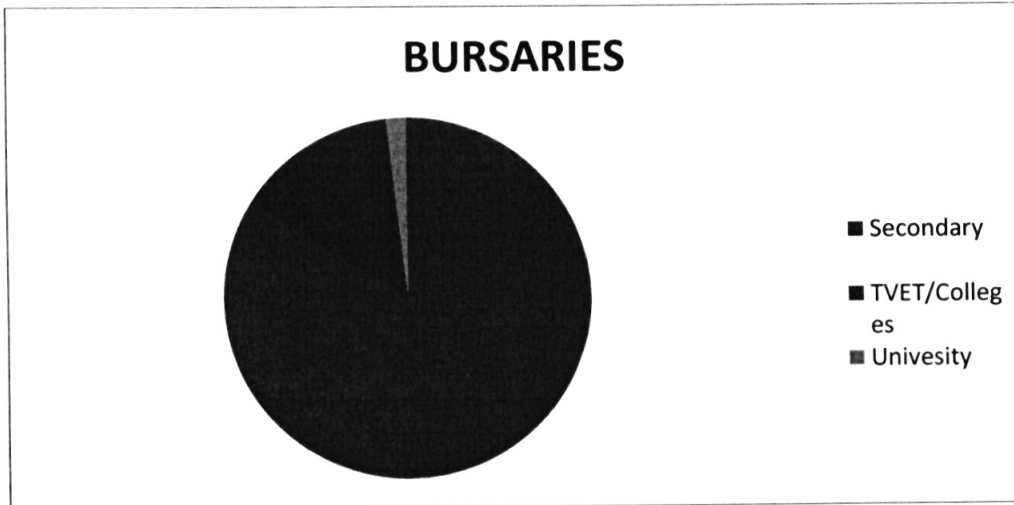
- h. Provide overall management and oversight of the fund.
- i. Ensure there is timely and efficient disbursement of fund to beneficiaries.
- j. Ensure keeping of proper books of accounts, file returns and reports from all the beneficiaries of the grant; the books of account shall be kept by the chief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

Results

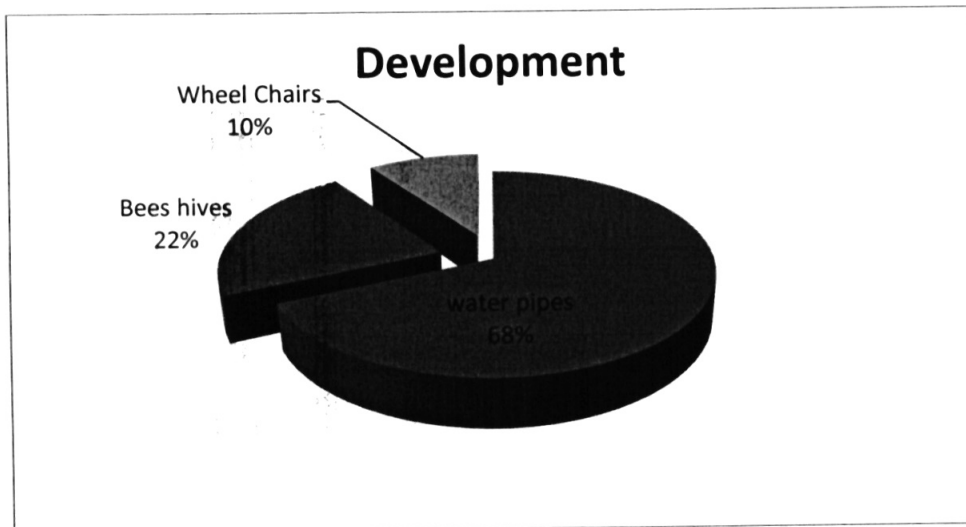
The results of the Grant for the year ended June 30, 2023 are set out on **page xix**

	DESCRIPTIONS	INDICATORS	AMOUNT	BENEFICIARIES
1	Disbursements of Bursaries	No of students supported	2,714,000	200 students in secondary school 15 student in TVET/college 45 students in University Nil student in Post graduate
2	Support to community development	No of water pipes supplied	352,000	180 households supplied with clean drinking water
		No of Bee hive installed	337,500	45 bee hives given to 3 community group member benefited from Bee hives
		No. of Wheel Chairs to PWD	250,500	7 PWD benefited with wheel chairs

BURSARIES



Support to community development



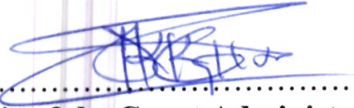
Board

The members of the Board who served during the year are shown on **page vi**. There were no changes in the Board during the financial year 2022/2023

Baringo County Lake Bogoria Community Grant
Annual Report and Financial Statements for the year ended June 30, 2023

Auditors

The Auditor General is responsible for the statutory audit of the Grant in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 by order of the Board.



.....
Chair of the Grant Administration 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 County Public Grant established by and derives its authority and accountability from section 116(1) shall prepare financial statements for the Grant in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The Administrator of the County Public Grant is responsible for the preparation and presentation of the Grant's financial statements, which give a true and fair view of the state of affairs of the Grant for and as at the end of the financial year ended on June 30, 2023. This responsibility includes:

- a. Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- b. Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Grant;
- c. 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;
- d. Safeguarding the assets of the Grant;
- e. Selecting and applying appropriate accounting policies; and
- f. Making accounting estimates that are reasonable in the circumstances.

The Administrator of the County Public Grant accepts responsibility for the Grant'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 cabinet memo; No. MICTED 3/2015 dated 25th February 2015. The Administrator of the Grant is of the opinion that the Grant's financial statements give a true and fair view of the state of Grant's transactions during the financial year ended June 30, 2023, and of the Grant's financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Grant, which have been relied upon in the preparation of the Grant'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 Grant has assessed the Grant'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 Grant will not remain a going concern for at least the next twelve months from the date of this statement.

**Baringo County Lake Bogoria Community Grant
Annual Report and Financial Statements for the year ended June 30, 2023**

Approval of the financial statements

The Fund's financial statements were approved by the Board on 28/09/2023 and signed on its behalf by:

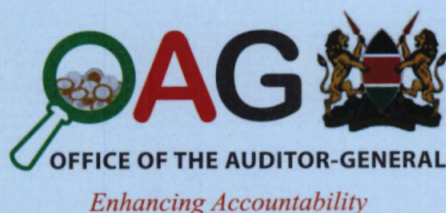
CHIEF OFFICER
DEVELOPMENT
04 JAN 2024
BARINGO COUNTY GOVERNMENT
P.O. BOX 50 400, KABARNET

.....
Grant Administrator

Baringo County Lake Bogoria Community Grant

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 LAKE BOGORIA COMMUNITY GRANT FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Adverse Opinion

I have audited the accompanying financial statements of Baringo County Lake Bogoria Community Grant set out on pages 1 to 41, which comprise the statement of financial

position as at 30 June, 2023 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, the financial position of Baringo County Lake Bogoria Community Grant as at 30 June, 2023 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and do not comply with the Public Finance Management Act, 2012.

Basis for Adverse Opinion

1. Inaccuracies in the Financial Statements

1.1. Revolving Fund

The statement of changes in net assets reflects nil revolving grant opening balance which differs with the previous year closing balance amount of Kshs.11,000,000 resulting in an unreconciled and unexplained variance of Kshs.11,000,000. Further, the statement of changes in net assets reflects revolving grant of Kshs.5,000,000 which differs with nil balances reflected in the statement of financial position resulting to unreconciled variance of Kshs.5,000,000.

1.2. Statement of Cash Flows

The statement of cash flow reflects total payments amounting to negative Kshs.8,088,270 which differs with the recomputed amount of Kshs.8,097,090 resulting to unexplained variance of Kshs.8,820. Further, the statement reflects net cash flows from operating activities of negative Kshs.3,088,270 which differs with the nil amount reflected in Note 25 to the financial statements. The statement also reflects nil net increase/ (decrease) in cash and cash equivalents which differs with the recomputed decrease in cash and cash equivalents amount of Kshs.3,089,090.

1.3. Statement of Comparison of Budget and Actual Amounts

The statement of comparison of budget and actual amounts reflects nil transfers from County Government under actual on comparable basis which differs with the amount of Kshs.5,000,000 reflected in the statement of financial performance.

1.4. Comparative Figures

The financial statements reflect comparative figures which differ with the audited figures as shown below:

Item	Financial Statements (Kshs.)	Audited Financial Statements (Kshs.)	Variance (Kshs.)
Statement of Financial Performance			
Total Expenses	9,705,496	9,857,596	(152,100)
Surplus/(Deficit) for the Period	1,294,504	1,142,404	152,100
Statement of Financial Position			
Cash and Cash Equivalent	3,281,727	1,987,223	1,294,504
Net Assets	3,281,727	1,987,223	1,294,504
Statement of Changes in Net Assets			
Revolving Fund	0	11,000,000	(11,000,000)
Revaluation Reserve	0	101,106	(101,106)
Accumulated Surplus	3,281,727	3,129,627	152,100
Cash Flow Statement			
Other Payments-Bursaries	3,924,650	4,076,750	(152,100)
Total Payments	9,705,496	9,857,596	(152,100)
Net Cash Flow from Operating Activities	1,294,504	1,142,404	152,100
Cash and Cash Equivalent 1 July, 2022	1,927,123	3,129,627	(1,202,504)

Under the circumstances, the accuracy and completeness of the financial statements and the presentation thereof could not be confirmed.

2. Unsupported Transfers from the County Government

The statement of financial performance reflects transfers from the County Government amount of Kshs.5,000,000 which represents ten percent (10%) of the revenue collected from the Lake Bogoria National Reserve. However, revenue collection records from Lake Bogoria National Reserve were not provided for audit review.

Under the circumstances, the accuracy and completeness of transfers from the county government of Kshs.5,000,000 for the year ended 30 June, 2024 could not be confirmed.

3. Unsupported Administration Cost

The statement of financial performance reflects use of goods and services amounting to Kshs.8,088,270 as disclosed under Note 7 to the financial statements. The amount includes administration cost amounting to Kshs.1,653,350 incurred in the form of cash withdrawals from the bank that were not accounted for. Further, the administration cost includes an expenditure amounting to Kshs.882,750 which was not supported by way of payment vouchers.

Under the circumstances, the accuracy and propriety of administration cost amounting to Kshs.1,653,350 for the year ended 30 June, 2024 could not be confirmed.

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

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

Various prior year audit issues remained unresolved as at 30 June, 2022. Management did not provide evidence of progress made in resolving the prior year audit issues. This was contrary to the requirements of the Public Sector Accounting Standards Board reporting guidelines.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

As required by Article 229(6) of the Constitution, because of the significance of the matters discussed in the Basis for Adverse Opinion, I confirm that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

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

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

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015 because of the significance of the matters discussed in the Basis for Adverse Opinion, I confirm that, internal controls, risk management and governance were not effective.

Basis for Conclusion

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

Responsibilities of the Management and the County Grant Management Committee

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

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

The 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, the Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements comply with the authorities which govern them and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

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

a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal controls that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal 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 controls may not prevent or detect misstatements and instances of non compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

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


- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- 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 Grant's

ability 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 Grant to cease to its sustain 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 Grant to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with 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 communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

14 February, 2024

**Baringo County Lake Bogoria Community Grant
Annual Report and Financial Statements for the year ended June 30, 2023**

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

	Note	2022-2023	2021-2022
		Kshs	Kshs
Revenue From Non-Exchange Transactions			
Public Contributions and Donations	1	-	-
Transfers From the County Government	2	5,000,000	11,000,000
Fines, Penalties and Other Levies	3	-	-
		5,000,000	11,000,000
Revenue From Exchange Transactions			
Interest Income	4	-	-
Other Income	5	-	-
Total Revenue		5,000,000	11,000,000
Expenses			
Employee Costs	6	-	-
Use of goods and services	7	8,088,270	9,705,496.10
Depreciation and Amortization Expense	8	-	-
Finance Costs	9	-	-
Total Expenses		8,088,270	9,705,496.10
Other Gains/Losses			
Gain/Loss on Disposal of Assets	10	-	-
Surplus/(Deficit) For The Period		-3,088,270	1,294,503.90

(The notes set out on pages 20 to 24 form an integral part of these Financial Statements)

Name: **SAMUEL KORIR**
 Administrator of the Fund
 04 JAN 2024
 BARINGO COUNTY GOVERNMENT
 P.O. BOX 53 - 30400, KABARNET

Name: **Phyllis Cheboiwo**
 Grant Accountant
 ICPAK Member Number: **21650**

Baringo County Lake Bogoria Community Grant
Annual Report and Financial Statements for the year ended June 30, 2023

15. Statement of Financial Position as at 30 June 2023

	Note	FY 2022-2023	FY 2021-2022
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	12	193,456.90	3,281,726.90
Current Portion of Long- Term Receivables From Exchange Transactions	12	-	-
Prepayments	13	-	-
Inventories	14	-	-
Suspense		-	-
		193,456.90	3,281,726.90
Non-Current Assets			
Property, Plant and Equipment	15	-	-
Intangible Assets	16	-	-
Long Term Receivables from Exchange Transactions	12	-	-
		-	-
Total Assets		193,456.90	3,281,726.90
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			
Non-Current Employee Benefit Obligation	20	-	-
Long Term Portion of Borrowings	19	-	-
Total Liabilities		-	-
Net Assets		193,456.90	3,281,726.90
Surplus/Deficit for the year		-3,088,270	1,294,503.90
Reserves		-	-
Accumulated Surplus		3,281,726.90	1,987,223.00
Total Net Assets and Liabilities		193,456.90	3,281,726.90

**Baringo County Lake Bogoria Community Grant
Annual Report and Financial Statements for the year ended June 30, 2023**

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

CHIEF OFFICER
DEPARTMENT OF TOURISM AND WILDLIFE
DEVELOPMENT
Nov 4 JAN 2024
NANCY
BARINGO COUNTY GOVERNMENT
P.O. BOX 20400, KABARNET

Name: _____
Administrator of the Grant

Name: *Phyllis Cheboiwo*
Grant Accountant
ICPAK Member Number: 21650

**Baringo County Lake Bogoria Community Grant
Annual Report and Financial Statements for the year ended June 30, 2023**

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

	Revolving Grant	Revaluation Reserve	Accumulated surplus	Total
		Kshs	Kshs	Kshs
Balance As At 1 July 2021	-	-	1,987,223	1,987,223
Surplus/(Deficit) For the Period	-	-	1,294,504.90	1,294,503.90
Grants Received During the Year	11,000,000	-	-	11,000,000
Transfers	-	-	-	-
Revaluation Gain	-	-	-	-
Balance As At 30 June 2022	11,000,000	-	-	11,000,000
Balance As At 1 July 2022	-	-	3,281,726.90	3,281,726
Surplus/(Deficit)For the Period	-	-	(3,088,270)	(3,088,270)
Grants Received During the Year	5,000,000	-	-	5,000,000
Transfers	-	-	-	-
Revaluation Gain	-	-	-	-
Balance As At 30 June 2023	5,000,000	-	193,456.90	5,193,456.90

CHIEF OFFICER
 DEPARTMENT OF TOURISM AND WILDLIFE DEVELOPMENT
 4 JAN 2024
 Name: COUATSOVERI KOKIR
 Administrator of the Grant

Name: Phyllis Cheboiwo
 Grant Accountant
 ICPAK Member Number: 21650

Baringo County Lake Bogoria Community Grant
Annual Report and Financial Statements for the year ended June 30, 2023

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

	Note	FY 2022-2023	FY 2021-2023
		Kshs	Kshs
Cash flow from operating activities			
Receipts			
Public contributions and donations		-	-
Transfers from the county government	2	5,000,000	11,000,000
Interest received		-	-
Receipts from other operating activities		-	-
Total receipts		5,000,000	11,000,000
Payments			
Grant administration expenses (Administration)	7	1,653,350	1,308,350
General expenses (Projects, PWD's, Training , Bank Charges and Policy Development)	7	3,720,920	4,472,496.10
Bank Charges	7	8,820	-
Other payments (Bursary)	7	2,714,000	3,924,650
Total payments		8,088,270	9,705,496.10
Net cash flows from operating activities		(3,088,270)	1,294,503.90
Cash flows from investing activities			
Purchase of property, plant, equipment and Intangible assets		-	-
Proceeds from sale of property, plant& equipment		-	-
Proceeds from loan principal repayments		-	-
Loan disbursements paid out		-	-
Net cash flows used in investing activities		-	-

**Baringo County Lake Bogoria Community Grant
Annual Report and Financial Statements for the year ended June 30, 2023**

Cash flows from financing activities			
Proceeds from revolving Grant receipts		-	-
Additional borrowings		-	-
Repayment of borrowings		-	-
Net cash flows used in financing activities		-	-
Net increase/(decrease) in cash and cash Equivalents		-	-
Cash and cash equivalents at 1 July 2022	11	3,281,726,90	1,927,123
Cash and cash equivalent sat 30 June 2023	11	193,456.90	3,281,726.90



Name: Nancy KORIR
Administrator of the Grant

Name: Phyllis Cheboiwo
Grant Accountant
ICPAK Member Number: 21650

Baringo County Lake Bogoria Community Grant
Annual Report and Financial Statements for the year ended June 30, 2023

18. Statement of Comparison of Budget and Actual amounts for the Period

Description	Original Budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	b	C=(a+b)	d	e=(c-d)	f=d/c*100
Revenue						
Public Contributions and Donations	-	-	-	-	-	
Transfers From County Govt.	5,000,000	-	5,000,000	-	5,000,000	100%
Interest Income	-	-	-	-	-	-
Other Income	-	-	-	-	-	-
Total Income	5,000,000	-	5,000,000	-	5,000,000	100%
Expenses						
General Expenses (Bursary, Bank charges Projects, PWD's and Policy Development	5,000,000	-	5,000,000	8,088,270	(3,088,270)	162%
Finance Cost	-	-	-	-	-	-
Total Expenditure	5,000,000	-	5,000,000	8,088,270	(3,088,270)	162%
Surplus For the Period	-	-	-	(3,088,270)	-	-
Capital expenditure	5,000,000	-	5,000,000	8,088,270	-3,088,270	162%

19. Notes to the Financial Statements

Significant Accounting Policies

1. General Information

Lake Bogoria Community Grant 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 Government is wholly owned by the Baringo County Government and is domiciled in Kenya. The Baringo County Government's principal activity is;

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

2. Statement of compliance and basis of preparation

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

Adoption of new and revised standards

(i) Relevant new standards and amendments to published standards effective for the year ended 30 June 2023

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 2023

Standards	
<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 Baringo County Government’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 Baringo County Government and the community
<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 Baringo County Government 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>

Standard	
	<p>(a) The nature of such social benefits provided by the Baringo County Government;</p> <p>(b) The key features of the operation of those social benefit schemes; and</p> <p>(c) The impact of such social benefits provided on the Baringo County Government's financial performance, financial position and cash flows.</p>
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	<p>Applicable: 1st January 2023:</p> <p>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</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>
Other improvements to IPSAS	<p>Applicable 1st January 2023</p> <ul style="list-style-type: none"> • IPSAS 22 Disclosure of Financial Information about the General Government Sector. <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> • IPSAS 39: Employee Benefits <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 Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.

Standards	
IPSAS 43	<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 Baringo County Government. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>

(iii) Early adoption of standards

The Entity did not early – adopt any new or amended standards in the financial year

Significant Accounting Policies

a) Revenue recognition

i. Revenue from non-exchange transactions

Transfers from other government entities

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

ii. Revenue from exchange transactions

Interest income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

Dividends

Dividends or similar distributions must be recognized when the shareholder's or the Entity's right to receive payments is established.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

b) Budget information

The original budget for FY 2022/23 was approved by the County Assembly on 25/05/2023. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Fund recorded additional appropriations of 5,000,000/= on the FY 2022/2023 budget following the governing body's approval.

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

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 116(1) of the Public Finance Management Act 2012 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 entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

d) Intangible Assets

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

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

e) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over 2022/2023 year period or investment property is measured at fair value with gains and losses recognised through surplus or deficit. Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition.

Summary of Significant Accounting Policies (Continued)

f) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial assets

Classification of financial assets

The entity classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the entity's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

Based on the business model and the cash flow characteristics, the entity classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

Summary of Significant Accounting Policies (Continued)

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through net assets/ equity

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through surplus or deficit

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/ equity are measured at fair value through surplus or deficit. A business model where the entity manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

Trade and other receivables

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end.

Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in *Note xx*.

Significant Accounting Policies (Continued)

Financial liabilities

Classification

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

g) Inventories

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

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

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

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

h) Provisions

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

i) Social Benefits

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

Summary of Significant Accounting Policies (Continued)

j) Contingent liabilities

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

Contingent assets

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

k) Nature and purpose of reserves

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

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

l) Employee benefits– Retirement benefit plans

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

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

Summary of Significant Accounting Policies (Continued)

m) Foreign currency transactions

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

n) Borrowing costs

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

o) Related parties

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

p) Cash and cash equivalents

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

q) Comparative figures

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

Summary of Significant Accounting Policies (Continued)

5. Significant judgments and sources of estimation uncertainty

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

State all judgements, estimates and assumptions made .g.

a) Estimates and assumptions –

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

b) Useful lives and residual values

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

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

c) Provisions

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 Continued

1. Public contributions and donations

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

2. Transfers from County Government

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Transfers From County Govt. -Operations	5,000,000	11,000,000
Payments By County On Behalf Of The Entity	-	-
Unconditional Development grants	-	-
Total	5,000,000	11,000,000

3. Fines, penalties and other levies

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

4. Interest income

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Interest Income from Mortgage Loans	-	-
Interest Income From Car Loans	-	-
Interest Income From Investments in financial assets	-	-
Interest Income On Bank Deposits	-	-
Total Interest Income	-	-

5. Other income

Description		
Insurance Recoveries	-	-
Income from Sale of Tender Documents	-	-
Bad debts recovered	-	-
Miscellaneous Income	-	-
Total Other Income	-	-

6. Employee Costs

Description		
Salaries And Wages	-	-
Staff Gratuity	-	-
Staff Training Expenses	-	-
Social Security Contribution	-	-
Other	-	-
Total	-	-

7. Use of Goods and Services

Description	KSh	KSh
General Office Expenses (Training)	1,326,600	-
Projects	940,000	-
Professional Services Costs (Policy Development)	1,195,000	-
Administration cost	1,653,350	1,308,350
Committee Allowances	-	-
PWD's	250,500	-
Electricity And Water Expenses	-	-
Fuel And Oil Costs	-	-
Insurance Costs	-	-

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Description	FY 2022/2023	FY 2021/2022
	Kshs.	Kshs.
Rental Costs	-	-
Security Costs	-	-
Telephone And Communication Expenses	-	-
Bank Charges	8,820	19,096
Audit Fees	-	-
Provision For Doubtful Debts	-	-
Other (<i>Bursary</i>)	2,714,000	8,530,150
Total	8,088,270	9,857,596

8. Depreciation and Amortization Expense

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

9. Finance costs

Description	FY 2022/2023	FY 2021/2022
	Kshs.	Kshs.
Interest On Bank Overdrafts	-	-
Interest On Loans From Banks	-	-
Total	-	-

10. Gain/(loss) on disposal of assets

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

11. Gain/ (loss) on Fair Value Investments

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

12. Cash and cash equivalents

Description	2022/2023	FY 2021/2022
Baringo County Car Loan Account	-	-
Baringo County Mortgage Account	-	-
Fixed Deposits Account	-	-
On – Call Deposits	-	-
Current Account	193,456.90	3,129,627
Others	-	-
Total Cash and Cash Equivalentents	193,456.90	3,129,627

Notes to the Financial Statements Continued

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

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			
Access Bank	142335/500UCA00/1/0	656,786.90	3,954,226.90
Bank B		-	-
Sub- Total		656,786.90	3,954,226.90
d) Others(Specify)			
Cash In Transit		-	-
Cash In Hand		-	-
Sub- Total		-	-
Grand Total		656,786.90	3,954,226.90

13. Receivables from exchange transactions

Description	2022/2023	2021/2022
Current Receivables		
Interest Receivable	-	-
Current Loan Repayments Due	-	-
Other Exchange Debtors	-	-
Less: Impairment Allowance	-	-
Total Current Receivables		
Non-Current Receivables		
Long Term Loan Repayments Due	-	-
Total Non- Current Receivables	-	-
Total Receivables From Exchange Transactions	-	-

Notes to the Financial Statements Continued

**Baringo County Lake Bogoria Community Grant
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Additional disclosure on interest receivable

Description		
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	-	-
Interest receivable from current portion of long-term loans issued in the current year	-	-
Current loan repayments due		
Current portion of long-term loans from previous years	-	-
Accrued principal from long-terms loans from previous periods	-	-
Current portion of long-term loans issued in the current year	-	-

14. Prepayments

Description		
Prepaid Rent	-	-
Prepaid Insurance	-	-
Prepaid Electricity Costs	-	-
Other Prepayments (<i>Specify</i>)	-	-
Total	-	-

15. Inventories

Description		
Consumable Stores	-	-
Spare Parts And Meters	-	-
Catering	-	-
Other Inventories (Specify)	-	-
Total Inventories at The Lower of Cost and Net Realizable Value	-	-

Notes to the Financial Statements Continued

16. Investments in financial assets

Description	31/12/2022	30/06/2023
a. Investment in Treasury bills and bonds		
Financial institution		
CBK	-	-
CBK	-	-
Sub- total	-	-
b. Investment with Financial Institutions/ Banks		
Bank x	-	-
Bank y	-	-
Sub- total	-	-
c. Equity investments (specify)		
Equity/ shares in Entity xxx	-	-
Sub- total	-	-
Grand total	-	-

(Entity should disclose whether the fixed investment financial assets are measured at amortised cost or at fair value through changes in net assets/ equity) Investments in equity should be measured at fair value through surplus or deficit. Other information to be disclosed includes: the interest rates, maturity dates, valuation methodology, and impairment of these investments.

Movement of Equity Investments

Impairment allowance/ provision	31/12/2022	30/06/2023
At the beginning of the year	-	-
Purchase of investments in the year	-	-
Sale of investments during the year	-	-
Gain/(loss) in fair value of investments through surplus or deficit	-	-
At the end of the year	-	-

e) Shareholding in other entities

For investments in equity share listed above, list down the equity investments under the following categories:

Name of Entity where investment held	30/06/2023			31/12/2022		
	%	%	%	Kshs	Kshs	Kshs
Entity A	-	-	-	-	-	-
Entity B	-	-	-	-	-	-
Entity C	-	-	-	-	-	-
	-	-	-	-	-	-

Baringo County Lake Bogoria Community Grant
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Notes to the Financial Statements (Continued)

17. Property, plant and equipment

At 1st July (Previous FY)	-	-	-	-	-
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Transfers/Adjustments	-	-	-	-	-
At 30th June (Previous FY)	-	-	-	-	-
At 1st July (Current FY)					
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-
At 30th June (Current FY)	-	-	-	-	-
Depreciation And Impairment					
At 1st July (Previous FY)	-	-	-	-	-
Depreciation	-	-	-	-	-
Impairment	-	-	-	-	-
At 30th June (Previous FY)	-	-	-	-	-
At 1st July (Current FY)					
Depreciation	-	-	-	-	-
Disposals	-	-	-	-	-
Impairment	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-
At 30th June (Current FY)	-	-	-	-	-
Net Book Values					
At 30th June (Previous FY)	-	-	-	-	-
At 30th June (Current FY)	-	-	-	-	-

**Baringo County Lake Bogoria Community Grant
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Notes to the Financial Statements (Continued)

18. Intangible assets

Description		
Cost		
At beginning of the year	-	-
Additions	-	-
At End of The Year	-	-
Amortization And Impairment		
At Beginning of The Year	-	-
Amortization	-	-
At End of The Year	-	-
Impairment Loss	-	-
At End of The Year	-	-
NBV	-	-

19. Investment Property

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

**Baringo County Lake Bogoria Community Grant
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Notes to the Financial Statements (Continued)

20. Trade and other payables from exchange transactions

Description				
Trade Payables	-		-	
Refundable Deposits	-		-	
Accrued Expenses	-		-	
Other Payables	-		-	
Total Trade and Other Payables	-		-	
Ageing analysis(Trade and other payables)	FY 2022/2023	% of the Total	FY 2021/2023	% of the Total
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (tie to above total)	-		-	

21. Provisions

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

**Baringo County Lake Bogoria Community Grant
Annual Report and Financial Statements for the year ended June 30, 2023**

Notes to the Financial Statements (Continued)

22. Borrowings

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

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

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

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

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

**Baringo County Lake Bogoria Community Grant
Annual Report and Financial Statements for the year ended June 30, 2023**

Notes to the Financial Statements (Continued)

23. Employee benefit obligations

Description					
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	-	-	-	-	-
Non-Current Benefit Obligation	-	-	-	-	-
Total	-	-	-	-	-

24. Social Benefit Liabilities

Description		
Health social benefit scheme	-	-
Unemployment social benefit scheme	-	-
Orphaned and vulnerable benefit scheme	-	-
Elderly social benefit scheme	-	-
Bursary social benefits	-	-
Total	-	-
Current social benefits	-	-
Non-current social benefits	-	-
Total (tie to totals above)	-	-

**Baringo County Lake Bogoria Community Grant
Annual Report and Financial Statements for the year ended June 30, 2023**

Notes to the Financial Statements (Continued)

25. Cash generated from operations

Description		
Surplus/ (Deficit) For the Year Before Tax	-	-
Adjusted For:		
Depreciation	-	-
Amortisation	-	-
Gains/ Losses On Disposal Of Assets	-	-
Interest Income	-	-
Finance Cost	-	-
Working Capital Adjustments		
Increase In Inventory	-	-
Increase In Receivables	-	-
Increase In Payables	-	-
Net Cash Flow From Operating Activities	-	-

Notes to the Financial Statements (Continued)

26. Related party balances

a) Nature of related party relationships

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

- a) The County Government;
- b) The Parent County Government Department
- c) Key management;
- d) Board members of Grant

b) Related party transactions

Description	2022/2023	2021/2022
Transfers From Related Parties'	- /	-
Transfers To Related Parties	-	-

c) Key management remuneration

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

d) Due from related parties

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

Other Disclosures Continued

e) Due to related parties

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

27. Contingent assets and contingent liabilities

Contingent Liabilities	FY 2021/2022	
	KSh	KSh
Court Case Xxx Against the Fund	-	-
Bank Guarantees	-	-
Total	-	-

Notes to the Financial Statements (Continued)

28. Financial risk management

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

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

a) Credit risk

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

Description	Amount	Impaired
At 30 June 2023		
Receivables From Exchange Transactions	-	-
Receivables From Non-Exchange Transactions	-	-
Bank Balances	-	-
Total	-	-
At 30 June 2022		
Receivables From Exchange Transactions	-	-
Receivables From Non-Exchange Transactions	-	-
Bank Balances	-	-
Total	-	-

Notes To The Financial Statements (Continued)

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the entity has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

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

b) Liquidity risk management

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

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

Description	Less than 12 months		Over 12 months	
	Kshs	Kshs	Kshs	Total Kshs
At 30 June 2023				
Trade Payables	-	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	-	-	-	-
At 30 June 2022				
Trade Payables	-	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	-	-	-	-

Notes to the Financial Statements (Continued)

c) Market risk

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

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

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

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

i. Foreign currency risk

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

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

Description			
At 30 June 2023			
Financial Assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors/ Receivables			
Liabilities			
Trade And Other Payables	-	-	-
Borrowings	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

Notes to the Financial Statements (Continued)

Foreign currency sensitivity analysis

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

Description	Change in currency rate		Effect on equity
	Kshs	Kshs	
FY 2022/2023			
Euro	10%	-	- /
USD	10%	-	-
FY 2021/2022			
Euro	10%	-	-
USD	10%	-	-

ii. Interest rate risk

Interest rate risk is the risk that the entity's financial condition may be adversely affected as a result of changes in interest rate levels. The entity's interest rate risk arises from bank deposits. This exposes the Fund to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the Fund's deposits.

Management of interest rate risk

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates.

Sensitivity analysis

The Fund analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant.

Notes to the Financial Statements (Continued)

d) Capital risk management.

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

Description		
Revaluation reserve	-	-
Revolving fund	-	-
Accumulated surplus	-	-
Total funds	-	-
Total borrowings	-	-
Less: cash and bank balances	-	-
Net debt/(excess cash and cash equivalents)	-	-
Gearing	-	-

29. Events after the reporting period

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

30. Ultimate and Holding Entity

The entity is a County Public Fund established by cabinet memo; No. MICTED 3/2015 dated 25th February 2015 (County Government of Baringo on Guidelines for Lake Bogoria Community grant) under the Department of Tourism. Its ultimate parent is the County Government of Baringo.

31. Currency

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

20. Annexes

Annex I: Progress on follow up of Prior Year Auditor's Recommendations

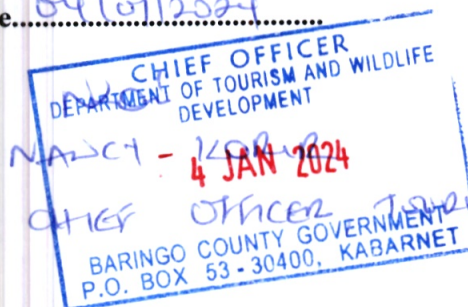
The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor.

Reference No. on the external audit Report	Issue Observations from Auditor	Management comments	Status (Resolved / Not Resolved)	Timeframe (Put a date when you expect the issue to be resolved)
Q1. Ref: OAG/BARIN GO/BCCF/20 21/2022-2-01- 0030-21/(16)	Inaccuracies in presentation of Financial Statements	The inaccuracies of the Financial Statements FY 2021/2022 were amended and corrected as required by the Law. The done using the required IPSAS template attached. (Annex I)	Resolved	30 th September, 2023
Q2. Ref: OAG/BARIN GO/BCCF/20 21/2022-2-01- 0030-21/(16)	Unsupported Transfer from the County Government	The Transfer of Kshs 11,000,000/= was made based on the Approved Budget Estimates FY 2021/2022 to caution on Community Support (Annex II)	Resolved	-
Q3. Ref: OAG/BARIN GO/BCCF/20 21/2022-2-01- 0030-21/(16)	Unsupported Grand Administration Expenses	The Grand Administration Committee expenses in question, has been supported by minutes (Annex III)	Resolved	-
Q4. Ref: OAG/BARIN GO/BCCF/20 21/2022-2-01- 0030-21/(16)	Unsupported Expenditure on Development of Lake Bogoria Community Grant	The Development of Lake Bogoria Community Grant was done through the		

Reference No. for the external audit report	Issue	Resolution	Remarks
Q5. Ref: OAG/BARIN GO/BCCF/20 21/2022-2-01- 0030-21/(16)	Unconfirmed receipt of Bursary Disbursement	The beneficiaries of Bursaries are done through locational bursary Committee and office of the Chief Officer and the same forwarded the names to the Grant Committee. In this Financial year 2022/2023, it is a requirement that all beneficiaries are to apply bursary using a prescribed form and format and attaching the school fees pro forma	Resolved
Q6. Ref: OAG/BARIN GO/BCCF/20 21/2022-2-01- 0030-21/(16)	Unreconciled Cash and Cash Equivalent	The Cash and Cash equivalent balance of Kshs 1,987,223 as at 30 th June 2022 which was erroneously posted has been rectified in the financials as Ksh. 1,98,7123/= (Annex II)	Resolved -

Fund Manager/Accounting Officer (enter title of head of Fund)

Date: 04/01/2024



**Baringo County Lake Bogoria
Annual Report and Financial Statements for the year ended June 30, 2023**

Annex II: Inter-Fund Confirmation Letter

**REPUBLIC OF KENYA
BARINGO COUNTY GOVERNMENT**

Tel/Fax: 0722699592

Email :
tetskorir@yahoo.com



**OFFICE OF THE CHIEF OFFICER
DEPARTMENT OF INDUSTRY, COMMERCE, TOURISM, WILDLIFE, ENTERPRISES AND CO-OPERATIVES.**

The Administrator for *Lake Bogoria Community Grant* wishes to confirm the amounts disbursed to you as at 30th June 2023 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by Lake Bogoria Community Grant as at 30th June 2023

Reference Number	Date Disbursed	Amounts Disbursed by [Grant] (Kshs 5,000,000) as at 30 th June 2023				Amount Received by [beneficiary Fund] (KShs) as at 30 th June 2023 (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
RTGS - Rec	27.10.2022	2,988,770	5,099,500	-	8,088,270	5,000,000	-3,088,270
Total		2,988,770	5,099,500	=	8,088,270	5,000,000	-3,088,270

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

Head of Accountants department of beneficiary Fund:

Name Phyllis Cheboiwo
Sign [Signature] Date

**FUND ACCOUNTANT
BARINGO COUNTY GOVERNMENT**
04 JAN 2024
P O BOX 53.30400 KABARNET

Nkorir
Nancy Korir
**CHIEF OFFICER,
TOURISM & WILDLIFE**

**CHIEF OFFICER
DEPARTMENT OF TOURISM AND WILDLIFE
DEVELOPMENT**
4 JAN 2024
**BARINGO COUNTY GOVERNMENT
P.O. BOX 53.30400. KABARNET**

Annex III: Reporting of Climate Relevant Expenditures

Climate Relevant Expenditures									
Project Name	Description	Implementing Partner	Fund	Q 1	Q 2	Q 3	Q 4	Total	Remarks

**Baringo County Lake Bogoria
Annual Report and Financial Statements for the year ended June 30, 2023**

Annex IV: Reporting on Disaster Management Expenditure

Column I Programme	Column II Sub-programme	Column III Disaster Type	Column IV Category of expenditure (response/recovery/preparedness)	Column V Disaster related activity requiring reporting (mitigation)	Column VI Expenditure item	Column VII Amount (Kshs)	Column VIII Comments