

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

OF

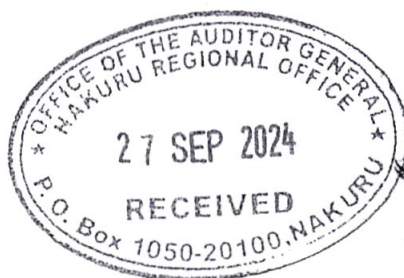
PARLIAMENT
OF KENYA
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THE AUDITOR-GENERAL

ON

**BARINGO COUNTY YOUTH AND WOMEN
FUND**

**FOR THE YEAR ENDED
30 JUNE, 2024**



BARINGO COUNTY YOUTH AND WOMEN FUND

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2024

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

Baringo County Youth and Women Fund
Annual Report and Financial Statements for the year ended June 30, 2024

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Baringo County Youth and Women Fund
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1. Acronyms and Glossary of Terms

a) Acronyms

BOM	Board of Management
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
Kshs	Kenya Shillings

b) Glossary of Terms

Fiduciary Management	The key management personnel who had financial responsibility
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Baringo County Youth and Women Fund
Annual Report and Financial Statements for the year ended June 30, 2024

2. Key Fund Information and Management

a) Background information

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

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

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

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

b) Principal Activities

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

c) Fund Administration Committee

Ref	Name	Position
1	Hon. Maurine Limashep	CEC M / Chairperson – Gender and Social Services
2	Korir Denis Kimutai	Chief Officer Youth Affairs and Gender - Fund Administrator / Secretary
3	Kiptoo K. Gikono	Chief Officer Finance or Designate
4	Anne Chewochei	Chief Officer for Agriculture or Alternate
5	Daudi Aengwo Luka	Director of Youth Affairs and Gender
6	Lemale Sauroki	County Director of Trade
7	Chelimo Alfred Samuel	Member of Financial Institution

Baringo County Youth and Women Fund
Annual Report and Financial Statements for the year ended June 30, 2024

Key Fund and Management (Continued)

d) Key Management Steam

Ref	Name	Position
1	Korir Denis Kimutai	Fund Administrator/Secretary
2	Thomas Chesaro	Fund Accountant
3	Kiptoo K. Gikono	Chief Officer – Treasury Finance
4	Aengwo Daudi	Ag. Director - Gender and Social Services
5	David K. Rerimoi	Deputy Director Accounting Services

e) Fiduciary Oversight Arrangements

SN	Position	Name
1	Directorate Internal Audit	Catherine Kibet

f) Registered Offices

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

g) Fund Contacts

Telephone: (254) 0720 439 828
E-mail: dennis.korir@baringo.go.ke
Website: www.baringo.go.ke

h) Fund Bankers

1. BORESHA SACCO LTD
P.O. Box 80- 20103
ELDAMA RAVINE, Kenya
KABARNET BRANCH
 - a. Youth and Women Main A/C.NO 504511846-01
 - b. Loan Recovery/Disbursement A/c No. 5-43-000028-00
 - c. Interest Account A/c No. 7-10-000011-00

Baringo County Youth and Women Fund
Annual Report and Financial Statements for the year ended June 30, 2024

Key Fund and Management (Continued)

i) Independent Auditors

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

j) Principal Legal Adviser

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

k) County Attorney

Office of the Governor building
P.O. Box 53 - 30400
Kabarnet, Kenya

Baringo County Youth and Women Fund
Annual Report and Financial Statements for the year ended June 30, 2024

2. Fund Administration Committee

Name	Details of qualifications and experience
1. Hon. Maurine K. Limashep 	Date of birth: 13.09.1987 Qualification - Bachelor of Arts Profession - Human Resource Management Work experience - 11yrs, County Executive Committee member /Fund Chairperson
2. Korir Denis Kimutai 	Date of birth: 3rd August 1987 Master of Economics (Policy and Management), Bachelor of Economics and Finance, CPA Work experience – 11 years, Chief Officer - Fund Administrator/Secretary – Youth Affairs and Gender
3. Gikono Kiptoo 	Date of birth: 19/08/1980 Key Professional Qualification- Masters Business Administration, BBA, CPA(K), Certified Credit Profession, Certified Investment Analyst, Higher National Diploma in Human Resource, Diploma in Supplies and Purchasing. Work experience -17yrs, Chief Officer Finance and Revenue Administration
4. Daudi Aengwo Luka 	Date of Birth: 28/06/1976 Key Qualifications: B.ED (SC) – Kenyatta University SMC, SLDP, Management of Social Protection Services (MSPS), Advanced Professional Mediator (APM). Work Experience: 23 years. Ag. Director – Youth Affairs and Gender
5. Anne Chewochei 	Date of Birth: 01/01/1969 Key Qualifications: B.ED (Arts) Kenyatta University Work Experience: 35 years. Chief Officer for Agriculture
6. Lemale Sauroki 	Date of Birth: 24/8/1974 Key Qualifications: B.Com (Marketing Option),SMC, SLDP. Work Experience: 16 years, County Director of Trade
7. Chelimo Alfred Samuel 	Date of Birth: 08/09/1977 Key Qualifications: MBA – (Master of Business Administration and Entrepreneurship) Work Experience: 19 years. Boresha SACCO Branch Manager – Financial Institution

Baringo County Youth and Women Fund
Annual Report and Financial Statements for the year ended June 30, 2024

3. Management Team

Name	Details of qualifications and experience
1. Korir Denis Kimutai 	Date of birth: 3rd August 1987 Master of Economics (Policy and Management), Bachelor of Economics and Finance, CPA Work experience – 11 years Chief Officer - Fund Administrator/Secretary – Youth Affairs and Gender
2. Kiptoo K. Gikono 	Date of birth: 19/08/1980 Qualification - Masters Business Administration, BBA, CPA(K), Certified Credit Profession, Certified Investment Analyst, Higher National Diploma in Human Resource, Diploma in Supplies and Purchasing. Profession - Finance and Administration Work experience - 17yrs Chief Officer Finance
3. Thomas Chesaro 	Date of birth; 01/01/1979 Key academic and professional qualifications; BCOM – Finance Option (UON), CPA(K), Senior Management Course Work experience; 24 Years Fund Accountant – Gender and Social Services
4. Daudi Aengwo 	Date of Birth:1976 Key Qualifications: B.ED (SC) SMC, SLDP, Management of Social Protection Services (MSPS), Advanced Professional Mediator (APM). Work Experience: 23 years. Ag. Director – Youth Affairs and Gender
5. David K. Rerimoi 	Date of birth; 1980 Key academic and professional qualifications;- Masters in Business Administration (UON), BCOM, CPA(K), Senior Management Course Work experience; 23 Years Deputy Director – Accounting Services

Baringo County Youth and Women Fund
Annual Report and Financial Statements for the year ended June 30, 2024

4. Fund Chairperson's Report

During the year under review, the fund did not witness any change in the composition of its board and management team. Despite financial constraints, the fund was able to utilize the available resources at its disposal to meet its objectives. Total revenue was Kshs 142,165 (previous year Kshs. 1,970,538) while total expenses were Kshs 6,788 (previous year expenses Kshs. 1,300). For a fruitful impact, the fund should be allocated more funds in the future estimates.

Description and reference of the transfer	Date of transfer	2023-2024	2022-2023
Revenue from Non-Exchange Transaction		Kshs	Kshs
Balance Brought Forward	1/7/2023	11,432,123	-
Loan Repayment		32,387	-
Interest Income/Earned		29,848	142,165
Total Revenue		11,494,358	142,165

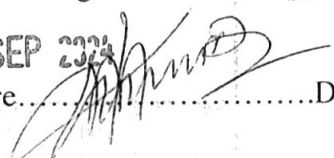
FUND USES / EXPENDITURE / DISBURSEMENT	2023-2024	2022-2023
Revenue from Non-Exchange Transaction	Kshs	Kshs
Award of the Loans / disbursement	-	-
Domestic travel and subsistence Allowances (Adm. Costs)	30,000	-
Other operating expenses (Bank Charges/Tax Deducted)	4,945	6,788
Total Revenue	34,945	6,788

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

The Fund is prepared in accordance with Public Finance Management Act, 2012 and Baringo County Youth and Women Fund Regulation 2014. There are Credit risks facing the Fund, also, material arrears in statutory and other financial obligations are not applicable.

Name: Hon. Maurine K. Limashep
Chairperson of the Fund

25 SEP 2024



Signature.....

Date.....

25/09/2024

Baringo County Youth and Women Fund
Annual Report and Financial Statements for the year ended June 30, 2024

5. Report of The Fund Administrator

The performance of the Baringo County Youth and Women Fund was disbursed as stipulated in the law. Total budget allocated was Kshs 29,848 out of which the same were receipts from interest earned during the year under review and without funds disbursement from Baringo County Treasury to the Fund Account. There were no Funds disbursed to Youth and Women groups. Bank charges were Kshs. 4,945 and Administration cost of Kshs. 30,000. As a result, the accumulated closing balance at the year-end was Ksh. 11,490,473 (Balance as per cash books for Main Account Kshs 11,375,967, Interest Recovery Account Kshs 82,119, Loans and Repayment Account Kshs 32,387)

Description and reference of the transfer	Date of transfer	2023-2024	2022-2023
Revenue from Non-Exchange Transaction		Kshs	Kshs
Balance Brought Forward	1/7/2023	11,432,123	-
Loan Repayment		32,387	-
Interest Income/Earned		29,848	142,165
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FUND USES / EXPENDITURE / DISBURSEMENT	2022-2023	2021-2022
Revenue from Non-Exchange Transaction	Kshs	Kshs
Award of the Loans / disbursement	-	-
Domestic travel and subsistence Allowances (Adm. Costs)	30,000	-
Other operating expenses (Bank Charges/Tax Deducted)	4,945	6,788
Total Revenue	34,945	6,788

Name of Bank, Account No. & currency	2023-2024	2022-2023
	Kshs	Kshs
Boresha Sacco, Main A/c no. 504511846-01 (Kshs)	11,375,967	4,265,692
Loan Recovery/Disbursement A/c No. 5-43-000028-0	32,387	4,772,992
Interest Earned A/c no. 7-10-000011-0)	82,119	2,393,440
Total Balance	11,490,473	11,432,124

Baringo County Youth and Women Fund
Annual Report and Financial Statements for the year ended June 30, 2024

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

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

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

Baringo County Youth and Women Fund
Annual Report and Financial Statements for the year ended June 30, 2024

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

Introduction

Section 164 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting officer when preparing financial statements of each County Government fund Government entities in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the county government fund's performance against predetermined objectives.

The key development objectives of the Baringo County Youth and Women Fund 2022-2023 plan are to:

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

Progress on attainment of Strategic development objectives

Below we provide the progress on attaining the stated objectives:

Program	Objective	Outcome	Indicator	Performance
Youth and Women	To ensure timely and efficient disbursement of funds to Youth and Women groups	Increased number of group beneficiaries accessing loans	Maintained the groups which accessed loans	In FY 23/24 No increase of loan access to beneficiary groups
Youth and Women	To Administer and manage loan recovery process and mechanism including sanctions and enforcement in case of loan repayment defaults	Improved loan access and recoveries by the groups	Equal disbursement and recovery of loans	In FY 23/24 we improved loan equity to the beneficiary groups
Youth and Women	To Ensure that youth and women grow in their business enterprises	Increased number of youth and Women enterprises	Growth in business enterprises	In FY 23/24 there were no great development in beneficiary groups
Youth and Women	To prepare financial statements of the fund periodically	Reports made on timely basis	Reports submitted on time in line with regulation	In FY 23/24 we presented timely quarterly reports for Youth and Women as required

Baringo County Youth and Women Fund
Annual Report and Financial Statements for the year ended June 30, 2024

7. Corporate Governance Statement

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

The succession plan of the fund is that when a member resigns or retires or removed a new member shall be appointed or replaced on such terms and conditions as may be specified in the instrument of appointment,

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

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

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

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

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

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

Baringo County Youth and Women Fund
Annual Report and Financial Statements for the year ended June 30, 2024

8. Management Discussion and Analysis

During the period under review, the Fund had an Interest earned of Kshs 29,848 through the Youth and Women Fund Account. The Expenditure is Kshs 34,945 as compared to the previous period of Kshs 6,788 as below;-

Description and reference of the transfer	Date of transfer	2023-2024	2022-2023
Revenue from Non-Exchange Transaction		Kshs	Kshs
Balance Brought Forward	1/7/2023	11,432,123	-
Loan Repayment		32,387	-
Interest Income/Earned		29,848	142,165
Total Revenue		11,494,358	142,165

FUND USES / EXPENDITURE / DISBURSEMENT	2023-2024	2022-2023
Revenue from Non-Exchange Transaction	Kshs	Kshs
Award of the Loans / disbursement	-	-
Domestic travel and subsistence Allowances (Adm. Costs)	30,000	-
Other operating expenses (Bank Charges/Tax Deducted)	4,945	6,788
Total Revenue	34,945	6,788

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

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

There are Credit risks facing the Fund, also, material arrears in statutory and other financial obligations are not applicable.

Baringo County Youth and Women Fund
Annual Report and Financial Statements for the year ended June 30, 2024

9. Environmental and Sustainability Reporting

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

1. Sustainability strategy 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, (OSHA.)

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. Corporate Social Responsibility / Community Engagements

The fund carry out CSR activities in the year hence no impact to the society. The fund didn't have community engagement including charitable giving (cash and material), Corporate Social Investment and other forms of community engagements.

Baringo County Youth and Women Fund
Annual Report and Financial Statements for the year ended June 30, 2024

10. Report of The Administration Committee

The Administration Committee submit their report together with the audited financial statements for the year ended June 30, 2024 which show the state of the Fund affairs.

Principal activities

The principal activities of the Fund are:-

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

Results

The results of the Fund for the year ended June 30, 2024 are set out on page 1

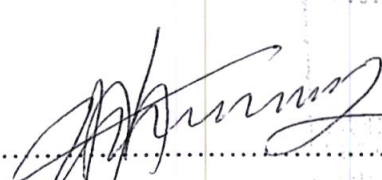
Trustees

The members of the Administration Committee who served during the year are shown on page iii and vi. There were no changes in the Committee during the financial

Auditors

The Auditor General is responsible for the statutory audit of the Fund in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 for the year/period ended June 30, 2024 in accordance to section 23 of the Public Audit Act, 2015, which empowers the Auditor General to appoint an auditor to audit on its behalf.

By Order of the Board


.....
25 SEP 2024
COUNTY GOVERNMENT OF Baringo
P.O. BOX 66-30100, NAKARNET
COUNTY CHIEF'S OFFICE MEMBERS
COUNTY CHIEF'S OFFICE SECRETARY
COUNTY CHIEF'S OFFICE SOCIAL SERVICES

Chair of the Fund Administration Committee

Date: 25/09/2024

Baringo County Youth and Women Fund
Annual Report and Financial Statements for the year ended June 30, 2024

11. Statement of Management's Responsibilities

Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a County Public Fund established by Section 116(1) of Public Finance Management Act, 2012 and derives its authority and accountability from Baringo County Youth and Women Fund Regulations, 2014. shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The Administrator of the County Public Fund is responsible for the preparation and presentation of the Fund's financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 2024. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Fund; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Fund; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Administrator of the County Public Fund accepts responsibility for the Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and derives its authority and accountability from Baringo County Youth and Women Fund Regulations, 2014. The Administrator of the Fund is of the opinion that the Fund's financial statements give a true and fair view of the state of Fund's transactions during the financial year ended June 30, 2024, and of the Fund's financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control.

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

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

Approval of the financial statements

The Fund's financial statements were approved by the Board on 25/09/ 2024 and signed on its behalf by:



Administrator of the County Public Fund



REPUBLIC OF KENYA

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



Enhancing Accountability

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

REPORT OF THE AUDITOR-GENERAL ON BARINGO COUNTY YOUTH AND WOMEN FUND FOR THE YEAR ENDED 30 JUNE, 2024

PREAMBLE

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

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

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Baringo County Youth and Women Fund set out on pages 1 to 22, which comprise of the statement of financial

Report of the Auditor-General on Baringo County Youth and Women Fund for the year ended 30 June, 2024

position as at 30 June, 2024 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Baringo County Youth and Women Fund as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Baringo County Youth and Women Fund Regulations, 2014 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccurate Statement of Cash Flows

The statement of cash flows reflects net cash flows from operating activities amount of Kshs.(5,097) while Note 5 to the financial statements discloses net cash flows from operating activities amount of Kshs.(34,945) leading to unreconciled and unexplained variance of Kshs.29,848.

In the circumstances, the accuracy of the statement of cash flows could not be confirmed.

2. Unconfirmed Interest Income

Statement of financial performance reflects interest income amount of Kshs.29,848 made up of interest income on bank deposits as disclosed in Note 1 to the financial statements. However, audit has revealed that the interest income amount of Kshs.29,848 was accrued between January, 2023 to June, 2023 which was outside the cut off period while interest income for the period from January, 2024 to June, 2024 was omitted.

In the circumstances, the accuracy and completeness of the interest income amount of Kshs.29,848 could not be confirmed.

3. Unconfirmed Receivables from Exchange transactions

The statement of financial position reflects long-term receivables from exchange transactions and current portion of long-term receivables from exchange transactions balances amounting to Kshs.6,054,028 and Kshs.12,386,677 respectively. However, loan disbursement schedules, loanee's individual account ledgers reflecting the repayment cycle and outstanding balances/defaults and loanee files were not provided for audit review.

In the circumstances, the accuracy and completeness of long-term receivables from exchange transactions and current portion of long-term receivables from exchange

transactions balances of Kshs.6,054,028 and Kshs.12,386,677 respectively 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 Youth and Women Fund Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified 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. Except for the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Matters

Review of the progress on follow up on prior year auditor's recommendations reveal that, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance which remained unresolved contrary to Section 149(2)(l) of the Public Finance Management Act, 2012 which require Accounting Officers designated for county government entities to try to resolve any issues resulting from an audit that remain outstanding.

Other Information

The Management is responsible for the other information set out on page iii to xvi which comprise of Key Fund Information and Management, Baringo County Youth and Women Fund Administration Committee, Management Team, Fund Chairperson's Report, Report of the Fund Administrator, Statement of Performance Against the County Fund's Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Administration Committee and Statement of Management's Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Fund's financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Lack of Approved Annual Budget

The Fund did not have an approved budget. This is contrary to Regulation 29 of the Public Finance Management (County Governments) Regulations, 2015 which stipulates that the accounting officer is responsible for ensuring that all services which can be reasonably foreseen are included in the estimates and that they are within the capacity of her or his County Government entity during the financial year, the estimates have been prepared and are complete and accurate as possible and the requisite authority has been obtained, where necessary, before the provision is made in the estimates. The approved estimates of expenditure shall form the basis of accounts for the financial year. Further, the County Executive of Baringo did not make a budget provision for the Fund in the 2023/2024 annual budget.

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

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015 and based on the audit procedures performed, I confirm that nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk Management and overall governance

were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Fund's, ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. 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 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 conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not 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 addition, I consider the entity's control environment 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.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

31 December, 2024

Baringo County Youth and Women Fund
Annual Report and Financial Statements for the year ended June 30, 2024

13. Statement of Financial Performance for the Year Ended 30th June, 2024

Description	Note	2023-2024	2022-2023
		Kshs	Kshs
Revenue From Exchange Transactions			
Interest Income	1	29,848	142,165
Total Revenue		29,848	142,165
Expenses			
Use of goods and services	2	(34,945)	(6,788)
Total Expenses		(34,945)	(6,788)
Surplus/(Deficit) for the Period		(5,097)	135,377

(The notes set out on pages 7 to 21 form an integral part of these Financial Statements)

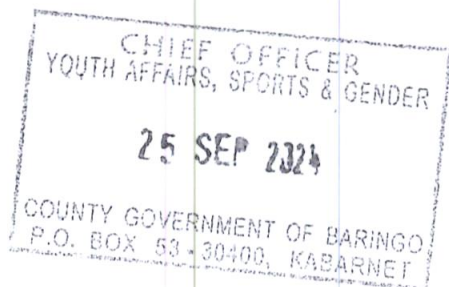


Name: Korir Denis Kimutai
Administrator of the Fund



Name: Thomas Chesaro
Fund Accountant

ICPAK Member Number: 15566



Baringo County Youth and Women Fund
Annual Report and Financial Statements for the year ended June 30, 2024

14. Statement of Financial Position As At 30th June, 2024

Description	Note	2023-2024	2022-2023
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	3	11,490,473	11,432,124
Current Portion of Long- Term Receivables From Exchange Transactions	4	2,510,834	12,446,753
Total current assets		14,001,307	23,878,877
Non-Current Assets			
Long Term Receivables from Exchange Transactions	4	18,440,705	6,057,398
Total non- current assets		18,440,705	6,057,398
Total Assets (A)		32,442,012	29,936,275
Liabilities			
Current Liabilities		-	-
Total current liabilities		-	-
Non-Current Liabilities		-	-
Total Liabilities (B)		-	-
Net Assets (A-B)		32,442,012	29,936,275
Represented By:			
Revolving Fund		31,554,837	29,044,003
Reserves		-	-
Accumulated Surplus		887,175	892,272
Net Assets		32,442,012	29,936,275

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The fund financial statements were approved on 25/09/2024 and signed by

.....
Name: Korir Denis Kimutai
Administrator of the Fund

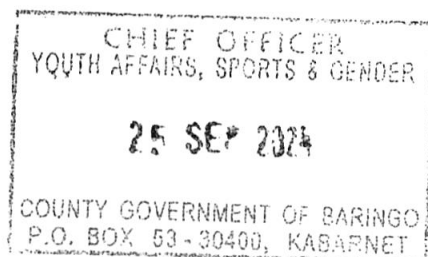
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Name: Thomas Chesaro
Fund Accountant - ICPAK Member Number: 15566

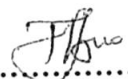
25 SEP 2024

Baringo County Youth and Women Fund**Annual Report and Financial Statements for the year ended June 30, 2024****15. Statement of Changes in Net Assets for the year ended 30th June, 2024**

Description	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
		Kshs	Kshs	Kshs
Balance As At 1 st July, 2022	29,044,003	-	756,895	29,800,898
Surplus/(Deficit) For the Period	-	-	135,377	135,377
Funds Received During the Year	-	-	-	-
Transfers	-	-	(-)	-
Revaluation Gain	-	-	-	-
Balance As At 30 th June, 2024	29,044,003	-	892,272	29,936,275
Balance As At 1 st July, 2023	29,044,003	-	892,272	29,936,275
Surplus/(Deficit) For the Period		-	(5,097)	(5,097)
Funds Received During the Year	-	-	-	-
Transfers	-		(-)	
Revaluation Gain	-	-	-	-
Balance As At 30 th June, 2024	29,044,003	-	887,175	29,931,178


Name: Korir Denis Kimutai
Administrator of the Fund




Name: Thomas Chesaro
Fund Accountant
ICPAK Member Number: 15566

Baringo County Youth and Women Fund
Annual Report and Financial Statements for the year ended June 30, 2024

16. Statement of Cash Flows for The Year Ended 30th June, 2024

Description	Note	2023-2024	2022-2023
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Interest received	1	29,848	142,165
Total receipts		29,848	142,165
Payments			
Use of goods and Services	2	(34,945)	(6,788)
Total payments		(34,945)	(6,788)
Net cash flows from operating activities	5	(5,097)	135,377
Cash flows from investing activities			
Proceeds from loan principal repayments		63,446	89,432
Loan disbursements paid out		(-)	(-)
Net cash flows used in investing activities		63,446	89,432
Cash flows from financing activities		-	-
Net cash flows used in financing activities		(-)	(-)
Net increase/(decrease) in cash & cash Equivalents		58,349	224,809
Cash and cash equivalents at 1 st July, 2023		11,432,124	11,207,315
Cash and cash equivalents at 30th June, 2024		11,490,473	11,432,124

(PSASB has prescribed the direct method of cash flow preparation/ presentation for all entities under the IPSAS accrual basis of accounting.)

17. Statement Of Comparison Of Budget And Actual Amounts For The Period ended 30th June, 2024

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.	-	-	-	-	-	-
Interest Income	29,848	-	29,848	29,848	-	100%
Other Income	-	-	-	-	-	-
Total Income	29,848	-	29,848	29,848	-	100%
Expenses						
Fund Administration Expenses	-	-	-	-	-	-
General Expenses	-	-	-	(34,945)	34,945	-
Finance Cost	-	-	-	-	-	-
Total Expenditure	-	-	-	(34,945)	34,945	-
Surplus For the Period	29,848	-	29,848	(5,097)	5,097	-17%
Capital expenditure	-	-	-	-	-	-

Budget notes

1. The budget was over expensed but this done through available funds of interest earned from the previous periods to finance administrative costs (IPSAS 24.14)

Baringo County Youth and Women fund
Annual Report and Financial Statements For the year ended 30th June 2024

18. Notes to the Financial Statements

Significant Accounting Policies

1. General Information

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

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

2. Statement of compliance and basis of preparation

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

3. Adoption of new and revised standards

(i) New and amended standards and interpretations in issue but not yet effective in the year ended 30th June, 2024

There were no new and amended standards issued in the financial year.

(ii) New and amended standards and interpretations in issue but not yet effective in the year ended 30th June 2024.

Standard	Effective date and impact:
IPSAS 43	<i>Applicable 1st January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an Fund. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities. The fund does not deal with Leases hence it may not have any impact

Baringo County Youth and Women fund
Annual Report and Financial Statements For the year ended 30th June 2024

IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<i>Applicable 1st January 2025</i> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: 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. The fund may not realise an impact since it has no depreciable assets
IPSAS 45- Property Plant and Equipment	<i>Applicable 1st January 2025</i> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets. This will not have an impact because there are no PPEs
IPSAS 46 Measurement	<i>Applicable 1st January 2025</i> The objective of this standard was to improve measurement guidance across IPSAS by: i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. The standard also introduces a public sector specific measurement bases called the current operational value. This may have an impact as a result of loss of value for money due to defaulters
IPSAS 47- Revenue	<i>Applicable 1st January 2026</i> This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an fund shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions. This will have impact as a result of revenue interest earned from exchange transactions
IPSAS 48- Transfer Expenses	<i>Applicable 1st January 2026</i> The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the

Baringo County Youth and Women fund
Annual Report and Financial Statements For the year ended 30th June 2024

	nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers. This will not have an impact since it is relevant to the fund
IPSAS 49- Retirement Benefit Plans	<i>Applicable 1st January 2026</i> The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan. This will not have an impact because the fund don't intent to provide retirement benefit plan

(i) Early adoption of standards

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

Baringo County Youth and Women fund
Annual Report and Financial Statements For the year ended 30th June 2024

2. Summary of 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 fund and can be measured reliably.

ii. Revenue from exchange transactions

Interest income

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

Dividends

Dividends or similar distributions must be recognized when the shareholder's or the Fund'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 2023/2024 was approved by the County Assembly on 27th July, 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 fund upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Fund recorded additional appropriations of Kshs Nil on the FY 2023/2024 budget following the governing body's approval.

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

Baringo County Youth and Women fund
Annual Report and Financial Statements For the year ended 30th June 2024

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 xxx of these financial statements.

c) Property, plant and equipment

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

a) 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.

b) Investment property

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

Summary of Significant Accounting Policies (Continued)

c) 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 fund 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 fund and a financial liability or equity instrument of another fund. At initial recognition, the fund measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial assets

Classification of financial assets

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

Subsequent measurement

Based on the business model and the cash flow characteristics, the fund 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.

Baringo County Youth and Women fund
Annual Report and Financial Statements For the year ended 30th June 2024

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 fund manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

Trade and other receivables

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

Impairment

The fund assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The fund recognizes a loss allowance for such losses at each reporting date. Management in determining the expected credit loss (ECL) does not make critical estimates and significant judgments.

Baringo County Youth and Women fund
Annual Report and Financial Statements For the year ended 30th June 2024

Summary of Significant Accounting Policies (Continued)

Financial liabilities

Classification

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

d) Inventories

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

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

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

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

e) Provisions

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

f) Social Benefits

Social benefits are cash transfers provided to;

- i) Specific individuals and / or households that meet the eligibility criteria,
- ii) Mitigate the effects of social risks and
- iii) Address the need of society as a whole.

The fund recognises a social benefit as an expense for the social benefit scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the fund will incur in fulfilling the present obligations represented by the liability.

Baringo County Youth and Women fund
Annual Report and Financial Statements For the year ended 30th June 2024

Summary of Significant Accounting Policies (Continued)

g) Contingent liabilities

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

Contingent assets

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

h) Nature and purpose of reserves

The Fund don't create and maintain reserves in terms of specific requirements.

i) Changes in accounting policies and estimates

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

j) Employee benefits – Retirement benefit plans

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

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

Baringo County Youth and Women fund
Annual Report and Financial Statements For the year ended 30th June 2024

Summary of Significant Accounting Policies (Continued)

k) Foreign currency transactions

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

l) Borrowing costs

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

m) Related parties

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

n) Cash and cash equivalents

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

o) Comparative figures

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

Summary of Significant Accounting Policies (Continued)

5. Significant judgments and sources of estimation uncertainty

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

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

a) Estimates and assumptions –

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

b) Useful lives and residual values

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

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

c) Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is not included.

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

Baringo County Youth and Women fund
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6. Notes To The Financial Statements Continued

1. Interest income

Description	2023-2024	2022-2023
	Kshs	Kshs
Interest Income on Bank Deposits	29,848	142,165
Total Interest Income	29,848	142,165

2. Use of Goods and Services

Description	2023-2024	2022-2023
	Kshs.	Kshs.
Administration Fees	30,000	-
Bank Charges	4,945	6,788
Total	34,945	6,788

3. Cash and cash equivalents

Description	2023-2024	2022-2023
	Kshs	Kshs
Current Account	11,490,473	11,432,124
Total Cash and Cash Equivalents	11,490,473	11,432,124

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

Financial Institution	Account number	2023-2024	2022-2023
		Kshs	Kshs
a) Current Account			
Boresha Sacco Ltd Kabarnet	504511846-01	11,375,967	4,265,692
Boresha Sacco Ltd Kabarnet	5-43-000028-0	32,387	4,772,992
Boresha Sacco Ltd Kabarnet	7-10-000011-0	82,119	2,393,440
Sub- Total		11,490,473	11,432,124
Grand Total		11,490,473	11,432,124

Baringo County Youth and Women fund
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4. Receivables from exchange transactions

Description	2023-2024	2022-2023
	Kshs	Kshs
Current Receivables		
Interest Receivable	2,510,834	3,333,257
Current Loan Repayments Due	-	9,113,496
Total Current Receivables	2,510,834	12,446,753
Non-Current Receivables		
Long Term Interest Repayments Due	4,515,299	1,213,101
Long Term Loan Repayments Due	13,925,406	4,844,297
Total Non- Current Receivables	18,440,705	6,057,398
Total Receivables From Exchange Transactions	20,951,539	18,504,151

Additional disclosure on interest receivable

Description	2023-2024	2022-2023
	Kshs	Kshs
Interest Receivable		
Interest receivable from current portion of long-term loans of previous years	2,510,834	3,333,257
Accrued interest receivable from of long-term loans of previous years	4,515,299	1,213,101
Current loan repayments due		
Current portion of long-term loans from previous years	-	9,113,496
Accrued principal from long-terms loans from previous periods	13,925,406	4,844,297

5. Cash generated from operations.

Description	2023-2024	2022-2023
	Kshs	Kshs
Surplus/ (Deficit) For the Year Before Tax	(5,097)	135,377
Adjusted For:		
Interest Income	(29,848)	(142,165)
Working Capital Adjustments		
Net Cash Flow From Operating Activities	(34,945)	(6,788)

Notes To The Financial Statements (Continued)

6. 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 fund's management based on prior experience and their assessment of the current economic environment. The carrying amount of financial assets recorded in the financial statements representing the fund's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

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

The fund has significant concentration of credit risk on amounts due from Youth and Women Groups

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 fund's short, medium and long-term funding and liquidity management requirements. The fund manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

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

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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 fund on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.

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

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

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

i. Foreign currency risk

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

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

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.

ii. Interest rate risk

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

Management of interest rate risk

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

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Sensitivity analysis

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

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 fund capital structure comprises of the following funds:

7. Events after the reporting period

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

8. Ultimate and Holding Fund

The fund is a County Public Fund established by Section 116(1) of Public Finance Management Act, 2012 and derives its authority and accountability from Baringo County Youth and Women Fund Regulations, 2014 under the Ministry of Youth, Gender and Social Services. Its ultimate parent is the County Government of Baringo.

9. Currency

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

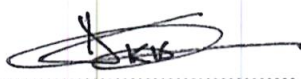
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19. Annexes

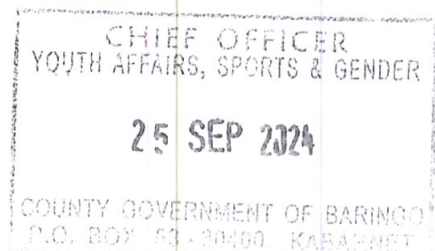
Annex I: Progress on Follow Up Of Prior Year Auditor's Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Inaccurate Cash and Cash Equivalent	Cash book for the 3 accounts were done and the fourth account had been closed	Resolved	
	Unsupported Long-Term Receivables from Exchange Transactions	The supporting schedule were made for individual groups with outstanding loans	Resolved	
	Prior year matters	Most of the issues were resolved	Resolved	
	Irregular Maintenance of Bank Account in a Sacco	Yet to open but due defaulted loans, the financial institution was given chance to recover the outstanding loans	Not Resolved	Until the outstanding loans are substantially recovered
	Long Outstanding Receivables from Exchange Transactions	The financial institution was to write demand letters to the concern groups defaulters on the repayment of the long overdue loans	Not Resolved	Not certain

Date.....

Accounting Officer



Baringo County Youth and Women Fund
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Annex II: Inter-Fund Confirmation Letter

Name of Transferring Entity: Baringo County Treasury

Name of Beneficiary hospital: Baringo County Youth and Women Fund



The Baringo County Treasury wishes to confirm the amounts disbursed to you as at 30th June 2024 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 [Baringo County Youth and Women Fund] as at 30 th June, 2024							
		Amounts Disbursed by [Baringo County Treasury] (Kshs) as at 30 th June, 2024				Amount Received by [Baringo County Youth and Women Fund] (KShs) as at 30 th June 2024 (E)	Differences (KShs) (F)=(D-E)
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Inter- Ministerial (C)	Total (D)=(A+B+C)		
Total					<u>NIL</u>	NIL	

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

Head of Accounts Department - Disbursing Entity:

Name: David Rerimoi Sign Date: 26 SEP 2024

Head of Accounts Department - Beneficiary Entity:

Name: Thomas Chesaro Sign Date: 20/09/2024

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Annex III: Reporting of Climate Relevant Expenditures

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

➤ Didn't allocate funds

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Annex IV: Reporting on Disaster Management Expenditure

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

➤ Didn't allocate funds