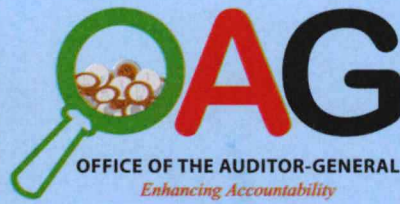


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REPORT

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THE AUDITOR-GENERAL

ON

WAJIR COUNTY CLIMATE CHANGE FUND

**FOR THE YEAR ENDED
30 JUNE, 2025**

	PAPERS LAID
DATE	02/12/2025
TABLED BY	S.M.K.
COMMITTEE	-
CLERK AT THE TABLE	Cherop





WAJIR COUNTY CLIMATE CHANGE FUND

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED JUNE 30, 2025.

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

Wajir County Climate Change Fund
Annual Report and Financial Statements for the year ended June 30,2025

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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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Wajir County Climate Change Fund
Annual Report and Financial Statements for the year ended June 30,2025

2. Key Entity Information and Management

a) Background information

Wajir County Climate Change Fund is established by and derives its authority and accountability from Wajir Climate Change Fund Act on 2019. The Fund is wholly owned by the County Government of Wajir and is domiciled in Kenya.

The fund's objective is to stabilize greenhouse gas concentrations at a level that would prevent dangerous human induced interference with the climate system.

b) Principal Activities

The County Climate Change Fund enhances the promotion and support of innovative adaptation options that address climatic risks along the livestock, agricultural inputs, and water value chains. This contributes to sustainable market development, improved agricultural productivity, food and nutrition security in Kenya. These innovative options cut across from practical activities e.g. adoption of solar water pumping for utilities, to research for policy influence, such as providing evidence on contribution of climate change to sectors to inform county on the same, especially activities to be prioritized for resilience creation.

c) Fund Administration Committee

Ref	Name	Position
1	Chairperson	Yakub M. Dahiye
2	Committee Member	Yahya M. Dahiye
3	Committee Member	Yahya Dahir
4	Fund Administrator	Mohamed Abdullahi Guhad

d) Key Management Team

Ref	Position	Name
1	CECM Energy, Environment & Climate Change	Yakub M. Dahiye
2	Fund Administrator	Mohamed Abdullahi Guhad
3	Fund Accountant	Adan Billow Mohamed

Wajir County Climate Change Fund
Annual Report and Financial Statements for the year ended June 30,2025

e) Fiduciary Oversight Arrangements

During the year under review, the County's management and operations were supported by a number of institutions which were established within the county to provide oversight role and ensure prudent management. These key fiduciary oversight bodies at the County for the year ended 30th June 2025 were;

S/N	Position	Name
1.	Directorate Internal Audit	Abdi G Omar
2.	County Assembly of Wajir.	Shalle Sheikh Mursal
3.	Public Investments Committee	Abdi Mohamed Abdi
4.	Budget and Appropriations Committee	Nimo Ahmed Saney

External Institutions

1. Office of the Controller of Budget.
2. Public Sector Accounting Standards Board.
3. Commission on Revenue Allocation.
4. The National Treasury.
5. Office of the Auditor General.

f) Registered Offices

Department of Energy, Environment & Climate Change
County Government of Wajir
P.O Box 9-70200
County Headquarters.
Wajir,
KENYA

g) Fund Contacts

Web: wajir.go.ke
E-mail:
info@wajir.go.ke Twitter
[@WajirCountyKE](https://twitter.com/WajirCountyKE)
Website: www.Wajir.go.ke

Wajir County Climate Change Fund
Annual Report and Financial Statements for the year ended June 30,2025

h) Fund Bankers

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

2. Kenya Commercial Bank, Wajir.
Mandera Road
P.O.Box201-70200
Tel: +254-46421536/0711087000
Email: [Contact centre@kcb.co.ke](mailto:Contactcentre@kcb.co.ke)
Wajir, Kenya

3. Independent Auditors

Auditor General
Office of the Auditor General
Anniversary Towers, University Way
P.O Box 30084
GOP00100
Nairobi, Kenya

4. Principal Legal Adviser





The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
CitySquare00200
Nairobi, Kenya

5. County Attorney

County Government of Wajir
P.O.Box9-70200
County Government Headquarters,
WAJIR, KENYA




**Wajir County Climate Change Fund
Annual Report and Financial Statements for the year ended June 30,2025**

3. Fund Administration Committee

Name	Detailsofqualificationsandexperience
<p>1.Yakub M. Dahiye</p> 	<p>Yakub M. Dahiye is a graduate of Egerton University and Addis Ababa University with many years of work experience both in the public and the private sector. Mr Dahiye joined the County Government of Wajir as CECM for Roads, Transport, public works and Housing and later transited to Environment, energy and Climate Change.</p>
<p>2.YahyaM.Dahiye</p> 	<p>Yahya M. experience in Government and Non-governmental organizations focusing on communication, humanitarian issues and governance sectors. He is currently serving as the County Chief Accounting Services, Pending bills resolution, revenue and resource mobilization. He has previously served chief of Staff and press director for the County Government of Wajir. He has also worked as a spokesperson for Medecins Sans Frontiers (MSF). Dahiye is a seasonal Manager. He has a master of Arts in Diplomacy, Development and international Security from Daystar University and Bachelor of Education (Arts) from University of Nairobi.</p>
<p>3.YahyaDahir</p> 	<p>Yahya was born in1987.He has wealth of experience both in public and Humanitarian sector for over 10 years. Yahya hold Bachelor degree in Environmental Science.</p>
<p>4.Mohamed Abdullahi Guhad</p> 	<p>Mohamed Abdullahi Guhad Holds Bachelor of Science in Radiography and has over 17 years working experience in Both private hospital and international organizations Worked as advanced CT product manager at Neu soft medical systems before joining Wajir County Government as a chief officer. He is currently serving as the County Chief officer Environment, Climate Change, Energy, Mining, Natural Resources, Forestry, and Wildlife Conservation.</p>

**Wajir County Climate Change Fund
Annual Report and Financial Statements for the year ended June 30,2025**

4. Management Team

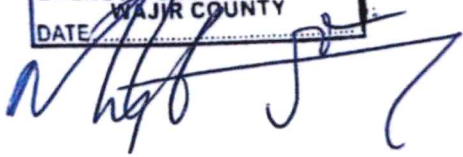
Name	Details of qualifications and experience
<p>1.Yakub M. Dahiye</p> 	<p>Yakub M. Dahiye is a graduate of Egerton University and Addis Ababa University with many years of work experience both in the public and the private sector. Mr. Dahiye joined the County Government of Wajir as CECM for Roads, Transport, public works and Housing and later transited to Environment, energy and Climate Change.</p>
<p>2.Mohamed Abdullahi Guhad</p> 	<p>Mohamed Abdullahi Guhad Holds Bachelor of Science in Radiography and has over 17 years working experience in Both private hospital and international organizations. Worked as advanced CT product manager at Neusoft medical systems before joining Wajir County Government as a chief officer. He is currently serving as the County Chief officer Environment, Climate Change, Energy, Mining, Natural Resources, Forestry, and Wildlife Conservation</p>
<p>3.Adan Billow Mohamed</p> 	<p>CPA Adan Billow was born in1988 and has over 10 years of experience in Finance and Accounting. He started his career as a banker and later joined the county Government as Accountant and doubles up as the Fund Accountant. He holds Bachelor's Degree in Commerce(Finance),MBA(Finance),CPA(k)and is a member of the institute of Certified Public Accountant Of Kenya(ICPAK).</p>

5. Fund Chairperson's Report

Section 164 of the Public Finance Management Act, 2012 requires that, County Governments prepare financial statements with respect to the Fund by 30th September each year and submit the same to the auditor general with copies to the County Treasury, OCOB, and CRA and The National Treasury.

In view of the above, it is my pleasure to present the Wajir County Government financial statements for the period ending 30th June 2025. The financial statements present the financial performance of the County Government over the past year. The statements are prepared in accordance with the cash basis of accounting method under the International Public Sector Accounting Standards (IPSAS).

Statements presented include a statement of Receipts and Payments, a statement of Assets and Liabilities, Cash flow Statement, a statement of Comparative budget and actual amount and the Notes to the Financial Statements. The Financial Year 2024/2025 was the Eleventh full financial year under the devolved governance structure after the County government came into office in March 2013.


HON. YAKUB M. DAHIYE
C.E.C.M, ENVIRONMENT
ENERGY & CLIMATE CHANGE
WAJIR COUNTY
DATE:

YAKUB MUMIN DAHIYE
CECM ENVIRONMENT, ENERGY AND CLIMATE CHANGE
COUNTY GOVERNMENT WAJIR

Wajir County Climate Change Fund
Annual Report and Financial Statements for the year ended June 30,2025

6. Report of the Fund Administrator

The Wajir County Climate Change Fund draws its powers from the Wajir County Climate Change Act 2016, which was later amended in 2019 due its inconsistency with the National Climate Act. The Fund started its operation in the financial year 2017/2018. The fund has two levels of committee, that is, the County Climate change planning committee and lower-level Ward Climate Change committee spread over the 30 wards in Wajir County. The ward committee identifies the priority list of climate change projects and forward to the County Climate Change Planning committee who allocate projects according to needs, population and budgetary allocations.

In the Financial Year 2024/2025 the disbursement to the Wajir County Climate Change Fund was Ksh. 134,481,291 with an opening balance of Ksh. 128,411,843. The fund has registered an impressive performance and is in consultation with National government for more transfers and support since the fund had tremendous positive impact on climate change issues and mitigation measures. Out of the available funds, Ksh. 9,446,156 was spent on administration costs and Ksh. 252,064,966 on climate change projects which were successfully implemented as planned. This is 60% absorption of the allocated budget for the financial year. This is considered an impressive performance despite the meager allocation for the fiscal year. The fund is in discussion with National government for more transfers and support since the fund had tremendous positive impact on climate change issues and mitigation measures.



MOHAMED GUHAD ABDULLAHI

FUND ADMINSTRATOR

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

Introduction

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

Wajir County has a vision to be

'A Secure, Resilient and Globally Competitive First-Class County in Service Delivery for All'

This vision will be achieved through the county's strategic objectives in the various sectors listed here after

The County Government prepared the CIDP 2023-2028 which is the county development blue print for the five years plan period from 2023-2028. Tracking of Programs and projects implementation status is done through a number of activities including: field inspection reports, quarterly M&E reports and annual M&E reports. Annual reports are carried out as per Section 164 (2)(f) of the Public Finance Management Act, 2012. Moreover, the CIDP2023-2028 is tracked through a CIDP Mid Term Review slated after two and a half years of the 3rd Generation County Government. The County Government of Wajir plans to undertake a CIDP Mid-Term Review during the current Financial Year. Similarly, we also prepare County Annual Progress Reports (C-APR) on Yearly basis from the data collected during the M &E exercise. Yet, the County has developed a Counter Indicator Handbook from the Wajir CIDP 2023-2028 Indicator that is used to review performance outcomes against the CIDP target outcomes.

Strategic development objectives

The County government of Wajir 2023-2028 CIDP has identified Twenty-three key strategic development objectives. Broadly, these objectives have been identified through a participatory process that reviewed the development priorities of the Governor's Manifesto, Vision 2030, SDGs and the MTP III.

Wajir County Climate Change Fund
Annual Report and Financial Statements for the year ended June 30,2025

The strategic objectives are a synthesized product of the afore-mentioned planning frameworks that amalgamate the thematic focus and development aspirations in these policy frameworks and plans, and are summarized here-in-under;

- a) Stabilize greenhouse gas concentrations at a level that would prevent dangerous human induced interference with the climate system.
- b) Provide housing to staff and management.
- c) The promotion and support of innovative adaptation options that address climatic risks along the livestock, agricultural inputs, and water value chains
- d) Harness the renewable energy resources like solar and wind.
- e) Increase forest cover through afforestation and agroforestry.

Below we provide the progress on attaining the stated objectives, particularly on matters Environment and climate adaptation.

Department	Objective	Outcome	Indicator	Performance
Energy, Environment and Climate Change	Harness the renewable energy resources like Solar and wind	Increased street lighting using solar power	%of towns with solar street lights	25
			% of HH Connected to green electricity	30
	Conserve biological, environmental and wildlife resources for the benefit of the residents	Improved conservation	Conservancies operational	3
	Increase forest cover through afforestation and agroforestry	Increased forest cover	Proportion (Ha) of land under forest cover	3.5

8. Corporate Governance Statement

The Wajir County Climate Change Fund is made up of two levels of administration committees known as the County Planning Committee and Ward Planning Committees. The Ward Planning Committee members based at each of 30 wards in the county wide. The committees/elders identify the priority needs of each ward on matters environment and its sustainability. The County planning committee members do meet to deliberate on the priority list submitted to them by the lower-level committees from the grassroots level .The county Planning committee do prepare the final Climate change projects list by evaluating and considering the sustainability of the climate change projects and impact they have on their environment with regards to budgetary allocation to the Fund. The allowances of the County Planning Committee and the Ward Planning Committees are determined by the Salaries and Remuneration Commission. The number of Fund Administration Committee meetings held and the attendance to those meetings by members,

- a) Succession plan,
- b) Existence of a service charter,
- c) Process of appointment and removal of Administration Committee members,
- d) Roles and functions of the Administration Committee members,
- e) Induction and training, Administration Committee members and member's performance,
- f) Conflict of interest,
- g) Board remuneration,
- h) Ethics and conduct as well as governance audit undertaken if any.

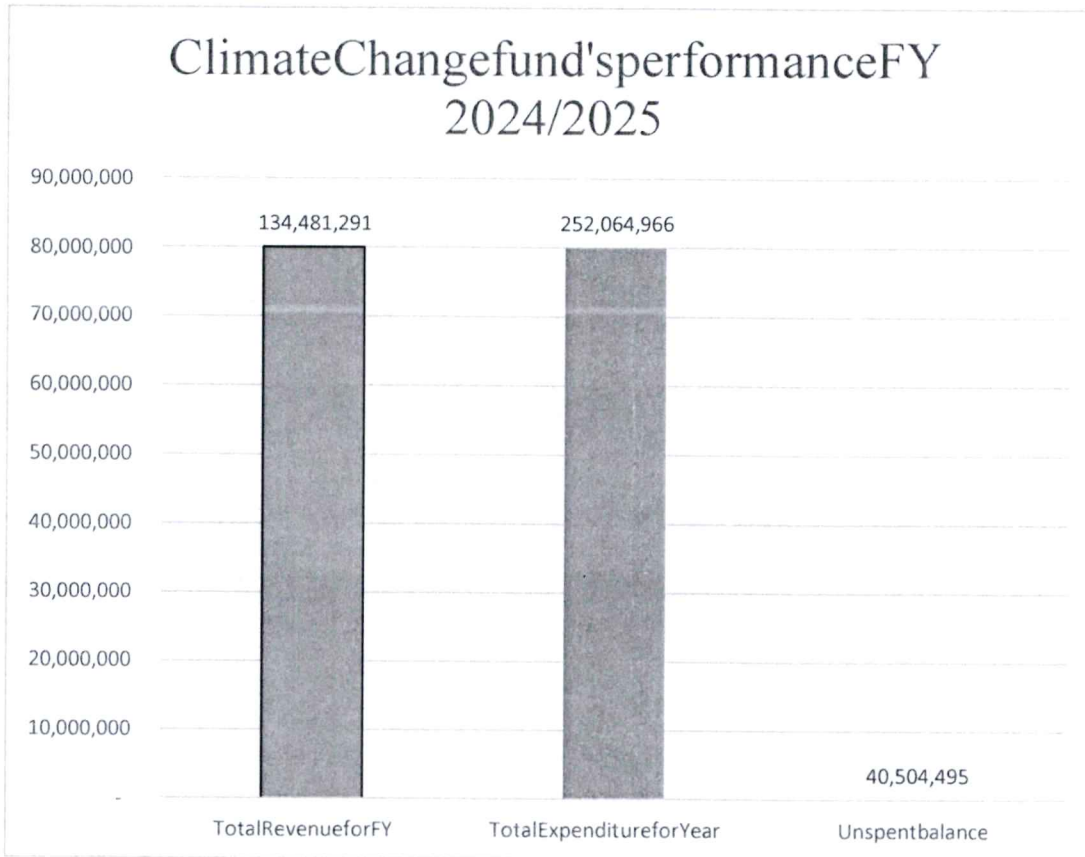
9. Management Discussion and Analysis

During the financial year under review, Ksh. 134,481,291 was disbursed to the Wajir county Climate change fund for facilitating community-initiated climate change adaptation and mitigation activities in the county, establishing Climate finance mechanisms in the county as well as coordinating support from the National government climate change policy and legislative framework. Thus, improving the general wellbeing of the environment for maximum benefit of the current and future generations. The County Climate change committees in consultation with the parent ministry at the national Government for additional funding in the future mitigation measures

The Climate change framework shall be developed through consultative process spearheaded by the County Climate Change Planning committee.

Below is graphical representation of financial performance of the Wajir Climate Change Fund for Financial Year 2024/2025.

Wajir County Climate Change Fund
Annual Report and Financial Statements for the year ended June 30, 2025



10. Environmental and Sustainability Reporting

1. Sustainability strategy and profile-

The Wajir County Development Agenda is informed by the need to increase and expand sustainable development opportunities and build people's capacities to enable them create wealth and transform their lives for growth and prosperity. The County Envisions being a competitive, industrialized and socio-economically self-sustaining and securing county. This will be attained by providing quality and efficient services through innovative and sustainable utilization of resources for a better quality of life of all citizens of Wajir County. The county intends to attain and sustain it through creation of a county culture anchored on; Transparency; Inclusiveness and Equity; Empowerment; Quality and result oriented in provision of the county services.

2. Environmental performance

As outlined in the County 2023-2028 CIDP, Environment is one of the key thematic areas that the county has put a lot of focus in its development's agendas. Land is a natural resource which can be sustainably used to satisfy man's unlimited needs and wants as long as the concept of scarcity is recognized. Cognizant of the need for responsible land use for environmental sustainability. The County has developed a number of policies programs and structures guiding environmental matters within the County.

3. Employee welfare

Wajir County Recognizes the value of its employees in the implementation and long-term sustainability of its development strategy. As a result, it has always ensured a fair recruitment process where competences and qualification has been key in hiring of its employees to ensure value from its human resource. All recruitments observe the one-third Gender rule and the inclusivity. All senior management staff from the level of county directors and above is placed under performance Contract while the junior staff are under performance Appraisal system.

This is aimed at inculcating a results culture and also helps to identify skills gap for capacity building and future development the County staff as they inform approvals for Promotion and training for carrier growth. For a better and health work force, the county has also placed all staff under a medical cover which on terms as provided by the Salaries and Remuneration Commission's guideline of Employee Medical benefits.

Wajir County Climate Change Fund
Annual Report and Financial Statements for the year ended June 30,2025


4. Market place practices-

The County embraces diversity and offers services to all county residents without discrimination. All county fees and charges are levied after wide consultation with the citizens through public participation

5. Community Engagements

The County has been engaging its citizens in all its development programs through public participation in all the county plans, Budget and legislations. This participation ensures that the views of the citizen are included from planning to implementation stages. Participation is done by the county through its established participation structures such as the County Budget and Economic Forum, The County Citizen education and Civic Education Unit etc.

By Order of the Board,


A rectangular stamp with a blue border containing the text: HON. YAKUB M. DAHIYE, C.E.C.M, ENVIRONMENT ENERGY & CLIMATE CHANGE, WAJIR COUNTY, and a line for DATE.

MR.YAKUB MUMIN DAHIYE

CECM ENERGY, ENVIRONMENT AND CLIMATE CHANGE

CHAIRPERSON OF THE BOARD

**Wajir County Climate Change Fund
Annual Report and Financial Statements for the year ended June 30,2025**

11. Report of the Trustees

The Trustees submit their report together with the audited financial statements for the year ended June 30, 2025 which show the state of the Fund affairs.

Principal activities

The Fund's principal activity is to facilitate community-initiated Climate Change Adaptation and mitigation activities as appropriated in the County's Approved budget estimates and disburse the funds as stipulated in the Act by establishing climate finance mechanisms in Wajir County.

Results

The results of the Fund for the year ended June30, 2025, are set out from page1 of this report.


Trustees

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

Auditors

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

By Order of the Board


A rectangular stamp with the following text: HON. YAKUB M. DAHIYE, C.E.C.M. ENVIRONMENT, ENERGY & CLIMATE CHANGE, WAJIR COUNTY. Below the stamp is a handwritten signature in blue ink.

.....
MR.YAKUB MUMIN DAHIYE

CECM, ENERGY, EVIRONMENT AND CLIMATECHANGE &CHAIRPERSON OF THE BOARD

Date: 8/8/2025

12. Statement of Management’s Responsibilities

Section 167 of the Public Finance Management Act,2012 requires that at the end of each financial year the Administrator of a County Public Fund established by the Wajir County Climate Change Fund 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, 2025. 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 of 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 Wajir County Climate Change Fund Act 2019. 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, 2025, 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.

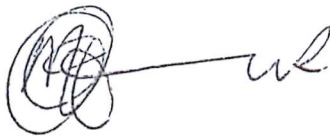
Wajir County Climate Change Fund
Annual Report and Financial Statements for the year ended June 30,2025

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

Nothing has come to the attention of the Administrator to indicate that the Fund will not remain 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 1st August 2025 and signed on its behalf by:



MOHAMED ABDULLAHI GUHAD

ADMINISTRATOR OF THE CLIMATE CHANGE FUND

Date: 8/8/2025

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
Email: 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 WAJIR COUNTY CLIMATE CHANGE FUND FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

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

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 Wajir County Climate Change Fund set out on pages 1 to 23, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of cash flows, statement of changes in net assets 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 effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Wajir County Climate Change Fund as at 30 June, 2025 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 and the Wajir County Climate Change Fund Act, 2019 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Unsupported Prior Year Adjustment

The statement of changes in net assets reflects a prior year adjustment of Kshs.128,331,481. However, the statement does not include explanatory notes on the nature and origin of the adjustment or error, as required by the prescribed reporting framework. Additionally, supporting documentation, including detailed schedules of the underlying transactions, journal entries, cash books, and bank statements relating to this amount, was not provided for audit review. Further, the comparative balance on cash and cash equivalents presented in the statement of financial position did not incorporate the prior year adjustments for cash and cash equivalents.

It was also noted that the total column in the statement of changes in net assets has a casting error, showing a balance of Kshs.1,382,529 instead of Kshs.20,741,809 as at 30 June, 2025.

In the circumstances, the accuracy, validity and completeness of the prior year adjustment balance of Kshs.128,331,481 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Wajir County Climate Change 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.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final revenue budget and actual amount on comparable basis of Kshs.433,129,062 and Kshs.262,812,772 respectively, resulting to under-funding of Kshs.170,316,290 or 39% of the budget. Similarly, the statement reflects actual expenditure of Kshs.261,510,605 against actual

receipts Kshs.262,812,772, resulting to an under expenditure of Kshs.1,302,167 or approximately 100% absorption.

The under-funding and under expenditure may have affected the planned activities and may have impacted negatively on the achievement of the objectives of the Fund.

My opinion is not modified in respect of this matter.

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 effects of matter 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

1. Unresolved Prior Year Matters

In the prior year audit report, three issues were raised under Other Matter and the Report on Lawfulness and Effectiveness in Use of Public Resources respectively. These include Inadequate Disclosure in the Statement of Performance Against Predetermined Objectives, failure to publish Climate Finance Framework for the County and failure to enact Climate Fund Regulations. Review of the status during audit of the Fund in 2024/2025 revealed that the matters remained unresolved.

2. Inadequate Disclosure in the Statement of Performance Against Predetermined Objectives

The statement of performance against predetermined objectives reflects three (3) key programs drawn from the mandate of the Fund. The statement further highlights the objectives, outcomes, indicators and performance under each program. However, the statement contains scanty information on the objectives, outcomes, indicators and performance under each program. The outcomes and performances achieved were not stated in specific and measurable terms in order to aid in determination of any performance deviations.

Further, the indicators used were not disclosed in a manner that can be objectively measured. The first indicator quoting percentage of towns with solar street lights whereas the projects are ward based. On the other hand, the third indicator was indicated as conservancies operational. There was no clear mention of what entailed conservancies and how the Fund's operations contributed to the success of the said conservancies.

Other Information

The Management is responsible for the Other Information set out on page iii to xix which comprise of Key Entity Information and Management, Fund Administration Committee, Management Team, Fund Chairperson's, Report of the Fund Administrator, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Report of the

Trustees 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 Company'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 the 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, based on the audit procedures performed, except for the effects of the matter described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

Failure to Enact Climate Fund Regulations

As at the time of audit in October, 2025 Wajir Climate Change Fund Regulations required under Section 32 of the Wajir County Climate Change Fund Act, 2019 were not in place. This is contrary to Section 32 of the Act, which provides that the Executive Member in Charge of Finance shall make regulations for all matters necessary for the proper administration of the Act including: (a) sitting allowances for the County Planning Committee and the Ward Planning Committees, (b) the banking arrangements for the Fund and (c) the disbursement for funds for approved projects.

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 are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, 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 control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and the Fund Administration Committee

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

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

Auditor-General's Responsibilities for the Audit

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 of 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

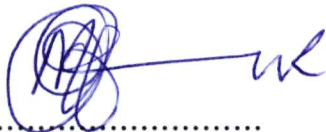
20 November, 2025

Wajir County Climate Change Fund

Annual Report and Financial Statements for the year ended June 30,2025

14. Statement of Financial Performance for the Year ended 30 June 2025.

Description	Note	FY 2024/2025	FY 2023/2024
		Kshs	Kshs
Revenue From Non-Exchange Transactions			
Transfers From the County Government	1	153,840,571	75,000,000
Total Revenue		153,840,571	75,000,000
Expenses			
General expenses	2	9,446,156	4,486,959
Climate Change Projects	3	252,064,449	71,214,449
Total Expenses		261,510,605	75,701,408
Surplus/(Deficit) for the Period		(107,670,034)	(701,408)



.....
Name: Mohamed Abdullahi Guhad
Administrator of the Fund
Date:8/8/2025




.....
Name: Adan Billow Mohamed
Fund Manager
ICPAK Member Number:31083
Date:8/8/2025

Wajir County Climate Change Fund
Annual Report and Financial Statements for the year ended June 30, 2025


15. Statement of Financial Position as at 30 June 2025

Description	Note	FY 2024/2025	FY 2023/2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	4	40,504,495	128,411,843
Receivables from Non-exchange transactions	5	19,359,280	
Total current assets		59,863,775	128,411,843
Non-Current Assets			-
Total Assets		59,863,775	128,411,843
Liabilities			
Current Liabilities			
Trade and other payables	6	39,121,966	-
Non-Current Liabilities			
Total Liabilities		39,121,966	-
Net Assets		20,741,809	128,411,843
Accumulated Surplus		20,741,809	128,411,843
Total Net Assets and Liabilities		20,741,809	128,411,843

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 8th August, 2025 and signed by:



 Name: Mohamed Abdullahi Guhad
 Administrator of the Fund
 Date: 8/8/2025



 Name: Adan Billow Mohamed
 Fund Manager
 ICPAK Member Number: 31083
 Date: 8/8/2025

Wajir County Climate Change Fund
Annual Report and Financial Statements for the year ended June 30, 2025

16. Statement of Changes in Net Assets for the year ended 30 June 2025.

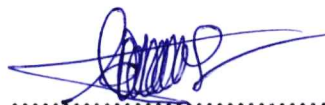
Description	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
		Kshs	Kshs	Kshs
Balance As At 1 July 2023	-	-	781,770	781,770
Surplus/(Deficit) For the Period	-	-	(701,408)	(701,408)
Prior Year Adjustment	-	-	128,331,481	128,331,481
Transfers	-	-	-	-
Revaluation Gain	-	-		
Balance As At 30 June 2024	-	-	128,411,843	128,411,843
Balance As At 1 July 2024	-	-	128,411,843	128,411,843
Surplus/(Deficit) for the Period	-	-	(107,670,034)	(127,029,314)
Balance As At 30th June 2025	-	-	20,741,809	1,382,529

Note:

Prior Year Adjustment is as a result of undisclosed prior year cash balance.



.....
Name: Mohamed Abdullahi Guhad
Administrator of the Fund
Date:8/8/2025

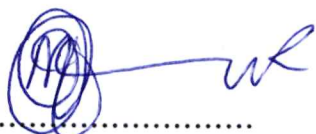


.....
Name: Adan Billow Mohamed
Fund Manager
ICPAK Member Number:31083
Date:8/8/2025

**Wajir County Climate Change Fund
Annual Report and Financial Statements for the year ended June 30, 2025**

17. Statement of Cash Flows for The Year Ended 30 June 2025.

Description	Note	FY 2024/2025	FY 2023/2024
		Kshs	Kshs
Cashflows from operating activities			
Receipts			
Transfers from the county government	1	134,481,291	75,000,000
Total receipts		134,481,291	75,000,000
Payments			
General expenses		9,446,156	4,486,959
Climate Change Projects		212,942,483	71,214,449
Total Payments		222,388,639	75,701,408
Net cashflows from operating activities		(87,907,348)	(701408)
Cashflows from investing activities			-
Cashflows from financing activities			-
Net increase/decrease in cash & cash Equivalents		(87,907,348)	(701408)
Cash and cash equivalents at 1 July		128,411,843	781,770
Cash and cash equivalents at 30 June		40,504,495	80,362



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Name: Mohamed Abdullahi Guhad
Administrator of the Fund
Date:8/8/2025



.....
Name: Adan Billow Mohamed
Fund Manager
ICPAK Member Number:31083
Date:8/8/2025

Wajir County Climate Change Fund
Annual Report and Financial Statements for the year ended June 30,2025

18. Statement of Comparison of Budget and Actual Amounts for the year ended 30 June 2025.

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						
Transfers From County Govt.	433,129,062	-	433,129,062	262,812,772	170,316,290	61%
Total Income	433,129,062	-	433,129,062	262,812,772	170,316,290	61%
Expenses						
General Expenses	33,738,111	-	33,738,111	9,446,156	24,291,955	28%
Climate Change Projects	399,390,951	-	399,390,951	252,064,966	147,325,985	63%
Total Expenditure	433,129,062	-	433,129,062	261,510,605	171,618,457	60%
Surplus For the Period				1,302,167		

Note:

Budget underperformance above was as a result of unrealized grant.



.....
Name: Mohamed Abdullahi Guhad
Administrator of the Fund
Date:8/8/2025



.....
Name: Adan Billow Mohamed
Fund Manager
ICPAK Member Number:31083
Date:8/8/2025

Wajir County Climate Change Fund
Annual Report and Financial Statements for the year ended June 30,2025

19. Notes to the Financial Statements

1. General Information

Wajir County Climate Change Fund is established by and derives its authority and accountability from Wajir County Climate Change Fund Act,2019. The Fund is wholly owned by the County Government of Wajir and is domiciled in Kenya. The Fund's principal activity is to stabilize greenhouse gas concentrations at a level that would prevent dangerous human induced interference with the climate system.

2. Statement of compliance and basis of preparation

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

3. Adoption of new and revised standards

Standard	Effective date and impact
IPSAS 41: Financial Instruments	Applicable: 1st January 2023 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 a Fund's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by: <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;

Wajir County Climate Change Fund

Annual Report and Financial Statements for the year ended June 30,2025

Standard	Effective date and impact
	<ul style="list-style-type: none"> • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between Fund’s risk management strategies and the accounting treatment for instruments held as part of the risk Management strategy.
<p>IPSAS42: Social Benefits</p>	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ul style="list-style-type: none"> (a) The nature of such social benefits provided by the Fund; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the Fund’s Financial performance financial position and cashflows.
<p>Amendments to Other IPSAS resulting from IPSAS41, Financial Instruments</p>	<p>Applicable: 1st January 2023</p> <ul style="list-style-type: none"> a) Amendments to IPSAS5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.

Wajir County Climate Change Fund

Annual Report and Financial Statements for the year ended June 30,2025

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

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

Wajir County Climate Change Fund

Annual Report and Financial Statements for the year ended June 30,2025

Standard	Effective date and impact:
for Sale and Discontinued Operations	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.

(i) Early adoption of standards

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

Wajir County Climate Change Fund
Annual Report and Financial Statements for the year ended June 30,2025

1. 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 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 Financial Year 2024/2025 was approved by the County Assembly on 30th July, 2025. 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.

Wajir County Climate Change Fund
Annual Report and Financial Statements for the year ended June 30,2025

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.

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 17 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 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,

Wajir County Climate Change Fund
Annual Report and Financial Statements for the year ended June 30,2025

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. 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 proceed sand the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition.

Amortized cost

Financial assets that are held for collection of contractual cashflows where those cashflows 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,

Wajir County Climate Change Fund
Annual Report and Financial Statements for the year ended June 30,2025

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 entity recognizes a loss allowance for such losses at each reporting date.

Financial liabilities

Classification

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

f) Inventories

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

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

- Raw materials purchase cost using the weighted average cost method

Wajir County Climate Change Fund
Annual Report and Financial Statements for the year ended June 30,2025

- 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.

g) 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 there is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

h) 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 recognizes a social benefit as an expense for the social benefit scheme at the same time that it recognizes 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.

i) 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.

j) 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.

k) 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 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.

l) Related parties

The Fund 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.

m) 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 imprest and advances to authorized public officers and/or institutions which were not surrendered or

accounted for at the end of the financial year.

n) Comparative figures

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

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.

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 Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140.

b) Use fullness 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
- Thenatureoftheasset,itssusceptibilityandadaptabilitytochangesintechnologyand processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset
- Changes in the market in relation to the asset

c) Provisions

Provisions were raised and management determined an estimate based on the information available. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

Wajir County Climate Change Fund
Annual Report and Financial Statements for the year ended June 30,2025

6. Notes to the Financial Statements

1. Transfers from County Government

Description	2024/2025	2023/2024
	Kshs	Kshs
Transfers from County Govt. – operations	75,000,000	75,000,000
FLOCA	78,840,571	-
Total	153,840,571	75,000,000

2. General Expenses

Description	2024/2025	2023/2024
	Kshs.	Kshs.
Administration Expenses	9,438,360	4,471,400
Bank Charges	7,796	15,559
Total	9,446,156	4,486,959

3. Climate Change Projects

Description	2024/2025	2023/2024
	Kshs	Kshs
Climate Change Projects	252,064,449	71,214,449
Total	252,064,449	71,214,449

4. Cash and cash equivalents

Description	2024/2025	2023/2024
	Kshs	Kshs
Current account	40,504,495	80,362
Prior Year Adjustment	-	128,331,481
Total cash and cash equivalents	40,504,495	128,411,843

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

Financial Institution	Account number	2024/2025	2023/2024
		Kshs	Kshs
a) Current Account			
Kenya commercial bank	1224515609	72,566	80,362
Central Bank	1000592974	40,431,929	128,331,481
Total		40,504,495	128,411,843

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5. Receivables from Non-exchange transactions

Description	2024-2025	2023-2024
	Kshs	Kshs
Receivables from Non-exchange transactions	19,359,280	-
Total trade and other payables	19,359,280	-

6. Trade and other Payables

Description	2024-2025	2023-2024
	Kshs	Kshs
Trade payables	39,121,966	-
Total trade and other payables	39,121,966	-

7. Cash Generated from Operations

Description	Period ended June30 2025	Audited Prioryear30 th June2024
Surplus for the year before tax	Kshs	Kshs
Surplus for the period before tax	20,741,809	
Adjusted for:		
Depreciation	-	-
Less: Non-cash grants received	-	-
Contributed assets		-
Impairment	-	-
Gains and losses on disposal of assets	-	-
Contribution to provisions	-	-
Contribution to impairment allowance	-	-
Working capital adjustments		-
Increase in inventory	-	-
Increase in receivables	(19,359,280)	-
Increase in deferred income	-	-
Increase in payables	39,121,966	
Increase in payments received in advance	-	-
Net cashflow from operating activities	40,504,495	-

8. Related party balances

a) Nature of related party relationships

Related parties include management personnel, their associates and close family members. The fund/scheme is related to the following entities:

- a) The County Government;
- b) Key management;
- c) Administration Committee

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b) Related party transactions

Description	2024/2025	2023/2024
	Kshs	Kshs
Transfers From the County Government	153,840,571	75,000,000
Transfers To Related Parties	-	-

9. 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 program focuses on unpredictability of changes in the business environment and seeks to minimize 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:

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 recognized 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.

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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 cashflows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

c) Market risk

i. 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 cashflow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the Fund's deposits.

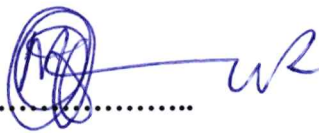
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20. Annexes

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:	Timeframe:
1.	Failure to Publish Climate Finance Framework for the County.	Climate Finance Framework provided and published	Resolved	31 st December 2025
2.	Failure to enact Climate Fund Regulation	Draft Climate change fund regulation Provided and will be submitted ones the assembly approves	Partly Resolved	31 st December 2025

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Fund Administrator

Date:8/8/2025

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Annex2: Inter-Fund Confirmation Letter

COUNTY GOVERNMENT OF WAJIR



DEPARTMENT OF FINANCE AND ECONOMIC PLANNING

Wajir County Climate Change Fund

P. O. Box 9-70200,

Wajir.

The County Government of Wajir wishes to confirm the amounts disbursed to you as at 30th June 2025 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column D in the table below. Please sign and stamp this request in the space provided and return it to us.

Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Amount Received by beneficiary Fund (Kshs) as at 30 th June 2025 (D)	Differences (Kshs) (E)=(C-D)
FT250377KQL9	06-02-25	-	59,481,291	59,481,291	59,481,291	-
FT25048CTSX1	17-02-25	-	75,000,000	75,000,000	75,000,000	
Total		-	134,481,291	134,481,291	134,481,291	-

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

Head of Accountants department of beneficiary Fund:

Name: Adan Billow Mohamed

Date: 8/8/2025

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Annex3: Reporting of Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		
Wajir County climate change adaptation	Ward Based climate change adaptive Interventions	Building Community Resilience through community prioritized climate.	Installation of solar, construction of water infrastructure, establishment, irrigation Systems to increase food Production.			134,481,291		County Exchequer.	County Government of Wajir Climate Change unit.