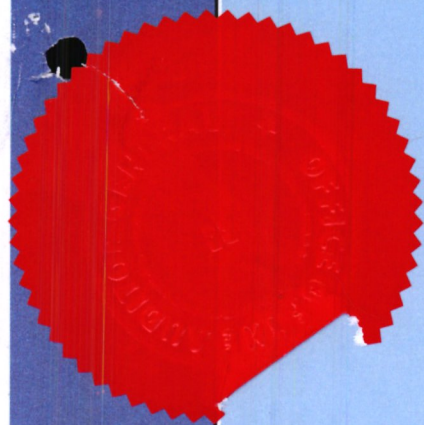
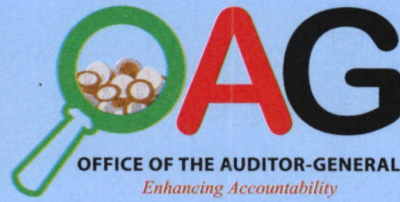
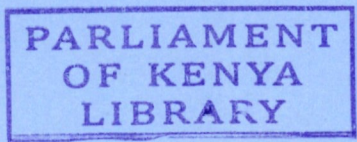


REPUBLIC OF KENYA



REPORT



OF

THE AUDITOR-GENERAL

ON

FINANCING LOCALLY-LED CLIMATE
ACTION (FLLoCA) PROGRAM

FOR THE YEAR ENDED
30 JUNE, 2025

COUNTY GOVERNMENT OF SAMBURU

PAPERS LAID	
DATE	19 Jul 2025
TABLED BY	Sen Mutinda on behalf of Majority Leader
COMMITTEE	-
CLERK AT THE TABLE	Belinda



OFFICE OF THE AUDITOR-GENERAL
ISILO REGIONAL OFFICE
1036A
06 OCT 2025
P. O. Box 1027 - 60300, ISILO
RECEIVED



**SAMBURU COUNTY FINANCING LOCALLY-LED CLIMATE ACTION
PROGRAM**

**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)**

Samburu County Financing Locally-Led Climate Action Program
Annual Report and Financial Statements for the year ended June 30, 2025

Table of Contents

1. Acronyms and Definition of Key Terms	ii
2. Key Entity Information and Management	v
3. Board of Trustees/ Fund Administration Committee	viii
4. Management Team	ix
6. Report of The Fund Administrator	xii
7. Statement of Performance Against the County Fund's Predetermined Objectives	xiii
8. Corporate Governance Statement	xvi
9. Management Discussion and Analysis	xvii
10. Environmental and Sustainability Reporting	xviii
11. Report of The Trustees	xx
12. Statement of Management's Responsibilities	xxi
13. Report of The Independent Auditor on the Financial Statements for Samburu County Financing Locally-Led Climate Action Program.	xxii
14. Statement of Financial Performance for the Year Ended 30 th June 2025	1
15. Statement of Financial Position As at 30 June 2025	2
16. Statement of Changes in Net Assets for the year ended 30 th June 2025	4
17. Statement of Cash Flows for The Year Ended 30 June 2025	5
18. Statement Of Comparison Of Budget And Actual Amounts For The Period 2025	6
19. Notes to the Financial Statements	8
25. Annexes	39

Samburu County Financing Locally-Led Climate Action Program
Annual Report and Financial Statements for the year ended June 30, 2025

1. Acronyms and Definition of Key Terms

A. Acronyms

ACTED	Agency for Technical Cooperation and Development
ASAL	Arid and Semi-Arid Lands
BOM	Board of Management
CBK	Central Bank of Kenya
CCCAP	County Climate Change Action Plan
CEO	Chief Executive Officer
CFA	Community Forest Association
DG	Director General
DRM	Disaster Risk Management
ECL	Expected Credit Loss
EMCA	Environmental Management and Coordination Act
FAO	Food and Agriculture Organization
FCDC	Frontier Counties Development Council
FLOCCA	Financing Locally-Led Climate Action Program
FY	Financial Year
ICPAK	Institute of Certified Public Accountants of Kenya
IMPACT	Indigenous Movement for Peace Advancement & Conflict Transformation
IPSAS	International Public Sector Accounting Standards
KFS	Kenya Forest Service
KSH	Kenya Shillings
MD	Managing Director
NDMA	National Drought Management Authority
NEMA	National Environmental Management Authority
NRM	National Resource Management
NT	National Treasury
OAG	Office of the Auditor General
OCOB	Office of the Controller of Budget

Samburu County Financing Locally-Led Climate Action Program
Annual Report and Financial Statements for the year ended June 30, 2025

OSHA	Occupational Safety and Health Act of 2007 PCRA Participatory Climate Risk Assessment
PFM	Public Finance Management
PPE	Property Plant & Equipment
PSASB	Public Sector Accounting Standards SAGAs Semi-Autonomous Government Agencies SDG Sustainable Development Goals
SNV	Netherlands Development Organization
SRC	Salaries and Remuneration Commission UNICEF United Nations Children's Fund
USAID	US Agency for International Development WARUA Water Resource User Association
WUA	Water Users Association

B. Definition of Key Terms

Fiduciary Management- Members of Management directly entrusted with the responsibility of financial resources of the organization.

Comparative Year- Means the prior period.

Samburu County Financing Locally-Led Climate Action Program
Annual Report and Financial Statements for the year ended June 30, 2025

2. Key Entity Information and Management

a) Background information

Samburu County Financing Locally-Led Climate Action Program is established by and derives its authority and accountability from The Samburu County Climate Change Act, 2022, which established the county climate change fund. The Program is wholly owned by the County Government of Samburu and is domiciled in Kenya.

b) Principal Activities

The principal activity/mission/ mandate of the Fund is to mobilize resources to fund climate change mitigation and adaptation activities for resilience building of communities within the county.)

c) Board of Trustees/Fund Administration Committee

Samburu County Financing Locally-Led Climate Action Program day-to-day management is under the following key organs:

d) Key Management team

Ref	Name	Position
1	Lenus Leshore	Fund Manager/ Administrator
2	Ben Lengalen	Director Environment, Natural Resources
3	Robert Mwangi	Fund Accountant

Key Entity and Management (Continued)

e) Fiduciary Oversight Arrangements

Here, provide a high-level description of the key fiduciary oversight arrangements covering (say):

SN	Position	Name
1	County Internal Audit	Director Internal Audit
2	County Assembly Public Accounts Committee	Chair Public Accounts Committees
3	County Audit Committee	Chair County Audit Committee

f) Registered Offices

P.O. Box 3 – 20600

Samburu County Financing Locally-Led Climate Action Program
Annual Report and Financial Statements for the year ended June 30, 2025

Samburu County Headquarters
Maralal-Nyahururu Road
Maralal, KENYA

g) Fund Contacts

Telephone: +254 065 62456, +254 65 62075
E-mail: info@samburu.go.ke
Website: www.samburu.go.ke

h) Fund Bankers

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

Samburu County Financing Locally-Led Climate Action Program
Annual Report and Financial Statements for the year ended June 30, 2025

Key Entity 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

P.O. Box 3
Postal code: 20600
Maralal, Kenya

Samburu County Financing Locally-Led Climate Action Program
Annual Report and Financial Statements for the year ended June 30, 2025

3. Board of Trustees/ Fund Administration Committee


Name	Details of qualifications and experience
1. Insert each Trustee's passport-size photo and name	Provide a concise description of each Trustee's date of birth, key academic and professional qualifications, and work experience. Indicate whether the trustee is independent or an executive director and which committee of the Board the trustee chairs where applicable.

**Samburu County Financing Locally-Led Climate Action Program
Annual Report and Financial Statements for the year ended June 30, 2025**

4. Management Team

Name	Details of qualifications and experience
<p>1. Hon. Patrick Lekimain</p> 	<p>Date of Birth;</p> <p>Educational Qualifications: BSC Industrial Chemistry University of Nairobi;</p> <p>Professional Experience: 2005 – 2013 Lab Technologist University of Nairobi; 2013 – 2019 Member Samburu County Public Service Board; 2023 – 2024 CECM Agriculture, Livestock & Fisheries; July 2024 to date CECM Water, Environment, Natural Resources, Climate Change and Energy. Main area of responsibility – Policy level coordination of County Climate Change issues.</p>
<p>2. Mr. Lenas Leshore</p> 	<p>Academic Qualifications: MA Public Policy & Administration Kenyatta University; BComm Business Management & Marketing Edith Cowan University.</p> <p>Professional Experience: 2008 – 2013 Business Man; February 2014 – February 2017 Personal Assistant to a Member of the House of Senate Kenya; February 2023 to date Samburu County Chief Officer Environment, Natural Resources</p>
<p>3. Lmakiya Lesarge</p> 	<p>Born on 20th, December, 1970. BA Social Sciences Moi University; NEMA Certified Lead Environmental Expert; Worked in Hospitality & Tourism (Heritage Hotels & Sanctuary Retreats) as tourist guide and Lodge manager 1998 - 2008; Worked in wildlife conservation (Northern Rangelands Trust) as a Regional Conservation Coordinator (Samburu, Isiolo & Marsabit) 2008 to 2010. Chief Executive Officer Kenya Professional</p>

**Samburu County Financing Locally-Led Climate Action Program
Annual Report and Financial Statements for the year ended June 30, 2025**

	<p>Safari Guides Association 2012 – 2016; Samburu County Director of Liaison 2016 – 2018; Director Samburu National Reserve: 2018 – August 2023; September 2023 to April 2025: County Director of Environment, Natural Resources, Climate Change and Energy. Main area of responsibility – County Climate Change Fund Administrator.</p>
<p>4. Benson Lengalen</p> 	<p>Academic Qualifications: BSc. Wildlife Management, Moi University JKUAT/NEMA, ESIA Associate; Project Cycle Management from ESAMI; Monitoring & Evaluation practitioner; Professional Experience: 2006 – February 2015: Worked with African Wildlife Foundation, an International Conservation organization in different capacities ranging from NRM officer, Landscape Ecologist and later as Landscape Program Coordinator; May 2015 – July 2023: County Director in charge of Environment, Natural Resources, Climate Change & Energy; August 2023 – April 2025: County Director in charge of Samburu National Reserve; May 2025 to date Samburu County Director in charge of Environment, Natural Resources, Climate Change & Energy.</p>

5. Chairperson's Report

The Financing Locally-Led Climate Action (FLLoCA) Program is in year three (3) of its implementation. In year one (1), the county embarked in carrying out a Participatory Climate Risk Assessment (PCRA) exercise that also led to development a County Climate Change Action Plan (CCAP) as well as establishing some of the key institutions such as Ward Climate Change Planning committees. In year two (2), the program continued in putting in place all the necessary institutional frameworks (climate change committees – the steering committee; Climate Change Planning committee; Ward Climate Change Planning committees and the County Climate Change Unit) for its seamless operationalisation. The program further built the capacity of the climate change committees and stakeholders, and undertaking the planning process for the implementation of County Climate Change Resilient (CCRI) grant implementation, which revolved about projects selection and approvals by the necessary committees; and also implementation of the approved projects.

Despite the Program being poised for success, issues such as delay in disbursement of funds by the National Treasury and delay of remitting the funds to the Climate Change Fund Special Purpose Account by the County treasury affected timely implementation of the Program activities so much. These therefore meant that some activities planned for implementation within the financial year under review and reporting will be implemented in the coming financial year 2025/26.

The County Assembly approved matching funds for the Program, thereby demonstrating its political goodwill and willingness to support the Program activities.

Within the financial year under review, some staff changes took place. The County Director of Environment, Natural Resources, Climate Change and Energy, who was also the Fund administrator was transferred in April 2025 and a new replacement brought in the month of May. The new Director settled in and oversaw implementation of the Program activities and a process is underway to officially designate the Fund administrator for the Program.



Patrick Lekimain

CECM Water, Environment, Natural Resources, Climate Change and Energy

30/6/25

***Samburu County Financing Locally-Led Climate Action Program
Annual Report and Financial Statements for the year ended June 30, 2025***

6. Report of The Fund Administrator

The following structures and/or institutions necessary for the operationalisation of the Fund as stipulated in the County Climate Change Act, 2022 were set up:

- County Climate Change Steering Committee chaired by the Governor;
- County Climate Change Planning Committee chaired by the Chief Officer Environment, Natural Resources, Climate Change and Energy;
- County Climate Change Unit chaired by the Director Environment, Natural Resources, Climate Change and Energy; and
- Ward Climate Change Planning Committees in 15 Wards;

The above established committees were trained on their roles and responsibilities as stipulated in the Act as well as on the purpose and objectives of the Program. All the Ward Climate Change Planning Committees held elections to pick their officials with guidance from the County Climate Change Unit (CCCU) and in strict adherence to the Act and the two-thirds gender rule. They also set-up Grievance Redress sub-committees to ensure timely attention on issues raised by communities regarding the FLLoCA Program.

From the CCCU membership, the following focal points were appointed to oversee specific roles as per the Program Document and its operation:

- Grievance Redress Focal Point;
- Social Focal Point; and
- Environment Focal Point.

All the above program activities were made possible by the second tranche of the Climate Change Institutional Support (CCIS) Grant of Ksh. 11,000,000.

The County also received the Climate Change Resilience Investment (CCRI) Grant fund amounting to Ksh. 105,632,523 from the National Treasury, and the County Government allocated a matching fund of Ksh. 41,500,000. A work plan for the program was developed and approved, and we continued to wait for the release of funds in to the County Revenue Allocation account. The County contributions was planned to implement projects in water and environment interventions realm. Additional, in the financial 2024/25, the County Government further allocated and appropriated Ksh. 70,000,000 as county contributions towards the FLLoCA Program. The CCRI grant funds were utilized to implement project/activities in the thematic areas of environmental conservation (soil and water conservation and gully erosion control); water infrastructure development (drilling and equipping of boreholes, construction/desilting of water pans, rehabilitation and repair of water systems, and rehabilitation of boreholes); and climate smart agriculture (drought resilient livestock and dairy goats supply).

It is worth noting that the above funds were received into the Special Purpose Account towards the end of the financial year 2023/24 and first Quarter of the financial year 2024/25, such that implementation of program activities happened as from the second Quarter of the financial year 2024/25. Due to this delay, some activities have spilled over to the financial 2025/26. The Program is bound to face head winds of if this trend of late disbursements continues. The program implementation in some Wards also faced some challenges revolving around insecurity and flooding during some heavy rains.



Lenas Leshore

C.O Environment, Natural Resources, Climate Change and Energy

Samburu County Financing Locally-Led Climate Action Program
Annual Report and Financial Statements for the year ended June 30, 2025

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

Section 164 (2) (f) of the Public Finance Management Act, 2012, requires that, at the end of each financial year, the Accounting officer includes a statement of performance against predetermined objectives when preparing financial statements.

The key development objectives of the Fund as per the County Integrated Development Plan (CIDP) for 2022 to 2027 are to:

- a) Build the capacity of institutions charged with climate change matters to effectively support communities to build resilience against the impacts of climate related hazards and shocks;*
- b) Implement targeted investments to promote community resilience against climate change hazards and shocks.*

Progress on the attainment of Strategic development objectives

During the just concluded financial year, the Program achieved the objective of setting up and building the capacity of all the Climate Change Institutions as well as the County Assembly Standing Committee on Water, Environment and Natural Resources.

With the CCRI grant, the County through the Directorate responsible for climate change matters and its climate change committees and stakeholders implemented a number of climate resilient interventions investments in water infrastructure; ecosystem restoration and climate smart agriculture. After, implementation of the water infrastructure development projects/activities, a number of urban and rural community households as well as livestock have access to clean and safe drinking water and also distances walked by communities (more specifically elderly, women and children) to water points to look for such precious commodity has reduced.

With investments undertaken on ecosystem restoration through development of soil and water conservation structures, this has helped in restoring the degraded rangelands (healing of gully's and increasing of water retention capacity), thus leading to improved pastures within the rangelands for ease of access by livestock. This in turn supports livestock production, which is the main economic stay of the pastoral communities in the county leading to enhance food security. The program also supported climate smart agriculture activities through procuring and supply of drought tolerant and high value livestock species such as the galla goats and dorper rums, as well as dairy goats. The supply of these drought tolerant and high value livestock species ensure that the vulnerable communities are able to have their livelihoods supported; and food and nutrition security enhanced.

Samburu County Financing Locally-Led Climate Action Program
Annual Report and Financial Statements for the year ended June 30, 2025

Samburu County Financing Locally-Led Climate Action Program
Annual Report and Financial Statements for the year ended June 30, 2025

Samburu County Financing Locally-Led Climate Action Program
Annual Report and Financial Statements for the year ended June 30, 2025

8. Corporate Governance Statement

The fund is domiciled in the Department of Environment, Natural Resources, Climate Change and Energy. The CECM in charge of the department gives oversight at policy level, while the Chief Officer of the department as the officer who bears the ultimate fiduciary responsibility provides oversight at the operational level. The Fund Administrator, who is the director in charge of the department runs the day-to-day affairs of the Fund and guides the CCCU members on Program implementation, monitoring and reporting.

All the above officials have attended capacity building sessions organized at the County level as members of the different climate change committees. They have also attended training sessions organized by the FLLoCA Program Implementation Unit at the National level.

Samburu County Financing Locally-Led Climate Action Program
Annual Report and Financial Statements for the year ended June 30, 2025

9. Management Discussion and Analysis

In the last three years when the Fund was in existence, it was able to carry out the following:

- Execution of a County Participatory Climate Risk Assessment;
- Development of a County Climate Change Action Plan (CCAP);
- Establishment and training of Ward Climate Change Planning Committees in 15 Wards in the County, County Climate Change Unit, County Climate Change Planning Committee, County Climate Change Steering Committee;
- Implementing a number of climate resilient projects/activities in three thematic areas of ecosystem restoration; water infrastructure and access; and climate smart agriculture as explained in pages 14 & 16.

Samburu County Financing Locally-Led Climate Action Program
Annual Report and Financial Statements for the year ended June 30, 2025

10. Environmental and Sustainability Reporting

Samburu County Water and Environment sector comprises Water and Sanitation; Environment; Natural Resources and Energy. The sector is one of the key enablers towards the achievement of Sustainable Development Goals (SDGs), specifically Goal 6: Ensure availability and sustainable management of water and sanitation for all; Goal 7: Ensure access to affordable, reliable, sustainable and modern energy for all; Goal 13: Take urgent action to combat climate change and its impacts; and Goal 15: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss. It is also an enabler in several other SDGs, Vision 2030 and Agenda 4 items.

The economy of Samburu County is highly dependent on livestock, agro-pastoralism and tourism which is vulnerable to climate risks and shocks. The increasing frequency of extreme weather events e.g. floods and droughts, poses challenge to sustainable socio-economic development. To safeguard these development gains, the sector, in consultation with various stakeholders, has put in place several adaptive mechanisms to mitigate negative impacts of the climate change to achieve sustainable development. Samburu has demonstrated its commitment to climate action by enacting legislations that are aligned to the national and international frameworks to ensure sustainable development.

The Environmental Management and Coordination Act (EMCA) of 1999 (amended in 2015 to align with the Kenya constitution, 2010) creates the County Environment Committee comprising, inter alia, representatives of pastoralists within Samburu County. Further, the National Environment Policy (2013) aims to a better quality of life for present and future generations (of all Kenyans) through sustainable management and use of the country's environment and natural resources. Its provisions most relevant to ASALs and rangelands are found in several sections such as provisions for forest ecosystems, provision for ASALs, provision for land resource, provision for biodiversity and wildlife resources, and provision for livestock resources.

The County government has made efforts to formulate environmental policies and acts such as; Samburu County Climate Change Policy, 2022; Sustainable Forest management and Tree Growing Policy, 2022; Rangelands management and grazing Policy, 2022 as well as the Climate Change Act, 2022. Samburu Climate Change Policy, in its policy objective number two highlights the Strengthening of community resilience to enhance their adaptive capacities to climate change and livelihood diversification and further in objective six policy statement speaks of reducing vulnerability of women to climate change impacts thus providing for policy framework to assessment of climate Risks and women participation in climate change interventions. The Samburu County act of 2022 on the other hand has the objective of anchoring the process that ensures climate resilience is enhanced through development, management, implementation of climate actions. The Act also seeks to protect the climate system for the benefit of the present and future generations by supporting the national and international legislations and policies. With regards to waste management, the county is yet to formulate county specific policy, however, the National Environment policy of 2003 and the National

Samburu County Financing Locally-Led Climate Action Program
Annual Report and Financial Statements for the year ended June 30, 2025

Sustainable Waste Management policy of 2021 and Environmental Management and Coordination Act of 1999 (Revised in 2015) are sufficient in guiding how waste management is managed and handled at the county.

The sector has also conducted countywide Participatory Climate Risk Assessment (PCRA) whose outcomes and recommendations has informed the development of a five-year County Climate Change Action Plan (CCCAP) aimed at providing a clear and concise response priorities to climate variability and change. With the climate change policy and the Action Plan in place, the sector is focused on implementing key interventions that can help to achieve the goal of low carbon climate resilient development pathway. These efforts will go a long way in addressing adverse effects of climate change cutting across key sectors that are important to the economy and society: Environment, Water and Forestry; Agriculture, Livestock and bee keeping; Trade; Energy; Physical Infrastructure; Tourism; and Health.

These efforts have enabled the success of the sector in increasing county forest cover from 15.8% to 23.29% (KFS 2021) through tree planting initiatives and establishment of NRM institutions such as Community conservancies, Community Forest Associations (CFAs), Water Resource User Associations (WRUAs), Water Users Associations (WUAs). These institutions are key in protection and management of fragile ecosystems within the county. In partnership, with other stakeholders, we have also rehabilitated 200 hectares of degraded areas under invasive species on pilot basis in Meibae and West-Gate community conservancies and developed soil conservation structures (such as gabions and terraces) to control soil erosion and increase water retention capacities within the rangelands.

Samburu County Financing Locally-Led Climate Action Program
Annual Report and Financial Statements for the year ended June 30, 2025

11. Report of The Trustees

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

Principal activities

The principal activities of the Fund are capacity development of County climate change institutions to carry out their roles and responsibilities effectively and undertaking the development of climate resilient investments for communities and ecosystems.

Results

The results of the Fund for the year ended June 30, 2025 are set out on page 23 to 47

Trustees

The Trustees who served during the year are shown on page 8. The changes in the Trustee during the financial year are as shown below:

Director Environment, Natural Resources, Climate Change and Energy Lmakiya Lesarge was replaced in that capacity by Benson Lengalen in the month of May 2025.

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.



Chair of the Board/Fund Administration

Committee Date: 22/09/2025

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 Samburu County Climate Change Act, 2022, 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 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 Samburu County Climate Change Act, 2022. 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.

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 30/6/ 2025 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



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

REPORT OF THE AUDITOR-GENERAL ON FINANCING LOCALLY-LED CLIMATE ACTION (FLLoCA) PROGRAM FOR THE YEAR ENDED 30 JUNE, 2025 – COUNTY GOVERNMENT OF SAMBURU

PREAMBLE

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

- A. Report on 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 the 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 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 Financing Locally-Led Climate Action (FLLoCA) Program – County Government of Samburu set out on pages 1 to 44,

Report of the Auditor-General on Financing Locally-Led Climate Action (FLLoCA) Program for the year ended 30 June, 2025 - County Government of Samburu

which comprise of the statement of financial position as at 30 June, 2025, 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 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 Financing Locally-Led Climate Action (FLLoCA) Program - County Government of Samburu as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance International Public Sector Accounting Standards (Accrual Basis) and comply with the Samburu County Climate Change Act, 2022 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Non-Disclosure of Retention Payables

The statement of financial position reflects Nil balance for trade and other payables from exchange transactions as at 30 June, 2025. However, review of payment documents revealed that a total of Kshs.2,745,075 had been deducted as retention money from four (4) contractors in respect of various completed contracts during the year. The amount was not disclosed as retention payables in the financial statements.

In the circumstances, the accuracy and completeness of trade and other payables Nil balance could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Financing Locally-Led Climate Action (FLLoCA) Program - County Government of Samburu 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 both final receipts budget and actual amounts on a comparable basis of Kshs.186,632,523, or 100% funding of the budget. Similarly, the Program utilized Kshs.165,781,345 of the actual receipts of Kshs.186,632,523, resulting in an under-absorption of Kshs.20,851,178, or 11% of the actual receipts. Further, the approved annual budget was not presented for audit review and thus the due process in the budget preparation and approval process could not be confirmed.

The under-absorption may have adversely affected the timely implementation of planned program activities.

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 the 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

Unresolved Prior Year Audit Matter

In the previous audit report, an issue on lack of a risk management policy raised under the Report on Effectiveness of Internal Controls, Risk Management and Governance remained unresolved at the time of audit. Further, Management has not indicated the progress in resolving the prior-year audit issue.

Other Information

The Management is responsible for the Other Information set out on page v to xxi which comprise of Key Entity Information and Management, Fund Administration Committee, Management Team, Chairman's Report, Report of the Fund Administrator, Statement of Performance Against County's Fund Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, 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 Program'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 THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters 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

1. Irregularities in the Procurement and Implementation of Dam Rehabilitation Projects

The statement of financial performance and Note 12 to the financial statements reflect use of goods and services of Kshs.153,049,720, which includes payments of Kshs.4,999,645 for the rehabilitation of Lesidai Dam and Kshs.4,261,990 for the desilting of Loosuk Dam. Audit review revealed the following irregularities:

1.1 Rehabilitation of Lesidai Dam

The contract was awarded through the Request for Quotations (RFQ) method. However, two (2) of the three (3) bidders invited to submit quotations were not on the prequalified list of contractors for small dams and pans. Further, physical inspection conducted on 04 September, 2025 revealed that a section of the dam embankment was poorly constructed, posing a risk of water spillage and potential structural failure.

In the circumstances, the value for money in the expenditure of Kshs.4,999,645 could not be confirmed.

1.2 Rehabilitation of Loosuk Dam

The rehabilitation of the dam was reported as completed and in use. However, physical inspection carried out on 04 September, 2025 revealed that a section of the embankment was poorly constructed, compromising the dam's ability retain water and posing risks to safety and sustainability. Further, a quality assurance certificate from the responsible technical department or supervising engineer was not provided for audit verification contrary to Section 150(3) of the Public Procurement and Asset Disposal Act, 2015, which requires confirmation that works are executed in accordance with approved technical specifications and contractual terms.

In the circumstances, the value for money in the expenditure of Kshs.4,261,990 could not be confirmed.

2. Irregularities in the Procurement and Implementation of Borehole Projects

The statement of financial performance and Note 12 to the financial statements reflects use of goods and services expenditure of Kshs.153,049,720, which includes payments incurred on the drilling, equipping, and rehabilitation of boreholes. Audit review revealed irregularities in procurement, contract administration, and project implementation as detailed below:

2.1 Drilling and Equipping of Lolmoti Borehole

An expenditure of Kshs.8,387,973 was incurred for the drilling and equipping of Lolmoti Borehole during the year under review. However, bid documents, tender opening minutes, tender evaluation report, Water Resources Management Authority (WRMA)

approval, valid water use permit, water quality and pump testing report, borehole commissioning report, and the hydrogeological survey report were not provided for audit review.

In the circumstances, the value for money in the expenditure of Kshs.8,387,973 could not be confirmed.

2.2 Drilling and Equipping of Mpelenkos Borehole

A local contractor was paid Kshs.8,100,050 for the drilling and equipping of Mpelenkos Borehole in Latakweny during the year under review. However, the tender evaluation minutes and fully signed evaluation report were not provided for audit review. Further, regulatory approvals and documentation were not provided, including Water Resources Management Authority (WRMA) approval, water use certificate, water quality and pump testing report, borehole commissioning report, and hydrogeological survey report.

In the circumstances, the value for money in the expenditure of Kshs.8,100,050 could not be confirmed.

2.3 Rehabilitation of Lchengei and Nkutoto Elodo Boreholes

A contract for the rehabilitation of Lchengei and Nkutoto Elodo Boreholes worth Kshs.4,999,900 was awarded to a local contractor through the Request for Quotation (RFQ) method. However, audit review revealed the following irregularities:

- i. The tender evaluation process lacked individual score sheets, contrary to Regulation 31(1) of the Public Procurement and Asset Disposal Regulations (PPADR), 2020.
- ii. There was no inspection certificate or report provided to confirm that inspection and acceptance of the completed works had been undertaken by the Inspection and Acceptance Committee, contrary to Section 48(3) of the PPADA, 2015.
- iii. Regulatory and due diligence documents including yield tests, water quality analysis reports, NEMA environmental approvals, abstraction permits, and handover certificates to water user committees were not provided for audit.
- iv. The project signage at Lchengei Borehole was missing to indicate FLLoCCA support and project implementation.

In the circumstances, the value for money in the expenditure of Kshs.4,999,900 could not be confirmed.

2.4 Equipping of Matakwani Borehole

A contract for equipping of Matakwani Borehole was awarded to a local contractor at cost of Kshs.6,318,412. However, audit inspection of the project conducted on 04 September, 2025 and review of engineer's estimates revealed that key items including a signpost valued at Kshs.40,000 and ten (10) reinforced marker posts estimated at Kshs.42,000, were not installed at the project site. Further, the engineer's estimate specified 300 meters of trenching and pipelines lengths from the borehole to the water

kiosk and community garden, whereas physical verification confirmed the actual measurement of approximately 80 meters of actual work completed.

In the circumstances, the value for money in the expenditure of Kshs.6,318,412 could not be confirmed.

3. Irregular Procurements

3.1 Procurement and Delivery of Dairy Goats

The statement of financial performance and Note 12 to the financial statements reflect use of goods and services expenditure of Kshs.153,049,720, which includes a payment of Kshs.18,492,500 made to a local supplier for the supply and delivery of dairy goats. However, audit review revealed the following procurement and implementation anomalies:

- i. The IFMIS Evaluation Matrix Report dated 14 February, 2025 indicated that one supplier had scored 87% and quoted Kshs.11,502,000, meeting the evaluation threshold. However, the contract was awarded to another supplier at Kshs.18,492,500, resulting in an unexplained cost variance of Kshs.6,990,500, with no justification provided.
- ii. Delivery Note No. 23/32 indicated delivery of 569 dairy goats on 21 April, 2025. However, the inspection report referenced only 286 goats with no details on ward distribution or verification personnel contrary to Section 48(3) of the Public Procurement and Asset Disposal Act, 2015 which requires formal inspection and acceptance of goods and services.
- iii. No evidence of post-distribution monitoring and evaluation by County Agricultural Officers was provided to confirm proper utilization and impact.

In the circumstances, the value for money in the expenditure of Kshs.18,492,500 could not be confirmed.

3.2 Procurement and Delivery of Galla Goats and Bucks - Lot 1

The statement of financial performance and Note 12 to the financial statements reflect use of goods and services expenditure of Kshs.153,049,720, which includes a payment of Kshs.13,812,500 made to a local supplier for the supply and delivery of galla goats and bucks. However, audit review revealed the following irregularities:

- i. The tender evaluation report dated 13 February, 2025 showed that one local supplier had quoted Kshs.13,515,000. However, the GOK IFMIS system indicated a bid price of Kshs.18,062,400 for the same bidder. No explanation was provided for the discrepancy.
- ii. The delivery note reflected delivery of 415 goats on 2 May, 2025, but the inspection report dated 26 May, 2025 recorded only 284 goats. Further, there was no justification for the delayed inspection, contrary to Section 48(3) of the PPADA, 2015.

- iii. Inspection was conducted by a single veterinary officer, contrary to Section 48(2) of the Act, which requires the Inspection and Acceptance Committee to consist of at least three members.
- iv. The list of beneficiaries, the criteria used for selecting them, and their signed acknowledgments were not provided for audit review.
- v. No evidence of post-distribution monitoring and evaluation by the County Agricultural Officers was provided to confirm proper utilization and impact.

In the circumstances, the value for money in the expenditure of Kshs.13,812,500 could not be confirmed.

3.3 Procurement and Delivery of Galla Goats and Bucks – Lot 3

The statement of financial performance and Note 12 to the financial statements reflect use of goods and services expenditure of Kshs.153,049,720, which includes a payment of Kshs.6,150,000 paid to a local supplier for the supply and delivery of galla goats and bucks Lot 3. Audit review of the procurement and delivery process revealed the following irregularities:

- i. The delivery note indicates that goats were delivered on 26 May, 2025. However, the distribution list shows beneficiaries received the goats on 9 May, 2025, which is prior to the delivery date. No explanation was provided for the inconsistency.
- ii. Both the delivery note and invoice did not specify the quantity of goats delivered, making it impossible to verify the completeness and correctness of the delivery.

The bid documents submitted by the participating contractors were not provided for audit contrary to Section 68(1) of the Public Procurement and Asset Disposal Act, 2015, which mandates retention of procurement records for at least six years.

- iii. Signed inspection and acceptance report was not provided.

In the circumstances, the value for money achieved in the expenditure of Kshs.6,150,000 could not be confirmed.

3.4 Procurement and Delivery of Galla Goats and Bucks – Lot 4

The statement of financial performance and Note 12 to the financial statements reflect use of goods and services expenditure of Kshs.153,049,720, which includes a payment of Kshs.5,728,500 made to a local supplier for the supply and delivery of galla goats and bucks. Audit review revealed that the IFMIS Evaluation Matrix Report dated 14 February, 2025 showed both the lowest bidder at Kshs.5,557,500 and second-lowest bidder at Kshs.5,643,000 met the 70% technical threshold, scoring 91.54% and 99.09% respectively. However, neither of them was awarded the contract, and no justification was provided for their disqualification. Further, the beneficiary selection criteria, and acknowledgment forms confirming receipt of the goats were not provided for review. In addition, there was no evidence of post-distribution monitoring and evaluation by County Agricultural Officers to assess implementation and impact of the initiative.

In the circumstances, the value for money in the expenditure of Kshs.5,728,500 could not be confirmed.

3.5 Procurement of ICT Equipment

The statement of financial performance and Note 12 to the financial statements reflect use of goods and services expenditure of Kshs.153,049,720, which includes a payment of Kshs.900,000 to a local supplier for the procurement of ICT equipment. However, review of the procurement documents revealed that the supplier's delivery note and invoice did not include serial numbers or unique identifiers for the items supplied. Further, inspection and acceptance committees' report was not provided for audit contrary to the provisions of Section 48(3) of the PPADA Act, 2015 which requires inspection and verification of delivered goods. In addition, equipment distribution list, evidence of recording the items in the asset register, and documentation to confirm that a market survey was conducted prior to procurement, as required under Regulation 33(3)(a) of the Public Procurement and Asset Disposal Regulations, 2020 were not provided for audit.

In the circumstances, the value for money in the expenditure of Kshs.900,000 could not be confirmed.

3.6 Procurement and Establishment of Nachola Pasture Farm

The statement of financial performance and Note 12 to the financial statements reflect use of goods and services expenditure of Kshs.153,049,720, which includes a payment of Kshs.7,696,000 paid to a local supplier on 26 June, 2025 for the establishment of pasture farm in Nachola Ward. However, the following anomalies were observed;

- i. The tender opening minutes indicated that only one supplier submitted a bid and was subsequently evaluated and awarded the contract. However, the quoted prices exceeded the requisition estimates, and no price negotiation was carried out to align the award with the procuring entity's approved budget or cost estimates.
- ii. The evaluation report did not provide justification for accepting and awarding the contract to a sole bidder.
- iii. The inspection and acceptance report was not provided for audit review.
- iv. No documentation was availed to demonstrate that soil testing on soil pH, nutrient levels, and texture analysis, was conducted prior to implementation.
- v. There was no evidence that the County Agricultural Officers undertook post-implementation monitoring and evaluation to assess the project's implementation and impact.

In the circumstances, the value for money in the expenditure of Kshs.7,696,000 could not be confirmed.

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

Report of the Auditor-General on Financing Locally-Led Climate Action (FLLoCA) Program for the year ended 30 June, 2025 - County Government of Samburu

them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Lack of Internal Audit Activity

No internal audit activity was undertaken on the Program during the year under review, as no internal audit reports were availed for audit examination. This indicates that the Program operated without independent assurance on risk management, internal controls, governance, and performance monitoring, contrary to Regulation 153(1)(a)(b)(c) of the Public Finance Management (County Governments) Regulations, 2015.

In the circumstances, the effectiveness of internal controls and risk management could not be confirmed.

2. Lack of Risk Management Policy

Review of the internal control environment revealed that Management did not have a Risk Management Policy, Fraud Prevention Mechanism and Operational and Disaster Recovery Plan in place. This was contrary to Regulation 158 of the Public Finance Management (County Governments) Regulations, 2015 which states that the Accounting Officer shall ensure that the County Government entity develops risk management strategies, which include fraud prevention mechanism a system of risk management and internal controls that builds robust business operations.

In the circumstances, the security and reliability of the Program's data including the management information system could not be confirmed.

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 the Management and Program 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 Program's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to 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 Program Administration Committee is responsible for overseeing the Program'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

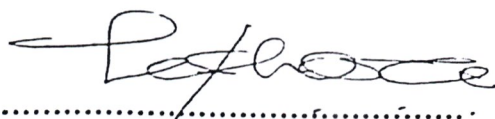
Nairobi

31 October, 2025

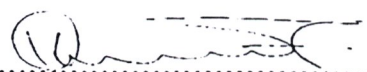
Samburu County Financing Locally-Led Climate Action Program
Annual Report and Financial Statements for the year ended June 30, 2025

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

Description	Note	FY 2024/25	FY 2023/24
		Kshs	Kshs
Revenue From Non-Exchange Transactions			
Public Contributions and Donations	6	-	-
Transfers From the County Government	7	186,632,523	52,500,000
		186,632,523	52,500,000
Revenue From Exchange Transactions			
Fines and Penalties	8	-	-
Other Income	9	-	462,000
Total Revenue		186,632,523	52,962,000
Expenses			
Fund Administration Expenses	10	5,919,100	500,000
Staff Costs	11	6,812,525	-
Use of Goods and Services	12	153,049,720	4,635,600
Total Expenses		165,781,345	5,135,600
Surplus/(Deficit) for the Period		20,851,178	47,826,400



.....
Name: Lenas Leshore
Administrator of the Fund



.....
Name: Robert Mwangi
Fund Accountant
ICPAK Member Number:

Samburu County Financing Locally-Led Climate Action Program
Annual Report and Financial Statements for the year ended June 30, 2025

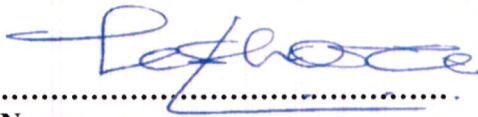
15. Statement of Financial Position As at 30 June 2025

Description	Note	FY 2024/25	FY 2023/24
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	13	71,604,844	47,892,966
Prepayments	20	-	-
Inventories	21	-	-
Investments in financial assets	22	-	-
Total current assets		71,604,844	52,751,666
Non-Current Assets			
Property, Plant and Equipment	17	1,998,000	-
Intangible Assets	23	-	-
Investment Property	23(i)	-	-
Total non- current assets		1,998,000	-
Total Assets (A)		73,602,844	52,751,666
Liabilities			
Current Liabilities			
Trade and Other Payables from Exchange Transactions	18	-	-
Current Provisions	23(iii)	-	-
Employee Benefit Obligations	23(v)	-	-
Social benefit liabilities	23(vi)	-	-
Total current liabilities		-	-
Non-Current Liabilities			
Non-Current Provisions	23(iii)	-	-
Non-Current Employee Benefit Obligation	23(v)	-	-
Social benefit liabilities	23(vi)	-	-
Total Liabilities (B)		-	-
Net Assets (A-B)		73,602,844	52,751,666
Represented By:			

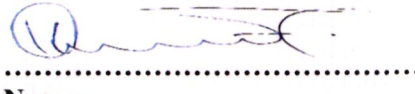
**Samburu County Financing Locally-Led Climate Action Program
Annual Report and Financial Statements for the year ended June 30, 2025**

Description	Note	FY 2024/25	FY 2023/24
		Kshs	Kshs
Revolving Fund		-	-
Reserves		-	-
Accumulated Surplus		73,602,844	52,751,666
Net Assets		73,602,844	52,751,666

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on _____ 2025 and signed by:



.....
Name:
Administrator of the Fund



.....
Name:
Fund Accountant
ICPAK Member Number:

**Samburu County Financing Locally-Led Climate Action Program
Annual Report and Financial Statements for the year ended June 30, 2025**

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

Description	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
		Kshs	Kshs	Kshs
Balance As At 1 July 2024	-	-	4,925,266	4,925,266
Surplus/(Deficit) For the Period	-	-	47,826,400	47,826,400
Funds Received During the Year	-	-	-	-
Transfers	-	-	-	-
Revaluation Gain	-	-	-	-
Balance As At 30 June 2024	-	-	52,751,666	52,751,666
Balance As At 1 July 2025	-	-	52,751,666	52,751,666
Surplus/(Deficit) For the Period		-	20,851,178	20,851,178
Funds Received During the Year	-	-	-	-
Transfers	-	-	-	-
Revaluation Gain	-	-	-	-
Balance As At 30 June 2025	-	-	73,602,844	73,602,844

**Samburu County Financing Locally-Led Climate Action Program
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 2024/25	FY 2023/24
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Public contributions and donations		-	-
Transfers from the county government	7	186,632,523	52,500,000
Interest received		-	-
Other Income	9	-	462,000
Total receipts		186,632,523	52,962,000
Payments			
Fund Administration Expenses	10	(5,919,100)	(500,000)
Staff Costs	11	(6,812,525)	-
Use of goods and Services	12	(153,049,720)	(4,635,600)
Staff Imprest (Unaccounted)		-	(4,858,700)
Net cash flows from operating activities	18	20,851,178	42,967,700
Cash flows from investing activities			
Net cash flows used in investing activities		1,998,000	-
Cash flows from financing activities			
Net cash flows used in financing activities		(-)	(-)
Net increase/(decrease) in cash & cash Equivalents		20,851,178	42,967,700
Cash and cash equivalents at 1 July	13	47,892,966	4,925,266
Cash and cash equivalents at 30 June	13	71,604,844	47,892,966

Samburu County Financing Locally-Led Climate Action Program
 Annual Report and Financial Statements for the year ended June 30, 2025

18. Statement Of Comparison Of Budget And Actual Amounts For The Period 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
Receipts						
Public Contributions and Donations	-	(-)	-	-	(-)	-%
Transfers From County Govt.	186,632,523	-	186,632,523	186,632,523	-	100%
Interest Income	-	-	-	-	(-)	-%
Other Income	-	-	-	-	-	-
Total Income	186,632,523	-	186,632,523	186,632,523	-	100%
Expenses						
Fund Administration Expenses	5,919,100	-	5,919,100	5,919,100	-	100%
Staff Costs	6,812,525	-	6,812,525	6,812,525	-	100%
Use of goods & Services	153,049,720	-	153,049,720	153,049,720	-	100%
Total Expenditure	165,781,345	-	165,781,345	165,781,345	-	100%
Capital expenditure	-	-	-	-	-	
Surplus For the Period	20,851,178	-	20,851,178	20,851,178	-	100%

Budget notes

- 1 Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization (IPSAS 24.14)
- 2 Provide an explanation of changes between original and final budget indicating whether the difference is due to reallocations or other causes. (IPSAS 24.29)

**Samburu County Financing Locally-Led Climate Action Program
Annual Report and Financial Statements for the year ended June 30, 2025**

Budget Reconciliation

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	20,851,178
1	Cash and Cash equivalent as at close of FY 2023/24	47,892,966
2	Reason for differences	-
3	Reason for differences	-
4	Reason for differences	-
	Closing Cash and Cash Equivalent as per the statement of Cash flows	71,604,844

***Samburu County Financing Locally-Led Climate Action Program
Annual Report and Financial Statements for the year ended June 30, 2025***

19. Notes to the Financial Statements

Significant Accounting Policies

1. General Information

Samburu County Financing Locally-Led Climate Action Program is established by and derives its authority and accountability the County Climate Change Act, 2022. The entity is wholly owned by the Samburu County Government and is domiciled in Kenya. The entity's principal activity is to finance the capacity of the county institutions to manage programs in climate change adaptation and mitigation and funds climate resilience investments for communities within the 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 30 June 2025

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 30 June 2025.

Standard	Effective date and impact:
IPSAS 43: Leases	<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 cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44:	<i>Applicable 1st January 2025</i>

**Samburu County Financing Locally-Led Climate Action Program
Annual Report and Financial Statements for the year ended June 30, 2025**

<p>Non- Current Assets Held for Sale and Discontinued Operations</p>	<p>The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>
<p>IPSAS 45: Property Plant and Equipment</p>	<p>Applicable 1st January 2025 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.</p>
<p>IPSAS 46: Measurement</p>	<p>Applicable 1st January 2025 The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> 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. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
<p>IPSAS 47: Revenue</p>	<p>Applicable 1st January 2026 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 entity 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.</p>
<p>IPSAS 48: Transfer Expenses</p>	<p>Applicable 1st January 2026 The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial</p>

**Samburu County Financing Locally-Led Climate Action Program
Annual Report and Financial Statements for the year ended June 30, 2025**

	statements about the 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.
IPSAS 49: Retirement Benefit Plans	Applicable 1st January 2026 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.
IPSAS 50: Exploration For & Evaluation of Mineral Resources	Applicable 1st January 2027 The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires: <ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.

(i) Early adoption of standards

Samburu County Financing Locally-Led Climate Action Program did not early – adopt any new or amended standards in the financial year.

4. 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 entity and can be measured reliably.

ii. Revenue from exchange transactions

Interest income

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

Dividends

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

Rental income

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

b) Budget information

The original budget for FY 2024/25 was approved by the County Assembly on 30th June 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Fund recorded additional appropriations of nil on the FY 2024/25 budget following the governing body's approval.

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

Samburu County Financing Locally-Led Climate Action Program
Annual Report and Financial Statements for the year ended June 30, 2025

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 cash flows has been presented.

c) Property, plant and equipment

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

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. *Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over an xx-year period or investment property is measured at fair value with gains and losses recognised through surplus or deficit.(entity to amend appropriately)* Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition.

Samburu County Financing Locally-Led Climate Action Program
Annual Report and Financial Statements for the year ended June 30, 2025

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 entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. (amend as appropriate).* A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial assets

Classification of financial assets

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

Subsequent measurement

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

Samburu County Financing Locally-Led Climate Action Program
Annual Report and Financial Statements for the year ended June 30, 2025

Summary of Significant Accounting Policies (Continued)

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Summary of Significant Accounting Policies (Continued)

Financial liabilities

Classification

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

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 Entity.

e) Provisions

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

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

Samburu County Financing Locally-Led Climate Action Program
Annual Report and Financial Statements for the year ended June 30, 2025

Summary of Significant Accounting Policies (Continued)

g) Contingent liabilities

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

Contingent assets

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

h) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements.

i) Changes in accounting policies and estimates

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

j) Employee benefits – Retirement benefit plans

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

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

Samburu County Financing Locally-Led Climate Action Program
Annual Report and Financial Statements for the year ended June 30, 2025

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

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.

Samburu County Financing Locally-Led Climate Action Program
Annual Report and Financial Statements for the year ended June 30, 2025

Summary of Significant Accounting Policies (Continued)

5. Significant judgments and sources of estimation uncertainty

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

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

a) Estimates and assumptions –

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

b) Useful lives and residual values

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

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

c) Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note xxx.

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

**Samburu County Financing Locally-Led Climate Action Program
Annual Report and Financial Statements for the year ended June 30, 2025**

Notes To the Financial Statements Continued

6. Public contributions and donations

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Transfers From Environment and Natural Resources Department	-	-
Contributions From the Public	-	-
Total	-	-

7. Transfers from County Government

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Transfers From County Govt. –Operations	186,632,523	52,500,000
Payments By County On Behalf Of The Entity	-	-
Unconditional Development grants	-	-
Total	186,632,523	52,500,000

8. Fines, penalties and other levies

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Late Payment Penalties	xxx	xxx
Fines	xxx	xxx
Total	xxx	xxx

9. Other income

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Cheque write backs	-	-
Refunds of Excess Night Out Allowances	-	462,000
Total Interest Income	-	462,000

**Samburu County Financing Locally-Led Climate Action Program
Annual Report and Financial Statements for the year ended June 30, 2025**

10. Fund Administration Expenses

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Office Stationery	-	-
Bank charges	-	-
Office Standing Costs	5,919,100	500,000
Total	5,919,100	500,000

11. Staff Costs

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Staff Wages and Salaries	-	-
Committee Allowances	-	-
Staff Training	6,812,525	-
Total	6,812,525	-

12. Use of Goods and Services

Description	FY 2024/25	FY 2023/24
	Kshs.	Kshs.
FLoCCA Programs Expenses	153,049,720	4,635,600
Loan Processing Costs	-	-
Professional Services Costs	-	-
Administration Fees	-	-
Committee Allowances	-	-
Bank Charges	-	-
Electricity And Water Expenses	-	-
Fuel And Oil Costs	-	-
Insurance Costs	-	-
Postage And Courier	-	-
Printing And Stationery	-	-
Rental Costs	-	-
Security Costs	-	-
Telephone And Communication Expenses	-	-
Bank Charges	-	-
Audit Fees	-	-
Provision For Doubtful Debts	-	-
Other (<i>Specify</i>)	-	-

**Samburu County Financing Locally-Led Climate Action Program
Annual Report and Financial Statements for the year ended June 30, 2025**

Description	FY 2024/25	FY 2023/24
	Kshs.	Kshs.
Social benefit expenses*	-	-
Total	153,049,720	4,635,600

13. Cash and cash equivalents

Description	FY 2024/25	FY 2023/24
	Kshs.	Kshs.
Current Account	71,604,844	47,892,966
Intangible Assets	-	-
Total	71,604,844	47,892,966

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

Financial Institution	Account number	FY 2024/25	FY 2023/24
		Kshs	Kshs
a) Current Account			
SAMBURU COUNTY CLIMATE CHANGE FUND-KES	1000598115	71,604,844	47,892,966
0 Bank - Etc.		-	-
Sub- Total		71,604,844	47,892,966
b) Others (Specify)			
Cash In Transit		-	-
Cash In Hand		-	-
Sub- Total		-	-
Grand Total		71,604,844	47,892,966

14. Non-Exchange Receivables

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Revenue receivable	-	-
Others (Specify)	-	-
Total non-exchange receivables	-	-

15. Other Receivables

Description	FY 2024/25	FY 2023/24
-------------	------------	------------

Samburu County Financing Locally-Led Climate Action Program
Annual Report and Financial Statements for the year ended June 30, 2025

	Kshs	Kshs
Interest receivable	-	-
Staff Outstanding Imprest	-	4,858,700
Total exchange receivables	-	4,858,700

16. Other Assets

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Office Furniture	1,098,000	0
ICT Equipment	900,000	0
Total exchange receivables	1,998,000	0

17. Property, plant and equipment

	Land and Buildings	Motor vehicles	Furniture and fittings	Computers and office equipment	Total
Cost	Kshs	Kshs	Kshs	Kshs	Kshs
At 1st July FY 2024	-	-	-	-	-
Additions	-	-	-	-	-
Disposals	(-)	(-)	-	-	(-)
Transfers/Adjustments	-	(-)	-	(-)	(-)
At 30th June FY 2024	-	-	-	-	-
At 1st July FY 2025					
Additions	-	-	1,098,000	900,000	1,998,000
Disposals	(-)	-	-	-	(-)
Transfer/Adjustments	(-)	-	-	(-)	(-)
At 30th June FY 2025	-	-	1,098,000	900,000	1,998,000
Depreciation And Impairment					
At 1st July FY 2024	(-)	(-)	(-)	(-)	(-)
Depreciation	(-)	(-)	(-)	(-)	(-)
Impairment	(-)	-	-	-	(-)
At 30th June FY 2024	-	-	-	-	-
At 1st July FY 2024					
Depreciation	(-)	(-)	(-)	-	(-)
Disposals	-	-	-	-	-
Impairment	(-)	(-)	-	-	(-)
Transfer/Adjustment	-	(-)	(-)	-	0

**Samburu County Financing Locally-Led Climate Action Program
Annual Report and Financial Statements for the year ended June 30, 2025**

	Land and Buildings	Motor vehicles	Furniture and fittings	Computers and office equipment	Total
Cost	Kshs	Kshs	Kshs	Kshs	Kshs
At 30th June FY 2025	-	-	1,098,000	900,000	1,998,000
Net Book Values					
At 30th June FY 2024	-	-	-	-	-
At 30th June FY 2025	-	-	1,098,000	900,000	1,998,000

**Samburu County Financing Locally-Led Climate Action Program
Annual Report and Financial Statements for the year ended June 30, 2025**

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

Financial Institution	Account number	FY 2024/25	FY 2023/24
		Kshs	Kshs
a) Fixed Deposits Account			
Kenya Commercial Bank		-	-
Equity Bank, Etc.		-	-
Sub- Total		-	-
b) On - Call Deposits			
Kenya Commercial Bank		-	-
Equity Bank - Etc.		-	-
Sub- Total		-	-
c) Current Account			
Kenya Commercial Bank		71,604,844	47,892,966
Bank B		-	-
Sub- Total		71,604,844	47,892,966
d) Others(Specify)			
Cash In Transit		-	-
Cash In Hand		-	-
Sub- Total		-	-
Grand Total		71,604,844	47,892,966

18. Trade and other payables

Description	FY 2024/25		FY 2023/24	
	Kshs		Kshs	
Trade Payables	-		-	
Other Payables (<i>specify</i>)	-		-	
Total Trade and Other Payables	-		-	
Ageing analysis (Trade and other payables)				
	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (tie to above total)	-		-	

**Samburu County Financing Locally-Led Climate Action Program
Annual Report and Financial Statements for the year ended June 30, 2025**

19. Cash generated from operations.

Description	FY	FY
	2024/25	2023/24
	Kshs	Kshs
Surplus/ (Deficit) For the Year	20,851,178	47,826,400
Adjusted For:		
Working Capital Adjustments		
Increase In Receivables	4,858,700	(4,858,700)
Acquisition of Assets	(1,998,000)	-
Net Cash Flow from Operating Activities	23,711,878	42,967,700

**Samburu County Financing Locally-Led Climate Action Program
Annual Report and Financial Statements for the year ended June 30, 2025**

20. Prepayments

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Prepaid Rent	xxx	xxx
Prepaid Insurance	xxx	xxx
Prepaid Electricity Costs	xxx	xxx
Other Prepayments (<i>Specify</i>)	xxx	xxx
Total	xxx	xxx

21. Inventories

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Consumable Stores	xxx	xxx
Spare Parts And Meters	xxx	xxx
Catering	xxx	xxx
Other Inventories (<i>Specify</i>)	xxx	xxx
Total Inventories	xxx	xxx

Detailed disclosure on inventories

	FY 2024/25	FY 2023/24
Opening balance	xxx	xxx
Additional Inventory in the year	xxx	xxx
Inventory expensed in the year	xxx	xxx
Write-downs in the year	xxx	xxx
Others specify	xxx	xxx
Closing balance	xxx	xxx

22. Investments in financial assets

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
a. Investment in Treasury bills and bonds		
Financial institution		
CBK	xxx	xxx

**Samburu County Financing Locally-Led Climate Action Program
Annual Report and Financial Statements for the year ended June 30, 2025**

CBK	xxx	xxx
Sub- total	xxx	xxx
b. Investment with Financial Institutions/ Banks		
Bank x	xxx	xxx
Bank y	xxx	xxx
Sub- total	xxx	xxx
c. Equity investments (specify)		
Equity/ shares in Entity xxx	xxx	xxx
Sub- total	xxx	xxx
Grand total	xxx	xxx

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

Movement of Equity Investments

Impairment allowance/ provision	FY 2024/25	FY 2023/24
	Kshs	Kshs
At the beginning of the year	xxx	xxx
Purchase of investments in the year	xxx	xxx
Sale of investments during the year	(xxx)	(xxx)
Gain/(loss) in fair value of investments through surplus or deficit	xxx	xxx
At the end of the year	xxx	xxx

e) Shareholding in other entities

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

Name of Entity where investment is held	No of shares			Nominal value of shares	Fair value of shares	Fair value of shares
	Direct shareholding	Indirect shareholding	Effective shareholding		FY 2024/25	FY 2023/24
	%	%	%	Kshs	Kshs	Kshs
Entity A	xxx	xxx	xxx	xxx	xxx	xxx
Entity B	xxx	xxx	xxx	xxx	xxx	xxx
Entity C	xxx	xxx	xxx	xxx	xxx	xxx
	xxx	xxx	xxx	xxx	xxx	xxx

**Samburu County Financing Locally-Led Climate Action Program
Annual Report and Financial Statements for the year ended June 30, 2025**

23. Intangible assets

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Cost		
At Beginning of The Year	xxx	xxx
Additions	xxx	xxx
At End of The Year	xxx	xxx
Amortization And Impairment		
At Beginning of The Year	xxx	xxx
Amortization	xxx	xxx
At End of The Year	xxx	xxx
Impairment Loss	xxx	xxx
At End of The Year	xxx	xxx
NBV	xxx	xxx

i. Investment Property

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
At beginning of the year	xxx	xxx
Additions	xxx	xxx
Disposal during the year	(xxx)	(xxx)
Depreciation	(xxx)	(xxx)
Impairment	(xxx)	(xxx)
Gain/(loss) in fair value (if fair value is elected)	xxx	xxx
At end of the year	xxx	xxx

(For investment property held at fair value, changes in fair value should go through the statement of financial performance. Where cost model is elected, depreciation and impairment should not be charged. Investment measured at fair value should be evaluated at the end of the reporting period for changes in fair value.). Entity should disclose the independent valuers, rental income from the investment property if any and the direct costs attributed to the investment property. Any charges on the investment property as well as any difficulty in classifying this asset as an investment property.

**Samburu County Financing Locally-Led Climate Action Program
Annual Report and Financial Statements for the year ended June 30, 2025**

ii. Trade and other payables from exchange transactions

Description	FY 2024/25		FY 2023/24	
	Kshs		Kshs	
Trade Payables	xxx		xxx	
Refundable Deposits	xxx		xxx	
Accrued Expenses	xxx		xxx	
Other Payables	xxx		xxx	
Total Trade and Other Payables	xxx		xxx	
Ageing analysis (Trade and other payables)	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	xxx	%	xxx	%
1-2 years	xxx	%	xxx	%
2-3 years	xxx	%	xxx	%
Over 3 years	xxx	%	xxx	%
Total (tie to above total)	xxx		xxx	

iii. Provisions

Description	Leave provision	Gratuity Provision	Other provision	Total
	Kshs	Kshs	Kshs	Kshs
Balance b/f	xxx	xxx	xxx	xxx
Additional provisions	xxx	xxx	xxx	xxx
Provision utilised	(xxx)	(xxx)	(xxx)	(xxx)
Change due to discount and time value for money	(xxx)	(xxx)	(xxx)	(xxx)
Total provisions year end	xxx	xxx	xxx	xxx
Current Provisions	xxx	xxx	xxx	xxx
Non-Current Provisions	xxx	xxx	xxx	xxx

**Samburu County Financing Locally-Led Climate Action Program
Annual Report and Financial Statements for the year ended June 30, 2025**

iv. Borrowings

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Balance At Beginning of The Period	xxx	xxx
External Borrowings During the Year	xxx	xxx
Domestic Borrowings During the Year	xxx	xxx
Repayments of External Borrowings During the Period	(xxx)	(xxx)
Repayments of Domestic Borrowings During the Period	(xxx)	(xxx)
Balance At End of The Period	xxx	xxx

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

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
External Borrowings		
Dollar Denominated Loan From 'X Organization'	xxx	xxx
Sterling Pound Denominated Loan From 'Y Organization'	xxx	xxx
Euro Denominated Loan from Z Organization'	xxx	xxx
Domestic Borrowings		
Kenya Shilling Loan From KCB	xxx	xxx
Kenya Shilling Loan from Barclays Bank	xxx	xxx
Kenya Shilling Loan from Consolidated Bank	xxx	xxx
Borrowings From Other Government Institutions	xxx	xxx
Total Balance at End of The Year	xxx	xxx

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

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Short Term Borrowings (Current Portion)	xxx	xxx
Long Term Borrowings	xxx	xxx
Total	xxx	xxx

(NB: the total of this statement should tie to note 22 totals. Current portion of borrowings are those borrowings that are payable within one year or the next financial year. Additional disclosures on terms of borrowings, nature of borrowings, security and interest rates should be disclosed). Borrowings should be measured at amortised cost as per IPSAS 41)

**Samburu County Financing Locally-Led Climate Action Program
Annual Report and Financial Statements for the year ended June 30, 2025**

v. Employee benefit obligations

Description	Defined benefit plan	Post employment medical benefits	Other Provisions	FY 2024/25	FY 2023/24
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	xxx	xxx	xxx	xxx	xxx
Non-Current Benefit Obligation	xxx	xxx	xxx	xxx	xxx
Total	xxx	xxx	xxx	xxx	xxx

vi. Social Benefit Liabilities

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Health social benefit scheme	xxx	xxx
Unemployment social benefit scheme	xxx	xxx
Orphaned and vulnerable benefit scheme	xxx	xxx
Elderly social benefit scheme	xxx	xxx
Bursary social benefits	xxx	xxx
Total	xxx	xxx
Current social benefits	xxx	xxx
Non-current social benefits	xxx	xxx
Total (tie to totals above)	xxx	xxx

Social benefit schemes include benefits such as cash transfers for unemployment or elderly in line with IPSAS 42. They are incurred to mitigate against a certain social risk e.g poverty, age, unemployment among others.

**Samburu County Financing Locally-Led Climate Action Program
Annual Report and Financial Statements for the year ended June 30, 2025**

vii. Related party balances

a) Nature of related party relationships

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

- a) The County Government;
- b) The Parent County Government Ministry;
- c) Key management;
- d) Board of Trustees; etc.

b) Related party transactions

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Transfers From Related Parties'	xxx	xxx
Transfers To Related Parties	xxx	xxx

c) Key management remuneration

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Board Of Trustees	xxx	xxx
Key Management Compensation	xxx	xxx
Total	xxx	xxx

d) Due from related parties

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Due From Parent Ministry	xxx	xxx
Due From County Government	xxx	xxx
Total	xxx	xxx

**Samburu County Financing Locally-Led Climate Action Program
Annual Report and Financial Statements for the year ended June 30, 2025**

Other Disclosures Continued

e) Due to related parties

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Due To Parent Ministry	xxx	xxx
Due To County Government	xxx	xxx
Due To Key Management Personnel	xxx	xxx
Total	xxx	xxx

viii. Contingent assets and contingent liabilities

Contingent Liabilities	FY 2024/25	FY 2023/24
	Kshs	Kshs
Court Case Xxx Against the Fund	xxx	xxx
Bank Guarantees	xxx	xxx
Total	xxx	xxx

(Give details)

**Samburu County Financing Locally-Led Climate Action Program
Annual Report and Financial Statements for the year ended June 30, 2025**

ix. Financial risk management

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

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

a) Credit risk

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

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2025				
Receivables From Exchange Transactions	-	-	-	-
Receivables From Non-Exchange Transactions	-	-	-	-
Bank Balances	-	-	-	-
Total	-	-	-	-
At 30 June 2024				
Receivables From Exchange Transactions	-	-	-	-
Receivables From Non-Exchange Transactions	-	-	-	-
Bank Balances	-	-	-	-
Total	-	-	-	-

(NB: The totals column should tie to the individual elements of credit risk disclosed in the entity's statement of financial position)

Samburu County Financing Locally-Led Climate Action Program
Annual Report and Financial Statements for the year ended June 30, 2025

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

The entity has significant concentration of credit risk on amounts due from xxxx

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

b) Liquidity risk management

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

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

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

c) Market risk

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

**Samburu County Financing Locally-Led Climate Action Program
Annual Report and Financial Statements for the year ended June 30, 2025**

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

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

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

i. Foreign currency risk

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

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

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

The Fund manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

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.

**Samburu County Financing Locally-Led Climate Action Program
Annual Report and Financial Statements for the year ended June 30, 2025**

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

ii. Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

The Fund analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs xxx (20xx: Kshs xxx). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs xxx (20xx – Kshs xxx).

**Samburu County Financing Locally-Led Climate Action Program
Annual Report and Financial Statements for the year ended June 30, 2025**

d) Capital risk management.

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

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Revaluation reserve	-	-
Revolving fund	-	-
Accumulated surplus	-	-
Total funds	-	-
Total borrowings	-	-
Less: cash and bank balances	-	-
Net debt/(excess cash and cash equivalents)	-	-
Gearing	-	-

x. Events after the reporting period

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

xi. Ultimate and Holding Entity

The entity is a County Public Fund established by xxx Act (*state the legislation establishing the Fund*) under the Ministry of xxx. Its ultimate parent is the County Government of XXX.

xii. Currency

The financial statements are presented in Kenya Shillings (Kshs)

***Samburu County Financing Locally-Led Climate Action Program
Annual Report and Financial Statements for the year ended June 30, 2025***

25. 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)
1.0	<p>Un-surrendered Imprest</p> <p>The statement of Financial Position and as disclosed in Note 10 to the financial statements reflects other receivables (outstanding imprest) balance of KES 4,858,700 as at 30th June 2024. The imprest were due and had not been surrendered by 30th June 2024 and the Management had not made any progress in initiating recoveries.</p> <p>In the circumstances, the regularity of other</p>	<p>Mr. Chairman, the delays experienced in the disbursement of the Program Funds from National Treasury, subsequently affected the implementation of our programs. Since activities had been scheduled and awareness already created, the Management had no option but to move ahead with the implementation spilling into the new Financial Year.</p> <p>By the time the scheduled activities had been completed, the County Treasury was already in the process of compiling the annual reports and thereby regarded as time barred. I would like to reiterate that the delay was occasioned by circumstances beyond our control.</p>		

**Samburu County Financing Locally-Led Climate Action Program
Annual Report and Financial Statements for the year ended June 30, 2025**

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)
	<p>receivables (outstanding imprest) balance of KES 4,858,700 could not be confirmed.</p>	<p>Nonetheless, the Management will endeavor to avoid instances of this nature in the periods to come.</p> <p>The surrender documents is hereby presented as annexure 1</p>		
2.0	<p>Budgetary Control and Performance The Statement of Comparison of Budget and Actual Amounts reflects final receipt budget and actual on comparable basis amounting to KES 160,132,523 and KES 52,962,000 respectively resulting to an under funding of KES 107,170,523 or 67% of the budget. Further, the Fund spent an amount of KES 9,994,300 against actual receipts of KES</p>	<p>Mr. Chairman, this was occasioned by late disbursement of funds and consequent delay of critical and primary activities such as training of Ward Climate Change Planning Committees (WCCPCs), which must precede identification of resilience building projects to be implemented with the funds by the same committees and subsequent vetting, screening and approval.</p> <p>Additionally, Mr. Chairman, the delay in utilizing the funds was due to activities such as training of Ward Climate Change</p>		

**Samburu County Financing Locally-Led Climate Action Program
Annual Report and Financial Statements for the year ended June 30, 2025**

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)
	<p>52,962,000 resulting to an under-utilization of KES 42,967,700 or 81% of actual receipts.</p> <p>The under-funding and under-utilization affected the planned activities and may have impacted negatively on service delivery to the public.</p>	<p>Planning Committees (WCCPCs), which must precede project identification, vetting, screening and approval for funding.</p> <p>Attached as annexure 2 is an extract of the County's CRF bank account statement showing the late remittance of funds from the National Treasury.</p>		
3.0	<p>Late Submission of Financial Statements to the Auditor General</p> <p>The financial statements for the year under review were submitted to the Office of the Auditor General on 9th December 2024, two (2) months after the statutory date of 30th September 2024. This was</p>	<p>Mr. Chairman, the late submission of financial statements was due to the late communication from FLLOCA head office to the Counties on the need to prepare separate financial statements for the Program and hence the late submission.</p> <p>Attached as annexure 3 is the evidence on the advisory.</p>		

**Samburu County Financing Locally-Led Climate Action Program
Annual Report and Financial Statements for the year ended June 30, 2025**

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)
	<p>contrary to section 164(4) of the Public Finance Management Act, 2012 which requires that within three after the end of each financial year, the Accounting Officer for an entity shall submit the entity's financial statements to the Auditor General.</p> <p>In the circumstances, management was in breach of the law.</p>			
4.0	<p>Lack of a risk management policy During the year under review, management did not provide evidence of the existence of a risk management</p>	<p>Mr. Chairman, the management observes the lack of a risk management policy and has referred the matter to the County Treasury to provide guidance in dealing with this matter.</p>		

**Samburu County Financing Locally-Led Climate Action Program
Annual Report and Financial Statements for the year ended June 30, 2025**

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)
	<p>policy its management on risk management assessment and formulation of risk mitigation strategies. This was contrary to the regulation 158(1)(a) and (b) of the Public Finance Management (County Governments) Regulations, 2015 which requires accounting officer to develop risk management strategies which include fraud prevention mechanisms and internal control that build robust business operation.</p> <p>In the absence of a Risk Management Policy, it was possible to</p>	<p>Attached as annexure 4 is a copy of the internal Memo to the CeC Member for County Treasury to give further direction on this.</p>		

*Samburu County Financing Locally-Led Climate Action Program
Annual Report and Financial Statements for the year ended June 30, 2025*

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)
	confirm whether the internal controls built within the financial and operational system were functional as intended.			

Guidance Notes:

- (i) Use the same reference numbers as contained in the external audit report.
- (ii) Obtain the “Issue/Observation” and “management comments”, required above, from final external audit report that is signed by Management.
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your Fund responsible for implementation of each issue.
- (iv) Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report to National Treasury.

Fund Manager/Accounting Officer (Chief Officer Environment, Natural Resources, Climate Change and Energy)

Date 30/6/2025.....

**Samburu County Financing Locally-Led Climate Action Program
Annual Report and Financial Statements for the year ended June 30, 2025**

Annex II: Inter-Fund Confirmation Letter

THE COUNTY GOVERNMENT OF SAMBURU

When replying please quote

Our Ref:

Your Ref:



P.O. Box 3 - 20600

MARALAL

30th June 2025

COUNTY TREASURY

Samburu County Financing Locally-Led Climate Action Program

Samburu County Government 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 E in the table below Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by [Insert name of beneficiary Fund] as at 30 th June 2025							
Reference Number	Date Disbursed	Amounts Disbursed by [CC/SAGA/Fund] (Kshs) as at 30 th June 20xx				Amount Received by [beneficiary Fund] (KShs) as at 30 th June 2025 (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
FT24242RLS9L	29-Aug-24		11,000,000	11,000,000	11,000,000	11,000,000	
FT24261D3B6Z	17-Sep-24		105,632,523	105,632,523	105,632,523	105,632,523	
FT25155LW46H	4-Jun-25		70,000,000	70,000,000	70,000,000	70,000,000	
Total			186,632,523	186,632,523	186,632,523	186,632,523	

In confirm that the amounts shown above are correct as of the date indicated.
Head of Accountants department of beneficiary Fund:
 Name ROBERT MWA NGA Sign [Signature] Date 30/6/2025

**Samburu County Financing Locally-Led Climate Action Program
Annual Report and Financial Statements for the year ended June 30, 2025**

Annex III: Reporting of Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		
Fencing of waste management sites	Construction of Perimeter wall for Kisima and Suguta, Waste Management site (Dumping site)	To improve solid waste management in major towns	Construction of Perimeter wall at the dumpsites					County Government	
	Improvement of Maralal Waste Management Site (Dumping site)	To improve solid waste management within Maralal town	Repair of Maralal dumpsite fence					County Government	
Control of soil erosion	Construction of soil conservation structures in Opiroi, Arsim and Nchock	To control soil erosion for enhanced rangeland management	Construction of soil conservation structures in degraded areas					County Government	

**Samburu County Financing Locally-Led Climate Action Program
Annual Report and Financial Statements for the year ended June 30, 2025**

Tree planting	Tree planting	To increase forest cover within the county	Tree planting activities during commemoration of world Environment Day School greening programme					County Government, Caritas	KFS, NEMA, Caritas,
Environment frameworks	Legal	Formulation of Climate Change Policy and Act, Forestry and Tree growing Policy, Rangelands Management and Grazing Policy	To enhance Environmental planning and management	Policy formulation Policy approvals Sensitization of the House Committee on the legal frameworks				County Government, UN/FAO, UN/WFP	FCDC/ LISTEN
Climate change		Establishment of Ward Climate Change committees	To build community resilience on climate change issues	Community sensitizations on climate change Act, committee elections				LISTEN Project	FCDC
Climate Change		Participatory Climate Risk Assessment	To assess community vulnerability to climate	Community consultation meetings at the ward level				FLOCCA	LISTEN/FCDC

**Samburu County Financing Locally-Led Climate Action Program
Annual Report and Financial Statements for the year ended June 30, 2025**

		related risks and hazards							
Drafting of the County Climate Change Action Plan	County Climate Change Action Plan	To propose intervention measures to increase resilience of the county to climate change impacts	Ward level climate actions development Workshop on drafting of the CCAP and integration of the ward proposals					FLOCCA	LISTEN/FCDC
Green Energy	Solarization of boreholes	To enhance adoption of renewable energy (solar)	Installation of solar powered water systems in boreholes					County Government	ACTED, REDCROSS, UNICEF, NDMA, Food for Hungry, Caritas, World Vision, USAID-Nawiri, Fin Church Aid
Natural Resource Management Institutions	Training of WRUAs, CFAs, WUAs	To enhance protection and management of fragile ecosystems	Establishment and training of NRM institutions					County Government, USAID-Nawiri, LISTEN/SNV, FAO	SNV-LISTEN, NEMA, KFS, IMPACT Trust, and WRA

**Samburu County Financing Locally-Led Climate Action Program
Annual Report and Financial Statements for the year ended June 30, 2025**

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