

REPUBLIC OF KENYA



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REPORT

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ON

KIAMBU COUNTY CLIMATE CHANGE FUND

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

PAPERS LAID	
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**KIAMBU COUNTY CLIMATE CHANGE FUND
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2023**

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

**Kiambu County Climate Change Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

1. Acronyms and Glossary of Terms

a) Acronyms

BOM	Board of Management
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
Kshs	Kenya Shillings
CECM	County Executive Committee Member
UNFCCC	United Nation Framework Convention on Climate Change
NDC	Nationally Determined Contribution
KCCCAP	Kiambu County Climate Change Action Plan
CIDP	County's Development Integrated Plan

b) Glossary of Terms

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

a) Background information

Kiambu County Climate Change Fund is established by and derives its authority and accountability from The Kiambu County Climate Change Act, 2021 No.4 on 2nd November, 2021. The Fund is wholly owned by the County Government of Kiambu and is domiciled in Kenya.

VISION

To be a clean, water-secure and low-carbon county whose residents are empowered to conserve and safeguard the natural resources.

MISSION

To provide a healthy and conducive environment for Kiambu County residents through provision of safe and adequate water, clean towns and improved forest cover.

The fund's objective is to enhance climate resilience through development planning, management implementation, regulation and monitoring of adaptation and mitigation measures and actions.

The Fund's principal activity is

- (a) Mainstream climate change responses into development planning, decision making and implementation;
- (b) Implement coordinated and integrated mechanisms to guide responses to climate change and its impacts by all actors and stakeholders;
- (c) Facilitate effective management of climate change impacts by enhancing adaptive capacity, strengthening resilience and reducing vulnerability to climate change;
- (d) Promote, support and facilitate community-based and community-initiated adaptation and mitigation activities;
- (e) Enforce duties and provide incentives for the private sector to contribute to achievement of low carbon climate resilient development;
- (f) Facilitate public participation in climate change responses through capacity development, awareness creation, consultation, representation and access to information;
- (g) Establish frameworks and mechanisms for mobilization, transparent, accountable management of financial and other resources for climate change response;
- (h) Establish and implement mechanisms to promote and facilitate climate change research and development, innovations, technology development, training and capacity building;

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(i) Integrate climate change into the exercise of power and functions of all levels of the county government, including in decentralized units and enhance cooperative climate change governance between the county, neighbouring counties and the national government;

(j) Contribute to national efforts to address the adverse impacts of climate change and associated risks.

) Principal Activities

The principal activity of the Fund is to enhance climate resilience through development planning, management, implementation, regulation and monitoring of adaptation and mitigation measures and actions.

) Fund Administration Committee

Ref	Name	Position
1	Chairperson	CECM-David Kuria
2	Fund Manager/ Administrator	Anne Muchai

) Key Management Team

Ref	Name	Position
1	David Kuria	CECM/ Chairperson
2	Jennifer Musyoki	CO Energy and Climate Change
3	Esther Kaguima	Director Climate Change
4	Anne Muchai	Fund Manager/ Administrator
5	Elizabeth Mbugua	Fund Accountant
6	Dorcus Njuguna	Monitoring and Evaluation Officer
7	Martin Kimani	Communication Officer

Key Entity and Management (Continued)

) Fiduciary Oversight Arrangements

N	Position	Name
	Directorate Internal Audit	Kiambu County Internal Audit
	Kiambu County Assembly	Kiambu County Sectoral Committees

f) Registered Offices

P.O. Box 2344-00900
County Headquarter Offices
Kiambu Nairobi Highway
Kiambu, KENYA

g) Fund Contacts

Telephone: (254) 0675858141
E-mail: ifmis@fep.kiambu.go.ke
Website: www.kiambu.go.ke

h) Fund Bankers

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

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Key Entity and Management (Continued)

Independent Auditors

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

Principal Legal Adviser

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




County Attorney

Office of the County Attorney
P.O. Box 2344 – 00900
Kiambu, Kenya

3. Fund Administration Committee –

There is established the Climate Change Unit (CCU) as a secretariat for coordinating and mainstreaming climate change action across all departments of the county government. The core staff in the CCU are as below;

1. The Executive Committee Member who is appointed by the Governor as the chairperson;
2. The Director in charge of climate change;
3. The Fund administrator;
4. The Climate change officer in charge of monitoring, evaluation and learning;
5. The Climate change officer in charge of communications.

Name	Details of qualifications and experience
 <p>David Kimani Kuria</p>	<p>CECM- Chairperson</p> <p>David K Kuria is possess a BSc in Natural Resource Management and a Master in Conservation and Ecology, with extensive experience of more 20 years in environmental conservation and community development. He has been a County Executive Committee Member for the last six years heading Water, Environment, Energy and Natural Resources.</p> <p>CECM is the Chair of the County Climate Change Coordinating Unit</p>
 <p>Esther Njeri Kaguima</p>	<p>Director in charge of Climate Change is a holder of Master Degree in Environmental Management and registered NEM lead Expert. She has headed the directorate of Energy & Climate Change for the last six years and previously served as Environmental Officer at the County for three years. Prior joining the County Government she worked in academia field as a graduate teacher and university lecturer</p>
 <p>Anne Wanjiru Muchai</p>	<p>The Fund Administrator possess a Degree in Finance, Masters degree in Finance and Investment and is an ICPAK Member, also has an experience of more than 10 years as the Director Accounting Services, Director Economic Planning and Director Monitoring and Evaluation in the County Government of Kiambu.</p>

5. Fund Chairperson's Report

Climate change is acknowledged as one of the global challenges occasioned by an increase of concentration of greenhouse gases (GHGs) in the atmosphere. The sources of these gases is attributed to human activities such as the burning of fossil fuels, deforestation, and industrial processes. These emissions have led to a rise in global temperatures, altered weather patterns, and increased the frequency and intensity of extreme weather events which have continued impacting negatively on the ecosystems and social and economic development and wellbeing of societies across the world. In recognition of the severity of the impacts of climate change, concerted efforts at international and national level have been made to address this global crisis.

The adoption of the United Nation Framework Convention on Climate Change (UNFCCC) in 1992 was the first international response to the climate change. The UNFCCC, the Kyoto Protocol and Paris Agreement set out frameworks to guide the efforts of the member parties in reduction of greenhouse gases in the atmosphere and consequently strengthen their response to the threat of climate change in the context of sustainable development.

As a signatory to the UNFCCC, the Kenyan Government has committed itself to addressing the climate change crisis through the establishment of policy, legal and institutional frameworks to guide and inform the country's response to climate change. Besides, the establishment of these framework is a demonstration of the Country's commitment to deliver on its Nationally Determined Contribution (NDC) under the Paris Agreement.

In Kiambu County, the effects of climate change are already being felt. Erratic rainfall patterns, prolonged droughts, and intense floods have become more common and continue threatening agricultural productivity, water availability, and food security. The county's rich agricultural sector, which contributes significantly to the local economy, is particularly vulnerable to these changes. Climate change also poses risks to the county's biodiversity, including the forests, wetlands and wildlife. In recognition of this climate crisis, the County enacted the Kiambu County Climate Change Act, 2021, which provides a framework and mechanisms to guide the County's responses to the impacts of climate change and facilitate its transition to a low carbon development pathway.

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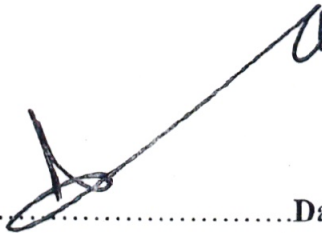
The Kiambu County Climate Change Action Plan (KCCCAP) 2023- 2027, which is aligned with the County’s Development Integrated Plan (CIDP) 2023-2027) is the first 5-year sectoral *plan in the county that will guide the county’s responses to the impacts of climate change and assist the county transit to a low carbon development pathway.*

I commit myself to ensuring that concerted efforts will be taken to ensure that adequate resources are mobilized and channelled towards the implementation of this plan through creation of partnership with local and international development partners and non-state actors.

I therefore call upon all relevant stakeholders, development partners and the people of Kiambu to remain steadfast in playing their respective roles and responsibilities in the implementation of this plan. This collective responsibility result in realization of an envisaged low-carbon County whose residents’ vulnerability to impacts of climate change is reduced and their resilience is enhanced.

Name David Kuria

Signature.....



Date.....

28/12/2023

Chairperson of the Board/Fund

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5. Report of The Fund Administrator

The County Government of Kiambu, having met the Minimum Access Conditions (MAC) for the CCIS Grant, received Eleven Million Kenyan Shillings (Kshs.11M) which was transferred to the County Revenue Fund (CRF) on 31st March 2023 and a Counter fund of Ten Million (kshs 10M). Twenty one million was transferred into the County Climate Change Fund Account on 31st May, 2023.

The budgeted amount for the financial year 2022/2023 was Thirty Three Million (Kshs 33M). The amount transferred to the County Climate Change Fund account was Twenty one million (kshs,21M). Eleven million is yet to be disbursed by World Bank and one million is to be disbursed from the County Revenue Fund. The table below explains the budget performance during the reporting period.

Table 1 Budget Performance

Receipts	Final Budget	Actual	Variance	Budget Utilization
CCIS Grant	22,000,000	11,000,000	11,000,000	50%
County Counter Fund	11,000,000	10,000,000	1,000,000	91%
Total Receipts	33,000,000	21,000,000	12,000,000	64%

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

Introduction

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

Progress on attainment of Strategic development objectives

Below we provide the progress on attaining the stated objectives:

Program	Objective	Outcome	Indicator	Performance
Climate Change Mitigation and adaptation	To enhance Participatory Climate Risk Assessment (PCRA) Process	Increased Participatory Climate Risk Assessments	<ul style="list-style-type: none"> No. of Cross Sectoral Technical working groups trainings conducted, No. of Trainings of sub county and ward administrators conducted. No. of Trainings of Sub County Committes conducted. No. of wider technical group trainings conducted 	<ul style="list-style-type: none"> Training of Cross Sectorial Technical Working Group on their role to spearhead the PCRA and CCCAP processes. Training of Sub County and Ward Administrator on their role in the establishment Ward Planning and Development

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				<p>Committees, participatory climate risk assessment and action planning process.</p> <ul style="list-style-type: none"> • Induction training of Sub County Climate Change Committees. • Sensitization of Wider Technical Working Group to provide inputs to enrich the PCRA
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8. Corporate Governance Statement

Kiambu County Climate Change Act Contains the Following Established Committees

Steering Committee

There is established the Steering Committee which shall be chaired by the Executive Committee Member

- *Committee-appoints, succession plan, period*

Members of the Steering Committee appointed under section 12(2) (k), (l), (m) and (n) of the Kiambu County Climate Change Act and shall serve for a renewable term of five years

- *process of removal of the steering committee*

(1) A member of the Steering Committee may resign from the Committee by issuing or month's notice in writing to the Governor.

(2) A member of the Steering Committee may be removed from the Committee by the Governor on any one or a combination of the following

grounds—

(a) failure to attend two consecutive meetings of the Steering Committee without reasonable cause duly communicated to the chairperson of the Committee;

(b) serious violation of the Constitution or any other written law

(c) gross misconduct;

physical or mental incapacity;

(e) bankruptcy.

(3) A person who is a member of the Steering Committee by virtue of their office under section 12(2) (a), (b), (c), (d), (e), (f), (g), (h) (i) or (j) shall cease to be a member of the Committee upon being transferred from the county or ceasing to hold that office.

(4) A person who is a member of the Steering Committee under section 12(2) (k), (l), (m) or (n) shall cease to be a member of the Committee upon ceasing to be a member of the interest group or upon being recalled by the interest group for good cause and through a written communication from an authorized official of the interest group to the chairperson of the Committee.

(5) Whenever a member of the Steering Committee is removed or otherwise ceases to be a member of the said Committee, the Executive Committee Member shall advise or propose replacement to the Governor within 30 days of the vacancy arising

- *roles and functions of the steering Committee*

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The Steering Committee shall coordinate and oversee climate change responses in the county, and in this regard shall—

- (a) ensure mainstreaming of climate change into county operations, planning, decision making and budgetary processes;
- (b) establish sub-committees on a need basis;
- (c) coordinate formulation and monitor implementation of the County Climate Change Action Plan, County Climate Finance Framework and any other county climate change policies, plans and strategies;
- (d) mobilize funds into and administer the County Climate Change Fund established under the Kiambu Climate Change Act;
- (e) review, approve and monitor implementation of Regulations for administration and management of the County Climate Change Fund;
- (f) review and make recommendations on the biennial report on implementation of the County Climate Change Action Plan and any other reports on climate change response interventions in the county;
- (g) advise the county government on legislative, policy and other measures necessary for climate change responses and attainment of low-carbon climate resilient development;
- (h) approve and oversee the implementation in the county of a comprehensive programme of climate change education, awareness creation and capacity building;
- (i) provide policy direction on research, training and dissemination of information relating to climate change to the public and other stakeholders in the county;
- (j) ensure positive linkages, interactions and synergy between the county, neighbouring counties and the national government in climate change response programming and action;
- (k) ensure a coordinated approach to climate change response programming and action between the county government, the national government and among the different stakeholders in the county;
- (l) coordinate the formulation of a climate change reporting framework, preparation and dissemination of an annual report on climate change response activities in the county;
- (m) perform any other functions that may further the foregoing objectives and/or as may be assigned by the governor.

The Technical Committee

• *Committee-appoints, succession plan, period*

There is established the Technical Committee which shall comprise of 15 members appointed by the Executive Committee Member. Members of the Technical Committee appointed under section 21(1)(l), (m), (n) and (o) shall serve for a renewable term of five year

• *process of removal of the Technical committee*

(1) A member of the Technical Committee may at any time resign from the said Committee by giving a one month's notice to the Executive Committee Member.

(2) A member of the Technical Committee may be removed from the said Committee by the Executive Committee Member on any one or a combination of the following grounds—

(a) failure to attend two consecutive meetings of the Technical Committee without reasonable cause duly communicated to the chairperson of the said Committee;

(b) serious violation of the Constitution or any other written law;

(c) gross misconduct;

(d) physical or mental incapacity;

(e) bankruptcy.

(3) A person who is a member of the Technical Committee by virtue of their office under section 21 (1) (a), (b), (c), (d), (e), (f), (g), (h), (i), (j) and (k) shall cease to be a member of the said Committee by ceasing to hold that office.

(4) A person who is a member of the Technical Committee under section 21(1) (l), (m), (n) or (o) shall cease to be a member of the Committee on any one or a combination of the following grounds—

(a) cease to be a member of the interest group;

(b) being recalled by the interest group referred to in sub-clause (a); and

(c) through a written communication from an authorized official of the interest group to the Executive Committee Member.

(5) Whenever a member of the Technical Committee is removed or otherwise ceases to be a member of the said Committee, the Executive Committee Member shall ensure that replacement is appointed within 30 days of the vacancy arising.

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- ***roles and functions of the Technical Committee***

- (a) to coordinate planning and implementation of projects and activities for climate change responses in the county;
- (b) to coordinate implementation of the County Climate Change Action Plan and the County Climate Finance Framework;
- (c) to establish guidelines to be used by the Ward Planning and Development Committees in formulating climate response projects for funding by the County Climate Change Fund;
- (d) to support the Ward Planning and Development Committees in development and implementation of climate response projects;
- (e) to coordinate development and implementation of the County Climate Change Fund Regulations;
- (f) to advise the Steering Committee on strategies, priority programmes, projects and activities for climate change responses in the county;
- (g) to formulate and implement strategic actions to foster climate change education, awareness creation and capacity development in the county;
- (h) to coordinate research and knowledge management on climate change, its impact and strategies for responding thereto;
- (i) to prepare and disseminate an annual report on climate change response activities in the county;
- (j) to formulate and implement a county monitoring, evaluation and reporting framework for climate change responses;
- (k) to perform any other functions assigned to it by the Steering Committee

Sub county Committee

- ***Committee-appoints, succession plan, period***

Members of the Sub-County Committee shall be appointed by the Chief Officer for the time being in charge of climate change matters.

- ***process of removal of the Subcounty committee***

(1) A member of the Sub-county Committee may at any time resign from the said Committee by giving a one month's notice to the Chief Officer for the time being in charge of climate change matters.

(2) A member of the Sub-county Committee may be removed from the said Committee by the Chief Officer for the time being in charge of climate change on any one or a combination of the following grounds—

- (a) failure to attend two consecutive meetings of the Sub-county Committee without reasonable cause duly communicated to the chairperson of the Sub-county Committee;
- (b) serious violation of the Constitution or any other written law;
- (c) gross misconduct;
- (d) physical or mental incapacity;
- (e) bankruptcy.

(3) Whenever a member of the Sub-county Committee is removed or otherwise ceases to be a member of the said Committee, the Chief Officer for the time being in charge of climate change shall ensure that a replacement is appointed within 30 days of the vacancy arising

- ***roles and functions of the Sub County Committee***

The functions of the Sub-County Committee shall be—

- (a) to coordinate planning and implementation of projects and activities for climate change responses in the sub-county;
- (b) to coordinate implementation of the County Climate Change Action Plan and the County Climate Finance Framework at the sub-county;
- (c) to establish guidelines to be used by the Ward Planning and Development Committees formulating climate response projects at the sub-county for funding by the County Climate Change Fund;
- (d) to support the Ward Planning and Development Committees in development and implementation of climate response projects at the sub-county;
- (e) to advise the Steering Committee on strategies, priority programmes, projects and activities for climate change responses in the sub-county;
- (f) to formulate and implement strategic actions to foster climate change education, awareness creation and capacity development in the sub-county;
- (g) to coordinate research and knowledge management on climate change, its impacts and strategies for responding thereto at the sub-county;
- (h) to prepare and disseminate an annual report on climate change response activities in the sub-county;

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(i) to formulate and implement a sub-county monitoring, evaluation and reporting framework for climate change responses;

(j) to coordinate and supervise the implementation of climate change action plans in the sub-county;

(k) to perform any other duty related to climate change matters as may be assigned by the Steering Committee from time to time

Ward Planning & Development Committee

• ***Committee-appoints, succession plan, period***

There shall be established a Ward Planning and Development Committee. members of the Ward Planning and Development Committee shall serve for one non-renewable term of five years.

• ***process of removal of the Ward Planning & Development Committee***

(1) A member of the Ward Planning and Development Committee may at any time resign from the said Committee by giving a one month's notice in writing to the Sub-County Administrator.

(2) A member of the Ward Planning and Development Committee may be removed from the said Committee by the Sub-County Administrator on the recommendation of the Ward Administrator on any one or a combination of the following grounds—

(a) failure to attend two consecutive meetings of the Ward Planning and Development Committee without reasonable cause duly communicated to the chairperson of the Committee;

(b) serious violation of the Constitution or any other written law;

(c) physical or mental incapacity;

(d) bankruptcy.

(3) A person who is a member of the Ward Planning and Development Committee by virtue of their office under section 36(1)(vii) shall cease to be a member of the said Committee upon being transferred from the county or ceasing to hold that office.

(4) A person who is a member of the Ward Planning and Development Committee under section 36(1)(viii) shall cease to be a member of the said Committee upon ceasing to be a member of the Community-Based Organization or upon being recalled by the umbrella organization through written communication from an authorized official of the umbrella organization addressed to the Sub-County Administrator.

(5) Whenever a member of the Ward Planning and Development Committee is removed or otherwise ceases to be a member of the said Committee, the Sub-County Administrator shall ensure that a replacement is appointed within 30 days of the vacancy arising.

- ***Committees remuneration,***

Allowances are as stipulated by the Guidelines from the Salaries and Remuneration

Commission as revised from time to time

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9. Management Discussion and Analysis

The Kiambu County Climate Change Fund discussion and analysis provides an overview of the Funds financial activities for the period ended 30th June, 2023. Since this information is designed to focus on the current period activities resulting changes and currently known facts, it should be read in conjunction with the Funds Financial Statements. The financial report is prepared using appropriate accounting policies and in conformity with the IPSAS and PFM Act 2012. The table below explains how the money was utilised:

Table 2 Financial Report

FINANCING LOCALLY-LED CLIMATE ACTION (FLLoCA) PROGRAM 2022/2023								
ACTIVITY AREA	SUB ACTIVITY	BUDGET AS PER WORKPLAN			ACTUAL EXPENDITURE			
		FLLoCA CCIS GRANT	COUNTY CONTRIBUTION	TOTAL (KSH)	FLLoCA CCIS GRANT (KSH)	COUNTY CONTRIBUTION	TOTAL (KSH)	(l=h-k)
(b)	(c)	(f)	(g)	(h)	(i)	(j)	(k)	(l=h-k)
Phase 1 of Participatory Climate Risk Assessment (PCRA) Process	Training of Cross Sectoral Technical Working Group	22,000,000	11,000,000	33,000,000	369,000	202,000	571,000	32,429,000
	Training of Sub County and Ward Administrators on their role in the establishment of Ward Planning and Development Committees, participatory climate risk assesment and action planning process				268,000	162,000	430,000	31,999,000
	Induction training of Sub County Committees					226,000	226,000	31,773,000
	Sensitization of Wider Technical Working Group				163,000	134,000	297,000	31,476,000
	Attending the Annual performance					121,300	121,300	31,354,700

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		assessment						
6		Purchase of stationery				29,940	29,940	31,324,760
7		Advertisement/notification of nomination of ward planning and development committee members				507,133	507,133	30,817,627
8		Nomination of members of Ward Planning and Development Committees				900,000	2,100,000	3,000,000
9	Facilitation of CCU Activities	Facilitation of activities by the CCU (operational costs)				120,000	120,000	27,676,627
10	Phase I of Participatory Climate Risk Assessment (PCRA) Process	Preparation and production of Training Materials, Tools, Maps				149,960	149,960	27,576,627
11		Stakeholders' engagement at ward level				662,700	902,000	1,564,700
		TOTAL				3,019,793	3,997,240	7,017,033

CASH RECEIVED FROM COUNTY

The statement shows transfer from county treasury was Ksh. 10,000,00 which was a Counter Fund from the County Government of Kiambu and Kshs, 11,000,000 was grant from World Bank for Financing Locally Led Climate Change Action Program

ADMINISTRATION AND GENERAL EXPENSES

The amount of administration expenses and General reported in the period is Kshs 6,837,133 and Kshs 179,900 respectively.

CASH AND CASH EQUIVALENT

This consists of cash in funds bank account as at 30th June 2023 The amount of cash and cash equivalent reported in the current period is Kshs. 13,982,967.

10. Environmental and Sustainability Reporting

Sustainability strategy and profile -

- a) The county has been engaging in the following activities aimed at promote environmental sustainability:
 - b) Establishment of tree nurseries in Thika, Kiambu and Kikuyu Sub Counties
 - c) Tree growing in schools and public spaces
 - d) Waste management through:
 - ✓ Provision of colour coded waste bins
 - ✓ Engagement of support staff to who are engaged in street sweeping and collection of waste
 - ✓ Provision of fleet of vehicles for collection and transportation of waste for disposal at Kang'oki dumpsite
 - ✓ Licensing of private garbage collectors to management waste at household levels
 - ✓ The county is in the process of operationalizing a sanitary landfill as sustainable method of waste management
 - e) Encouraging efficient use of resources such as minimizing printing through use of emails, switching off the lights and electrical appliances when not in use
 - f) Promotion of green energy such as installation of integrated solar street lightings, use of solar water heating systems in the health facilities
 - g) Promotion of water harvesting through provision of water harvesting tanks in ECDEs
 - h) Provision of smart water meters as a measure of water conservation and management
 - i) Creation of green spaces /parks
 - j) Promotion of sustainable green designs through the department of public works
 - k) Sensitizing of county staff on sustainability issues
 - l) Mainstreaming sustainability issues in the CIDP

Environmental performance

The county has no draft on environmental policy, however the process has been initiated, equally it has also initiated the formulation of a sustainable forest management policy. In an effort to reduce the county environmental impact it has been undertaking the activities highlighted in section (10) 1

above. Through the directorate of Energy and Climate Change the county has developed the Kiambu County Climate Change act that prescribes mechanisms for the county to transit to a low carbon *development pathway*. Moreover there is a draft Climate Change action plan, Climate change policy and the formulation of a County Plan energy is ongoing. The shortcomings are limited budget allocation and inadequate staffing

4. Employee welfare

5. The recruitment of the staff is guided by the County Public Service Board while the staff welfare is guided by the Human Resources Manual. In the execution of its mandate, the directorate has been engaging the community in the design and implementation of its programmes. The staff also attend workshops and trainings to enhance their skills in the execution of their roles and responsibility. The county has no policy on occupational health and safety however the county promotes compliance with OSHA, 2007, which is spearheaded by the fire and disaster unit in the department of Road Transport and Public Works. Efforts are being made to sensitize staff on need to comply with OSHA where the departments are encouraged to subject projects to environmental and social impact assessments where an Environmental and Social Management Plan (ESMP) is prepared which has a component for compliance with OSHA. Equally the contractors are encouraged to comply with OSHA and Work Injury Benefit Act (WIBA), 2007 which advocate for safeguarding of the health of workers. To ensure compliance on OSHA the County Climate Change Unit (CCCU) has a social safeguard officer whose one of the key responsibilities is to ensure compliance with OSHA in the execution of its mandate. The county through the Kenya Devolution Support Programme (KDS) has trained county staff on occupational health and safety.

6. Market place practices-

The organisation ensures free and fair competition by allowing procurement where all suppliers are given equal opportunities to perform various activities and advertisement of various activities done through Kiambu County Government website and also through newspapers.

7. Corporate Social Responsibility / Community Engagements

The County engaged the Community in the preparation of the Participatory Climate Risk Assessment report (PCRA) and the County Climate Change Action Plan (CCCAP). This was done according to the workplan prepared by the directorate following the guidelines provided by the Financing Locally -Led Climate Action programme (FLoCA)

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The Community was engaged in undertaking of Climate risk vulnerability assessment at ward level to help identify climate related hazard and risks and coming up with mitigation measures for the 60 wards.

11. Report of The Trustees

The trustees submit their report together with the audited financial statement for the year ended 30th June 2023 which shows the state of the fund affairs.

Being in its first year The Kiambu County Climate Change Fund has no Prior Audit Report.

Principal activities

The principal activities of the Fund to enhance climate resilience through development planning management, implementation, regulation and monitoring of adaptation and mitigation measures and actions.

Results

The results of the Fund for the year ended June 30, 2023 are set out on page 1-6

Trustees

The members of the Board of Trustees who served during the year are shown on page IV-VII. There were no changes in the Board during the financial year.

Auditors

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

By Order of the Board



.....
Chair of the Board/Fund Administration Committee

Date: 28/12/23

**Kiambu County Climate Change Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

12. Statement of Management's Responsibilities

Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a County Public Fund established by The Kiambu County Climate Change Act, 2021 No.4 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, 2023. 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 The Kiambu County Climate Change Act, 2021 No.4. 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, 2023, and of the Fund's financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control.

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

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

Approval of the financial statements

The Fund's financial statements were approved by the Board on 25/12/21 2023 and signed on behalf by:



Administrator of the County Climate Fund

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON KIAMBU COUNTY CLIMATE CHANGE FUND FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kiambu County Climate Change Fund set out on pages 1 to 39, which comprise of the statement of financial

position as at 30 June, 2023, statement of financial performance, statement of changes in net assets, statement of cash flows and the 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 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 the Kiambu County Climate Change Fund as at 30 June, 2023, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and Kiambu County Climate Change Fund Act, 2021.

Basis for Qualified Opinion

Unsupported Use of Goods and Services

The statement of financial performance and Note 7 to the financial statements reflects use of goods and services expenditure of Kshs.7,017,033. However, the supporting schedule reflects Kshs.4,795,240 resulting to unreconciled variance of Kshs.2,221,793.

In the circumstances, the accuracy and completeness of use of goods and services expenditure of Kshs.7,017,033 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final income budget and actual amount on comparable basis amounting to Kshs.33,000,000 and Kshs.21,000,000 respectively resulting in budget under-funding of Kshs.12,000,000 or 36% of the budget. Similarly, the statement reflects final expenditure budget and actual amount on comparable basis of Kshs.33,000,000 and Kshs.7,017,033 respectively resulting in budget under absorption of Kshs.25,982,967 or 79% of the budget.

The under funding and under expenditure affected the planned activities and may have negatively impacted on service delivery to the Kiambu county residents.

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Over Expenditure on Administrative Costs

The statement of financial performance and Note 7 to the financial statements reflects use of goods and services expenditure of Kshs.7,017,033 which includes administration expenses of Kshs.6,837,133 which were in excess of the three percent of the approved budget of the Fund by Kshs.5,847,133. This is contrary to Section 6 of the Kiambu County Climate Change Fund Act, 2021 which states that the administrative costs of the Fund shall not exceed three percent of the approved budgets of the Fund.

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

2. Lack of Fund Regulations

The statement of financial performance reflects funds receipts of Kshs.21,000,000 and expenditure of Kshs.7,017,033 which were not guided by Fund Regulations. This was contrary to Section 59 of the Kiambu County Climate Change Fund Act, 2021 which states that the Executive Committee Member in charge of Treasury shall develop Regulations to enhance the administration and management of the Fund.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from

fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL



Nairobi

31 January, 2024

**Kiambu County Climate Change Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

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

Description	Note	Insert FY	Comparative FY
		2022/2023	N/A
		Kshs	Kshs
Revenue From Non-Exchange Transactions			
Public Contributions and Donations	1	-	-
Transfers From the County Government	2	21,000,000	-
Fines, Penalties and Other Levies			-
		21,000,000	-
Revenue From Exchange Transactions			
Interest Income	4	-	-
Other Income	5	-	-
Total Revenue		21,000,000	-
Expenses			
Employee Costs	6		-
Use of goods and services	7	7,017,033	-
Depreciation and Amortization Expense	8	-	-
Finance Costs	9	-	-
Total Expenses		7,017,033	-
Other Gains/Losses			
Gain/Loss on Disposal of Assets	10	-	-
Gain /Loss on fair value of investments	11	-	-
Surplus/(Deficit) for the Period		13,982,967	-

	
Name: Muchai Anne	Name: Elizabeth Mbugua
Administrator of the Fund	Fund Accountant
ICPAK Member Number: 9704	

**Kiambu County Climate Change Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

15. Statement of Financial Position as at 30 June 2023

Description	Note	FY 2022/2023	FY 2021/2022
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	12	13,982,967	-
Current Portion of Long- Term Receivables From Exchange Transactions	13	-	-
Prepayments	14	-	-
Inventories	15	-	-
Investments in financial assets	16	-	-
Total current assets		13,982,967	-
Non-Current Assets			
Property, Plant and Equipment	17	-	-
Intangible Assets	18	-	-
Long Term Receivables from Exchange Transactions	13	-	-
Investment Property	19	-	-
Total non- current assets		-	-
Total Assets		13,982,967	-
Liabilities			
Current Liabilities			
Trade and Other Payables from Exchange Transactions	20	-	-
Current Portion of Borrowings	21	-	-
Employee Benefit Obligations	22	-	-
Social benefit liabilities	23	-	-
Total current liabilities		-	-
Non-Current Liabilities			
Long Term Portion of Borrowings	21	-	-
Non-Current Employee Benefit Obligation	22	-	-
Social benefit liabilities	23	-	-
Total Non current liabilities		-	-
Total Liabilities		-	-

**Kiambu County Climate Change Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

Description	Note	FY 2022/2023	FY 2021/2022
		Kshs	Kshs
NetAssets		13,982,967	
Revolving Fund		-	-
Reserves		-	-
Accumulated Surplus		13,982,967	-
TotalNetAssetsandLiabilities		13,982,967	-

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 28/12 2023 and signed by:

Anne

**Name: Muchai Anne
Administrator of the Fund
ICPAK Member Number:9704**

EP

**Name: Elizabeth Mbugua
Fund Accountant**

Kiambu County Climate Change Fund'
Annual Report and Financial Statements for the year ended June 30, 2023

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

Description	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
		Kshs	Kshs	Kshs
Balance As At 1 July 2021	-	-	-	-
Surplus/(Deficit) For the Period	-	-	-	-
Funds Received During the Year	-	-	-	-
Transfers	-	-	-	-
Revaluation Gain	-	-	-	-
BalanceAsAt30 June 2022	-	-	-	-
Balance As At 1 July 2022	-	-	-	-
Surplus/(Deficit) For the Period	-	-	13,982,967	13,982,967
Funds Received During the Year	-	-	-	-
Transfers	-	-	-	-
Revaluation Gain	-	-	-	-
BalanceAsAt30 June 2023	-	-	13,982,967	13,982,967

**Kiambu County Climate Change Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

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

Description	Note	FY 2022/2023	FY 2021/2022
		Kshs	Kshs
Cashflowsfromoperatingactivities			
Receipts			
Public contributions and donations		-	-
Transfers from the county government		21,000,000	-
Interest received		-	-
Receipts from other operating activities		-	-
Total receipts		21,000,000	-
Payments			
Fund administration expenses		6,837,133	-
General expenses		179,900	-
Finance cost		-	-
Other payments		-	-
Total Payments		7,017,033	-
Netcashflowsfromoperatingactivities		13,982,967	-
Cash flows from investing activities			
Purchase of property, plant, equipment and Intangible assets		-	-
Proceeds from sale of property, plant & equipment		-	-
Proceeds from loan principal repayments		-	-
Loan disbursements paid out		-	-
Netcashflowsusedininvestingactivities		-	-
Cashflowsfromfinancingactivities			
Proceeds from revolving fund receipts		-	-
Additional borrowings		-	-
Repayment of borrowings		-	-
Netcashflowsusedinfinancingactivities		-	-
Netincrease/(decrease)incash&cash Equivalents		13,982,967	-
Cash and cash equivalents at 1 July 2022	25	0	-
Cashandcashequivalentsat30 June 23		13,982,967	-

Kiambu County Climate Change Fund
Annual Report and Financial Statements for the year ended June 30, 2023

18. Statement of Comparison Of Budget And Actual Amounts For The Period

Description	Originalbudget	Adjustments	Finalbudget	Actualon comparable basis	Performance difference	% Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	b	C=(a+b)	d	e=(c-d)	f=d/c*100
Revenue						
Public Contributions and Donations	-	-	-	-	-	
Transfers From County Govt.	1,000,000	32,000,000	33,000,000	21,000,000	12,000,000	64%
Interest Income	-	-	-	-	-	
Other Income	-	-	-	-	-	
TotalIncome	1,000,000	32,000,000	33,000,000	21,000,000	12,000,000	64%
Expenses						
Fund Administration Expenses	1,000,000	31,750,000	32,750,000	6,837,133	25,912,867	21%
General Expenses	-	250,000	250,000	179,900	70,100	72%
Finance Cost	-	-	-	-	-	
TotalExpenditure	1,000,000	32,000,000	33,000,000	7,017,033	25,982,967	21.3%
SurplusForthePeriod		-	-	13,982,967	-	
	-	-			-	
Capital expenditure	-	-	-		-	

19. Notes to the Financial Statements

1. General Information

Kiambu County Climate Change Fund entity is established by and derives its authority and accountability from The Kiambu County Climate Change Act, 2021. The entity is wholly owned by the Kiambu County Government and is domiciled in Kenya. The entity’s principal activity is to enhance climate resilience through development planning, management, implementation, regulation and monitoring of adaptation and mitigation measures and actions.

2. Statement of compliance and basis of preparation

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

3. Adoption of new and revised standards

Standard	Effective date and impact
<p>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1st January 2023</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity’s future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • <i>Applying a single classification and measurement model for financial assets that considers the characteristics of the asset’s cash flows and the objective for which the asset is held;</i>

Standard	Effective date and impact
	<ul style="list-style-type: none"> • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ul style="list-style-type: none"> (a) The nature of such social benefits provided by the Entity; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows.
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2023</p> <ul style="list-style-type: none"> a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.

**Kiambu County Climate Change Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

Standard	Effective date and impact
	<p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>
<p>Other improvements to IPSAS</p>	<p><i>Applicable 1st January 2023</i></p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> • <i>IPSAS 39: Employee Benefits</i> <p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> • IPSAS 29: Financial instruments: Recognition and Measurement <p>Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.</p>

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

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

(i) Early adoption of standards

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

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

Kiambu County Climate Change Fund
Annual Report and Financial Statements for the year ended June 30, 2023

The original budget for FY 2023 was approved by the County Assembly on June 2022. 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.

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

Summary of Significant Accounting Policies (Continued)

In addition to the Basis difference, adjustments to amounts in the financial statements are also *made* for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 13 (1) of these financial statements.

e) Property, plant and equipment

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

d) Intangible Assets

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

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

e) Investment property

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

Summary of Significant Accounting Policies (Continued)

f) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets.). 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.

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.

Significant Accounting Policies (Continued)

Financial liabilities

Classification

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

g) Inventories

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

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

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

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

h) Provisions

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

i) Social Benefits

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

Summary of Significant Accounting Policies (Continued)

j) Contingent liabilities

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

Contingent assets

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

k) Nature and purpose of reserves

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

l) 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.

m) Employee benefits – Retirement benefit plans

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

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

Summary of Significant Accounting Policies (Continued)

n) 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.

o) 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.

p) 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.

q) 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.

r) Comparative figures

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

Summary of Significant Accounting Policies (Continued)

5. Significant judgments and sources of estimation uncertainty

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

State all judgements, estimates and assumptions made 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.

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.

**Kiambu County Climate Change Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

6. Notes to The Financial Statements

1. Public contributions and donations

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

2. Transfers from County Government

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Transfers From County Govt. –Operations	21,000,000	-
Payments By County On Behalf Of The Entity	-	-
Unconditional Development grants	-	-
Total	21,000,000	-

3. Fines, penalties and other levies

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

4. Interest income

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

**Kiambu County Climate Change Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

Notes to the Financial Statements Continued

5. Other income

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Insurance Recoveries	-	-
Income from Sale of Tender Documents	-	-
Bad debts recovered	-	-
Miscellaneous Income	-	-
Total Other Income	-	-

6. Employee Costs

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Salaries And Wages	-	-
Staff Gratuity	-	-
Staff Training Expenses	-	-
Social Security Contribution	-	-
Employee Allowances	-	-
Total	-	-

7. Use of Goods and Services

Description	FY 2022/2023	FY 2021/2022
	Kshs.	Kshs.
General Office Expenses	179,900	-
Loan Processing Costs	-	-
Professional Services Costs	-	-
Administration Fees	6,837,133	-
Committee Allowances	-	-
Bank Charges	-	-
Electricity And Water Expenses	-	-
Fuel And Oil Costs	-	-
Insurance Costs	-	-
Postage And Courier	-	-
Printing And Stationery	-	-

Kiambu County Climate Change Fund
Annual Report and Financial Statements for the year ended June 30, 2023

Description	FY 2022/2023	FY 2021/2022
	Kshs.	Kshs.
Rental Costs	-	-
Security Costs	-	-
Telephone And Communication Expenses	-	-
Bank Charges	-	-
Audit Fees	-	-
Provision For Doubtful Debts	-	-
Other	-	-
Social benefit expenses*	-	-
Total	7,017,033	-

8. Depreciation and Amortization Expense

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

9. Finance costs

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Interest On BankOverdrafts	-	-
Interest On Loans From Banks	-	-
Total	-	-

10. Gain/(loss) on disposal of assets

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Property,PlantandEquipment	-	-
Intangible Assets	-	-
Total	-	-

**Kiambu County Climate Change Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

11. Gain/ (loss) on Fair Value Investments

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

12. Cash and cash equivalents

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Car Loan Account	-	-
County Mortgage Account	-	-
Fixed Deposits Account	-	-
On – Call Deposits	-	-
Current Account	-	-
Kiambu County Climate Change Fund (Cashbook Balance)	13,982,967	-
TotalCashAndCashEquivalents	13,982,967	-

Kiambu County Climate Change Fund
Annual Report and Financial Statements for the year ended June 30, 2023

Notes to the Financial Statements Continued

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

Financial Institution	Account number	FY 2022/2023	FY 2021/2022
		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		-	-
Bank B		-	-
Sub- Total		-	-
d) Others(Specify)			
Cash In Transit		-	-
Kiambu County Climate Change Fund		13,982,967	-
Sub- Total		13,982,967	-
Grand Total		13,982,967	-

13. Receivables from exchange transactions

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

Notes to the Financial Statements Continued

Additional disclosure on interest receivable

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Interest Receivable		
Interest receivable from current portion of long-term loans of previous years	-	-
Accrued interest receivable from of long-term loans of previous years	-	-
Interest receivable from current portion of long-term loans issued in the current year	-	-
Current loan repayments due		
Current portion of long-term loans from previous years	-	-
Accrued principal from long-terms loans from previous periods	-	-
Current portion of long-term loans issued in the current year	-	-

14. Prepayments

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Prepaid Rent	-	-
Prepaid Insurance	-	-
Prepaid Electricity Costs	-	-
Other Prepayments	-	-
Total	-	-

15. Inventories

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
ConsumableStores	-	-
SparePartsAndMeters	-	-
Catering	-	-
Other Inventories	-	-
TotalInventories atTheLower ofCost andNetRealizableValue	-	-

Kiambu County Climate Change Fund
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Notes to the Financial Statements Continued

16. Investments in financial assets

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
a. Investment in Treasury bills and bonds		
Financial institution		
CBK	-	-
CBK	-	-
Sub- total	-	-
b. Investment with Financial Institutions/ Banks		
Bank x	-	-
Bank y	-	-
Sub- total	-	-
c. Equity investments (specify)		
Equity/ shares in Entity	-	-
Sub- total	-	-
Grand total	-	-

Movement of Equity Investments

Impairment allowance/ provision	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
At the beginning of the year	-	-
Purchase of investments in the year	-	-
Sale of investments during the year	-	-
Gain/(loss) in fair value of investments through surplus or deficit	-	-
At the end of the year	-	-

e) Shareholding in other entities

Name of Entity where investment is held	No of shares			Nominal value of shares	Fair value of shares	
	Direct shareholding	Indirect shareholding	Effective shareholding		Current year	Prior year
	%	%	%	Kshs	Kshs	Kshs
Entity A	-	-	-	-	-	-
Entity B	-	-	-	-	-	-
Entity C	-	-	-	-	-	-
	-	-	-	-	-	-

Kiambu County Climate Change Fund
Annual Report and Financial Statements for the year ended June 30, 2023

Notes to The Financial Statements (Continued)

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 2022	-	-	-	-	-
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Transfers/Adjustments	-	-	-	-	-
At 30th June 2022	-	-	-	-	-
At 1st July 2023					
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-
At 30th June 2023	-	-	-	-	-
Depreciation And Impairment					
At 1st July 2022	-	-	-	-	-
Depreciation	-	-	-	-	-
Impairment	-	-	-	-	-
At 30th June 2022	-	-	-	-	-
At 1st July 2023					
Depreciation	-	-	-	-	-
Disposals	-	-	-	-	-
Impairment	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-
At 30th June 2023	-	-	-	-	-
Net Book Values					
At 30th June 2022	-	-	-	-	-
At 30th June 2023	-	-	-	-	-

Kiambu County Climate Change Fund
Annual Report and Financial Statements for the year ended June 30, 2023

Notes to The Financial Statements (Continued)

18. Intangible assets

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Cost		
At Beginning of The Year	-	-
Additions	-	-
At End of The Year	-	-
Amortization And Impairment		
At Beginning of The Year	-	-
Amortization	-	-
At End of The Year	-	-
Impairment Loss	-	-
At End of The Year	-	-
NBV	-	-

19. Investment Property

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

**Kiambu County Climate Change Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

Notes to The Financial Statements (Continued)

20. Trade and other payables from exchange transactions

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

21. Provisions

Description	Leave provision	Bonus provision	Other provision	Total
	Kshs	Kshs	Kshs	Kshs
Balance At the Beginning Of The Year	-	-	-	-
Additional Provisions	-	-	-	-
Provision Utilised	-	-	-	-
Change Due to Discount and Time Value For Money	-	-	-	-
Transfers From Non -Current Provisions	-	-	-	-
Balance At The End of The Year	-	-	-	-

Kiambu County Climate Change Fund
Annual Report and Financial Statements for the year ended June 30, 2023

Notes to The Financial Statements (Continued)

22. Borrowings

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

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

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

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

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

**Kiambu County Climate Change Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

Notes to The Financial Statements (Continued)

23. Employee benefit obligations

Description	Defined benefit plan	Post employment (medical) benefits	Other Provisions	FY 2022/2023	FY 2021/2022
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	-	-	-	-	-
Non-Current Benefit Obligation	-	-	-	-	-
Total	-	-	-	-	-

24. Social Benefit Liabilities

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Health social benefit scheme	-	-
Unemployment social benefit scheme	-	-
Orphaned and vulnerable benefit scheme	-	-
Elderly social benefit scheme	-	-
Bursary social benefits	-	-
Total	-	-
Current social benefits	-	-
Non- current social benefits	-	-
Total (tie to totals above)	-	-

**Kiambu County Climate Change Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

Notes to The Financial Statements (Continued)

25. Cash generated from operations

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Surplus/ (Deficit) For the Year Before Tax	-	-
Adjusted For:		
Depreciation	-	-
Amortisation	-	-
Gains/ Losses On Disposal Of Assets	-	-
Interest Income	-	-
Finance Cost	-	-
Working Capital Adjustments		
Increase In Inventory	-	-
Increase In Receivables	-	-
Increase In Payables	-	-
Net Cash Flow From Operating Activities		-

Notes to The Financial Statements (Continued)

26. Related party balances

a) Nature of related party relationships

Entities and other parties related to the Fund include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates and close family members. The 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 2022/2023	FY 2021/2022
	Kshs	Kshs
Transfers From Kiambu County Government	21,000,000	-
Transfers To Related Parties	-	-
Total	21,000,000	-

c) Key management remuneration

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

d) Due from related parties

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Due From Parent Ministry	-	-
Due From Kiambu County Government	1,000,000	-
Total	1,000,000	-

Other Disclosures Continued

e) Due to related parties

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Due To Parent Ministry	-	-
Due To County Government	-	-
Due To Key Management Personnel	-	-
Total	-	-

27. Contingent assets and contingent liabilities

Contingent Liabilities	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Court Case Against the Fund	-	-
Bank Guarantees	-	-
Total	-	-

Notes to The Financial Statements (Continued)

28. Financial risk management

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

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

a) Credit risk

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

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2023				
Receivables From Exchange Transactions	-	-	-	-
Receivables From Non-Exchange Transactions	-	-	-	-
Bank Balances	13,982,967	-	-	-
Total	13,982,967	-	-	-
At 30 June 2022				
Receivables From Exchange Transactions	-	-	-	-
Receivables From Non-Exchange Transactions	-	-	-	-
Bank Balances	-	-	-	-
Total		-	-	-

Notes to The Financial Statements (Continued)

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

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

b) Liquidity risk management

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

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

Description	Less than 1 month	Between 1 - 3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2023				
Trade Payables	-	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	-	-	-	-
At 30 June 2022				
Trade Payables	-	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	-	-	-	-

Notes to The Financial Statements (Continued)

c) Market risk

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

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

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

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

i. Foreign currency risk

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

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

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

Notes to The Financial Statements (Continued)

Foreign currency sensitivity analysis

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

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

ii. Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

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

Notes to The Financial Statements (Continued)

d) Capital risk management.

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

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Revaluation reserve	-	-
Revolving fund	-	-
Accumulated surplus	13,982,967	-
Total funds	13,982,967	-
Total borrowings	-	-
Less: cash and bank balances	13,982,967	-
Net debt/(excess cash and cash equivalents)	13,982,967	-
Gearing	100%	-

29. Events after the reporting period

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

30. Ultimate and Holding Entity

The entity is a County Public Fund established by The Kiambu County Climate Change Act, 2021 under the Ministry of Water Environment, Energy and Natural Resources. Its ultimate parent is the County Government of Kiambu.

31. Currency

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

20. Annexes

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

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

The Fund being on its inception there is no prior Audit Recommendation

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)

Fund Administrator

Amer

Date.....*28/12/23*.....

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Annex II: Inter-Fund Confirmation Letter

Kiambu County Climate Change Fund

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

Confirmation of amounts received by Kiambu County Climate Change Fund as at 30 th June 2023							
Reference Number	Date Disbursed	Amounts Disbursed by Kiambu County (Kshs) as at 30 th June 2023				Amount Received by Kiambu County Climate Fund (KShs) as at 30 th June 2023 (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
FT23142TRSTF	22 May 2023	1,000,000	-		1,000,000	1,000,000	
FT23151N9L4F	31 May 2023	20,000,000	-		20,000,000	20,000,000	
Total		21,000,000	=		21,000,000	21,000,000	

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

Fund Manager



Muchai Anne

Date 28/12/23

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Annex III: Reporting of Climate Relevant Expenditures

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

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Annex IV: Reporting on Disaster Management Expenditure

Being on its inception, the fund does not have a report on Disaster Management

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

