

REPUBLIC OF KENYA



*Enhancing Accountability*

**REPORT**

PARLIAMENT  
OF KENYA  
LIBRARY

**OF**

**THE AUDITOR-GENERAL**

**ON**

**HOMABAY COUNTY CLIMATE CHANGE  
FUND**

**FOR THE YEAR ENDED**

**30 JUNE, 2024**

| PAPERS LAID        |                          |
|--------------------|--------------------------|
| DATE               | 16/04/2025               |
| TABLED BY          | Majority leader          |
| COMMITTEE          |                          |
| CLERK AT THE TABLE | <del>Cherop</del> Cherop |



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## **HOMABAY COUNTY CLIMATE CHANGE FUND**

### **ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED JUNE 30, 2024**

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

***Homa Bay County Climate Change Fund***  
**Annual Report and Financial Statements for the year ended June 30, 2024**

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**1. Acronyms and Glossary of Terms**

a) Acronyms

|        |  |
|--------|--|
| BOM    | Board of Management                                |
| CCIS   | County Climate Institutional Support grant         |
| CCRI   | County Climate Resilience Investment grant         |
| CRF    | County Revenue Fund                                |
| EIA    | Environmental Impact Assessment                    |
| FLLoCA | Financing Locally-led Climate Action               |
| HBCCCF | Homa Bay County Climate Change Fund                |
| ICPAK  | Institute of Certified Public Accountants of Kenya |
| IPSAS  | International Public Sector Accounting Standards   |
| M&E    | Monitoring and Evaluation                          |
| PFM    | Public Finance Management                          |
| PSASB  | Public Sector Accounting Standards Board           |
| SPA    | Special Purpose Account                            |
| Kshs   | Kenya Shillings                                    |

## **2. Key Entity Information and Management**

### **a) Background information**

The Homa Bay County Climate Change Fund (HBCCCCF) is established by and derives its authority and accountability from the Homa Bay County Climate Change Act, 2022. The fund is wholly owned by the County Government of Homa Bay and is domiciled in Kenya.

The object and purpose of the Fund is to provide funding for climate change actions as outlined in the County Integrated Plan, the Annual Development Plans, the County Climate Change Action Plan and the County Annual Budgets and for connected purposes.

The fund's principal activity is to finance:

- (a) climate impact, risk, vulnerability and resilience assessments;
- (b) implementation of climate change response actions proposed by Ward Committees and community groups;
- (c) priority county-level climate change response actions approved by the Steering Committee;
- (d) priority county-level climate change response actions appropriated in the county annual budgets.
- (e) climate change research and knowledge management in the county;
- (f) public education, sensitization and awareness creation on climate change and its impacts;
- (g) capacity building for staff of the county and other stakeholders to effectively respond to climate change;
- (h) monitoring, evaluation, reporting and learning on climate change response in the county; and,
- (i) any other projects, activities and interventions recommended by the Steering Committee

**3. Fund Administration Committee**

|    | <b>Name</b>   | <b>Details of qualifications and experience</b>   |
|----|---|---|
| 1. |    | <b>Name: Mr. Alfred Onyango</b><br><b>Date of birth: 25/04/1967</b><br><b>Qualifications: Master of Commerce</b><br><b>Position: Climate Change Fund Board Chairperson</b>  |
| 2. |   | <b>Name: Mr. Alphonse Werah</b><br><b>Date of birth: 12/03/1979</b><br><b>Qualifications : MBA Finance, CPA (K)</b><br><b>Position: Chief Officer Finance and Member of the Fund Board</b>  |
| 3. |  | <b>Name: Eng. Collins Obango</b><br><b>Date of birth: 08/10/1988</b><br><b>Qualifications: Bsc. Mechanical Engineering</b><br><b>Position: Chief Officer Water, Sanitation, Environment, Forestry, Energy &amp; Climate Change and Member of the Fund Board</b> |
| 4. |  | <b>Name: Mr. Roy Odongo</b><br><b>Date of birth: 28/12/1979</b><br><b>Qualifications: Masters Environmental Policy</b><br><b>Position: Director Climate Change and Member of the Fund Board</b>   |

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|    |   |  |
|----|---|--|
| 5. |    | <p><b>Name: Bishop Peter Midodo</b></p> <p><b>Date of birth: 1971</b></p> <p><b>Qualifications: Theology</b></p> <p><b>Position: Representative of Faith Based Organizations and Member of the Fund Board</b></p>  |
| 6. |    | <p><b>Name: Ms. Irene J. Kibon</b></p> <p><b>Date of birth: 19/10/1987</b></p> <p><b>Qualifications: M.Sc. Project Management</b></p> <p><b>Position: Representative of Development Partners and Member of the Fund Board</b></p>  |
| 7. |  | <p><b>Name: Mr. Fredrick Ouma</b></p> <p><b>Date of birth: 07/08/1989</b></p> <p><b>Qualifications: Bachelor of Environmental Studies, Natural Resources &amp; Conservation</b></p> <p><b>Position: Representative of Public Benefit Organization and Member of the Fund Board</b></p> |
| 8. |  | <p><b>Name: Mr. Polycarp Rachuonyo</b></p> <p><b>Date of birth:</b></p> <p><b>Qualifications: B.Com Accounting, CPA Finalist</b></p> <p><b>Position: Fund Administrator and Secretary to the Board</b></p>   |

**4. Management Team**

|    | Name  | Details of qualifications and experience   |
|----|---|--|
| 1. |    | <p>Name: Dr. Joash Aloo (PhD.)<br/>                     Date of birth: 27/09/1973<br/>                     Qualifications: PhD. Management of Education<br/>                     Position: County Executive Committee Member for Water, Sanitation, Irrigation, Environment, Forestry, Energy &amp; Climate Change</p> |
| 2. |   | <p>Name: Eng. Collins Obango<br/>                     Date of birth: 08/10/1988<br/>                     Qualifications: Bsc. Mechanical Engineering<br/>                     Position: Chief Officer Water, Sanitation, Environment, Forestry, Energy &amp; Climate Change and Member of the Fund Board</p>           |
| 3. |  | <p>Name: Mr. Roy Odongo<br/>                     Date of birth: 28/12/1979<br/>                     Qualifications: Masters Environmental Policy<br/>                     Position: Director Climate Change and Member of the Fund Board</p>   |
| 4. |  | <p>Name: Mr. Polycarp Rachuonyo<br/>                     Date of birth: 23/09/1992<br/>                     Qualifications: B.Com Accounting, CPA Finalist<br/>                     Position: Fund Administrator and Secretary to the Board</p>  |
| 5. |   | <p>Name: CPA. Sephania Okello Sita<br/>                     Date of birth: 2/12/1977<br/>                     Qualifications: Bachelor of Commerce, Accounting &amp; Finance.<br/>                     CPA-K, IIA<br/>                     Position: Fund Accountant</p>   |

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**Annual Report and Financial Statements for the year ended June 30, 2024**

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**b) Fiduciary Oversight Arrangements**

| SN | Position                   | Name                   |
|----|----------------------------|------------------------|
| 1  | Directorate Internal Audit | Daniel Ochieng Anyango |

**c) Registered Offices**

P.O. Box 469-40300  
Office of The Governor,  
Homabay.  
KENYA.

**d) Fund Contacts**

Telephone: (254) 722287563  
E-mail: [director.climate@homabay.go.ke](mailto:director.climate@homabay.go.ke)  
Website: [www.homabay.go.ke](http://www.homabay.go.ke)

**e) Fund Bankers**

1. Central Bank of Kenya  
Haile Selassie Avenue  
P.O. Box 60000  
City Square 00200  
Nairobi, Kenya
2. Kenya Commercial Bank  
P.O Box 368-40300  
Tel. +254722210857, +2542005922438.  
Homabay  
Kenya.

**Key Entity and Management (Continued)**

**f) Independent Auditors**

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

**g) Principal Legal Adviser**

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

**h) County Attorney**

Office of The County Attorney,  
Homabay County Government  
P.O Box 469-40300  
Email: [homabaycountyattorney1@gmail.com](mailto:homabaycountyattorney1@gmail.com)  
HOMABAY

### **Homa Bay County Climate Change Steering Committee Chairperson's Report**

On behalf of the steering committee, I am honoured to present the Chairperson's Report for the Homa Bay County Climate Change Fund (HBCCCF) for the year ending June 30, 2024. This year has marked a pivotal period for the fund as we accelerated our efforts to address climate challenges and promote resilience within the communities of Homa Bay County. We have focused on enhancing our governance framework, expanding climate adaptation initiatives, and fostering community-driven solutions that align with the county's long-term sustainability objectives.

In the financial year 2023/2024, the fund's strategic priorities centered on climate-smart agriculture, enhanced access to clean water, ecosystem restoration, and community education. Through these efforts, we have achieved notable progress in building local resilience to climate impacts such as drought and flooding, while also contributing to broader sustainable development goals.

In line with our governance principles, the HBCCCF has continued to operate under a robust framework that ensures accountability, transparency, and community representation. Regular audits and compliance checks have been fundamental in maintaining financial integrity and upholding the fund's reputation for ethical management.

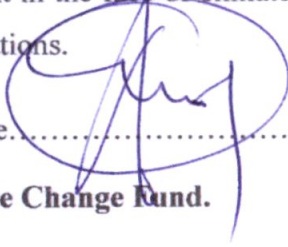
Our achievements would not have been possible without strong partnerships. This year, we collaborated with local and international organizations, including Transparency International-Kenya, World Vision-Kenya, and various development agencies. These partnerships have expanded our capacity to deliver impactful projects and provided critical technical and financial support for initiatives such as ecosystem restoration, climate-resilient agriculture, and community awareness programs.

Looking ahead, the HBCCCF is committed to building on the progress made in 2023/2024. Our strategic focus for 2024 includes: Expanding climate-smart agriculture and water resource management initiatives to enhance food and water security in vulnerable regions; scaling up tree-planting and forest conservation projects to address deforestation and improve carbon sequestration; strengthening partnerships with local, national, and international entities to increase

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funding and technical support; enhancing community engagement programs to deepen public awareness and foster a culture of sustainability across the county.

In conclusion, the Homa Bay County Climate Change Fund has made remarkable strides in the financial year 2023/2024, laying a strong foundation for continued progress toward a resilient and sustainable future. I would like to extend my sincere appreciation to the members of the Steering Committee, the technical committee, ward committees, our partners, and the communities who have supported our efforts throughout the year. Together, we will continue to drive positive change, ensuring that Homa Bay remains resilient in the face of climate challenges and that our natural environment is protected for future generations.

Name: ALFRED O'NEILL Signature:  Date: 30/8/24

**Chairperson of the Homa Bay County Climate Change Fund.**

## **5. Report of The Fund Administrator**

As the Fund Administrator for the Homa Bay County Climate Change Fund (HBCCCF), I am pleased to present the fund's annual report for the financial year 2023/2024. This year, the fund realised significant achievements and learnt important lessons in planning and implementing climate actions in the County. This report summarizes the fund's operational activities, financial status, challenges, and lessons learnt.

The HBCCCF was established to support climate mitigation and adaptation and building the resilience of communities to the impacts of climate change across the county. In the financial year 2023/2024, the focus has been on enhancing access to clean water for communities, promoting climate smart agriculture, implementing ecosystem restoration initiatives, developing urban green spaces and enhancing community awareness.

Our governance framework includes the County Climate Change Steering Committee which oversees the fund's operations, the County Climate Change Technical Committee which is involved in the planning of climate actions and the Ward Climate Change Committees which identify community specific climate needs and coordinating project implementation.

In the financial year 2023/2024, HBCCF received a total of Ksh. 262,984,144 from the Financing Locally Led Climate Action (FLLoCA) program. The amount included Ksh. 11,000,000 under the County Climate Institutional Support (CCIS) grant and Ksh. 251,984,144 under the County Climate Resilience Investment (CCRI) grant. In the same period the County made an own contribution to the fund of Ksh. 14,050,000.

The received funds have been utilized as follows:

### The CCRI Grant

- Enhancing access to water-
- Investments in climate smart agriculture-
- Development of urban green spaces-
- Investments in Ecosystem Restoration Initiatives-

### CCIS Grant

- Participatory climate risk assessment- 9.09 %

## *Homa Bay County Climate Change Fund*

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- Community and ward level consultations on climate action and resilience- 14.55 %
- Implementation of the County Climate Change Action Plan- 7.73%
- Research and data-30.91%
- Training and capacity development-18.64%
- County climate change information systems-19.09%

During the financial year, The HBCCCF planned to drill a total of 33 boreholes and installation of solar powered pumps in 33 wards. Additionally, the work plan included rehabilitation of existing water schemes in Suba South and Rachuonyo North Sub-Counties to provide sustainable water access to communities.

Other planned activities included purchase and distribution of improved and drought resistant seeds to farmers in all the 40 wards. Under the environment sector, the fund planned for establishment of 82 community tree nurseries across the 40 wards to support ecosystem restoration initiatives in degraded areas including in gazetted forests areas in the County.

In Homa Bay Municipality, the fund supported the development of an arboretum to towards the establishment and development of urban green spaces to enhance nature-based recreation and contribute towards urban cooling.

In the financial year 2023/2024 the HBCCCF encountered a few challenges that included:

- Limited funding against a huge demand for resources to implement climate change adaptation priorities in the communities. The fund expects to bridge this gap by seeking additional funding from other sources like the private sector.
- Delayed disbursement of funds from the treasury to the County Revenue Fund (CRF) and onward to the fund's Special Purpose Account (SPA) resulting in delayed commencement of planned projects. The fund is looking forward to an improved turnaround time from the treasury in the next financial year.

The financial year 2023/2024 provided crucial lessons concerning the effectiveness of the fund's strategies which included:

- The importance of community involvement through ward committees, which has strengthened project ownership and impact.
- The need for an integrated approach that aligns with the County Integrated Development Plan to ensure cohesive climate action across departments.

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- Enhanced partnership opportunities, particularly with organizations that bring technical expertise and additional funding.

My recommendation for the subsequent financial years is to increase budget allocation to create greater impact, intensively and extensively train ward committees, and improve data-sharing capabilities to track project outcomes effectively.

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

**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**

| <b>Program</b>  | <b>Objective</b>   | <b>Outcome</b>   | <b>Indicator</b>   | <b>Performance</b> |
|---|--|--|--|--------------------|
| Participatory Climate Risk Assessment                                   | Conducting climate risk assessments at the ward and county level | PCRA Report  | Approved PCRA Report   | complete           |
| Participatory Climate Risk Assessment                                   | Conducting climate risk assessments at the ward and county level | PCRA Report  | Approved PCRA Report   | complete           |
| Community and ward level consultations on climate action and resilience | Establishment of County Climate Change Steering Committee        | Climate Change Steering Committee members appointed                              | Appointment letters of steering committee                        | complete           |
| Preparation of the County Climate Change Action Plan                    | Developing the County Climate Change Action Plan                 | Developing a monitoring and evaluation plan for the County Climate Change Policy | A climate change policy monitoring and evaluation plan developed | complete           |
| Preparation of the County Climate Change Action Plan                    | Developing the County Climate Change Action Plan                 | Developing a monitoring and evaluation plan for the County                       | A climate change policy monitoring and evaluation plan developed | complete           |

**Homa Bay County Climate Change Fund**

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|  |  | Climate Change Policy   |   |   |
|--|--|---|---|---|
| Research and Data  | Development of a Multi-sectoral platform for reporting on climate change actions/impacts | A climate change actions reporting platform created                     | A live portal activated and commissioned  | complete  |
| Training and Capacity Development                                | Training of Ward Climate Change Committee on Project identification and formulation      | Ward climate change committee members trained on project identification | A report on the training of ward climate change committee members                   | complete  |
| Boreholes and Rehabilitations of water                           | Creating access to safe water  | 10 boreholes done and equipped  | Number of people with access to clean and safe water                                | 10 boreholes 95% complete, 30 boreholes ongoing |
| Rehabilitation of Sindo Water Project                            | Access to safe water for domestic use and agriculture                                    | Healthy populace and food security                                      | Number of people accessing clean water. Number of agricultural activities initiated | Project ongoing at 60%                          |
| Rehabilitation of Kanyaluo Water Project                         | Access to safe water for domestic use and agriculture                                    | Healthy populace and food security                                      | Number of people accessing clean water. Number of agricultural activities initiated | Project ongoing at 5%                           |
| Distribution of certified drought resistant seeds and fertilizer | Mitigation of effects of climate change to increase food production                      | Food security   | Number of households supported  | Complete  |
| Tree planting and establishment of community tree nurseries      | Increase of tree cover to mitigate the effects of climate action                         | Green and clean environment   | Number of trees planted and number of communities reached                           | ONGOING   |

## **8. Corporate Governance Statement**

The governance framework of the HBCCCF includes both oversight and operational institutions. The framework promotes ethical management, accountability and transparency across all fund activities. The Homa Bay County Climate Change Steering Committee is responsible for providing strategic direction, approving budgets, and reviewing project proposals. This committee also oversees policy alignment with the County Integrated Development Plan and national climate policies. The Homa Bay County Climate Change Technical Committee provides technical guidance and evaluates the feasibility and sustainability of proposed projects. The Ward Climate Change Committees operate at the grassroots level, these committees ensure local representation and participation in project planning, implementation, and monitoring. They play a crucial role in identifying community needs and ensuring that projects are both relevant and sustainable.

The steering Committee provides oversight over the Fund and is specifically responsible for:

- Mobilizing funds and resources for climate change response projects approved by the planning Committees.
- Approving annual revenue and Expenditure budget/estimates.
- Approving work plan, procurement plans and cash plans for the fund.
- Approving the financial statements of the fund prepared by the fund Administrator before they are presented for audit.
- Setting out procedures for application, disbursement, recovery and repayments of loans.
- Approving, disbursement of loans and grants.
- Deliberating, approving and providing directions to the secretariat as appropriate on periodic financial and operational reports.
- Approving performance reports of the Fund and submitting to the Executive Committee Member.
- Approving procedures and mechanisms for effective and transparent administration of the fund, including tracking and accounting of climate change finance and monitoring, evaluation, reporting and learning

The fund adheres to a strict code of ethics emphasizing transparency, integrity, and equity in project selection and allocation of resources for implementation. The ethics code of the fund is

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underscored by the principle of transparency in decision making which calls for regular meetings, and stakeholder consultations at both the County and ward levels. To this end the climate change steering committee held 3 meeting in the financial year 2023/2024. The other principle underlying the code of ethics is the principle of full disclosure which requires all members of the climate change steering committee to disclose potential conflict of interests to avoid bias in project approvals and fund disbursements. The fund also adheres to the principle of audit and oversight by undergoing regular internal and external audits to ensure compliance with financial regulations and efficient use of funds.

The Homa Bay County Climate Change Action 2023-2027 Plan on Adaptation and Resilience is important and timely. It lays out a strategy to boost our efforts on adaptation and resilience within six areas of focus; Water, Fisheries, and the Blue Economy; the environment and forestry; food and nutrition security; disaster risk management; energy, transport, and manufacturing; and, health, sanitation and human settlements. Each of the six areas of focus have specific strategic objectives which include: Main objectives of the Plan for each area are (i) enhancement of the resilience of the water sector by ensuring access to, and efficient use of water for agriculture, domestic and recreation (ii) enhancement of environmental protection and increasing the County's forest cover (iii) enhancement of food security and increasing agricultural productivity (iv) reducing risks to communities and infrastructure resulting from climate related disasters (v) enhancing access to and use of renewable energy sources and (vi) mainstreaming climate change adaptation into the health sector and increasing the resilience of human settlements to the impacts of climate change.

To successfully tackle the adaptation and resilience challenge, we will work with communities, national government, the private sector, civil society, and the wider family of development and climate finance institutions. The HBCCCF was established to support climate mitigation and adaptation and building the resilience of communities to the impacts of climate change across the county. In the financial year 2023/2024, the focus has been on enhancing access to clean water for communities, promoting climate smart agriculture, implementing ecosystem restoration initiatives, developing urban green spaces and enhancing community awareness.

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The total budget for the fund for the FY 2023/24 was KSh. 369,145,148 comprising **Ksh. 262,984,144** from World Bank, Development Agencies and KfW and **Ksh. 106,161,004** from the County Government of Homabay. for financing County Resilience Investment (CCRI) actions.

**Challenges and Mitigation Measures**

Despite the progress realized so far, the fund is faced with numerous challenges ranging from inadequate policies and legal frameworks that has direct impact on the services and the programmes that the department is determined to implement.

The fund has put in place raft of measures to mitigate some of the above-mentioned challenges so as to ensure all the deliverables earmarked in the FY are realized. The measures include: leveraging on partners implementing similar programmes to complement in delivering some of the planned projects, enhancing collaboration with other departments to tap into their technical expertise and working towards developing sound policies, regulations and laws towards enhancing coordination and service delivery.

**Revised Outputs for the FY 2023/24**

- Under Environment Protection and Management Services Programme the revised allocation totalled to KSh. 17,023,340 to be channelled towards development of 1 No. Dumpsite, construct 1 No. Greenspace and develop 8 No. Community tree nurseries.

***Enhancing equitable access to Households to reliable safe portable water for domestic and industrial use in rural areas:*** The department has managed to rehabilitate 1 No. borehole, drilled and equipped with solar 1 No. borehole, advertised 61 No. water projects that entails (drilling and equipping new boreholes with solar, rehabilitation & upgrading and piping of water);

The key development objectives of the Fund as per the strategic plan (Homabay County Climate Change Action Plan 2023-2027) are to:

## **9. Environmental and Sustainability Reporting**

The Homa Bay County Climate Change Fund (HBCCCF) is dedicated to promoting environmental sustainability and building climate resilience for communities within Homa Bay County. This environmental and sustainability report highlights the fund's efforts to address climate risks, support ecosystem restoration, and enhance sustainable practices across sectors. The report is intended to provide insights into the fund's environmental performance and contributions to sustainable development.

### **1. Sustainability strategy and profile**

The Homa Bay County Climate Change Fund's sustainability strategy is designed to ensure that the county can respond proactively to climate challenges, reducing vulnerability and promoting sustainable development for current and future generations. Through strategic partnerships, policy support, and inclusive approaches, the HBCCCF seeks to be a model for climate resilience in Kenya and beyond.

In the financial year 2023/2024, the fund emphasised on capacity building and engagement of communities to ensure sustainability of the investments made in the communities towards building climate resilience. To this end each project had its respective project management committees trained on project monitoring.

### **2. Environmental Performance**

The HBCCCF is committed to addressing key environmental challenges in Homa Bay, including deforestation, water scarcity, and land degradation. The fund's initiatives are designed to:

- Reduce vulnerability to climate-induced disasters, such as droughts and floods.
- Protect and restore natural ecosystems, particularly forests and water sources.
- Promote sustainable agricultural practices to enhance food security and soil health.
- Foster public awareness and engagement in climate action at both county and community levels.

The fund operates in alignment with the Homa Bay County Integrated Development Plan (CIDP), the Homa Bay County Climate Change Action Plan 2023-2027, the National Climate Change

Action Plan, and international climate agreements, contributing to both local and global climate resilience efforts.

To ensure compliance with environmental laws and regulations, each project funded by the HBCCCF undergoes an Environmental Impact Assessment (EIA) to identify potential ecological impacts and ensure sustainability. The assessment process includes evaluating risks to biodiversity, water resources, and soil quality. The results are used to inform project design and incorporate mitigation measures where necessary. Monitoring and evaluation (M&E) systems are in place to track environmental outcomes, allowing the fund to adaptively manage projects and ensure they continue to deliver positive impacts.

### **3. Employee welfare**

The employee welfare under the fund is guided by the established human resources protocols as established by the Homa Bay County Public Service Board.

### **4. Market place practices-**

The fund adheres to the provisions of the ethics and anti-corruption act. The fund procured its goods and services in accordance with the provisions of the public procurement and disposal act and its regulations. The fund honoured all its contractual obligations with regard to procurement of goods and services making timely payments to suppliers and contractors.

### **5. Corporate Social Responsibility / Community Engagements**

In the financial year 2023/2024, the fund engaged in several community centred activities towards tree planting to improve the county's tree cover. The fund participated in national tree planting campaigns and in tree planting activities in schools and in designated forest areas in the county.

**Homa Bay County Climate Change Fund**  
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**10. 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 Homabay County Climate Change Act 2022 shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

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

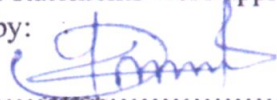
The Administrator of the County Public Fund accepts responsibility for the Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and Homabay County Climate Change Act 2022. The Administrator of the Fund is of the opinion that the Fund's financial statements give a true and fair view of the state of Fund's transactions during the financial year ended June 30, 2024, and of the Fund's financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control.

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

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

Approval of the financial statements

The Fund's financial statements were approved by the Board on 30 AUGUST 2024 and signed on its behalf by:



.....  
**Administrator of the County Public Fund**

# REPUBLIC OF KENYA

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Email: info@oagkenya.go.ke  
Website: www.oagkenya.go.ke



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P.O Box 30084-00100  
NAIROBI

*Enhancing Accountability*

## **REPORT OF THE AUDITOR-GENERAL ON HOMABAY COUNTY CLIMATE CHANGE FUND FOR THE YEAR ENDED 30 JUNE, 2024**

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

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

The three parts of the report aim to address the Auditor-General's statutory roles and responsibilities 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**

#### **Opinion**

I have audited the accompanying financial statements of Homabay County Climate Change Fund set out on pages 1 to 23, which comprise the statement of financial position

*Report of the Auditor-General on Homabay County Climate Change Fund for the year Ended 30 June, 2024*

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

In my opinion, the financial statements present fairly, in all material respects, the financial position of Homabay County Climate Change Fund as at 30 June, 2024, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Homa Bay County Climate Change Act, 2022 and the Public Finance Management Act, 2012.

### **Basis for Opinion**

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Homabay 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 audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### **Emphasis of Matter**

#### **Budget and Budgetary Control**

The statement of comparison of budget and actual amounts reflects budgeted and actual receipts of Kshs.369,145,148 and Kshs.262,381,108 respectively resulting to a revenue shortfall of Kshs. 106,764,040 or 29% of the budget. Similarly, the statement reflects actual expenditure of Kshs. 110,060,506 against actual revenue of Kshs. 262,381,108 resulting to an underutilization of Kshs.152,320,602 or 58% of the actual revenue.

The under expenditure affected the implementation of the planned activities and may have impacted negatively on the operations of the Fund.

My opinion is not modified in respect of this matter.

### **Key Audit Matters**

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

## **Other Information**

Management is responsible for the other information set out on page iii to xxi, which comprise of Key Entity Information and Management, The Board of Trustees / Fund Administration Committee, Management Team, Report of the Fund Administrator, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Environmental and Sustainability Reporting, Statement of Management's Responsibilities. The Other Information does not include the financial statements and my auditor's report thereon.

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

## **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 effect of the matter described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

### **Basis for Conclusion**

#### **Late Submission of Financial Statements**

The financial statements for the financial year ended 30 June, 2024 were submitted for audit on 3 March, 2025, five (5) months later than the statutory deadline. This is contrary to Section 68 (2)(k) of the Public Finance Management Act, 2012 which requires an Accounting Officer to prepare annual financial statements for each financial year within three months after the end of the financial year, and submit them to the Auditor-General for audit.

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

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

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

## **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, 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 overall governance were not effective.

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

## **Responsibilities of Management and the Fund Administration Committee**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal 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 governance.

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

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

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

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

### **Auditor-General's Responsibilities for the Audit**

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7 (1) (a) of the Public Audit Act, 2015.

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

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

  
FCPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**

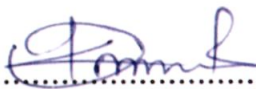
**Nairobi**

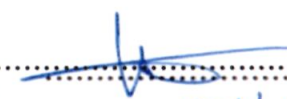
**08 April 2025**

**Homabay County Climate Change Fund  
Annual Report and Financial Statements for the year ended June 30, 2024**

**12. Statement of Financial Performance for the Year Ended 30<sup>th</sup> June 2024**

| Description                                   | Note | 2023/2024 FY       | 2022/2023 FY |
|---|------|--------------------|--------------|
|   |      | Kshs               | Kshs         |
| <b>Revenue From Non-Exchange Transactions</b> |      |                    |              |
| Public contributions and donations            | 1    | 241,617,006        | 0.00         |
| Transfers from the county government          | 1    | 14,050,000         | 0.00         |
| Receipts from other operating expenses        | 1    | 6,714,102          | 0.00         |
|   |      | <b>262,381,108</b> | <b>0.00</b>  |
| <b>Revenue From Exchange Transactions</b>     |      |                    |              |
| Interest Income                               |      | 0.00               | 0.00         |
| Other Income                                  |      | 0.00               | 0.00         |
|   |      | <b>0.00</b>        | <b>0.00</b>  |
| <b>Total Revenue</b>                          |      | <b>262,381,108</b> | <b>0.00</b>  |
|   |      |                    |              |
| <b>Expenses</b>                               |      |                    |              |
| Employee Costs                                |      | 0.00               | 0.00         |
| Use of goods and services                     | 2    | 110,060,506        | 0.00         |
| Depreciation and Amortization Expense         |      | 0.00               | 0.00         |
| Finance Costs                                 |      | 0.00               | 0.00         |
| <b>Total Expenses</b>                         |      | <b>110,060,506</b> | <b>0.00</b>  |
| <b>Other Gains/Losses</b>                     |      |                    |              |
| Gain/Loss on Disposal of Assets               |      | 0.00               | 0.00         |
| Gain /Loss on fair value of investments       |      | 0.00               | 0.00         |
| <b>Surplus for the Period</b>                 |      | <b>152,320,602</b> | <b>0.00</b>  |

  
 Name: **PAUL CARR RACHUONYO**  
 Administrator of the Fund

  
 Name: **Okello Sita**  
 Fund Accountant  
 ICPAK Member Number:

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**Annual Report and Financial Statements for the year ended June 30, 2024**

**13. Statement of Financial Position As at 30 June 2024**

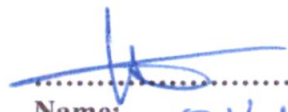
| Description  | Note | 2023/2024 FY       | 2022/2023 FY |
|--|------|--------------------|--------------|
|  |      | Kshs               | Kshs         |
| <b>Assets</b>  |      |                    |              |
| <b>Current Assets</b>  |      |                    |              |
| Cash and Cash Equivalents  | 3    | 152,320,602        | 0.00         |
| Current Portion of Long- Term Receivables From Exchange Transactions |      | 0.00               | 0.00         |
| Prepayments  |      | 0.00               | 0.00         |
| Inventories  |      | 0.00               | 0.00         |
| Investments in financial assets                                      |      | 0.00               | 0.00         |
| <b>Total current assets</b>  |      | <b>152,320,602</b> | <b>0.00</b>  |
| <b>Non-Current Assets</b>  |      |                    |              |
| Property, Plant and Equipment  |      | 0.00               | 0.00         |
| Intangible Assets  |      | 0.00               | 0.00         |
| <b>Total Assets (A)</b>  |      | <b>152,320,602</b> | <b>0.00</b>  |
| <b>Liabilities</b>   |      |                    |              |
| <b>Current Liabilities</b>   |      |                    |              |
| Trade and Other Payables from Exchange Transactions                  |      | 0.00               | 0.00         |
| Current Provisions   |      | 0.00               | 0.00         |
| Current Portion of Borrowings  |      | 0.00               | 0.00         |
| Employee Benefit Obligations   |      | 0.00               | 0.00         |
| Social benefit liabilities   |      | 0.00               | 0.00         |
| <b>Total current liabilities</b>                                     |      | <b>0.00</b>        | <b>0.00</b>  |
| <b>Net Assets (A-B)</b>  |      | <b>152,320,602</b> | <b>0.00</b>  |
| <b>Represented By:</b>   |      |                    |              |
| Revolving Fund   |      | 0.00               | 0.00         |
| Reserves   |      | 0.00               | 0.00         |
| Accumulated Surplus  |      | 0.00               | 0.00         |
| <b>Net Assets</b>  |      | <b>152,320,602</b> | <b>0.00</b>  |

**Homabay County Climate Change Fund  
Annual Report and Financial Statements for the year ended June 30, 2024**

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 AUGUST 30 2024 and signed by:



.....  
Name: **PAUL CARR RACHUONYO**  
Administrator of the Fund



.....  
Name: **Okello Sita**  
Fund Accountant  
ICPAK Member Number: **30278**

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**Annual Report and Financial Statements for the year ended June 30, 2024**

**14. Statement of Changes in Net Assets for the year ended 30<sup>th</sup> June 2024**

| Description                       | Revolving Fund | Revaluation Reserve | Accumulated surplus | Total              |
|-----------------------------------|----------------|---------------------|---------------------|--------------------|
|                                   |                | Kshs                | Kshs                | Kshs               |
| <b>Balance As At 1 July 2022</b>  | 0.00           | 0.00                | 0.00                | 0.00               |
| Surplus/(Deficit) For the Period  | 0.00           | 0.00                | 0.00                | 0.00               |
| Funds Received During the Year    | 0.00           | 0.00                | 0.00                | 0.00               |
| Transfers                         | 0.00           | 0.00                | 0.00                | 0.00               |
| Revaluation Gain                  | 0.00           | 0.00                | 0.00                | 0.00               |
| <b>Balance As At 30 June 2023</b> | <b>0.00</b>    | <b>0.00</b>         | <b>0.00</b>         | <b>0.00</b>        |
|                                   | 0.00           | 0.00                | 0.00                | 0.00               |
| <b>Balance As At 1 July 2023</b>  | <b>0.00</b>    | <b>0.00</b>         | <b>0.00</b>         | <b>0.00</b>        |
| Surplus For the Period            | 0.00           | 0.00                | 152,320,602         | 152,320,602        |
| Funds Received During the Year    | 0.00           | 0.00                | 0.00                | 0.00               |
| Transfers                         | 0.00           | 0.00                | 0.00                | 0.00               |
| Revaluation Gain                  | 0.00           | 0.00                | 0.00                | 0.00               |
| <b>Balance As At 30 June 2024</b> | <b>0.00</b>    | <b>0.00</b>         | <b>152,320,602</b>  | <b>152,320,602</b> |

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**Annual Report and Financial Statements for the year ended June 30, 2024**

**15. Statement of Cash Flows for The Year Ended 30 June 2024**

| Description  | Note | FY 2023/2024       | FY 2022/2023 |
|--|------|--------------------|--------------|
|  |      | Kshs               | Kshs         |
| <b>Cash flows from operating activities</b>                  |      |                    |              |
| <b>Receipts</b>  |      |                    |              |
| Public contributions and donations                           | 1    | 241,617,006        | 0.00         |
| Transfers from the county government                         | 1    | 14,050,000         | 0.00         |
| Interest received  |      | 0.00               | 0.00         |
| Receipts from other operating activities                     | 1    | 6,714,102.00       | 0.00         |
| <b>Total receipts</b>  |      | <b>262,375,108</b> | <b>0.00</b>  |
| <b>Payments</b>  |      |                    |              |
| Use of Goods and Services                                    | 2    | 110,060,506        | 0.00         |
| General expenses   |      |                    |              |
| Finance cost   |      |                    |              |
| Other payments   |      |                    |              |
| <b>Net cash flows from operating activities</b>              |      | <b>152,320,602</b> | <b>0.00</b>  |
| <b>Cash flows from investing activities</b>                  |      |                    |              |
| Purchase of property, plant, equipment and Intangible assets |      | 0.00               | 0.00         |
| Proceeds from sale of property, plant & equipment            |      | 0.00               | 0.00         |
| Proceeds from loan principal repayments                      |      | 0.00               | 0.00         |
| Loan disbursements paid out                                  |      | 0.00               | 0.00         |
| <b>Net cash flows used in investing activities</b>           |      | <b>0.00</b>        | <b>0.00</b>  |
| <b>Cash flows from financing activities</b>                  |      |                    |              |

*Homa Bay County Climate Change Fund*  
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|   |   |                    |             |
|---|---|--------------------|-------------|
| Proceeds from revolving fund receipts                             |   | 0.00               | 0.00        |
| Additional borrowings   |   | 0.00               | 0.00        |
| Repayment of borrowings   |   | 0.00               | 0.00        |
| <b>Net cash flows used in financing activities</b>                |   | <b>0.00</b>        | <b>0.00</b> |
| <b>Net increase/(decrease) in cash &amp; cash<br/>Equivalents</b> |   | <b>0.00</b>        | <b>0.00</b> |
| Cash and cash equivalents at 1 July                               |   | 0.00               | 0.00        |
| <b>Cash and cash equivalents at 30 June</b>                       | 3 | <b>152,320,602</b> | <b>0.00</b> |

*Homabay County Climate Change Fund*  
 Annual Report and Financial Statements for the year ended June 30, 2024

16. Statement Of Comparison Of Budget And Actual Amounts For The Period 2024

| Description                                 | Original budget    | Adjustments        | Final budget       | Actual on                | Performance        | Utilization    |
|---|--------------------|--------------------|--------------------|--------------------------|--------------------|----------------|
|   | Kshs               | Kshs               | Kshs               | comparable basis<br>Kshs | difference<br>Kshs | %<br>f=d/c*100 |
|   | a                  | b                  | C=(a+b)            | d                        | e=(c-d)            |                |
| <b>Revenue</b>                              |                    |                    |                    |                          |                    |                |
| Public Contributions and Donations          | 211,000,000        | 51,984,144         | 262,984,144        | 241,617,006              | 21,367,138         | 92%            |
| Transfers From County Govt.                 | 54,662,003         | 51,499,001         | 106,161,004        | 14,050,000               | 92,111,004         | 13%            |
| Receipts from other operating activities    | 0                  | 0                  | 0                  | 6,714,102                | 0                  | 0%             |
| <b>Total Income</b>                         | <b>265,662,003</b> | <b>103,483,145</b> | <b>369,145,148</b> | <b>262,381,108</b>       | <b>106,764,040</b> | <b>71%</b>     |
| <b>Expenses</b>                             |                    |                    |                    |                          |                    |                |
| Climate Change Resilience Investment (CCRI) | 200,000,000        | 51,984,144         | 251,984,144        | 85,010,506               | 166,973,638        | 34%            |
| County Climate Institutional Support        | 11,000,000         | -                  | 11,000,000         | 11,000,000               | 0                  | 100%           |
| County Climate Investment Resilience        | 54,662,003         | 51,483,145         | 106,161,004        | 14,050,000               | 92,111,004         | 13%            |
| <b>Total Expenditure</b>                    | <b>265,662,003</b> | <b>103,467,289</b> | <b>369,145,148</b> | <b>110,060,506</b>       | <b>259,084,642</b> | <b>30%</b>     |
| <b>Surplus For the Period</b>               |                    |                    |                    | <b>152,320,602</b>       |                    |                |

**Homabay County Climate Change Fund**

**Annual Report and Financial Statements for the year ended June 30, 2024**

**17. Notes to the Financial Statements**

**Significant Accounting Policies**

**1. General Information**

Homabay County Climate Change Fund is established by and derives its authority and accountability from Homabay County Climate Change Act 2022. The entity is wholly owned by the Homabay County Government and is domiciled in Kenya. The entity's principal activity is to provide funding for climate change actions as outlined in the County Integrated Plan, the Annual Development Plans, the County Climate Change Action Plan and the County Annual Budgets and for connected purposes.

**2. Statement of compliance and basis of preparation**

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

**3. Adoption of new and revised standards**

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

**(i) Early adoption of standards**

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

**Summary of Significant Accounting Policies**

**a) Revenue recognition**

**i. Revenue from non-exchange transactions**

**Transfers from other government entities**

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

**ii. Revenue from exchange transactions**

**Interest income**

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

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**Annual Report and Financial Statements for the year ended June 30, 2024**

**Dividends**

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

**Rental income**

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

**b) Budget information**

The original budget for FY 2023-2024 was approved by the County Assembly on June 29, 2023. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Fund recorded additional appropriations of Kenya Shillings 51,984,144 on the FY 2023-2024 budget following the governing body's approval.

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

***Homabay County Climate Change Fund***

**Annual Report and Financial Statements for the year ended June 30, 2024**

**Summary of Significant Accounting Policies (Continued)**

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

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

**c) Property, plant and equipment**

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

**a) Intangible Assets**

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

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

**b) Investment property**

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

***Homabay County Climate Change Fund***

**Annual Report and Financial Statements for the year ended June 30, 2024**

**Summary of Significant Accounting Policies (Continued)**

**c) Financial instruments**

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. 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.

***Homabay County Climate Change Fund***

**Annual Report and Financial Statements for the year ended June 30, 2024**

**Summary of Significant Accounting Policies (Continued)**

**Amortized cost**

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

**Fair value through net assets/ equity**

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

**Fair value through surplus or deficit**

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/ equity are measured at fair value through surplus or deficit. A business model where the 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

**Summary of Significant Accounting Policies (Continued)**

**Financial liabilities**

**Classification**

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

**d) Inventories**

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

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

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

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

**e) Provisions**

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

**f) Social Benefits**

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

*Homabay County Climate Change Fund*

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**Summary of Significant Accounting Policies (Continued)**

**g) Contingent liabilities**

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

**Contingent assets**

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

**h) Nature and purpose of reserves**

The Entity does not create nor maintains reserves

**i) Changes in accounting policies and estimates**

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

**j) Employee benefits – Retirement benefit plans**

The Entity does not provide 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)**

**k) Foreign currency transactions**

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

**l) Borrowing costs**

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

**m) Related parties**

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

**n) Cash and cash equivalents**

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

**o) Comparative figures**

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

**Summary of Significant Accounting Policies (Continued)**

**1. 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

**Homabay County Climate Change Fund**  
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**5. Notes To the Financial Statements Continued**

**1. Public contributions and donations**

| Description                              | FY 2023/2024       | FY 2022/2023 |
|--|--------------------|--------------|
|  | Kshs               | Kshs         |
| Donation From Development Partners       | 241,617,006        | 0            |
| Contributions From County Government     | 14,050,000         | 0            |
| Receipts from other operating activities | 6,714,102          | 0            |
| <b>Total</b>                             | <b>262,381,108</b> | <b>0</b>     |

**2. Use of Goods and Services**

| Description  | FY 2023/2024       | FY 2022/2023 |
|--|--------------------|--------------|
|  | Kshs.              | Kshs.        |
| General Office Expenses  | 3,152,800          | 0            |
| Printing And Stationery  | 1,223,630          | 0            |
| Electricity And Water Expenses   | 54,335             | 0            |
| Telephone And Communication Expenses                                     | 1,684,899          | 0            |
| Consultancy and professional Services                                    | 3,557,586          | 0            |
| Conference and Accommodation Services                                    | 7,889,390          | 0            |
| Domestic Travel and Accommodation  | 7,499,834          | 0            |
| Purchase of ICT equipment and Accessories                                | 2,817,547          | 0            |
| Purchase of Furniture and Fittings                                       | 866,596            | 0            |
| Purchase of Motor Vehicle  | 11,301,725         | 0            |
| Purchase of Certified Seeds  | 14,314,000         | 0            |
| Ecosystem restoration activities   | 5,730,000          | 0            |
| Drilling and Equipping of Boreholes and Rehabilitation of Water Projects | 49,784,508         | 0            |
| Other Payments (KRA Payments)  | 149,345            | 0            |
| Bank Charges   | 34,311             | 0            |
| <b>Total</b>   | <b>110,060,506</b> | <b>0</b>     |

*Homabay County Climate Change Fund*  
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**3. Cash and cash equivalents**

| <b>Description</b>                     | <b>FY 2023/2024</b> | <b>FY 2022/2023</b> |
|--|---------------------|---------------------|
|  | <b>Kshs</b>         | <b>Kshs</b>         |
| Current Account-CBK                    | 148,330,281         | 0                   |
| Current Account-KCB                    | 3,990,322           | 0                   |
| <b>Total Cash and Cash Equivalents</b> | <b>152,320,602</b>  | <b>0</b>            |

*Homabay County Climate Change Fund*

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**Notes to the Financial Statements Continued**

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

| Financial Institution     | Account number | FY 2023/2024       | FY 2022/2023 |
|---------------------------|----------------|--------------------|--------------|
|                           |                | Kshs               | Kshs         |
| <b>a) Current Account</b> |                |                    |              |
| Kenya Commercial Bank     | 1305283295     | 3,990,321          | 0.00         |
| CBK Account               | 1000641387     | 148,330,281        | 0.00         |
| <b>Sub- Total</b>         |                | <b>152,320,602</b> | <b>0.00</b>  |

**4. Cash generated from operations.**

| Description                                       | 2023/2024 FY        | 2022/2023 FY |
|---|---------------------|--------------|
|   | Kshs                | Kshs         |
| <b>Surplus/ (Deficit) For the Year Before Tax</b> | <b>152,320,6020</b> | <b>00</b>    |
| <b>Adjusted For:</b>                              |                     |              |
| Depreciation                                      | 00                  | 00           |
| Amortisation                                      | 00                  | 00           |
| Gains/ Losses On Disposal Of Assets               | 00                  | 00           |
| Interest Income                                   | 00                  | 00           |
| Finance Cost                                      | 00                  | 00           |
| <b>Working Capital Adjustments</b>                |                     |              |
| Increase In Inventory                             | 00                  | 00           |
| Increase In Receivables                           | 00                  | 00           |
| Increase In Payables                              | 00                  | 00           |
| <b>Net Cash Flow from Operating Activities</b>    | <b>152,320,602</b>  | <b>00</b>    |

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**5. 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<br>Kshs | Fully performing<br>Kshs | Past due<br>Kshs | Impaired<br>Kshs |
|--|----------------------|--------------------------|------------------|------------------|
| <b>At 30 June 2022</b>                     |                      |                          |                  |                  |
| Receivables From Exchange Transactions     | 0                    | 0                        | 0                | 0                |
| Receivables From Non-Exchange Transactions | 0                    | 0                        | 0                | 0                |
| Bank Balances                              | 0                    | 0                        | 0                | 0                |
| <b>Total</b>                               | <b>0</b>             | <b>0</b>                 | <b>0</b>         | <b>0</b>         |
| <b>At 30 June 2021</b>                     |                      |                          |                  |                  |
| Receivables From Exchange Transactions     | 0                    | 0                        | 0                | 0                |
| Receivables From Non-Exchange Transactions | 0                    | 0                        | 0                | 0                |
| Bank Balances                              | 0                    | 0                        | 0                | 0                |
| <b>Total</b>                               | <b>0</b>             | <b>0</b>                 | <b>0</b>         | <b>0</b>         |

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**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     |
| <b>At 30 June (Current FY)</b>     |                   |                    |               |          |
| Trade Payables                     | 0                 | 0                  | 0             | 0        |
| Current Portion Of Borrowings      | 0                 | 0                  | 0             | 0        |
| Provisions                         | 0                 | 0                  | 0             | 0        |
| Employee Benefit Obligation        | 0                 | 0                  | 0             | 0        |
| <b>Total</b>                       | <b>0</b>          | <b>0</b>           | <b>0</b>      | <b>0</b> |
| <b>At 30 June (Comparative FY)</b> |                   |                    |               |          |
| Trade Payables                     | 0                 | 0                  | 0             | 0        |
| Current Portion Of Borrowings      | 0                 | 0                  | 0             | 0        |
| Provisions                         | 0                 | 0                  | 0             | 0        |

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|                             |          |          |          |          |
|-----------------------------|----------|----------|----------|----------|
| Employee Benefit Obligation | 0        | 0        | 0        | 0        |
| <b>Total</b>                | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> |

**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:

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**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                                 | Current FY         | Comparative FY |
|---|--------------------|----------------|
|   | Kshs               | Kshs           |
| Revaluation reserve                         | 0                  | 0              |
| Revolving fund                              | 0                  | 0              |
| Accumulated surplus                         | 152,320,602        | 0              |
| <b>Total funds</b>                          | <b>152,320,602</b> | <b>0</b>       |
|   |                    |                |
| Total borrowings                            | 0                  | 0              |
| Less: cash and bank balances                | 0                  | 0              |
| Net debt/(excess cash and cash equivalents) | 0                  | 0              |
| <b>Gearing</b>                              | <b>100%</b>        | <b>100%</b>    |

**6. Events after the reporting period**

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

**7. Ultimate and Holding Entity**

The entity is a County Public Fund established by Homa Bay County Climate Change Act, 2022 under the Department of Water, Irrigation, Sanitation, Environment, Energy, Forestry and Climate Change. Its ultimate parent is the County Government of Homabay.

**8. Currency**

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

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**18. Annexes**

**Annex II: Inter-Fund Confirmation Letter**



*HOMABAY County Climate Change Fund*  
*P.O Box 469-40300, Homabay*

The *Homabay County Climate Change Fund* wishes to confirm the receipt of the amounts disbursed as at 30<sup>th</sup> June 2024 as indicated in the table below:

| <b>Confirmation of amounts received by Homabay County Climate Change Fund] as at 30<sup>th</sup> June 2024</b> |                |   |                 |                        |                   |   |                              |
|--|----------------|---|-----------------|------------------------|-------------------|---|------------------------------|
| Reference Number   | Date Disbursed | Amounts Disbursed by [SC/SAGA/Fund] (Kshs) as at 30 <sup>th</sup> June 2024 |                 |                        |                   | Amount Received by [beneficiary Fund] (KShs) as at 30 <sup>th</sup> June 2024 (E) | Differences (KShs) (F)=(D-E) |
|  |                | Recurrent (A)   | Development (B) | Inter– Ministerial (C) | Total (D)=(A+B+C) |   |                              |
| FT233263VD79   | 22/11/2023     | 11,000,000.00   | 0               | 0                      | 11,000,000.00     | 11,000,000.00   | 0                            |
| FT24103QVHWF   | 12/04/2024     |   | 171,319,313.00  | 0                      | 171,319,313.00    | 171,319,313.00  | 0                            |
| FT24185FR8G8   | 03/07/2024     |   | 4,729,130.00    | 0                      | 4,729,130.00      | 4,729,130.00  | 0                            |

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*Homabay County Climate Change Fund*

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|                                 |            |                      |                        |          |                       |                       |          |
|---------------------------------|------------|----------------------|------------------------|----------|-----------------------|-----------------------|----------|
| Homabay County<br>REC0010015590 | 15/07/2024 | 1,050,000.00         | -                      | -        | 1,050,000.00          | 1,050,000.00          | -        |
| Total                           |            | <b>25,050,000.00</b> | <b>230,617,006.000</b> | <b>=</b> | <b>255,667,006.00</b> | <b>255,667,006.00</b> | <b>-</b> |

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

**Head of Accountants department of beneficiary Fund:**

Name CAR O/ello s/a Sign [Signature] Date 30/8/2024

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**Annex III: Reporting of Climate Relevant Expenditures**

| Project Name                                  | Project Description   | Project Objectives   | Project Activities                           |           |           |           |            | Source Of Funds   | Implementing Partners        |
|---|---|--|--|-----------|-----------|-----------|------------|---|------------------------------|
|   |   |  |  | Q1        | Q2        | Q3        | Q4         |   |                              |
| FINANCING<br>LOCALLY-LED<br>CLIMATE<br>ACTION | Financing Locally led Climate Action (FLLoCA) Program is an innovative program, jointly funded by the Government of Kenya and the World Bank to create resilience at the local (and community) levels to mitigate | To deliver locally-led climate resilience actions and strengthen county and national governments' capacity to manage climate risk.<br><br>FLLoCA Program is expected to strengthen County Government capacity to plan, budget, implement and monitor climate | 1. Water<br>2. Agriculture<br>3. Environment | 1,453,304 | 9,022,177 | 4,166,279 | 95,418,746 | International Development Agency (IDA), Government of Denmark, Government of Sweden and Government of Kenya | County Government of Homabay |

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|  |   |   |  |  |  |  |  |  |  |
|--|---|---|--|--|--|--|--|--|--|
|  | <p>the impact of climate change. The program is meant to help and incentivise county governments to get legal, institutional and organisational arrangements in place to be able to budget, plan for and implement for Climate Change Adaptation through County Climate Action (CCA); and</p> | <p>mitigation and adaptation actions, with a focus on sub-county (ward and community) levels. This will be operationalized through two grants, the County Climate Institutional Support (CCIS) Grant and the County Climate Resilience Investment (CCRI) grant combined with minimum access</p> |  |  |  |  |  |  |  |
|--|---|---|--|--|--|--|--|--|--|

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|  |   |   |  |  |  |  |  |  |  |
|--|---|---|--|--|--|--|--|--|--|
|  | <p>the County Climate Resilience Investment (CCRI) grant, a performance-based grant to fund such County Climate Action.</p> | <p>criteria and performance measures for areas where FLLoCA seeks to make a difference.</p> |  |  |  |  |  |  |  |
|--|---|---|--|--|--|--|--|--|--|