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**REPORT**

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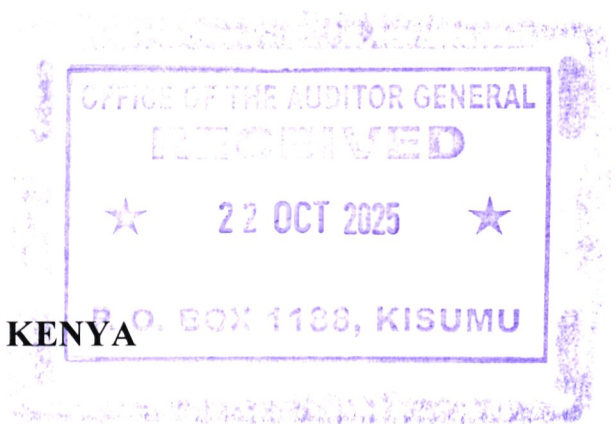
**THE AUDITOR-GENERAL**

**ON**

**KISUMU COUNTY CLIMATE  
CHANGE FUND**

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

**COUNTY GOVERNMENT OF KISUMU**



REPUBLIC OF KENYA



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**KISUMU COUNTY CLIMATE CHANGE FUND  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
June 30, 2025**

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

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

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**1. Acronyms and Glossary of Terms**

a) Acronyms

BOM	Board of Management
CECM	County Executive Committee Member
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
Kshs	Kenya Shillings
CCIS	Climate Change Institutional Support
CCRIG	Climate Change Resilience Investment Grant
SEACAP	Sustainable Energy and Climate Action Plan
ESIA	Environmental and Social Impact Assessment
EMCA	Environmental Management and Coordination Act
SWM	Solid Waste Management
OSHA	Occupational Safety and Health Authority
GRM	Grievance Redress Mechanism
CSR	Corporate Social Responsibility
WCCP	Ward Climate Change Planning Committee
FLLOCA	Financing Locally Led Climate Action

b) Glossary of Terms

Fiduciary Management	The key management personnel who had financial responsibility
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**Kisumu County Climate Change Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

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**2. Key Entity Information and Management**

**a) Background information**

The Kisumu County Climate Change Fund was established under the provision of the Kisumu County Climate Change Act, 2020 with the objective and purpose of operationalizing the County Climate Change Institutional Support and The County Climate Resilience Investment Grant. The CECM Finance, Economic Planning and ICT Services, and the CECM- Water Environment climate change and Natural Resources are responsible for the administration, general policy and strategic direction of the fund

**b) Principal Activities**

The principal activity/mission/mandate of the fund is to execute payments in respect of climate change activities.

**c) Board of Trustees/Fund Administration Committee**

Ref	Name	Position
1.	Judith A. Oluoch	County Executive Committee Member
2.	Erick Omondi Ogallo	Chief Officer
3.	Martin Okode	Chief Officer Finance
4.	Ken Koyoo	FLLOCA Coordinator
5.	Rose Odipo	Accountant
6.	Eunice Radiro	Supply Chain Management Officer

**d) Key Management Team**

Ref	Name	Position
1.	Judith A. Oluoch	Fund Chairperson
2.	Erick Omondi Ogallo	Chief Officer/ Fund Administrator
3.	Martin Okode	Chief Officer Finance
4.	Ken Koyoo	FLLOCA Coordinator
5.	Rose Odipo	Fund Accountant

**Kisumu County Climate Change Fund**  
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**e) Fiduciary Oversight Arrangements**

The Internal Audit, Audit Committee and County Assembly of the County Government of Kisumu ensured that the internal control systems aimed at addressing the clear mandate of the fund are adhered to. The officers who led the oversight arrangements were;

<b>SN</b>	<b>Position</b>	<b>Name</b>
1	Clerk to the County Assembly	Adv. Owen Ojuok
2	Chairman Audit Committee	Dr. Joshua Wanjare
3	Head of Internal Audit	Mr. Godfrey Dienya

**f) Registered Offices**

Prosperity Building  
P O Box 2738  
Kisumu, Kenya

**g) Fund Contacts**

Website: [www.kisumu.go.ke](http://www.kisumu.go.ke)

**h) Fund Bankers**

Central Bank of Kenya  
P O Box 60000-00200  
Nairobi, Kenya

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

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**Key Entity and Management (Continued)**

**i) Independent Auditors**

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

**j) Principal Legal Adviser**




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

**k) County Attorney**

County Attorney-County Government of Kisumu  
Prosperity Building  
P.O. Box 2738  
KISUMU

**Kisumu County Climate Change Fund  
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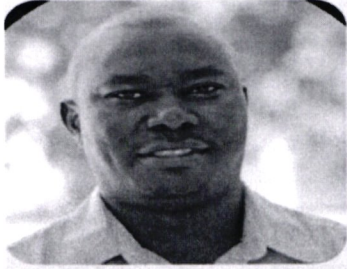
**3. Board of Trustees/ Fund Administration Committee**

Name	Details of qualifications and experience
 <p>Ms. Judith Oluoch CECM Water, Environment, Climate Change &amp; Natural Resources / Chairperson.</p>	<p>Judith holds a degree in Education (Economics/Geography), Master in Business Administration- Certified Human Resource Professional (CHRP-K), Higher National Diploma in HRM. Board Competence Study Programme Oslo and Akershus University College of Applied Sciences (HiOA), Norway - Female Future Leadership Programme International Business Leaders Forum/AKDN CSR Management and Stakeholder Engagement. FKE. Her 25 years multiple assignments have exposed her to unconventional combination aspects of management and administration.</p>
 <p>Erick Omondi Chief Officer- Water, Environment, Climate Change &amp; Natural Resources/ Fund Administrator</p>	<p>MBA Strategic Management –University of Nairobi With vast experience in commercial agriculture from BAT, having served on equal capacity as Chief Officer Agriculture and Livestock before joining department of water.</p>
 <p>Mr. Martin Opiyo-Chief Officer Finance, ICT services</p>	<p>He holds MBA Finance, B. Com Finance and Banking and CPA-K. Martin has vast experience drawn from Ministry of Defence coupled with vast Finance management at the County Department of Finance, besides being an independent researcher.</p>




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

**4. Management Team**

Name	Details of qualifications and experience
 <p>Ms. Judith Oluoch            CECM- Water Environment Climate Change and Natural Resources/ Chairperson to the Fund</p>	<p>Judith holds a degree in Education (Economics/Geography), Master in Business Administration, Certified Human Resource Professional (CHRP-K), Higher National Diploma in HRM. Board Competence Study Programme, Oslo and Akershus University College of Applied Sciences (HiOA), Norway, Female Future Leadership Programme, International Business Leaders -FKE, Forum/AKDN CSR Management and Stakeholder Engagement. Her 25 years multiple assignments have exposed her to unconventional combination aspects of management and administration</p>
 <p>Erick Omondi            Chief Officer- Water, Environment, Climate Change &amp; Natural Resources/ Fund Administrator</p>	<p>MBA Strategic Management –University of Nairobi            With vast experience in commercial agriculture from BAT, having served on equal capacity as Chief Officer Agriculture and Livestock before joining department of Water.</p>
 <p>Mr. Martin Opiyo-Chief            Officer Finance, ICT services</p>	<p>He holds MBA Finance, B. Com finance and banking and CPA-K. Martin has vast experience drawn from ministry of defence coupled with vast finance management at the County department of finance, besides being an independent researcher.</p>
 <p><b>Odhiambo Ken K'oyoo</b>            Fund coordinator</p>	<p>Mr. Odhiambo Ken Koyoo holds MSc Environmental Studies (Community Development)- Kenyatta University, BSc. Envi. Science Maseno University, over 10 years of management experience.</p>

**Kisumu County Climate Change Fund**  
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	<p>Mrs. Rose Odipo is the fund accountant. She holds a degree from CUEA University-BCOM Finance option &amp; she is also Certified Public Accountant (CPA-K). She also has a certificate in Senior Management from Kenya School of Government (2015)</p>
<p>Rose Odipo Fund Accountant</p>	

**5. CHAIRPERSON’S REPORT**

It is my pleasure to present the Kisumu County Climate Change fund financial statements for the period ended 30<sup>th</sup> June 2025. The financial statements present the financial performance of the fund over the past financial year. This report presents a consolidated overview of the operational and financial performance of the County Climate Change Fund for the period under review, with a focus on the critical sectors of Water, Roads, and Health. The report highlights key achievements, challenges encountered, and recommendations to enhance future efficiency and impact.

It is my pleasure to present the Kisumu County climate change Fund Financial statements for the period of TWELVE Months ended 30<sup>th</sup> June 2025. The financial statements present the financial performance of the fund over the past financial year.

**Review of Performance**

**a) Income**

The climate change Fund Account received ksh 166,427,000/- being Ksh. 100,000,000 (matching fund) Ksh. 55,427,000/- (IDA) for county climate Resilience Investment grant (CCRIG) and Sh 11,000,000 (KFW) for county change institutional support (CCIS). A balance brought forward from the previous year was Ksh. 120,129,120.75/- as at 1<sup>st</sup> July 2024

**b) Expenditure**

The expenditure for the twelve Months period ended 30<sup>th</sup> June 2025 was Ksh 19,054,379/- for General Expenses and Purchase of Property and Equipment of Kshs. 31,968,946/-.  
 Surplus for the period was Ksh 38,491,762

Name...**Judith Oluoch**..... Signature.....




Chairperson of the Fund

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

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**5. Report of the Fund Administrator**

It's my pleasure to present the Kisumu County Climate Change Fund financial statement for the twelve Months ended 30<sup>th</sup> June 2025. It highlights the overall financial performance of the **fund** during the year under review.

It was established in accordance with the Kisumu County Climate Change Fund Regulation Act 2023

Thereafter ksh 11,000,000 was disbursed into the account for CCIS as per the approved budget of 2024/2025

There was also a budget for County Climate Resilient Investment Grant (CCRIG) of Ksh 299,335,666/- out of which Ksh 155,427,000/- was received during the period.

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

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

**Introduction**

Section 164 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer when preparing financial statements of each County Government 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.

There were no key development objectives of the Fund as the period marked the inception and foundational aspects. The management is focused to have development projects projected in the succeeding financial year, an indication that will see the section populated

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

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**7. Corporate Governance Statement**

Following the inception of the project, the management has put in place a robust mechanism to guarantee its success. Currently the board members are drawn from various departments to guarantee blend of skills and technical expertise.

The roles of the board of the funds are as articulated in board/ trustee committee statements above. The board has equally put in place all round training and induction plans geared towards attaining the projects objectives.

In this annual report, the board presents financial performance against the predetermined budget in the last statement of budget and actual performance

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

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**8. Management Discussion and Analysis**

During this Financial Year, the project focused on strengthening institutional systems which mainly included training of Ward Climate Change Planning Committees which are based in every ward, Launching of WCCPC committees, Conducting Participatory Climate Risk Assessment, Training of committees on Environmental social safeguards and Grievance redress mechanism, staff training at Kenya School of Government on Project development and monitoring, Projects community validation and participatory scenario planning.

In this regard on average much of the resources were used to build capacity of institutions from the grass root level to the county level.

During this period the project had not started implementation of development projects and hence most of these activities were supported by the CCIS funding. The fund complied with the FLLOCA Grant manual and followed only the allowed activities to be supported or facilitated. This therefore was in concurrence with the statutory obligations.

In terms of risks, the asset registers which is to be an instrument for reference and record for all stores and non-stores was missing but was later procured and all assets have been recorded.

***Environmental and Sustainability Reporting***

**1. Sustainability strategy and profile –**

The CCU management developed a strategy for ensuring projects that have been started should be completed. Community groups and committees will be trained to take over projects after completion and handing over.

**2. Environmental performance**

The project ensured that the WCCPC have been trained on Environmental social safeguards and can explain to the local communities about the need for every project to undergo ESIA. By ensuring that participants understand the importance of ESIA then they can implement the concept on all the projects. This is guided by EMCA, 2025 and also the operational manual for FLLOCA projects. Its important to mention that many people do not respect the law especially in SWM and public health hence failing in SWM.

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

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**3. Employee welfare**

The project has not started implementing projects which will require engagement of youths and women. However, when the projects begin, there is going to be hiring people to work for short term employment. OSHA will seriously be implemented to protect workers from noncompliance to health and safety.

**4. Market place practices-**

**5. Corporate Social Responsibility / Community Engagement.**

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

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**9. Report of the Trustees**

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

**Principal activities**

The principal activities of the Fund are to support community resilience projects which are locally identified, prioritised and implemented through community institutional structures. The ward climate change committees are mandated to monitor implementation of the projects. Four key sectors which include Agriculture, Environment, Water and Infrastructure /disaster risk are considered in project prioritization

**Results**

The results of the Fund for the Twelve Months ended June 30, 2025 are set out on pages 1-6

**Trustees**

The members of the Board of Trustees who served during the year are shown on page vi and vii

**Auditors**

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

By Order of the Board

.....  
*KEND KLOMOTH*

**Chair of the Fund Administration Committee**

Date: *22/10/2025*

*Kyari*



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

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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 Kisumu County Climate Change Act 2020 shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The Administrator of the County Public Fund is responsible for the preparation and presentation of the Fund’s financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 2025. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Fund; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Fund; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Administrator of the County Public Fund accepts responsibility for the Fund’s financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and Kisumu County Climate Change 2020. The Administrator of the Fund is of the opinion that the Fund’s financial statements give a true and fair view of the state of Fund’s transactions during the financial year ended June 30, 2025, and of the Fund’s financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund’s financial statements as well as the adequacy of the systems of internal financial control.

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

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, 2025 and signed on its behalf by:

*Eric Ojawa*

**Fund Administrator.**



# REPUBLIC OF KENYA

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



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

## REPORT OF THE AUDITOR-GENERAL ON KISUMU COUNTY CLIMATE CHANGE FUND FOR THE YEAR ENDED 30 JUNE, 2025 - COUNTY GOVERNMENT OF KISUMU

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### PREAMBLE

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

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

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of Kisumu County Climate Change Fund – County Government of Kisumu set out on pages 19 to 47, which comprise of the

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*Report of the Auditor-General on Kisumu County Climate Change Fund for the year ended 30 June, 2025 - County Government of Kisumu*

statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Kisumu County Climate Change Fund as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Kisumu County Climate Change Act, 2020 and Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Inaccuracies in the Presentation of the Financial Statements**

The statement of cash flows reflects net increase in cash and cash equivalents of Kshs.3,579,836 which differ with the re-computed increase of Kshs.7,616,105 resulting to an unexplained variance of Kshs.4,036,269.

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

#### **2. Overstated Property, Plant and Equipment and Failure to Charge Depreciation**

The statement of financial position and as disclosed in Note 9 to the financial statements reflects property, plant and equipment balance of Kshs.33,025,627. Review of the assets register indicate that during the year under review, Management charged depreciation of Kshs.1,093,289 in respect of motor vehicle and computer and office equipment. However, Management charged depreciation at 25% for motor vehicle and computers and office equipment. This was contrary to Guidelines on Asset and Liability Management in the Public Sector, 2020 which provides for 12.5% and 33% charge for the class of assets. In addition, Management depreciated the assets using the reducing balance method contrary to Part IV(i) E of the Guidelines which states that for purposes of adoption of these Guidelines, depreciation on assets shall be charged on a straight-line basis over the useful life of the asset.

In the circumstances, the accuracy and completeness of the property, plant and equipment balance of Kshs.33,025,627 could not be confirmed.

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

Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

## **Emphasis of Matter**

### **1. Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects final receipts budget and actual amounts on a comparable basis of Kshs.299,366,166 and Kshs.166,457,500 respectively resulting to an underfunding of Kshs.132,908,666 or 44% of the budget. Similarly, the Fund spent Kshs.127,965,738 against a final budget of Kshs.488,034,321 resulting to an under-expenditure of Kshs.360,068,583 or 74% of the budget. Further, review of the statement of comparative budget and actual amounts revealed that the explanatory notes to give the reasons for material differences between the budgeted and actual figures has not been provided as prescribed by the IPSAS 24.14.

The underfunding and under expenditure affected implementation of the planned project activities and may impact negatively on delivery of services to the public.

### **2. Misalignment of the Fund Budget**

Review of budgets and work plans revealed that Management failed to implement the 2023/2024 budget in the appropriated year. Review of work plans and projects implemented in the year under review indicated that the activities were executed in the year ended 30 June, 2025. There was no evidence provided by Management to rationalize the budget contrary to Regulation 43(2) of the Public Finance Management (County Governments) Regulations, 2015 which states that County Government entities shall execute their approved budgets based on the annual appropriation legislation, and the approved annual cash flow plan with the exception of unforeseen and unavoidable spending dealt with through the County Emergency Fund, or supplementary estimates.

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

My opinion is not modified in respect of these matters.

## **Key Audit Matters**

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

## Other Matter

### Unresolved Prior Year Matters

In the prior years' audit reports, several issues were raised under the Report on Financial Statements, Lawfulness and Effectiveness in Use of Public Resources, and Effectiveness of Internal Controls, Risk Management and Governance, respectively. Review of the status during audit of the Kisumu County Climate Change Fund in 2024/2025 revealed that the following matters remained unresolved.

	<b>Financial Year</b>	<b>Audit Issue</b>
1	2023/2024	Inaccurate Statement of Comparison of Budget and Actual Amounts
2	2023/2024	Budget Control and Performance
3	2023/2024	Failure to Transfer Funds by Kisumu County Executive
4	2023/2024	Lack of Risk Management Policy

### Other Information

#### Conclusion

Management is responsible for the Other Information set out on page 2 to 16 which comprise of Key Entity Information and Management, Board of Trustees/Fund Administration Committee, Management Team, Report of the Fund Administrator, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Report of the Trustees and Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

## REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

#### Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that nothing 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**

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 EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE**

### **Conclusion**

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

### **Basis for Conclusion**

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

### **Responsibilities of the Management and Board of Trustees**

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

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

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

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

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

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

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

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

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

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

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

**Nairobi**

**29 October, 2025**

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

**12. Statement of Financial Performance for the Year Ended 30<sup>th</sup> June 2025**

Description	Note	1 <sup>st</sup> July 2024 - 30 <sup>th</sup> June 2025	1 <sup>st</sup> April 2023- 30 <sup>th</sup> June 2024
		Kshs	Kshs
<b>Revenue From Non-Exchange Transactions</b>			
Public Contributions and Donations	1	66,427,000	1,309,119
Transfers From the County Government	2	100,000,000	139,908,666
Fines, Penalties and Other Levies			-
		<b><u>166,427,000</u></b>	<b><u>141,217,785</u></b>
<b>Revenue From Exchange Transactions</b>			
Interest Income		-	-
Other Income	3	30,500	-
		=	=
<b>Total Revenue</b>		<b><u>166,457,500</u></b>	<b><u>141,217,785</u></b>
<b>Expenses</b>			
Project costs	4	107,818,070	-
Use of goods and services	5	19,054,379	18,973,867
Depreciation and Amortization Expense	6	1,093,289	-
Finance Costs			-
<b>Total Expenses</b>		<b><u>127,965,738</u></b>	<b><u>18,973,867</u></b>
<b>Other Gains/Losses</b>			
Gain/Loss on Disposal of Assets		-	-
Gain /Loss on fair value of investments		-	-
<b>Surplus/(Deficit)for the Period</b>		<b><u>38,491,762</u></b>	<b><u>122,243,918</u></b>

.....  
**Name: Erick Ogalo**  
**Administrator of the Fund**



.....  
**Name: Rose Odipo**  
**Fund Accountant**  
**ICPAK Member Number: 12986**

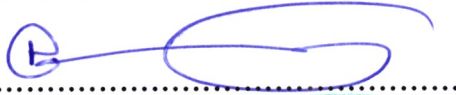
**Kisumu County Climate Change Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

**1 Statement of Financial Position as at 30 June 2025**

Description	Note	1 <sup>st</sup> July 2024 - 30 <sup>th</sup> June 2025	1 <sup>st</sup> April 2023- 30 <sup>th</sup> June 2024
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	7	123,673,784	120,093,948
Current Portion of Long- Term Receivables from Exchange Transactions		-	-
Prepayments		-	-
Inventories		-	-
Investments in financial assets		-	-
<b>Total current assets</b>		<b><u>123,673,784</u></b>	<b><u>120,093,948</u></b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	9	33,025,627	2,149,970
Intangible Assets		-	-
Work in Progress	8	106,877,256	-
Investment Property		-	-
<b>Total non- current assets</b>		<b><u>139,902,883</u></b>	<b><u>2,149,970</u></b>
<b>Total Assets (A)</b>		<b><u>263,576,667</u></b>	<b>122,243.918</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Playable from Exchange Transactions	10	102,840,987	-
Current provisions			-
Current Portion of Borrowings			-
Employee Benefit Obligations			-
Social benefit liabilities			-
<b>Total current liabilities</b>		<b><u>102,840,987</u></b>	<b>-</b>
<b>Non-Current-liabilities</b>			
Non-Current provisions			-
Long Term Portion of Borrowings			-

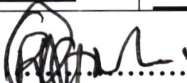
**Kisumu County Climate Change Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

Description	Note	1 <sup>st</sup> July 2024 - 30 <sup>th</sup> June 2025	1 <sup>st</sup> April 2023- 30 <sup>th</sup> June 2024
		Kshs	Kshs
Non-Current Employee Benefit Obligation			-
Social benefit liabilities			-
<b>Total Liabilities (B)</b>		<b>102,840,987</b>	-
<b>Net Assets (A-B)</b>		<u><b>160,735,680</b></u>	<u><b>122,243,918</b></u>
<b>Represented By:</b>			
Revolving Fund			-
Reserves			-
Accumulated Surplus		160,735,680	122,243,918
<b>Net Equity</b>		<u><b>160,735,680</b></u>	<u><b>122,243,918</b></u>



Name: Erick Ogalo  
 Administrator of the Fund



  
 .....

Name: Rose Odipo  
 Fund Accountant  
 ICPAK Member Number: 12986

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

**13. Statement of Changes in Net Assets for the year ended 30<sup>th</sup> June 2025**

Description	Revolving Fund	Reserve	Accumulated surplus	Total
		Kshs	Kshs	Kshs
<b>Balance As At 1 April 2023</b>	-	-	-	-
Surplus/(Deficit) For the Period	-	-	122,243,918	<b>122,243,918</b>
Funds Received During the Year	-	-	-	-
Transfers	-	-	-	-
Revaluation Gain	-	-	-	-
<b>Balance As At 30 June 2024</b>	-	-	<b><u>122,243,918</u></b>	<b><u>122,243,918</u></b>
<b>Balance As At 1 July 2024</b>	-	-	122,243,918	<b>122,243,918</b>
Surplus/(Deficit)For the Period		-	<b><u>38,491,762</u></b>	<b><u>38,491,762</u></b>
Funds Received During the Year	-	-	-	-
Transfers	-	-	-	-
Revaluation Gain	-	-	-	-
<b>Balance As At 30 June 2025</b>	-	-	<b><u>160,735,680</u></b>	<b><u>160,735,680</u></b>

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

**14. Statement of Cash Flows for the Year Ended 30<sup>th</sup> June 2025**

Description	Note	1 <sup>st</sup> July 2024	1 <sup>st</sup> April 2023-
		30 <sup>th</sup> June 2025	30 <sup>th</sup> June 2024
		Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Public contributions and donations	1	66,427,000	-
Transfers from the county government	2	100,000,000	141,217,785
Other income	3	30,500	-
Receipts from other operating activities		-	-
<b>Total receipts</b>		<b>166,457,500</b>	<b>141,217,785</b>
<b>Payments</b>			
Fund administration expenses			
General expenses		(126,872,449)	(18,973,867)
Finance cost			-
Other payments			-
<b>Net cash flows from operating activities</b>		<b><u>39,585,051</u></b>	<b><u>122,243,918</u></b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment and Intangible assets		(31,968,946)	(2,149,970)
Proceeds from sale of property, plant & equipment		-	-
Proceeds from loan principal repayments		-	-
Loan disbursements paid out		-	-
<b>Net cash flows used in investing activities</b>		<b><u>(31,968,946)</u></b>	<b><u>(2,149,970)</u></b>
<b>Cash flows from financing activities</b>			
Proceeds from revolving fund receipts		-	-
Additional borrowings		-	-
Repayment of borrowings		-	-
<b>Net cash flows used in financing activities</b>		<b>=</b>	<b>=</b>
<b>Net increase/(decrease) in cash &amp; cash Equivalents</b>		<b><u>3,579,836</u></b>	<b><u>120,093,948</u></b>
Cash and cash equivalents at 1 July 2024		120,093,948	-
<b>Cash and cash equivalents at 30 June 2025</b>		<b>123,673,784</b>	<b>120,093,948</b>

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

**15. Statement of Comparison of Budget and Actual Amounts for the Period 2025**

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	A	B	C=(a+b)	D	E=(c-d)	F=d/c*100
<b>Revenue</b>						
Bal b/f (SEACAP)	-	-	-	-	-	-
Transfers From County Govt.	126,000,000	-	126,000,000	100,000,000	26,000,000	79%
Donations	173,335,666	-	173,335,666	66,427,000	106,908,666	38%
Other Income	-	-	□ 30,500	30,500	-	100%
<b>Total Income</b>	<b><u>299,335,666</u></b>	<b>-</b>	<b><u>299,366,166</u></b>	<b><u>166,457,500</u></b>	<b><u>132,939,166</u></b>	56%
<b>Expenses</b>						
Fund Administration Expenses	-	-	-	-	-	
General Expenses	488,034,321	-	488,034,321	127,965,738	360,068,583	26%
Finance Cost	-	-	-	-	-	
<b>Total Expenditure</b>	<b><u>488,034,321</u></b>	<b>-</b>	<b><u>488,034,321</u></b>	<b><u>127,965,738</u></b>	<b><u>360,068,583</u></b>	
<b>Surplus/(Deficit) For the Period</b>				<b><u>38,491,762</u></b>		
<b>Capital expenditure:</b> Property, plant and equipment acquisitions	<b><u>33,000,000</u></b>	<b>-</b>	<b><u>33,000,000</u></b>	<b><u>31,968,946</u></b>	<b>-</b>	<b>-</b>

Note 1: The budget for 20224/2025 is Ksh. 521,034,321, less Property plant and equipment of Ksh. 25,000,000 for the Refuse Truck and Ksh. 8,000,000 for the pick-up (Ksh. 33,000,000)

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

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**16. Notes to the Financial Statements**

**Significant Accounting Policies**

**1. General Information**

Kisumu County Climate Fund entity is established by and derives its authority and accountability from Kisumu County Climate Change Act 2020. The entity is wholly owned by the County Government of Kisumu and is domiciled in Kenya. The entity's principal activity is addressing climate change interventions

**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*

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

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

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

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

for Sale and Discontinued Operations	<p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>
IPSAS 45- Property Plant and Equipment	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p>
IPSAS 46 Measurement	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS;</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ul> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
IPSAS 47- Revenue	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
IPSAS 48- Transfer Expenses	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared</p>

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

	to provide guidance to entities that provide transfers on accounting for such transfers.
IPSAS 49- Retirement Benefit Plans	<b><i>Applicable 1<sup>st</sup> January 2026</i></b> The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.

**(i) Early adoption of standards**

The Entity did not early – adopt any new or amended standards in the financial year or *the entity adopted the following standards early (state the standards, reason for early adoption and impact on entity's financial statements.)*

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

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**1. Summary of Significant Accounting Policies**

**a) Revenue recognition**

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

**Transfers from other government entities**

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

**ii. Revenue from exchange transactions**

**Interest income**

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

**Dividends**

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

**Rental income**

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

**b) Budget information**

The original budget for FY 2024/2025 was approved by the County Assembly on June 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Fund recorded additional appropriations of on the FY 2budget 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.

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

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**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 actual as per the statement of financial performance has been presented under section - 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.

The items of property, plant and equipment are depreciated using *Straight line method* as below; -

Motor vehicle – Pick Up	12.5%
Motor lorry – Refuse truck	12.5%
Computers and office equipment	33%

**(i) 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.

**(ii) Investment property**

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. *Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over*

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

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

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

**(iii) Financial instruments**

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

**Financial assets**

**Classification of financial assets**

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

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

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

**Amortized cost**

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

**Fair value through net assets/ equity**

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

**Fair value through surplus or deficit**

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

**Trade and other receivables**

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

**Impairment**

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

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

**Financial liabilities**

**Classification**

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

**(iv) 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.

**(v) 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.

**(vi) 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.

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

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

**(vii) 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.

**(viii) Nature and purpose of reserves**

The Entity creates and maintains reserves in terms of specific requirements. Entity *to state the reserves maintained and appropriate policies adopted.*

**(ix) 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.

**(x) Employee benefits– Retirement benefit plans**

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

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

**Kisumu County Climate Change Fund**  
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**Summary of Significant Accounting Policies (Continued)**

**(xi) 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.

**(xii) 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.

**(xiii) 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.

**(xiv) 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.

**(xv) Comparative figures**

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

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

### **5. Significant judgments and sources of estimation uncertainty**

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

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

#### **a) Estimates and assumptions –**

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

#### **b) Useful lives and residual values**

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

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

#### **c) Provisions**

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

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

**Kisumu County Climate Change Fund**  
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**6. Notes to the Financial Statements Continued:**

**1. Public contributions and donations**

Description	1 <sup>st</sup> July 2024 - 30 <sup>th</sup> June 2025	1 <sup>st</sup> April 2023- 30 <sup>th</sup> June 2024
	Kshs	Kshs
Donation From Development Partners	66,427,000	1,309,119
Contributions From the Public	-	-
<b>Total</b>	<b><u>66,427,000</u></b>	<b><u>1,309,119</u></b>

*The Ksh. 66,427,000 is donations from IDA Ksh 55,427,000 and KFW Ksh. 11,000,000 for FLLOCA Fund*

**2. Transfers from County Government**

Description	1 <sup>st</sup> July 2024 - 30 <sup>th</sup> June 2025	1 <sup>st</sup> April 2023- 30 <sup>th</sup> June 2024
	Kshs	Kshs
Transfers From County Govt. –Operations	100,000,000	139,908,666
Payments By County on Behalf of the Entity	-	-
Unconditional Development grants	-	-
<b>Total</b>	<b><u>100,000,000</u></b>	<b><u>139,908,666</u></b>

*Note: This amount of Ksh.100,000,000 is a matching fund from the County Government of Kisumu*

**Notes to the Financial Statements Continued**

**3. Other income**

Description	1 <sup>st</sup> July 2024- 30 <sup>th</sup> June 2025	1 <sup>st</sup> April 2023- 30 <sup>th</sup> June 2024
	Kshs	Kshs
Insurance Recoveries	-	-
Income from Sale of Tender Documents	-	-
Bad debts recovered	-	-
Miscellaneous Income	30,500	-
<b>Total Other Income</b>	<b><u>30,500</u></b>	<b><u>-</u></b>

*Miscellaneous incomes relate to this other unexplained income credited into our bank account (2,000+2,000+26,500/-)*

**Kisumu County Climate Change Fund**  
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**4. Projects Costs**

Description	1 <sup>st</sup> July 2024- 30 <sup>th</sup> June 2025	1 <sup>st</sup> April 2023- 30 <sup>th</sup> June 2024
	Kshs	Kshs
Unpaid and complete	15,579,500	-
Awarded and paid	92,238,570	-
Social Security Contribution	-	-
Other ( <i>Specify</i> )	-	-
<b>Total</b>	<b><u>107,818,070</u></b>	<b>=</b>

**5. Use of Goods and Services**

Description	1 <sup>st</sup> July 2024- 30 <sup>th</sup> June 2025	1 <sup>st</sup> April 2023- 30 <sup>th</sup> June 2024
	Kshs.	Kshs.
General Office Expenses	345,650	163,323
Purchase of ICT equipment	-	-
Ward Climate Change Committee Transport reimbursements	736,000	3,529,900
Transport reimbursements (SEACAP)	-	180,000
Staff Allowance	5,998,000	5,068,120
Training Expenses	118,000	502,860
Publishing and Printing	1,291,468	1,493,161
Fuel And Oil Costs	1,538,955	1,060,335
Boards and conference	1,818,875	1,027,733
Boards and Conference (SEACAP)	-	75,000
Stationery	1,491,797	449,750
Stationery (SEACAP)	-	622,096
Catering Services	1,961,896	4,647,874
Local Travel Costs	202,455	153,715
Repairs and maintenance	959,520	-
Consultancy services	2,591,763	-
<b>Total</b>	<b><u>19,054,379</u></b>	<b><u>18,973,867</u></b>

*Note: The expenses relate to the 12 months period from July 2024 to 30<sup>th</sup> June 2025*

**Kisumu County Climate Change Fund**  
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**6. Depreciation and Amortization Expense**

Description	1 <sup>st</sup> July 2024 - 30 <sup>th</sup> June 2025	1 <sup>st</sup> April 2023 - 30 <sup>th</sup> June 2024
	Kshs.	Kshs.
Property Plant and Equipment	1,093,289	-
Intangible Assets	-	-
<b>Total</b>	<b><u>1,093,289</u></b>	<b><u>=</u></b>

*Note: The depreciation rates have been aligned with the wear and tear rates as provided by the Income Tax Act. Depreciation has been calculated using the straight-line method and appropriated for 5 months. (This is as per Guidelines on Asset and Liability Management)*

**7. Cash and cash equivalents**

Description	1 <sup>st</sup> July 2024 - 30 <sup>th</sup> June 2025	2023- 2024 1 <sup>st</sup> April 30 <sup>th</sup> June
	Kshs.	Kshs
Current Account	123,673,784	120,093,948
Others	-	-
<b>Total Cash and Cash Equivalents</b>	<b><u>123,673,784</u></b>	<b><u>120,093,948</u></b>

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

Financial Institution	Account number	1 <sup>st</sup> July 2024- 30 <sup>th</sup> June 2025	1 <sup>st</sup> April 2023- 30 <sup>th</sup> June 2024
		Kshs.	Kshs
<b>a) Fixed Deposits Account</b>			
Kenya Commercial Bank			-
Equity Bank, etc.			-
<b>Sub- Total</b>		<b><u>=</u></b>	<b><u>=</u></b>
<b>b) On - Call Deposits</b>			
Kenya Commercial Bank			-
Equity Bank - Etc.			-
<b>Sub- Total</b>		<b><u>=</u></b>	<b><u>=</u></b>
<b>c) Current Account</b>			
Kenya Commercial Bank		-	-

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Central Bank of Kenya		123,673,784	120,093,948
<b>Sub- Total</b>		<b><u>123,673,784</u></b>	<b><u>120,093,948</u></b>
<b>d) Others (Specify)</b>			-
Cash In Transit			-
Cash In Hand			-
<b>Sub- Total</b>		<b>=</b>	<b>=</b>
<b>Grand Total</b>		<b><u>123,673,784</u></b>	<b><u>120,093,948</u></b>

**8. Work In Progress**

Description	1 <sup>st</sup> July 2024 - 30 <sup>th</sup> June 2025	1 <sup>st</sup> April 2023 - 30 <sup>th</sup> June 2024
	Kshs.	Kshs
Awarded but Incomplete Projects	106,877,256	
<i>Other (Specify)</i>		
<b>Total Work In Progress</b>	<b><u>106,877,256</u></b>	-

**Kisumu County Climate Change Fund**  
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**Notes to the Financial Statements (Continued)**

**9. Property, plant and equipment**

	Motor Refuse Truck	Motor vehicles	Furniture and fittings	Computers and office equipment	Total
Cost	Kshs	Kshs	Kshs	Kshs	Kshs
<b>At 1<sup>st</sup> July (2024)</b>	-	-	-	2,149,970	<b>2,149,970</b>
Additions	24,600,000	7,368,946	-	-	<b>31,968,946</b>
Disposals	-	-	-	-	-
Transfers/Adjustments	-	-	-	-	-
<b>At 30<sup>th</sup> June (2025)</b>	<b>24,600,000</b>	<b>7,368,946</b>	-	<b>2,149,970</b>	<b>34,118,916</b>
<b>At 1<sup>st</sup> July (2024)</b>					
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-
<b>At 30<sup>th</sup> June (2025)</b>	-	-	-	-	-
<b>Depreciation And Impairment</b>					
<b>At 1<sup>st</sup> July (2024)</b>	-	-	-	-	-
Depreciation	-	383,799	-	709,490	-
Impairment	-	-	-	-	-
<b>At 30<sup>th</sup> June (2025)</b>	-	<b>383,799</b>	-	<b>709,490</b>	<b>1,093,289</b>
<b>At 1<sup>st</sup> July (2024)</b>					
Depreciation	-	-	-	-	-
Disposals	-	-	-	-	-
Impairment	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-
<b>At 30<sup>th</sup> June (2025)</b>	-	-	-	-	-
<b>Net Book Values</b>					
<b>At 30<sup>th</sup> June (2025)</b>	<b>24,600,000</b>	<b>6,985,147</b>	-	<b>1,440,480</b>	<b>33,025,627</b>
<b>At 30<sup>th</sup> June (2024)</b>	-	-	-	2,149,970	2,149,970

**Kisumu County Climate Change Fund**  
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	Motor Refuse Truck	Motor vehicles	Furniture and fittings	Computers and office equipment	Total
Cost	Kshs	Kshs	Kshs	Kshs	Kshs
<b>At 1<sup>st</sup> July (2023)</b>	-	-	-	-	-
Additions	-	-	-	2,149,970	2,149,970
Disposals	-	-	-	-	-
Transfers/Adjustments	-	-	-	-	-
<b>At 30<sup>th</sup> June (2023)</b>	-	-	-	-	-
<b>At 1<sup>st</sup> July (2024)</b>					
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-
<b>At 30<sup>th</sup> June (2024)</b>	-	-	-	-	-
<b>Depreciation And Impairment</b>					
At 1 <sup>st</sup> July (2023)	-	-	-	-	-
Depreciation	-	-	-	-	-
Impairment	-	-	-	-	-
<b>At 30<sup>th</sup> June (2023)</b>	-	-	-	-	-
<b>At 1<sup>st</sup> July (2024)</b>					
Depreciation	-	-	-	-	-
Disposals	-	-	-	-	-
Impairment	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-
<b>At 30<sup>th</sup> June (2024)</b>	-	-	-	-	-
<b>Net Book Values</b>				2,149,970	2,149,970
<b>At 30<sup>th</sup> June (2023)</b>	-	-	-	-	-
<b>At 30<sup>th</sup> June (2024)</b>	-	-	-	2,149,970	2,149,970

**Kisumu County Climate Change Fund**  
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**10. Trade and other payables from exchange transactions**

Description	1 <sup>st</sup> July 2024 - 30 <sup>th</sup> June 2025	1 <sup>st</sup> April 2023 - 30 <sup>th</sup> June 2024	
	Kshs.	Kshs	
Trade Payables	102,460,987	-	
Refundable Deposits	-	-	
Accrued Expenses	-	-	
Other Payables	380,000	-	
<b>Total Trade and Other Payables</b>	<b><u>102,840,987</u></b>	<b>-</b>	
<b>Ageing analysis (Trade and other payables)</b>	<b>2025</b>	<b>2024</b>	<b>% of the Total</b>
Under one year	-	-	%
1-2 years	-	-	%
2-3 years	-	-	%
Over 3 years	-	-	%
<b>Total (tie to above total)</b>	<b>-</b>	<b>-</b>	

*Note: Other payables refer to Motor vehicle repair of Mogs Auto services Ksh. 50,000 and Catering services of Zuriama amounting to Ksh 330,000*

**11. Related party balances**

**a) Nature of related party relationships**

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

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

**b) Related party transactions**

Description	1 <sup>st</sup> July 2024 - 30 <sup>th</sup> June 2025	1 <sup>st</sup> April 2023- 30 <sup>th</sup> June 2024
	Kshs.	Kshs
Transfers From Related Parties’	100,000,000	-
Transfers To Related Parties	-	-

*Note: Parent companies – County Government of Kisumu*

**Notes to The Financial Statements (Continued)**

**12. 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 minimize the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The Fund does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

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

**a) Credit risk**

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

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

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

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.

**Kisumu County Climate Change Fund**  
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**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:

**Foreign currency sensitivity analysis**

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

**ii. Interest rate risk**

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

***Management of interest rate risk***

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

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

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***Sensitivity analysis***

The Fund analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs - (2025: Kshs -). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs - (2025 – Kshs -).

**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:

**13. Events after the reporting period**

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

**14. Ultimate and Holding Entity**

The entity is a County Public Fund established by *Kisumu County Climate Change Act, 2020*. Its ultimate parent is the County Government of Kisumu.

**15. Currency**

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

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

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**17. Annexes**

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

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

**Guidance Notes:**

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



Administrator of the Fund

Date.....



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

**Annex II: Inter-Fund Confirmation Letter**  
**[Insert your Letterhead]**

[Kisumu County Climate Change Fund]  
[P.O.BOX 2738 KISUMU]

The Kisumu County Climate Change Fund wishes to confirm the amounts disbursed to you as at 30<sup>th</sup> June 2025 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

<b>Confirmation of amounts received by [Kisumu County Climate Change Fund] as at 30<sup>th</sup> June 2025</b>							
Reference Number	Date Disbursed	Amounts Disbursed by [SC/SAGA/Fund] (Kshs) as at 30 <sup>th</sup> June 2025				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)		
FT24187XFS5L	05/07/2024	-	40,950,658	-	40,950,658		
FT241879MTL6	05/07/2024	-	55,427,000	-	55,427,000		
FT24194OHGNF	12/07/2024	-	50,000,000	-	50,000,000		
FT24246NCWPK	02/09/2024	11,000,000	-	-	11,000,000		
FT25065TKDBG	06/03/2025	-	9,049,342	-	9,049,342		
Miscellaneous Income	Various	30,500	=	-	30,500		
<b>Total</b>		<u>11,030,500</u>	<u>155,427,000</u>	<u>=</u>	<u>166,457,500</u>		

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

**ADMINISTRATOR OF THE FUND:**

Name ..... B. O. O. O. O. O. ..... Sign ..... [Signature] ..... Date..... 22 OCT 2025 .....



**Kisumu County Climate Change Fund  
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**Annex III: Reporting of Climate Relevant Expenditures**

Project Name/Actions	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		
Training of committees on instructional strengthening	Training of WCCPC at Sub-County level	To strengthen the committees for effective delivery	-Mobilization Invitation Instructing					CISS	CCU
Staff training	Capacity building of staff	To improve service delivery	-Application -Payment					CISS	CCU
Public participation meeting	Sensitizing WCCPCs	Strengthen institutions	-Mobilization -Procurement -Report writing					CISS	CCU
Early Warning services	Participatory Scenario planning	To improve climate information awareness for farmers and general population	-Mobilization -Procurement -Report writing					CISS	CCU
Project validation	All projects for 2023-2024 validated	To give the community a chance to confirm the prioritised projects	-invitations -mobilization -					CISS	CCU

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

**KISUMU COUNTY CLIMATE CHANGE FUND  
TRIAL BALANCE  
AS AT 30<sup>TH</sup> JUNE, 2025**

	<u>Debit</u>	<u>Credit</u>
Cash at Bank: Central Bank of Kenya	123,673,784.00	
Non-current asset:Motor Refuse Truck:Cost	24,600,000.00	
Non-current asset:Motor Refuse Truck:Acc dep		-
Non-current asset:Motor Vehicle-Pick Up:Cost	7,368,946.00	
Non-current asset:Motor Vehicle-Pick Up:Acc dep		-
Non-current asset:Computer & office equips:Cost	2,149,970.00	
Non-current asset:Computer & office equips:Acc dep		-
Non-current asset:Work in Progress	106,877,256.00	
Trade payable:Unpaid but completed projects bal c/f		15,579,500.00
Trade payable:Awarded but incomplete projects bal c/f		86,881,487.00
Other payables:Accrued catering fees		330,000.00
Other payables:Accrued vehicle repairs and maintenance		50,000.00
Accumulated surplus/funds		122,243,918.00
Public contributions and donations:Receipts from IDA		55,427,000.00
Public contributions and donations:Receipts from KFW		11,000,000.00
Transfers From the County Government:Receipts from the County		100,000,000.00
Other Income:Miscellaneous receipts		30,500.00
Project costs:Unpaid and complete	15,579,500.00	
Project costs:Awarded and paid	92,238,570.00	
Use of goods and services:General office expenses	345,650.00	
Use of goods and services:Ward Climate Change Committee Transport reimbursements	736,000.00	
Use of goods and services:Staff Allowance	5,998,000.00	
Use of goods and services:Training expenses	118,000.00	
Use of goods and services:Publishing and printing	1,291,468	
Use of goods and services:Fuel And oil costs	1,538,955	
Use of goods and services:Boards and conference	1,818,875	
Use of goods and services:Stationery	1,491,797	
Use of goods and services:Catering Services	1,961,896	
Use of goods and services:Local Travel Costs	202,455	
Use of goods and services:Repairs and maintenance	959,520	
Use of goods and services:Consultancy services	2,591,763.00	
<b>TOTALS</b>	<b>391,542,405.00</b>	<b>391,542,405.00</b>
	<i>Difference</i>	-