

REPUBLIC OF KENYA



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REPORT

OF

THE AUDITOR-GENERAL

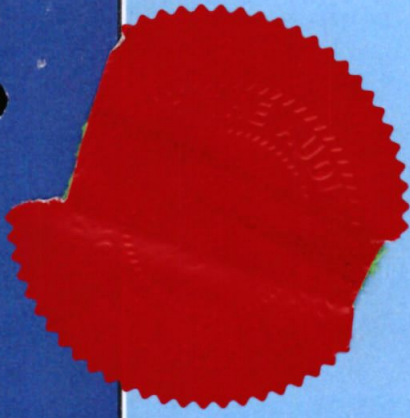
ON

CLIMATE CHANGE FUND

FOR THE YEAR ENDED

30 JUNE, 2024

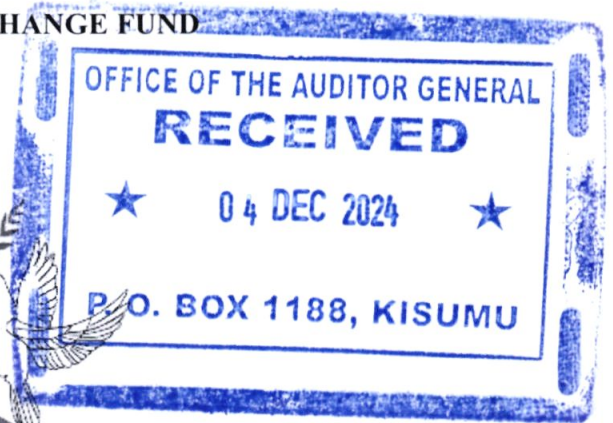
COUNTY GOVERNMENT OF VIHIGA



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**COUNTY GOVERNMENT OF VIHIGA
VIHIGA COUNTY CLIMATE CHANGE FUND**



AMMENDED ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED

JUNE 30, 2024

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

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

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1. Acronyms and Glossary of Terms

a) Acronyms

BOM	Board of Management
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
FLLoCA	Financing Locally Lead Climate Action.

2. KEY ENTITY INFORMATION AND MANAGEMENT

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a) Background information

Vihiga County Climate Change Fund (CCCF) is established by Vihiga County Climate Change Fund Act, 2019 which came into force on 19th November 2019. The Vihiga County Climate Change Directorate is the implementing entity of the fund domiciled in the Department of Environment, Energy Water, Natural Resources and Climate Change.

The fund's broad objective is to facilitate and coordinate financing for community- initiated climate change adaptation and mitigation projects.

The principal mandate of the Fund is to finance climate change programs, projects and activities as provided for in the Climate Finance Framework in the County.

b) Principal Activities

The principal mandate of the Fund is to finance climate change programs, projects and activities as provided for in the Climate Finance Framework.

As per Section two of the Vihiga County Climate Change Fund Act, 2019, the Fund exists to:

- i. Initiate and coordinate finance for climate change adaptation and mitigation activities at community level
- ii. Establish a climate finance mechanism (which includes the fund itself and its supporting structures)
- iii. Facilitate community-initiated Climate Change Adaptation and Mitigation
- iv. Facilitate planning of climate change adaptation and mitigation and budgetary framework
- v. Seek and receive grants from international sources, the national government and other organizations

c) The Vihiga County Climate Change Fund steering Committee

Ref	Name	Position
1.	HE Dr. Wilbur Ottichilo	H.E. The Governor, Vihiga – Chairperson
2.	Hon .Meshack Mulongo	CECM in Charge of Environment
3.	Hon Nicholas Mwandih	CECM in Charge of Health – Member
4.	Hon Dr. Jairus Boston Amayi	CECM in Charge of Finance – Member
5.	Dr. Richard Boiyo	C.O. in Charge of Environment – Secretary
6.	Dr.Caroline Mulinya	Climate Scientist- Kaimosi University; Member

d) The Vihiga County Climate Change Fund Planning Committee

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Ref	Name	Position
1	Dr. Ephraim Mukisira	Chairperson- of the Climate Change Planning Committee
2	Dr. Richard Boiyo	Vice Chairperson – C.O – Environment, Energy and Natural Resources
3	Dr. Betty Mulianga	Member – C.O – Agriculture, Livestock and Fisheries
4	CPA James Atemba	Member - Chief Officer – Finance and Economic Planning,
5	Mr. Victor Kivaya Cheye	Member – C.O – Lands, Physical Planning and Urban Development
6.	Dr. Mary Susan Anyiendah	Member – C.O – Health
7.	Mr. Godfrey Omusonga	Member – County Director – Meteorology Services
8.	Mr. Hesbon Monda	Member – County Director Environment - NEMA
9.	Mr. Winstone Atamba	Secretary – County Director - Climate Change
10.	CPA Duke Agalomba	Co-Secretary- Fund Administrator

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Key Entity and Management (Continued)

e) Registered Offices

P.O. Box 344 50300
Vihiga County Headquarters,
Maragoli
Mbale KENYA

f) Fund Contacts

Website: www.vihiga.go.ke, Directorclimate@vihiga.go.ke

g) Fund Bankers

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

h) Independent Auditors

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

i) Principal Legal Adviser



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

j) County Attorney



The County Attorney, Vihiga County
P.O. Box 344 50300
Vihiga County Headquarters,
Maragoli
Mbale KENYA



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3. County Steering Committee

	Name	Details of qualifications and experience
1.	 <p>H.E. Dr. Wilbur Ottichilo Governor Vihiga County, Chairperson</p>	<p>H.E. Dr. Wilber K. Ottichilo was born on September 23, 1952 he is the current governor of Vihiga County.</p> <p>He attended Makerere University from 1974 to 1977 for his undergraduate studies, the University of Nairobi from 1981 to 1983, as well as Colorado State University from 1984-1986 where he earned his PhD.</p> <p>He is the current chairman of Council of Governors committee on Environment and Climate Change.</p> <p>Having served as the Member of Parliament for Emuhaya Constituency and worked as the Director General of Regional Centre for Mapping of Resources for Development (RCMRD), an agency of United Nations Economic Commission for Africa (UNECA).</p> <p>Dr. Ottichilo has a vast experience in Public Service and Administration and was one time ranked the best performing Member of Parliament in the Republic of Kenya. Dr. Ottichilo is a globally- acclaimed climate change champion and has presented numerous conference papers and keynote speeches including at the UNFCCC annual Conference of Parties(COPs).</p> <p>He Holds a Doctorate in Natural Resource Management and Space Science from the University of Wageningen and the International institute of Earth Observations.</p>
2.	 <p>MR. MESHACK ONZERE MULONGO</p>	<p>Born 1974, Mr. Mulongo holds a 20 year working experience having worked as a high school teacher and at the University as an administrator and rose through the ranks to the position of an assistant registrar at Masinde Muliro University.</p> <p>Mr. Mulongo is the current CECM for Climate change at the County Government of Vihiga, a position he has held from March 2024.</p> <p>Mr. Mulongo Holds a bachelor of Education (Maseno University) and a Master of Education Degree(2012) from Masinde Muliro University.</p> <p>He has a great interest in workers welfare and social justice- skills that he has put to use in giving policy and strategic guidance in implementation of climate change programs.</p>


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	<p><i>Hon. CECM - Environment, Water, Energy, Natural Resources and Climate Change- Secretary</i></p>	
<p>3.</p>	 <p>Dr. Julius Kiboen Maruja <i>CECM – Health Services Member</i></p>	<p>Hon Julius Kiboen Maruja was born in Vihiga county on 1st January 1983. He graduated with a Bachelor of Laws degree from the University of Nairobi in the year 2013.</p> <p>With more than 10 years of work experience, Hon Maruja has worked in private practice including the Cosmos Limited and runs a law firm.</p> <p>He has served as a County Executive Committee member in Vihiga County from 2022. He is the current CECM for Health services hence a Member of the Vihiga County Climate Change Steering Committee.</p>
<p>4.</p>	 <p>Dr. Jairus Boston Amayi <i>CECM - Finance and Economic Planning Member</i></p>	<p>Hon. Dr Jairus B. Amayi is the current County Executive Committee Member responsible for the department of Finance and Economic Planning. He has a vast experience in both economics and human resources management and has previously served as a senior lecturer of economics at the Murang'a University College and the Dean of the School of Business and Economics at the same institution. Dr. Amayi holds a PhD. In Development Economics from Grandhigram Rural University- India and has a Masters Degree in Economics. Dr. Amayi also worked for a short stint as a peer for the inter – university council of East Africa under the auspices of the East African Community</p> <p>CECM in Charge of Finance</p>

<p>5.</p>	 <p>Nicolas Kitungulu <i>CECM - Agriculture, Livestock and Fisheries</i> Member</p>	<p>Hon -CECM Agriculture, Livestock and Fisheries</p> <p>Hon Nicolas is the current County Executive Committee Member responsible for the department of Agriculture, Livestock and Fisheries.</p> <p>Kitungulu Nicholas served as an Assistant Lecturer in the Department of Biological Sciences. He is a Medical Biotechnologist pursuing a PhD in Medical Biotechnology at Maseno University. He has previously worked at Kenya Medical Research Institute, Centre for Global Health Research in the Climate and Human Health Research Division before joining Masinde Muliro University of Science and Technology.</p> <p>He was also a Research fellow at the University of Massachusetts University Laboratory at KEMRI Kisumu where he did his Master’s degree programme in Medical Biotechnology. Kitungulu has a wealth of experience in PSC & IRS, Molecular Analysis, Mosquito rearing, Mosquito morphological identification, both adult and larvae collection and management of insectary.</p> <p>His main research interests include genetic diversity of malaria vectors, innovation strategies towards malaria control & prevention, Molecular characterization of malaria vector & insecticides resistance, immunogenetics of malaria disease, climate change and disease prevalence for management</p>
<p>6.</p>	 <p>Dr. Richard Boiyo <i>Chief Officer - Environment, Energy Natural Resources and Climate Change</i> Member</p>	<p>Member – Chief officer in Charge of Environment, Energy and Natural Resources and Secretary to the steering committee, he has a Phd.in environmental physics from China.</p> <p>With a vast experience as a teacher at high school level, Dr. Boiyo has risen through the academic ranks to the level of a senior lecturer where he has lectured at Meru University, Kisii University among others. He has widely published in referred journals on aerosol absorptive, climatology among other thematic areas related to environmental physics.</p> <p>Dr. Boiyo has more than five years of experience in senior management having served as the Chief Officer for Environment, Energy and Climate Change at the County Government of Vihiga from 2019.</p> <p>Dr. Boiyo has and outstanding career and academic background and some of the awards to his name include the Specialized award for academic excellence (2018), NUIST.</p>




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7.	 <p>Dr. Caroline Mulinya <i>Director External Linkages KAFU</i> Member</p>	<p>Caroline Mulinya holds a Ph.D. in Geography (Climatology and Climate Change) from Jaramogi Oginga Odinga University of Science and Technology (2017), a Master of Arts in Geography (Climatology) from the University of Nairobi (2006), and a Bachelor of Arts in Education (Geography) from Moi University (1999). Currently, a Senior Lecturer of Geography (Climatology and Climate Change Science), and Coordinator of Climate Change Centre at Kaimosi Friends University. Also worked as a Research Scientist at the Kenya Industrial Research and Development Institute (KIRDI) and as a Research Assistant at the International Union for Conservation of Nature (IUCN). Experienced educator with over 20 years at both secondary and university levels. Experienced consultant on climate change including projects in Karamoja Cluster— covering Kenya, Uganda, Ethiopia and Sudan. Email: cmulinya@kafu.ac.ke/ cmulinya@gmail.com</p>

4. County Planning Committee



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	Name	Details of qualifications and experience
1.	 <p>Dr. Ephraim Mukisira <i>Chairman</i></p>	<p>Dr. Ephraim Mukisira Chairman of the CCCF Planning committee, he holds a PhD in Animal Science from McGill University in Canada, a MSc in Animal Science from Louisiana State University in Baton Rouge, USA. He has a long experience in Agricultural research and animal science. He previously worked as a, Director/CEO, Kenya Agricultural Research Institute he also worked as the Assistant Director, KARI, in-charge of the Animal Production/Health Research Division in May 2000-July, 2001. He is serving as the Nominations and Governance Committee member within the Board.</p>
2.	 <p>Dr. Richard Boiyo <i>Chief Officer - Environment, Energy Natural Resources and Climate Change/ Ag. Chief Officer Water and Sanitation</i> Member</p>	<p>Member – Chief officer in Charge of Environment, Energy and Natural Resources and Secretary to the steering committee, he has a Phd.in environmental physics from China.</p> <p>With a vast experience as a teacher at high school level, Dr. Boiyo has risen through the academic ranks to the level of a senior lecturer where he has lectured at Meru University, Kisii University among others. He has widely published in referred journals on aerosol absorptive, climatology among other thematic areas related to environmental physics.</p> <p>Dr. Boiyo has more than five years of experience in senior management having served as the Chief Officer for Environment, Energy and Climate Change at the County Government of Vihiga from 2019.</p>
3.	 <p>Dr. Betty Alosa Mulianga</p>	<p>Born on 29th December 1968, Dr. Betty Alosa is a Natural Resources Management Specialist with an interest in Agro ecology.</p> <p>She holds a Bachelors Degree in Geographical Information Systems (GIS) and a Master’s Degree in Remote Sensing (2007) from Netherlands. She further holds a PhD in Remote Sensing and Ecosystems Modelling (2014) from France(2014).</p> <p>Dr. Mulianga has a wealth of experience having worked in the Ministry of Lands (Kenya) from 1994-2009. She worked at the Kenya Agricultural Research Institute from 2009 to 2023 as a Director at the Sugar Institute.</p>

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	<p><i>Chief Officer - Agriculture, Livestock, Fisheries and Cooperative Development</i> Member</p>	<p>She is the Current Chief Officer - Agriculture, Livestock, Fisheries and Cooperative Development, a position she has held from 2023.</p>
<p>4.</p>	 <p>James Atemba <i>Chief Officer – Finance and Economic Planning</i> Member</p>	<p>Member- Born in the year 1985, Mr James Atemba is the Chief Officer Finance and accounting services at the County Government of Vihiga.</p> <p>A holder of has Masters in business administration in finance and Bachelor’s Degree in business management and banking, Mr. Atemba has a vast experience in both public and private sector. He has held a managerial position at the Invest and Grow(IG) Sacco and served as the Director in Charge of Revenue services at the County Government of Vihiga.</p> <p>With a CPA (K), Mr. Atemba brings a vast experience and knowledge in the financial management of the Fund.</p>
<p>5.</p>	 <p>Dr. Mary Susan Anyienda <i>Chief Officer – Health Services</i> Member</p>	<p>Member – Currently serving as the Chief Officer – Health Services, Dr. Anyiendah has more than 15 years’ work experience in education and public service sector. She has served as a chief officer in the county government of Vihiga for more than 5 years in various portfolios including education.</p> <p>A holder of Ph.D., and Masters in education, Dr. Anyiendah brings a wealth of experience in the management of the Climate Change Fund.</p>
<p>6.</p>	 <p>Victor Kivaya Cheye <i>Chief Officer – Physical, planning, Lands and Housing</i></p>	<p>Member – A holder of BA Architecture from the Jomo Kenyatta University of Agriculture and Technology, JKUAT, Mr. Kivaya is the current Chief Officer for Physical, planning, Lands and Housing in the County Government of Vihiga.</p> <p>He Has more than 10years of experience in build environment from both private and public sector projects.</p>

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	<i>Member</i>	
7.	Godfrey Omusonga <i>Director Metrological Services – Vihiga</i> Member	Member- Current County Director of Meteorological services for Vihiga County, Mr. Omusonga has a Bachelor’s Degree in Meteorology from the University of Nairobi. He brings to the Management of the Fund a wealth of experience through his career spanning more than 20 years.
8.	Hesbon Monda <i>Director NEMA – Vihiga</i> Member	Member- Born in the year 1985, Holds a bachelor’s degree in Natural Resources Management and has worked in NEMA from 2009 to date. He brings a wealth of experience and expertise in environmental management.
9.	 Duke Agalomba <i>Fund Administrator/member</i>	Fund Administrator was born in 1989, Has a Bachelor Degree in commerce (Finance) from Multimedia University. He is a CPA K and a member of Institute of Certified Accountants Kenya in good standing. Has vast experience in private and Public Sector Accounting. He has served as an accountant in various World Bank donor funded projects, Mr Agalomba brings a vast experience and knowledge in the accounting and financial management of the Fund.
10.	 Winstone Atamba <i>County Director Climate Change</i> Secretary	Secretary- Born in 1990, Mr. Winstone Atamba is the Director in Charge of Climate Change in the County Government of Vihiga holds a Bachelor Environmental Planning and Management from the University of Eldoret Kenya and a licenced Environmental Impact Assessment and Audit Expert. He is a holder a post graduate qualification in project management and is a master’s degree candidate of Climate Change Adaptation and Mitigation at Masinde Muliro University of Science and Technology. With 9 years’ experience in Climate change and environmental conservation programming, Mr. Miima has served as a project coordinator for a Climate Change Governance Project that strengthened climate change governance within the lake region.

5. PLANNING COMMITTEE CHAIRPERSON'S REPORT

Vihiga Climate Change Fund Act 2019 established Vihiga Climate Change Fund, with three level structures namely, the Steering committee, the County Planning committee and the Ward Climate Change Planning committee. During 2024/2025 financial year there were some changes in terms of key management team brought about by the Governors directive to reshuffle the County Executive Committee members and Chief Officers of various departments. There was also a change in the fund administration necessitated by the death of the previous fund administrator.

The Fund was allocated Kshs.80 million in the FY 2023-2024 from the County Allocation, Kshs. 11 M County Climate Institutional Support(CCIS) Grant and 162.7Million County Climate Resilience Projects (CCRI) Grants from the National Treasury FLLoCA program. The funds contributed by the County Government are utilized in line with the Vihiga County Climate Change Fund Act, 2019. The Act stipulates that 3% of the funds be utilized for administrative activities for both the ward and county level committees and building capacity of the County Climate Change Directorate, 20% for implementation of various County wide projects while 77% of the funds are to be utilized for implementation of ward prioritized projects as per section four of the Vihiga County Climate Change Fund Act, 2019.

The Vihiga County Climate Change Fund will continue with the ongoing projects to completion as well as initiate the implementation of the CCRI projects that are to be funded by

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the FLLoCA CCRI I grant. In the next financial year 2024/25, the Fund has been allocated Kshs. 80 million which will be utilized in line with *the Act*. FLLoCA program has allocated the County 11M CCIS III grant and anticipates 162.7 Million in CCRI grants.

In conclusion, I highly appreciate the staff, the committee members and other stakeholders for cooperation, support and hard work that enabled the Fund to achieve the above milestones. My special appreciation goes to H.E. the Governor for his strategic guidance in the design of climate change programs, the CECM and the Chief Officer(s) for their leadership in implementation of fund programs and the Director Climate Change for his day to day coordination of the fund's activities.

The Vihiga County Climate Change Fund envisions to attain greater performance in the next fiscal year 2024/25 and beyond.

Name: ***Dr. Ephraim Mukisira*** Signature

Date:

Chair of the Climate Change Planning Committee.

Name: ***Dr. Richard Boiyo*** Signature

Date:

Co-Chair of the Climate Change Planning Committee.

6. REPORT OF THE FUND ADMINISTRATOR AND THE DIRECTOR CLIMATE CHANGE

The Vihiga County Directorate of Climate Change was established in March 2021 to coordinate the County's Climate Change response and spearhead implementation of climate change adaptation programs under the County Climate Change Fund. The County's Climate Change response is anchored on the Vihiga County Climate Change Fund Act, 2019, Amended 2021. (hereafter referred to as *The Act*) and guided by the Vihiga County Climate Change Policy, 2022-2027, the Vihiga County Climate Change Regulations, 2021 and the Vihiga County Climate Change Action Plan 2023 -2027.

During the reporting period, the Directorate of Climate Change focused on strengthening climate change governance structures, increasing awareness and implementation of climate change resilience projects. These programs were implemented with the funding of the County Government of Vihiga Climate Change allocation(2%) of the budget and the Financing Locally Led Climate Action Project(FLLoCA) program County Climate Institutional Support Grant(CCIS).

Activities implemented in the reporting period include:

Statutory workshops and meetings of the County Climate Change Planning Committee (CCPC) were held to adopt and approve the work plans as well as approve the community prioritized ward climate change investments. Bi-Annual meetings of the County Climate Change Steering Committee was held to approve the annual work plan, budget and the CCRI grant work plan and a workshop of the County County Assembly environment committee to apprise on the climate change programs and build their capacities to effectively provide oversight in the implementation of climate change programs.

Forums at ward level to raise awareness and 10 radio talk shows, 1 TV talk show and numerous fora on social media which led to increased climate change awareness among residents of Vihiga.

In addition, in line with section 23 of the Vihiga County Climate Change Act, community consultation forums were conducted in 16 wards to enable prioritization of climate change investment projects for implementation in line with Section 23 of the *Act*. This led to prioritized of 16 projects to be implemented under the FLLoCA CCRI and the County Climate Change Fund Contributions.

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Upon completion of the prioritization of projects at ward level, Ward Climate Change Committees were facilitated to develop proposals which were subsequently checked by the directorate of climate change, reviewed and approved by the County Climate Change Planning Committee and the County Climate Change Steering Committees.

Climate Change Resilience projects prioritized by Communities were implemented projects namely: South Maragoli Apiculture Project, Procurement of Motor Vehicle, Kimogoi Shikomoli Water Project, Supply of assorted office equipment and stationery, procurement of hotel, procurement for fuel, Rehabilitation of Mumboto Water Project, Solarization of Evojo Water Project, Mugogo Water Project, Renovation of the Maji House Boardroom, Kaptech Solarized Water Project, Restoration of 60 Acres Maragoli Hills Forest, Ebukhaya Water Project(Rehabilitation), MMakhondo Ipali Water Project, Mudungu water project in Wodanga, , Igogwa water project in Central Maragoli, Givole Water project In Jepkoyai, Wandwati Water project in Wemilabi, West Bunyore.

Sixty Five (65) officers from the CCU and line departments on Climate Change, Environment safeguards, Social safeguards & grievance, Digitization of participatory engagement tools among others. These included trainings at the Kenya School of Government.

Other activities undertaken by the fund in the Year under review include:

Development of the draft Vihiga County Climate Change Bill,2024 to strengthen climate change legal framework in the County. This involved drafting workshops, public participation forums, stakeholders and expert reviews. By the end of the financial year, the Bill had been approved by the Cabinet. Costs for hotel services were also incurred during the implementation of the projects.

Procurement of office equipment that included office ICT equipment such as laptops(3), phones(2) TV screens for the Boardroom among others. The boardroom was refurbished and equipped with furniture for enhanced service delivery. In order to raise awareness on conservation of the wetlands and the critical role they play, the directorate sensitized communities during the world wetlands day on 2nd February 2024.

The ongoing projects / investments include;

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S/r	Project Name	Ward	Contractor	Project Start date	Expected completion date	Budget allocation	Project Cost	Actual Expenditure
1	Igogwa Solar Water Project	Central Maragoli	Cenaco building contractors limited	14 th February	14 th May, 2024	10,863,826.22	10,863,826.22	5,528,149
2	Mudungu solar water project	Wodanga	Serve Academy Limited	14 th February, 2024	14 th May, 2024		10,557,380	5,528,149.16
3	Mmakhondo-Ipali solar water project	West Bunyore	Joyrowl company Limited	14 th February, 2024	14 th May, 2024	16,979,153.43	16,601,348.79	9,939,505
4	Givole Community Water Project	Central Maragoli	Retro-Tech Agencies	14 th February, 2024	14 th May, 2024	12,490,379.22	12,490,379.22	12,490,379.22
5	Wandwati spring water conservation and distribution project	Wemilabi	Golden Crest	14 th February, 2024	14 th May, 2024	16,333,106.93	16,991,206.77	9,184,404
6	Rehabilitation of Maragoli hills forest	South Maragoli	Golden Crest	January, 2024	April, 2024	7,895,000	7,895,000	7,895,000

projects completed in the FY 2023/2024

- i) South Maragoli Apiculture Project
- ii) Evojo Community Solarized Water Project
- iii) Kaptech Solarized Water Project
- iv) Rehabilitation of Ebukhaya Community Water Project
- v) Mugogo Community Water Project
- vi) Emabungo Cluster Water Project
- vii) Procurement of a utility motor vehicle for the directorate.

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

Introduction

Section 164 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting officer when preparing financial statements of each County Government entities in accordance with the standards and formats prescribed by the Public

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Sector Accounting Standards Board includes a statement of the county government entity's performance against predetermined objectives.

The key development objectives of the Fund are:

- a) To strengthen climate change institutional and planning framework
- b) Enhance inclusion in climate action and decision making
- c) To establish climate change governance structures, at the ward and county level
- d) To promote climate action initiatives focusing on climate change resilience
- e) To facilitate community-initiated climate change resilience investments in five wards

Progress on attainment of Strategic development objectives

The table below provides the progress on attaining the stated objectives:

Program	Objective	Outcome	Indicator	Performance
Climate Change Governance	To strengthen climate change institutional and planning framework	Climate change governance structures at county and ward level established	Number of governance structures established	<ul style="list-style-type: none">• Ward Climate Change Committees, Climate Change Planning Committees were capacity build• Communities were supported to identify, prioritize and develop climate change resilience projects
Capacity Building	To build the capacity of committees to enable them execute climate action	Enhanced capacity to manage climate risks	Number of staff, committees trained	<ul style="list-style-type: none">• Twelve Officers trained at Kenya School of Government• Sixty five(65) officers and ward climate change committee officials trained• Procured various ICT equipment(laptops and phones, TV Screen) for the directorate• Procured furniture for the directorate• Refurbished the boardroom at Departmental Offices

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				<ul style="list-style-type: none"> • Procured a motor vehicle for the directorate
Community Prioritized climate resilience investments	To enhance adaptive capacities to climate change impacts	Enhanced adaptation to climate change among communities	Number of projects implemented	Twelve community resilience projects implemented as detailed in section 6 above. These projects are meant to address climate risks as prioritized by the communities at ward level.

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8. Corporate Governance Statement

Section 14 of the Vihiga County Climate Change Fund Act 2019 provides for establishment of the County Climate Change Fund Steering Committee whose membership include the Governor as the Chairperson, CECM finance, CECM environment who is the secretary, CECM Public Health and CECM Agriculture. The Steering committee also comprises of representatives of the Business Community, Professionals in the County and Non-Governmental Organisations. The Steering Committee serves as the Board of the Vihiga County Climate Change Fund.

In line with the Act, for one to be appointed on the Steering Committee is by virtue of the offices they bear. The term of service is a period of five years after which another steering committee is appointed, or mandate renewed. For appointment, one must be a person who is actively engaged in climate change activities in the County, recommended by an umbrella organization representing the interest the nominee is to represent on the committee and be seconded by an organization that is actively involved in climate change adaptation, mitigation of climate finance activities in the county. In addition, they should have rare skills, knowledge, talents or linkages that are likely to benefit the Vihiga County Climate Change Fund.

The Steering Committee provides overall guidance for the development of a Climate Finance Framework for the County; facilitates and monitors the implementation of the Climate Finance Framework. The committee also develops necessary linkages for the fund with the national government and other relevant stakeholders outside the county and ensures compliance of the fund administration to the public finance management principles under article 201 of the constitution of Kenya and the provisions in Public Finance Management Act, 2012.

The Steering Committee also ensures that projects approved for funding conform to the Climate Finance Framework and mobilizes funding for projects, programs and activities listed in the Climate Finance Framework. Lastly, the Steering Committee coordinates the Climate Finance projects and programs with other programs in the county and regularly reviews the Framework.

The committee held two meetings in the year, the first meeting was held on 24th October 2023 whose agenda was to review performance of the previous period and approve the work plan for the current financial year. The second meeting was held on 23rd May 2024 where the committee reviewed and approved community-prioritized projects to be funded by the CCRI grant 1.

9. Management Discussion and Analysis

In the inaugural meeting of the Steering Committee of the period under review, the Chairperson of the Steering Committee H.E the Governor pointed out that Climate Change is a phenomenon affecting the entire world with examples of cyclones occurring in Mozambique, drought experienced in the Northern part of Kenya, below normal rainfall quantities within the Lake Region among others. Therefore, the projects and programs proposed by the Directorate of Climate Change should address adaptation and mitigation aspects in Vihiga.

He further informed participants that the County Climate Support Institutional (CCIS) grant from FLLoCA was to be disbursed by the end of April, 2024 and called for the review of the work plan.

The chairperson further explained that the process of establishing a Climate Change Center at KAFU should be fast tracked to ensure that the MOU is signed and the center launched before the end the year 2023. He advised continuous budgeting for the initiative and appreciated the directorate for the achievements attained since its inception in 2021. He directed that focus should be towards on clean energy, environmental conservation, water resources conservation, disaster risk reduction and smart agriculture to a level that can enable other counties to benchmark with Vihiga.

The CECM Climate Change informed the steering committee that the Fund is committed to ensure that matters of Climate Change are well coordinated. He explained that other counties are already bench-marking with Vihiga on Climate Change Governance, PCRA and Climate Change Action Planning. He further informed the committee that the initiative with Kaimosi Friends Univesity was at advanced stages since the concept Note and MOU were almost finalized.

The CECM for Agriculture observed that Agriculture was more affected by Climate Change citing the shift in rainfall patterns affecting both crops and animals adversely. He observed that addressing climate change impacts directly leads to increased agricultural productivity. On his part, the CECM for Finance challenged the directorates to take advantage of the expertise of H.E Governor Wilbur Ottichilo in climate change to enhance its performance. Further, he urged the department to ensure accountability and prudent utilization of the funds.

Based on the discussions, the Director Climate Change presented the work plan for FY 2023-2024 which was subsequently approved. The Committee urged the Directorate to stick to best fiduciary and social practices while implementing.

10. Environmental and Sustainability Reporting

The Vihiga County Climate Change Fund, whose programs are implemented by the Directorate of Climate Change exists to strengthen resilience of communities to climate change and enhance adaptation in the context of sustainable development.

1. Sustainability strategy and profile –

The Climate Change Fund will be sustainable as there have been efforts to put in the budget at least two per cent of the County's annual budget. The governor being the chair of the steering committee that is the highest decision-making organ and the involvement of the members of the County Assembly ensure the right trends in political and macroeconomic affecting sustainability priorities, reference to international best practices and key achievements and failure. Putting communities at the centre of decision making about project identification, implementation and operations helps to ensure sustainability of climate change initiatives under the fund. Furthermore, water projects implemented by the fund are handed over to the County Water Utility Company for sustainability.

2. Environmental performance

The fund undertakes environmental safeguards before implementation of the programs. This ensures that projects that are to be implemented undergo Environmental and Social Screening to check out for any adverse effects that may result from implementation of the same. An Environmental and Social Management Plan is then developed and presented to the contractor to enable mitigation of any harmful impacts that may arise during project implementation and operation. There is a dedicated environmental and social safeguards focal person for the projects. In addition, the projects have an environmental and social components, which budgets for conservation of natural resources, restoration of degraded areas and sensitization of communities on environmental conservation and climate change.

3. Community Engagements-

Community engagements for social inclusion is one of the key pillars of the climate change fund .Community engagements in the reporting period were:

- Radio Programmes for increased Climate Change awareness
- Building capacity of various officers from the County Departments of Environment and Public Service, Finance and select WCCPCs two wards in partnership with FLLoCA on digitization of participatory engagement tools

11. Report of Trustees

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

The fund does not have a board of trustees

12. Statement of Management's Responsibilities

Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a County Public Fund established by Vihiga Climate Change Fund Act 2019 shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

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

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, 2022. 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 Vihiga Climate Change Fund Act 2019. The Administrator of the Fund is of the opinion that the Fund's financial statements give a true and fair view of the state of Fund's transactions during the financial year ended June 30, 2022, 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

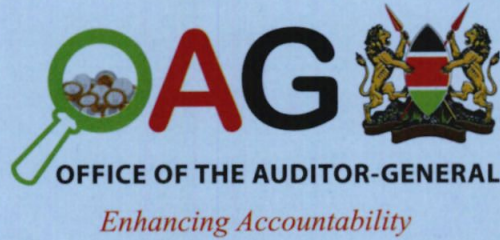
The Fund's financial statements were prepared and signed on behalf by:



CPA Agalomba Duke.
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 VIHIGA COUNTY CLIMATE CHANGE FUND FOR THE YEAR ENDED 30 JUNE, 2024 – COUNTY GOVERNMENT OF VIHIGA

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 Vihiga County Climate Change Fund set out on pages 1 to 10, which comprise of the statement of financial position as

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

In my opinion, except for the effects of the 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 Vihiga County Climate Change Fund – County Government of Vihiga as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the the Vihiga County Climate Change Fund Act, 2019 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

The statement of cash flows reflects an amount of 103,501,209 in respect to purchase of property, plant and equipment. However, the amount is at variance with Note 4 schedule of Kshs.103,226,209 resulting to a variance of Kshs.275,000.

In the circumstances, the accuracy of the above balances as presented in the financial statements could not be confirmed.

2. Lack of a Depreciation Policy and Failure to Charge Depreciation

The statement of financial position and as disclosed in Note 4 to the financial statements reflects an amount of Kshs.103,501,209 under property, plant, and equipment. However, no depreciation was charged on these assets in the year under review, or in previous years. It was also observed that the Fund has not stated its depreciation policy and method as required by the financial reporting template of 30 June, 2024 prescribed by the Public Sector Accounting Standards Board (PSASB).

In the circumstances, the accuracy, completeness and valuation of the property, plant and equipment with a historical cost of Kshs.103,501,209 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflect total revenue of Kshs.202,765,110 against final budget of Kshs.242,765,110 resulting to under collection of Kshs.40,000,000 or 16% of the budgeted revenue. Further, the statement of comparison of budget and actual amounts reflects an expenditure budget of Kshs.102,000,000 and actual on a comparable basis of Kshs.123,633,240, resulting to an over expenditure of Kshs.21,633,240. However, no authorization was provided by Management on authorization sought for the excess budget. No reason was provided by Management for budgeting to collect more than they planned to spend.

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the 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

Delayed Disbursement of Funds

The statement of comparison of budget and actual amounts indicates that the Fund had an approved budget of Kshs.242,765,110 out of which Kshs.80,000,000 was transfer from the County Government and Kshs.162,765,110 being receipts from Financing Locally Lead Climate Action (FLLoCA). During the year under review the fund received a total of Kshs.202,765,110 against an expenditure of Kshs.123,633,240 or 61% of the revenue. However, the funds were received in quarter four (4) of the financial year as per the Central Bank of Kenya statement provided for audit.

In the circumstances, late disbursements of funds from the County Treasury affected the implementation of approved programmes and may have impacted negatively on service delivery to the public.

Other Information

Conclusion

The Management is responsible for the Other Information set out on page iii to xxv which comprise of Key Entity Information and Management, County Steering Committee, County Planning Committee, Planning Committee Chair Person's Report, Report of the Fund Administrator and the Director Climate Change, Statement of Performance Against Fund's Predetermined Objectives, Corporate Governance Statement and Management Discussion Analysis, Environmental and Sustainability Reporting, Report of trustees and

Statement of Project Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

Basis for Conclusion

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

Basis for Conclusion

1. Irregular Award of Contracts

During the year under review, the Department of Water, Environment, Sanitation, Climate Change and Natural Resources awarded a tender to a firm for provision of motor vehicle insurance at a contract cost of Kshs.401,840. Review of the evaluation committee reports indicated that the firm was responsive at the preliminary stage thus proceeding to the technical evaluation stage. However, review of the bidding documents against the evaluation minutes revealed that the winning bidder did not attach LSO'S as proof for previous similar works as per Section 2 on qualification criteria which required the bidders found responsive to attach at least three (3) LSO'S of previous similar works.

2. Procurement Outside IFMIS E-procurement

Review of records revealed that Management paid Kshs.1,248,500 for supply and delivery of ICT equipment. However, the procurement was made outside the e-procurement system contrary to Regulation 49(2) of the Public Procurement and Asset Disposal Regulations, 2020 which provides that the conduct of e-procurement procedures for the supply of goods, works and services shall be carried out by a procuring entity using an e-procurement system.

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 those Charged with Governance

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

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with IFPP 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


17 December, 2024


Vihiga County Climate Change Fund

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

14. Statement of Financial Performance for the Year Ended 30th June 2024

Description	Note	2023-2024	2022-2023
		Kshs	Kshs
Revenue From Non-Exchange Transactions			
Transfers From the County Government	1	202,765,110.00	82,000,000
TOTAL REVENUE		202,765,110.00	82,000,000
Expenses			
Use of goods and services	2	20,132,531.05	29,460,421
Total Expenses		123,085,812.35	29,460,421
Surplus/(Deficit) for the Period		182,623,578.95	52,539,579

.....

 Name: CPA DUKE ACALOMBA
 Administrator of the Fund

.....

 Name: Selina Nangila
 Fund Accountant
 ICPAK Member Number: 30023

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

15. Statement of Financial Position As at 30 June 2024

Description	Note	2023-2024	2022-2023
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	3	153,585,385.65	73,906,087
Total current assets		153,585,385.65	73,906,088
Non-Current Assets			
Property, Plant and Equipment	4	103,501,209.35	275,000
Total Assets		256,813,665.95	74,181,087
Liabilities			
Current Liabilities			
Total current liabilities		-	-
Non-Current Liabilities			
Total Liabilities			-
Net Assets			74,181,087
Accumulated Surplus	u	256,813,665.95	74,181,087
Reserves			
Total Net Assets and Liabilities		256,813,665.95	74,181,087

Vihiga County Climate Change Fund

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

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on _____ 2024 and signed by:



.....
Name: CPA DUKE AGREOMBA
Administrator of the Fund



.....
Name: Selina Nangila
Fund Accountant
ICPAK Member Number: 30023

Vihiga County Climate Change Fund

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

16. Statement of Changes in Net Assets for the year ended 30th June 2024

T Description	Revolving Fund	Revaluation Reserve	Accumulated Surplus	TOTAL
		Kshs	Kshs	Kshs
Balance As At 1 July (2022)			21,641,508.00	21,641,508.00
Surplus For the Period	-	-	52,539,579.00	52,539,579.00
Balance As At 30 June (2023)	-	-	74,181,087.00	74,181,087.00
Balance As At 1 July (2023)	-	-	74,181,087.00	74,181,087.00
Surplus For the Period		-	182,632,578.95	182,632,578.95
Balance As At 30 June (2024)		.	256,813,665.95	256,813,665.95

Vihiga County Climate Change Fund

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

17. Statement of Cash Flows for the Year Ended 30 June 2024

Description	Note	FY 2023-2024	FY 2022-2023
		Kshs	Kshs restated
Cash flows from operating activities			
Receipts			
Transfers from the county government	1	202,765,110.00	82,000,000.00
Total receipts		202,765,110.00	82,000,000.00
Payments			
Use of Goods and Services	2	20,132,531.05	29,460,421.00
Net cash flows from operating activities		182,632,578.95	52,539,579.00
Cash flows from investing activities			
Purchase of property, plant, equipment and Intangible assets	4	(103,501,209.35)	-
Net cash flows used in investing activities		(103,501,209.35)	-
Cash flows from financing activities			
Net cash flows used in financing activities		-	-
Net increase/(decrease) in cash & cash Equivalents		79,131,669.60	52,539,579.00
Cash and cash equivalents at 1 July(reserves)		74,453,516.00	21,366,508.00
Cash and cash equivalents at 30 June	3	153,585,385.65	74,453,516.00

Vihiga County Climate Change Fund

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

18. Statement Of Comparison of Budget and Actual Amounts for The Period ended June 30,2024

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% utilization
	2023/2024	2023/2024	2023/2024	2023/2024	2023/2024	2023/2024
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	
Transfers from County Govt.	80,000,000.00	-	80,000,000.00	40,000,000.00	40,000,000.00	50%
FloCA	22,000,000.00	140,765,110	162,765,110.00	162,765,110.00	0.00	100%
Total income	102,000,000.00	-	242,765,110	202,765,110.00	40,000,000	83.53%
Expenses						
Administration expenses	30,491,103.00	-	30,491,103.00	20,132,531.05	10,358,571.95	66%
Other expenses	71,508,897.00	-	71,508,897.00	103,500,709.35	31,991,812.35	144.74%
Total expenditure	102,000,000	-	102,000,000	123,633,240.40	(21,633,240.40)	

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

19. Notes to the Financial Statements

1. General Information

Vihiga Climate Change Fund Act 2019 established Vihiga Climate Change Fund, with three level structure namely, the steering committee, the county planning committee and the ward climate change planning committee. The entity is wholly owned by the County Government of Vihiga and is domiciled in Vihiga County, Kenya.

During 2022/2023 financial year there were some changes in terms of key management team brought about by the 2022 general elections and subsequent appointments in the steering and planning committees.

The activities of the Fund commenced by establishment the governance structures and policy/legal framework. They include; establishment of the secretariat, Fund administration and the office, establishment of the County Climate Change Planning Committee, County Climate Change Steering Committee and the Ward Climate Change Planning Committees in all the 25 wards. Sensitisation of the public on climate change matters was done and training and inaugurating the ward climate change committee members was also undertaken.

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.

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

6. Notes To The Financial Statements

1. Transfers from County Government

Description	Note	2023-2024
		Kshs
Transfers from County Govt. — operations		
Exchequer Release (FLLOCA) Q4	109,409,860.00	11,000,000.00
Exchequer Release (CCCF) Q4		
	10,000,000 .00	10,000,000.00
Exchequer Release (CCCF) Q4	30,000,000.00	10,000,000.00
Exchequer Release (FLLOCA) Q4	53,355,250.00	40,000,000.00
Exchequer Release	-	11,000,000.00
Total	202,765,110.00	82,000,000.00

2. Use of Goods and Services

Description	Insert Current	Insert Previous
	FY 2023-2024	FY 2022-2023
	Kshs.	Kshs. Restated
Administration	10,947,905.00	7,066,630 .00
Bank Charges	-	235,480 .00
Fuel and Oil Cost	800,000.00	294,885 .00
Printing and Stationery	190,268.00	14,850 .00
Flloca Expenses	8,194,358.05	2,691,500.00
Total Administration expenses	20,132,531.05	10,303,345.00
		19,157,076 .00
TOTAL	20,132,531.05	29,460,421 .00


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

3 Cash and cash equivalents

Description	Period Ended 30 th June 2024	Prior Period Audited, 2022- 2023
	Kshs	Kshs
Current account	153,585,385.65	73,906,087.00
Total cash and cash equivalents	153,585,385.65	73,906,087.00

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

Financial institution	Account number	Period Ended June 30, 2024	Prior Period Audited
		Kshs	Kshs
a) Current Account			
Special Purpose Account CBK	1000486848	153,585,385.65	73,906,087.00
Equity Bank	-	-	-
Sub- total		153,585,385.65	73,906,087.00

Fund Manager 
 CPA DIKE AGALOMBA
 Date: 30/9/2024

Vihiga County Climate Change Fund

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

4. Property, plant and equipment

	Property and Plant(Projects related to Climate change)	Motor vehicles	Furniture and fittings	Computers and office equipment	Total
Cost	Kshs	Kshs	Kshs	Kshs	Kshs
At 1 st July (2021)	0	0	-	-	-
Additions	0	0	135,000	140,000	275,000
Disposals	0	0	-	-	-
Transfers/Adjustments	0	0	-	-	-
At 30 th June (2022)	0	0	135,000	140,000	275,000
At 1 st July (2022)					
Bal b/f	0	0	135,000	140,000	275,000
Additions	0	0	-	-	-
Disposals	0	0	-	-	-
At 30 th June (2023)	0	0	135,000	140,000	275,000
Bal B/f 1 st July 2023	0	0	135,000	140,000	275,000
Additions	92,594,709.35	8,333,000	1,050,000	1,248,500	103,226,209.35
Disposals	0	0	0	0	0
Depreciation	0	0	0	0	0
Impairment	0	0	0	0	0
Net Book values					
As at 30th June(2024)	92,594,709.35	8,333,000	1,185,000	1,388,500	103,501,209.35

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Note: Non-Current Assets were not depreciated because the County Government of Vihiga does not have an approved depreciation policy.

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20. Annexes

I: Trial Balance

TRIAL BALANCE	DR	CR
INCOME	KSHS	KSHS
Transfers from County Government		202,765,110
FLOCA		
Fund balance b/f		73,906,088
Administration	10,947,905	
Fuel and Oil Cost	800,000	
Printing and Stationery	190,268	
Motor Vehicle	8,333,786	
ICT Equipment	1,248,500	
Furniture and Fittings	1,050,000	
Computers and Office equipment		
Filoca Expenses	7,920,644	
Other Projects-Climate Change Fund	92,594,709	
Cash and Cash equivalents	153,585,386	
TOTAL	276,671,198	276,671,198

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2. Progress on Follow up of Prior Year Auditor’s Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1). Inaccuracies in the financial statements	The statement of financial performance and as disclosed in note 2 under use of goods and services, which further includes an amount of kshs 19,157,076 on other projects-climate change fund. However the ledger amount is kshs 19,295,753 resulting to a variance of kshs 138,677. The amount of kshs 138,677 is attributed to VAT paid to the Kenya revenue authority. Although	The variance of kshs 138,677 attributed to other project expenditure in the ledgers and the financial statement was erroneously captured in the fund ledgers. The reconciled ledger amounts has since been amended reflecting an actual ledger amount of kshs 19,157,076 as captured in the financial statement.	Not resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<i>management indicates that the ledger has been revised, no evidence was provided to show how it was revised.</i>			

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
2) Irregular allowances paid to Members of Vihiga County Assembly Environment Committee	<p>The statement of financial performance and as disclosed in note 2 to the financial statements reflects administration expenses amounting to kshs7,006,630, which includes an amount of ksh 266,000 paid for sensitization of the members of the county assembly environment committee. Management did not provide any authority for paying the members of the county assembly. no reason or support documentation was provided for the payment.</p>	<p><i>The Approved work plan and Budget for the Fy 2022/2023 provided for sensitization of Members of the County Assembly Environment Committee on the programs of the Directorate of Climate Change. The amount spent was as per the approved work plan and budget.</i></p>	Not resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
3). Lack of Outstanding Imprest and Imprest Register	The statement of financial position reflects an amount of kshs 74,181,087 in total assets, which includes both cash and cash equivalents and property, plant and equipment. However, this amount does not include an amount of kshs 1,749,700, relating to unsurrendered imprest at year end. In addition, the fund does not maintain an imprest register which is irregular.	<i>All approved imprests are captured and maintained in an imprest register. The fund maintained an updated imprest register capturing all imprests including the stated amounts of Ksh 532,000, Ksh 625,000, and Ksh 425,000 that were available for audit verification. However, the stated amounts of Ksh 38,000, Ksh 58,800 and Ksh 70,900 relates to claims which could not be captured and recorded as imprest warrants in the imprest register.</i>	Not resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)