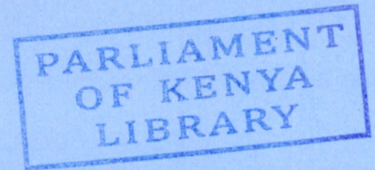


REPUBLIC OF KENYA



REPORT



OF

THE AUDITOR-GENERAL

ON

**TURKANA COUNTY CLIMATE
CHANGE FUND**

FOR THE YEAR ENDED

30 JUNE, 2025

PAPERS LAID	
DATE	9/12/2025
TABLED BY	M.L
COMMITTEE	—
CLERK AT THE TABLE	Abdirahman



THE TURKANA COUNTY CLIMATE CHANGE FUND

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2025

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

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

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1. Acronyms and Definition of Key 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
FY	Financial Year
TC.	Turkana County Government
FLLoCA.	Financing Locally Led Climate Action
CO	Chief Officer
CECM	County Executive Committee Member
ICT	Information and Communication Technology
NGO	Non-Governmental Organization
UK	United Kingdom
IFC	International Finance Corporation
CPA	Certified Public Accountant
KASNEB	Kenya Accountants and Secretaries National Examinations Board
CRS	Catholic Relief Services
CCRIG	County Climate Resilience Investment Grant

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

2. Key Entity Information and Management

a) Background information

Turkana County Climate Change Fund was established by and derives its authority and accountability from Turkana County Climate Change Fund Act, 2021 Via Turkana County Gazette Supplement No.4 of 2021. The Fund is wholly owned by the County Government of Turkana and is domiciled in Kenya.

The fund's objective is to;

- i) Create resilience at the local (and community) levels to mitigate the impact of climate change.
 - ii) Provide funding for climate change projects identified in the County Climate Change Policy, County Climate Change Action Plan, other climate related framework enacted within the County and for connected purposes.
 - iii) Public education, sensitization and awareness creation on climate change and its impacts.
 - iv) Capacity Building of County Staff and other stakeholders to effectively respond to climate change related occurrences.
 - v) Climate Change research and knowledge management in the county.
- Monitoring, evaluation, reporting and learning on climate change response in the county

b) Principal Activities

The principal activity/mission/ mandate of the Fund is to;

- i) Strengthen the role of communities, community structures and indigenous knowledge systems in the planning of climate change response interventions.
- ii) Climate resilience assessments.
- iii) Monitoring, evaluation, reporting and learning on climate change response in the county.
- iv) Invest in public goods and structures to strengthen adaptation to climate change.
- v) Capacity Building for staff of the County and other stakeholders to effectively respond to climate change related occurrences.

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c) Board of Trustees/Fund Administration Committee

Ref	Name	Position
1	Fr. Joseph Ekomwa	Chairperson of the Board
2	Eunice Majuma	Board Member
3	William Emoru Ejore	Board Member
4	Benedict Mukoo	Board Member
5	Joseph Ekalale	Fund Administrator

d) Key Management team

Ref	Name	Position
1	Leah Lokaala	CECM Tourism, Culture, Natural Resources and Climate Change
2	Joseph Ekalale	Fund Administrator
3	George Emase	Director Climate Climate
4	Yohana Ewoi Esinyen	Fund Accountant

Key Entity and Management (Continued)

e) Fiduciary Oversight Arrangements

SN	Position	Name
1	Member	Susan Amlango Aletia
2	Member	Sylvia Lapur Lokuruka
3	Member	Paul Lopodo Mutu
4	Member	Erukudi Marklewis Ekuam
5	Member	Amos Kiptui Kibet
6	Member	Francis Lokwar
7	Member	Jeremiah Ngachekio

f) Registered Offices

g) Fund Contacts

E-mail: tcg@turkana.go.ke

Website: www.tcg.go.ke

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

h) Fund Bankers

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

i) Independent Auditors




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

j) County Attorney



The Office of the County Attorney
P.O. Box 11-30500
Lodwar, Kenya

The Turkana County Climate Change Fund
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3. Board of Trustees/ Fund Administration Committee

Name	Details of qualifications and experience
<p>1. Fr.Dr. Joseph Ekomwa</p> 	<p>Joseph is the chairperson of the board. He holds a doctorate in Sacred Theology from Pontifical University of st. Thomas Aquinas. He has a masters and bachelor's degree in Dogmatic Theology from the Catholic University of East Africa. He has served as a priest for 37 years. He is currently the co-ordinator of social ministry at the Diocese of Lodwar.</p>
<p>2. Eunice Majuma</p> 	<p>Eunice Majuma is a vice chair person of the board a holder of Higher diploma in psychological counseling from Kenya Institute of Professional Counseling Nairobi. She has a certificate in Social Development from Kobujoi Development Training Institute - Kapsabet Child safeguarding online KODE and Resource mobilization and sustainability strategies. Eunice has 24 years working in Turkana for Catholic Diocese of Lodwar justice and peace commission 10 years. Advocating on human rights and especially women and girls. Worked as Child protection officer and trainer now with St. Patrick's missionary society in Lodwar and south Sudan. Eunice has a special passion for women and children matters. A community paralegal and a member of Turkana Gender and child Protection network. She has a vast experience in Gender based Violence, Governance and Advocacy.</p>
<p>3. William Ejore</p> 	<p>William Ejore is the deputy principal teacher at katilu boys high school, a member of Turkana Climate Change Fund Management Board. Ejore is a holder of Masters in Education in Special Needs Education (Maseno University), BA. Education in special needs Education at Maseno University, Higher diploma in Human resource management KNEC option at ETTI, Executive diploma in Human Resources Management at Israel Galilee international institute, diploma in special education at KISE. Ejore has 22 years' experience in teaching service and six years of experience in public service management. He has also worked at Turkana County Public Service Board as an executive member for a period of six years.</p>

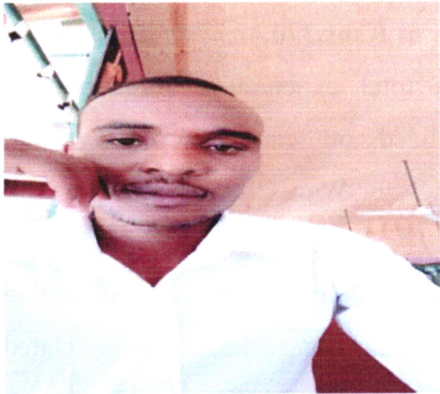
**The Turkana County Climate Change Fund
Annual Report and Financial Statements for the year ended June 30, 2025**

	<p>Ejore has also served in several boards such as Kenya Union of the Blind, Sight Savers International representing the County Elite for persons with Disability, Minorities and the marginalized.</p>
<p>4. Joseph Ekalale</p> 	<p>Joseph is the Chief Officer and Fund Administrator. He holds a bachelor's degree in Sociology and Geography from University of Nairobi. He has over twenty-three (23) years extensive knowledge and experience in areas of Public Administration, conflict management and resolution, Community engagements, humanitarian response and Private Sector. He formerly worked for County Government as a chief officer and a political advisor to the Governor. He has held various management and field positions in World Food Programme within and outside the country missions. He also worked in various capacities for Lutheran World Federation in Dadaab and Kakuma refugee Camps. Joseph also worked with Tullow Oil Kenya BV as a contractor for Kenya Kazi Services Limited.</p>
<p>5. Benedict Mukoo Lochili</p> 	<p>Mukoo Lochili Benedict is a Director for disaster risk management with Turkana County Government. He has a Bachelor of Education- Arts and currently pursuing a Master in disaster management.</p> <p>He has served in similar capacities as Director Liaison in Nairobi and Director for Tourism.</p> <p>He has accumulated 22 years experience with the NGOs, Justice and Peace Commission as well as brief consultancies across the Karamoja Cluster.</p> <p>He works at Board of Management at St. Kevin's SS and currently appointed at the Climate Change Fund Mgt Board</p>

4. Management Team

<p>1. Leah Lokaala</p> 	<p>Leah is holder of a Master of science degree in Human resource management, Bachelor of Arts in Education, a Higher National Diploma in Human resource Management and a certificate in primary teacher Education.</p> <p>She has over 10 years of work experience in Government working in various public sector departments and institutions.</p>
<p>2. Joseph Ekalale</p> 	<p>Joseph is the Chief Officer and Fund Administrator. He holds a bachelor's degree in Sociology and Geography from University of Nairobi. He has over twenty-three (23) years extensive knowledge and experience in areas of Public Administration, conflict management and resolution, Community engagements, humanitarian response and Private Sector. He formerly worked for County Government as a chief officer and a political advisor to the Governor. He has held various management and field positions in World Food Programme within and outside the country missions. He also worked in various capacities for Lutheran World Federation in Dadaab and Kakuma refugee Camps. Joseph also worked with Tullow Oil Kenya BV as a contractor for Kenya Kazi Services Limited.</p>
<p>3. George Emase</p> 	<p>George is the current director for Climate Change. George holds a Master of Science degree in Sustainability, Environment and Development from University of Leeds, United Kingdom (UK) with a bachelor's degree in Sociology from Moi University. He is a registered member of the Environment Institute of Kenya and Workplace Safety Professionals Association of Kenya. He has a fifteen (15) year extensive experience</p>

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

	<p>in Formulation of Policies, Standards and Procedures, Quality Assurance, Environmental Impact Assessment and Auditing, IFC performance standards, workplace Safety, incident Investigations and Grievances Resolution. Prior to joining the County Government George worked for different organisations both public and private. He formerly worked for MaceYMR as a Health, Safety and Environment Manager, China Railway No. 5 Engineering Group as an Environmental Advisor. He also worked for Tullow Kenya as a Health, Safety and Environment Advisor, Turkana County Assembly as a Public Relations Officer among others.</p>
<p>4. Yohana Ewoi Esinyen</p> 	<p>Yohana is the Fund Accountant. He has over five years' working experience in areas of accounting and financial Management.</p> <p>He holds a bachelor degree in Commerce (Accounting option) in Mount Kenya University. He is currently doing masters in Finance in Mount Kenya university and CPA intermediate setion. Yohana is currently the Fund accountant.</p>

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

5. Board/Fund Chairperson's Report

Turkana County Climate Change Fund's core mandate is to create resilience at the local levels to mitigate the impact of climate change through provision of funding for climate change projects identified in the County Climate Change Policy, County Climate Change Action Plan, other climate related frameworks enacted within the County. This fund is co-funded by national government through FLLoCA conditionally grant and county government. FLLoCA will provide county level performance grants that will result in a portfolio of climate resilience actions/investments addressing communities' priorities.

The FLLoCA grant's objective is to deliver locally led climate resilience actions and strengthen county and national government's capacity to manage climate risk. It's envisioned that the grant will strengthen County Government's capacity to plan, budget, implement and monitor climate mitigation and adaptation actions, with a focus on sub-county (ward and community) levels.

In the Financial year under review the fund had an allocation of **Kshs.370,423,798** which was a carry forward from FY2023-2024. The fund incurred a total expenditure amounting to **Kshs.228,360,903** which includes **Kshs.129,221,960** utilized on capital projects while **Kshs.99,138,943** on general expenditure including consultancy for Ward projects identification and profiling, climate assessments, trainings among others

These funds will be utilized to implement the various sub-county community level identified projects that are geared towards cushioning the residents from the ravaging climate change related outcomes.

Name.... Ekomwa JosephSignature..........Date.....28/10/2025.....

Chairperson of the Board/Fund

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

6. Report of The Fund Administrator

Turkana County Climate Change Fund's core mandate is to create resilience at the local levels to mitigate the impact of climate change through provision of funding for climate change projects identified in the County Climate Change Policy, County Climate Change Action Plan, other climate related frameworks enacted within the County. This fund is co-funded by national government through FLLoCA conditionally grant and county government. FLLoCA will provide county level performance grants that will result in a portfolio of climate resilience actions/investments addressing communities' priorities.

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.....
Name: *Joseph Enalale Moni*

Fund Administrator

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

Introduction

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

The key development objectives of the Turkana County Climate Change Fund’s 2022-2027 strategic plan are to:

- i) Create resilience at the local (and community) levels to mitigate the impact of climate change.
- ii) Provide funding for climate change projects identified in the County Climate Change Policy, County Climate Change Action Plan, other climate related framework enacted within the County and for connected purposes.
- iii) Public education, sensitization and awareness creation on climate change and its impacts.
- iv) Capacity Building of County Staff and other stakeholders to effectively respond to climate change related occurrences.
- v) Climate Change research and knowledge management in the county.
- vi) Monitoring, evaluation, reporting and learning on climate change response in the county.

Progress on attainment of Strategic development objectives

Program	Objective	Outcome	Indicator	Performance
Climate Change Adaptation	Create Resilience at local levels to mitigate the impact of climate change	Climate change mitigation projects implemented.	Number of projects and or activities implemented that mitigate the impact of climate change.	During FY 2024/2025 the Fund had a sum of Kshs.370,423,798 Expenditure incurred amounted to Kshs. 228,360,903 which includes training for the local communities and staff, consultancy for

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

				resilience projects and drilling of boreholes in the 30 wards of the county among others
Climate Change Adaptation	Climate Change research and knowledge management in the county.	A database and research conducted.	A database established.	It is still at the initial stages.
Climate Change Adaptation	Public education, sensitization and awareness creation on climate change and its impacts.	Locals sensitized and aware of climate change impacts.	No. of people sensitized	30 Ward climate change committees formed. More than 3,000 people already sensitized across the 30 wards .
Climate Change Adaptation	Monitoring, evaluation, reporting and learning on climate change response in the county.	Monitoring and evaluation reports conducted	No.of monitoring and evaluation reports done.	Monitoring and evaluation reports done

8. Corporate Governance Statement

The fund is established by an act of the Turkana County Assembly. The fund shall be a financing mechanism for climate change actions and interventions in the County. The fund encompasses three committees namely; the Steering, Planning and ward planning committees.

Appointment and Removal of Directors/Board Members.

The Board of directors is composed of competent, diverse and qualified members capable of exercising objective and independent judgement. The Board has appropriate autonomy and authority to exercise its functions, accountability and responsibility to the stakeholders. The composition of the Board provides a diversity of gender, competencies and skills required for effective leadership of the organization.

The Board of management is appointed through a transparent and formal. The chairperson is appointed by the governor on the recommendation of the County Executive Committee Member responsible for Tourism, Culture, Environment, Natural Resources and Climate Change with the approval of the County Assembly. The members shall be appointed by the County Executive Committee Member responsible for Tourism, Culture, Environment, Natural Resources and Climate Change; being drawn from within the county while observing the interests of minorities, Youth, gender and people living with disability.

A person shall not be qualified for appointment as a member of the board if that person is;

- i. a member of National Assembly;
- ii. is adjudged bankrupt;
- iii. is convicted of a criminal offence and sentenced to a term of imprisonment of not less than six months.

An appointed member of the Board shall cease to be a member when;

- i. Dies;
- ii. Is unable to perform the functions of the office due to mental or physical infirmity

The conduct of business of the Board shall be as provided in the First Schedule, but subject thereto, the Board may regulate its own procedure. The quorum for the conduct of business of the meeting of the Board shall be two-thirds of the total number of members of the Board.

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

Roles and Function of the Board.

The board of management shall have the following functions;

- i. To compile the projects approved by the Steering Committee;
- ii. Allocate resources for the various climate related projects, in line with the legal and constitutional requirements of equity;
- iii. Mainstream climate change projects, programmes and activities in county planning and budgeting, and ensure their approval and inclusion in the County Integrated Development Plan;
- iv. Manage the administrative costs of the fund including the cost of meetings and sittings of the County Planning and the Ward Planning Committees;
- v. Monitor disbursement and oversee the execution of the fund;
- vi. Provide essential links between the Steering Committee, the County Treasury and County Assembly with regard to management of the fund;
- vii. Coordinate research for climate change finance as well as development of climate finance research priority needs list for the County;
- viii. Be responsible for financing cross ward and cross county climate change programmes;
- ix. Assist the Steering Committee in developing the Climate Finance Framework; and
- x. Mobilize funds for climate change finance.

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

The board shall meet at least once every quarter in each financial year or when need be. The quorum for meetings of the board shall be two-thirds of the membership. A resolution of the board shall require an affirmative vote of more than one-half of the members present at a meeting, excluding the chairperson's vote which shall be a casting vote. In the absence of the chairperson, the vice-chairperson shall chair meetings of the board, and in the absence of both, members in attendance shall elect one of them to chair the meeting.

Conflict of Interest

During every meeting of the board, members are allowed to declare conflict of interest in any matter under discussion. Where a member has conflicting interest, they are excluded from the deliberations of the said agenda.

Board Remuneration

The members of the board shall be paid such allowances or remuneration as per the Salaries and Remuneration Commission and in accordance with the relevant financial regulations and/or guidelines currently in force including the Salaries and Remuneration Commission.

Ethics and Conduct

Board members received training on ethics and conduct during the induction training. There are no ethical and misconduct issues to declare.

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

9. Management Discussion and Analysis

Turkana County Climate Change Fund's core mandate is to create resilience at the local levels to mitigate the impact of climate change through provision of funding for climate change projects identified in the County Climate Change Policy, County Climate Change Action Plan, other climate related frameworks enacted within the County. This fund is co-funded by national government through FLLoCA conditionally grant and county government. FLLoCA will provide county level performance grants that will result in a portfolio of climate resilience actions/investments addressing communities' priorities.

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These funds will be utilized to implement the various sub-county community level identified projects that are geared towards cushioning the residents from the ravaging climate change related outcomes.

10. Environmental and Sustainability Reporting

Turkana County Climate Change Fund's core mandate is to create resilience at the local levels to mitigate the impact of climate change through provision of funding for climate change projects identified in the County Climate Change Policy, County Climate Change Action Plan, other climate related frameworks enacted within the County.

The fund did not undertake any CSR activities.

1. Sustainability strategy and profile

Turkana County economy is highly dependent on the natural resource base, and thus is highly vulnerable to climate variability and change. Rising temperatures and changing rainfall patterns, resulting in increased frequency and intensity of extreme weather events such as droughts and flooding, threaten the sustainability of the County's development. Among the most vulnerable regions in Kenya are the arid and semi-arid lands (ASALs) or simply referred to as the drylands. Due to high poverty rates, changing socioeconomic and political circumstances and demographic growth, traditional coping strategies are increasingly becoming insufficient. Further, the increased frequency of extreme events is not allowing them time to recuperate after such shocks. To safeguard sustainable development, the County Government of Turkana developed Climate Change Policy 2021, Climate Change Act 2021 and Climate Change fund regulations 2021 to provide a clear and concise articulation of overall response priorities to climate variability and change. Climate Change Unit is in the forefront in the fight against impacts of climate change including climate proofing of projects. The institution serves the whole Turkana County in an efficient and transparent manner and in compliant with COK 2010 with regards procurement. It gives 30% of all contracts to special interest groups and 40% of all contracts to local content.

2. Environmental performance

Climate Change Unit committed to a clean and healthy environment for the current and future generations. National Environmental Policy, Environmental Management and Coordination Act 1999 and its regulations provide guidelines for the management of environment in Kenya. Sustainable Solid Waste Management Act 2022 is being implemented within the department through reduce, reuse, recycle and disposal method. The waste recycling facility being established through support of Climate Change Funds will benefit youth, women and people with Disability. Turkana County has designated a dumpsites and transfer stations within the urban centres and municipalities. The private waste collectors engaged do solid waste collection weekly with casuals

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

cleaning streets and markets. The Department hosts the Directorate of Environment which coordinates matters environment in the County and ensures that all project are initiated with Environmental and Social Impacts Assessment and with regular monitoring of Environmental, Social, Health and Safety risks. This is also applicable to Financing Locally-Led Climate Action (FLLoCA) program. In addition, Climate Change Unit is embracing low carbon pathway developments through tree seedlings production and planting, urban planning (Draining system) and solarization of projects i.e water projects.

3. Employee welfare

At the County level, The County Human Resource Policy is applicable and recruitment is done by Turkana County Public Service Board. It is a competitive process that takes issues of women and special interest groups into considerations. There is continuous capacity building, succession planning, Objective setting and appraisal. The Department of Environment, Natural Resources and Climate Change is keen on addressing welfare issues through the welfare Officer attached to the department and all other issues relating Occupational Safety and Health of staff and clients i.e Fire safety, HIV/AIDs sensitizations and regular staff meetings.

4. Marketplace practices-

a) Responsible Supply chain and supplier relations-

The procurement processes and general administration are compliant with applicable laws i.e. PFM Act, Climate Change Act, Climate Change Fund etc.

b) Responsible ethical practices

The whole procurement process is competitive as per the PFM Act. The Climate Change Unit has a functional grievance redress mechanism for promptly and timely resolution of complaints lodged with regards to procurement processes and other operations. In addition, there is continuous staff sensitizations on work ethics and principles of public service.

c) Regulatory impact assessment

The Climate Change Unit has a service charter providing guidance on citizen service delivery and the grievance system ensures feedback is obtained from the citizens. Climate Change is a cross-cutting issue and therefore mainstreaming

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

through formed Climate Change Multisectoral forum and cluster coordination meetings have been key in knowledge sharing, resource mobilization and provision of expertise in technical working groups.

5. Community Engagements

The Program is locally-led as the ward climate change planning committee is responsible for identification and prioritization of projects. All Climate Change projects have functional Project Management Committees (PMCs), ensuring that local communities are at the heart of planning, implementation, and oversight. This strengthened ownership, accountability, and sustainability of interventions. There is continuous capacity building of communities on Climate Change interventions, FLLoCA program, Grievance Redress Mechanism, Environmental and Social Risks Management, Security and Peace etc.

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

11. Report of The Trustees

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

Principal activities

The principal activity of the Fund is to create resilience at the local levels to mitigate the impact of climate change within Turkana County.

Results

The results of the Fund for the year ended June 30, 2025 are set out on pages 1 to 29.

Trustees

The members of the Board of Trustees who served during the year are shown on page vi to 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.

Ekomwa Joseph



Chair of the Board/Fund Administration Committee

Date: 28/10/2025

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

12. Statement of Management's Responsibilities

Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a County Public Fund established by the Turkana County Climate Change Fund Act, 2021 shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

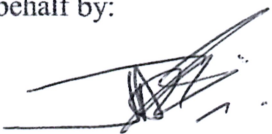
The Administrator of the County Public Fund is responsible for the preparation and presentation of the Fund's financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 2025. This responsibility includes: (i) 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 Turkana County Climate Change Fund Act, 2021. 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.

Approval of the financial statements

The Fund's financial statements were approved by the Board on 28/10/ 2025 and signed on its behalf by:


.....
Joseph Ekalale Momi
Administrator of the County Public Fund

REPUBLIC OF KENYA



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

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

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

PREAMBLE

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

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

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

The three parts of the report aim to address the Auditor-General's statutory roles and responsibilities as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012, and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Turkana County Climate Change Fund set out on pages 1 to 38, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of

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

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

In my opinion, the financial statements present fairly, in all material respects, the financial position of Turkana 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 Public Sector Accounting Standards (Accrual Basis) and comply with the Turkana County Climate Change Fund Act, 2021 and the Public Finance Management Act, 2012.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Turkana 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 opinion.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis totalling to Kshs.501,423,798 and Kshs.370,423,798 respectively, resulting to an underfunding amounting to Kshs.131,000,000 or approximately 26% of the budget. Similarly, the statement reflects actual expenditure of Kshs.228,360,903 against actual receipts of Kshs.370,423,798 resulting to an under expenditure amounting to Kshs.142,062,895 or approximately 38% of the receipts.

The under-utilization affected the planned activities and may have impacted negatively on mitigative climate change interventions by the Fund.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Information

The Management is responsible for the Other Information set out on page iii to xxiii which comprise of key entity Information and Management, the Board of trustees, management team, chairman's statement, report of the Fund administrator, corporate governance statement, Management discussion and analysis, environmental and sustainability reporting, report of the trustees, statement of trustees' responsibilities, statement of performance against predetermined objectives. 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.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Delay in Refund of Internally Borrowed Funds

The statement of financial position reflects receivables from exchange transactions balance of Kshs.33,342,963 which, as disclosed in Note 11 to the financial statements includes internal borrowing of Kshs.10,462,340. The balance is an outstanding short-term loan lent out to the County Executive of Turkana which was not repaid as at 30 June, 2025. This was contrary to Section 142 of the Public Finance Management Act, 2012 which stipulates that a County Government entity that has any such borrowing shall ensure that the money borrowed is repaid within a year from the date it is borrowed.

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

2. Underfunding of the Turkana Climate Change Fund

The statement of financial performance reflects nil balance in respect of transfers from the County Government. However, during the year under review, Turkana County Executive had an annual approved development budget of Kshs.8,675,260,099 resulting into expected climate funding of Kshs.173,505,202 that was not disbursed to the Fund. This was contrary to Section 50 of the Turkana County Climate Change Act, 2021 which requires that the County Executive shall appropriate not less than two percent of the County's annual appropriated development budget to the Fund.

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

3. Lack of Regulations on Measurement of Emissions and Removals of Greenhouse Gases

The Management did not provide evidence of a regulatory framework in place specifically designed to target greenhouse gas emissions, achieve measurable reductions in those emissions, or facilitate the removal of such gases from the atmosphere despite the Fund's lifespan nearing its end. This was contrary to Section 44 of the Turkana County Climate Change Act, 2021 which requires that the targeted greenhouse gases emissions, reductions of such emissions and removals of targeted greenhouse gases from the atmosphere shall be measured or calculated in tonnes of carbon dioxide equivalent. The County Executive Committee Member in consultation with the steering committee are tasked with making regulations on measurements of emissions and removals of the greenhouse gases.

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

4. Lack of Biennial Review of the Implementation of the County Climate Change Action Plan

The Management did not provide biennial reviews of the implementation of the County Climate Change Action Plan and evidence that the report was submitted to the steering committee contrary to Section 34 of the Turkana County Climate Change Act, 2021 which requires that the County Planning Committee shall undertake a biennial review of the implementation of the County Climate Change Action Plan and report to the Steering Committee.

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

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

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

Conclusion

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

Basis for Conclusion

1. Failure to Conduct Internal Audit

During the year under review, the Management was yet to constitute an audit committee. Further, internal audit was not undertaken on the operations of the Fund contrary to Section 155(1) of the Public Finance Management Act, 2012 which requires that every county government entity shall have appropriate arrangements for conducting internal audit according to the guidelines issued by the Accounting Standards Board.

In the circumstances, the Fund did not benefit from the oversight role and advice from the audit committee and the internal audit function.

2. Lack of Risk Management Policy

Review of the internal controls of the Fund revealed that the risk management policy was not in place. In addition, no documented formal risk assessments were provided for audit verification in the year under review. This was contrary to Regulation 158(1) of the public Finance Management (County Government) Regulations, 2015 which require that an entity develops risk management strategies, which include fraud prevention mechanism and a system of risk management and internal control that builds robust business operations.

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

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

Responsibilities of the Management and 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 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


20 November, 2025

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Annual Report and Financial Statements for the year ended June 30, 2025

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

Description	Note	FY 2024-2025	Restated	FY 2023-2024
		Kshs	Kshs	Kshs
Revenue				
Revenue transfers	6	-	-	-
Miscellaneous revenue	7	-	131,000,000	120,000,000
Total Revenue		-	131,000,000	120,000,000
Expenses				
Use of goods and services	8	99,138,943	82,706,565	82,706,565
Depreciation and Amortization Expense	9	3,023,750	3,121,108	3,121,108
Total Expenses		102,162,693	85,827,673	85,827,673
Other Gains/Losses				
Gain/Loss on Disposal of Assets		-	-	-
Surplus/(Deficit) for the Period		(102,162,693)	45,172,327	34,172,327


 Name: Joseph Ekabale Mwanjiri
 Administrator of the Fund


 Name: CPA Michael Ate Logilae
 Fund Accountant
 ICPAK Member Number: 7385


The Turkana County Climate Change Fund
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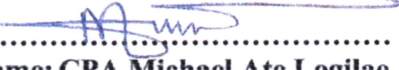
15. Statement of Financial Position As at 30 June 2025

Description	Note	FY 2024-2025	Restated	FY 2023-2024
		Kshs	Kshs	Kshs
Assets				
Current Assets				
Cash and Cash Equivalents	10	153,062,895	370,423,798	370,423,798
Receivables from Exchange Transactions	11	33,342,963	21,462,340	10,462,340
Total current assets		186,405,858	391,886,138	380,886,138
Non-Current Assets				
Property, Plant and Equipment	12	161,228,835	12,278,050	12,278,050
Total non-current assets		161,228,835	12,278,050	12,278,050
Total Assets (A)		347,634,693	404,164,188	393,164,188
Liabilities				
Current Liabilities				
Trade and Other Payables from Exchange Transactions	13	22,752,575	-	-
Deferred Income	14	22,880,623	-	-
Total current liabilities		45,633,198	-	-
Total Liabilities (B)		45,633,198	-	-
Net Assets (A-B)		302,001,495	404,164,188	393,164,188
Represented By:				
Capital Fund		273,443,958	273,443,958	273,443,958
Reserves		-	-	-
Accumulated Surplus		28,557,537	130,720,230	119,720,230
Net Assets		302,001,495	404,164,188	393,164,188

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 28/01 2025 and signed by:

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


.....
Name: *Joseph Edalake Irani*
Administrator of the Fund


.....
Name: CPA Michael Ate Logilae
Fund Accountant
ICPAK Member Number: 7385

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

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

Description	Capital Fund	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
Balance As At 1 July 2023		-	-	85,547,903	85,547,903
Surplus/(Deficit) For the Period		-	-	45,172,327	45,172,327
Funds Received During the Year	273,443,958	-	-	-	273,443,958
Transfers		-			-
Revaluation Gain		-	-	-	-
Balance As At 30 June 2024	273,443,958	-	-	130,720,230	404,164,188
Balance As At 1 July 2024	273,443,958	-	-	130,720,230	404,164,188
Surplus/(Deficit) For the Period	-	-	-	(102,162,693)	(102,162,693)
Funds Received During the Year		-	-	-	-
Transfers		-	-	-	-
Revaluation Gain		-	-	-	-
Balance As At 30 June 2025	273,443,958	-	-	28,557,537	302,001,495

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17. Statement of Cash Flows for The Year Ended 30 June 2025

Description	Note	FY 2024-2025	FY 2023-2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Revenue transfers	6	-	120,000,000
Miscellaneous revenue	7	-	-
Total receipts		-	120,000,000
Payments			
Fund administration expenses		-	-
Use of goods and services	8	99,138,943	82,706,565
Finance cost		-	-
Total Payments		99,138,943	82,706,565
Net cash flows from operating activities	15	(99,138,943)	37,293,435
Cash flows from investing activities			
Purchase of property, plant, equipment and		(129,221,960)	(2,132,075)
Proceeds from sale of property, plant & equipment		-	-
Proceeds from loan principal repayments		-	-
Loan disbursements paid out		-	-
Net cash flows used in investing activities		(129,221,960)	(2,132,075)
Cash flows from financing activities			
Proceeds from Capital fund receipts		-	273,443,958
TCG Executive Internal Borrowing		-	(6,942,662)
Grant receivable		11,000,000	16,439,554
Net cash flows used in financing activities		11,000,000	282,940,850
Net increase/(decrease) in cash & cash			
Equivalents		(217,360,903)	318,102,210
Cash and cash equivalents at 1 July 2024	17	370,423,798	52,321,588
Cash and cash equivalents at 30 June 2025	17	153,062,895	370,423,798

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

18. Statement Of Comparison of Budget and Actual Amounts For The Period 2025

Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	A	b	c=a+b	d	e=c-d	f=d/c %
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	
Revenue Transfers	131,000,000	-	131,000,000	-	131,000,000	-
Miscellaneous Revenue	-	-	-	-	-	-
Opening Balances		370,423,798	370,423,798	370,423,798	-	100%
Total Revenue	131,000,000	370,423,798	501,423,798	370,423,798	131,000,000	-
Payments						
Employee costs	-					
Use of goods and services	105,838,000	53,699,841	159,537,841	79,000,476	80,537,365	50%
Certified Works	-	316,723,957	316,723,957	129,221,960	187,501,997	41%
Fund administration expenses	25,162,000		25,162,000	20,138,467	5,023,533	80%
Total Payments	131,000,000	370,423,798	501,423,798	228,360,903	273,062,895	-
Surplus or Deficit	-	-	-	142,062,895	(142,062,895)	-

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Budget notes

1. The budget utilized is the carry forwards from FY2023-2024

Budget Reconciliation

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	142,062,895
1	Grant receivable	11,000,000
2	Reason for differences	
3	Reason for differences	
4	Reason for differences	
	Closing Cash and Cash Equivalent as per the statement of Cash flows	153,062,895

19. Notes to the Financial Statements

Significant Accounting Policies

1. General Information

Turkana County Climate Change Fund was established by and derives its authority and accountability from Turkana County Climate Change Fund Act, 2021 Via Turkana County Gazette Supplement No.4 of 2021. The Fund is wholly owned by the County Government of Turkana and is domiciled in Kenya.

2. Statement of compliance and basis of preparation

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

3. Adoption of new and revised standards

(i) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025

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

(ii) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025.

Standard	Effective date and impact:
IPSAS 43: Leases	Applicable 1st January 2025 The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non- Current Assets Held for Sale and	Applicable 1st January 2025 The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:

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

The Turkana County Climate Change Fund

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

(i) Early adoption of standards

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

4. Summary of Significant Accounting Policies

a) Revenue recognition

i. Revenue from non-exchange transactions

Transfers from other government entities

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

ii. Revenue from exchange transactions

Interest income

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

Dividends

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

Rental income

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

b) Budget information

The original budget for FY2024/2025 was approved by the County Assembly on 30th June, 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Entity upon receiving the respective approvals to conclude the final budget. The Entity did not record any additional appropriations. 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 an 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

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

budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 14 of these financial statements

Summary of Significant Accounting Policies (Continued)

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial cash flows has been presented.

c) Property, plant and equipment

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

a) Intangible Assets

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

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

b) Investment property

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

c) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial assets

Classification of financial assets

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

Subsequent measurement

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

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).

Summary of Significant Accounting Policies (Continued)

Financial liabilities

Classification

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

d) Inventories

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

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

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

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

e) Provisions

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

f) Social Benefits

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

Summary of Significant Accounting Policies (Continued)

g) Contingent liabilities

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

Contingent assets

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

h) Nature and purpose of reserves

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

i) Changes in accounting policies and estimates

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

j) Employee benefits – Retirement benefit plans

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

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

Summary of Significant Accounting Policies (Continued)

k) Foreign currency transactions

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

l) Borrowing costs

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

m) Related parties

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

n) Cash and cash equivalents

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

o) Comparative figures

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

Summary of Significant Accounting Policies (Continued)

5. Significant judgments and sources of estimation uncertainty

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

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

a) Estimates and assumptions –

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

b) Useful lives and residual values

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

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

c) Provisions

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

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

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Notes To the Financial Statements Continued

6. Revenue Transfers

Description	FY 2024-2025	FY2023-2024
	KShs.	KShs .
Unconditional Transfers		
GoK Counter Part funding	-	-
Transfers from Development partners	-	11,000,000
Total Unconditional Transfers (a)	-	11,000,000
Conditional Transfers		
Transfers from Development partners	22,880,623	273,443,958
Other conditional transfers (county contribution)	-	120,000,000
Total Conditional Transfers (b)	-	393,443,958
Total Transfers for the Year (a + b)	22,880,623	404,443,958

a) Details to Revenue Transfers				
Name of The Entity Transferring	Amount recognized to Statement of Financial performance	Amount deferred under deferred income.	Amount moved to Capital fund	Total transfers FY24-25
	Kshs	Kshs	Kshs	Kshs
GOK Funding	-		-	-
Development Partners	-	22,880,623	-	22,880,623
Subtotal				
Deferred Income realized	-	-	-	-
Total	-	22,880,623	-	22,880,623

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7. Miscellaneous revenue

Description	FY 2024-2025	FY 2023-2024
	KShs	KShs
Insurance Recoveries	-	-
Income from Sale of Tender Documents	-	-
Bad debts recovered	-	-
Miscellaneous Income	-	-
Total Other Income	-	-

8. Use of Goods and Services

Description	FY 2024-2025	FY 2023-2024
	KShs	KShs
General Office Expenses	75,946,780	82,590,167
Loan Processing Costs	-	-
Committee Allowances	-	111,000
Bank Charges	-	-
Electricity And Water Expenses	-	-
Fuel And Oil Costs	1,945,855	-
General office supplies	839,700	-
Postage And Courier	-	-
Printing and Stationery	2,075,000	-
Rental Costs	-	-
Security Costs	-	-
Telephone And Communication Expenses	400,000	-
Bank Charges	-	5,398
Hospitality Supplies and Services	9,105,494	-
Training Expenses	816,600	-
Other operating expenses	4,749,126	-
Routine maintenance-vehicles and other transport equipment	3,260,388	-
Total	99,138,943	82,706,565

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9. Depreciation and Amortization Expenses

Description	FY 2024-2025	FY 2023-2024
	KShs	KShs
Property Plant and Equipment	3,023,750	3,121,108
Intangible Assets	-	-
Total	3,023,750	3,121,108

10. Cash and cash equivalents

Description	FY 2024-2025	FY 2023-2024
	KShs	KShs
Cash in Bank	153,062,895	370,423,798
Cash on hand	-	-
Total Cash and Cash Equivalents	153,062,895	370,423,798

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

Financial Institution	Account number	FY 2024-2025	FY 2023-2024
		KShs	KShs
a) Fixed Deposits Account			
Turkana County Climate Change Fund	1000544268	153,062,895	370,423,798
Equity Bank, Etc.			
Sub- Total		153,062,895	370,423,798
b) On - Call Deposits			
Kenya Commercial Bank		-	-
Equity Bank - Etc.		-	-
Sub- Total		-	-
c) Current Account			
Kenya Commercial Bank		-	-
Bank B		-	-

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Sub- Total			-	-
d) Others(Specify)			-	-
Cash In Transit			-	-
Cash In Hand			-	-
Sub- Total			-	-
Grand Total			153,062,895	370,423,798

11. Receivables

Description	FY 2024/25	Restated	FY 2023/24
	<u>Kshs</u>	<u>Kshs</u>	<u>Kshs</u>
TCG internal borrowing	10,462,340	10,462,340	10,462,340
Contractor's Advance payments	-	-	-
Other Receivables (CCRIG GRANT)	22,880,623	11,000,000	-
Total Receivables	33,342,963	21,462,340	10,462,340

Note: Ksh. 22,880,623 is a grant received from CCRIG received on 17th July 2025 to Turkana County Revenue Fund.

Ageing analysis for Receivables

Description	FY 2024-2025		1 st July 2024	
	Kshs	% of the total	Kshs	% of the total
	FY 2024-2025	% of the total	1st July 2024	% of the total
Less than 1 year	22,880,623	69%	11,000,000	51%
Between 1- 2 years			10,462,340	49%
Between 2-3 years	10,462,340	31%	-	%
Over 3 years	-	%	-	%
Total (a+b)	33,342,963	100%	21,462,340	100%

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12. Property, plant, and equipment

	Motor bikes	Motor vehicles	Furniture and fittings	Computers and office equipment	work In Progress	Total
	Kshs	Kshs	Kshs	Kshs		Kshs
Cost						
At 1st July 2023	2,670,000	11,290,000	-	-	-	13,960,000
Additions	-	-	1,734,000	398,075	-	2,132,075
Disposals	-	-	-	-	-	-
Transfers/Adjustments	-	-	-	-	-	-
At 30th June 2024	2,670,000	11,290,000	1,734,000	398,075	-	16,092,075
At 1st July 2024	2,670,000	11,290,000	1,734,000	398,075	-	16,092,075
Additions	-	-	950,000	400,000	150,624,535	151,974,535
Disposals	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-
At 30th June 2025	2,670,000	11,290,000	2,684,000	798,075	150,624,535	168,066,610
Depreciation And Impairment						
At 1 st July 2023	222,500	470,417	-	-	-	692,917
Depreciation	890,000	1,881,667	216,750	132,691	-	3,121,108
Impairment	-	-	-	-	-	-
At 30th June 2024	1,112,500	2,352,084	216,750	132,691	-	3,814,025
At 1st July 2024						-
Depreciation	890,000	1,881,667	118,750	133,333	-	3,023,750
Disposals	-	-	-	-	-	-
Impairment	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-

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At 30th June 2025	890,000	1,881,667	118,750	133,333	-	3,023,750
Net Book Values						
At 30th June 2024	1,557,500	8,937,916	1,517,250	265,383	-	12,278,050
At 30th June 2025	667,500	7,056,249	2,348,500	532,051	150,624,535	161,228,835

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The department adopted the National Government assets depreciation policy as the county Government Assets Management policy has not been approved. All the assets have been depreciated using straight line depreciation policy. Motorbikes depreciation of 3 years, Motor vehicles 6 years, Furniture 8 years and Computers and Office Equipment at 3 years.

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13. Trade and other payables from exchange transactions

Description	FY 2024-2025		FY 2023-2024	
	Kshs		Kshs	
Trade payables	22,752,575		-	
Employee payables	-		-	
Total trade and other payables	22,752,575		-	
Ageing analysis: (Trade and other payables)	FY 2024-2025	% of the Total	FY 2023-2024	% of the Total
Under one year	22,752,575	100%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (tie to above total)	22,752,575	100%	-	

14. Deferred Income

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Development partner (IDA)	22,880,623	-
Development partner 2	-	-
Total Deferred Income	22,880,623	-

Deferred Income Movement Schedule

	Development Partner (IDA)	Others specify	Total
	Kshs	Kshs	Kshs
Balance as at 1 st July 2024	-	-	-
Additions	22,880,623	-	-

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Transfers To Performance Statement as Revenue	-	-	-
Balance as at 30 th June 2025	22,880,623	-	-

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15. Cash generated from operations.

Description	FY 2024-2025	Restated	FY 2023-2024
	KShs	KShs	KShs
Surplus/ (Deficit) For the Year Before Tax	(102,162,693)	45,172,327	34,172,327
Adjusted For:			
Depreciation	3,023,750	3,121,108	3,121,108
Amortization	-	-	-
Gains/ Losses On Disposal Of Assets	-	-	-
Interest Income	-	-	-
Finance Cost	-	-	-
Working Capital Adjustments			
Increase In Inventory	-	-	-
Increase In Receivables	-	(11,000,000)	-
Increase In Payables	-	-	-
Net Cash Flow From Operating Activities	(99,138,943)	37,293,435	37,293,435

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16. Related party balances

a) Nature of related party relationships

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

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

b) Related party transactions

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Transfers From Related Parties'	-	131,000,000
Transfers To Related Parties	-	-

c) Key management remuneration

d) Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Board Of Trustees	-	-
Key Management Compensation	-	-
Total	-	-

e) Due from related parties

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Due From CCRIG	22,880,623	-
Due From County Government	10,462,340	-
Total	33,342,963	-

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Other Disclosures Continued

f) Due to related parties

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Due To Parent Ministry	-	-
Due To County Government	-	-
Due To Key Management Personnel	-	-
Total	-	-

17. Contingent assets and contingent liabilities

18. Contingent Liabilities	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Court Case Against the Fund	-	-
Bank Guarantees	-	-
Total	-	-

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19. Financial risk management

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

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

a) Credit risk

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

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2025				
Receivables From Exchange Transactions	-	-	-	-
Receivables From Non- Exchange Transactions	-	-	-	-
Bank Balances	153,062,895	153,062,895	-	-
Total	153,062,895	153,062,895	-	-
At 30 June 2024				
Receivables From Exchange Transactions	-	-	-	-
Receivables From Non- Exchange Transactions	33,342,963	22,342,963	10,462,340	-
Bank Balances	370,423,798	370,423,798	-	-
Total	403,766,761	392,766,761	10,462,340	-

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.

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The entity has no significant concentration of credit risk. The board of trustees sets the Fund's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

b) Liquidity risk management

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2025				
Trade and Other payables	22,752,575	-	-	22,752,575
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	22,752,575	-	-	22,752,575
At 30 June 2024				
Trade Payables	-	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	-	-	-	-

c) Market risk

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

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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.

d) Foreign currency risk

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

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

Description		Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June 2025			
Financial Assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors/ Receivables	-	-	-
Liabilities	-	-	-
Trade And Other Payables	-	-	-
Borrowings	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

Foreign currency sensitivity analysis

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

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

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Euro	10%	-	-
USD	10%	-	-

i. Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

The Fund analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs (2025: Kshs). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs (2024 – Kshs).

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d) Capital risk management.

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

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Revaluation reserve	-	-
Revolving fund	-	-
Accumulated surplus	45,172,327	393,164,188
Total funds	45,172,327	393,164,188
Total borrowings	-	-
Less: cash and bank balances	(153,062,895)	(370,423,798)
Net debt/(excess cash and cash equivalents)	153,062,895	370,423,798
Gearing	38%	94%

20. Events after the reporting period

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

21. Ultimate and Holding Entity

The entity is a County Public Fund established by Turkana County Climate Change Fund Act, 2021 under the Ministry of Tourism, Culture, Natural Resources and Climate Change. Its ultimate parent is the County Government of Turkana Currency.

22. Currency

The financial statements are presented in Kenya Shillings (Kshs)

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20. Annexes

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
	Budgetary Control and Performance	The under-absorption of the budget was necessitated by a delay in the release of funds.	resolved	September 2025
	Irregular Authorization of Bank Accounts	The Turkana County Climate Change Fund account that was held at a local commercial bank was closed down on 26 th June 2024 and balances transferred to Turkana County Climate Change Fund held at Central Bank of Kenya.	resolved	September 2025
	Irregular Authorization of expenditure	The County Climate Change Board meets once every quarter to consider the reports of the county climate change planning committee and the county climate change steering committee as well as approve the workplans and budget of the climate change unit based on projects proposals submitted by the ward climate change committees and approved by the county climate change planning and steering committees as well as county climate change board. Consequently, the authorization done by the director of climate change is based on an approved workplan and budget.	resolved	September 2025

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
	Inadequate controls in Cash book and Bank Reconciliation Management	The management has segregated duties. The Role of the Assistant Accountant is to prepare the cashbook senior accountant is to prepare the bank reconciliation. Accountant in charge of financial reporting reviews the bank reconciliation and the cashbook to ensure that they are properly maintained and updated	resolved	September 2025

Fund Administrator

Date..... 28/10/2025

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Annex II: Inter-Fund Confirmation Letter



**Turkana County Climate Change Fund
P.O Box 11-30500
Lodwar.**

The Turkana County Climate Change Fund wishes to confirm the amounts disbursed to you as at 30th June 2025 as indicated in the table below..

Confirmation of amounts received by the Turkana County Climate Change Fund as at 30 th June 2025							
Reference Number	Date Disbursed	Amounts Disbursed by the Turkana County Government (Kshs) as at 30 th June 2025				Amount Received by [beneficiary Fund] (KShs) as at 30 th June 2025 (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
							0
							0

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							0
							0
Total							0

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

Head of Accountants department of beneficiary Fund:

Name Johana Ersoi Esinyan Sign  Date 28/10/2025

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Annex III: Reporting of Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		
Resilience Building on Climate Change Induced Displacement in Turkana.	Resilience Building Workshop on Climate Change Induced Displacement in Turkana.	<p>To provide humanitarian assistance and build resilience among the most vulnerable communities severely affected by the drought and resource-based conflict.</p> <p>To generate feedback and recommendations from stakeholders that support a roadmap to facilitate building resilience to climate change while at the same time learn about the nexus between displacement and migration occurring in relation to climate change and conflicts.</p>	<p>Collection of displacement data through Displacement Tracking Matrix in Turkana.</p> <p>Conduct study on resource-based conflicts, provided livelihood assistance and water infrastructure refurbishments, conflict prevention and TVET support to climate change affected communities in Turkana.</p>			X		IOM	IOM

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The Kenya Red Cross CMDRR training on strengthening anticipatory action and shock-responsive social mechanism	Community-Managed Disaster Risk Reduction (CMDRR) on strengthening anticipatory action and shock-responsive social mechanism	To improve the knowledge and skills of key stakeholders involved in drought risk reduction and management. To provide participants with an in-depth understanding of community-managed drought risk reduction.	The program focused on identifying and implementing strategies to mitigate drought risks and enhance the resilience of the local communities.			X			
Strengthening E&S capacity for Horn of Africa Ground Water for Resilience staff training	Strengthening E&S capacity for Horn of Africa Ground Water for Resilience staff training	Increasing the sustainable use and management of ground water by beneficiary groups in the Horn of Africa (HoA).	Capacity building trainings			X		World Bank	World Bank
Turkana County Peace Actors Workshop	Turkana County Peace Actors Workshop	To actively raise awareness and encourage the adoption of Turkana				X		TCG	TCG

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		County Peace policy and Act 2022 among local stakeholders and civil society actors.							
Community Ation Planning to support Climate Resilient Food Systems hub	Developing Community action plans to support Climate Resilient Food Systems hub	To provide the basis for addressing the zero-hunger challenge, focusing on pooling partnerships and bundling a range of integrated climate-adaptive interventions that enable communities at risk, including smallholder producers and other value chain actors, to produce, aggregate, add value, access markets, reduce food losses and consume safe and healthy food	The Directorate of Climate Change supported WFP in realizing the vision by facilitating trainings, area-based programming and developing action plans that will guide the implementation phase			X		WFP	WFP
Environmental and Social Screening for FLLoCA projects	Environmental and Social Screening for all proposed climate change resilience	Conducted Environmental and Social Screening for all community identified projects					X	FLLoCA	Turkana County Government (TCG) & National Government of Kenya (GoK)

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	projects to be funded under FLLoCA.	through Ward Climate Change Planning Committees to ensure compliance with World Bank requirements under FLLoCA funding model.							
Establishment of Climate Change Structures	Establishment of Climate Change Structures	Launch of Turkana County climate change planning committee, steering committee, and fund management board	Training the committees on their roles. Issuance of appointment letters to nominated committee members.	X				TCG	Turkana County Government (TCG)
Enhancing peace and prevention of resource-based conflicts in Northern Kenya	Enhancing Peace through the prevention of Natural Resources-based Conflicts in Northwestern Kenya		Meetings				X	IOM	TCG & IOM
		The main objective of the workshop was to train the participants on Advocacy Procedures, especially when	Sensitization workshop				X	CARITAS LODWAR	CARITAS Lodwar

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		advocating for Climate Change related issues							
	Turkana south sub-county stakeholders & partners coordination meeting	<ul style="list-style-type: none"> To allow Heads of Government Department from National and County government to report and share government projects/programs implemented in Turkana South Sub-county. To allow development partners to present projects and programs implemented in Turkana South Sub-county and joint identification of existing gaps for prioritization across the sub-county. 	Meeting				X		

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		<ul style="list-style-type: none"> To develop sub-county Sector Working Groups (SWGs) that will enhance greater collaboration and coordination between the government (both national and county) and development partners in Turkana South Sub-county. 							
Capacity Building	Capacity building Ward Climate Change Planning Committees for participatory climate change action training	Capacity building Ward Climate Change Planning Committees for participatory climate change action training					X		State department for devolution, Commission for Administrative Justice and the Ethics and the Anti-Corruption Commission

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Annex IV: Reporting on Disaster Management Expenditure

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

There was no disaster related expenditure during the period ended 30th June,2025.