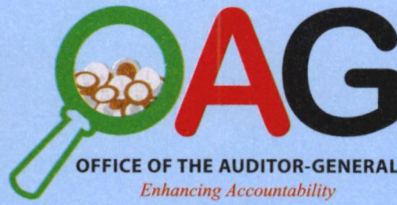
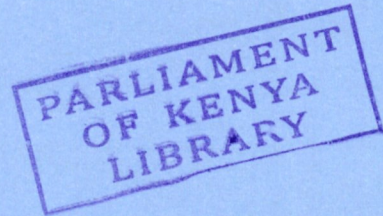


REPUBLIC OF KENYA



REPORT



OF

THE AUDITOR-GENERAL

ON

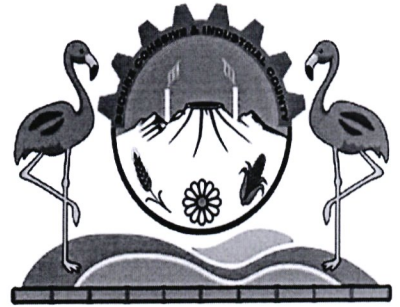
**NAKURU COUNTY CLIMATE
CHANGE FUND**

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

PAPERS LAID	
DATE	26/11/25
TABLED BY	J.M.W
COMMITTEE	-
CLERK AT THE TABLE	Belinda



30th JUNE 2025



NAKURU 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)



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1. Acronyms and Glossary of Terms

a) Acronyms

CCIS	County Climate Institutional Strengthening
CCRI	County Climate Resilience Investments
CCU	Climate Change Unit
CIDP	County Integrated Development Plan
FLLoCA	Financing Locally Led Climate Actions
GIZ	Deutsche Gesellschaft für internationalzusammenarbeit
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
Kshs	Kenya Shillings
NAWASCO	Nakuru Water Sewerage and Sanitation Company
NCCAP	Nakuru Climate Change Action Plan
NT	National Treasury
PCRA	Participatory Climate Risk Assessment
PFM	Public Finance Management
PIU	Project Implementation Unit
PSASB	Public Sector Accounting Standards Board
SEACAP	Sustainable Energy Access and Climate Action Plan
USD	United State Dollars
WB	World Bank

b) Glossary of Terms

Fiduciary Management FLLOCA	The key management personnel who had financial responsibility Program from the World Bank via the National government whose Objective is to deliver locally-led climate resilience actions and Strengthen County and National Governments' capacity to manage Climate risks.
Steering Committee	The committee at the Apex that coordinates and oversees climate Change response in the County as the Nakuru County Climate Change Act.
Planning Committee	The Committee that entails the technical committee members who are key in guiding best decisions and guidelines to tackle climate Change. The Planning Committee reports to Steering Committee.
Ward Planning Committee	The Committee at the ward level that identifies and Prioritizes actions to deal with identified hazards. The committee Reports to the Planning Committee.
Climate Change Unit	Serves as the secretariat of the Climate Change Steering Committee Unit and headed by the Director Climate Change.

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

2. Key Entity Information and Management
a) Background information

The Nakuru County Climate Change Fund is established under the Nakuru County Climate Change Act 2021 and operationalized by the Nakuru County Climate Change Fund Regulation 2022.

Article 46 stipulates as follows:

(1) There is hereby established the County Climate Change Fund to provide funding for priority climate change actions and interventions identified by communities and other stakeholders and approved by the Steering Committee.

(2) The Fund shall be vested in the department of Water, Environment, Energy, Climate Change & Natural Resources under the Directorate of Environment, Energy, Climate Change & Natural Resources. It is administered by the Steering Committee and managed by the Fund Administrator appointed by the Executive Committee Member for the time being in charge of the Department in consultation with the Executive Committee Member for the time being in charge of Finance & Economic Planning

The Fund's principal activity is to:

Provide funding for climate change activities identified in the County Climate Change Action Plan and County Climate Finance Framework and for connected purposes.

Principal Activities

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

- (a) Climate resilience assessments
- (b) Implementation of climate change response projects proposed by Ward Planning Committees and communities and approved by the Planning Committee
- (c) Priority county level climate change response projects approved by the Planning Committee
- (d) Climate change research and knowledge management in the county
- (e) Public education, sensitization and awareness creation on climate change and its impacts
- (f) Capacity building for staff of the county and other stakeholders to effectively respond to climate change
- (g) Monitoring, evaluation, reporting and learning on climate change response in the county
- (h) Any other projects, activities and interventions recommended by the Planning Committee and approved by the Steering Committee.

b) Principal Activities

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

- a) Climate resilience assessments.
- b) Implementation of Climate Change response projects proposed by Ward Planning Committees and approved by the Planning Committee.
- c) Prioritize County level Climate Change response projects approved by the Planning Committee.
- d) Climate change research and knowledge management in the County.
- e) Public education, sensitization and awareness creation on climate change and its impacts.
- f) Capacity building for staff of the county and other stakeholders to effectively respond to Climate Change.
- g) Monitoring, evaluation, reporting and learning on climate change response in the County.
- h) Any other projects, activities and interventions recommended by the Planning Committee and approved by the Steering Committee.

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

c) Board of Fund Administration Committee

		Position
1.	H.E. Susan Kihika	Chairperson
2.	H.E. David Kipkemoi Kones	Vice Chair
3.	Dr. Nelson Maara	Secretary
4.	Mr. S. Iribe Njogu	Member
5.	Mr. Leonard Bor	Member
6.	M/s Roseline Mungai	Member
7.	Mr. Joseph Kopejo	Member
8.	Mr. Njuguna Kamau	Member
9.	Julius Kilemba	Member
10.	M/s Mary Ondolo	Member
11.	Mr. Philip Ng'ok	Member
12.	Mr. Christopher Mwita	Member
13.	Mr. Kennedy Mungai	Member
14.	M/s Grace Karanja	Member
15.	CPA Joyce Lengopito	Member

d) Key Management Team

		Position
1.	H.E. Susan Kihika	Chairperson
2.	CS Joseph Malinda	Secretary
3.	Mr. Kennedy Mungai	Fund Administrator
4.	M/s Grace Karanja	Member
5.	CPA Joyce Lengopito	Fund Accountant

e) Fiduciary Oversight Arrangements

SN	Position	Name
1	Directorate Internal Audit	Mr. Timothy Mbatia
2	County Assembly Climate Change Committee	County Assembly

f) Registered Offices

P.O. Box 2870-20100
New Town Hall Building
Moi Road
Nakuru, Kenya

g) Fund Management Contacts

Telephone: (051)2214142
E-mail: info@nakuru.go.ke
Website: www.nakuru.go.ke

h) Fund Bankers

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

Family Bank
Family Towers Building
Muindi Mbingu Street
P.O BOX 74145-0200
Nairobi.

i) Independent Auditors

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

j) Principal Legal Adviser



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

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

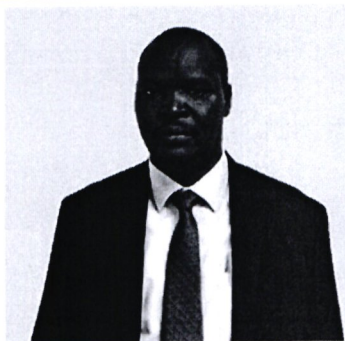
k) County Attorney

P.O. Box 2870-20100
New Town Hall Office
Moi Road,
Nakuru, Kenya.

3. Board of Fund Administration Committee

Name	Details of qualifications and experience
 <p>H.E Susan Kihika Chairperson. D.O.B:11/12/1974</p>	<p>H.E. Governor Susan Kihika was elected the Governor of Nakuru County during the Kenyan General Elections on 9th August 2022. She assumed office on 25th August after taking the oath of office.</p> <p>Prior to her election as Governor, Susan Kihika served as the second Nakuru County Senator. She held the post from August 2017 to August 2022. As a Senator, Susan Kihika served as the Majority Whip from September 2017 to May 2020 and was a member of the Senate Labour Committee until the end of her term.</p> <p>She carried out her oversight and representation role, always on the frontline, lobbying for the rights of those she represented. Between March 2018 and May 2021, Susan Kihika served as the President of the International Parliamentarians Union (IPU) League of Women Parliamentarians.</p> <p>From 2013 to 2017, she served in the first Nakuru County Assembly as Speaker where she oversaw the formulation of the County Laws and by-laws which set Nakuru County on the path to devolution. During her tenure as the Speaker, she was the Vice Chair of the County Assemblies Forum (CAF).</p> <p>H.E Governor Susan Kihika attended the University of Northern Texas in Denton, USA, where she graduated with a degree in Political Science and Government. She also holds a jurist Doctorate Law Degree from Southern Methodist University.</p> <p>Currently H.E Governor Susan Kihika is the Chairperson of the Climate Change Steering Committee.</p>
 <p>Hon. David Kipkemoi Kones Deputy Governor – Nakuru County Vice Chairperson</p>	<p>H.E. David Kipkemoi Kones holds a Bachelor’s Degree in Education from Egerton University and has served in various ranks as a teacher. He rose from being a classroom teacher to head of department before becoming a Deputy Principal and finally a School Principal. He has also served as a Chair of the Kuresoi South Kenya Secondary Schools Heads Association (KSSHA), Governing member of the Nakuru County KSSHA, Chair of the Cheptuech Vocational Training Center (VTC), Chair of Sot Tea Sacco Board – Olenguruone among other leadership within the community. He is also a highly trained Conflict resolution expert with a vast knowledge and experience.</p> <p>Hon. David Kipkemoi Kones is the Vice Chairperson of the Climate Change Steering Committee.</p>

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



Dr. Nelson. T Maara
 CECM- Water, Environment,
 Energy, Climate change and
 Natural Resources
 Secretary.
 D.O.B: November, 1970

Dr. Nelson Maara is a PhD holder in Natural Resource Management from Egerton University (2012).
 He also holds a M.Sc in Natural Resource Management from Egerton University (2002).
 Dr. Nelson Maara served as the Chief Officer in Nakuru County Government at the Department of Water, Environment, Energy and Natural Resources from 2013 to 2017.
 He is currently the CECM- Water, Environment, Energy, Climate change and Natural Resource.
 2000-2013- Lecturer, Egerton University
 Dr. Nelson Maara is a Member of the Climate Change Steering Committee.




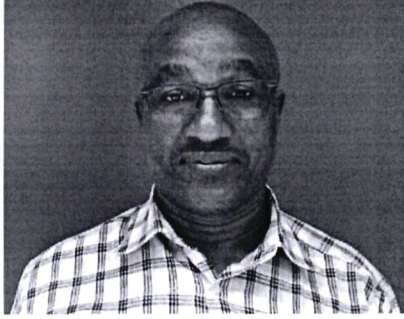
Mr. S. Iribe Njogu -CECM –Finance
 and Economic Planning
 D.o.B 20th June 1983

Mr S. Iribe Njogu holds an Associate of Science Degree from Kwame Nkuruma University of Science & Technology in Business Administration
 He also holds a Diploma in Applied Biology from Mombasa Polytechnic University College.
 He is a former Managing Director at XPD Limited Accra. Former CEO Soft Ventures East African Limited; Nakuru, Nairobi, Kampala.
 He has over 10 years’ experience in the private sector.
 He is currently the CECM Finance and Economic Planning.
 Mr. Iribe Njogu is a Member of the Climate Change Steering Committee.

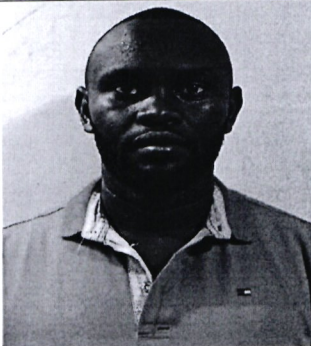



M/S Roselyne Mungai

Roselyn W. Mungai holds Msc in Organizational Development and a Bachelor’s degree in Communication and Community Development. She also holds post graduate certification in management, human rights, peace building and conflict management. Her work experience spans over twenty-eight (28) years in development program management, communication, refugee assistance, women’s rights, peace building and conflict transformation, institutional development, legislative development and devolution. She has worked with CARE International, Women and Law in East Africa, The Centre

<p>CECM - Health Services</p> <p>Member</p>	<p>for Conflict Research, The Refugee Consortium of Kenya, Oxfam GB, Pact, Act, The County Assemblies Forum and The State University of New York. She has also worked on the establishment and development of peace committees in arid and semi-arid districts of Kenya, and for serving on the official Kenya Government Delegation on the negotiation of Global Arms Trade Treaty at the United Nations in New York between 2002 and 2012. She was awarded Head of State Commendation (HSC) by His Excellency the President, Mwai Kibaki in December 2012.</p>
 <p>Mr Leonard Bor</p> <p>CECM -Agriculture, Livestock, Fisheries and Veterinary Services</p> <p>Member</p>	<p>Leonard Kipkoech Bor holds a Bachelor’s degree in commerce (Finance Option) from Kabarak University, with over ten years’ experience in the corporate world. Has been involved in financial analysis, forecasting and provision of comprehensive high quality commercial and accounting advisory services to different clientele. He is commercially oriented and passionate about philanthropy and has been involved in several youth mentorship and community programs in the County.</p>
 <p>Mr. Joseph Kopejo</p> <p>D.O.B 1971</p> <p>Member</p>	<p>Mr. Joseph Kopejo holds a MSc. In environmental Science He also holds BSc. In Range Management</p>

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

	<p>Mr. Christopher Mwita has a Master's in Public Health, Epidemiology & Disease Control, Disease Surveillance and Outbreak Investigations, Biostatistics, Project Management and Evaluation. (Maseno University) He holds a BSc Biochemistry from the university of Eldoret. He was a Sales Executive BuyHomes Limited. He was also a Medical Representative Pharma Specialities Pharmaceuticals Ltd. Currently he is the County occupational health and safety officer directorate occupational health & safety services. Currently Mr. Christopher Mwita is a member of the Climate Change Steering Committee.</p>
<p>Mr. Christopher Mwita DOB: 21ST JAN 1989 Member.</p>	
<p>Mr. Njuguna Kamau Member</p>	<p>Mr. Njuguna Kamau is an accountant by profession. He is the chairman chamber of commerce and industry in Nakuru County. He is also the Director East African Chamber of Commerce and Industry and agriculture representing Kenya. He is also the Director of Greep Kenya. Currently Mr. Njuguna Kamau is a member of the Climate Change Steering Committee.</p>



Mr. Philip Kipkurui Ng'ok

Member

D.O.B 28th Feb 1982

Mr. Kipkurui Ng'ok holds a Degree in Bachelor of Education Science (Kenyatta University).

He is the Executive Director Nakuru County Youth Bunge Forum.

He was the Program Manager *Tusome Initiative*.

Mr. Philip Kipkurui Ng'ok is currently Pursuing Masters in Development Studies. (St. Pauls University).

Currently he is a Member of the Climate Change Steering Committee.



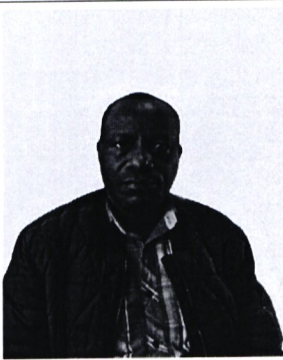
M/S Mary Chepkemai Ondolo

M/S Mary Chepkemai Ondolo is a Champion in Groots Kenya.

She is currently a Member of the Climate Change Steering Committee.

Nakuru County Climate Change Fund

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



Julius Kilemba
Member

Key Academic

Having a Master's Degree in Meteorology from Hankuk University of Foreign Studies in South Korea Working with Kenya Meteorological Department as a Meteorologist since July 1998 to date as the County Director

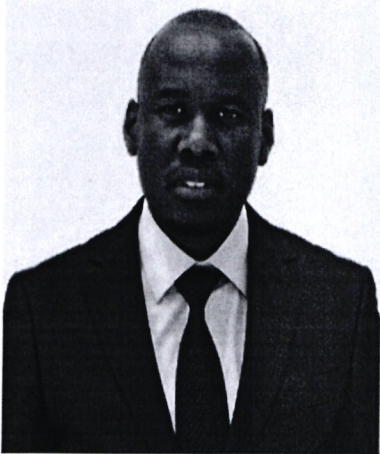


Currently he is a Member of the Climate Change Steering Committee.

4. Key Management Team

Name	Details of qualifications and experience
 <p>H.E Susan Kihika Chairperson. D.O.B:11/12/1974</p>	<p>H.E. Governor Susan Kihika was elected the Governor of Nakuru County during the Kenyan General Elections on 9th August 2022. She assumed office on 25th August after taking the oath of office.</p> <p>Prior to her election as Governor, Susan Kihika served as the second Nakuru County Senator. She held the post from August 2017 to August 2022. As a Senator, Susan Kihika served as the Majority Whip from September 2017 to May 2020 and was a member of the Senate Labour Committee until the end of her term.</p> <p>She carried out her oversight and representation role, always on the frontline, lobbying for the rights of those she represented. Between March 2018 and May 2021, Susan Kihika served as the President of the International Parliamentarians Union (IPU) League of Women Parliamentarians.</p> <p>From 2013 to 2017, she served in the first Nakuru County Assembly as Speaker where she oversaw the formulation of the County Laws and by-laws which set Nakuru County on the path to devolution. During her tenure as the Speaker, she was the Vice Chair of the County Assemblies Forum (CAF).</p> <p>H.E Governor Susan Kihika attended the University of Northern Texas in Denton, USA, where she graduated with a degree in Political Science and Government. She also holds a jurist Doctorate Law Degree from Southern Methodist University.</p>
 <p>Dr. Nelson. T Maara Fund Secretary. D.O.B: November, 1970</p>	<p>Dr. Nelson Maara is a PhD holder in Natural Resource Management from Egerton University (2012).</p> <p>He also holds a M.Sc in Natural Resource Management from Egerton University (2002).</p> <p>Dr. Nelson Maara served as the Chief Officer in Nakuru County Government at the Department of Water, Environment, Energy and Natural Resources from 2013 to 2017.</p> <p>He is currently the CECM- Water, Environment, Energy, Climate change and Natural Resource. 2000-2013- Lecturer, Egerton University</p> <p>Dr. Nelson Maara is a Member of the Climate Change Steering Committee.</p>

Nakuru County Climate Change Fund

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

	<p>Mr. Kennedy Barasa holds a Bsc. Fisheries and Aquatic Sciences degree from University of Eldoret. He Currently is undertaking Masters in Business Administration (Strategic Management) at Kabarak University.</p> <p>Previously, he worked as Board Member for Youth Affairs and Education in the NG-CDF, Molo Constituency.</p> <p>Currently, he is the Chief Officer for Environment, Energy, Natural Resources and Climate Change.</p>
<p>Kennedy Mungai Date of Birth: 21.01.1989</p>	
	<p>CPA Joyce Lengopito holds a Bachelor Degree in Finance from Kabarak University and Masters in Finance from Jomo Kenyatta University of Agriculture and Technology.</p> <p>She is a Certified Public Accountant (CPAK). She has previously worked at Nakuru County Government as Internal Auditor and payments examiner.</p> <p>She is currently the Fund Accountant Nakuru County Climate Change Fund (FLLoCA).</p>
<p>CPA. Joyce Lengopito Fund Accountant</p>	
	<p>M/s Grace Karanja Holds a BSC Environmental planning and management (Pwani University) Masters-Climate Change and sustainable development.</p> <p>She has Over 10 years' experience in Environmental planning and Management, Climate Change and Sustainable Development.</p> <p>She is currently the FLLoCA Project Cordinator</p>
<p>Grace Karanja Ag Director Climate Change and Energy</p>	

5. Fund/ Chairpersons Report

The Nakuru County Climate Change Fund is established under the Nakuru County Climate Change Act of 2021 and operationalized by the Nakuru County Climate Change Fund Regulations of 2022. Being a Public Fund, it derives its authority and accountability from section 116 of the Public Finance Management Act of 2012. The fund is wholly owned by the Nakuru County Government and vested in the department of Water, Environment, and Energy, Climate Change & Natural Resources under the Directorate of Environment, Energy, Climate Change & the Natural Resource.

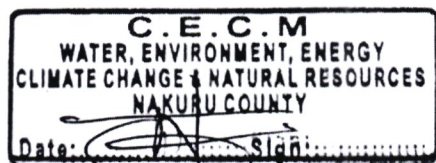
The main objective and purpose of the fund is to provide funding for climate change activities as identify in the Climate Change Action plan which include climate change resilient assessments, Climate change research and knowledge management, public education, sensitization and awareness creation on climate change on its impacts and implementation of climate change response projects proposed by ward planning committees and communities and approved by planning committees among others.

To implement this mandate, the County Government of Nakuru is committed to allocate at least 1.5% of County Equitable Development Budget to The County Climate Change Fund as stipulated in the Act as a counter funding to enhance the donor's support.

During the FY 2024/25, Nakuru County Climate Change Fund- Special Purpose Account was to implement a budget of **Kshs. 307,418,262.00**. This is inclusive of CCIS budget of **Kshs. 11,000,000.00** and **Kshs. 296,418,262.00** CCRIG. Disbursement of **Kshs. 188,211,085** from World Bank had not been received as at 30th June 2025.

During the FY 2024/ 25, **Ksh. 5, 477,838.65** and **Kshs. 50,962,287.20** were spent on CCIS and CCRIG respectively.

In conclusion, it is our commitment to enhance community resilience towards climate change and build their capacity to adapt and mitigate future climate change impacts; we call on the community to bear individual responsibility towards actions like adoption of clean energy solutions, climate-smart agriculture, water harvesting technologies and tree growing among others. Development partners and stakeholders are encouraged to actively participate in the supplementing government's efforts on combating climate change impacts.



Dr. Nelson Maara- Secretary Steering Committee

For H.E Susan Kihika

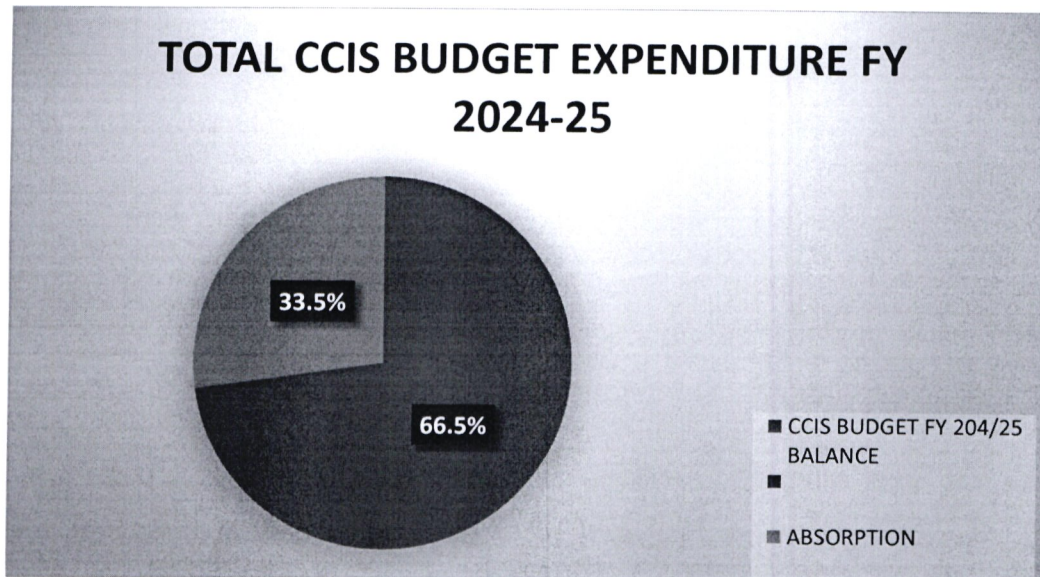
Chairperson,

Nakuru County Climate Change Fund Steering Committee

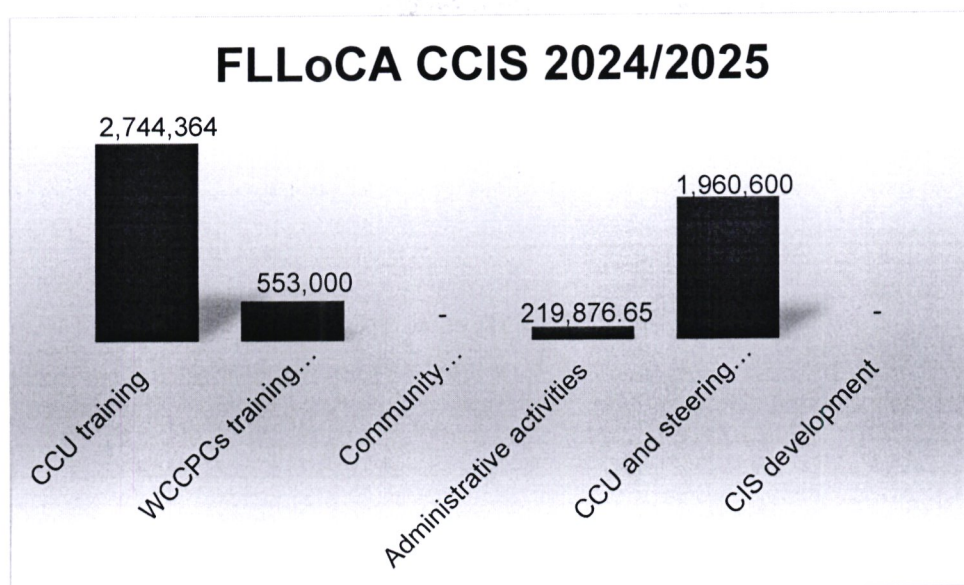
6. Report of the Fund Administrator

The Nakuru County Climate Change Fund provides funding for priority climate change actions and interventions identified by communities and other stakeholders and approved by the Steering Committee. The Fund is vested in the department of Water, Environment, Energy, and Climate Change & Natural Resources, administered by the Steering Committee and managed by the Fund Administrator appointed by the Executive Committee Member for the time being in charge of the Treasury in consultation with the Executive Committee Member

During the year under review the department had balance brought forward of **Ksh. 5,345,529.05** for CCIS allocation. The fund received an allocation of Ksh. **11,000,000** during FY 2024/25 hence a total allocation of ksh. **16,345,529.05**. CCIS Expenditure for the year was Ksh. **5,477,838.65** equivalent to **33.5%** on Use of goods and Services as illustrated below.



The graph below illustrates distribution of the FLLoCA CCIS expenditure as at 30th June 2025.



The Output achieved from the expenditure above includes capacity development of WCCPCs on their quarterly meetings, training of the CCU and steering committees on project implementation, GRM, and risk management as per in the approved work plan below.

Serial No	Name of Activity	Sub-Activities	Responsibility	Output	Output Indicator	Target as per Workplan	Budgeted Amount
							FLLoCA CCIS (KES)
1	Training of CCU Members	Training of the County Climate Change Unit on project implementation, GRM, Risk management	County Directorate of Environment, Energy, Natural Resources and Climate Change	CCU trained and capacity built	County CCU trained and capacity built	1	3,500,000
2	Continued Training and capacity building of WCCPCs	Training and capacity building of WCCPCs	County Directorate of Environment, Energy, Natural Resources and Climate Change	Improved governance, effective implementation of community projects	No of Climate Change Committees involved	55	3,500,000

Nakuru County Climate Change Fund

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

3	Community Engagement	Community engagement on climate change and implementation of climate change projects	County Directorate of Environment, Energy, Natural Resources and Climate Change	Improved governance, effective implementation of community projects	No of wards where community engagements are done	55	2,000,000
4	Administrative Activities (stationery, training materials and other workshop tools)	Administrative activities	County Directorate of Environment, Energy, Natural Resources and Climate Change	Enhanced service delivery	% of administrative activities achieved (budget absorption)	100	2,000,000
1	Training and Capacity Development	Training and capacity development of County Climate Change Steering Committee	County Directorate of Environment, Energy, Natural Resources and Climate Change	County Climate Change Steering Committee trained	County Climate Change Steering Committee trained	1	2,000,000
2	Development of County Climate Information System	Sourcing and engaging consultancy/ software developers to develop County climate information system	County Directorate of Environment, Energy, Natural Resources and Climate Change	County Climate Information System developed	County Climate Information System developed	1	1,500,000

Approved CCIS Work plan FY 2024/2025

Implementation Matrix for CCRI FY 2024/25

During the FY 2024/25, Nakuru County Climate Change Fund- Special Purpose Account was to implement a CCRI budget of **Kshs. 572,942,270.00**. This includes the 1st World bank disbursement of **Kshs.188, 211,085.00**, County Counter funding FY2024/25 of Kshs. 100,707,177 and a rolled over FY 2023/24 County counter funding of Ksh. 95,812,923.13. The budget allocation for FY 2024-25 of ksh. 188,211,085.00 from World Bank had not been disbursed as at 30th June 2025.

As per FLLoCA- CCRI guidelines, the County Directorate of Environment, Energy, Natural Resources and Climate Change received priority project proposals from WCCPCs. This was followed by projects screening and approval by the County Climate Change Planning and

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

Steering Committees. Implementation of FLLoCA projects commenced in FY 2024/25. The tables below show payment details for CCRI as at 30th June 2025.

Payment Details Between 01-Aug-24 And 30-June-25				
Class: Development Expenditure				
Voucher	Details Of Payments	Contractor	Payment Date	Amount
250000109	Being Payment For Proposed Desilting Of Stom Water Retention Pond	Denken Building And Construction Limited	01-Jul-24	3,240,354.85
250000163	Payment For Proposed Rehabilitation Of Koelel Water Pan In Eburru M,Baruk Ward In Gilgil Sub County	Tyfan Limited	23-Dec-24	3,166,233.80
250000169	Being payment for the construction ofwater harvesting water pan (100m3) at narasha village olkaria ward naivasha sub county	Nakuru County Development Account	23-Jan-25	1,525,316.55
250000168	Being Payment For The Construction Ofwater Harvesting Water Pan (100m3) At Narasha Village Olkaria Ward Naivasha Sub County	El-Malaso Enterprises Company Limited	23-Jan-25	1,231,620.65
250000173	Beingpayment For The Proposed Installation Of Solar Panels Pumping Unit, Construction Of 30m3 Tank And Pipeline At Meli Borehole In Elementaita Ward Gilgil Sub County.	Kalob Trading Company Limited	07-Feb-25	3,853,648.00
250000177	Being Payment For The Proposed Solarization And Equipping Of Tachasis Borehole Water Project In Mauche Ward Njoro Sub Ccounty	Strafield Contractors Limited	11-Feb-25	4,238,849.10
250000231	Being Re-Invoice Of Payment For The Proposed Construction Of A Water Pan Along Nyamathi River At Rianugu Area In Hells Gate Ward Naivasha Sub County	Sherlyn Holdings Limited	27-Feb-25	2,352,386.85
250000239	Being Payment For Proposed Rehabilitation Of Lions Garden In Bishara Ward Nakuru East Sub County	Dermerc Ventures Limited	25-Mar-25	10,841,390.00
250000109	Desilting of Storm Water Retention Pond	Denken Building And Construction Limited	17-Jan-25	559,495.15
250000159	Payment For Proposed Rehabilitation Of Koelel Water Pan In Eburru M,Baruk Ward In Gilgil Sub County	Tyfan Limited	23-Dec-24	546,697.10
250000246	Being Payment For Proposed Installation Of Solar Panels, Pumping Unit, Construction Of Water Kiosk And Laying Of Pipeline At Nyondia Green Valley Borehole In Malewa West Ward Gilgil Sub County	Megapro Engineering Limited	11-Apr-25	4,129,544.10

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250000255	Proposed Extension Of 3km From Nakuru-Nairobi Highway (Kikopey Area) To Kikopey Dispensary And Kiamaji In Gilgil Ward Gilgil Sub County	Everest Industries And General Supplies	12-May-25	4,689,921.65
250000261	Being 1st Payment for The Proposed Solar Power Installation and Equipping Of Borehole At Karogoye Water Project In Lare Ward Njoro Sub County	Taras Merchants Limited	20-Jun-25	3,871,574.40
250000278	Being Payment for Proposed Fencing, Solarization, 6km Pipe Laying from Chebaraa Borehole to Sororik, Obosi Sachangwan and Maziwa Area and Tree Growing In 5 Schools	High Glory Investments Limited	27-Jun-25	3,998,456.95
250000282	Being Payment for Proposed Borehole Drilling and Capping of Kapkembu Borehole Depth 210m In Tinet Ward Kuresoi South Sub County	Black Nites Services Limited	27-Jun-25	2,716,798.05
TOTAL				50,962,287.20

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

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 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 objectives of the CCIS Fund as per the annual work plan FY 2024/25 was to:

- a) *Training of the County Climate Change Unit on project implementation, GRM, Risk management*
- b) *Training and capacity building of WCCPCs*
- c) *Community engagement*
- d) *Development of County Climate Information System*
- e) *Training and capacity development of County Climate Change Planning and Steering Committees*

The table below illustrates the progress on attainment of Strategic development objectives

Serial No	Name of Activity	Sub-Activities	Output	Output Indicator	Target as per Workplan	Quarterly Achievement				Budgeted Amount FLLoCA CCIS (KES)	Actual cost of activity	Comment
						Q 1	Q 2	Q 3	Q 4			
1	Training of CCU Members	Training of the County Climate Change Unit on project implementation, GRM, Risk management	CCU trained and capacity built	County CCU trained and capacity built	15	0	0	15	0	3,500,000	2,744,363.8	Target achieved
2	Continued Training and capacity building of WCCPCs	Training and capacity building of WCCPCs	Improved governance, effective implementation of community projects	No of Climate Change Committees involved	55	13	5	0	7	3,500,000	553,000.4	In Q1 representatives of 8 WCCPCs trained on communication and Youth representatives of 5 WCCPCs trained in collaboration with ELCOY. In Q2 representatives of 5WCCPCs trained on nature-based solutions in collaboration with WWF. In Q4 representatives from 2 WCCPCs trained in collaboration with Fairtrade and representatives from 5 WCCPCs trained in collaboration with GBM

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3	Community Engagement	Community engagement on climate change and implementation of climate change projects	Improved governance, effective implementation of community projects	No of wards where community engagements are done	55	0	0	0	0	2,000,000		To be achieved in Next FY
4	Administrative Activities (stationery, training materials and other workshop tools)	Administrative activities	Enhanced service delivery	% Of administrative activities achieved (budget absorption)	100	0	0			2,000,000	219,874.65	Activity ongoing
TOTAL										11,000,000	3,517,238.90	
Rolled over activities from FY 2023/24 Workplan												
1	Training and Capacity Development	Training and capacity development of County Climate Change Planning and Steering Committees	County Climate Change Planning and Steering Committees trained	County Climate Change Planning and Steering Committees trained	2	1	0	1		2,000,000	1,960,599.6	Target achieved
2	Development of County Climate Information System	Sourcing and engaging consultancy/software developers to develop County climate information system	County Climate Information System developed	County Climate Information System developed	1	0	0	0		1,500,000	0	Participatory scenario planning done in collaboration with Kenya Met Department. CIS to be developed within the FY 2025/26
TOTAL										3,500,000	1,960,599.6	

Annual Progress of CCIS FY 2024/2025

County CCRIG will be utilised to implement projects received from WCCPCs proposals based on the PCRA and NCCAP findings, and as approved by the County Climate Change Planning and Steering Committees.

Tables A and B below shows details of projects implemented to completion and details of projects at implementation stage as at 30th June 2025 respectively.

Table A: Projects Implemented to completion as at 30th June 2025

S/No	Project Name	Ward	Contractor	Contract Sum (Awarded)	Source Of Funds	% Completion
1.	Proposed Rehabilitation of Lions Garden in Biashara Ward, Nakuru East Sub County.	Biashara ward	M/S Dermerc Ventures Ltd	10,841,390.00	CCRI-County Counter-Funding	100
2.	Proposed Installation of Solar Panels, Pumping Unit, Construction Of 30m3 Tank and Pipeline at Meli Borehole in Elementaita Ward, Gilgil Sub County.	Elementaita	M/S Kalob Trading Company Ltd	3,853,648.00	CCRI-County Counter-Funding	100
3.	Proposed Solarization and Equipping of Tachasis Borehole Water Project in Mauche Ward, Njoro Sub County	Mauche	M/S Strafield Contractors Limited	4,240,612.16	CCRI-County Counter-Funding	100
4.	Proposed Construction of a Water Harvesting Pan (100m3) At Narasha Village in Olkaria Ward, Naivasha Sub County.	Olkaria	M/S El-Malaso Enterprises Ltd	2,761,343.20	CCRI-County Counter-Funding	100
5.	Proposed Solar Power Installation and Equipping of Kimamoi Borehole Water Project in Soin Ward, Rongai Sub County.	Soin	M/S Masterprice Suppliers Limited	6,138,283.84	CCRI-County Counter-Funding	90
6.	Proposed Installation of Solar Panels, Pumping Unit, Construction of Water Kiosk and Laying of Pipeline at Nyondia Green Valley Borehole in Malewa West Ward, Gilgil Sub County.	Malewa west	M/S Megapro Engeering Limited	4,637,856.09	CCRI-County Counter-Funding	100
7.	Proposed Solar Power Installation and Equipping of The Borehole at Karagoye Water Project in Lare Ward, Njoro Sub County	Lare ward	M/S Taras Merchants Limited	4,933,680.33	CCRI-County Counter-Funding	100
8.	Proposed Rehabilitation of Mlango Tatu Water Pan in Eburru Mbaruk Ward Gilgil Sub County	Eburru Mbaruk	M/S Tyfan Limited	3,712,930.90	CCRI-County Counter-Funding	100
9.	Proposed Construction of a Water Pan Along Nyamathi River at Rianugu Area in Hells Gate, Naivasha Sub County.	Hell's gate	M/S Sherlyn Holdings Limited	2,764,593.20	CCRI-County Counter-Funding	100
10.	Proposed Kapselele spring rehabilitation through tree growing and fencing, construction of water kiosk, piping from Kiptagich water project to Kiptagich centre	Kiptagich	Gilecham Kenya Suppliers	3,935,537.04	FLLoCA	100
11.	Proposed fencing, solarization, repairing of the existing water access points at Kagisho borehole and 5Km pipe laying from Kagisho borehole to Gilgil Olkalau road	Murindat	Aquamax Drilling & Solar Solutions Ltd	7,175,700.00	FLLoCA	100
12.	Proposed solarization, pipelaying from Gwa Kirani borehole to Kandutura, Tuiyotich, Kimangu, Rongai schools Kware, Kapwen primary, secondary and Kandutura dispensary	Visoi	Pumuwa Ventures Limited	5,487,845.00	FLLoCA	100

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13.	Proposed fencing, construction of a 12M high steel water tower and installation of 2No. 10m ³ plastic water tank and 2.1 Km pipelaying from Kiambiriria water project	Turi	Aquamax Drilling & Solar Solutions Ltd	5,528,978.00	FLLoCA	100
14.	Proposed rehabilitation and restoration of Mireroni/Mbaruk river, tree nursery establishment and construction of a 50m ³ masonry tank	Lanet Umoja	Lithan Investment Limited	2,571,203.00	FLLoCA	100
15.	Proposed solarization, pumphouse, water kiosk construction and 5.6Km pipelaying from Gatongu water project	Subukia	Em Hech Investment Ltd	6,759,165.21	FLLoCA	100
16.	Proposed fencing, solarization and 6Km pipelaying from Chebaraa borehole to Sororik, Obosi, Sachangwan, Maziwa area and tree growing in 5No. Schools	Keringet	High Glory Investment Ltd	4,000,780.00	FLLoCA	100
17.	Proposed installation of water pump, solarization, 4Km pipelaying from Arutani borehole to Barafu areas, its environs and construction of a water tank	Solai	Pumuwa Ventures Limited	8,633,759.00	FLLoCA	100
18.	Proposed pipelaying of 3.5Km from Chesirikwa dispensary to Chesirikwa Primary, construction of 100M ³ masonry tank and afforestation of Chesirikwa catchment.	Nyota	Biroks Company Ltd	4,785,599.00	FLLoCA	100
19.	Proposed fencing, solarization, construction of a water kiosk and 1.5Km pipelaying from Kitoben borehole to Kitoben center.	Amalo	Dadam Investments Ltd	4,003,814.72	FLLoCA	100
20.	Proposed conservation and protection of Davishon dam by erecting a live fence (Agave Eggersiana and Euphobia species) aquatic plants and installation of Langstroth beehives.	Kihingo	Strafield Contractors Ltd	5,657,738.83	FLLoCA	100
21.	Proposed drilling and capping of Kapkembu borehole depth 210M.	Tinet	Blacknites Services Ltd	3,010,700.00	FLLoCA	100
22.	Proposed integrated water harvesting, climate smart agriculture with greenhouse initiatives and establishment of sustainable tree nursery at Muguga health centre.	Nakuru East	M/S Denken Building & Construction Limited	6,457,118.50	FLLoCA	100
23.	Proposed sustainable riparian protection and conservation of 3km Muro river through growing assorted bamboo, fruit tree, assorted indigenous trees and tree nursery establishment.	Elburgon	M/S Macnan Limited	3,980,136.48	FLLoCA	100
24.	Proposed protection and conservation of River Ndarugu riparian (5Km from Kenyatta Bridge to Piave area).	Njoro	Rimwat Holdings Limited	3,536,072.27	FLLoCA	100
25.	Proposed installation of solar, fencing, 2.1km piping from Mlima Ugali borehole and construction of a water kiosk at Barut Market.	Barut	Denken Building and Construction Limited	5,049,736.73	FLLoCA	100

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26.	Proposed extension of 3Km pipework from Nakuru-Nairobi Highway (Kikopey Area) to Kikopey dispensary and Kiamaji Areas.	Gilgil	Everest Industries & General Supplies Limited	5,499,705.97	FLLoCA	100
27.	Construction of 2no water kiosks at Olrongai secondary school and market center, 4.5km piping of Olrongai water project from borehole site to Olrongai secondary school and Olrongai market centre	Menengai west	Em hech investment limited	5,964,713.60	FLLoCA	100
Total				135,922,641.07		

Projects implemented to completion as at 30th June 2025

Table B: Projects at Implementation stage as at 30th June 2025

S/NO.	Project Description	Sub County	Ward	Contracted Sum	Contractor/ Supplier	Comment
1.	Proposed solarization, equipping, piping and tree nursery establishment of Thayu water project	Bahati	Kabatini	7,941,626.82	Everest Industries & General Supplies Ltd	Implementation ongoing
2.	Proposed assorted indigenous fruit trees and bamboo propagation, protection and conservation of Njoro river riparian of 3.5Km from Sigoan village to Nessuit Center.	Njoro	Nessuit	3,282,360.53	Taigon Enterprises Ltd	Implementation ongoing
3.	Proposed establishment of an agricultural aggregation centre at Baringo Farm.	Kuresoi North	Sirikwa	7,896,437.86	Redfin Kenya Limited	Implementation ongoing
4.	Proposed establishment of a tree nurse, vertical garden and 8.3Km pipelaying from Kahuru borehole to Mwangaza, Rutere and Wirugamie area.	Naivasha	Biashara	7,276,484.50	Triyan General Supply Limit5ed	Implementation ongoing
5.	Dam excavation, partial desilting solarisation, construction of water kiosk, cattle trough, fencing, installation of 10m3 plastic tank and pump construction at Maraigushu dam	Naivasha	Naivasha East	9,765,891.34	Two D&M Contractors and General Supplies	Implementation ongoing
6.	Proposed Construction of a 10m3 underground tank, construction of a water kiosk, equipping and solarization of, construction of a water point, rehabilitation of the existing water trough- Kiboko spring	Kuresoi North	Kamara	5,389,319.00	Jozkim	Implementation ongoing
7.	Establishment of 50 tonne a	Kuresoi North	Kiptororo	12,738,399.00	Hanse	Implementation

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	potato eco - cool harvest hub				Agrostores Africa Ltd	ongoing
8.	Installation of improved cook stoves and their accessories to promote clean energy solutions at Kimathi primary, Lake View primary schools and Alms house, establishment of a kitchen garden and sustainable tree nursery at Kimathi primary, Lake View primary and Alms house and integrated water harvesting techniques through installation of gutters and rain water goods at Alms house	Nakuru Town East	Kivumbini, Flamingo	7,888,987.03	Vimarge Dynasty	Implementation ongoing
9.	Installation of institutional improved cookstoves and their accessories to promote clean cooking solutions at London, Rhonda, Kaptembwo and Shabaab wards, establishment of sustainable tree nursery and restoration initiatives along 1.5km of river Ndarugu, installation of water harvesting techniques at Mwariki comprehensive school.	Nakuru Town West	London, Rhonda, Kaptembwo and Shabaab	12,939,384.21	Bleen Company Ltd	Implementation ongoing
10.	Installation of institutional improved cook stoves and there accessories to promote clean energy solutions in the following primary schools and ECDE's at Menengai Hill , Central , Baraka, Nakuru Workers , St Peters, Kagoto , Rurii	Bahati	Kiamaina	4,156,951.00	Artbuild Concepts Ltd	Implementation ongoing
11.	Borehole equipping, solarization, rising main to tank, distribution and piping at Matangi Kenda water project	Bahati	Bahati	6,369,224.00	Nevana Enterprises Ltd	Implementation ongoing
12.	Restoration of Baharini dam through tree planting, tree nursery establishment, pipe laying, intake repair and fencing	Subukia	Waseges	7,172,736.74	Babuye Investent Ltd	Implementation ongoing
13.	Restoration of 3km Mbaruk, Mireroni river riparian area from Mai Mahiu to kwa dam by growing assorted tree species and construction of intake at Maai Mahiu spring, piping and installation of improved cook stoves in 2no primary schools and ECDE's	Bahati	Dundori	8,385,169.02	Three Eighteen Solutions Ltd	Implementation ongoing

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14.	Construction of 100m ³ masonry tank at Atebwo area, equipping, solarization and 3.9km piping from Gakwen borehole to Sumek and IDP areas.	Rongai	Mosop	16,316,150.00	Marton Agencies Ltd	Implementation ongoing
15.	25km Muniu pipeline extension and steel tank construction and its accessories	Naivasha	Maai Mahiu	24,757,910.09	Apam Supplies Ltd	Implementation ongoing
16.	Construction of an elevated 150m ³ steel pressed tank and its accessories	Naivasha	Lakeview	8,230,394.78	Kalyeetbaibai Investment Ltd	Implementation ongoing
17.	Proposed installation of solar panels at new Ingoboor borehole, fencing of solar area, construction of communal water point , installation of 2no plastic water tanks, pipe laying , tree growing initiatives and establishment of a tree nursery at Ingoboor primary school	Nakuru Town West	Kapkures	5,300,923.32	Lareen Supplies	Implementation ongoing
18.	Fencing, steel tank stand installation, piping at Maji Mingi water project, borehole pump replacement at Metta borehole and restoration and conservation at Sururu forest	Njoro	Mau Narok	14,605,328.00	Nevanah Enterprise	Implementation ongoing
19.	Borehole equipping, solarization, rising main to tank, construction of 50m ³ masonry storage tank and communal water point at Ndoswa water project	Molo	Marioshoni	7,469,396.00	Goldbon	Implementation ongoing
20.	Rehabilitation of Tayari spring in molo ward, molo subcounty	Molo	Molo	4,773,760.69	Tigirgir	Implementation ongoing
21.	Proposed installation of a biodigester at Naivasha Comprehensive school.	Naivasha	Viwandani	1,106,698.81	Kenzel Investment	To be readvertised
Total				183,763,532.74		

8. Corporate Governance Statement

- **The number of Board meetings held and the attendance to those meetings by members.**

The Steering Committee shall meet at least once every quarter in each financial year. The County Climate Change Steering Committee have met twice during the year and approved proposed projects.

The Chairperson of the County Climate Change Steering Committee who is the Governor chaired a cabinet meeting to approve the PCRA, NCCAP, and work plan. “Induction of WCCPCs with the County Planning and Steering committee was achieved and approved projects validated.

- **Succession plan**

According to the Nakuru County Climate Change Act 2021, non- appointed members of the County Climate Steering Committee are in existence as long as they are bearers of the office they represent.

- **Process of appointment and removal from the board.**

As guided by the Nakuru County Climate Change Act 2021 Part II Article 8, 9, & 10 on

Approval of appointments by the County Governor: 8 Names of persons nominated for appointment under section 7(2)(i), (j), (k) and (l) shall be presented to County Governor for approval of appointment.

- **Term of the Steering Committee**

Members of the Steering Committee appointed under section (7)(1)(i), (j), (k) and (l) shall serve for a one, non-renewable term of five years.

- **Removal of Member of the Steering Committee**

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

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

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

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

(c) Gross misconduct;

(d) Physical or mental incapacity; or

(e) Bankruptcy;

(3) A person who is a member of the Steering Committee by virtue of his or her office under section 7(2) (a), (b), (c), (d), (e), (f), (g) or (h) shall cease to be a member of the Committee upon being transferred from the county or ceasing to hold that office.

(4) A person who is a member of the Steering Committee under section 17(2) (i), (j), (k) or (l) shall cease to be a member of the Committee upon ceasing to be a member of the interest group or upon being recalled by the interest group for good cause and through a written communication from an authorized official of the interest group to the chairperson of the Committee.

(5) Whenever a member of the Steering Committee is removed or otherwise ceases to be a member of the Committee, the Executive Committee Member for the time being in charge of Climate Change shall advise, propose a replacement to the Governor within 30 days of the vacancy.

- **Roles and functions of the Board**

The Steering Committee shall coordinate and oversee climate change response in the county, and in this connection shall—

(a) Ensure mainstreaming of climate change into county planning and development processes;

(b) Coordinate formulation and monitor implementation of the County Climate Change Action Plan, County Climate Finance Framework and any other county climate change policies, plans and strategies;

(c) Mobilize funds into and administer the County Climate Change Fund established under this Act;

(d) Review, approve and monitor implementation of Regulations for administration and management of the Fund;

(e) Review and make recommendations on the biennial report on implementation of the County Climate Change Action Plan and any other reports on climate change response interventions in the county;

(f) Advise the county Government on legislative, policy and other measures necessary for climate change response and attainment of low carbon climate resilient development;

(g) Approve and oversee the implementation in the county of a comprehensive programme of climate change education, awareness creation and capacity building;

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(h) Provide policy direction on research, training and dissemination of information relating to climate change to the public and other stakeholders the county;

(i) ensure positive linkages, interactions and synergy between the county, neighbouring counties and the national government in climate change response programming and action;

(j) Ensure a coordinated approach to climate change response programming and action within the county government, between the county government and national government, and among the different stakeholders in the County;

(k) coordinate the formulation of a climate change reporting framework, and the preparation and dissemination of an annual report on climate change response activities in the County; and

(l) Perform any other functions that may further the foregoing objectives and/or may be assigned by the Governor.

- **Induction and training,**

Plans on induction and training are underway.

- **Board and member performance,**

Members of the steering committee are expected to:

- ✓ Ensure execution of all climate change actions mainstreamed in CIDP within their departments.
- ✓ Adopt approved project proposals from the County Climate Change Planning Committees.

- **Conflict of interest,**

A member of the steering committee who has an interest in any business before the committee and is present at the meeting shall as soon as it is reasonable, declare his or her interest and shall thereupon be excused from the meeting and not take part in the consideration or discussion of the matter.

- **Board remuneration**

Members of the steering committee and the planning committee shall be paid allowances in accordance with guidelines from the salaries and remuneration commission.

- **Ethics and conduct as well as governance audit.**

The committee is expected to observe expectations of Chapter Six of the Constitution of Kenya (Leadership & Integrity). The National Values and Principles of Governance binds the committee members as scheduled in Article 10 of the Constitution.

9. Management Discussion and Analysis

During the FY 2024/25, Nakuru County Climate Change Fund- Special Purpose Account was to implement a budget of Kshs. 589,287,799.05. This is inclusive of CCIS budget of Kshs 16,345,529.05 and Kshs. 572, 942,270 CCRIG. The budget allocation for FY 2024-25 of ksh. 188,211,085.00 from World Bank had not been disbursed as at 30th June 2025.

During the FY 2024-25, Ksh. 5, 477,838.65 and Kshs. 50,962,287.20 were spent on CCIS and CCRIG respectively. Detailed discussion on implementation of key projects and investments are discussed in section 6, 7 & 8 of this document

Implementation of the fund is in compliance with the Public Finance Management Act 2012, Nakuru County Climate Change Act 2021 & Public Procurement & Assets Disposal Act 2015.

The Nakuru County Climate Change Fund faces several risks, including financial risks such as delayed exchequer releases, underfunding, and pending bills; operational risks like limited technical capacity, and poor stakeholder coordination; and environmental risks arising from extreme weather events and unpredictable climate variability.

Implementation of the Fund in the FY 2024-25 did have material arrears in statutory and other financial obligations.

10. Environmental and Sustainability Reporting

1. Sustainability strategy and profile -

The County Government of Nakuru through the Directorate of Environment, Energy, Climate Change and Natural Resources is committed to sustainable efforts, broad trends in political and macroeconomic affecting sustainability priorities, reference to international best practices and key achievements with respect to environmental conservation and climate change mitigation. Some of those efforts include:

- a) Financial Efforts: Commitment of the County Government of Nakuru in budget appropriations that is allocation of at least 1.5% of development budget towards climate change actions.
- b) Activities: Alongside our budget commitment, the Directorate of Environment, Energy, Climate Change and Natural Resources has mapped different development partners to participate in core activities like access to green energy, capacity development (staff and community), greening and beautification, tree growing and solid waste management.

2. Environmental performance

- a) **Solid waste management;** The Directorate of Environment, Energy, Climate Change and Natural Resources through its efforts in ensuring quality service delivery towards its core mandate on ensuring clean and health environment has continued to spread its wings matters solid waste management all over the county. The Directorate has adopted the Integrated Solid Waste Management model which is guided by the following four

strategy goals: Protection of public health, Reduction of poverty, Reduction of waste management cost and Protection of the environment. The guiding principle is zero waste principal (waste is a resource that can be harnessed to create wealth, employment and reduce pollution of the environment using the Integrated Solid Waste Management Approach. Reduce, reuse, recycle and recover is the cornerstone of most waste minimization strategic in an effort to attain Green and circular Economy. The Directorate has ensured that Nakuru County has adopted the circular economy through promotion of waste recovery approaches, this has enhanced waste collection and disposal thus improved aesthetics status of our urban areas, and reduction of waste going to our disposal sites. The Directorate has also ensured capacity building of county government staff and engagement of 500 casual workers, enhanced enforcement and compliance monitoring, Continuous disposal sites management and finally rigorous Environmental Education and awareness (Clean-up exercises in our Lakes ecosystems and other areas)

- b) **Tree planting, Greening and Beautification;** The Directorate managed to grow 131,958 number of trees of various species within the County, under climate change mitigation, project, and normal tree growing programmes with partners contribution for the purpose of increasing forest cover within FY 2024/25. The Directorate has also embarked on Maintenance of County parks i.e., Lions Garden and beautification of open spaces. The Directorate has partnered with various partners in beautifying the County's urban areas including the city's roundabouts, road medians, and other open spaces especially in Nakuru and Naivasha. This is to give them a facelift, create more carbon sinks and increase gentrification all geared towards combating Climate change. The rigorous efforts of rehabilitating the County designated disposal sites e.g., rehabilitation of Gioto disposal site and securing Naivasha disposal site is a success story.
- c) **Pollution control;** The Directorate has continued to execute her mandate in matters noise and excessive vibrations pollution control and the sector is ensuring compliance and continuous monitoring. The same function has enhanced revenues realized in the Department thus supporting other revenue sources to meet the set target. The Directorate has also been able to undertake continuous partial desilting of storm water retention pond to enhance its functionality towards pollution control into Lake Nakuru as well as ensuring water, air, land and other nuisances monitoring through established Enforcement and Compliance Unit at the Environment headquarters. Several compliance achievements have been realised including number statutory notices issued and complied with and court cases prosecuted. The area of priority has been ensuring abatement of pollution acts such as, waste water discharge in the open, illegal dumping among others.
- d) **Policy formulation;** Key formulated laws and policies guiding the environmental and sustainability management includes Nakuru County Waste Management Act 2021, Nakuru County Climate Change Act 2021, Nakuru County Climate Change Fund Regulations, SEACAP, Nakuru County Strategy, and County Energy Plan. The Directorate has also seen the establishment of climate change champions drawn from

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various departments with aim of mainstreaming climate actions and green building technology into departmental plans and programmes.

- e) **Air Quality Monitoring:** The Directorate has continued to monitor air quality within the city by installing 8 no. Air Quality Sensors in strategic places (Nyayo Gardens, NAWASCO, Nakuru Athletics Club, Nakuru Girls, Golden Life Mall, Kingdom Seekers Fellowship, Nakuru Level 6 Hospital, and Environment Offices), which informs decision making on city wellbeing.
- f) **Promotion of Green Energy Solutions:** the Directorate has continued to promote green energy solutions mainly with support from partners such Practical Action, GIZ and SEAK. With GIZ we are in the process of conducting Energy Audit for County owned facilities and 17 No. have been earmarked to benefit and later being installed with Solar Energy.
- g) **Climate Change:** The Directorate has operationalized the Nakuru County Climate Change Act 2021 by formation of three level committees, capacity development on PCRA and NCCAP of 55 No. Wards. The Department has completed Induction/training of the 55 No. WCCPCs Countywide and training of the Members of County Assembly (Environment Committee).

3. Employee welfare

The County Government of Nakuru is committed towards ensuring effective recruitment and selection of employees in order to realize its development agenda and satisfy legal requirements. The Constitution, 2010, County Government Act, 2012 and the Employment Act, 2007 provides fundamental principles/rules that need to be adhered to by County Governments in undertaking employment practices.

The Directorate of Environment, Energy, Climate Change and Natural Resources Complies with the Kenya Occupational Health and Safety Act 2007 (OSHA) that provides for the health, safety and welfare of persons employed, and all persons lawfully present at workplaces and related areas such as location, vessel, land where a worker is in the course of employment

4. Market place practices-

The Directorate maintains its efforts to:

- a) Ensure Responsible competition practice with issues like anti-corruption, responsible political involvement, fair competition and respect for competitors
- b) Ensure responsible Supply chain and supplier relations by mainstreaming, promotion of Local Content as well as honouring contracts and respecting payment practices.
- c) Ensure responsible marketing and advertisement
- d) Ensure product stewardship by safeguarding consumer rights and interests

5. Corporate Social Responsibility / Community Engagements

The directorate involves community participation through awareness creation workshops, capacity building, identifying development priorities, monitoring and evaluation, receiving feedback and implementing community recommendations.

The directorate ensures majority of casuals engaged in environmental management are local residents. Additionally, the Directorate ensures 40% of tenders awarded promotes local content.

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11. Report of the Board Committee

The Board submit its report together with the financial statements for the year ended June 30, 2024 which show the state of the Fund affairs.

Principal activities

The principal activities of the Fund are to;

- a) *Develop Nakuru County Participatory Climate Risk and Vulnerability Assessment.*
- b) *Community participation/ consultations on climate action and resilience.*
- c) *Review of the Nakuru County Climate Action Plan.*
- d) *Research data on Climate information and reporting platform.*
- e) *Training and Capacity Development.*
- f) *Procurement of equipment and office furniture for CCU.*
- g) *Operationalization of activities at the CCU.*

Results

The results of the Fund for the year ended June 30, 2024 are set out on page XVIII and XIX

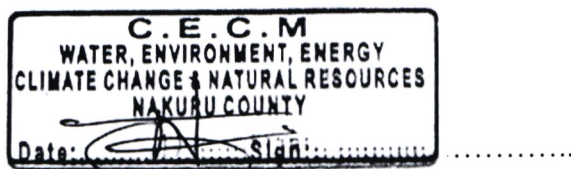
Board Committee

The members of the Board Committee who served during the year are shown on page IX. There were no changes in the Board during the financial year.

Auditors

The Auditor General is responsible for the statutory audit of the Fund in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 or any other Certified Public Accountants nominated by the Auditor General to carry out the audit of the Nakuru County Directorate of Environment, Energy, Climate Change and Natural Resources for the year ended June 30, 2024 in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board



Chair of the Board/Fund Administration Committee

Date:

Nakuru 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 *Nakuru County Climate Change Act and Regulation 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, 2024. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Fund; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Fund; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

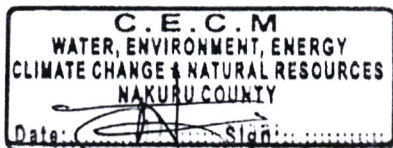
The Administrator of the County Public Fund accepts responsibility for the Fund’s financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and Nakuru County Climate Change 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. OR

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

Approval of the financial statements

The Fund’s financial statements were approved by the Steering Committee on 11/07/ 2025 and signed on its behalf by:



Dr. Nelson Maara- Secretary Steering Committee

For H.E Susan Kihika

Chairperson,

Nakuru County Climate Change Fund Steering Committee

REPUBLIC OF KENYA

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Nakuru County Climate Change Fund set out on pages 1 to 44, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Nakuru County Climate Change Fund as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Nakuru County Climate Change Act, 2021 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Misclassification of Expenditure

The statement of financial performance reflects use of goods and services of an amount of Kshs.56,440,127 which includes an amount of Kshs.50,962,287 in respect of other (CCRIG) and as disclosed in Note 12 to the financial statements. However, review of the supporting schedules provided for audit revealed that amount totaling to Kshs,50,962,287 was in respect of procurement of development services which included rehabilitation and constructions of water pans and harvesting water pans and installation of solar panels for water pumping units and rehabilitation of lion's garden in Biashara ward among other development services which were wrongly classified as use of goods and services.

In the circumstances, the accuracy and completeness of use of goods and services of an amount of Kshs.50,962,287 for the period ending 30 June, 2025 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final income budget and actual on comparable basis of amounts of Kshs.307,418,262 respectively. Further, the Management spent an amount of Kshs.56,440,127 against an actual receipt of Kshs.307,418,262 resulting to under-utilization of Kshs.250,978,135 of the actual receipt. Further, the explanatory Notes to the statement were omitted contrary to the requirements of Section 164 (2) (a) of the Public Finance Management Act, 2012 which states that the

Accounting Officer shall include in the financial statements appropriation accounts showing a statement explaining any variations between the actual expenditure and the sums voted.

The under-utilization affected the planned activities and may have impacted negatively on the delivery of services to the public and Management was in breach of the law.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matter

In the audit report of the previous year, several issues were raised under the Report on the Financial Statements and Report on Effectiveness of Internal Controls, Risk Management and Governance as per the attached **appendix I**. However, Management had not resolved the issues as at 30 June, 2025.

Other Information

The Fund Management is responsible for the Other Information set out on page v to xl which comprise of Key Entity Information and Management, Board of Fund Administration Committee, Key Management Team, Fund/Chairpersons Report, Report of the Fund Administrator, Statement of Performance against the County Fund' Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Board Committee, Statement of Management's Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Fund's, financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this Other Information and I am required to report that fact. Based on the audit procedures performed and the matters described in my Basis for Qualified Opinion, I confirm that Other Information is not materially inconsistent with the financial statements.

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 conclusion 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, I confirm that nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effect of the matter described in the Basis for Conclusion on 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

Lack of Fraud Policy and Risk Management Strategies

The Fund did not have in place a fraud management policy to assist in detecting and preventing fraud during the year under review. Further, Management did not have a risk management policy or strategy in place and therefore, had no approved processes and guidelines on how to mitigate operational, legal and financial risks.

In the absence of a risk management policy, the Fund may not recover from any unforeseen disaster.

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 to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Fund or 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

13 November, 2025

Appendix I

Qualified Opinion

1. Unsupported Use of Goods and Services
2. Inaccuracy of Cash and Cash Equivalents
3. Variance Between the Statement of Financial Position and the Statement of Changes in Net Assets

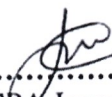
**Nakuru County Climate Change Fund
Annual Report and Financial Statements for the year Ended June 30, 2025**

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

Description	Note	2024/2025	2023/2024
		Kshs	Kshs
Revenue From Non-Exchange Transactions			
Public Contributions and Donations	6	-	-
Transfers From the County Government	7	307,472,462.80	66,008,400.00
Fines, Penalties and Other Levies	8	-	-
		307,472,462.80	66,008,400.00
Revenue From Exchange Transactions			
Interest Income	9	-	-
Other Income	10	-	-
		-	-
Total Revenue		307,472,462.80	66,008,400.00
Expenses			
Employee Costs	11		
Use of goods and services	12	56,440,126.80	11,377,153.95
Depreciation and Amortization Expense	13	-	-
Finance Costs	14	-	-
Total Expenses		56,440,126.80	11,377,153.95
Other Gains/Losses			
Gain/Loss on Disposal of Assets	15	-	-
Gain /Loss on fair value of investments	16	-	-
Surplus/(Deficit) for the Period		251,032,336.00	54,631,246.08



.....
Name: Kennedy Mungai
Designation: Fund Administrator



.....
Name: CPA Joyce Lengopito
Designation: Fund Accountant
ICPAK Member Number: 21912

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

15. Statement of Financial Position as at 30 June 2025

Description	Note	2024/2025	2023/2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	17	344,698,588.00	93,666,252.05
Current Portion of Long- Term Receivables From Exchange Transactions	18	-	-
Prepayments	19	-	-
Inventories	20	-	-
Investments in financial assets	21	-	-
Total current assets		344,698,588.00	93,666,252.05
Non-Current Assets			
Property, Plant and Equipment	22	-	-
Intangible Assets	23	-	-
Long Term Receivables from Exchange Transactions	18	-	-
Investment Property	24	-	-
Total non- current assets		-	-
Total Assets(A)		344,698,588.00	93,666,252.05
Liabilities			
Current Liabilities			
Trade and Other Payables from Exchange Transactions	25	-	-
Current Provision	26	0	0
Current Portion of Borrowings	27	0	0
Employee Benefit Obligations	28	0	0
Social benefit liabilities	29	0	0
Total current liabilities		-	-
Non-Current Liabilities			
Non-Current Provision	26	-	-
Long Term Portion of Borrowings	27	-	-
Non-Current Employee Benefit Obligation	28	-	-
Social benefit liabilities	29	-	-
Total Non-Current Liabilities		-	-

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

Total Liabilities(B)		-	-
Net Assets(A-B)		344,698,588.00	93,666,252.05
Represented By:			
Revolving Fund		-	-
Reserves	-	-	-
Accumulated Surplus		344,698,588.00	93,666,252.05
Net Assets		344,698,588.00	93,666,252.05

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 30/03/2025 and signed by:



.....
Name: Kennedy Mungai
Designation: Fund Administrator



.....
Name: CPA Joyce Lengopito
Designation: Fund Accountant
ICPAK Member Number: 21912

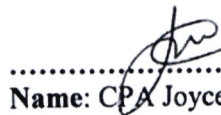
*Nakuru County Climate Change Fund
Annual Report and Financial Statements for the year ended June 30, 2025*

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

Description	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
		Kshs	Kshs	Kshs
Balance As At 1 July 2023	-	-	39,035,006.00	39,035,006.00
Surplus/(Deficit) For the Period	-	-	54,622,846.05	54,622,846.05
Funds Received During the Year	-	-	-	-
Transfers	-	-	8,400.00	8,400.00
Revaluation Gain	-	-	-	-
Balance As At 30 June 2024	-	-	93,666,252.05	93,666,252.05
Balance As At 1 July 2024	-	-	93,666,252.05	93,666,252.05
Surplus/(Deficit) For the Period		-	251,032,336.00	251,032,336.00
Funds Received During the Year	-	-	-	-
Transfers	-	-	-	-
Revaluation Gain	-	-	-	-
Balance As At 30 June 2025	-	-	344,698,588.00	344,698,588.00



.....
Name: Kennedy Mungai
Designation: Fund Administrator



.....
Name: CPA Joyce Lengopito
Designation: Fund Accountant
ICPAK Member Number: 21912

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

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

Description	Note	2024/2025	2023/2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Public contributions and donations		-	-
Transfers from the county government		307,472,462.80	66,000,00.00
Interest received		-	-
Receipts from other operating activities		-	-
Total receipts		307,472,462.80	66,000,00.00
Payments			
Fund administration expenses		-	11,377,153.95
General expenses		56,440,126.80	-
Finance cost			
Other payments (Bank Charges)			
Total Payments		56,440,126.80	11,377,153.95
Net cash flows from operating activities		251,032,336.00	54,622,846.05
Cash flows from investing activities			
Purchase of property, plant, equipment and Intangible assets			
Proceeds from sale of property, plant& equipment		-	-
Proceeds from loan principal repayments		-	-
Loan disbursements paid out		-	-
Net cash flows used in investing activities		-	-
Cash flows from financing activities			
Proceeds from revolving fund receipts			
Additional borrowings		-	-
Repayment of borrowings		-	-
Net cash flows used in financing activities		-	-
Net increase/(decrease)in cash & cash Equivalents		251,032,336.00	54,634,271.05
Cash and cash equivalent as at 1 st July 2024		93,666,252.05	39,035,006.00
Cash and cash equivalent as at 30 June 2025		344,698,588.05	93,666,252.05



.....
Name: Kennedy Mungai
Designation: Fund Administrator



.....
Name: CPA Joyce Lengopito
Designation: Fund Accountant
ICPAK Member Number: 21912

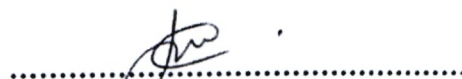
*Nakuru County Climate Change Fund
Annual Report and Financial Statements for the year ended June 30, 2025*

18. Statement of Comparison of Budget and Actual Amounts for Period Ended 30 June 2025.

Description	Original budget	Adjustments	Final budget	Actual on Comparable basis	Performance difference	% Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	b	C=(a+b)	d	e=(c-d)	f=d/c*100
Revenue						
Public Contributions and Donations	-	-	-	-	-	
Transfers From County Govt.	188,211,085.00		188,211,085.00	188,211,085.00	-	-
Interest Income		-			-	
Other Income(county Contribution)	119,207,177.00		119,207,177.00	119,207,177.00	-	-
Total Income	307,418,262.00		307,418,262.00	307,418,262.00	-	-
Expenses						
Fund Administration Expenses		-			0	
General Expenses	307,418,262.00	-	307,418,262.00	56,440,126.85	250,978,135.15	18.4%
Finance Cost		-			-	
Total Expenditure	307,418,262.00	-	307,418,262.00	56,440,126.85	250,978,135.15	18.4%
Surplus For the Period	-	-	-	250,978,135.15	(250,978,135.15)	-
Capital expenditure	-	-	-	-	-	-



.....
Name: Kennedy Mungai
Designation: Fund Administrator



.....
Name: CPA Joyce Lengopito
Designation: Fund Accountant
ICPAK Member Number: 21912

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

1. The overall budget utilization for the year was 25%, indicating significant underutilization below the 90% threshold as per IPSAS 24.14. The underperformance was mainly attributed to delayed disbursements from the County Treasury, lengthy procurement processes. Delay in contractors in Reporting to the site, and cash flow constraints that affected timely implementation of planned activities. Capital expenditure utilization stood at 22.6% due to delays in initiation and approval of major projects. There were no instances of overutilization during the year, and all expenditures were maintained within the approved budget limits.

2. Explanation of Changes between Original and Final Budget (IPSAS 24.29)

The original budget and final budget figures remained the same at Kshs. 307,418,262.00, indicating that no formal budget revisions, reallocations, or supplementary adjustments were made during the financial year.

Accordingly, there were no changes arising from budget reallocation, additional appropriations, or policy adjustments during the reporting period. The variances between budget and actual amounts therefore solely reflect implementation inefficiencies rather than approved budget amendments.

Budget Reconciliation

Description of Particulars		
	Actual Surplus Amounts as per the statement of Budget	344,698,588.00
1	Reason for differences	0
2	Reason for differences	0
3	Reason for differences	0
4	Reason for differences	0
	Closing Cash and Cash Equivalent as per the statement of Cash flows	344,698,588.00

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

19. Notes to the Financial Statements

1. General Information

Directorate of Environment, Energy, Climate Change and Natural Resources is established by and derives its authority and accountability from County Government Act. The entity is wholly owned by the Nakuru County Government and is domiciled in Kenya. The entity's principal activity is environmental management, pollution control, climate change mitigation and enhance development and use of renewable energy.

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.

1. 3. Adoption of new and revised standards

When an IPSAS becomes effective on 1st January 2025, it is applicable in Kenya from 1st July 2025

(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.

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

	<i>liabilities on the balance sheet. While this enhances accountability and faithful representation, it will also increase reported liabilities, alter expense patterns, and potentially affect debt sustainability assessments and budget decisions.</i>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p>Applicable 1st January 2025</p> <p>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: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p><i>The adoption of IPSAS 44 will require County Governments to reclassify and separately present non-current assets held for sale and discontinued operations, measure such assets at the lower of carrying amount and fair value less costs to sell, and stop depreciating them. This will enhance transparency, accountability, and decision-usefulness of financial statements, though it may also reduce asset values and alter reported performance in disposal years.</i></p>
IPSAS 45: Property Plant and Equipment	<p>Applicable 1st January 2025</p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognized as assets if they meet the criteria in the standard. IPSAS 45 has additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p><i>The adoption of IPSAS 45 will expand the scope of recognized assets in County Governments to include heritage and infrastructure assets, with clearer guidance on valuation, maintenance, and componentization. This will increase the asset base, improve transparency, and enhance accountability, but will also require significant system upgrades, valuations, and professional capacity-building to ensure compliance.</i></p>
IPSAS 46: Measurement	<p>Applicable 1st January 2025</p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol 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

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	<p>IPSAS.</p> <p>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</p> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><i>IPSAS 46 will enhance the quality, consistency, and transparency of measurement in County Governments' financial reporting. The introduction of Current Operational Value is particularly significant, as it ensures that public service delivery assets are measured in a way that reflects their service potential rather than market value. While this improves accountability, it will also require system changes, revaluations, and staff training to achieve compliance.</i></p>
IPSAS 47: Revenue	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><i>The adoption of IPSAS 47 will improve the faithful representation, comparability, and transparency of County Government revenues by unifying guidance for both exchange and non-exchange transactions. It will particularly impact the treatment of conditional grants, transfers, and long-term projects, ensuring liabilities and obligations are properly recognized. While this enhances accountability, it will require significant adjustments in systems, staff capacity, and contract/grant management.</i></p>
IPSAS 48: Transfer Expenses	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p><i>The adoption of IPSAS 48 will significantly impact County Governments by providing clear rules for recognizing and disclosing transfer expenses, such as bursaries, social benefits, subsidies, and grants. It will enhance accountability and transparency in the use of devolved funds, though it will also require stronger systems, improved monitoring of conditions, and staff capacity building to ensure compliance.</i></p>
IPSAS 49: Retirement	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the</p>

Benefit Plans	<p>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.</p> <p><i>The adoption of IPSAS 49 will enhance accountability, transparency, and comparability in the reporting of retirement benefit plans that County Governments participate in. While the standard applies primarily to the plans themselves, County Governments will be affected through the need to recognize and disclose contribution obligations, improve compliance in remittances, and strengthen coordination with pension funds. This will ultimately increase confidence among employees and oversight institutions in the management of retirement benefits.</i></p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ol 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. <p><i>For most County Governments, IPSAS 50 will have minimal direct impact, since mineral exploration is primarily a national government mandate. However, in resource-rich counties involved in exploration partnerships or projects, the standard will require the recognition, impairment testing, and disclosure of exploration and evaluation assets. This will enhance transparency and accountability but may also introduce volatility in financial results due to potential asset impairments.</i></p>

(i) Early adoption of standards

The Entity did not early adopt any new or amended International Public Sector Accounting Standards (IPSAS) during the financial year ended 30 June 2025. All applicable standards were applied in accordance with their effective dates as issued by the International Public Sector Accounting Standards Board (IPSASB).

3. Significant Accounting Policies

a) Revenue recognition

i. Revenue from non-exchange transactions

Transfers from other government entities

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

ii. Revenue from exchange transactions

Interest income

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

Dividends

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

Rental income

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

b) Budget information

The original budget for FY 2024/25 was approved by the County Assembly on June 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget.

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

Summary of Significant Accounting Policies (Continued)

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 14 of these financial statements.

c) Property, plant and equipment

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

d) Intangible Assets

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

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

e) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. *Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a 2024/25-year period or investment property is measured at fair value with gains and losses recognised through surplus or deficit.* Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition.

Summary of Significant Accounting Policies (Continued)

f) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. *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 cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

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

Summary of Significant Accounting Policies (Continued)

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

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.

a) 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.

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.

e) 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)

f) 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.

g) Nature and purpose of reserves

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

h) 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.

i) 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.

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Summary of Significant Accounting Policies (Continued)

j) 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.

k) 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.

l) 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.

m) 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.

n) 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. Public contributions and donations

	2024/2025	2023/2024
	Kshs	Kshs
Donation From Development Partners	-	-
Contributions From The Public	-	-
Total	-	-

(Provide brief explanation for this revenue)

7. Transfers from County Government

Description	2024/2025	2023/2024
	Kshs	Kshs
Transfers From County Govt. –Operations	307,418,263.00	11,000,000.00
Return to CBK	54,199.80	-
Family Bank Balance	-	-
Payments By County On Behalf Of The Entity	-	-
Unconditional Development grants	-	55,000,000.00
Total	307,472,462.80	66,000,000.00

8. Fines, penalties and other levies

Description	2024/2025	2023/2024
	Kshs	Kshs
Late Payment Penalties	-	-
Fines	-	-
Total	-	-

9. Interest income

	2024/2025	2023/2024
	Kshs	Kshs
Interest Income from Mortgage Loans	-	-
Interest Income From Car Loans	-	-
Interest Income From Investments in financial assets	-	-

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Interest Income On Bank Deposits	-	-
Total Interest Income	-	-

10. Other income

Description	2024/2025	
	Kshs	
Insurance Recoveries	-	-
Income from Sale of Tender Documents	-	-
Bad debts recovered	-	-
Miscellaneous Income	-	-
Total Other Income	-	-

11. Employee Costs

Description	2024/2025	
	Kshs	
Salaries And Wages	-	-
Staff Gratuity	-	-
Staff Training Expenses	-	-
Social Security Contribution	-	-
Other (<i>Specify</i>)	-	-
Total	-	-

12. Use of Goods and Services

Description	2024/2025	
	Kshs	
General Office Expenses	-	-
Loan Processing Costs	-	-
Professional Services Costs	-	-
Administration Fees	-	-
Allowances & Transport Reimbursement	4,787,150.00	-
Bank Charges	-	-
Electricity And Water Expenses	-	-
Fuel And Oil Costs	-	-
Insurance Costs	-	-

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Postage And Courier	-	-
Printing And Stationery	-	-
Rental Costs	-	-
Security Costs	-	-
Telephone And Communication Expenses	-	-
Audit Fees	-	-
Provision For Doubtful Debts	-	-
Other (CCRIG Expenditure)	50,962,287.20	4,206,000.00
Hospitality	690,689.65	4,233,724.15
ICT Equipment	-	2,366,329.80
Hire of Equipment	-	571,100.00
Social benefit expenses	-	-
Total	56,440,126.85	11,377,153.95

Footnote;

Reclassification of Capital Expenditure under Use of Goods and Services

*The amount of Kshs. 50,962,287.20 reported under Other indicated (CCRIG Expenditure) within the Use of Goods and Services category relates to capital-related expenditure incurred during the year under review. Due to the absence of a separate schedule for capital expenditure in the reporting framework, the amount has been disclosed as above for presentation purposes. However, the expenditure has been appropriately linked to the **Statement of Financial Performance** and fully taken into account in the determination of the **surplus of Kshs. 251,032,336.00** for the financial year ended 30th June 2025. This classification does not materially misstate the Fund's financial position or performance and remains in compliance with IPSAS disclosure requirements, pending the adoption of a dedicated capital expenditure reporting format.*

13. Depreciation and Amortization Expense

Property Plant and Equipment	-	-
Intangible Assets	-	-
Total	-	-

14. Finance costs

Description	2024/2025	
	Kshs	
Interest On Bank Overdrafts	-	-
Interest On Loans From Banks	-	-
Total	-	-

15. Gain/ (loss) on disposal of assets

Description	2024/2025	
	Kshs	
Property, Plant and Equipment	-	-
Intangible Assets	-	-
Total	-	-

16. Gain/ (loss) on Fair Value Investments

Description	2024/2025	
	Kshs	
Investments at Fair Value- Equity investments	-	-
Fair value – Investment property	-	-
Fair value- other financial assets (specify)	-	-
Total Gain	-	-

17. Cash and cash equivalents

Description	2024/2025	
	Kshs	
Car Loan Account	-	-
Climate Change	344,698,588.00	93,669,277.05
Fixed Deposits Account	-	-
On – Call Deposits	-	-
Current Account	-	-
Others (<i>Specify</i>)	-	-
Total Cash And Cash Equivalents	344,698,588.00	93,669,277.05

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

Description	Account number	2024/2025	2023/2024
		Kshs	Kshs
a) Fixed Deposits Account			
Kenya Commercial Bank		-	-
Equity Bank, etc.		-	-
Sub- Total		-	-
b) On - Call Deposits			
Kenya Commercial Bank		-	-
Equity Bank - Etc.		-	-
Sub- Total		-	-
c) Current Account			
Central Bank	1000552395	344,698,588.00	93,666,252.05
Family Bank	018000097125		
Sub- Total		344,698,588.00	93,666,252.05
d) Others (Specify)		-	-
Cash In Transit		-	-
Cash In Hand		-	-
Sub- Total		-	-
Grand Total		344,698,588.00	93,666,252.05

18. Receivables from exchange transactions

	2024/2025	2023/2024
	Kshs	Kshs
Current Receivables		
Interest Receivable	-	-
Current Loan Repayments Due	-	-
Other Exchange Debtors	-	-
Less: Impairment Allowance	-	-
Total Current Receivables		
Non-Current Receivables		
Long Term Loan Repayments Due	-	-
Total Non- Current Receivables	-	-
Total Receivables From Exchange Transactions	-	-

Notes to the Financial Statements Continued

Additional disclosure on interest receivable

Description	2024/2025	
	Ksh	
Interest Receivable		
Interest receivable from current portion of long-term loans of previous years	-	-
Accrued interest receivable from of long-term loans of previous years	-	-
Interest receivable from current portion of long-term loans issued in the current year	-	-
Current loan repayments due		
Current portion of long-term loans from previous years	-	-
Accrued principal from long-terms loans from previous periods	-	-
Current portion of long-term loans issued in the current year	-	-

19. Prepayments

Description	2024/2025	
	Ksh	
Prepaid Rent	-	-
Prepaid Insurance	-	-
Prepaid Electricity Costs	-	-
Other Prepayments (<i>Specify</i>)	-	-
Total	-	-

20. Inventories

Description	2024/2025	
	Ksh	
Consumable Stores	-	-
Spare Parts and Meters	-	-
Catering	-	-
Other Inventories (specify)	-	-
Total Inventories at The Lower of Cost and Net Realizable Value	-	-

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Detailed disclosure on inventories

	2024/2025	2023/2024
Opening balance	-	-
Additional Inventory in the year	-	-
Inventory expensed in the year	-	-
Write-downs in the year	-	-
Others specify	-	-
Closing balance	-	-

21. Investments in financial assets

Description	2024/2025	2023/2024
	Kshs	Kshs
a. Investment in Treasury bills and bonds		
Financial institution		
CBK	-	-
CBK	-	-
Sub- total	-	-
b. Investment with Financial Institutions/ Banks		
Bank x	-	-
Bank y	-	-
Sub- total	-	-
c. Equity investments (specify)		
Equity/ shares in Entity xxx	-	-
Sub- total	-	-
Grand total	-	-

Movement of Equity Investments

Impairment allowance/provision	2024/2025	2023/2024
	Kshs	Kshs
At the beginning of the year	-	-
Purchase of investments in the year	-	-
Sale of investments during the year	-	-
Gain/(loss) in fair value of investments through surplus or deficit	-	-
At the end of the year	-	-

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E) Shareholding in other entities

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

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Notes to the Financial Statements (Continued)

22. Property, plant and equipment

	Buildings	Motor vehicles	Office equipment	Total
At 1st July 2023	-	-	-	-
Additions	-	-	-	-
Disposals	-	-	-	-
Transfers/Adjustments	-	-	-	-
At 30th June 2023	-	-	-	-
At 1st July 2023			-	
Additions (laptops, mouse & camera)	-	-	-	-
Disposals	-	-	-	-
Transfer/Adjustments	-	-	-	-
At 30th June 2024	-	-	-	-
Depreciation And Impairment			-	
At 1st July 2023	-	-	-	-
Depreciation	-	-	-	-
Impairment	-	-	-	-
At 30th June 2023	-	-	-	-
At 1st July 2024			-	
Depreciation	-	-	-	-
Disposals	-	-	-	-
Impairment	-	-	-	-
Transfer/Adjustment	-	-	-	-
At 30th June 2024	-	-	-	-
Net Book Values			-	
At 30th June 2023	-	-	-	-
At 30th June 2024	-	-	-	-

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Notes to the Financial Statements (Continued)

23. Intangible assets

Description	2024/2025	2023/2024
	Kshs	Kshs
Cost		
At Beginning of The Year	-	-
Additions	-	-
At End of The Year	-	-
Amortization And Impairment		
At Beginning of The Year	-	-
Amortization	-	-
At End of The Year	-	-
Impairment Loss	-	-
At End of The Year	-	-
NBV	-	-

24. Investment Property

Description	2024/2025	2023/2024
	Kshs	Kshs
At beginning of the year	-	-
Additions	-	-
Disposal during the year	-	-
Depreciation	-	-
Impairment	-	-
Gain/(loss) in fair value (if fair value is elected)	-	-
At end of the year	-	-

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Notes to the Financial Statements (Continued)

25. Trade and other payables from exchange transactions

	2024/2025		2023/2024	
	Kshs		Kshs	
Trade Payables			-	
Refundable Deposits	-		-	
Accrued Expenses	-		-	
Other Payables	-		-	
Total Trade and Other Payables			-	
Ageing analysis (Trade and other payables)	2024/2025	% of the Total	Comparative FY	% of the Total
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (tie to above total)	-		-	

26. Provisions

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

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

27. Borrowings

Description	2024/2025	2023/2024
	Kshs	Kshs
Balance At Beginning of The Period		-
External Borrowings During the Year	-	-
Domestic Borrowings During the Year	-	-
Repayments Of External Borrowings During the Period	-	-
Repayments Of Domestic Borrowings During the Period	-	-
Balance At End of The Period	-	-

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

Description	2024/2025	2023/2024
	Kshs	Kshs
External Borrowings		
Dollar Denominated Loan From 'X Organization'	-	-
Sterling Pound Denominated Loan From 'Y Organization'	-	-
Euro Denominated Loan from Z Organization'	-	-
Domestic Borrowings		
Kenya Shilling Loan From KCB	-	-
Kenya Shilling Loan from Barclays Bank	-	-
Kenya Shilling Loan from Consolidated Bank	-	-
Borrowings From Other Government Institutions	-	-
Total Balance at End of The Year	-	-

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

Description	2024/2025	2023/2024
	Kshs	Kshs
Short Term Borrowings (Current Portion)	-	-
Long Term Borrowings	-	-
Total	-	-

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Notes to the Financial Statements (Continued)

28. Employee benefit obligations

Description	Defined benefit plan	Post-employment medical benefits	Other Provisions	2024/2025	2023/2024
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	-	-	-	-	-
Non-Current Benefit Obligation	-	-	-	-	-
Total	-	-	-	-	-

29. Social Benefit Liabilities

Description	2024/2025	2023/2024
	Kshs	Kshs
Health social benefit scheme	-	-
Unemployment social benefit scheme	-	-
Orphaned and vulnerable benefit scheme	-	-
Elderly social benefit scheme	-	-
Bursary social benefits	-	-
Total	-	-
Current social benefits	-	-
Non-current social benefits	-	-
Total (tie to totals above)	-	-

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30. Cash generated from operations

Description	2024/2025	2023/2024
	Kshs	Kshs
Surplus/ (Deficit) For the Year Before Tax	-	-
Adjusted For:		
Depreciation	-	--
Amortisation	-	-
Gains/ Losses On Disposal Of Assets	-	-
Interest Income	-	-
Finance Cost	-	-
Working Capital Adjustments	-	
Increase In Inventory	-	-
Increase In Receivables	-	-
Increase In Payables	-	-
Net Cash Flow From Operating Activities	-	-

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Notes to the Financial Statements (Continued)

31. 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	2024/2025	2023/2024
	Kshs	Kshs
Transfers From Related Parties'	-	-
Transfers To Related Parties	-	-

c) Key management remuneration

Description	2024/2025	2023/2024
	Kshs	Kshs
Board Of Trustees	-	-
Key Management Compensation	-	-
Total	-	-

d) Due from related parties

Description	2024/2025	2023/2024
	Kshs	Kshs
Due From Parent Ministry	-	-
Due From County Government	-	-
Total	-	-

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Other Disclosures Continued

e) Due to related parties

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

32. Contingent assets and contingent liabilities

Contingent Liabilities	2024/2025	
	Kshs	Kshs
Court Case Against the Fund	-	-
Bank Guarantees	-	-
Total	-	-

(Give details)

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33. 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 2024				
Receivables From Exchange Transactions	-	-	-	-
Receivables From Non-Exchange Transactions	-	-	-	-
Bank Balances	-	-	-	-
Total	-	-	-	-
At 30 June 2023				
Receivables From Exchange Transactions	-	-	-	-
Receivables From Non-Exchange Transactions	-	-	-	-
Bank Balances	-	-	-	-
Total	-	-	-	-

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 significant concentration of credit risk on amounts due

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 2024				
Trade Payables	-	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	-	-	-	-
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 on-going 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

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control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

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

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

i. Foreign currency risk

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

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

	2024/2025	Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June 2024			
Financial Assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors/ Receivables			
Liabilities		-	
Trade And Other Payables	-	-	-
Borrowings	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

The Fund manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

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.

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Description	Change in currency rate	Effect on surplus/ deficit	Effect on equity
	Kshs	Kshs	Kshs
June 2024			
Euro	10%	-	-
USD	10%	-	-
June 2023			
Euro	10%	-	-
USD	10%	-	-

ii. Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

The Fund analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. 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 xxx (2022: Kshs xxx). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs xxx (2021 – Kshs xxx).

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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	2024/2025	2023/2024
	Kshs	Kshs
Revaluation reserve	-	-
Revolving fund	-	-
Accumulated surplus	344,698,588.00	93,666,252.05
Total funds	344,698,588.00	93,666,252.05
Total borrowings	-	-
Less: cash and bank balances	-	-
Net debt/(excess cash and cash equivalents)	-	-
Gearing	%	%

34. Events after the reporting period

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

35. Ultimate and Holding Entity

The entity is a County Public Fund established by Nakuru County Climate Change Act 2021 under the Ministry of Environment. Its ultimate parent is the County Government of Nakuru.

36. 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 (Put a date when you expect the issue to be resolved)
1.	<p>Unsupported use of goods and services The statement financial performance reflects use of goods and services amount of Kshs. 11,377,154 which includes other (transport reimbursement), hospitality and ICT equipment amounts of Kshs. 4,206,000, 4,233,724 and Kshs. 2,366,330 respectively as disclosed in Note 7 to the financial statements. However, the balances include an amount of Kshs. 9,618,484 incurred under transport reimbursement hospitality supplies and services and ICT equipment that was not supported by payment vouchers authorization.</p> <p>In the circumstance, the accuracy, completeness and validity of use of goods and services amount of Kshs.11, 377,154 could not be affirmed.</p>	<p>We take note of the Audit findings that the balances amounting to Kshs. 9,618,484 incurred under transport reimbursement, hospitality supplies and services and ICT equipment were not supported by vouchers and Authorizations. However, we have since provided all the supporting documents amounting to ksh 11, 377,154 as listed below</p> <p style="text-align: center;"><u>Sub Item</u></p> <p><u>ksh</u></p> <p>i. Other transport reimbursement 4,206,000.00</p> <p>ii. Hospitality 4,233,724.15</p> <p>iii. ICT Equipment 2,366,329.80</p> <p>iv. Hire of Equipment <u>571,100.00</u></p> <p style="text-align: center;">Total 11, 377,153.95</p>	Not Resolved	13th November 2025

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
2.	<p>2. Inaccuracy of cash and cash equivalents The statement of financial position reflects cash and cash equivalents balance of Kshs. 93,666,252. However, the while the softcopy of the cashbook reflected a closing balance of Kshs. 183,438,440 resulting in an unexplained variance of Kshs. 89,772,188 which has not been explained or reconciled.</p> <p>In the circumstance, the accuracy and completeness of the cash equivalents of Kshs. 93,669,277 could not be confirmed.</p>	<p>Management acknowledges the audit observation regarding the variance between the cash and cash equivalents balance of Kshs. 93,666,252 as reflected in the Statement of Financial Position and the softcopy cashbook balance of Kshs. 183,438,440, resulting in an unreconciled difference of Kshs. 89,772,188. Management established that the variance arose primarily due to timing differences between transactions recorded in the cashbook and those posted to the financial statements. The Management has since undertaken reconciliation exercise between the bank statements, cashbook i.e. Soft & Hard thus the variance of ksh 89,772,188 has been incorporated.</p>	Not Resolved	13th November 2025
3.	<p>Variance between the Statement of Financial Position and the Statement of Changes in Net Assets The statement of financial position reflects net assets balance of Kshs. 96,032,582 while the statement of changes in net assets reflects net assets balance of Kshs. 93,666,252 leading to reconciled and unexplained variance of Kshs. 2,366,331.</p> <p>In the circumstances, the accuracy of statement of financial position and the statement of changes</p>	<p>Management acknowledges the audit observation regarding the variance between the Statement of Financial Position, which reflects net assets of Kshs. 96,032,582, and the Statement of Changes in Net Assets, which reflects Kshs. 93,666,252, resulting in an unexplained difference of Kshs. 2,366,331.</p> <p>Management established that the variance was occasioned by the inclusion of Kshs. 2,366,329.80 for the acquisition of ICT equipment, which was initially expensed under use of goods and services in the Statement of Financial Performance, while the same was also capitalized and presented under non-current assets as acquisition of property, plant, and equipment in the Statement</p>	Not Resolved	13th November 2025

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status (Resolved / Not Resolved)	Timeframe (Put a date when you expect the issue to be resolved)
	in net assets could on not be confirm.	of Financial Position. This resulted in a duplication effect that caused the imbalance between the two statements. The error was inadvertent and is highly regretted. Management seeks provision to correct the anomaly in the subsequent years		
4.	<p>Budgetary Control and Performance</p> <p>The statement of comparison of budget and actual amounts reflects budgeted receipts and actual on comparable basis amount of Kshs. 66,008,400 and Kshs. 66,008,400 respectively. The fund spent Kshs. 11,377,153.95 against actual receipts of Kshs. 66,008,400 resulting to underutilization of Kshs. 54,631,246.05 or 83% of actual receipts.</p> <p>The underutilization affected the planned activities of the fund and may have impacted negatively on service delivery to the public.</p> <p>My opinion is not modified in respect of this matter.</p>	<p>Management agrees with the auditor's finding that the fund spent Kshs. 11,377,153.05 against actual receipts of Kshs. 66,008,400 resulting to underutilization of Kshs. 54,631,246.05 or 83% of actual receipts. The delay was occasioned by the fact that we had not finalized capacity building Ward climate change planning committees. Also, it was a requirement by the Program Implementation Unit to under Participatory Climate Change Risk Assessment (PCRA), a document that would later help in developing Nakuru County Climate Change Action Plan. However, we have now absorbed all our 2023/24 allocation through implementation of different resilience projects across the county.</p>	Not Resolved	13th November 2025
5.	<p>Lack of Fraud Policy and Risk Management Strategies</p> <p>The Fund did not have in place a fraud</p>	<p>Management acknowledges the audit observation regarding the absence of a formal Fraud Management Policy and Risk Management Strategy during the year under review. We wish to report that Management has since developed a draft Fraud and Risk Management Policy Framework, which outlines the procedures for identifying, assessing,</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>management policy to assist in detecting and preventing fraud during the year under review. Further, Management did not have a risk management policy or strategy in place and therefore, had no approved processes and guidelines on how to mitigate operational, legal and financial risks.</p> <p>In the absence of a risk management policy, the Fund may not recover from any unforeseen disaster.</p>	<p>mitigating, and monitoring risks, as well as mechanisms for detecting and preventing fraud within the Fund's operations. The draft policy is currently under internal review and will be subjected to approval.</p>	<p>Not Resolved</p>	<p>13th November 2025</p>

Guidance Notes:

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



Name: Kennedy Mungai

Fund Administrator

June 30, 2025

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Annex II: Inter-Fund Confirmation Letter



**REPUBLIC OF KENYA
COUNTY GOVERNMENT OF NAKURU
DEPARTMENT OF WATER, ENVIRONMENT, ENERGY CLIMATE CHANGE AND
NATURAL RESOURCES**



Telephone:
E-Mail: info.env@nakuru.go.ke

X: @nakurucountygav
Fb: Nakuru county government-official

Directorate of Environment, Energy
Climate Change and Natural
Resources
P.O. Box 2870-20100
NAKURU
www.nakuru.go.ke

Ref: CGN/WEENR/CO/EENR/FINANCE/20/VOL.IV/64

Date: 30th JUNE, 2025

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

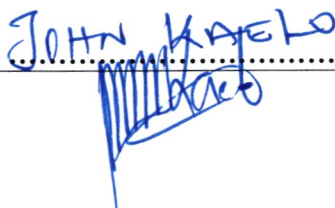
Confirmation of amounts received by Nakuru County Climate Change as at 30th June 2025							
Reference Number	Date Disbursed	Amounts Disbursed by [SC/SAGA/Fund] (Kshs) as at 30 th June 2025				Amount Received by County Climate Change Fund (Kshs) as at 30 th June 2025 (E)	Differences (Kshs) (F)=(D-E)
		CCIS (A)	CCRI(B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
FT24186SR7GC	4-Jul-24	-	94,105,543.00	-	94,105,543.00	94,105,543.00	
FT24134KXH61	23-Oct-24		94,105,543.00		94,105,543.00	94,105,543.00	
FT25009T15TN	9-Jan-25	11,000,000.00			11,000,000.00	11,000,000	
FT25126WHZK8	6-May-25		108,207,177.00		108,207,177.00	108,207,177.00	

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TOTAL		11,000,000.00	296,418,263.00		307,418,263.00	307,418,263.00	
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In confirm that the amounts shown above are correct as of the date indicated.

Head of Accountants department of beneficiary Fund:

Name: Mr. John Kaelo Sign:  Date. 30/06/2025



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Annex III: Reporting of Climate Relevant Expenditures

Serial No	Name of Activity	Sub-Activities	Output	Output Indicator	Target as per Workplan	Quarterly Achievement				Budgeted Amount	Actual cost of activity	Comment
						Q1	Q2	Q3	Q4			
1	Training of CCU Members	Training of the County Climate Change Unit on project implementation, GRM, Risk management	CCU trained and capacity built	County CCU trained and capacity built	15	0	0	15	10	3,500,000	2,744,363.8	Target achieved
2	Continued Training and capacity building of WCCPCs	Training and capacity building of WCCPCs	Improved governance, effective implementation of community projects	No of Climate Change Committees involved	55	13	5	0	7	3,500,000	553,000.4	In Q1 representatives of 8 WCCPCs trained on communication and Youth representatives of 5 WCCPCs trained in collaboration with ELCOY. In Q2 representatives of 5WCCPCs trained on nature-based solutions in collaboration with WWF. In Q4 representatives from 2 WCCPcs trained in collaboration with Fairtrade and representatives from 5 WCCPCs trained in collaboration with GBM
3	Community Engagement	Community engagement on climate change and implementation of climate change projects	Improved governance, effective implementation of community	No of wards where community engagements are done	55	0	0	0	0	2,000,000		To be achieved in Next FY

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			projects									
4	Administrative Activities (stationery, training materials and other workshop tools)	Administrative activities	Enhanced service delivery	% Of administrative activities achieved (budget absorption)	100	0	0			2,000,000	174,275.85	Activity ongoing
TOTAL										11,000,000	3,471,640.05	
Rolled over activities from FY 2023/24 Workplan												
1	Training and Capacity Development	Training and capacity development of County Climate Change Planning and Steering Committees	County Climate Change Planning and Steering Committees trained	County Climate Change Planning and Steering Committees trained	2	1	0	1		2,000,000	1,960,599.6	Target achieved
2	Development of County Climate Information System	Sourcing and engaging consultancy/ software developers to develop County climate information system	County Climate Information System developed	County Climate Information System developed	1	0	0	0		1,500,000	0	Participatory scenario planning done in collaboration with Kenya Met Department. CIS to be developed within the FY 2025/26
TOTAL										3,500,000	1,960,599.6	

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

Annex IV: Reporting on Disaster Management Expenditure

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

*Nakuru County Climate Change Fund
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Annex V: Trial Balance



COUNTY GOVERNMENT OF NAKURU
DEPARTMENT OF WATER, ENVIRONMENT, ENERGY CLIMATE CHANGE AND NATURAL RESOURCES
DIRECTORATE OF ENVIRONMENT, ENERGY CLIMATE CHANGE AND NATURAL RESOURCES
FINANCIALLY LOCALLY - LED CLIMATE ACTIONS



TRIAL BALANCE AS AT 30TH JUNE 2025			
		DR	CR
Cash and Cash equivalents			
	Bank Balances	344,698,591	
	Cash Balances	-	
	Outstanding Imprest	-	
Payments			
	Compensation of Employees	-	
	Use of goods and services (CCIS)	5,477,839	
	Transfers to Other Government Units	-	
	Capital projects (CCRIG)	50,962,287	
	Acquisition of Assets	-	
	Other Payments	-	
Receipts			
	Transfers from the County Treasury/Exchequer Releases		307,418,265
	Proceeds from sale of assets		-
	Others receipts		-
	Return Inwards (Return to CBK)		54,200

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Prior Year Adjustment		-	-
Receivables		-	-
Payables		-	-
Fund Balance b/f		-	93,666,252
TOTAL		401,138,717	401,138,717

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.



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Name: Kennedy Mungai
Designation: Fund Administrator



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Name: CPA Joyce Lengopito
Designation: Fund Accountant
ICPAK Member Number: 21912