

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

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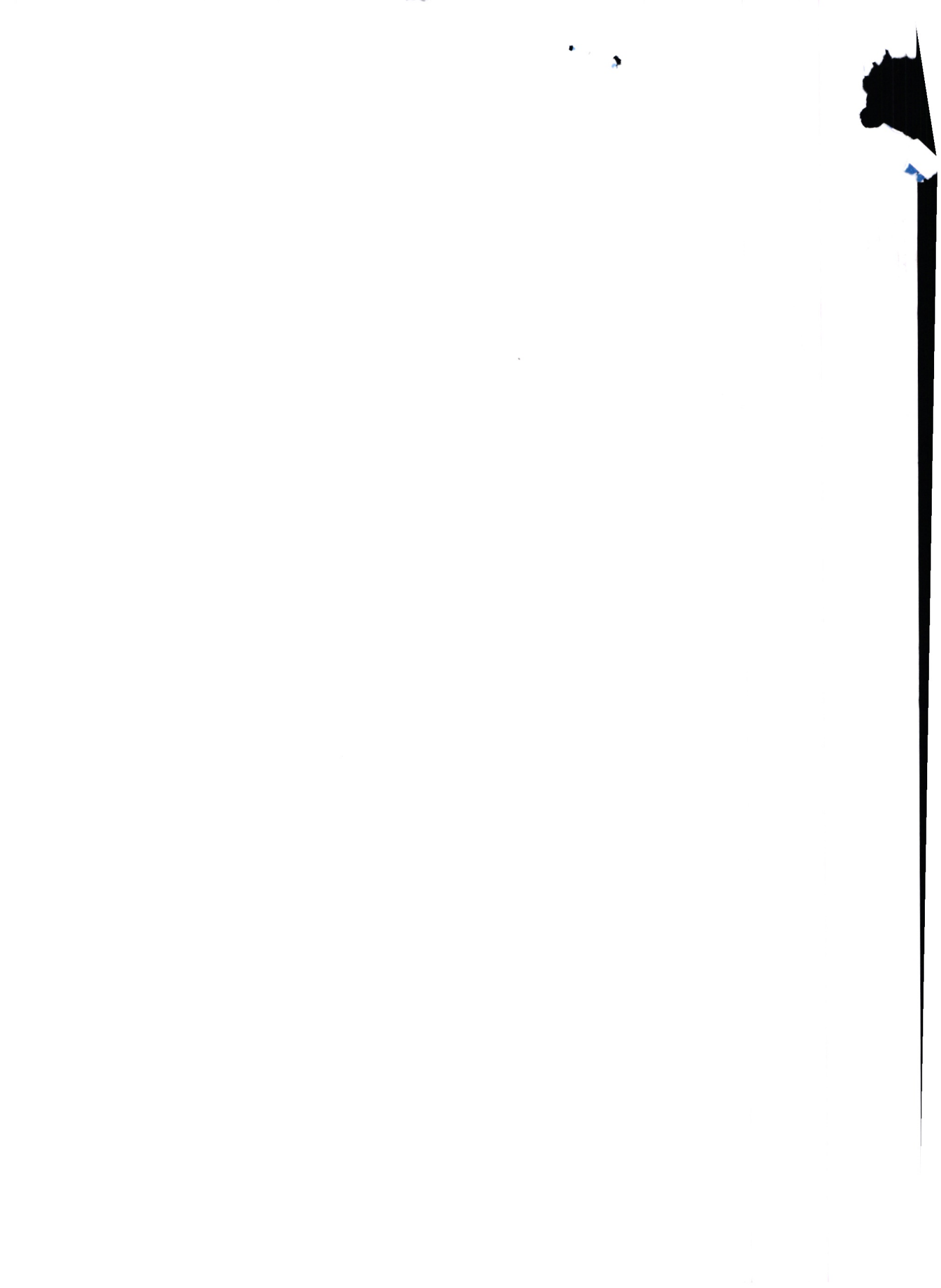
THE AUDITOR-GENERAL

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**KAKAMEGA COUNTY CLIMATE
CHANGE FUND**

**FOR THE YEAR ENDED
30 JUNE, 2023**





KAKAMEGA COUNTY CLIMATE CHANGE FUND

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2023**

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

Kakamega County Climate Change Fund
Annual Report and Financial Statements for the year ended June 30, 2023

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1. Acronyms and Glossary of Terms

a) Acronyms

BOM	Board of Management
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
Kshs	Kenya Shillings

**Kakamega County Climate Change Fund
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d) Key Management Steam

Ref	Name	Position
1.	Dr.Jeophita June Mwajuma	Chief Officer Finance & budget
2.	Justin Mutobera	Chief Officer Environment Natural Resources & Climate Change
3.	Anthony Munanga	Fund Administrator
4.	Isaac P Mackenzie	Fund Accountant

e) Oversight Arrangements

No	Entity	Role
1.	Audit and risk Management committee	Monitoring and reviewing risk, control and governance processes that have been established
2.	County Assembly Committees	Legislation Oversight Representation
3.	Committees of the senate	Oversight and advisory Accountability Express opinion on Books of account. Offer quality assurance on fiscal and monetary matters

f) Registered Offices

Kakamega County Headquarters
P.O. Box 36-50100, 056 31850/31852/31853
County Headquarters
Kisumu/Kitale Highway
Kakamega, KENYA

g) Fund Contacts

Telephone: 056 31850/31852/31853
E-mail: info@kakamega.go.ke
Website: kakamega.go.ke

h) Fund Bankers

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

2. Key Entity Information and Management

a) Background information

Kakamega County Climate Change Fund is established by and derives its authority and accountability from Kakamega County Climate Change Act 29th December 2020. The Fund is wholly owned by the County Government of Kakamega and is domiciled in Kenya.

The fund's objective is to establish a climate change framework, governance structures and resources to support implementation of climate change actions

b) Principal Activities

The principal activity/mission/ mandate of the Fund is to The Fund's principal activity is to mainstream Climate change programmes into development planning, decision making and advisory on climate change in the county; coordination and collation and dissemination of information on climate change to the public to raise awareness and preparedness; and establish financing mechanism and governance framework for climate change response and risk mitigation

c) County Climate Change Steering Committee

Ref	Name	Position
1.	Pennina Mukabane	Chairperson, CECM Water Environment Natural Resources & Climate Change,
2.	Mr. Lawrence Ingolo Omuhaka	Member, CEC Member – Public Service & Service Administration,
3.	Architect Patrick Wesonga Kundu	Member, CEC Member - Roads, Energy & Public Works
4.	CPA Livingstone L. Imbayi	Member, CEC Member - Finance & Economic Planning
5.	Dr. Benard Wesonga	Member, CEC Member – Health Services.
6.	Mr. Benjamin Andama	Member, Agriculture, Irrigation, Cooperative, Livestock, Veterinary Services and Fisheries
7.	Mr. Justin Mutobera	Member, Chief Officer Environment Natural Resources & Climate Change
8.	CPS. Vivian Komwonyo Mmbaka	County Attorney
9.	Mr. Vincent Sakwa	County Director of Meteorological Services
	Anthony Munanga	Coopted, Fund Administrator

Kakamega County Climate Change Fund
Annual Report and Financial Statements for the year ended June 30, 2023

i) Independent Auditors

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

j) Principal Legal Adviser

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

k) County Attorney

Kakamega County Headquarters
P.O. Box 36-50100, 056 31850/31852/31853
County Headquarters
Kisumu/Kitale Highway
Kakamega, KENYA

Kakamega County Climate Change Fund
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3. **Board of Trustees/ Fund Administration Committee (Or Any Other Corporate Governance Body for The Fund)**

Ref	Name	Position
1	-	-
2	-	-

(The fund is not fully established hence there's no Board or Fund Administration Committee. The Kakamega County Climate Change fund receives funding from the World Bank and The County Treasury and is domiciled under the Ministry of Water Environment Natural Resources and Climate Change through approved budgets by the County Assembly.

Kakamega County Climate Change Fund
Annual Report and Financial Statements for the year ended June 30, 2023

4. Management Team

Name	Details of qualifications and experience
 <p>1. Dr. Jeophita June Mwajuma</p>	<p>Responsibility;Chief Officer, Finance</p> <ul style="list-style-type: none"> • Chief Officer Finance • Doctorate in Environmental Microbiology • Master of Science degree in Microbiology • Bachelor of Science degree (Botany/Zoology) from Kenyatta University
 <p>2. CPA Mohammed Maalim</p>	<p>Responsibility: Head of Treasury Academic qualification: Msc Finance, Bsc Actuarial Science, professional qualifications: CIFA, CPAK,</p>
 <p>3. Mariam Nyongesa Were</p>	<p>Responsibility: Accounting Officer</p> <ul style="list-style-type: none"> ● D.O.B 27/01/1985. ● MSc. Crop protection. ● BED Science. ● Experience: 10 years work experience in education and crop production.

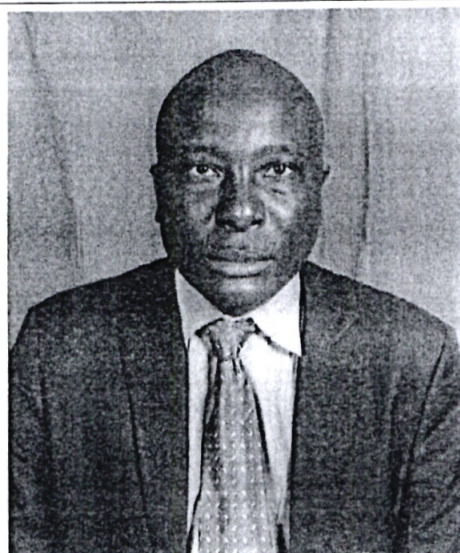
Kakamega County Climate Change Fund
Annual Report and Financial Statements for the year ended June 30, 2023



4. Justin Mutobera

Responsibility: Signatory

- Date birth. 23/02/20/1974
- Academic Qualifications, Master of Arts In Project Planning and Management , Bachelor of Education Science
- Teacher 8 years, Education Officer, In charge of examinations, Governance ansa Strategy Advisor 4 years, Consultant in Resource mobilisation, Leadership training and Project Design



5. Anthony Munanga

Responsibility: Fund Administrator

- Date of Birth: 03-09-1974
- Academic qualification: MA(International Development); Environmental Planning & Management
- professional qualifications: Environmental Impact & Assessment Lead Expert

5. Board/Fund Chairperson's Report

The Kakamega County Climate Change Fund was established by the County Government of Kakamega through the Kakamega County Climate Change Act and Kakamega County Climate Change (General) regulations 2021. These are legal requirement for financing climate change actions and interventions. The County Climate Change Steering Committee mobilize resources for the Fund from donors, development partners, and the private sector; national climate change fund; and international climate finance frameworks, including but not limited to the Green Climate Fund, Adaptation Fund and the Global Environment Facility.


Currently the main source of Fund is the Financing Locally led Climate Action(FLLoCA program, an innovative programme jointly funded by the Government of Kenya and the World bank to build resilience at the community level to mitigate its impact of climate change. The programme started in the FY 2012 and will run for four fiscal years. There are two intergovernmental grants that are available namely:

1. County Climate institutional support (CCIS) grant meant to support county government develop legal, institutional and organizational arrangement to be able to budget, plan, and implement Climate change adaptation county climate change action; and
2. the County Climate Resilience Investment, a performance-based grant to fund county climate actions.

The Fund was established specifically to finance locally led climate actions at the ward level to enhance the resilience of the Community to the adverse impact of climate change. The County Ward based climate change planning committees have been established in each ward to ensure that community participate in projects identification, prioritization, planning, implementation, monitoring, and reporting.

Through the participatory climate risk assessment, the community have been able to identify climate risks/ hazards in the community and this has informed the development of county Climate change Action plan for 2023/27.

In the FY 2022/23, the county government of Kakamega committed a total of 70 million as co funding towards the fund. So far 26 million has been transferred as a contribution to the Fund.

Name: **Hon Pennina L. Mukabane** Signature: .....Date: 19/12/2023.....
County Executive Committee Member, Water Environment Natural Resources and Climate Change

Kakamega County Climate Change Fund
Annual Report and Financial Statements for the year ended June 30, 2023

6. Report of The Fund Administrator

The Kakamega County Climate Change Fund is established under an Act of County Assembly to finance climate actions and build the resilience of the local community to the effects of climate change. The Kakamega County Climate Change Special Purpose Fund account has been opened in the Central Bank. The account number is 1000537515, which has so far been defined and mapped in the IFMIS.

So far, two disbursements of County Climate Institutional Support (CCIS) grant, amounting to 11m each was approved and disbursed into Kakamega County Revenue Account to strengthen climate risk management capacity, establishment of County Climate Change units and County Climate Change Fund, development of supporting policy and legislative and institutional framework, upscale community sensitization and establish Climate Information. The first disbursement of Kshs 11 m has been transferred into the Kakamega County Climate Change Special purpose account, the process of initiating the transfer of the other 11m has initiated and will be effected once the IFMIS is open. The minimum access conditions for the CCIS grants were follows: The County Government open a special purpose account in Central Bank of Kenya to receive funds from the CCIS Grants; the Governor appointed a CECM in Charge of Climate Change through a letter; County has established a functional climate change unit; Governor approved workplan and budget for grant of 100,000 USD for CCIS for corresponding Financial Year; the County Government sign a FLLoCA Participation Agreement. All these conditions were met

The County Government of Kakamega committed to contribute 1% of development budget towards the Fund. A total of 70 m was budgeted for but we managed to transfer only 26 million into the Special purpose Account towards the end of the financial year.

Scheduled activities in the work plan were undertaken but not paid as listed hereunder:

	Contract	Contract sum
1.	Capacity building of County climate steering committee	574,400.00
2.	Capacity building of County Technical Working Group	931,200.00
3.	Capacity building of County assembly committee of environment	613,600.00
4.	Participatory Climate Risk Assessment (PCRA) Central Region-Lurambi, Ikolomani, Navakholo & Shinyalu Sub Counties	2,949,648.00
5.	Participatory Climate Risk Assessment (PCRA) Southern	2,930,496.40

Kakamega County Climate Change Fund

Annual Report and Financial Statements for the year ended June 30, 2023

	Region-Mumias East, Mumias West, Butere, Matungu, Khwisero Sub Counties	
6.	Participatory Climate Risk Assessment (PCRA) Northern Region- Malava, Lugari & Likuyani Sub counties	2,250,000.00
7.	Provision of training services for Ward Climate Change Planning Committees (LOT 1) Northern Region	1,820,000.00
8.	Provision of training services for Ward Climate Change Planning Committees (LOT 2) Central Region	2,110,000.00
9.	Provision of training services for Ward Climate Change Planning Committees (LOT 3) Southern Region	2,850,000.00

During the Financial year, we were not able to make payments due to delay in transfer of money from Country Revenue account to County Climate change Special purpose Account. There was also delay in definition and mapping of the Special Purpose Account to IFMIS, which has now been rectified.

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

Introduction

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

The key development objectives are still underway.

8. Corporate Governance Statement

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9. Management Discussion and Analysis

During the year under review the fund received a disbursement of Ksh 22M from the world Bank(Donor) and Ksh.26M from The County Government Treasury for the period under review

a. On the operational and financial performance of the Fund/Board during the period,

The fund received 48 M which was used to facilitate climate change and mitigation expenses for the Fourth Quarter of the year 2022/2023. Kshs. 30M was used to pay the expenses that took place during the period.

b. Entity's key projects or investments decision implemented or ongoing,

The fund aims to facilitate development projects within kakamega county.

c. Fund's compliance with statutory requirements,

The fund has complied with the required statutory requirements

d. Major risks facing the Fund, material arrears in statutory and other financial obligations

The delays in exchequer releases has affected the operation of the fund.

e. Any other information considered relevant to the users of the financial statements.

The fund is in its initial stages of operation and is still picking up gradually

10. Environmental and Sustainability Reporting

1. Sustainability strategy and profile -

The Fund was established in line with provisions of the Public Finance Management Act, 2012.

The principal activity of the Fund is to provide financial and managerial support to urgent and unforeseen need which falls within the mandate of the County Government that threatens to damage human life or welfare or threatens to damage the environment for which immediate expenditure is required in the County.

2. Environmental performance

The Fund is in the process of developing its strategic plan and its environmental policy which will also be captured in this plan.

3. Employee welfare

The Fund is currently relying on seconded staff from the parent Ministry of Finance. The current staffs conform to Public Service hiring and appraisal policies.

4. Market place practices-

- a) The Fund being a County entity has trained its staff on how to deal with climate change cases within the county
- b) The Fund being a public entity works within structures created by the National and County Governments that govern public procurement. It works within the confines of public procurement act and public finance management act and respects its suppliers and is open to scrutiny in the public procurement process. Our procurement officer is regularly allowed to attend training and workshops that help him improve skills in public procurement management.

Kakamega County Climate Change Fund
Annual Report and Financial Statements for the year ended June 30, 2023

11. Report of The Trustees

The Trustees submit their report together with the audited financial statements for the year ended June 30, 2023 which show the state of the Fund affairs.

Principal activities

The principal activities of the Fund is to establish a climate change framework, governance structures and resources to support implementation of climate change actions

Results

The results of the Fund for the year ended June 30, 2023 are set out on page 1

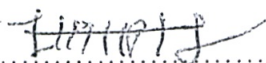
Trustees

There was no Board of Trustees/Fund Administration Committee. The fund was headed by the chief officer Ministry of Water Environment, Natural resources and climate change.

Auditors

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

By Order of the Board


.....

Chair of the Board/Fund Administration Committee

Date:

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REPUBLIC OF KENYA

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

REPORT OF THE AUDITOR-GENERAL ON KAKAMEGA COUNTY CLIMATE CHANGE FUND FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;
- B. Report on Lawfulness and Effectiveness in 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 Government achieves value for money and that such funds are applied for intended purpose;
- 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, the risk management environment and the internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations and that its internal control, risk management and governance systems are properly designed and were working effectively in the financial year under review.

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

Opinion

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

position as at 30 June, 2023, 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, financial statements present fairly, in all material respects, the financial position of Kakamega County Climate Change Fund as at 30 June, 2023, 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 Public Finance Management Act, 2012 and the Kakamega County Climate Change Act, 2020.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kakamega County Climate Change Fund Management in accordance with ISSAI 30 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter

1. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects receipts budget and actual on comparable basis amounts of Kshs.70,000,000 and Kshs.48,000,000 respectively, resulting to under-funding of Kshs.22,000,000 or 31% of the budget. Similarly, the statement reflects actual expenditure of Kshs.2,119,200 against approved budget of Kshs.70,000,000 resulting to under-performance of Kshs.67,880,800 or 97% of the budget.

In the circumstances, the under-funding and under-performance affected the planned activities and may have impacted negatively on service delivery to the public.

2. Pending Accounts Payables

The statement of financial position reflects pending bills balance of Kshs.2,119,200. However, Management did not explain why the bills were not settled during the year under review.

Failure to settle bills during the year to which they relate distorts the financial statements and adversely affects the budgetary provisions for the subsequent year as they form a first charge.

My opinion is however not modified in respect of these matters.

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, 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 4000. The standard requires 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 are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were effective.

Basis for Conclusion

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

Responsibilities of Management and 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 control as Management determines is necessary to enable the preparation of financial statements that are free from material

misstatements, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and overall governance.

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

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015, and submit the audit report in compliance with Article 229(7) of the Constitution. 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 and weakness 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 addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, 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 accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls 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, and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls would not necessarily disclose all matters in the internal controls that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal controls may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, related safeguards.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

01 February, 2024

Kakamega County Climate Change Fund
Annual Report and Financial Statements for the year ended June 30, 2023

14. Statement of Financial Performance for the Year Ended 30th June 2023

Description	Note	2022-2023	2021-2022
		Kshs	Kshs
Revenue From Non-Exchange Transactions			
Transfers from World Bank	1	22,000,000	-
Transfers From the County Government	2	26,000,000	-
Fines, Penalties and Other Levies		-	-
		48,000,000	-
Revenue From Exchange Transactions			
Interest Income		-	-
Other Income		-	-
Total Revenue		-	-
Expenses			
Use of goods and services	3	2,119,200	-
Total Expenses		2,119,200	-
Other Gains/Losses			
Gain/Loss on Disposal of Assets		-	-
Gain /Loss on fair value of investments		-	-
Surplus/(Deficit) for the Period		45,880,800	-

(The notes set out on pages 18 to 22 form an integral part of these Financial Statements)

.....
 Name: *Anthony Mwangi*
 Administrator of the Fund

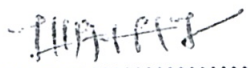
.....
 Name: *Isaac P. Mwachuse*
 Fund Accountant
 ICPAK Member Number:

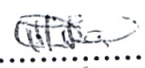
Kakamega County Climate Change Fund
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15. Statement of Financial Position As at 30 June 2023

Description	Note	2022-2023	2021-2022
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	4	48,000,000	-
Current Portion of Long- Term Receivables From Exchange Transactions		-	-
Investments in financial assets		-	-
Total current assets		48,000,000	-
Non-Current Assets			
Property, Plant and Equipment		-	-
Total non- current assets		-	-
Total Assets		-	-
Liabilities			
Current Liabilities			
Trade and Other Payables from Exchange Transactions	5	2,119,200	-
Total Liabilities		-	-
Net Assets			
Accumulated Surplus		45,880,800	-
Total Net Assets and Liabilities		45,880,800	-

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 _____ 2023 and signed by:


 Name: Anthony Mwangi
 Administrator of the Fund


 Name: Isaac P. Mwangi
 Fund Accountant
 ICPAK Member Number:

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16. Statement Of Changes in Net Assets for the year ended 30th June 2023

Description	Existing Fund	Revaluation Reserve	Accumulated surplus	Total
		Kshs	Kshs	Kshs
Balance As At 1 July (2021)	-	-	-	-
Surplus/(Deficit) For the Period	-	-	-	-
Funds Received During the Year	-	-	-	-
Transfers	-	-	-	-
Revaluation Gain	-	-	-	-
Balance As At 30 June (2022)	-	-	-	-
Balance As At 1 July (2022)	-	-	-	-
Surplus/(Deficit) For the Period		-	45,880,800	45,880,800
Funds Received During the Year		-	-	-
Transfers	-	-	-	-
Revaluation Gain	-	-	-	-
Balance As At 30 June (2023)	-	-	45,880,800	45,880,800

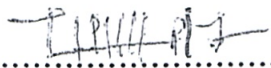
.....
 Name: Anthony Mwangi
 Administrator of the Fund


.....
 Name: Isaac B. Makenzie
 Fund Accountant
 ICPAK Member Number:

**Kakamega County Climate Change Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

17. Statement of Cash Flows for The Year Ended 30 June 2023

Description	Note	2022-2023	2021-2022
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from World Bank	1	22,000,000	-
Transfers From the County Government	2	26,000,000	-
Interest received		-	-
Receipts from other operating activities		-	-
Total receipts		48,000,000	-
Payments			
Fund administration expenses			-
General expenses		-	-
Net cashflows from operating activities		48,000,000	-
Cash flows from investing activities			
Purchase of property, plant, equipment and Intangible assets		-	-
Net cashflows used in investing activities		-	-
Cashflows from financing activities			
Proceeds from revolving fund receipts		-	-
Net cashflows used in financing activities		-	-
Net increase/(decrease)in cash &cash Equivalents		-	-
Cashandcashequivalentsat1July 2022		-	-
Cash and cash equivalents at 30 June 2023		48,000,000	-


 Name: Nodong Mwangi
 Administrator of the Fund


 Name: Isaac P. M. Kenge
 Fund Accountant
 ICPAK Member Number:

Kakamega County Climate Change Fund
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18. Statement Of Comparison Of Budget And Actual Amounts For The Period

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						
Transfers from World Bank	-	-	0	22,000,000	-22,000,000	
Transfers From the County Government	70,000,000	-	70,000,000	26,000,000	44,000,000	37
Interest Income	-	-	-	-	-	
Other Income	-	-	-	-	-	
Total Income	70,000,000	-	70,000,000	48,000,000	22,000,000	69
Expenses						
Fund Administration Expenses	-	-	-	-	-	
General Expenses	70,000,000	-	70,000,000	2,119,200	67,880,800	3
Finance Cost	-	-	-	-	-	
Total Expenditure	70,000,000	-	70,000,000	2,119,200	67,880,800	3
Surplus For the Period	-	-	-	45,880,800	-	
Capital expenditure	-	-	-	-	-	

19. Notes to the Financial Statements

1. General Information

Kakamega County Climate Change Fund is established by and derives its authority and accountability from Kakamega County Climate Change Act 29th December 2020. The Fund is wholly owned by the County Government of Kakamega and is domiciled in Kenya.

The fund’s objective is to establish a climate change framework, governance structures and resources to support implementation of climate change actions

2. Statement of compliance and basis of preparation

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

3. Adoption of new and revised standards

- (i) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2023

Standard	Effective date and impact
<p>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1st January 2023</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity’s future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset’s cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model

Kakamega County Climate Change Fund
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Standard	Effective date and impact
	<p>that is applicable to all financial instruments subject to impairment testing; and</p> <ul style="list-style-type: none"> • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ul style="list-style-type: none"> (a) The nature of such social benefits provided by the Entity; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows.
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2023</p> <ul style="list-style-type: none"> a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued. <p>Amendments to IPSAS 33, to update the guidance on classifying</p>

Kakamega County Climate Change Fund
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Standard	Effective date and impact
	financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.
Other improvements to IPSAS	<p><i>Applicable 1st January 2023</i></p> <ul style="list-style-type: none"> ◦ <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> ◦ <i>IPSAS 39: Employee Benefits</i> <p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> ◦ IPSAS 29: Financial instruments: Recognition and Measurement <p>Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.</p>

(ii) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2023.

Standard	Effective date and impact:
IPSAS 43	<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 cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non-Current Assets Held	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p>

Kakamega County Climate Change Fund
Annual Report and Financial Statements for the year ended June 30, 2023

Standard	Effective date and impact:
for Sale and Discontinued Operations	<p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>

(iii) Early adoption of standards

The Kakamega county Climate change fund did not early – adopt any new or amended standards in the financial year.

1. 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 2023 was approved by the County Assembly on June 2022. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Fund recorded additional appropriations on the FY 2023 budget following the governing body's approval.

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

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

Summary of Significant Accounting Policies (Continued)

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. (amend as appropriate). A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial assets

Classification of financial assets

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

Subsequent measurement

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

Summary of Significant Accounting Policies (Continued)

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

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.

g) 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.

h) 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.

i) 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)

j) 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.

k) Nature and purpose of reserves

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

l) 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.

m) Employee benefits – Retirement benefit plans

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

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

Summary of Significant Accounting Policies (Continued)

n) 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.

o) 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.

p) 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.

q) 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.

r) Comparative figures

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

6. Notes To The Financial Statements

1. Public contributions and donations

Description	2022-2023	2021-2022
	Kshs	Kshs
Donation From Development Partners-World Bank	22,000,000	-
Contributions From The Public	-	-
Total	22,000,000	-

2. Transfers from County Government

Description	2022-2023	2021-2022
	Kshs	Kshs
Transfers From County Govt. –Operations	26,000,000	-
Payments By County On Behalf Of The Entity	-	-
Unconditional Development grants	-	-
Total	26,000,000	-

3. Use of Goods and services

Description	2022-2023	2021-2022
	Kshs	Kshs
	-	-
Training expenses	2,119,200	-
Total	2,119,200	-

4. Cash and cash equivalents

Description	2022-2023	2021-2022
	Kshs	Kshs
	-	-
Kakamega county climate change fund-cbk	48,000,000	-
Fixed Deposits Account	-	-
Total Cash And Cash Equivalent	48,000,000	-

Kakamega County Climate Change Fund
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Notes To The Financial Statements (Continued)

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

Description	Account Number	2022-2023	2021-2022
		KSh	KSh
a) Current Account			
CBK	100537515	48,000,000	
Sub- Total		-	-
		-	-
Grand Total		48,000,000	-

5. Trade and other payables from exchange transactions

Description	Insert Current FY		Insert Comparative FY	
	KSh	KSh	KSh	KSh
Trade Payables	-		-	
Other Payables	2,119,200		-	
Total Trade and Other Payables	2,119,200		-	
Ageing analysis (Trade and other payables)				
	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	2,119,200	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (tie to above total)	2,119,200		-	

Kakamega County Climate Change Fund
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Notes To The Financial Statements (Continued)

5. Property, plant and equipment

	Land and Buildings	Motor vehicles	Furniture and fittings	Computers and office equipment	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
Cost					
At 1 st July (2021)	-	-	-	-	-
Depreciation	-	-	-	-	-
Impairment	-	-	-	-	-
At 30 th June (2022)	-	-	-	-	-
At 1 st July (2022)	-	-	-	-	-
Depreciation	-	-	-	-	-
Disposals	-	-	-	-	-
Impairment	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-
At 30 th June (2023)	-	-	-	-	-
Net Book Values	-	-	-	-	-
At 30 th June (2022)	-	-	-	-	-
At 30 th June (2023)	-	-	-	-	-

Notes To The Financial Statements (Continued)

6. Intangible assets

Description	2022-2023	2021-2022
	Kshs	Kshs
Cost		
At Beginning of The Year	-	-
Additions	-	-
At End of The Year	-	-
NBV	-	-

(For investment property held at fair value, changes in fair value should go through the statement of financial performance. Where cost model is elected, depreciation and impairment should not be charged. Investment measured at fair value should be evaluated at the end of the reporting period for changes in fair value.). Entity should disclose the independent valuers, rental income from the investment property if any and the direct costs attributed to the investment property. Any charges on the investment property as well as any difficulty in classifying this asset as an investment property.

7. 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:

Notes To The Financial Statements (Continued)

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

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

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.

c) Market risk

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

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

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

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

i. Foreign currency risk

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

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

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)

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.

Fund Manager/Accounting Officer (enter title of head of Fund)

Date.....19/12/2023.....

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Annex II: Inter-Fund Confirmation Letter

KAKAMEGA COUNTY CLIMATE CHANGE FUND

The Kakamega County Climate Change fund wishes to confirm the amounts disbursed to you as at 30th June 2023 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by Kakamega County Climate Change Fund as at 30 th June 2023							
DATE	DESCRIPTION	AMOUNTS					
31/05/2023	Inward RTGS	11,000,000.00					
8/6/2023	County treasury	11,000,000.00					
23/06/2023	County treasury	15,000,000.00					
4/7/2023	Inward RTGS	11,000,000.00					
TOTAL		48,000,000.00					

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

Head of Accountants department of beneficiary Fund:

Name Grace P. Makenzie Sign [Signature] Date 19/12/2023

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Annex III: Reporting of Climate Relevant Expenditures

No	Date	PAYEE	DESCRIPTION	AMOUNT
1	17/08/2023	COOP OPERATION RETENTION ACCOUNT	Transfer of funds to retention account	11,000,000
2	27/6/2023	KENYA SCHOOL OF GOVERNMENT	Provision of Services	931,200
3	27/6/2023	KENYA SCHOOL OF GOVERNMENT	Provision of Services	613,600
4	27/6/2023	KENYA SCHOOL OF GOVERNMENT	Provision of Services	574,400
5	24/08/2023	M/S NABCOS COMPANY LIMITED	Provision of Services for Development of participatory LOT 3	2,930,496
6	21/07/2023	M/S CHEVRON AFRICA LIMITED	Provision of Services for Development of participatory LOT 2	2,949,648
7	17/07/2023	M/S LAKERS CONSULTANCY LIMITED	Provision of Services for Development of participatory LOT 1	2,250,000
8	17/08/2023	MWALIE LOGISTICS LIMITED	Provision of Training Services LOT 3	2,850,000
9	11/09/2023	M/S JOYROWL LIMITED	Supply of info education (IEC) Materials	2,888,400
10	7/08/2023	WISELEAD CONSULTANCY LIMITED	Provision of Training Services LOT 1	1,820,000
11	7/08/2023	NAVOLA GREEN CONSULTANCY LIMITED	Provision of Training Services LOT 2	2,110,000
			TOTAL	30,917,744