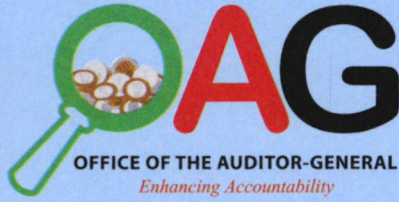


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REPORT

OF

THE AUDITOR-GENERAL

ON

PAPERS LAID	
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CLERK AT THE TABLE	I. Ubaya

TRANS NZOIA COUNTY CLIMATE CHANGE FUND

FOR THE YEAR ENDED
30 JUNE, 2025



TRANS NZOIA 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)

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

Contents

1. Acronyms and Definition of Key Terms.....	iv
2. Key Entity Information and Management	v
3. Report of the Fund Administrator.....	xi
4. Statement of Performance Against the County Fund's Predetermined Objectives.....	xii
5. Corporate Governance Statement.....	xiii
6. Management Discussion and Analysis	xvi
8. Statement of Management's Responsibilities	xxii
9. Report of The Independent Auditor on the Financial Statements for Trans Nzoia County Climate Change Fund.....	xxiii
10. Statement of Financial Performance for the Year ended 30th June 2025.....	1
11. Statement of Financial Position As at 30 June 2025	2
12. Statement of Changes in Net Assets for the year ended 30th June 2025.....	3
13. Statement of Cash Flows for the year Ended 30 June 2025	4
14. Statement of Comparison of Budget and Actual Amounts for the Period ended 30 th June 2025	5
15. Notes to the Financial Statements.....	6
16. Annexes.....	17

1. Acronyms and Definition of Key Terms

A. Acronyms

FLLoCA	Financing Locally-Led Climate Action
POM	Program Operational Manual
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
CPA	Certified Public Accountant
CCIS	County Climate Institutional Support
CCRIG	County Climate Resilience Investment grant
CCA	County Climate Action
PAD	Program appraisal Document
PIU	Project Implementation Unit
MCs	Minimum Conditions
CCCSC	County Climate Change Steering Committee
CCCPC)	County Climate Change Planning Committee
CIDP	County Integrated Development Plan
WCCPC	Ward Climate Change Planning Committees
ESIA	Environmental and Social Impact Assessment
NEMA	National Environment Management Authority
KfW	Kreditanstalt für Wiederaufbau (Germany’s development bank)
IDA	International Development Association (World Bank Group)

B. Definition of Key Terms

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

Comparative Year- Means the prior period (Fy 2023-2024)

2. The key management personnel who had financial responsibility

Key Entity Information and Management

a) Background information

FLLoCA Program is an innovative program, jointly funded by the County Government of Trans Nzoia and the World Bank to create resilience at the local (Community) levels to mitigate the impact of climate change. The FLLoCA program became effective on 1st February, 2022 and is expected to run until 30th June 2027.

Trans Nzoia County Climate Change Fund is a creation of Financing Locally led Climate Action (FLLoCA) Program and derives its authority, Financing and accountability from Trans Nzoia County Climate Change Fund Act, 2021, FLLoCA Grants Manual and the FLLoCA intergovernmental participatory agreement.

The program funds are spent through the Special Purpose Account (SPA) while the expenditure and operations of the SPA is guided by PFMA, Program appraisal Document (PAD) and Program Operational Manual (POM).

The reporting and disclosure requirements are based on Public Financial Management Act 2012 (PFMA 2012) and Public Financial Management Regulation 2015.

At the core of FLLoCA are two intergovernmental fiscal grants that are, in principle, available to all county governments in Kenya, being the County Climate Institutional Support (CCIS) Grant, meant to help and incentivise county governments to get legal, institutional and organisational arrangements in place to be able to budget, plan for and implement for Climate Change Adaptation through County Climate Action (CCA); and the County Climate Resilience Investment (CCRI) grant, a performance-based grant to fund such County Climate Action.

b) Principal Activities

The fund's objective is to to deliver locally-Led climate resilience actions and strengthen County Governments' capacity to manage climate risks

c) Fund Administration

S/no.	Name	Position
1	M/s. Dorothy Nyukuri	Chief Officer
2	CPA Kirato Wanjala Wanyonyi	FLLoCA Fund Administrator
3	Godfrey Wekesa	FLLoCA Program Coordinator

d) Fiduciary Oversight Arrangements

The fiduciary oversight arrangements for the Financing Locally–Led Climate Action (FLLoCA) Program are designed to ensure accountability, transparency, and effective utilization of resources disbursed through the performance-based grant mechanism. These arrangements provide assurance to both the National Treasury and development partners that funds are managed prudently and in line with the program’s objectives.

Key elements of the fiduciary oversight framework include:

i. Financial Management and Reporting

The maintains proper financial records, prepare timely financial reports, and submit them to the National Treasury and the Office of the Auditor General. These reports are aligned to the Public Finance Management (PFM) Act, IPSAS accrual standards, and donor requirements.

ii. Internal Controls

The Fund has established strong internal control systems to safeguard resources, minimize fiduciary risks, and detect irregularities early. This includes segregation of duties, approval hierarchies, procurement checks, and adherence to county treasury circulars.

iii. External and Internal Audit

Program accounts are subject to audit by both internal auditors at the county level and external auditors under the Office of the Auditor-General (OAG). The audit reports provide independent assurance on compliance with laws, regulations, and donor conditions, while highlighting areas for improvement.

iv. Procurement Oversight

Procurement process under FLLoCA follows the Public Procurement and Asset Disposal Act (PPADA, 2015) to guarantee competitive bidding, fairness, and value for money. The Public Procurement Regulatory Authority (PPRA) plays a role in oversight and compliance monitoring.

v. Performance-Based Grant Verification

Disbursements under FLLoCA are tied to achievement of performance-based results. Independent verification officers, commissioned by the Project Implementation Unit

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

(PIU) under The National Treasury to assess Funds' compliance with Minimum Conditions (MCs) and Performance Measures (PMs) before additional funds are released.

vi. **Transparency and Citizen Engagement**

The Fund is expected to publish budgetary information, disclose fund allocations, and engage communities in participatory planning and monitoring. This strengthens social accountability and minimizes fiduciary risks.

SN	Position	Name
1.	County Head of Internal Audit	CPA Andrew Wepukhulu
2.	Staff of Internal Audit	CPA Benedict Maraga CPA Lydia Akolla
3.	Office of the Auditor General	Commissioned Staff

e) Registered Offices

Water, Environment, Natural Resources & Climate Change Office
P.O. Box 4211 – 30200
Kitale, Kenya

f) Fund Contacts

Telephone: (254) 7156583771
E-mail: countyoftransnzoia@gmail.com.
Website: www.countyoftransnzoia.go.ke

g) Fund Banker

- a. Central Bank of Kenya,
Special Purpose Account
Trans – Nzoia County-Climate Change Fund
Account No. 1000547367
- b. SBM Bank-Trans Nzoia County-Climate Change Fund
Account No. 0402407645001

h) Independent Auditors


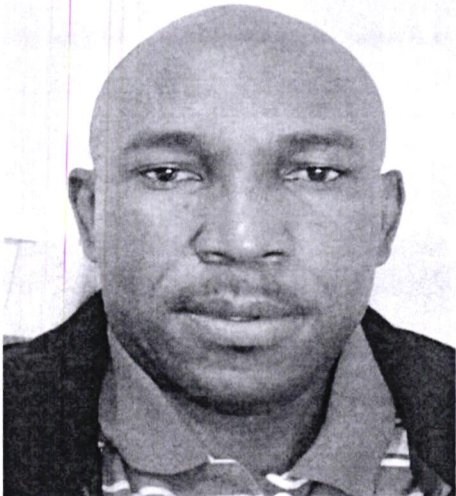

Auditor General
Office of The Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100 Nairobi, Kenya

i) Principal Legal Adviser

The County Attorney
P.O. Box 4211 – 30200
Town Hall, Kitale, **KENYA**

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

1. Fund Administration committee

S/no.	Name	Details of qualifications and experience
a.	 <p>M/s. Dorothy Nyukuri</p>	<p>M/s. Dorothy Nyukuri is the Chief officer for the Department of Water, Environment, and Natural Resources & Climate Change.</p> <p>She holds a Bachelor of Arts in Social Science degree and Masters of Science in Development Studies.</p>
b.	 <p>CPA Kirato Wanjala Wanyonyi</p>	<p>Mr. Kirato Wanjalah Wanyonyi is a Principal Accountant in the County Treasury and is the Fund Administrator of the Fund. He's a holder of MBA (Finance) and currently pursuing Master of Arts in Project Planning & Management and further a qualified CPA (K), CPS (K), SLDP, SMC and other financial courses.</p> <p>He brings in a wealthy of experiences attained from various engagements both in private and public.</p>
c.	 <p>Mr. Godfrey Wekesa</p>	<p>Mr. Godfrey Wekesa is the Focal Person in charge of Trans Nzoia County Climate change Unit and the FLLoCA Program coordinator.</p> <p>He holds a Bachelor's Degree in Environmental Health and Master's degree in Project Planning and Management.</p>

2. FLLoCA Coordinator's Report

FLLoCA Program's objective is to deliver locally-led climate resilience actions and strengthen county and national governments' capacity to manage climate risk.

During the year under review the program achieved the following;

- a) Water intake protection and rehabilitation of pipeline extension benefiting ten wards across the County.
- b) Spring protection with eleven projects completed across eight wards across the county
- c) Roof catchment water harvesting in institutions thus enhancing water storage capacity and accessibility during dry season across nine wards.
- d) Thirteen Borehole equipped and upgraded in twelve wards to enhance access to clean and safe water by the communities.
- e) Rehabilitation of degraded landscapes and catchment areas through planting of indigenous trees.
- f) Emission reduction through promotion of clean cooking technologies such as rocket jiko t & clean cooking stove.
- g) Promotion of on-farm water harvesting for food security through construction of farm ponds.
- h) Promotion of livelihood diversification through apiculture, aquaculture, short season crops and integrating fruit farming system.

DIRECTOR OF ENVIRONMENT
COUNTY GOVERNMENT OF TRANS-NZOIA
P. O. Box 4211-20200,
KITALE



Godfrey Wekesa

FLLoCA Program Coordinator

County Government of Trans Nzoia

3. Report of the Fund Administrator

During the financial year under review, a total of KSh. 318,312,336 was disbursed under the FLLoCA Program. This consisted of allocations from the National Treasury through the performance-based grant mechanism, supplemented by unspent balances and the County Government counterpart transfer.

Out of the total disbursement, KSh. 202,523,105 was utilized during the year to finance eligible climate-resilient projects and capacity-building activities across targeted sectors. The expenditures were directed towards project implementation, community-driven climate adaptation initiatives, and strengthening institutional systems in line with FLLoCA guidelines.

The unutilized balance of KSh. 148,390,880 has been carried forward to the next financial year for the continuity of ongoing and rolled-over projects.

The Fund management acknowledges the support of both the National Treasury and the County Government in ensuring the timely release of funds and remains committed to prudent financial management, accountability, and alignment with the program's objectives of building resilience to climate change at the community level.



CPA Kirato Wanjala Wanyonyi
FLLoCA Fund Administrator
County Government of Trans Nzoia

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

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


During the financial year, the County received KShs. 245,382,336 from the National Treasury under the FLLoCA Program and Kshs. 7,930,000 as counterpart contribution. This represents the full disbursement of the donor allocation for the year and part of the County Government's counterpart contribution totaling to Kshs. 318,312,336. The total counterpart allocation was Kshs. 82,305,292.

The County Fund's predetermined objectives under the FLLoCA program were:

1. Enhancing community resilience to climate change through the financing of locally identified and prioritized climate adaptation projects in Water, Environment & Agriculture.
2. Strengthening institutional capacity at county and community levels for planning, budgeting, and monitoring of climate-related initiatives.
3. Mainstreaming climate change considerations into county development plans and investment frameworks.

Against these objectives, KShs. 202,523,105 was utilized during the year, financing climate-smart projects across three FLLoCA recommended sectors and institutional Support (water, Environment, and Agriculture).

The unutilized balance of KShs. 148,390,880 was committed to ongoing and pipeline projects and has been rolled over to the subsequent financial year to ensure continuity in implementation and achievement of the program's objectives.



CPA Kirato Wanjala Wanyonyi

FLLoCA Fund Administrator

County Government of Trans Nzoia

5. Corporate Governance Statement

The FLLoCA Fund is committed to the highest standards of corporate governance in the management of public resources. The Fund operates within a framework of transparency, accountability, integrity, and participatory decision-making in line with the Constitution of Kenya, the Public Finance Management (PFM) Act, Trans Nzoia County Climate Change Fund Act, 2021, and the FLLoCA Program Guidelines.

Governance Structure

The Fund is administered under a multi-tier governance framework that ensures inclusive and accountable management of resources:

- a. **National Treasury & Economic Planning** –Through the Project Implementation Unit (PIU), it provides overall policy guidance, program oversight, and timely disbursement of performance-based grants.

- b. **Climate change Steering Committee:**

This is the apex committee responsible for oversight on Climate Change funds utilization and projects implementation process. The committee is composed of the eight members as follows:

<u>Name</u>	<u>Designation</u>	<u>Position</u>
1. H.E George Natembeya	The Governor	Chair
2. Mrs. Phenomena Kapkori	Deputy Governor	person
3. Dr. Pepela Wanjala	CECM-Climate Change	Vice Chair
4. Mr. Boniface Wanyonyi	CECM Finance	Secretary
5. Mrs. Phanis Khatundi	CECM Agriculture	Member
6. Mr. Charles Wabwoba	County Attorney	Member
7. M/s. Dorothy Nyukuri	CCO-Climate Change	Member
8. Hon. Kiprugut Mosbei	County Assembly Committee Chair- <i>In-charge of Environment & Climate Change</i>	Ex-official

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

c. County Climate Change Planning Committee (CCCPC)

The committee is responsible for approval of climate change fund projects and proposals, and ensuring equitable allocation of the monies available in the Fund with regard to the projects.

<u>Name</u>	<u>Designation/Organi</u>	<u>Position</u>
1. Dr. Pepela Wanjala	CECM-Climate Change	Chair person
2. M/s. Dorothy Nyukuri	CCO-Climate Change	Secretary
3. Godfrey Wekesa	Director –Climate change;	Member
4. Stanley Ambasa	NEMA representative	Member
5. Edward Amoni	Director Meteorology Service	Member
6. Elly Ntinda	KFS representative	Member
7. James Nyangweso	WRA representative	Member
8. Bhajah Rao Singh	Trade industry representative	Member
9. Zablon Obiri	Agriculture industry repretentative	Member
10. Douglas Wanyonyi	PBO Representative	Member
11. Abdalla Muhammed Omar	Youth Representative	Member
12. Dorothy Cherop	Women representative	Member
13. M/s Hellen Nana	Pwd representative	Member

d. Ward Climate Change Planning Committees (WCCPCs)

This committee is mandated to consult with the community on the relevant climate finance activities; receive project proposals from the community at the ward level; preparing the ward level project report among other activities. The committee is composed of the 10 elected community members per ward:

- a) Community representatives appointed as follows—
 - (i) Two persons, a male and a female, nominated by the youth in the ward;
 - (ii) one person nominated by women in the ward;
 - (iii) a representative of persons with disability in the ward;
- b) one person representing Ward based Public Benefit Organizations/CBOs;
- c) one person representing faith based organizations in the ward; and

Four representatives nominated by communities representing various locations in the ward.

Governance Principles

The Fund adheres to the following governance principles:

1. **Accountability:** Resources are applied strictly for their intended purpose, with periodic reporting to stakeholders, including the National Treasury.
2. **Transparency:** Financial statements, disbursement schedules, and project implementation progress are disclosed in accordance with PFM Act requirements and donor reporting frameworks.
3. **Inclusivity:** The governance process integrates community voices, ensuring that women, youth, and marginalized groups participate actively in decision-making.
4. **Integrity and Compliance:** The Fund applies ethical standards, internal controls, and audit mechanisms to safeguard resources and ensure compliance with legal and regulatory frameworks.
5. **Performance Orientation:** Disbursement and continued funding are linked to the achievement of agreed performance targets, strengthening efficiency and value for money.

Governance Performance

During the reporting year, the Fund received a total of KShs. 318,312,336 as full disbursements under the performance-based grant mechanism and county counterpart contributions. Out of this, KShs. 202,523,105 was utilized in line with predetermined objectives, with the balance committed to ongoing projects. Governance structures functioned effectively, ensuring participatory planning, prudent financial management, and adherence to performance conditions set under the FLLoCA Program.

The Fund remains committed to continuous improvement in governance practices, with a focus on strengthening oversight, enhancing citizen engagement, and embedding climate resilience in county development frameworks.

6. Management Discussion and Analysis

This section provides a detailed report on the operational and financial performance of the Trans Nzoia County Climate Change Fund for the reporting period. It highlights key achievements, challenges, and opportunities to guide stakeholders in assessing the Fund's progress and sustainability.

1. Operational and Financial Performance

a. Operational Performance

The Fund's operational focus during the period was on enhancing community resilience through targeted climate actions. Key milestones include:

- i. Completion of Ward-Level Projects:** Initiatives included reforestation, water conservation projects, and renewable energy installations.
- ii. Capacity-Building Workshops:** involved Ward climate change committee members and County Climate unit members in climate governance and project implementation.

b. Financial Performance

- i. Total Revenue:** Kshs. 318,312,336 from development partners, unspent balances and county contribution.
- ii. Total Expenditure:** Kshs. 202,523,105 spent on project implementation and on administrative costs.
- iii. Fund Balance:** Kshs. 148,390,880 carried forward for ongoing projects.

2. Key Projects/Investments

a. Major Projects Implemented

Project	Location	Cost (Kshs.)	Impact	Sector
1000M3 masonry Tank for water storage and distribution	Kapcheplanget-Chepsiro-Kiptoror	2,489,450	Access to safe and clean water by the communities	Water
Rehabilitation and equipping of boreholes	County tree nursery (Bidii), Nabiswa, Bwake Primary (Cherangany), Chebarus (Waitaluk), Kshsogon (Waitaluk), Endebess Market, Kundos(Endebess), St. Peter's Mucharage(Sikhendu), Sinoko(Motosiet),Meso Primary (Kiminini),St Maurice-Lunyu (Kwanza) and Sokomoko (Sitatunga)	32,657,446.10	Access to safe and clean water by the communities across the county	Water
Spring protection with eleven projects completed across eight wards across the county	Manyasi (Sinyerere), Shimo La Tewa (Hospital),Mengo (Saboti), Arap Keino(Sirende), Sitosi Baraka (Sirende), Kaptaragon (Chepsiro-Kiptoror) and Baraton (Sikhendu)	4,452,197	Access to safe and clean water by the communities.	Water
Rehabilitation and Pipeline Extension	Kiminini-Masaba water project Bondeni-Chalicha Telded-Nasianda Masaba Community water Project	34,051,582	Access to safe and clean water by the communities	Water
Roof catchment water harvesting	Nalulingo Primary, Tuwan Primary, St. Columbans, Tuwan	4,987,070	Water harvesting	Water

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

	Girls, Township Primary, Karaus Secondary, Goseta, Maridadi & Sinoko			
Promotion of Aquaculture	County wide	13,287,400	Promote fish farming across wards	Agriculture
Promotion of Green and Clean Energy	Distribution of rocket jiko & clean cooking stove	8,045,562	Emission reduction through promotion of clean cooking technologies	Environment
Promote adoption of nature-based enterprises (Fruit farming, community tree nurseries & beehive)	Distribution of bee hives and fruit seedlings	21,955,505	Fruit farming, community tree nurseries & beehive)	Environment
Enhancement of drainage systems in flood prone areas	Construction of canals in Zea-Namanjalala & Marinda areas	6,874,600	Improve drainage system	Agriculture
Promotion of degraded land	Distribution of indigenous trees	21,155,500	Restore degraded land for farming	Environment

b. Ongoing Investments

Project	Location	Cost (KSHS)	Impact	Sector
Dam/pan rehabilitation to support farming	Kimini, Endebe, Cherangany subcounties	24,525,240	Promote farming through irrigation	Agriculture
Construction of energy saving jikos and briquetts production centre	Country tree nursery in Bidii ward.	4,231,330	Promote use of clean and green energy	Environment
Rehabilitation of kiboroa – saboti -	Saboti Ward	9,927,240	Access to safe and clean water by the communities	Water

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

chemichemi water supply				
Rehabilitation of saboti water supply	Saboti Ward	3,029,750	Access to safe and clean water by the communities	Water
Sendera chebirbei primary pipeline extension-endeless ward	Endebess Ward	4,824,300	Access to safe and clean water by the communities	Water

3. Compliance with Statutory Requirements

The Fund adhered to all statutory requirements during the reporting period, including:

- a. Timely Submission of Financial Reports: Quarterly and annual reports submitted as per the donor and PFM Act, 2012 requirements.
- b. Audit Compliance: Independent external audit conducted with no material findings.
- c. Environmental Compliance: All projects approved by the National Environment Management Authority (NEMA).

7. Environmental and Sustainability Reporting for the FLLoCA Fund

The FLLoCA Fund is anchored on the principle of enhancing climate resilience and promoting sustainable development through county-driven initiatives. In line with its mandate, the Fund recognizes environmental stewardship and sustainability as core elements in the planning, implementation, and reporting of all funded activities.

i. Compliance with Environmental Management and Coordination Act, 2015

During the reporting period, FLLoCA-supported projects were assessed not only on financial and operational performance but also on their contribution to environmental conservation, climate change adaptation, and sustainable livelihoods. The Fund ensured that county governments adhered to environmental and social safeguards, including compliance with the Environmental Management and Coordination Act, 2015 (EMCA), climate change policies, and relevant county-level by-laws.

Key sustainability measures integrated into the program included:

- a. Climate-Smart Investments – Projects funded under FLLoCA emphasized water harvesting, afforestation, renewable energy solutions, soil conservation, and sustainable agriculture practices aimed at reducing carbon emissions and enhancing climate resilience.
- b. Environmental Safeguards – Prior to disbursement of funds, the county was required to undertake Environmental and Social Impact Assessments (ESIAs) to ensure that projects do not result in adverse environmental effects.
- c. Community Participation and Ownership – Communities were actively involved in project identification, planning, and monitoring, thereby enhancing sustainability through local ownership and capacity building.
- d. Monitoring and Evaluation of Sustainability Indicators – the County reported against agreed sustainability performance indicators, such as the number of households benefiting from climate-resilient infrastructure, hectares of land rehabilitated, and adoption rates of environmentally friendly technologies.
- e. Long-Term Resilience Building – The Fund promoted interventions that not only addressed immediate needs but also contributed to long-term adaptation to climate change and sustainable natural resource management.

Overall, the FLLoCA Fund has positioned itself as a catalyst for mainstreaming environmental sustainability into county planning and development. By aligning disbursement of funds with performance-based indicators, the Fund has ensured accountability while promoting projects that deliver both socio-economic benefits and ecological balance.

ii. Environmental and Sustainability Reporting in Line with ESIA Compliance

The FLLoCA Fund is committed to ensuring that all funded projects are implemented in an environmentally sustainable manner, consistent with the provisions of the Environmental Management and Coordination Act, 2015 (EMCA), and the Environmental and Social Impact Assessment (ESIA) requirements.

In line with ESIA compliance, all counties benefiting from FLLoCA funding are required to subject proposed projects to environmental and social screening prior to implementation. This

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

process ensures that potential environmental and social risks are identified, mitigated, and monitored throughout the project cycle. Where necessary, comprehensive Environmental and Social Impact Assessments are undertaken and appropriate mitigation measures incorporated in the project design, execution, and monitoring frameworks.

During the reporting period, the Fund ensured that:

- a. Environmental and Social Safeguards – All funded projects adhered to national ESIA guidelines, with approvals obtained from the National Environment Management Authority (NEMA) before commencement.
- b. Risk Identification and Mitigation – Environmental risks such as deforestation, soil degradation, and water contamination were assessed, with mitigation plans integrated into project implementation. Social safeguards, including community health and safety, gender inclusivity, and protection of vulnerable groups, were also embedded in the ESIA process.
- c. Capacity Building – the County received technical support and training to strengthen its capacity in undertaking ESIA processes, developing environmental management plans, and ensuring compliance with statutory requirements.
- d. Monitoring and Compliance Reporting – the County was required to submit periodic environmental compliance reports as part of their performance-based reporting to the National Treasury and the Ministry of Environment. This ensured continuous monitoring of environmental sustainability outcomes.
- e. Sustainability Enhancement – Projects prioritized nature-based solutions, climate-smart technologies, renewable energy adoption, and sustainable natural resource management practices to enhance long-term environmental and social resilience.

By embedding ESIA compliance in the implementation of FLLoCA-funded initiatives, the Fund not only safeguarded the environment but also ensured that development outcomes were sustainable, inclusive, and aligned with both national and global climate action commitments.

8. 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 shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

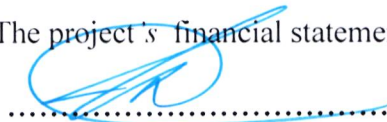
The Administrator of the County Public Fund is responsible for the preparation and presentation of the Fund’s financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 2025. This responsibility includes: (i)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

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

In preparing the financial statements, the Administrator of the County Public Fund has assessed the Fund’s ability to continue as a going concern and disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements. Nothing has come to the attention of the Administrator to indicate that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The project’s financial statements were approved on 25th August, 2025 and signed by:



.....
Name: CPA Kirato Wanyonyi
Fund Administrator

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 TRANS NZOIA 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.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Trans-Nzoia County Climate Change Fund set out on pages 1 to 17, which comprises of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of

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

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

In my opinion, the financial statements present fairly, in all material respects, the financial position of Trans-Nzoia 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 Trans Nzoia County Climate Change Fund Act, 2021 and the Public Finance Management Act, 2012.

Basis for Opinion

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects a final revenue budget and actual receipts of Kshs.360,289,277 and Kshs.350,913,985 respectively resulting in an underfunding of Kshs.9,375,292 or 3 % of the budgeted funds. Further, the Fund spent an amount of Kshs.161,971,323 against actual receipts of Kshs.350,913,985 resulting in an under-utilization of Kshs188,942,662 or 53% of actual receipts.

The under-funding and underutilization affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Information

The Management is responsible for the other information set out on page v to xxii which comprises of key entity information and management, fund administration committee, coordinator's report, report of the fund administrator, statement of performance against the county fund's predetermined objectives, corporate governance statement, management discussion and analysis, statement of management responsibilities. The other information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

Non-Remittance of Public Procurement Capacity Building Levy

Review of documents revealed that Management did not deduct and remit the capacity building levy from suppliers on procurement contracts during the year. This was contrary to Paragraph 3(1) of Legal Notice 206 of the Levy Order 2023 which provides that there shall be a paid levy by a supplier on all procurement contracts signed between the supplier and a procuring entity, at the rate of zero point zero three per centum (0.03%) of the value of the signed contract, exclusive of applicable taxes.

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

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in

the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of the Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue 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 cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

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

23 October, 2025


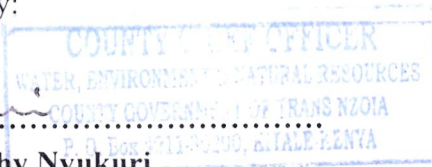
Trans Nzoia County Climate Change Fund

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


10. Statement of Financial Performance for the Year ended 30th June 2025

Description	Note	2024/2025	2023/2024	2023/2024
		Kshs	Restated	Kshs
Revenue From Non-Exchange Transactions				
Public Contributions and Donations	6	204,830,554	52,000,000	52,000,000
Transfers From the County Government	7	72,930,000	33,600,000	33,600,000
Total Revenue		277,760,554	85,600,000	85,600,000
Expenses				
Fund Administration & Project costs	8	161,971,323	67,398,847	67,398,847
Depreciation Expense	9	12,790,924	5,162,480	-
Total Expenses		174,762,247	72,561,327	67,398,847
Other Gains/Losses				
Surplus/(Deficit) for the Period	13	102,998,307	13,038,673	18,201,153

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 25th August, 2025 and signed by:

M/s. Dorothy Nyukuri
 Chief Officer.


 Name: CPA Chippes Mwikiti
 Fund Accountant
 ICPAK Member Number: 27699

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

11. Statement of Financial Position As at 30 June 2025


Description	Note	2024/2025	2023/2024	2023/2024
		Kshs	Restated	Kshs
Assets				
Current Assets				
Cash and Cash Equivalents	10	148,390,880	277,983,985	277,983,788
Grant/Contribution receivable	11	9,375,292	25,930,000	
Total current assets		157,766,172	303,913,985	277,983,788
Non-Current Assets				
Property, Plant and Equipment	12	48,398,278	20,637,420	25,999,700
Total non- current assets		48,398,278	20,637,420	25,999,700
Total Assets (A)		206,164,450	324,551,405	303,983,488
Liabilities				
Current Liabilities				
Trade and Other Payables from Exchange Transactions		-	-	-
Total current liabilities		-	-	-
Non-Current Liabilities		-		
Total Liabilities (B)		-	-	-
Net Assets (A-B)		206,164,450	324,551,405	303,983,488
Represented By:				
Capital Fund	13	90,127,470	311,512,732	285,782,335
Accumulated Surplus	13	116,036,980	13,038,673	18,201,153
Net Assets		206,164,450	324,551,405	303,983,488

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 25th August, 2025 and signed by:


.....

M/s. Dorothy Nyukuri
Chief Officer




.....
Name: CPA Chispa Mwachindi
Fund Accountant
ICPAK Member Number: 27699

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

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

Description	Capital Fund	Revaluation Reserve	Accumulated surplus	Total
		Kshs	Kshs	Kshs
Balance As At 1 July 2023	-	-	-	-
Surplus/(Deficit) For the Period	-	-	-	-
Funds Received During the Year	-	-	-	-
Balance As At 30 June 2024	311,512,732	-	13,038,673	324,551,405
Balance As At 1 July 2024	311,512,732	-	13,038,673	324,551,405
Less: Adjustment	(221,385,262)	-	-	(221,385,262)
Surplus/(Deficit) For the Period	-	-	102,998,307	102,998,307
Funds Received during the period	-	-	-	-
Transfers-Depreciation	-	-	-	-
Revaluation Gain	-	-	-	-
Balance As At 30 June 2025	90,127,470	-	116,036,980	206,164,450

Note: Adjustment relates to the donor funds received in the previous year and re-budgeted in the current FY 2024/2025 for program implementation.

Trans Nzoia County Climate Change Fund

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

13. Statement of Cash Flows for the year Ended 30 June 2025

Description	Note	2024/2025	2023/2024	2022/2023
		Kshs	Restated	Kshs
Cash flows from operating activities				
Receipts				
Public contributions and donations		-	267,382,532	267,382,335
Transfers from the county government	7	72,930,000	104,000,000	104,000,000
Total receipts		72,930,000	371,382,532	371,382,335
Payments				
Fund administration expenses	8	(29,512,163)	(40,942,355)	(40,942,355)
Project Implementation expenses	8	(132,458,963)	(31,583,127)	(26,397,287)
Bank charges	8	(197)	(59,205)	(59,205)
Net cash flows from operating activities		(89,041,323)	298,797,845	303,983,488
Cash flows from investing activities				
Purchase of property, plant, equipment and Intangible assets	12	(40,551,782)	(20,813,860)	(25,999,700)
Net cash flows used in investing activities		(-)	(-)	(-)
Cash flows from financing activities				
Net cash flows used in financing activities		(-)	(-)	(-)
Net increase in cash & cash Equivalents		(129,593,105)	277,983,985	277,983,788
Cash and cash equivalents at 1 July 2024	10	277,983,985	-	-
Cash and cash equivalents at 30 June 2025	10	148,390,880	277,983,985	277,983,788

Note: The cash and Cash equivalent figure for the previous year (Kshs. 267,382,335) was restated to include Kshs. 197 erroneously omitted. The same amount was expensed in the current period as it was charged by the bank as account closure fee.

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

14. Statement of Comparison of Budget and Actual Amounts for the Period ended 30th 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						
Budget Carryover from previous year.	-	32,601,649	32,601,649	32,601,649	-	100%
Public Contributions and Donations	245,382,336	-	245,382,336	245,382,336	-	100%
Transfers From County Govt.	82,305,292	-	82,305,292	72,930,000	9,375,292	89%
Interest Income	-	-	-	-	(-)	
Other Income-	-	-	-	-	-	
Total Income	327,687,628	32,601,649	360,289,277	350,913,985	9,375,292	97%
Expenses						
Fund Administration Expenses	32,768,763	(-)	32,768,763	29,512,360	3,256,403	90%
Program Expenses	252,113,531	(-)	252,113,531	132,458,963	119,654,568	53%
Finance Cost	-	(-)	-	-	(-)	
Total Expenditure	284,882,294	(-)	284,882,294	161,971,323	122,910,971	57%
Capital expenditure	42,805,334	32,601,649	75,406,983	40,551,782	34,855,201	54%
Surplus For the Period	0.00	(-)	0.00	148,390,880	148,390,880	

Budget Notes: Kshs. 32,601,649 relates to adjusted cash and cash equivalents at the beginning of the period and donor funds received in the previous period. That is, (Kshs. 277,983,788 less 245,382,336 Equals 32,601,452 plus Kshs 197 restated at the beginning of the period).

15. Notes to the Financial Statements

1. General Information

Trans Nzoia County Climate Change Fund is a creation of FLLoCA Program and derives its authority, Financing and accountability from Trans Nzoia County Climate Change Fund Act, 2021, FLLoCA Grants Manual and the FLLoCA intergovernmental participatory agreement. The entity’s principal activity is to create resilience at the local (and community) levels to mitigate the impact of climate change.

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 relates to twelve (12) months period from 1st July 2024 to 30th June 2025 and are presented in Kenya shillings, which is the functional and reporting currency of the Fund and all values are rounded to the nearest Kenya Shillings. The accounting policies have been consistently applied to all the years presented.

The financial statements have been prepared on the basis of historical cost and accrual basis of accounting. The cash flow statement is prepared using the direct method.

3. Adoption of new and Revised standards

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

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

Standard	Effective date and impact:
IPSAS 43	<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. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities. There was no impact of the standard to the Entity.</p>
IPSAS 44: Non- Current	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p>

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

<p>Assets Held for Sale and Discontinued Operations</p>	<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> <p>There was no impact of the standard to the Entity if relevant</p>
<p>IPSAS 45- Property Plant and Equipment</p>	<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 recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p>There was no impact of the standard to the Entity.</p> <p>However, the entity adopted the National Treasury Guidelines on the Management of Asset and Liability in the Public Sector in valuation of its Property, Plant and Equipment.</p>
<p>IPSAS 46 Measurement</p>	<p>Applicable 1st January 2025</p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p>There was no impact of the standard to the Entity.</p>
<p>IPSAS 47- Revenue</p>	<p>Applicable 1st January 2026</p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This</p>

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

	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. There was no impact of the standard to the Entity if relevant
IPSAS 48- Transfer Expenses	<i>Applicable 1st January 2026</i> 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. There was no impact of the standard to the Entity.
IPSAS 49- Retirement Benefit Plans	<i>Applicable 1st January 2026</i> The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan. There was no impact of the standard to the Entity.

4. Summary of Significant Accounting Policies

a) Revenue recognition

i. Revenue from non-exchange transactions

Transfers from other government entities

The entity received Kshs. 149,730,885 and Kshs. 84,651,450 from IDA and KFW respectively. The County also transferred to the fund its share of contribution amounting to Kshs. 72,930,000.

b) Budget information

The original budget for FY 2024/2025 was approved by the County Assembly on 18th July 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Fund did not record any additional appropriations 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

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

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 cash flows has been presented.

c) Property, plant and equipment

The Fund adopted Guidelines on asset and Liability management in the Public Sector, as provided by the National Treasury.

As a result, 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. The Fund uses straight line method to depreciate its assets as provided by the adopted guidelines.

e) Intangible Assets

The entity did not record any Intangible assets during the year under review.

Financial liabilities

Classification

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

f) Social Benefits

The entity did not incur any Social benefit payment during the year under review.

g) 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.

h) Cash and cash equivalents

Cash and cash equivalents comprised only cash at bank. Bank account balances include amounts held at the Special Purpose Account (SPA) at the end of the financial year.

Trans Nzoia County Climate Change Fund

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

Comparative figures are provided to the respective financial statement for the period ended 30th June 2024 *with a restated in response to the Auditor's Final report on unsupported cash and cash equivalents reported for the fourteen Months ended 30th June 2024.*

5. Significant judgments and sources of estimation uncertainty

The preparation of the Entity's financial statements is in conformity with IPSAS requirement for the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities at the end of the reporting period.

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 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) Provisions

Provisions were raised and management determined an estimate based on the information available.

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.

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

Notes To The Financial Statements Continued

6. Public contributions and donations

Description	2024/2025	2023/2024
	Kshs	Kshs
Donation From Development Partners-IDA	109,179,104	52,000,000
Donation From Development Partners-Kfw	84,651,450	-
County Climate Change Institutional Grant	11,000,000	-
Total	204,830,554	52,000,000

7. Transfers from County Government

Description	2024/2025	2023/2024
	Kshs	Kshs
Transfers From County Govt. on 28 th Sept. 2024	25,930,000	33,600,000
Transfers From County Govt. on 30 th June 2025	47,000,000	-
Total	72,930,000	33,600,000

8. Fund Administration expenses & Project Costs

Description	2024/2025	2023/2024
	Kshs.	Kshs.
Fund Administration Costs	29,512,360	41,001,560
Project Costs	132,458,963	26,397,287
Total	161,971,323	67,398,847

Note: Fund administration expenses relates to operational cost of the fund including support to WCCPCs, CCPC and CCU activities whereas project costs refers to climate change interventions in Agriculture, Water and Environment that cannot be capitalized or meet the asset recognition criteria as per the IPSAs 45.

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

Notes To The Financial Statements Continued

9. Depreciation and Amortization Expense

Description	2024/2025	Restated	2023/2024
	Kshs.	Kshs.	Kshs.
Motor Vehicle	1,164,833	5,185,840	-
Furniture & Fitting	106,500		
Computers	166,000		
Water Storage	248,945	-	-
Pipeline Extension	11,104,646	-	-
Total	12,790,924	5,185,840	-

10. Cash and cash equivalents

Description	2024/2025	Restated	2023/2024
	Kshs	Kshs	Kshs
Others –Special Purpose Account	148,390,880	277,983,985	277,983,788
Total Cash And Cash Equivalents	148,390,880	277,983,985	277,983,788

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

Financial Institution	Account number	2023/2024	Restated	2022/2023
		Kshs	Kshs	Kshs
a) Special Purpose Account				
Central Bank of Kenya	1000547367	148,390,880	277,983,985	277,983,788
Total		148,390,880	277,983,985	277,983,788

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

11. Grant/Contribution Receivable

Description	2024/2025	Restated	2023/2024
	Kshs	Kshs	Kshs
Grant Receivable	-	-	-
Contribution Receivable	9,375,292	-	25,930,000
Total	9,375,292	-	25,930,000

Note: *Contribution receivable relates to counterpart contribution not transferred to the fund by the end of the period.*

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

Notes To The Financial Statements (Continued)

12. Property, plant and equipment

	Water Storage Dep. Rate 10%	Motor vehicles Dep. Rate 16.67%	Furniture and fittings Dep. Rate 12.5%	Computers and office equipment Dep. Rate 30%	Pipeline Extension Project Dep. Rate 20%	Total
Cost	Kshs	Kshs	Kshs	Kshs		Kshs
At 1st July 2023	-	-	-	-	-	-
Additions	-	-	852,000	498,000	24,449,900	25,799,900
Disposals	(-)	(-)	-	-	-	(-)
Transfers/Adjustments	-	(-)	-	(-)	(-)	(-)
At 30th June 2024	-	-	852,000	498,000	24,449,900	25,799,900
At 1st July 2024	-	-	852,000	498,000	24,449,900	25,799,900
Additions	2,489,450	6,989,000	-	-	31,073,332	40,351,782
Disposals	(-)	-	-	-	-	(-)
At 30th June 2025	2,489,450	6,989,000	852,000	498,000	55,523,232	66,351,682
Depreciation And Impairment						
At 1st July 2023	(-)	(-)	(-)	(-)	(-)	(-)
Depreciation-Restated	(-)	(-)	(106,500)	(166,000)	(4,889,980)	(5,162,480)
At 30th June 2024	-	-	(106,500)	(166,000)	(4,889,980)	(5,162,480)
At 1st July 2024	-	-	(106,500)	(166,000)	(4,889,980)	(5,162,480)
Depreciation	(248,945)	(1,164,833)	(106,500)	(166,000)	(11,104,646)	(12,790,924)
Disposals	-	-	-	-	-	-
At 30th June 2025	(248,945)	(1,164,833)	(213,000)	(332,000)	(15,994,626)	(17,953,404)
Net Book Values						
At 30th June 2024	-	-	745,500	332,000	19,559,920	20,637,420

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

	Water Storage Dep. Rate 10%	Motor vehicles Dep. Rate 16.67%	Furniture and fittings Dep. Rate 12.5%	Computers and office equipment Dep. Rate 30%	Pipeline Extension Project Dep. Rate 20%	Total
Cost	Kshs	Kshs	Kshs	Kshs		Kshs
At 30 th June 2025	2,240,505	5,824,167	639,000	166,000	39,528,606	48,398,278

Note: *Property, Plant & Equipment depreciated using straight line method as per the Guidelines on asset and Liability management in the Public Sector, as provided by the National Treasury.*

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

Notes To The Financial Statements (Continued)

13. Capital Fund and Accumulated Surplus

Description	2024/2025	Restated	2023/2024
	Kshs	Kshs	Kshs
Capital Fund	90,127,470	-	311,512,732
Accumulated Surplus	116,036,980	-	13,038,673
Total	206,164,450	-	324,551,405

14. Events after the reporting period

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

15. Ultimate and Holding Entity

The entity is a County Public Fund established by Trans Nzoia County Climate Change Act 2021. Its ultimate parent is the *County Government of Trans Nzoia* domiciled in the Department of Water, Environment, Natural Resources and Climate Change.

16. Currency

The financial statements are presented in Kenya Shillings (Kshs) which is the functional and reporting currency of the Fund and all values are rounded to the nearest Kenya Shillings.

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

16. 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.	Inaccuracies in the Property, Plant and Equipment	To restate Property, Plant and Equipment in the subsequent Financial year FY 2024/2025	Resolved	Restated in Financial statement for FY 2024/2025 by 30 th June 2025
2.	Unsupported Cash and Cash Equivalents	To restate Cash and Cash Equivalents in the subsequent Financial year FY 2024/2025	Resolved	Restated in Financial statement for FY 2024/2025 by 30 th June 2025
3.	Budgetary Control and Performance	Under-utilized funds carried-over to FY 2024/2025 and re-budgeted	Resolved	30 th June 2025
4	Failure to allocate funds to Wards	Allocation to be done in FY 2024/2025	Resolved	30 th June 2025

CPA Kiato W. Wanyonyi
 Fund Administrator
 Date... *25/08/2025*


**Trans Nzoia County Climate Change Fund
Annual Report and Financial Statements for Fourteen Months Ended June 30, 2025**

**Annex II: Inter-Fund Confirmation Letter
Trans Nzoia County Climate Change Fund
P.O. BOX 4211-30200**

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

Confirmation of amounts received by Trans Nzoia County Climate Change Fund as at 30th June 2025							
Reference Number	Date Disbursed	Amounts Disbursed to the Fund (Kshs) as at 30 th June 2025				Amount Received by Trans Nzoia County Climate Change (KShs.) as at 30 th June 2025 (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
1.	17/05/2024	0.00	159,516,893	0:00	159,516,893	Donor- IDA	
2.	2/7/2024	0.00	11,000,000	0.00	74,865,443	Donor-Kfw	
3.	23/9/2024	0.00	74,865,443	0.00	11,000,000	CCISG	
4.	28/11/2025	0.00	25,930,000	0.00	25,930,000	Counter Part	
5.	30/06/2025	0.00	47,000,000	0.00	47,000,000	Counter Part	
Total					<u>318,312,336</u>	Kshs. <u>318,312,336</u>	

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

Fund Administrator:
Name CPA Kerika W. Wanyonyi Sign  Date 25/06/2025

Trans Nzoia County Climate Change Fund
Annual Report and Financial Statements for Fourteen Months Ended June 30, 2025

Annex III: Reporting of Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		
Trans Nzoia County Climate Change Fund	Financing Locally-Led Climate Action	The Program aims to strengthen local resilience to the impacts of climate change, natural hazards, and other shocks/stressors by building communities' capacity to plan, budget, implement, environment and social sustainability, and monitor climate change adaptation and mitigation actions in partnership with communities. The program	<ol style="list-style-type: none"> 1. Pipeline Extension 2. Water storage Equipping 3. Spring Protection 4. Water Harvesting 5. Rehabilitation of Dams for irrigation 6. Promotion of Green energy 7. Promotion of nature based enterprise 8. Capacity building of staff and communities 	NIL	21,859,348	42,368,673	136,986,548	IDA KFW CGTN	Trans Nzoia County Department of Water, Environment, Natural Resources and Climate Change

Trans Nzoia County Climate Change Fund
Annual Report and Financial Statements for Fourteen Months Ended June 30, 2025

		emphasizes the governance aspect, social inclusion, and citizen participation, aspects of climate and disaster risk management, and support actions. It builds county governments' capacities and systems for understanding, planning, and administering climate actions while at the same time funding the actions							
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END