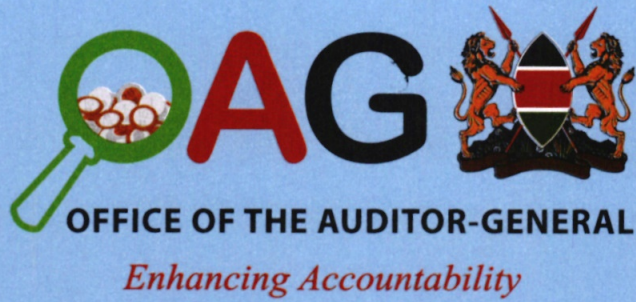


REPUBLIC OF KENYA



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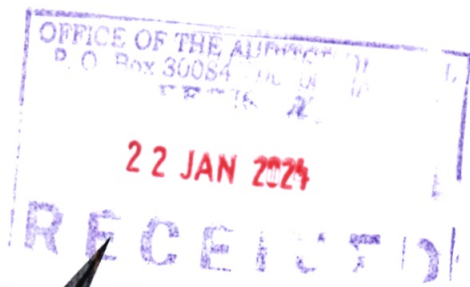
THE AUDITOR-GENERAL

ON

**TURKANA COUNTY CLIMATE CHANGE
FUND**

**FOR THE SEVEN (7) MONTHS
PERIOD ENDED 30 JUNE, 2023**

PAPERS LAID	
DATE	28/03/2024
TABLED BY	ML
COMMITTEE	—
CLERK AT THE TABLE	Carolyne Chemp



**THE TURKANA COUNTY CLIMATE
CHANGE FUND**

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE SEVEN (7) MONTHS PERIOD ENDED
JUNE 30, 2023**

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

Turkana County Climate Change Fund
Annual Report and Financial Statements
For the seven months period ended June 30, 2023

Table of Content

1. Acronyms and Glossary of Terms	iii
2. Key Entity Information and Management	iv
3. Board of Trustees/ Fund Administration Committee.	vii
4. Management Team	viii
6. Report of The Fund Administrator	xii
7. Statement of Performance Against the County Fund's Predetermined Objectives	xiv
8. Corporate Governance Statement	xvi
9. Management Discussion and Analysis	xviii
10. Report of The Trustees	xix
11. Statement of Management's Responsibilities	xx
12. Report of The Independent Auditor on the Financial Statements for The Turkana County Climate Change Fund.	xxii
13. Statement of Financial Performance for the Year Ended 30 th June 2023	1
14. Statement of Financial Position As at 30 June 2023	2
15. Statement Of Changes in Net Assets for the year ended 30 th June 2023	4
16. Statement of Cash Flows for The Year Ended 30 June 2023	5
17. Statement Of Comparison Of Budget And Actual Amounts For The Period	6
18. Notes to the Financial Statements	7
19. Annexes	41

Turkana County Climate Change Fund
Annual Report and Financial Statements
For the seven months period ended June 30, 2023

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

b) Glossary of Terms

Fiduciary Management

The key management personnel who had financial responsibility

Turkana County Climate Change Fund
Annual Report and Financial Statements
For the seven months period ended June 30, 2023

2. Key Entity Information and Management

a) Background information

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

The fund's objective is to;

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

Principal Activities

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

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

Turkana County Climate Change Fund
Annual Report and Financial Statements
For the seven months period ended June 30, 2023

Key Entity and Management (Continued)

b) Board of Trustees/Fund Administration Committee

During the reporting period the Fund Management Boards had not been fully constituted.

c) Key Management team

Ref	Name	Position
1	Dr. Maria Iris	Fund Board Member
2	Joseph Ekalale	Fund Administrator
3	George Emase	Fund Secretary
4	Grace Ewoi	Fund Accountant

d) Fiduciary Oversight Arrangements

Turkana County Assembly Sectoral Committee on Finance, Planning, Trade, and ICT.

SN	Position	Name
1	Chairperson	Michael Ewoi
2	Vice Chairperson	Willy Nalimo
3	Member	Mathew Alany
4	Member	Anarclet Lemuya
5	Member	Amina Loitanit
6	Member	Samuel Aliwo
7	Member	Rebecca Epae
8	Member	Esther Mana

e) Registered Offices

P.O. Box 11-30500
Tourism, Culture, Natural Resources and
Climate Change Offices,
Next to NARIGP Offices,
Lodwar, KENYA.

Turkana County Climate Change Fund
Annual Report and Financial Statements
For the seven months period ended June 30, 2023

Key Entity and Management (Continued)

f) Fund Contacts

E-mail: tcg@turkana.go.ke

Website: www.tcg.go.ke

g) Fund Bankers

National Bank of Kenya
Lodwar Branch
Opposite Equity Bank,
Lodwar Town.

h) Independent Auditors

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

i) County Attorney

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




Turkana County Climate Change Fund
Annual Report and Financial Statements
For the seven months period ended June 30, 2023

3. Board of Trustees/ Fund Administration Committee.


During the reporting period the Fund Management Boards had not been fully constituted. The boards were fully operationalized on 13th July,2023.

**Turkana County Climate Change Fund
Annual Report and Financial Statements
For the seven months period ended June 30, 2023**

4. Management Team

Name	Details of qualifications and experience
<p>1. Dr. Iris Mariaio</p> 	<p>Mr. Francis is holder of a Master of Science degree in Public Health. He also holds a bachelor's degree in Nursing.</p> <p>He has accumulated over 20 years of work experience in both Government and Non-Government organizations, of which most of this has been acquired working in the NGO world in various senior level decision and policy making and implementation positions. He is a County Steering Committee Board Member.</p>
<p>2. Mr. Joseph Ekalale</p> 	<p>He is the Chief Officer and Fund Administrator. Joseph holds a bachelor's degree in Sociology and Geography from University of Nairobi. He has over twenty three (23) years extensive knowledge and experience in areas of Public Administration, conflict management and resolution, Community engagements, humanitarian response and Private Sector. He formerly worked for County Government as a chief officer and a political advisor to the Governor. He has held various management and field positions in World Food Programme within and outside the country missions. He also worked in various capacities for Lutheran World Federation in Dadaab and Kakuma refugee Camps. Joseph also worked with Tullow Oil Kenya BV as a contractor for Kenya Kazi Services Limited.</p>
<p>3. Mr. George Emase</p> 	<p>He is the current director for Climate Change. He is the Secretary to the County Planning Committee. George holds a Master of Science degree in Sustainability, Environment and Development from University of Leeds, United Kingdom (UK) with a bachelor's degree in Sociology from Moi University. He is a registered member of the Environment Institute of Kenya and Workplace Safety Professionals Association of Kenya. He has a fifteen (15) year extensive experience in Formulation of Policies, Standards and Procedures, Quality Assurance, Environmental Impact Assessment and Auditing, IFC performance standards, workplace Safety, incident Investigations and Grievances Resolution.</p>

**Turkana County Climate Change Fund
Annual Report and Financial Statements
For the seven months period ended June 30, 2023**

	<p>Prior to joining the County Government George worked for different organisations both public and private. He formerly worked for MaceYMR as a Health, Safety and Environment Manager, China Railway No. 5 Engineering Group as an Environmental Advisor. He also worked for Tullow Kenya as a Health, Safety and Environment Advisor, Turkana County Assembly as a Public Relations Officer among others.</p>
<p>4. CPA Grace Ewoi</p> 	<p>Grace has over twelve (12) years' working experience in Public and Non-Governmental Organizations in areas of accounting and financial Management. She holds a Master of Science degree in International Oil and Gas Management from University of Dundee, UK and a bachelor's degree in business management (Finance and Banking Option) from Moi University. She is a Certified Public Accountant (CPA) graduate with KASNEB Examining Body and an investment analyst. She also possesses expertise in Energy and Natural Resources management and policy formulation, Extractive industries financial modelling and analysis and experience in streamlining financial systems in humanitarian emergency responses. Grace is the fund accountant.</p>

Turkana County Climate Change Fund
Annual Report and Financial Statements
For the seven months period ended June 30, 2023

5. CECM Tourism, Culture, Natural Resources and Climate Change Report

Turkana County Climate Change Fund's core mandate is to create resilience at the local levels to mitigate the impact of climate change through provision of funding for climate change projects identified in the County Climate Change Policy, County Climate Change Action Plan, other climate related frameworks enacted within the County. The national government in collaboration with the county governments aims at strengthening the role of communities, community structures and indigenous knowledge systems in the planning of climate change response interventions.

In the Financial year under review the fund had an allocation of **Kshs.164,978,013** from which **Kshs.11,000,000** was an unconditional FLLoCA grant from World Bank through the National Government. From this disbursement **Kshs.4,600,000** was meant for administration cost while **Kshs.149,378,013** was for General Expenses/climate change adaptation activities. A total of **Kshs.4,564,400** was utilized on administration cost while **Kshs.74,172,793** was utilized on general expenditure including consultancy for Ward Projects identification and profiling, climate assessments, trainings among others. The fund management also purchased a motor vehicle worth **Kshs.11,290,000** and motor Bikes at **Kshs.2,623,966** to facilitate smooth fund operations.

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

The fund management will provide all the necessary support to the fund board and the steering committee in order to enable real time implementation of the identified ward projects for the

**Turkana County Climate Change Fund
Annual Report and Financial Statements
For the seven months period ended June 30, 2023**

county to achieve the minimum performance conditions to be able to access the much larger, County Climate Resilience Investment Grant.

Name.....IRIS MARIAD..... Signature.......... Date.....10/01/24.....

CECM Tourism, Culture, Natural Resources and Climate Change

Turkana County Climate Change Fund
Annual Report and Financial Statements
For the seven months period ended June 30, 2023

6. Report of The Fund Administrator

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

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

In the Financial year under review the fund had an allocation of **Kshs.164,978,013** from which **Kshs.11,000,000** was an unconditional FLLoCA grant from World Bank through the National Government. From this disbursement **Kshs.4,600,000** was to be utilized for administration cost while **Kshs.149,378,013** was for General Expenses/climate change adaptation activities. A total of **Kshs.4,564,400** was utilized on administration cost while **Kshs.74,172,793** was utilized on general expenditure including consultancy for Ward projects identification and profiling, climate assessments, trainings among others. The fund management also purchased a motor vehicle worth **Kshs.11,290,000** and motor Bikes at **Kshs.2,623,966** to facilitate smooth fund operations. Ward projects had an allocation of **Kshs.60,000,000**. This allocation was not utilized due to a delay in the constitution of the County Steering and Planning Committees. The constitution of the ward committees also took a considerably long time than anticipated leading to a delay in the proposition of projects.

The first disbursement of **Kshs.11M** incentivizes the County Government to enact relevant policies and legislation to enable climate finance flows, establish a dedicated county climate change fund and a climate change unit. It's also supposed to establish mechanisms to engage

Turkana County Climate Change Fund
Annual Report and Financial Statements
For the seven months period ended June 30, 2023

communities in climate risk assessments and budgeting, mainstream climate action and resilience building in county planning and budgeting while increasing county investment budgets that promote social resilience outcomes.

The fund has been allocated **Kshs.131,000,000** as a county contribution and **Kshs.11,000,000** FLLoCA grant. These funds will be utilized to implement the various sub-county community level identified projects that are geared towards cushioning the residents from the ravaging climate change related outcomes.

All the necessary support will be accorded to the fund board/management committee to enable timely implementation of the identified ward projects for the county to achieve the minimum performance conditions to be able to access the much larger, County Climate Resilience Investment Grant.

Ag. *ECAL SIMON ETODI*

Name:

[Handwritten signature]

Fund Administrator

Turkana County Climate Change Fund
Annual Report and Financial Statements
For the seven months period ended June 30, 2023

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

Introduction

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

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

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

Progress on attainment of Strategic development objectives

Below we provide the progress on attaining the stated objectives:

Program	Objective	Outcome	Indicator	Performance
Climate Change Adaptation	Create Resilience at local levels to mitigate the impact of climate change	Climate change mitigation projects implemented.	Number of projects and or activities implemented that mitigate the	During FY 2022/2023 the Fund received a total of Kshs.164,978,013. Expenditure

Turkana County Climate Change Fund
Annual Report and Financial Statements
For the seven months period ended June 30, 2023

			impact of climate change.	incurred amounted to Kshs.74,172,793 which includes training for the local communities and staff, consultancy for resilience projects among others.
Climate Change Adaptation	Climate Change research and knowledge management in the county.	A database and research conducted.	A database established.	It is still at the initial stages.
Climate Change Adaptation	Public education, sensitization and awareness creation on climate change and its impacts.	Locals sensitized and aware of climate change impacts.	No. of people sensitized	30 Ward climate change committees formed. More than 3,000 people already sensitized across the 30 wards .
Climate Change Adaptation	Monitoring, evaluation, reporting and learning on climate change response in the county.	Monitoring and evaluation reports conducted	No.of monitoring and evaluation reports done.	Not yet undertaken

Turkana County Climate Change Fund
Annual Report and Financial Statements
For the seven months period ended June 30, 2023

8. Corporate Governance Statement

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

The County Climate Change Fund Management Board chairperson is appointed by the governor and approved by the County Assembly. If appointed the board shall consist of not more than 8 members who are public and private officers.

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

The functions of the board shall include;

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

Turkana County Climate Change Fund
Annual Report and Financial Statements
For the seven months period ended June 30, 2023

- viii. Be responsible for financing cross ward and cross county climate change programmes;
- ix. Assist the Steering Committee in developing the Climate Finance Framework; and
- x. Mobilize funds for climate change finance.

The County Executive Member for the time being responsible for finance, shall issue guidelines on banking arrangements of the fund under the provisions of the PFM Act,2012. There shall only be one designated bank account for the fund, which shall be hosted by the County Treasury. The designated bank account shall be managed by the fund administrator in consultation with the County Executive Member. The bank account of the fund shall be subject to auditing under the provisions of the Public Finance Management Act,2012.

The fund administrator shall cause to be kept proper books and records of accounts, income, expenditure and assets of the Fund.

The funds shall be financed through money appropriated by the County Assembly, which shall not be less than two percent of the County annual appropriated development budget of the County.

Turkana County Climate Change Fund
Annual Report and Financial Statements
For the seven months period ended June 30, 2023

9. Management Discussion and Analysis

The national government in collaboration with the county governments aims at strengthening the role of communities, community structures and indigenous knowledge systems in the planning of climate change response interventions. In the Financial year under review the fund had an allocation of **Kshs.164,978,013** from which **Ksh.11,000,000** was an unconditional FLLoCA grant from World Bank through the National Government.

From this disbursement **Kshs.4,600,000** was to be utilized for the administration cost while **Kshs.149,378,013** was for General Expenses/climate change adaptation activities. A total of **Kshs.4,564,400** was utilized on administration cost while **Kshs.74,172,793** was utilized on general expenditure including consultancy for Ward Projects identification and profiling, climate assessments, trainings among others. The fund management also purchased a motor vehicle worth **Kshs.11,290,000** and motor Bikes at **Kshs.2,623,966** to facilitate smooth fund operations.

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

The fund management will provide all the necessary support to the fund board and the steering committee in order to enable real time implementation of the identified ward projects for the county to achieve the minimum performance conditions to be able to access the much larger, County Climate Resilience Investment Grant.

**Turkana County Climate Change Fund
Annual Report and Financial Statements
For the seven months period ended June 30, 2023**

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

Results

The results of the Fund for the year ended June 30, 2023 are set out on page 1 to 6

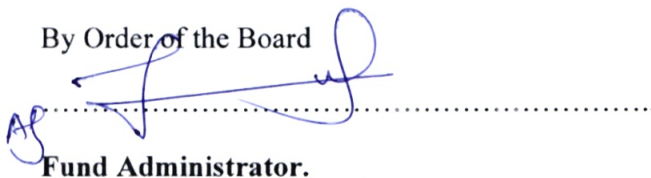
Trustees

The fund did not have a board as at the date of the report.

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


.....

Fund Administrator.

Date:

17 / 01 / 2024

Turkana County Climate Change Fund
Annual Report and Financial Statements
For the seven months period ended June 30, 2023

11. Statement of Management's Responsibilities

Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a County Public Fund established by the Constitution, an Act of Parliament or County Legislation, 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, 2023. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Fund; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Fund; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Administrator of the County Public Fund accepts responsibility for the Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the Turkana County Climate Change Fund Act, 2021. The Administrator of the Fund is of the opinion that the Fund's financial statements give a true and fair view of the state of Fund's transactions during the financial year ended June 30, 2023, 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.

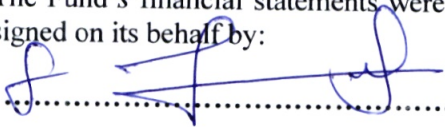
In preparing the financial statements, the Administrator of the County Public Fund has assessed the Fund's ability to continue as a going concern and disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements. Nothing has come to the attention

**Turkana County Climate Change Fund
Annual Report and Financial Statements
For the seven months period ended June 30, 2023**

of the Administrator to indicate that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Fund's financial statements were approved by the Board on 16th January 2024 and signed on its behalf by:


.....

Administrator of the County Public Fund

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON TURKANA COUNTY CLIMATE CHANGE FUND FOR THE SEVEN (7) MONTHS PERIOD 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 the intended purpose.
- C. Report on the Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, 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 controls, 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 Turkana County Climate Change Fund set out on pages 1 to 41, which comprise the statement of financial position as at 30 June, 2023, and the statement of financial performance, statement of changes in net

Report of the Auditor-General on Turkana County Climate Change Fund for the Seven (7) Months period ended 30 June, 2023

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

In my opinion, the financial statements present fairly, in all material respects, the financial position of Turkana County Climate Change Fund as at 30 June, 2023, and of its financial performance and its cash flows for the period then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Turkana County Climate Change Act, 2021, the Public Finance Management Act, 2012, and the County Governments Act, 2012.

Basis for Opinion

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts for the period ended 30 June, 2023 reflects an expenditure of Kshs.78,737,193 against an approved budget of Kshs.164,978,013 resulting to an under-absorption of Kshs.86,240,820 or approximately 52% of the budget.

The under-absorption and under-performance affected implementation of planned programs 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 iv to xi which comprise of Key Entity Information and Management, Management Team, Report by CECM Tourism, Culture Natural Resources and Climate Change, Report of the Fund Administrator, Statement of Performance against the County Fund's Predetermined

Objectives, Corporate Governance Statement, Report of the Trustees, Management Discussion and Analysis and Statement of Management Responsibilities. The other information does not include the financial statements and my audit report thereon.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN 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 the 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 comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

Conclusion

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

Basis for Conclusion

Delayed Appointment of the Fund Management Board

The appointment of the Fund Management Board was published in Gazette Notice No. 13373 of 6 October, 2023 which was more than one financial year from the date of publication of the enabling Act, Turkana County Climate Change Act, 2021.

In the circumstances, there was no assurance on the Fund's governance and decision-making processes during the reporting period.

The audit was conducted in accordance with ISSAIs 2315 and 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 the 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 overall governance.

In preparing the financial statements, the Management is responsible for assessing the Fund's ability to continue 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 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, the 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 the 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 control in order to give an assurance on the effectiveness of internal controls, risk management and overall 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 control does not necessarily disclose all matters in the internal control 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 the 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 continue 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 continue 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 controls that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and 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

06 March, 2024

**Turkana County Climate Change Fund
Annual Report and Financial Statements
For the seven months period ended June 30, 2023**

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

Description	Note	2022-2023	2021-2022
		Kshs	Kshs
Revenue From Non-Exchange Transactions			
Public Contributions and Donations	1	-	-
Transfers From the County Government	2	164,978,013	-
Fines, Penalties and Other Levies	3	-	-
Total Revenue from Non-Exchange Transactions		164,978,013	-
Revenue From Exchange Transactions			
Interest Income	4	-	-
Other Income	5	-	-
Total Revenue from Exchange Transactions		-	-
Total Revenue		164,978,013	-
Expenses			
Employee Costs	6	-	-
Use of goods and services	7	78,737,193	-
Depreciation and Amortization Expense	8	692,917	-
Finance Costs	9	-	-
Total Expenses		79,430,110	-
Other Gains/Losses			
Gain/Loss on Disposal of Assets	10	-	-
Gain /Loss on fair value of investments	11	-	-
Surplus/(Deficit) for the Period		85,547,903	-

(The notes set out on pages 7 to 39 form an integral part of these Financial Statements)

Ag. Erica Siman FICM
Name: [Signature]
Administrator of the Fund

[Signature]
Name: Grace Gwal
Fund Accountant
ICPAK Member Number: 25932

Turkana County Climate Change Fund
Annual Report and Financial Statements
For the seven months period ended June 30, 2023

14. Statement of Financial Position As at 30 June 2023

Description	Note	2022-2023	2021-2022
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	12	52,321,588	-
Current Portion of Long- Term Receivables From Exchange Transactions	13	-	-
Receivables from Non-Exchange Transactions	13	19,959,232	-
Prepayments	14	-	-
Inventories	15	-	-
Investments in financial assets	16	-	-
Total current assets		72,280,820	-
Non-Current Assets			
Property, Plant and Equipment	17	13,267,083	-
Intangible Assets	18	-	-
Long Term Receivables from Exchange Transactions	13	-	-
Investment Property	19	-	-
Total non- current assets		13,267,083	-
Total Assets		85,547,903	-
Liabilities			
Current Liabilities			
Trade and Other Payables from Exchange Transactions	20	-	-
Current Portion of Borrowings	22	-	-
Employee Benefit Obligations	23	-	-
Social benefit liabilities	24	-	-
Total current liabilities		-	-
Non-Current Liabilities			
Long Term Portion of Borrowings	22	-	-
Non-Current Employee Benefit Obligation	23	-	-
Social benefit liabilities	24	-	-
Total Liabilities		-	-

Turkana County Climate Change Fund
Annual Report and Financial Statements
For the seven months period ended June 30, 2023

Description	Note	2022-2023	2021-2022
		Kshs	Kshs
Net Assets		85,547,903	-
Revolving Fund		-	-
Reserves		-	-
Accumulated Surplus		85,547,903	-
Total Net Assets and Liabilities		85,547,903	-

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 16th January 2024 and signed by:

Ag. Kent Simon Ewal
 Name: [Signature]
 Administrator of the Fund

[Signature]
 Name: GRACE Ewal
 Fund Accountant
 ICPAK Member Number: 25932

Turkana County Climate Change Fund
Annual Report and Financial Statements
For the seven months period ended June 30, 2023

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

Description	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
			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	-	-	85,547,903	85,547,903
Funds Received During the Year	-	-	-	-
Transfers	-	-	-	-
Revaluation Gain	-	-	-	-
Balance As At 30 June 2023	-	-	85,547,903	85,547,903

Turkana County Climate Change Fund
Annual Report and Financial Statements
For the seven months period ended June 30, 2023

16. 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			
Public contributions and donations	1	-	-
Transfers from the county government	2	164,978,013	-
Interest received	4	-	-
Receipts from other operating activities	5	-	-
Total Receipts		164,978,013	-
Payments			
Fund administration expenses	7	4,564,400	-
General expenses	7	74,172,793	-
Finance cost	9	-	-
Other payments		-	-
Total Payments		78,737,193	-
Net cash flows from operating activities	25	86,240,820	-
Cash flows from investing activities			
Purchase of property, plant, equipment and Intangible assets	17	(13,960,000)	-
Proceeds from sale of property, plant & equipment	10	-	-
Proceeds from loan principal repayments	13	-	-
Receivables From Non Exchange Transactions	13	(19,959,232)	-
Loan disbursements paid out	13	-	-
Net cash flows used in investing activities		(33,919,232)	-
Cash flows from financing activities			
Proceeds from revolving fund receipts	13	-	-
Additional borrowings	22	-	-
Repayment of borrowings	22	-	-
Net cash flows used in financing activities		-	-
Net increase/(decrease) in cash & cash Equivalents		52,321,588	-
Cash and cash equivalents at 1 July		-	-
Cash and cash equivalents at 30 June		52,321,588	-

Turkana County Climate Change Fund

Annual Report and Financial Statements

For the seven months period ended June 30, 2023

17. 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						
Public Contributions and Donations	-	-	-	-	-	-
Transfers From County Govt.	164,978,013	-	164,978,013	164,978,013	-	100%
Interest Income	-	-	-	-	-	-
Other Income	-	-	-	-	-	-
Total Income	164,978,013	-	164,978,013	164,978,013	-	100%
Expenses						
Fund Administration Expenses	4,600,000	-	4,600,000	4,564,400	35,600	99%
General Expenses	160,378,013	-	160,378,013	74,172,793	86,205,220	50%
Finance Cost	-	-	-	-	-	-
Total Expenditure	164,978,013	-	164,978,013	78,737,193	86,240,820	50%
Surplus For the Period	-	-	-	86,240,820	(86,240,820)	
Capital expenditure	60,000,000	-	60,000,000	-	60,000,000	

Budget notes

The capital expenditure allocation of Kshs.60,000,000 could not be utilized due to a delay in the constitution of the steering, ward, county planning committees and the fund management board.

**Turkana County Climate Change Fund
Annual Report and Financial Statements
For the seven months period ended June 30, 2023**

18. Notes to the Financial Statements

1. General Information

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

2. Statement of compliance and basis of preparation

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

3. Adoption of new and revised standards

(i) *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 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.</p> <p>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;

**Turkana County Climate Change Fund
Annual Report and Financial Statements
For the seven months period ended June 30, 2023**

Standard	Effective date and impact
	<ul style="list-style-type: none"> • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • 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><i>The fund does not possess any financial instruments.</i></p>
<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><i>There is no impact to the fund.</i></p>
<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.

**Turkana County Climate Change Fund
Annual Report and Financial Statements
For the seven months period ended June 30, 2023**

Standard	Effective date and impact
	<p>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> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p> <p><i>There is no impact to the fund.</i></p>
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> <p><i>There is no impact to the fund.</i></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>

Turkana County Climate Change Fund
Annual Report and Financial Statements
For the seven months period ended June 30, 2023

Standard	Effective date and impact:
	<p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p><i>There is no impact to the fund.</i></p>
<p>IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations</p>	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</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><i>There is no impact to the fund.</i></p>

(iii) Early adoption of standards

The Entity did not early – adopt any new or amended standards in the financial year 2022/2023.

**Turkana County Climate Change Fund
Annual Report and Financial Statements
For the seven months period ended June 30, 2023**

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 2022/2023 was approved by the County Assembly on 30th 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 of Kshs.65,000,000 on the FY 2022/2023 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.

Turkana County Climate Change Fund
Annual Report and Financial Statements
For the seven months period ended June 30, 2023

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

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

Turkana County Climate Change Fund
Annual Report and Financial Statements
For the seven months period ended June 30, 2023

Summary of Significant Accounting Policies (Continued)

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. Depreciation for motor vehicle is charged at a rate of 16.67% (6 years) while motorcycles at 30% (3 years) straight line.

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.

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.

**Turkana County Climate Change Fund
Annual Report and Financial Statements
For the seven months period ended June 30, 2023**

Summary of Significant Accounting Policies (Continued)

f) Financial instruments

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

Financial assets

Classification of financial assets

The entity classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the entity's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual 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. Movement in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

Turkana County Climate Change Fund
Annual Report and Financial Statements
For the seven months period ended June 30, 2023

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.

Turkana County Climate Change Fund
Annual Report and Financial Statements
For the seven months period ended June 30, 2023

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.

**Turkana County Climate Change Fund
Annual Report and Financial Statements
For the seven months period ended June 30, 2023**

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 neither creates nor and maintains any reserves in terms of specific requirements.

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 does not provide 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.

Turkana County Climate Change Fund
Annual Report and Financial Statements
For the seven months period ended June 30, 2023

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 assets 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.

Turkana County Climate Change Fund
Annual Report and Financial Statements
For the seven months period ended June 30, 2023

Summary of Significant Accounting Policies (Continued)

5. Significant judgments and sources of estimation uncertainty

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

a) Estimates and assumptions –

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

b) Useful lives and residual values

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

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

c) Provisions

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

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.

Turkana County Climate Change Fund
Annual Report and Financial Statements
For the seven months period ended June 30, 2023

6. Notes to The Financial Statements

1. Public contributions and donations

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Donation From Development Partners	-	-
Contributions From The Public	-	-
Total	-	-

2. Transfers from County Government

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Transfers from County Government - Operations	153,978,013	-
Payments by County on Behalf of the Entity		
Unconditional Development Grants	11,000,000	
Total	164,978,013	-

3. Fines, Penalties and Other Levies

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Late Payment Penalties	-	-
Fines	-	-
Total	-	-

4. Interest Income

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Interest Income from Mortgage Loans		
Interest Income from Car Loans	-	-
Interest Income from Investments in financial assets	-	-
Interest Income on Bank Deposits	-	-
Total	-	-

**Turkana County Climate Change Fund
Annual Report and Financial Statements
For the seven months period ended June 30, 2023**

Notes to the Financial Statements Continued

5. Other Income

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Insurance Recoveries	-	-
Income from Sale of Tender Documents	-	-
Bad debts recovered	-	-
Miscellaneous Income		
Total	-	-

6. Employee Costs

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Salaries and Wages	-	-
Staff Gratuity	-	-
Staff Training Expenses	-	-
Social Security Contribution	-	-
Other		
Total	-	-

7. Use of Goods and Services

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
General Office Expenses	74,167,243	-
Loan Processing Costs	-	-
Professional Services Costs	-	-
Administration Fees	4,564,400	-
Committee Allowances	-	-
Bank Charges	5,550	-
Electricity and Water Expenses	-	-
Fuel and Oil Costs	-	-

Turkana County Climate Change Fund
Annual Report and Financial Statements
For the seven months period ended June 30, 2023

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Insurance Costs	-	-
Postage and Courier	-	-
Printing and Stationary	-	-
Security Costs	-	-
Telephone and Communication Expenses	-	-
Audit Fees	-	-
Provision for Doubtful Debts	-	-
Other	-	-
Social Benefit Expenses	-	-
Total	78,737,193	-

8. Depreciation and amortization Expense

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Property, Plant and Equipment	692,917	-
Intangible Assets	-	-
Total	692,917	-

9. Finance Costs

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Interest on Bank Overdrafts	-	-
Interest on Loans from Banks	-	-
Total	-	-

10. Gain/(Loss) on Disposal of Assets

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Property, Plant and Equipment	-	-
Intangible Assets	-	-
Total	-	-

Turkana County Climate Change Fund
Annual Report and Financial Statements
For the seven months period ended June 30, 2023

11. Gain/(Loss) on Fair Value of Investments

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Investments at Fair Value – Equity Investments	-	-
Fair Value – Investment Property	-	-
Fair Value – Other Financial Assets (Specify)		
Total	-	-

12. Cash and Cash Equivalents

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Turkana County Climate Change Fund Account	52,321,588	-
County Mortgage Account	-	-
Fixed Deposits Account	-	-
On-call Deposits	-	-
Current Account	-	-
Others	-	-
Total	78,737,193	-

Turkana County Climate Change Fund
Annual Report and Financial Statements
For the seven months period ended June 30, 2023

Notes to the Financial Statements Continued

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

Financial Institution	Account number	FY 2022-2023	FY 2021-2022
		Kshs	Kshs
a) Fixed Deposits Account			
Kenya Commercial Bank		-	-
Equity Bank, Etc.		-	-
Sub- Total		-	-
b) On - Call Deposits			
Kenya Commercial Bank		-	-
Equity Bank - Etc.		-	-
Sub- Total		-	-
c) Current Account			
National Bank of Kenya	0107129964300	41,321,588	-
Bank B		-	-
Sub- Total		41,321,588	-
d) Current Account			
Central Bank of Kenya	1000544268	11,000,000	-
Sub-Total		11,000,000	-
e) Others			
Cash In Transit		-	-
Cash In Hand		-	-
Sub- Total		-	-
Grand Total		52,321,588	-

13. Receivables from exchange transactions

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Current Receivables		
Interest Receivable	-	-
Current Loan Repayments Due	-	-
Other Exchange Debtors	-	-
Less: Impairment Allowance	-	-
Total Current Receivables	-	-

Turkana County Climate Change Fund
Annual Report and Financial Statements
For the seven months period ended June 30, 2023

Non-Current Receivables		
Long Term Loan Repayments Due	-	-
Total Non- Current Receivables	-	-
Total Receivables From Exchange Transactions	-	-

Notes to the Financial Statements Continued

Additional disclosure on interest receivable

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Interest Receivable		
Interest receivable from current portion of long-term loans of previous years	-	-
Accrued interest receivable from of long-term loans of previous years	-	-
Interest receivable from current portion of long-term loans issued in the current year	-	-
Current loan repayments due		
Current portion of long-term loans from previous years	-	-
Accrued principal from long-terms loans from previous periods	-	-
Current portion of long-term loans issued in the current year	-	-

13b. Receivables from Non-Exchange transaction

Description	FY 2022-2023	FY 2021-2022
	KShs	KShs
Receivables from Turkana County Executive	19,959,232	-
Transfer from Fund	-	-
Total receivables from non-exchange transactions	19,959,232	-

14. Prepayments

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Prepaid Rent	-	-
Prepaid Insurance	-	-
Prepaid Electricity Costs	-	-
Other Prepayments	-	-

Turkana County Climate Change Fund
Annual Report and Financial Statements
For the seven months period ended June 30, 2023

Total	-	-
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15. Inventories

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Consumable Stores	-	-
Spare Parts and Meters	-	-
Catering	-	-
Other Inventories	-	-
Total Inventories at The Lower of Cost and Net Realizable Value	-	-

Notes to the Financial Statements Continued

16. Investments in financial assets

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
a. Investment in Treasury bills and bonds		
Financial institution		
CBK	-	-
Sub- total	-	-
b. Investment with Financial Institutions/ Banks		
Bank	-	-
Bank	-	-
Sub- total	-	-
c. Equity investments (specify)		
Equity/ shares	-	-
Sub- total	-	-
Grand total	-	-

Movement of Equity Investments

Impairment allowance/ provision	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
At the beginning of the year	-	-
Purchase of investments in the year	-	-
Sale of investments during the year	-	-
Gain/(loss) in fair value of investments through surplus or deficit	-	-
At the end of the year	-	-

e) Shareholding in other entities

Turkana County Climate Change Fund
Annual Report and Financial Statements
For the seven months period ended June 30, 2023

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

Turkana County Climate Change Fund
Annual Report and Financial Statements
For the seven months period ended June 30, 2023
Notes To The Financial Statements (Continued)

17. Property, plant and equipment

	Land and Buildings Kshs	Motor vehicles Kshs	Furniture and fittings Kshs	Motor Bikes Kshs	Total Kshs
Cost					
At 1 st July 2021	-	-	-	-	-
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Transfers/Adjustments	-	-	-	-	-
At 30 th June 2022	-	-	-	-	-
At 1 st July 2022					
Additions	-	11,290,000	-	2,670,000	13,960,000
Disposals	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-
At 30 th June 2023	-	11,290,000	-	2,670,000	13,960,000
Depreciation And Impairment					
At 1 st July 2021	-	-	-	-	-
Depreciation	-	-	-	-	-
Impairment	-	-	-	-	-
At 30 th June 2022	-	-	-	-	-
At 1 st July 2022					
Depreciation	-	(470,417)	-	(222,500)	(692,917)
Disposals	-	-	-	-	-
Impairment	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-
At 30 th June 2023	-	(470,417)	-	(222,500)	(692,917)
Net Book Values					
At 30 th June 2022	-	-	-	-	-
At 30 th June 2023	-	10,819,583	-	2,447,500	13,267,083

Turkana County Climate Change Fund
Annual Report and Financial Statements
For the seven months period ended June 30, 2023
Notes To The Financial Statements (Continued)

18. Intangible assets

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Cost		
At Beginning of The Year	-	-
Additions	-	-
At End of The Year	-	-
Amortization And Impairment		
At Beginning of The Year	-	-
Amortization		
At End of The Year	-	-
Impairment Loss		
At End of The Year	-	-
NBV	-	-

19. Investment Property

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
At beginning of the year	-	-
Additions	-	-
Disposal during the year	-	-
Depreciation	-	-
Impairment	-	-
Gain/(loss) in fair value (if fair value is elected)	-	-
At end of the year	-	-

Turkana County Climate Change Fund
Annual Report and Financial Statements
For the seven months period ended June 30, 2023

Notes To The Financial Statements (Continued)

20. Trade and other payables from exchange transactions

Description	FY 2022-2023		FY 2021-2022	
	Kshs		Kshs	
Trade Payables	-		-	
Refundable Deposits	-		-	
Accrued Expenses	-		-	
Other Payables	-		-	
Total Trade and Other Payables	-		-	
Ageing analysis (Trade and other payables)	FY 2022-2023	% of the Total	FY 2021-2022	% of the Total
Under one year	-	-	-	-
1-2 years	-	-	-	-
2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total (tie to above total)	-	-	-	-

21. Provisions

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

Turkana County Climate Change Fund
Annual Report and Financial Statements
For the seven months period ended June 30, 2023
Notes To The Financial Statements (Continued)

22. Borrowings

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Balance At Beginning of The Period	-	-
External Borrowings During the Year	-	-
Domestic Borrowings During the Year	-	-
Repayments Of External Borrowings During the Period	-	-
Repayments Of Domestic Borrowings During the Period	-	-
Balance At End of The Period	-	-

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

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
External Borrowings		
Dollar Denominated Loan From Organization'	-	-
Sterling Pound Denominated Loan From Organization'	-	-
Euro Denominated Loan from Organization'	-	-
Domestic Borrowings		
Kenya Shilling Loan From KCB	-	-
Kenya Shilling Loan from Barclays Bank	-	-
Kenya Shilling Loan from Consolidated Bank	-	-
Borrowings From Other Government Institutions	-	-
Total Balance at End of The Year	-	-

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

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Short Term Borrowings (Current Portion)	-	-
Long Term Borrowings	-	-
Total	-	-

Turkana County Climate Change Fund
Annual Report and Financial Statements
For the seven months period ended June 30, 2023

Notes To The Financial Statements (Continued)

23. Employee benefit obligations

Description	Defined benefit plan	Post employment medical benefits	Other Provisions	FY 2022-2023	FY 2021-2022
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	-	-	-	-	-
Non-Current Benefit Obligation	-	-	-	-	-
Total	-	-	-	-	-

24. Social Benefit Liabilities

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Health social benefit scheme	-	-
Unemployment social benefit scheme	-	-
Orphaned and vulnerable benefit scheme	-	-
Elderly social benefit scheme	-	-
Bursary social benefits	-	-
Total	-	-
Current social benefits	-	-
Non-current social benefits	-	-
Total	-	-

Turkana County Climate Change Fund
Annual Report and Financial Statements
For the seven months period ended June 30, 2023
Notes To The Financial Statements (Continued)

25. Cash generated from operations

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Surplus/ (Deficit) For the Year Before Tax	74,547,903	-
Adjusted For:		
Depreciation	692,917	-
Amortisation	-	-
Gains/ Losses On Disposal Of Assets	-	-
Interest Income	-	-
Finance Cost	-	-
Working Capital Adjustments		
Increase In Inventory	-	-
Increase In Receivables	-	-
Increase In Payables	-	-
Net Cash Flow From Operating Activities	75,240,820	-

Turkana County Climate Change Fund
Annual Report and Financial Statements
For the seven months period ended June 30, 2023

Notes To The Financial Statements (Continued)

26. Related party balances

a) Nature of related party relationships

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

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

b) Related party transactions

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Transfers From Related Parties'	153,978,013	-
Transfers To Related Parties	-	-

c) Key management remuneration

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Board Of Trustees	-	-
Key Management Compensation	-	-
Total	-	-

d) Due from related parties

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Due From Parent Ministry	-	-
Due From County Government	19,959,232	-
Total	19,959,232	-

Turkana County Climate Change Fund
Annual Report and Financial Statements
For the seven months period ended June 30, 2023

Other Disclosures Continued

e) Due to related parties

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Due To Parent Ministry	-	-
Due To County Government	-	-
Due To Key Management Personnel	-	-
Total	-	-

27. Contingent assets and contingent liabilities

Contingent Liabilities	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Court Case Against the Fund	-	-
Bank Guarantees	-	-
Total	-	-

Turkana County Climate Change Fund
Annual Report and Financial Statements
For the seven months period ended June 30, 2023

Notes To The Financial Statements (Continued)

28. Financial risk management

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

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

a) Credit risk

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

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2023				
Receivables From Exchange Transactions	-	0	0	0
Receivables From Non-Exchange Transactions	19,959,232	0	19,959,232	0
Bank Balances	41,321,588	41,321,588	0	0
Total	61,280,820	41,321,588	19,959,232	0
At 30 June 2022				
Receivables From Exchange Transactions	-	0	0	0
Receivables From Non-Exchange Transactions	0	0	0	0
Bank Balances	0	0	0	0
Total	0	0	0	0

Turkana County Climate Change Fund
Annual Report and Financial Statements
For the seven months period ended June 30, 2023

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 no significant concentration of credit risk.

The board of trustees sets the Fund's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

b) Liquidity risk management

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2023				
Trade Payables	-	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	-	-	-	-
At 30 June 2022				
Trade Payables	-	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	-	-	-	-

Turkana County Climate Change Fund
Annual Report and Financial Statements
For the seven months period ended June 30, 2023
Notes To The Financial Statements (Continued)

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:

Description	Other currencies		Total
	Kshs	Kshs	Kshs
At 30 June 2023			
Financial Assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors/ Receivables	-	-	-
Liabilities			
Trade And Other Payables	-	-	-
Borrowings	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

Turkana County Climate Change Fund
Annual Report and Financial Statements
For the seven months period ended June 30, 2023
Notes To The Financial Statements (Continued)

Foreign currency sensitivity analysis

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

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

ii. Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

The Fund analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of KShs 0 (2023: KShs 0). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of KShs 0 (2023 – KShs 0)

**Turkana County Climate Change Fund
Annual Report and Financial Statements
For the seven months period ended June 30, 2023**

Notes To The Financial Statements (Continued)

d) Capital risk management.

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

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Revaluation reserve	-	-
Revolving fund	-	-
Accumulated surplus	74,547,903	-
Total funds	74,547,903	-
Total borrowings	-	-
Less: cash and bank balances	(41,321,588)	-
Net debt/(excess cash and cash equivalents)	41,321,588	-
Gearing	55%	-

29. Events after the reporting period

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

30. Ultimate and Holding Entity

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

31. Currency

The financial statements are presented in Kenya Shillings (Kshs).

**Turkana County Climate Change Fund
Annual Report and Financial Statements
For the seven months period ended June 30, 2023**

19. Annexes

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

The fund was operationalized in January,2023 therefore there are no prior year auditor's recommendations.



Handwritten signature in blue ink, appearing to be 'J. J. J.'

Fund Administrator

Turkana County Climate Change Fund

Date.....17/01/2024

**Turkana County Climate Change Fund
Annual Report and Financial Statements
For the seven months period ended June 30, 2023
Annex II: Inter-Fund Confirmation Letter**



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

The Turkana County Government 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 Turkana County Climate Change Fund as at 30 th June 2023							
Reference Number	Date Disbursed	Amounts Disbursed by Turkana County Government (Kshs) as at 30 th June 2023				Amount Received by TC Climate Change Fund (KShs) as at 30 th June 2023	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
	5/01/2023	-	77,978,013	-	77,978,013	77,978,013	-
	09/05/2023	-	65,000,000	-	65,000,000	65,000,000	-

Turkana County Climate Change Fund
Annual Report and Financial Statements
For the seven months period ended June 30, 2023

	19/06/2023	-	11,000,000	-	11,000,000	11,000,000	-
Total		-	153,978,013	-	153,978,013	153,978,013	-

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

Head of Accountants department of beneficiary Fund:

Name MICHAEL LOGILAE Sign  Date 16/01/24

**Turkana County Climate Change Fund
Annual Report and Financial Statements
For the seven months period ended June 30, 2023**

Annex III: Reporting of Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities	Project Activities				Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		
Vulnerability Training	Develop tools to conduct PCVRA	To assess vulnerability and risk levels of the County population	Development of tools	1,992,900		2,999,000	2,032,000	TCG	REACH,PRACTICAL ACTION,WFP,KEFRI, NEMA
Flloca Sensitization	Countywide sensitization	To sensitize Community on FLLoCA	Community Barazas	2,578,800		10,484,000	2,000,000	TCG	
Assessment of climate change vulnerability and risks	Countywide assesment	To assess vulnerability and risk levels of the County population	Data collection through questionnaires, Kobo tool and FGDs	8,016,500	6,217,000		979,510	TCG	
Capacity building of Ward Climate Change planning committees on Bankable proposal writing	Train committees on development of bankable proposal	To enable communities, develop fundable project proposals in readiness for FLLoCA	Training		4,947,450		7,815,000	TCG	
Training of the Ward Climate Change committees on Monitoring and reporting	Train committees on Monitoring and reporting of FLLoCA projects	To prepare committees for monitoring and reporting of FLLoCA projects	Training		2,861,6000	4,204,200	761,000	TCG	
Monitoring of the PCRVA exercise	Countywide Monitoring	To monitor the progress of the PCRA exercise	Monitoring of the exercise	1,992,900	2,982,900	2,240,000	7,090,000	TCG	

**Turkana County Climate Change Fund
Annual Report and Financial Statements
For the seven months period ended June 30, 2023**

		and to check on the compliance levels to the World Bank requirements							
Dissemination of PCVRA results and prioritization of projects	Share feedback of the vulnerability and risk assessment	To provide feedback on the PCVRA reports and allow communities do project prioritization	Engagement			5,840,500	1,943,400		

**Turkana County Climate Change Fund
Annual Report and Financial Statements
For the seven months period ended June 30, 2023**

Annex IV: Reporting on Disaster Management Expenditure

Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments
None						

