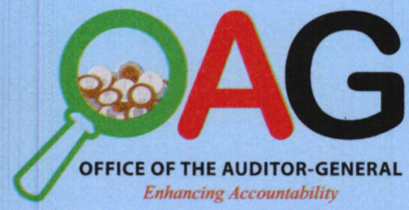
REPUBLIC OF KENYA





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REPORT

OF

THE AUDITOR-GENERAL

ON

MURANG'A COUNTY CLIMATE CHANGE FUND

FOR THE YEAR ENDED 30 JUNE, 2025

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MURANGÁ COUNTY GOVERNMENT

MURANGA COUNTY CLIMATE CHANGE FUND

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2025

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

MURANG'A COUNTY CLIMATE CHANGE FUND

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

Table of Contents

1.	Acronyms and Definition of Key Terms	ii
2.	Key Entity Information and Management	iii
3.	Management Team	viii
4.	County Environment Committee Member (CECM) Report	ix
5.	Report of The Fund Administrator	x
6.	Statement of Performance Against the County Fund's Predetermined Objectives	xii
7.	Corporate Governance Statement	xiv
8.	Management Discussion and Analysis	xvii
9.	Environmental and Sustainability Reporting	xxi
10.	Statement of Management's Responsibilities	xxii
11.	Report of The Independent Auditor on the Financial Statements for Murang'a County Climate Change Fund	xxiv
12.	Statement of Financial Performance for the Year Ended 30th June 2025	1
13.	Statement of Financial Position As at 30 June 2025	3
14.	Statement of Changes in Net Assets for the year ended 30th June 2025	5
15.	Statement of Cash Flows for The Year Ended 30th June 2025	6
16.	Statement Of Comparison Of Budget And Actual Amounts For The Period 2025	7
17.	Notes to the Financial Statements	9
18.	Annexes	46

1. Acronyms and Definition of Key Terms

A. Acronyms

BOM	Board of Management
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
Kshs	Kenya Shillings
FLLoCA	Financing Locally Led Climate Actions

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

2. Key Entity Information and Management

a) Background information

Murang'a County Climate Change Fund is established by and derives its authority and accountability from Murang'a County Act 2021 established on 8th October 2021. The Fund is wholly owned by the County Government of Murang'a and is domiciled in Kenya.

The fund's objective is to:

a. financing of climate change programs;
b. initiating and coordinating of climate change adaptation and mitigation activities at the community level;
c. facilitating incorporation of Climate Finance in the county . planning and budgetary framework
d. enhancing Climate Finance mechanisms and;
e. coordinating support from National government climate change policy and legislative framework coordinating collection and dissemination of climate change information to the public to create awareness and preparedness.

b) Principal Activities

a. The principal activity/mission/ mandate of the Fund is to initiating and coordinating financing of Climatic Change . Adaptation and Mitigation activities at the community level in the County
b. mainstreaming and enhancing Climate Change Finance mechanisms in the County;
c. facilitating community-initiated Climate Change Adaptation and Mitigation activities in the County;
d. facilitating planning for climate change Adaptation and Mitigation in the County planning and budgetary framework;
e. seeking and receiving grants from national and international entities, the National Government, the County Government and other relevant organizations;
f. providing support from the national Climate Change Policy and legislative framework;
g. coordinating collection and dissemination of climatic change information to the public to create awareness and preparedness;
h. implementing any relevant obligations of the State under International agreements related to climate change;
i. strengthening the Climatic Change Department and provide it with adequate mandate and authority to cable it coordinate, supervise, regulate and manage all activities related to climatic change;

j. requiring agencies including government, departments and agencies, private sector and individual citizens to undertake their own respective roles in climatic change response measures; and

k. providing for procedural and administrative matters

c) Key Management Team (County Climate Change Planning Committee)

Name	Details of qualifications and experience
Bridget Irungu 	DOB June 1996 Bachelor of Economics 3 Years in the County Government
Julius Kariuki 	DOB 08/10/1972 Over 10 Years working in the directorate of environment
Sarah Waruo 	DOB 04/11/1973 Over 10 Years working in the directorate of environment
David K Kasyoki 	DOB 11/07/1968 Over 14 Years in office of county commissioner
Stanley K. Kinyua 	DOB: 19/10/1985 County KMD Director 4 years
Jane Nyambura 	DOB: 02/12/1977 In business for 20 years
John Muchoki Mbuthia 	10 years in Agriculture sector

The Climate Change Unit

Ref	Name	Position
1	Bridget Wairimu Irungu	Fund Administrator
2	Judy Thuo	Fund Accountant
3	Julius K Mwangi	Project Coordinator
4	John M Kibe	CCU coordinator
5	Haron Kariuki	Monitoring and Evaluation.
6	Josephine Kagoi	Environment Safeguard
7	Jennifer Kamau	Social Safeguard

d) Fiduciary Oversight Arrangements

SN	Position	Name
1	Directorate Internal Audit	CPA George Mburu
2	Murang'a County Climate Change Fund	CECM Eng. Mary Magochi
3	Office of the Auditor General	Auditor General

a) Registered Offices

P.O. Box 52-10200

Murangá, Kenya

b) Fund Contacts

Telephone: (254) 060-2030271

info@muranga.go.ke

Website: www.muranga.go.ke

c) Independent Auditors

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

d) Principal Legal Adviser

The Attorney General
State Law Office

Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

e) Independent Auditors

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

f) Fund Banker

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

Key Entity and Management (Continued)

g) Independent Auditors

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

h) Principal Legal Adviser

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

i) County Attorney

County Hall
P.O. Box 52-10200
Murang'a County Headquarters, Kenya

3. Management Team

Ref	Name	Position
1	Bridget Wairimu Irungu	Chairperson
2	Julius Mwangi- Director Climate Change	Secretary
3	Peter Gicheha- Co Finance & Planning	Member
4	John Muchoki Mbuthia-Rep Agriculture	Member
5	Jane Nyambura- Rep Trade	Member
6	David K. Kasyoka- Rep County Commissioner	Member
7	Sarah Waruo- County Director NEMA	Member
8	Stanley Kinyua-Director Meteorology	Member

4. County Environment Committee Member (CECM) Report

The manifestations of climate change in the form of rising temperature, variability of precipitation, the risks of more droughts, floods, heat waves, and forest fires have. location, Topographic formation in the Mountain region, and its population distribution, Murang'a is greatly vulnerable to the impacts of climate change and has already experienced noticeable adverse effects in the recent years. Without concerted National and County action, the challenges the County will face as a result of climate change are expected to intensify in the medium or longterm. In response to what has essentially become a global crisis, the County government has enacted The Murang'a Climate Change Act (2021) which provides the policy framework that systematically address the growing threats to community life and its impact on the environment.

The Climate Change Act establishes an organizational structure under which the policy will operate. The Ward Climate Change Planning Committee (WCCPC) is the first and most essential establishment as it is the direct link to the community. It comprises members of the community, a total of eight members. Other structures at the county level include the County Climate Unit (CCU) which coordinates the operations of the committees.

The county directorate of Environment and Climate Change commits to working closely with the members of the community, the youth women, and PWD to learn and discover ways of mitigating or adapting to the climate changes that affect their day-to-day lives.

Name: Mary Magochi

Signature..... **Date** 21/08/2025

CECM Environment and Climate Change

5. Report of The Fund Administrator

The Chief officer/ Fund administrator for department of Environment and Climate Change is responsible for the preparation and presentation of the Project's financial statements, which give a true and fair view of the state of affairs of the Program for the financial year ended on June 30, 2025.

This responsibility includes

(i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period,
(ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the project,
(iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statement, and ensuring that they are free from material misstatements, whether due to error or fraud
(iv) safeguarding the assets of the project,
(v) Selecting and applying appropriate accounting policies and
(vi) (Making accounting estimates that are reasonable in the circumstances.

The Chief Officer/ Fund administrator Department of Environment and Climate Change accept responsibility for the Project's financial statements, which have been prepared on the Accrual Method of Financial Reporting, using appropriate accounting policies by International Public Sector Accounting Standards.

The Chief Officer/ Fund administrator Department of Environment and Climate Change is of the opinion that the Project's financial statements give a true and fair view of the state of the Project's transactions during the financial year ended June 30, 2025, and of the Project's financial position as at that date.

The Chief Officer/ Fund administrator Department of Environment and Climate Change further confirm the completeness of the accounting records maintained for the Project, which have been relied upon in the preparation of the Project financial statements and the adequacy of the systems of internal financial control.

The Chief Officer/ Fund Administrator Department of Environment and Climate Change confirms that the Program has complied fully with applicable Government Regulations and the terms of external financing covenants and that Program funds received during the financial year under audit were used for the eligible purposes for which they were intended and were properly accounted for.



.....

Samuel Murigi

Fund administrator

6. 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 Murang'a County Climate Change Fund Government entities in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the county government Murang'a County Climate Change Fund's performance against predetermined objectives.

The key development objective of the Financing Locally-Led Climate Actions program plan is to deliver locally-led climate resilience actions and strengthen county and national governments' capacity to manage climate risk.

Progress on the attainment of strategic development objectives

To implement and cascade the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic, and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified to track progress and performance measurements

Progress on attainment of Strategic development objectives

Below, we provide the progress on attaining the stated objectives:

Program	Objective	Outcome	Indicator	Performance
Financing Locally-Led Climate Actions Program	To deliver locally-led climate resilience actions and strengthen county and national governments' capacity to manage climate risk.	Effective implementation of climate change adaptation through the County Climate Action plans	No. of households with benefiting from Climate change adaptation and mitigation efforts	Participatory Climate Risk Action plans at the Ward level County Climate Action Plan

7. Corporate Governance Statement

- **SUCCESSION PLAN**

  A comprehensive succession plan is in place to ensure the continuity of leadership and smooth transitions. This plan identifies critical roles, outlines key competencies, and includes a pipeline of potential candidates for leadership roles, with an emphasis on diversity and inclusivity.

- **PROCESS OF APPOINTMENT TO THE BOARD**

The Murang'a County Climate Change Fund Act, 2021 PART II, Section 10 states that the board shall be composed of-

a) The Governor shall appoint one person from each constituency within the County
b) There shall be a Chairperson of the Board appointed by the Governor
c) The Chief Officer in charge of finance shall second a senior officer to the fund who shall be the Fund Administrator
d) The Chief Officer in charge of matters relating to Climate Change shall be the secretary
e) The head of Climate Change directorate
f) One person representing Public Benefit Organizations operating in the County dealing with climate change issues
g) One representative of the special groups' woman or youth and,
h) A representative from the National Environmental Management Authority

(2) Members may be co-opted to the board by the Executive Committee Member on a need basis but shall have no voting powers.

- **ROLES AND FUNCTIONS OF THE BOARD**

The Murang'a County Climate Change Fund Act, 2021 PART II, Section 11 states that the function of the board shall be

a) To compile the projects approved by the County Planning Committee and prepare the County Climate Finance Budget
b) Based on criteria, ensure equitable allocation of the money available in the fund concerning the projects received by the County and Ward Planning Committee
c) Manage the administrative costs of the fund including the costs of the meetings and sitting of, County Planning Committee and Ward Planning Committee
d) Oversee the execution of the County Climate Finance Budget
e) Provide the essential linkages between the County Executive Committee and the County Assembly concerning the management of the fund
f) Coordinate capacity building for Climate Change awareness and Climate Finance
g) Coordinate research and development for Climate Change Finance

h) Mobilize funds for Climate Change Finance
i) To approve the ward and county disbursement proposals by the Fund Administrator, and
j) Any other mandate relevant to the execution of the board's mandate.

- **VACATION FROM OFFICE**

The Murang'a County Climate Change Fund Act, 2021 FIRST SCHEDULE, Section 1 states that a member of the board may-

a) At any time resign from office by notice in writing to the Executive Committee Member
b) Be removed from office by the Executive Committee Member if-

(i) Has been absent from three consecutive meetings of the Committee without the permission of the chairperson
(ii) Is convicted of a criminal offence and sentenced to imprisonment for a term exceedingly six months or to a fine exceeding ten thousand shillings
(iii) Is convicted of an offence involving dishonesty or fraud
(iv) Is adjudged bankrupt or enters into a composition scheme of arrangement with his creditors
(v) Is incapacitated by prolonged physical, or mental illness or is deemed otherwise unfit to discharge his duties as a member of the Committee; or
(vi) Fails to comply with the provision of these regulations relating to disclosure

- **CONFLICT OF INTEREST**

The Murang'a County Climate Change Fund Act, 2021 FIRST SCHEDULE, Section 3 states that

1) If a member is directly or indirectly interested in an outcome of any decision of the Board or other matter before the Board at which the matter before board and is present at a meeting of the Board at which the matter is the subject of consideration, that member shall, at the meeting and as soon as practicable after the commencement thereof, disclose the fact and shall not take part in the consideration or discussion of, or vote on, any questions concerning the contract or any other matter, or be counted in the quorum of the meeting during consideration of the matter. Provided that, if the majority of the members present are the opinion that the experience or expertise of such member is vital to the deliberations of the meeting, the board may person the member to participate in the deliberations subject to such restrictions as it may impose but such member shall not have the right to vote on the matter in question

2) A member of the board shall be considered to have a conflict of interest for these Regulations if he acquires any pecuniary or other interest that could conflict with the proper performance of his duties as a member of the employee of the committee
3) Where the board becomes aware that a member has a conflict of interest to any matter before the board, the board shall direct the member to refrain from taking part, or taking any further part, in the consideration or determination of the matter
4) If the chairperson has a conflict of interest he shall, in addition to complying with the other provision of this section, disclose the conflict that exists to the executive member in writing
5) Upon the board becoming aware of any conflict of interest, it shall make a determination as to whether in future the conflict is likely to interfere significantly with the proper and effectively performance of the functions and duties of the member or the board and the member with the conflict of interest shall note vote on this determination
6) Where the board determines that the conflict is likely to interfere significantly with the members' proper and effective performance as provided for an subparagraph (1), the member shall resign unless the member has eliminated the conflict to the satisfaction of the board within thirty days
7) The committee shall report to the Executive member any determination by the board that a conflict is likely to interfere significantly with performance as above and whether or not the conflict has been eliminated to the satisfaction of the Board
8) The annual report of the board shall disclose details of all conflicts of interest and determination arising during the period covered by the report
9) A disclosure of interest made under this paragraph shall be recorded in the minutes of the meeting of which it is made

- **ETHICS AND CONDUCT AS WELL AS GOVERNANCE AUDIT.**

The Murang'a County Climate Change Fund Act, 2021 FIRST SCHEDULE, Section 4 states that; The board shall comply with the code of conduct governing public officers

8. Management Discussion and Analysis

FLLOCA program was to receive Ksh. 110,729,614 for CCRI last financial year and Ksh. 11,000,000 for CCIS each year for 3 consecutive years the program is in place; however, the county has received as at 30th June 2025 from the government as conditional grant 110,729,614 which is 100% of CCRI and 33,000,000 which is 100% of CCIS grants.

CCIS ACTIVITIES

Serial No	Main Activity	Sub Activity
1	Capacity Building	Sensitization of County Executive Members
2	Capacity Building	Environment Stakeholders Sensistization
3	Climate Change Unit support services	Support of various activities of the FLLoCA programme
4	Ward Climate Change Planning Committee Support	Support of various activities of the FLLoCA programme
5	Training and capacity building	Training of the County Climate Change Planning Committee
6	Training/Capacity development for county,subcounty and ward resource members	Trainings, capacity building and transport reimbursement
7	Procurement of office equipment for Climate change unit	Purchase of office furniture,laptops
8	Development of Climate Policy	Give direction on how climate change activities will be conducted

CCRI ACTIVITIES

Serial No	Activity	Sub Activity
1	Environment conservation and Protection activities	Procurement and distribution of 7000 tree seedlings
2	Water infrastructure support activities	Supply and installation of water pipes for last mile water connectivity for all the 35 Wards
3	Water infrastructure support activities	Supply of 4000 pieces of water metres for lastmile water connectivity.
4	Environment conservation and resillience activities	Supply and installaion of solar systems in all the health facicilities within the County.
5	Administration planning and support services	ESIA Consultancy and administration
6	Integrated water distribution livelihood improvement and environment conservation.	Drilling and installation of Mihang'o, Ithanga, Ruchu and Mukerenju boreholes.

7	Rehabilitation of Boreholes for Improved Water Distribution, Livelihood improvement, Food Security, and Environmental Conservation.	Rehabilitation and installation of solar systems for Kigio, Kenol town, Ngelelya, Kang'ong'I, Kaigwa, Gikindu, Turuturu and Kimata boreholes.
8	Rehabilitation of Boreholes for Improved Water Distribution, Livelihood improvement, Food Security, and Environmental Conservation.	Rehabilitation and installation of water pumps for Mumbu and Yakarengo boreholes for crop irrigation
9	Integrated Promotion of Rainwater Harvesting, livelihood improvement, food security and environmental conservation through Provision of Water Tank	Supply and delivery of water tanks for Kiangima, Kiruru, Kiriaini, Kanjahi, Kanooro, Gitugi, Kamune, Wahundura, Kirungu, Mataara, Karima, Wanjerere, Ndune, Kibutha, Ichichi, Ngooro, Marimira, Iyego and Irewa ECDE centres.
10	Garbage collection Support	Purchase of skip bins
11	County Climate Change Counter Funding	Administration cost

Implementation challenges

- Delay in disbursement of funds from national government
- Inadequate community on flloca procedure
- Political interest
- Lack of interdepartmental coordination

Recommendation

- Continuous community sensitization on FLLOCA
- Sensitize political class to know their roles
- Prompt disbursement of allocated funds
- Enhance departmental coordination

9. Environmental and Sustainability Reporting

1. Sustainability strategy and profile -

The Murang'a County Climate Change Fund operates with a clear commitment to sustainability, aiming to balance economic growth with environmental stewardship and social responsibility. Our sustainability strategy focuses on promoting sustainable farming practices, reducing environmental impact, and fostering community resilience.

2. **Environmental performance:** Murang'a County Climate Change Fund is dedicated to monitoring and improving its environmental performance across all operations. Key initiatives include:

- **Reducing Carbon Footprint:** Implementing measures to reduce greenhouse gas emissions from agricultural activities and logistics this is achieved through regular training.
- **Waste Management:** Communities' training on Promoting recycling and proper disposal of agricultural waste to minimize environmental impact.
- **Biodiversity Conservation:** Partnering with local communities and conservation organizations to protect biodiversity hotspots near agricultural areas.

3. **Employee welfare:** Murang'a County Climate Change Fund prioritizes the welfare of its employees by providing safe working conditions, fair wages, and opportunities for training and career development.
4. **Corporate Social Responsibility / Community Engagements:** Murang'a County Climate Change Fund recognizes its role in contributing positively to society and engaging with communities:

- **Community Development:** Supporting local communities through water last mile connectivity which includes procurement and installation of water pipes and consumer water meters.
- **Stakeholder Engagement:** Collaborating members of the community to address climate change risks through mitigation and adaptation measures. The fund also engages stakeholders through capacity building on matters climate change. We have sensitized the county technical teams, farmers cooperatives, women and youth and world climate change planning committees.
- **Ethical Standards:** Upholding high ethical standards in all interactions, promoting integrity and accountability in our operations.

10. 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 Murang'a County Climate Change Fund shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

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

The Administrator of the Murang'a County Climate Change 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 Murang'a County Climate Change Fund. The Administrator of the Fund is of the opinion that the Fund's financial statements give a true and fair view of the state of Fund's transactions during the financial year ended June 30, 2025, and of the Fund's financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Administrator of the County Public Fund has assessed the Fund's ability to continue as a going concern and disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements.

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

Approval of the financial statements

The Fund *'s* financial statements were approved by the Fund Administrator on 21/08/2025 2025

.....

Fund Administrator

Murang'a County Climate Change Fund

REPUBLIC OF KENYA

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

PREAMBLE

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

A. Report on Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;

B. Report on Lawfulness and Effectiveness in the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,

C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Murang'a County Climate Change Fund set out on pages 1 to 49, which comprise of the statement of financial

position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

Basis for Qualified Opinion

Inaccuracies in Bank Reconciliation Statements

The statement of financial position as at 30 June, 2025 reflects cash and cash equivalents balance of Kshs.8,505,361 as disclosed in Note 16. However, the bank reconciliation statements did not reconcile with the bank closing balance of Kshs.7,876,680, resulting to an unreconciled and unexplained variance of Kshs.628, 681. Further, no schedules of unpresented cheques or uncredited lodgments were provided to support the bank reconciliation statements.

In the circumstances, the accuracy and completeness of the cash and cash equivalents amount of Kshs.8,505,361 could not be confirmed.

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

Key Audit Matters

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

Other Information

Management is responsible for the Other Information set out on page iii to xxiii which comprise of Key Entity Information and Management, Fund Administration Committee,

Management Team, Report of the Fund Administrator, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Trustees, and Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Excessive Transfer to Murang'a County Climate Change Fund

The statement of comparison of budget and actual amounts reflected a final budget on transfers from the County Executive amounting to Kshs.70, 500,000. This represents 36% of the final development budget of the County Executive of Kshs.1, 946,834,000. That is contrary to the 2% ceiling set out in the Murang'a County Climate Change Fund Act, 2021.

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

2. Failure to Submit Bank Reconciliation Statements to the National Treasury

Review of the bank reconciliation statements for the financial year under review revealed that bank reconciliations were not submitted to the National Treasury and a copy to the Auditor -General as required under Regulation 90(1) of Public Finance Management (National Government) Regulations, 2015.

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

3. Failure to Make Deductions for Capacity Building Levy

During the year under review, the management of the Murang'a County Climate Change Fund entered into contracts worth Kshs.173,403,239 with various suppliers and

contractors. However, no evidence was provided to confirm that the Management collected a Capacity Building Levy at the rate of 0.03% on all signed contracts and remitted it to the Public Procurement Regulatory Authority.

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

4. Failure to Conduct Feasibility Study on the Purchase of Water Meters, Water pipes, Tree Seedlings Water Tanks and Purchase of Solar System

The review of records provided for audit revealed that an amount of Kshs.158,834,839 was incurred in the purchase of water meters, water pipes, tree seedlings, water tanks, and solar systems. However, no evidence was provided to confirm that market survey was undertaken to determine fair value and competitiveness before procurement. The criteria for identification of beneficiaries, a needs assessment report, and a sustainability plan for the projects prior to procurement were not provided for audit. Further, the legal framework under which water meters, water pipes, water tanks, and solar systems were procured using County funds and distributed at no cost was not provided. Also, no evidence of receipt and distribution lists for the tree seedlings were provided for audit verification. This was contrary to Section 75 (a)(b) of the Public Finance Management (County Government) Regulation 2015.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of the Management and Fund Administration Committee

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual

Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the

effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/. This description forms part of my auditor's report.

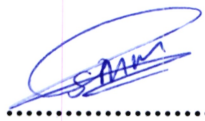
FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

21 November, 2025

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

Description	Note	2024-2025	2023-2024
		Kshs	Kshs
Revenue From Non-Exchange Transactions			
Public Contributions and Donations	5	66,364,806	77,364,806
County Government Contribution	6	70,397,998	-
Fines, Penalties and Other Levies	7	-	-
		136,762,804	77,364,806
Revenue From Exchange Transactions			
Interest Income	8	-	-
Other Income	9	-	-
		-	-
Total Revenue		**136,762,804**	**77,364,806**
Expenses			
Employee Costs	10	-	-
Use of goods and services	11	174,519,036	17,349,213
Depreciation and Amortization Expense	12	748,584	-
Finance Costs	13	-	-
Total Expenses		**175,267,620**	**17,349,213**
Other Gains/Losses			
Gain/Loss on Disposal of Assets	14	-	-
Gain /Loss on fair value of investments	15	-	-
Total Other Gains/Losses		-	-
Surplus/(Deficit) for the Period		**(38,504,816)**	**60,015,593**



.....

Name: Samuel Murigi

Administrator of the Fund



.....

Name: Judy N Thuo

Fund Accountant

ICPAK Member Number: 18464

13. Statement of Financial Position As at 30 June 2025

Description	Note	2024-2025	2023-2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	16	8,505,361	58,575,593
Receivables	17	-	-
Prepayments	18	-	-
Inventories	19	-	-
Investments in financial assets	20	-	-
Total current assets		**8,505,361**	**58,575,593**
Non-Current Assets			
Property, Plant and Equipment	21	13,005,416	1,440,000
Intangible Assets	22	-	-
Long Term Receivables from Exchange Transactions	17	-	-
Investment Property	23	-	-
Total non- current assets		**13,005,416**	**1,440,000**
Total Assets (A)		**21,510,777**	**60,015,593**
Liabilities			
Current Liabilities			
Trade and Other Payables from Exchange Transactions	24	-	-
Current Provisions	25	-	-
Current Portion of Borrowings	26	-	-
Current Employee Benefit Obligations	27	-	-
Social benefit liabilities	28	-	-
Total current liabilities		-	-
Non-Current Liabilities			

Non-Current Provisions	25	-	-
Long Term Portion of Borrowings	26	-	-
Non-Current Employee Benefit Obligation	27	-	-
Social benefit liabilities	28	-	-
Total Non-Current Liabilities		-	-
Total Liabilities (B)		-	-
Net Assets (A-B)		**21,510,777**	**60,015,593**
Represented By:			
Revolving Fund		-	-
Reserves			-
Accumulated Surplus		21,510,777	60,015,593
Net Assets		**21,510,777**	**60,015,593**

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on30th June 2025and signed by:

.....

Name: Samuel Murigi

Administrator of the Fund

.....

Name: Judy N Thuo

Fund Accountant

ICPAK Member Number: 18464

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

Description	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
		Kshs	Kshs	Kshs
Balance As At 1 July 2023	-	-	-	-
Surplus/(Deficit) For the Period	-	-	60,015,593	60,015,593
Funds Received During the Year	-	-		
Transfers	-		-	-
Revaluation Gain	-	-	-	-
Balance As At 30 June 2024	-	-	**60,015,593**	**60,015,593**
Balance As At 1 July 2024	-	-	**60,015,593**	**60,015,593**
Surplus/(Deficit) For the Period		-	(38,504,816)	**-38,504,816**
Funds Received During the Year	-	-		
Transfers	-		-	-
Revaluation Gain	-	-	-	-
Balance As At 30 June 2025	-	-	**21,510,777**	**21,510,777**

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

Description	Note	2024-2025	2023-2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Public contributions and donations		66,364,806	77,364,806
Transfers from the county government		70,397,998	-
Interest received		-	-
Receipts from other operating activities		-	-
Total receipts		**136,762,804**	**77,364,806**
Payments			
Employee Costs		-	-
Use of Goods and Services		174,519,036	17,349,213
Finance cost		-	-
Total payments		**174,519,036**	**17,349,213**
Net cash flows from operating activities	29	**(37,756,232)**	**60,015,593**
Cash flows from investing activities			
Purchase of property, plant, equipment and Intangible assets		(12,314,000)	1,440,000
Proceeds from sale of property, plant & equipment		-	-
Proceeds from loan principal repayments		-	-
Loan disbursements paid out		-	-
Net cash flows used in investing activities		**(12,314,000)**	**1,440,000**
Cash flows from financing activities			
Proceeds from revolving fund receipts		-	-
Additional borrowings		-	-
Repayment of borrowings		-	-
Net cash flows used in financing activities		-	-
Net increase/(decrease) in cash & cash Equivalents		**(50,070,232)**	**58,575,593**
Cash and cash equivalents at 1 July 2024		58,575,593	-
Cash and cash equivalents at 30 June		**8,505,361**	**58,575,593**

16. Statement Of Comparison Of Budget And Actual Amounts For The Period 2025

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	b	C=(a+b)	d	e=(c-d)	f=d/c*100
Budget carryovers from the previous year*	**58,575,593**	-	**58,575,593**	**58,575,593**	-	**100**
Receipts						
Public Contributions and Donations	110,729,613	-	110,729,613	66,364,806	44,364,807	**59**
Transfers From County Govt.	70,500,000	-	70,500,000	70,397,998	102,002	**99**
Interest Income	-	-	-	-	-	-
Other Income- Receivables	-	-	-	-	-	-
Total Income	**239,805,206**	-	**239,805,206**	**195,338,397**	**44,466,809**	**81**
Expenses						
Employee Costs	-	-	-	-	-	-
Use of Goods & Services	180,421,613	-	180,421,613	174,519,036	5,902,577	**96**
Finance Cost	-	-	-	-	-	-

Total Expenditure	**180,421,613**	**-**	**180,421,613**	**174,519,036**	5,902,577	**96**
Capital expenditure	**12,314,000**	**-**	**12,314,000**	**12,314,000**	**-**	**-**
Surplus For the Period	**47,069,593**	**-**	**47,069,593**	**8,505,361**	**38,564,232**	**-**

Budget Reconciliation

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	8,505,361
1	Reason for differences	-
2	Reason for differences	-
3	Reason for differences	-
4	Reason for differences	-
	Closing Cash and Cash Equivalent as per the statement of Cash flows	8,505,361

17. Notes to the Financial Statements

Significant Accounting Policies

1. General Information

Murang'a County Climate Change Fund entity is established by and derives its authority and accountability from Murang'a County Climate Change Act. The entity is wholly owned by the Murang'a County Government and is domiciled in Kenya. The entity's principal activity is to initiating and coordinating financing of Climatic Change . Adaptation and Mitigation activities at the community level in the County.

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.

(i) Early adoption of standards

The Murang'a County Climate Change Fund did not early – adopt any new or amended standards in the financial year.

3. Summary of Significant Accounting Policies

a) Revenue recognition

i. Revenue from non-exchange transactions

Transfers from other government entities

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

ii. Revenue from exchange transactions

Interest income

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

Dividends

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

Rental income

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

b) Budget information

The original budget was approved by the County Assembly. 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 Murang'a County Climate Change Fund upon receiving the respective approvals in order to conclude the final budget.

The Murang'a County Climate Change Fund budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and

reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

Summary of Significant Accounting Policies (Continued)

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

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

c) Property, plant and equipment

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

a) Intangible Assets

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

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

b) Investment property

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

Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition.

Summary of Significant Accounting Policies (Continued)

c) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The Murang'a County Climate Change Fund does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Fund's financial statements.

Financial assets

Classification of financial assets

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

Subsequent measurement

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

Summary of Significant Accounting Policies (Continued)

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Summary of Significant Accounting Policies (Continued)

Financial liabilities

Classification

The Murang'a County Climate Change Fund classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

d) Inventories

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

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

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

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

e) Provisions

Provisions are recognized when the Murang'a County Climate Change Fund 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 Murang'a County Climate Change Fund expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

f) Social Benefits

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

Summary of Significant Accounting Policies (Continued)

g) Contingent liabilities

The Murang'a County Climate Change Fund 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 Murang'a County Climate Change Fund 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 Murang'a County Climate Change Fund in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

h) Nature and purpose of reserves

The Murang'a County Climate Change Fund creates and maintains reserves in terms of specific requirements.

i) Changes in accounting policies and estimates

The Murang'a County Climate Change Fund recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

Summary of Significant Accounting Policies (Continued)

j) Foreign currency transactions

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

k) Borrowing costs

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

l) Related parties

The Murang'a County Climate Change Fund 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 Murang'a County Climate Change Fund, or vice versa. Members of key management are regarded as related parties and comprise the Fund Administration Committee, Board of Trustees and senior managers.

m) Cash and cash equivalents

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

n) Comparative figures

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

Summary of Significant Accounting Policies (Continued)

4. Significant judgments and sources of estimation uncertainty

The preparation of the Murang'a County Climate Change Fund 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 Murang'a County Climate Change Fund 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 Murang'a County Climate Change Fund. 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.

Notes To the Financial Statements Continued

5. Public contributions and donations

Description	2024-2025	2023-2024
	Kshs	Kshs
Donation From Development Partner- IDA	66,364,806	66,364,806
Contributions From the Public	-	-
Total	**66,364,806**	**66,364,806**

6. Transfers from County Government

Description	2024-2025	2023-2024
	Kshs	Kshs
Transfers From County Govt. – County contributions	70,397,998	-
Payments By County On Behalf Of The Entity	-	-
Unconditional Development grants	-	-
Total	**70,397,998**	-

7. Fines, penalties and other levies

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

8. Interest income

Description	2024-2025	2023-2024
	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 Interest Income	-	-

9. Other income

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

10. Employee Costs

Description	2024-2025	2023-2024
	Kshs	Kshs
Salaries And Wages	-	-
Staff Gratuity	-	-
Staff Training Expenses	-	-
Social Security Contribution	-	-
Other	-	-
Total	-	-

11. Use of Goods and Services

Description	2024-2025	2023-2024
	Kshs.	Kshs.
Hospitality	1,564,241	1,593.788
Conference Expenses	1,378,764	1,776,000
Transport Allowances	629,900	5,009,400
Advertisement costs	274,740	27,500
Committee Allowances	8,646,450	8,819,725
Printing And Stationery	127,702	122,800
Purchase of water meters	18,534,482	-
Purchase and installation of water pipes	79,903,115	-
Purchase of tree seedlings	7,000,000	-
Consultancy fees	3,062,400	-
Purchase of water tanks	7,434,788	-
Purchase of solar systems	45,962,451	-
Provision For Doubtful Debts	-	-
Other	-	-
Total	**174,519,036**	**7,349,213**

12. Depreciation and Amortization Expenses

Description	2024-2025	2023-2024
	Kshs.	Kshs.
Property Plant and Equipment	748,584	-
Intangible Assets	-	-
Total	**748,584**	-

13. Finance costs

Description	2024-2025	2023-2024
	Kshs	Kshs
Interest On Bank Overdrafts	-	-
Interest On Loans From Banks	-	-
Total	-	-

14. Gain/(loss) on disposal of assets

Description	2024-2025	2023-2024
	Kshs	Kshs
Property, Plant and Equipment	-	-
Intangible Assets	-	-
Total	-	-

15. Gain/ (loss) on Fair Value Investments

Description	2024-2025	2023-2024
	Kshs	Kshs
Investments at Fair Value- Equity investments	-	-
Fair value – Investment property	-	-
Fair value- other financial assets (specify)	-	-
Total Gain	-	-

16. Cash and cash equivalents

Description	2024-2025	2023-2024
	Kshs	Kshs
Car Loan Account	-	-
County Mortgage Account		-
Fixed Deposits Account		-
On – Call Deposits	-	-
Current Account	8,505,361	58,575,593
Others (*Specify*)	-	-
Total Cash and Cash Equivalents	**8,505,361**	**58,575,593**

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

Financial Institution	Account number	2024-2025	2023-2024
		Kshs	Kshs
a) **Fixed Deposits Account**			
Kenya Commercial Bank		-	-
Equity Bank, Etc.		-	-
Sub- Total		-	-
b) On - Call Deposits			
Kenya Commercial Bank		-	-
Equity Bank - Etc.		-	-
Sub- Total		-	-
c) Current Account			
Central Bank of Kenya	1000544279	8,505,361	58,575,593
Bank B		-	-
Sub- Total		**8,505,361**	**58,575,593**
d) Others(Specify)			
Cash In Transit		-	-
Cash In Hand		-	-
Sub- Total		-	-
Grand Total		**8,505,361**	**58,575,593**

17. Receivables from non-exchange transactions

Description	2024-2025 FY Kshs	2023-2024 FY Kshs
Receivables	-	-
Current Loan Repayments Due	-	-
Other Exchange Debtors	-	-
Less: Impairment Allowance	-	-
Net Receivables	-	-

Additional disclosure on interest receivable

Description	2024-2025 Kshs	2023-2024 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	-	-

18. Prepayments

Description	2024-2025	2023-2024
	Kshs	Kshs
Prepaid Rent	-	-
Prepaid Insurance	-	-
Prepaid Electricity Costs	-	-
Other Prepayments	-	-
Total	-	-

19. Inventories

Description	2024-2025	2023-2024
	FY	FY
	Kshs	Kshs
Consumable Stores	-	-
Spare Parts And Meters	-	-
Catering	-	-
Other Inventories (Specify)	-	-
Total Inventories	-	-

Detailed disclosure on inventories

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

20. Investments in financial assets

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

(Movement of Equity Investments)

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

e) Shareholding in other entities

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		Current year	Prior year
	%	%	%	Kshs	Kshs	Kshs
Entity A	-	-	-	-	-	-
Entity B	-	-	-	-	-	-
Entity C	-	-	-	-	-	-
	-	-	-	-	-	-

21. Property, plant, and equipment

	Land	Buildings	Motor vehicles	Solar Systems	Computers and office equipment	Total
Rate		**X%**	**X%**	**X%**	**33.3%**	
	Kshs	**Kshs**	**Kshs**	**Kshs**	**Kshs**	**Kshs**
At 1st July 2023	-	-	-	-	-	-
Additions	-	-	-	-	1,440,000	**1,440,000**
Disposals	-	-	-	-	-	-
Transfers/Adjustments	-	-	-	-	-	-
Revaluation Adjustments	-	-	-	-	-	-
At 30th June 2024	-	-	-	-	**1,440,000**	**1,440,000**
At 1st July 2024	-	-	-	-	**1,440,000**	

Additions	-	-	11,506,000	-	808,000	**12,314,000**
Disposals	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-
Revaluation Adjustments	-	-	-	-	-	-
At 30th June 2025	-	-	**11,506,000**	-	**2,248,000**	**13,754,000**
Depreciation And Impairment						
At 1st July 2023						-
Depreciation	-	-	-	-	-	-
Impairment	-	-	-	-	-	-
At 30th June 2024	-	-	-	-	-	-
At 1st July 2024						

Depreciation	-	-	-	-	748,584	**748,584**
Disposals	-	-	-	-	-	-
Impairment	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-
At 30th June 2025	-	-	-	-	**748,584**	**748,584**
Net Book Values						
At 30th June 2024	-	-	-	-	**1,440,000**	**1,440,000**
At 30th June 2025	-	-	**11,506,000**	-	**1,499,416**	**13,005,416**

22. Intangible assets

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

23. Investment Property

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

24. Trade and other payables from exchange transactions

Description	2024-2025		2023-2024 FY	
	Kshs		Kshs	
Trade Payables	-		-	
Refundable Deposits	-		-	
Accrued Expenses	-		-	
Other Payables	-		-	
Total Trade and Other Payables	-		-	
Ageing analysis (Trade and other payables)	**2024-2025**	**% of the Total**	**2023-2024 FY**	**% of the Total**
Under one year	-	#DIV/0!	-	#DIV/0!
1-2 years	-	#DIV/0!	-	#DIV/0!
2-3 years	-	#DIV/0!	-	#DIV/0!
Over 3 years	-	#DIV/0!	-	#DIV/0!
Total (tie to above total)	-		-	

25. Provisions

Description	Leave provision	Gratuity Provision	Other provision	Total
	Kshs	Kshs	Kshs	Kshs
Balance b/f	-	-	-	-
Additional provisions	-	-	-	-
Provision utilised	-	-	-	-
Change due to discount and time value for money	-	-	-	-
Total provisions year end	-	-	-	-
Current Provisions	-	-	-	-
Non-Current Provisions	-	-	-	-

26. Borrowings

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

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

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

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

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

27. Employee benefit obligations

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

28. Social Benefit Liabilities

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

29. Cash generated from operations.

Description	2024-2025	2023-2024
	Kshs	Kshs
Surplus/ (Deficit) For the Year Before Tax	-	-
Adjusted For:		
Depreciation	-	-
Amortization	-	-
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	-	-

30. Related party balances

a) Nature of related party relationships

Murang'a County Climate Change Fund 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;

Board of Trustees; etc

b) Related party transactions

Description	2024-2025	2023-2024
	Kshs	Kshs
Transfers From Related Parties'	-	-
Transfers To Related Parties	-	-

c) Key management remuneration

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

d) Due from related parties

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

Other Disclosures Continued

e) Due to related parties

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

31. Contingent assets and contingent liabilities

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

32. Financial risk management

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

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

a) Credit risk

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

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2025				
Receivables From Exchange Transactions	-	-	-	-
Receivables From Non-Exchange Transactions	-	-	-	-
Bank Balances	-	-	-	-
Total	-	-	-	-
At 30 June 2024				
Receivables From Exchange Transactions	-	-	-	-

Receivables From Non-Exchange Transactions	-	-	-	-
Bank Balances	-	-	-	-
Total	-	-	-	-

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

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 Murang'a County Climate Change Fund manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2025				
Trade Payables	-	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-

Employee Benefit Obligation	-	-	-	-
Total	-	-	-	-
At 30 June 2024				
Trade Payables	-	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	-	-	-	-

c) Market risk

The board has put in place an internal audit function to assist it in assessing the risk faced by the entity on an 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 Murang'a County Climate Change Fund 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 Murang'a County Climate Change Fund foreign currency-denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

.

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

Foreign currency sensitivity analysis

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

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

ii. Interest rate risk

Interest rate risk is the risk that the Murang'a County Climate Change Fund 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 endeavored to bank with institutions that offer favorable 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 (2025: Kshs 0). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs 0 (2024 – Kshs 0).

d) Capital risk management.

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

Description	2024-2025	2023-2024
	Kshs	Kshs
Revaluation reserve	-	-
Revolving fund	-	-
Accumulated surplus	-	-
Total funds	-	-
Total borrowings	-	-
Less: cash and bank balances	-	-
Net debt/(excess cash and cash equivalents)	-	-
Gearing	-	-

33. Events after the reporting period

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

34. Ultimate and Holding Entity

The Murang'a County Climate Change Fund is a County Public Fund established by Murang'a County Climate Change Act under the Ministry of Environment,Natural Resources Water and Irrigation. Its ultimate parent is the County Government of Murang'a.

35. Currency

The financial statements are presented in Kenya Shillings (Kshs)

18. Annexes

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: *(Resolved / Not Resolved)*	Timeframe: *(Put a date when you expect the issue to be resolved)*
4.1Accuracy and Presentation of Financial Statements Criteria	Examination of the Murang'a County Climate Change Fund financial statements revealed that the financial statements do not comply with the reporting framework	The financial report and statements have been amended and are now in conformity with the Public Sector Accounting Standards Board (PSASB) reporting format.	Resolved	-
4.2 Unsupported Expenditure – Kshs.425,600	The statement of financial performance and as disclosed in Note 7 to the financial statements reflects Kshs. 17,349,213 in respect to use of goods and services which includes Kshs. 8,819,725 in respect to domestic travel and subsistence which further includes an amount of Kshs. 325,600 and Kshs. 100,000 both totaling to Kshs.425,600 incurred for a workshop on improvement of climate	The relevant payment vouchers with all the supporting documentation have been availed.	Resolved	-

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: *(Resolved / Not Resolved)*	Timeframe: *(Put a date when you expect the issue to be resolved)*
	action in Kisumu and Facilitation of world environmental day respectively. However, the Management did not support the expenditure with requisition, evidence of travel, training program and attendance register to confirm the validity of the payment			
4.3 Non-Compliance with Climate Regulations	Management did not provide for audit review a Climate Finance Framework as required under Section 8 (1) of Murang'a County Climate Change Fund Act, 2021. It was therefore not possible to determine the status of climate change awareness in the County, the impact of climate change in the county and climate change adaptation and mitigation activities and projects. Further, it was not possible to evaluate the extent to which each department has integrated the climate change action plan into	The County has enacted a Murang'a County Climate Change Fund Act 2021 which serves as the legal framework guiding our efforts to mitigate and adapt to the impacts of climate change. This Act outlines the County responsibilities of various structures and commitment to climate change fund. In alignment with the Act, the county has developed a Climate Change Action Plan. This strategic document outlines the specific	Resolved	-

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: *(Resolved / Not Resolved)*	Timeframe: *(Put a date when you expect the issue to be resolved)*
	its sectoral strategies, action plans, and other implementation projections for its legislative and policy functions. The Management did not also provide a list of approved and ranked climate change project, including proposed procurement plans for each project. In addition, there was no evidence that the Fund published the list of projects submitted and approved by the County Planning Committee. Further, there were no minutes to confirm that the Fund conducted Community Consultation Forums as envisaged in Section 23 (1) and (2) of the Murang'a County Climate Change Fund Act, 2021 and Section 69 (1) (d) of the Constitution of Kenya 2010 on encouraging public participation in the management, protection and	initiatives, timelines and resources dedicated to combating climate change enhancing resilience to climate impacts and supporting community engagement in environmental sustainability efforts. The document was arrived after a detailed participatory climate risk assessment in all 35 Wards. The Climate Change Planning Committee reviewed proposals as received from the Ward Climate Change Planning Committee. Attached is the PCRA reports, community Engagement minute, List of proposed and approved projects and CCU appointment letters		

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: *(Resolved / Not Resolved)*	Timeframe: *(Put a date when you expect the issue to be resolved)*
	conservation of the environment. In the circumstances, the Management was in breach of the law.			
4.4 Budgetary Control and Performance	The statement of comparison of budget and actual amounts reflects final expenditure budget and actual amounts on comparable basis of Kshs.77,364,806 and Kshs.18,789,213 respectively resulting to under-absorption of Kshs.58,575,213 or 76% of the budget despite the fund receiving total budget receipts of Kshs.77,364,806. In the circumstances, the underperformance affected the planned activities and may have impacted negatively on service delivery to the public.	Part of the under absorption of the budget was occasioned by late disbursement of funds and that has since been resolved with the Controller of Budget. The management of Murang'a County Climate Change Fund endeavors to ensure that all the planned activities have been undertaken in the next financial year and ensure that all the funds have been fully utilized to benefit the public.	Resolved	-

Fund Manager/Accounting Officer

Date..... 21/02/2025.

Annex II: Inter-Fund Confirmation Letter

Name of Transferring Entity : Finance Department – Murang'a County Government
Name of Beneficiary Entity: Murang'a County Climate Change Fund

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

Confirmation of amounts received by [Insert name of beneficiary Fund] as at 30th June 2025							
		Amounts Disbursed by [CC/SAGA/Fund] (Kshs) as at 30th June 2025				Amount Received by [beneficiary Fund] (KShs) as at 30th June 2025 (E)	Differences (KShs) (F)=(D-E)
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Inter–Ministerial (C)	Total (D)=(A+B+C)		
FT24187MFY8R	5th July 2024	-	55,364,806	-	55,364,806	55,364,806	-
FT24264M09TK	20th Sept 2024	-	11,000,000	-	11,000,000	11,000,000	-
FT25149H1TZT	29th May 2025	-	-	14,196,043	14,196,043	14,196,043	-
FT25170ZFMDX	19th June 2025	-	-	15,766,312	15,766,312	15,766,312	-
Total			66,364,806	29,962,355	136,762,804	96,327,161	-

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

Head of Accountants department of beneficiary Fund:

Name ..... Judy Thuo ..... **Sign** ..... **Date** 21/08/2025

Annex III: Reporting of Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
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Annex IV: Reporting on Disaster Management Expenditure

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