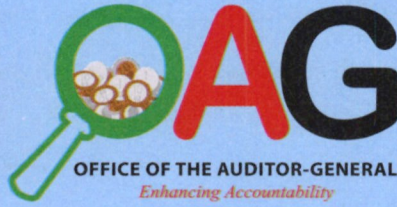


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REPORT

OF

THE AUDITOR-GENERAL

ON

NANDI COUNTY CLIMATE CHANGE FUND

FOR THE YEAR ENDED
30 JUNE, 2025

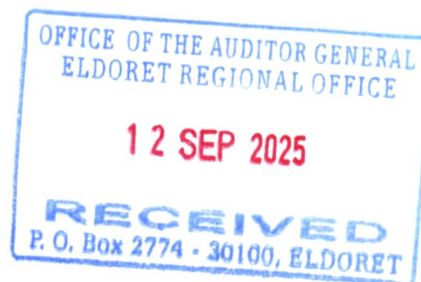
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DATE	19/11/2025
TABLED BY	Sen. Mutinda on behalf of Majority Leader
COMMITTEE	-
CLERK AT THE TABLE	Belinda





NANDI COUNTY CLIMATE CHANGE FUND
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
JUNE 30TH 2025

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



***Nandi County Climate Change Fund
Reports and Financial Statements
For the Period Ended 30th June 2025***

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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

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.

CECM	County Executive Committee Member
CO	Chief Officer
FLLoCA	Financing Locally Led Climate Action
SPA	Special Purpose Account

2. Key Entity Information and Management

a) Background information

The Nandi County Climate Change Fund is an Act of County Assembly of Nandi enacted on 18th June 2021. The objective of the Act is to establish a fund in the county for the purpose of facilitating and coordinating finances for community-initiated climate change Adaption and Mitigation projects.

b) Principal Activities

The principal activities are to:

- Initiating and coordinating financing of climate change adaptation and mitigation activities at the community level
- Enhancing Climate Finance Mechanisms
- Facilitating community-initiated climate change adaptation and mitigation activities
- Seeking and receiving grants from national and international entities, the National Government, the County Government and other relevant Organizations.
- Providing support for the national climate change policy and legislative framework.

Vision

A coordinated finance for community-initiated climate change adaptation and mitigation projects.

Mission

To provide quality and sustainable community-initiated climate change projects.

Core Values

- Accountability,
- Transparency,
- Excellence,
- Accessibility,
- Integrity,
- Responsiveness,
- Equity
- Team Work.

***Nandi County Climate Change Fund
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For the Period Ended 30th June 2025***

c) Fund Administration Committee

Ref	Name	Position
1	Jonah Biwott	Chairperson – Fund Committee
2	Japhet k Limo	Fund Administrator/Secretary
3	Prisca Muigei	Member
4	Dr Paul Sanga	Member
5	James Meli	Member
6	Sally Kiboss	Member
7	Richard Ngeny	Member
8	Lorene Jerono	Member
9	Godfrey Omosonga	Member
11	Denis Kerengo	Member
12	Magdaline Rono	Member
13	Caroline Lagat	Member
14	David Busienei	Member

d) Key Management team

Ref	Name	Position
1	CPA Alfred Lagat	CECM-Finance and Economic Planning
2	Japhet limo	Fund Administrator
3	Jonah Biwott	CO Climate Change
4	Prisca Muigei	CO Finance and Economic planning
5		

Key Entity and Management

e) Fiduciary Oversight Arrangements

SN	Position	Name
1	CECM-Finance and Economic Planning	CPA Alfred Lagat
2	Head of Internal Audit	CPA Edwin Maiyo
3	County Attorney	Amos Magut

***Nandi County Climate Change Fund
Reports and Financial Statements
For the Period Ended 30th June 2025***

f) Registered Offices

Nandi County Government
P.O. Box 802 – 30300
Kapsabet, Kenya
Nandi County Headquarters Building
1st Floor, Left Wing

g) Fund Contacts

Telephone: (254) 053 525 2355
E-mail: infor@nandi.go.ke
Website: www.nandi.go.ke

h) Fund Bankers

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

2. Kenya Commercial Bank
Family Bank of Kenya
Kapsabet Branch
P.O. Box - 30300
Kapsabet, Kenya.

Key Entity and Management (Continued)



i) Independent Auditors

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



j) Principal Legal Adviser



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

3. Fund Administration Committee

Name	Details of qualifications and experience
<p>1.</p> 	<p>Mr Jonah Biwott-Fund Chairperson Mr. Jonah Biwott was appointed as the Fund Chairperson as per Nandi County Climate Change Act, 2021. He has served in various management positions in Nandi County Government such as the Chief Officer Transport public Works and infrastructure. He holds a Bachelor of Science (mathematics and computer) degree of Kabarak University and also a Certified GIS Expert.</p>
<p>2.</p> 	<p>Mr Japhet K Limo Mr Japhet limo was appointed as the Fund Administrator on 13th December 2023. He has served in various management positions in Nandi County Government. He has served as Internal Auditor, Accountant Health Department and holds a Bachelor of Commerce (Finance) degree, also a Certified Public Accountant of Kenya (CPAK).</p>

4. Management Team

Name	Details of qualifications and experience
<p>1.</p> 	<p>Mr Jonah Biwott-Fund Chairperson</p> <p>Mr. Jonah Biwott was appointed as the Fund Chairperson as per Nandi County Climate Change Act, 2021. He has served in various management positions in Nandi County Government such as the Chief Officer Transport public Works and infrastructure. He holds Bachelors of Science (Mathematics and Computer) and also a Certified GIS Expert.</p>
<p>2.</p> 	<p>Mr James Meli -Director CCU</p> <p>Mr James Meli was appointed as the Director CCU on 10th April 2023. He has served in various management positions in Nandi County Government such as the Director Environment and Natural resources. He holds Masters in Environmental Economics from Moi University. He is also an Expert in Environmental and Social impact Assessment registered by NEMA.</p>

3. 	<p>CPA Japhet K Limo</p> <p>Mr Japhet limo was appointed as the Fund Administrator on 13th December 2023. He has served in various management positions in Nandi County Government. He has served as an Internal Auditor and Accountant Health. He holds a Bachelor of Commerce (Finance) degree, also a Certified Public Accountant of Kenya (CPAK).</p>
4. 	<p>CPA Mark Too-Fund Accountant</p> <p>Mark Too was appointed as the Fund Accountant on 12th March 2020. He has served in various management positions in Nandi County Government. He has served as Chief Accountant Health Department and currently serving as the Head of Financial Reporting Unit. Mr. Too holds a master's degree in finance and Bachelor of Commerce (Accounting) degree. He is also a Certified Public Accountant of Kenya (CPAK).</p>

5. Fund Chairperson's Report

On behalf of the Fund Administration Committee, it is my pleasure to present the Nandi County Climate Change Fund financial statements for the period ended 30th June 2025. The financial statements reflect the financial performance of the Fund over the period 2024-2025.

Sustainability

In order to ensure sustainability, the Fund has been conducted as basic assessment of available options for feasible financing tools that would assure the fund of its long-term sustainability. The fund has reviewed its current resource mobilization strategies and proposed feasible sustainability financing options to ensure the Fund is a going concern.

Review of performance

Income and statement of performance.

The fund earned revenues amounting to Kshs. **289,145,394**

Expenditures

The total expenditures during the period amounted to Kshs. **202,551,993** out of which the fund uses of goods amounted to Kshs. **51,595,271**, and Kshs. **150,946,374** for the infrastructure and purchase of property.

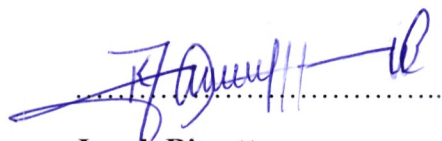
Future outlook

The Fund focuses on building a robust and sustainable fund with a motivated workforce and operational structures that enhance efficiency and effectiveness of service delivery. The fund looks forward to continued support from the County Government and development partners in the execution of its mandate.

Appreciation

***Nandi County Climate Change Fund
Reports and Financial Statements
For the Period Ended 30th June 2025***

I take this opportunity to express my sincere gratitude and appreciation to the County Government of Nandi, development partners, stakeholders, management, staff and fellow committee members for support and teamwork which made us achieve these results.



Date..... 5/8/2025

Jonah Biwott

Chairperson, Fund Administration Committee

*Nandi County Climate Change Fund
Reports and Financial Statements
For the Period Ended 30th June 2025*

6. Report of The Fund Administrator

It is my pleasure to present the Nandi County Climate Change Fund financial statements for the year Ending 30th March 2025. The financial statements reflect the financial performance of the fund over FY 2024-2025.

The fund was established on 18th June 2021 with an initial amount of **Kshs. 25,800,000**

Financial Performance

a) Revenue

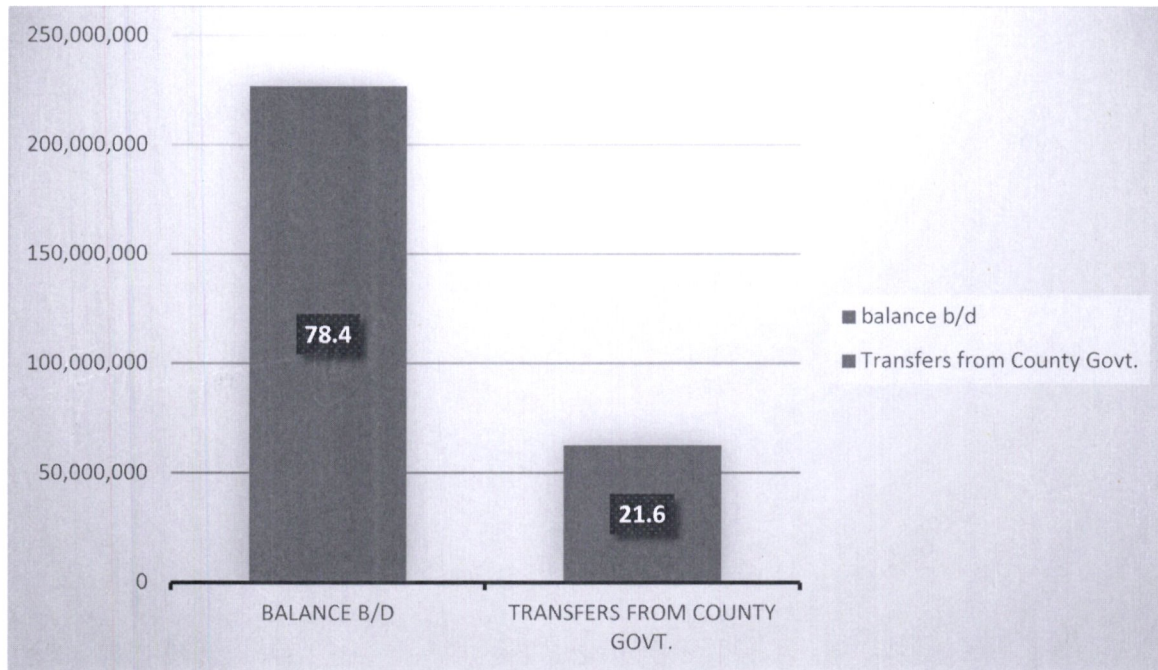
During the reporting period, the fund had projected revenues of Kshs **62,500,000**

Out of the projected revenue, the fund realized Kshs. **62,500,000** in actual revenues, representing **100%** performance. In the table below, we present an analysis of revenue performance during the year.

Revenue classification	Revenue budget (KShs)	Actual (KShs)	Realization (%)
Revenue	KShs	KShs	
balance b/d	226,641,935	226,641,935	100%
Transfers from County Govt.	62,500,000	62,500,000	100%
Interest income and other income	-	-	-
Principle recovered	-	-	-
Total income	289,141,935	289,141,935	100%

A graphical representation of the revenue budget is as shown below:

**Nandi County Climate Change Fund
Reports and Financial Statements
For the Period Ended 30th June 2025**



b) Cash flows

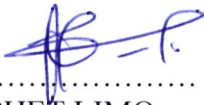
***Nandi County Climate Change Fund
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In the FY 2024/2025, we did not have many liquidity disruptions. This was as a result of proper planning.

Conclusion

In FY 2024/2025 good progress was made and as a Climate Change team, we have strictly followed all the requirements of World bank and County Government of Nandi, this has enabled the Nandi County Climate Change Fund continue on a growth trajectory. We have identified funding gaps and areas to improve on in the subsequent years.

I take this opportunity to thank the Fund Administration Committee for their support. I also thank Fund CCU staff for their dedication and teamwork that saw Nandi County Climate Change Fund achieve its objectives for the year under review.



.....
JAPHET LIMO
Fund Administrator

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

Introduction

Section 164 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the d1 accounting officer when preparing financial statements of each County Government entity Government entities in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the county government entity’s performance against predetermined objectives.

The key development objectives of the Fund as per the strategic plan for the year ended 30th June 2024 plan are to:

- a) Provide grants for climate change research and innovation.
- b) Finance climate change resilience and its assessments
- c) Finance implementation of approved climate change projects and programmers’
- d) Capacity building activities

Progress on attainment of Strategic development objectives

Below we provide the progress on attaining the stated objectives:

Program	Objective	Outcome		Performance
Capacity building	To provide modes of transport to and from working places	Increased efficiency of staff at the work station	Timely Reporting and teamwork.	In FY 24/25 we increased service delivery to the residence of Nandi
Finance implementation of climate change projects	To make sure that the projects will be sustainable and impactful to the community	All of the requirements of the world bank followed keenly	All of the requirements of the world bank followed keenly	The CCRI and counterpart Projects Works ongoing.

8. Corporate Governance Statement

The Nandi County Climate Change Fund (NCCCCF) is committed to maintaining high standards of corporate governance to ensure accountability, transparency, and sustainability in the management of climate change resources. This statement outlines the governance framework, oversight responsibilities, and internal control mechanisms of the Fund for the year under review.

Governance Structure

The governance of the NCCCCF is guided by the Nandi County Climate Change Act and County policies. The Fund is overseen by the **Climate Change Fund Steering Committee (CCFSC)**, which comprises representatives from:

- County Treasury
- Department of Environment, Water and Climate Change
- Legal Office
- Civil Society Organizations
- Marginalized and vulnerable groups
- Private sector representatives

This multi-stakeholder composition ensures inclusivity and adherence to equity and sustainability principles in fund allocation and management.

Roles and Responsibilities

The **Climate Change Fund Steering Committee** is responsible for:

- Approving funding proposals and ensuring alignment with County Climate Change Action Plans (CCCAP)
- Providing strategic oversight and policy guidance
- Ensuring compliance with procurement laws, financial regulations, and climate change priorities
- Reviewing audit findings and implementing corrective actions

The **Fund Administrator**, appointed by the County Executive Committee Member (CECM) for Finance, is responsible for day-to-day management, disbursement, record-keeping, and reporting on fund utilization.

Internal Controls and Risk Management

The Fund has implemented internal controls to safeguard assets, prevent misuse, and ensure value for money. These include:

- Regular financial audits by the Office of the Auditor-General
- Monitoring and evaluation frameworks
- Quarterly and annual reporting

*Nandi County Climate Change Fund
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For the Period Ended 30th June 2025*

- Procurement in accordance with the Public Procurement and Asset Disposal Act

Transparency and Accountability

To promote transparency, the NCCCCF ensures that:

- All funding decisions are documented and made publicly available
- Communities are engaged in identifying and prioritizing climate actions
- Expenditures are aligned with climate resilience outcomes
- Audit reports and performance assessments are tabled before the County Assembly and shared with the public

Ethics and Compliance

All officials involved in the governance of the Fund are required to observe the highest ethical standards, in accordance with the Leadership and Integrity Act and the Public Officers Ethics Act

9. Management Discussion and Analysis

During the first quarter of 2024-2025 we received the CCIS amounting to 11 Million which made the programmers at the work plan run smoothly as a result of uninterrupted cash flows.

A full adoption of the public finance management act i.e. (Nandi County climate change fund Act 2021) was adhered to.

Despite the smooth operation of the fund, we do admit that there were challenges for example late disbursement of CCIR grants delaying commencements of projects.

10. Environmental and Sustainability Reporting

i) Sustainability Strategy and Profile

The Nandi County Climate Change Fund (NCCCCF) operates under a sustainability-driven framework aligned with Kenya's Climate Change Act, 2016, and the County Climate Change Fund Regulations. The Fund's strategy emphasizes resilience-building, environmental integrity, and long-term community development. Through decentralized planning and inclusive governance, the Fund supports locally led solutions that address both current and future climate risks.

Key Sustainability Pillars:

- Integration of climate adaptation in county development plans
- Promotion of ecosystem-based approaches
- Community ownership and accountability
- Alignment with the Sustainable Development Goals (SDGs) and Kenya's National Climate Change Action Plan (NCCAP)

ii) Environmental Performance

The Fund has made measurable progress in promoting environmental sustainability in Nandi County:

Achievements:

- **Reforestation and Afforestation:** Over [insert number] hectares of degraded land rehabilitated through community tree-planting initiatives.
- **Water Resource Management:** Construction of boreholes and protection of wetlands enhanced ecosystem services and improved access to clean water.
- **Agroecological Practices:** Farmers trained on climate-smart techniques including composting, cover cropping, and organic pest control.
- **Emissions Reduction:** Adoption of solar-powered irrigation and energy-efficient technologies has helped reduce carbon footprints.

Monitoring Tools:

Environmental impact assessments (EIAs), geospatial tracking, and community monitoring were used to assess performance and guide decision-making.

iii) Employee Welfare

While the NCCCCF operates under the County Government, it adheres to public sector standards and labor laws that prioritize employee welfare:

- **Capacity Building:** Staff undergo regular training on climate finance, gender integration, and environmental safeguards.
- **Occupational Health and Safety:** Safety protocols are in place for fieldwork and community engagement.
- **Equal Opportunity:** The Fund supports non-discrimination in hiring and promotion, with attention to gender equity and inclusion of persons with disabilities.
- **Employee Engagement:** Open communication channels and performance-based evaluations help motivate and retain skilled personnel.

iv) Market Competition

As a public sector fund, NCCCF does not compete in the conventional market. However, it operates in a landscape of multiple climate finance actors, including NGOs, donors, and private-sector initiatives.

To remain effective and relevant, the Fund:

- **Leverages partnerships** with development agencies and research institutions
- **Demonstrates transparency and impact**, making it attractive for co-financing and scale-up
- **Aligns interventions** with community needs and development goals, ensuring high acceptance and sustainability

This strategic positioning allows the Fund to attract complementary funding and technical assistance.

v) Corporate Social Responsibility (CSR)

The concept of CSR is embedded in the Fund's design, focusing on climate justice, equity, and sustainable livelihoods:

CSR Highlights:

- **Community Engagement:** All funded projects are demand-driven, with active community involvement in planning, implementation, and monitoring.
- **Support to Vulnerable Groups:** Special funding allocations target women, youth, and indigenous communities affected by climate risks.
- **Education and Awareness:** The Fund supports environmental education in schools and public sensitization campaigns.
- **Partnerships:** Collaborative initiatives with CSOs, faith-based organizations, and youth groups strengthen local resilience and environmental stewardship.

11. Report of The Board

1. Introduction

The Board of the Nandi County Climate Change Fund (NCCCCF) are pleased to present their report for the financial year ended 30th June 2025. The report outlines the Fund's principal activities, performance, and governance, in line with the Nandi County Climate Change Act and the Public Finance Management Act.

2. Principal Activities

The NCCCCF was established to finance and implement locally-led climate change adaptation and mitigation projects across Nandi County. Its core activities during the year included:

- Supporting community-identified climate resilience projects
- Enhancing environmental conservation and restoration
- Promoting climate-smart agriculture and water resource management
- Building the capacity of local climate planning institutions
- Facilitating public participation in climate governance

All activities were guided by the County Climate Change Action Plan (CCCAP) and aligned with Kenya's National Climate Change Action Plan (NCCAP) and Sustainable Development Goals (SDGs).

3. Results for the Year

During the reporting period, the Fund achieved the following:

- **32** community-based projects funded and implemented
- **150,946,374** disbursed to climate action initiatives across all sub-counties
- Over **5,000** people reached, with priority given to women, youth, and vulnerable groups
- Increase in forest cover and improved access to clean water in targeted areas
- Strengthened local institutions through training and technical support

The Fund maintained financial integrity, with funds utilized in accordance with approved plans and procurement regulations. Annual financial statements were audited by the Office of the Auditor-General.

4. Trustees and Governance

The Fund is governed by a multi-stakeholder **Climate Change Fund Steering Committee (CCFSC)**, which acts as the board of trustees. The Trustees are responsible for policy oversight, strategic direction, and ensuring accountability in the use of funds.

***Nandi County Climate Change Fund
Reports and Financial Statements
For the Period Ended 30th June 2025***

Secretary to the Fund

The Fund Administrator served as the Secretary to the Steering Committee and coordinated technical operations and reporting.

5. Boards' Responsibilities

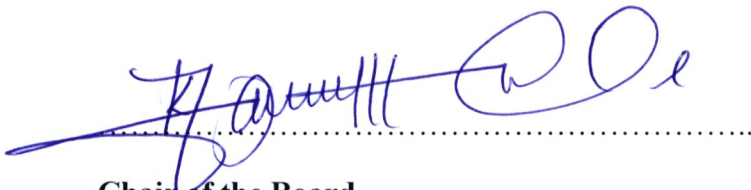
The Board are responsible for:

- Ensuring that fund resources are applied to approved and eligible projects
- Maintaining adequate systems of internal control and risk management
- Overseeing transparent procurement and financial reporting
- Reviewing performance against planned objectives
- Submitting timely reports to the County Assembly and the public

Auditors

The Auditor General is responsible for the statutory audit of the Fund in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 to carry out the audit of the Nandi County Climate Change Fund for the year ended 30th June; 2025 in accordance to section 23 of the Public Audit Act, 2015

By Order of the Board



Chair of the Board

Date: 5/8/2025

12. Statement of Management's Responsibilities

Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a County Public Fund established by Nandi County climate change Fund Act 2021 shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

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

The Administrator of the County Public Fund accepts responsibility for the Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and Nandi County climate change Fund Act ,2021. The Administrator of the Fund is of the opinion that the Fund's financial statements give a true and fair view of the state of Fund's transactions for the year ended 30th June 2024, 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.

*Nandi County Climate Change Fund
Reports and Financial Statements
For the Period Ended 30th June 2025*

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.

The Fund's financial statements were approved on 5th August 2025 and signed on its behalf by:

Sign: 

Name: Jonah Biwott

Date 5th August 2025

REPUBLIC OF KENYA



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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Nandi County Climate Change Fund set out on pages 1 to 43, which comprise of the statement of financial position as

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Nandi 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 International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the Nandi County Climate Change Act, 2021.

Basis for Qualified Opinion

1. Inaccurate Disclosure of Property, Plant and Equipment

The statement of financial position reflects property, plant and equipment of Kshs.228,661,911 as disclosed at Note 22 to the financial statements. However, re-computation of fixed asset schedule indicates a balance of Kshs.228,703,913 resulting to a variance of Kshs.42,002.

In addition, during project verification it was observed that the water tanks constructed for Kiroket Water Project, Kiptenden Water Project, and Kapkawa Water Project were on private land. However, the agreement between County of Government Nandi and private land owners authorising construction of the distribution water tanks was not provided.

In the circumstances, the accuracy and ownership of property, plant and equipment balance of Kshs.228,661,911 could not be confirmed.

2. Misstatement of Depreciation Charge

Statement of financial performance reflects current depreciation of Kshs.26,628,404 as disclosed at Note 13 to the financial statements. However, re-computation of depreciation charge indicates Kshs.26,248,516 resulting to a variance of Kshs.379,888.

In the circumstances, the accuracy of depreciation charge and/or amortization of Kshs.26,628,404 could not be confirmed.

3. Un Balanced Trial Balance

The trial balance provided for review balanced at Kshs.415,490,204 for both debit and credit columns. However, the trial balance omitted the net book value of buildings of Kshs.7,233,290 which when included to the debit side of the trial balance would result to

a variance of Kshs.7,233,290. In addition, the net book value of building was disclosed in the statement of financial position of Kshs.228,661,911 as disclosed at Note 22 to the financial statements.

In the circumstances, the accuracy and completeness of the trial balance and financial statements could not be confirmed.

4. Unconfirmed Transfer from County Government Entities

Statement of performance reflects transfer from County Government entities of Kshs.62,500,000 and as disclosed at Note 7 to the financial statements. However, review of financial statements of County Government entities indicates Kshs.25,991,580 resulting to a variance of Kshs.36,508,420.

In addition, The National Treasury financial statements reflects Kshs.25,991,580 made up of Kshs.13,908,054 from KfW and Kshs.12,083,526 from IDA was transferred to Nandi County Revenue Fund for onward transmission to Nandi County Climate Change Fund. However, Nandi County Climate Change Fund statement of performance reflects Kshs.62,500,000 resulting to variance of Kshs.36,508,420.

In the circumstances, accuracy of transfer from County Government entities of Kshs.62,500,000 could not be confirmed.

5. Unconfirmed Use of Goods and Services Expenses

Statement of financial performance reflect use of goods and services of Kshs.55,511,288 as disclosed at Note 12 to the financial statements. The use of goods and services expenditures is made up of:

Details	Amounts in Kshs.
Payment to Entities	39,174,964.00
Withholding Tax	444167.00
Allowances	6,638,747.00
Legal expenses	980,989.00
Universities	4,268,621.00
Debits/Pay cheques	3,993,450.00
Bank Charges	10,349.00
Total	55,511,288.00

Out of the amount, payment of Kshs.3,993,450 did not have details of payee, Kshs.6,638,747 was paid as daily subsistence allowance to individuals who are not employees of the Fund as the Fund does not have employees of its own and Kshs.980,989 was paid as legal fees whose details were not provided for review.

In the circumstances, the accuracy of use of goods and services of Kshs.55,511,288 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final revenue budget and actual on comparable basis of Kshs.302,278,749 and Kshs.289,145,394 respectively resulting into under-realization of Kshs.13,133,355 or 4% of the budget. Similarly, the Fund incurred total expenditure of Kshs.202,551,995 against actual receipts of Kshs.289,145,394 thereby resulting into an under-expenditure of Kshs.86,593,99 or 30% of the actual receipts.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised. However, Management had not resolved and disclosed the status of all the prior year matters as prescribed in the reporting requirements set by the Public Sector Accounting Standards Board. Management did not provide satisfactory explanation for the delay in resolving the issues. Refer to **Appendix I**.

Other Information

Management is responsible for the Other Information set out on page (iii) to (xxiv) which comprise of Key Entity Information and Management, Fund Administration Committee, Management Team, Fund Chairperson's Report, 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 Board and Statement of Management's Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

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 else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

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

Responsibilities of the Management and those Charged with Governance

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

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

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

Auditor-General's Responsibilities for the Audit

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

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions

and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

31 October, 2025

Appendix I

Unresolved Prior Year Matters

	Financial Year	Audit Issue
		Qualified Opinion
1	2023/2024	Presentation, Accuracy and Disclosure in Financial Statements
2	2023/2024	Unsupported Inter Cash Book Transfer Reported as Expenditure
3	2023/2024	Unsupported Expenditure


*Nandi County Climate Change Fund
Reports and Financial Statements
For the Period Ended 30th June 2025*

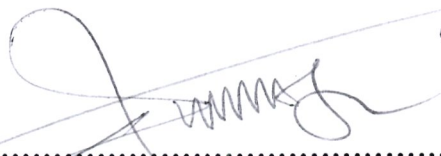
14. Statement of Financial Performance for the Year Ended 30th June 2025

Description	Note	FY 2024/25	FY 2023/24
		Kshs	Kshs
Revenue From Non-Exchange Transactions			
Public Contributions and Donations	6	-	161,700
Transfers From the County Government	7	62,500,000	253,825,453
Fines, Penalties and Other Levies	8	-	-
		62,500,000	253,987,153
Revenue From Exchange Transactions			
Interest Income	9	-	-
Other Income	10	-	-
		-	-
Total Revenue		62,500,000	253,987,153
Expenses			
Employee Costs	11	-	-
Use of goods and services	12	55,511,288	27,338,300
Depreciation and Amortization Expense	13	26,628,404	337,884
Finance Costs	14	-	-
Total Expenses		82,139,692	27,676,184
Other Gains/Losses			
Gain/Loss on Disposal of Assets	15	-	-
Gain /Loss on fair value of investments	16	-	-
Surplus/(Deficit) For The Period		(19,639,692)	226,310,969

During the year, management identified errors and omissions relating to prior periods which have been corrected retrospectively in accordance with IPSAS 3.

- Omitted correct transfer from County Government of Kshs **253,825,453** which had not been recognized in the previous year.
- Omitted depreciation expense for furniture, fittings and computers amounting to Kshs **337,884** recognized in the previous year.
- We had erroneously included **11,744,728** in the use of goods and services but now corrected to **27,338,300**


.....
Name: JAPHET LIMO
Administrator of the Fund


.....
Name: CPA MARK TOO
Fund Accountant
ICPAK Member Number:8010

*Nandi County Climate Change Fund
Reports and Financial Statements
For the Period Ended 30th June 2025*

15. Statement of Financial Position As at 30 June 2025


Description	Note	2024/25	2023/24
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	17	86,596,859	226,648,853
Current Portion of Long- Term Receivables From Exchange Transactions	18	-	-
Prepayments	19	-	-
Inventories	20	-	-
Investments in Financial Assets	21	-	-
		86,596,859	226,648,853
Non-Current Assets			
Property, Plant and Equipment	22	228,661,910.88	8,533,202
Intangible Assets	23	-	-
Long Term Receivables from Exchange Transactions		-	-
Investment Property	24	-	-
		228,661,911	8,533,202
Total Assets		315,258,770	235,182,055
Liabilities			
Current Liabilities			
Trade and Other Payables from Exchange Transactions	25	99,716,406	
Provisions	26	-	-
Current Portion of Borrowings	27	-	-
Employee Benefit Obligations	28	-	-
Social Benefits	29	-	-
		99,716,406	
Non-Current Liabilities			
Non-Current Employee Benefit Obligation		-	-
Long Term Portion of Borrowings		-	-
Social Benefits		-	-
Total Liabilities		99,716,406	-
Net Assets		215,542,364	
Revolving Fund		-	-

***Nandi County Climate Change Fund
Reports and Financial Statements
For the Period Ended 30th June 2025***

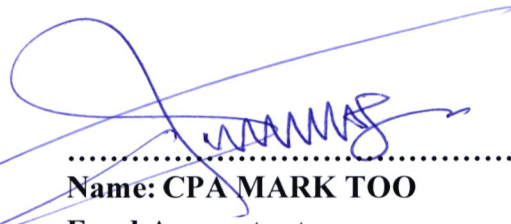
Reserves		-	-
Accumulated Surplus		215,542,363.43	235,182,055.00
Total Net Assets and Liabilities		215,542,363	235,182,055

- Property plant and equipment valued at **8,533,202** was omitted in the 2023/2024 statement of financial position but now recognized. The figure will affect the accumulated surplus balance in the statement of changes in net assets.

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



.....
Name: JAPHET LIMO
Administrator of the Fund

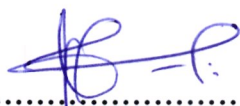


.....
Name: CPA MARK TOO
Fund Accountant
ICPAK Member Number:8010

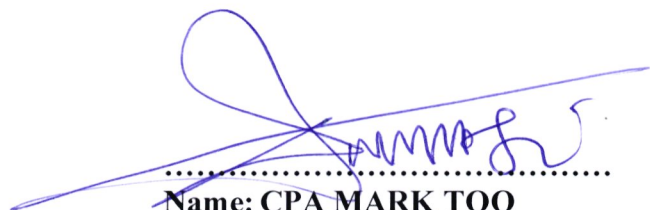
**Nandi County Climate Change Fund
Reports and Financial Statements
For the Period Ended 30th June 2025**

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

Description	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
		Kshs	Kshs	Kshs
1st July 2023	-	-	-	-
Surplus/(Deficit) For the Period	-	-	226,648,853.00	226,648,853.00
Funds Received During the Period	-	-	-	-
Transfers	-	-	-	-
Revaluation Gain	-	-	-	-
Prior year adjustment (fixed assets)			8,533,202.00	8,533,202.00
30th June 2023	-	-	235,182,055.00	235,182,055.00
1st July 2024	-	-	235,182,055.00	235,182,055.00
Surplus/(Deficit) For the Period	-	-	(19,639,691.57)	(19,639,691.57)
Funds Received During the period	-	-	-	-
Transfers	-	-	-	-
Revaluation Gain	-	-	-	-
30th June 2025	-		215,542,363.43	215,542,363.43



.....
Name: JAPHET LIMO
Administrator of the Fund



.....
Name: CPA MARK TOO
Fund Accountant
ICPAK Member Number:8010

*Nandi County Climate Change Fund
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For the Period Ended 30th June 2025*

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

Description	Note	Period ended June 2025	Comparative Period
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Public contributions and donations		-	161,700
Transfers from the county government		62,500,000	253,825,453
Interest received		-	-
Receipts from other operating activities		-	-
Total receipts		62,500,000	253,987,153
Payments			
Fund administration expenses			-
General expenses		51,605,621	27,338,300
Finance cost		-	-
Other payments		-	-
Total payments		51,605,621	27,338,300
Net cash flows from operating activities		10,894,379	226,648,853
Cash flows from investing activities			
Purchase of property, plant, equipment and Intangible assets		150,946,374	-
Proceeds from sale of property, plant & equipment		-	-
Proceeds from loan principal repayments		-	-
Loan disbursements paid out		-	-
Net cash flows used in investing activities		150,946,374	-
Cash flows from financing activities			
Proceeds from revolving fund receipts		-	-
Additional borrowings		-	-
Repayment of borrowings		-	-
Net cash flows used in financing activities		-	226,648,853
Net increase/(decrease) in cash & cash Equivalents		(140,051,995)	213,900,606
Cash and cash equivalents at 1 July		226,648,853	12,748,247
Cash and cash equivalents at 30 June		86,593,400	226,648,853

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18. Statement Of Comparison of Budget and Actual Amounts for The Period 2025

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% Utilisation
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	b	c=(a+b)	d	e=(c-d)	f=d/c*100
Revenue						
Bal b/f	226,645,394		226,645,394	226,645,394	-	100%
Public Contributions and Donations		-	-	-	-	-
Transfers From County Govt.	75,633,355	-	75,633,355	62,500,000	13,133,355	83%
Interest Income	-	-	-	-	-	-
Other Income	-	-	-	-	-	-
Total Income	302,278,749	-	302,278,749	289,145,394	13,133,355	96%
Expenses						-
Fund Administration Expenses		-	-	-	-	-
General Expenses	55,521,637	-	55,521,637	51,605,621	3,916,016	93%
Finance Cost		-	-		-	-
acquisition of assets	246,757,113		246,757,113	150,946,374	95,810,739	61%
Total Expenditure	302,278,749	-	302,278,749	202,551,995	99,726,755	67%
Surplus For the Period	(0)	-	(0)	86,593,400	(86,593,400)	-
Capital expenditure	-	-	-	-	-	

Budget notes

1. Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization (IPSAS 24.14)
2. Provide an explanation of changes between original and final budget indicating whether the difference is due to reallocations or other causes. (IPSAS 24.29)

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Reports and Financial Statements
For the Period Ended 30th June 2025*

Budget Reconciliation

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	86,593,400
1	Reason for differences	0
2	Reason for differences	0
3	Reason for differences	0
4	Reason for differences	0
	Closing Cash and Cash Equivalent as per the statement of Cash flows	86,593,400

*Nandi County Climate Change Fund
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19. Notes to the Financial Statements

Significant Accounting Policies

1. General Information

Nandi County Climate Change Fund is established by and derives its authority and accountability from Nandi County Climate Change Act. The entity is wholly owned by the Nandi County Government and is domiciled in Kenya.

2. Statement of compliance and basis of preparation

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

3. Adoption of new and revised standards

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

There were no new and amended standards issued in the financial year.

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

Standard	Effective date and impact:
IPSAS 43: Leases	<i>Applicable 1st January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognize, measure and present information on right of use assets and lease liabilities. No impact on the financial statement
IPSAS 44: Non- Current Assets Held for Sale and	<i>Applicable 1st January 2025</i> The Standard requires,

*Nandi County Climate Change Fund
Reports and Financial Statements
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Discontinued Operations	<p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance. No impact on the financial statement.</p>
IPSAS 45: Property Plant and Equipment	<p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognized as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p>
IPSAS 46: Measurement	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value. No impact on the financial statement</p>
IPSAS 47: Revenue	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non-exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
IPSAS 48: Transfer Expenses	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial</p>

***Nandi County Climate Change Fund
Reports and Financial Statements
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	statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.
IPSAS 49: Retirement Benefit Plans	<i>Applicable 1st January 2026</i> The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<i>Applicable 1st January 2027</i> The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires: <ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.

(i) Early adoption of standards

The Entity did not early – adopt any new or amended standards in the financial year or *the entity adopted the following standards early (state the standards, reason for early adoption and impact on entity's financial statements.)*

4. 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 for FY 2025 was approved by the County Assembly on 14th April 2023. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Fund had no additional allocation.

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

Summary of Significant Accounting Policies (Continued)

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

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

The property plant and equipment were depreciated using straight line method at the rate of the National Government asset and liabilities policy as follows:

- i. Buildings at 2%
- ii. Motor vehicles at 20%
- iii. Furniture and fittings at 12.5%
- iv. Computers and office equipment at 25% and
- v. Infrastructure Assets at 10%

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

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

Summary of Significant Accounting Policies (Continued)

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

Financial assets

Classification of financial assets

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

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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 entity 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 Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

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 recognizes a social benefit as an expense for the social benefit scheme at the same time that it recognizes 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 Entity does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

Contingent assets

The Entity does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

h) Nature and purpose of reserves

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

i) Changes in accounting policies and estimates

The Entity recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

j) Employee benefits – Retirement benefit plans

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

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

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Summary of Significant Accounting Policies (Continued)

k) 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.

l) 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.

m) Related parties

The Entity regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Entity, or vice versa. Members of key management are regarded as related parties and comprise the directors, the CEO and senior managers.

n) 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 authorized public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

o) Comparative figures

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

Summary of Significant Accounting Policies (Continued)

5. Significant judgments and sources of estimation uncertainty

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

State all judgements, estimates and assumptions made e.g.

a) Estimates and assumptions –

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

b) Useful lives and residual values

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

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

c) Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note xxx.

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

(Include provisions applicable for your organization e.g provision for bad debts, provisions of obsolete stocks and how management estimates these provisions)

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Notes To the Financial Statements Continued

6. Public contributions and donations

Description	FY 2024/2025 Kshs	FY 2023/2024 Kshs
Donation From Development Partners	-	161,700
Contributions From The Public	-	-
Total	-	161,700

7. Transfers from County Government

Description	FY 2024/2025 Kshs	FY 2023/2024 Kshs
Transfers From County Govt. –Operations	62,500,000	253,825,453
Payments By County On Behalf Of The Entity	-	-
Total	62,500,000	253,825,453

8. Fines, penalties and other levies

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

9. Interest income

Description	FY 2024/2025	FY 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	-	-

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10. Other income

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

11. Employee Costs

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Salaries And Wages	-	-
Staff Gratuity	-	-
Staff Training Expenses	-	-
Social Security Contribution	-	-
Other (<i>Specify</i>)	-	-
Total	-	-

12. Use of Goods and Services

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
General Office Expenses	-	2,891,357
Loan Processing Costs	-	
Professional Services Costs	8,730,163	3,400,000
Administration Fees	2,869,655	127,400
Allowances	9,594,697	16,957,421
Travel costs	-	
Electricity And Water Expenses	-	
Fuel And Oil Costs	2,442,495	199,958
Insurance Costs	-	-
Postage And Courier	-	-
Printing And Stationery	906,398	499,000

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Hospitality	4,851,140	-
Security Costs	-	-
Telephone And Communication Expenses	-	-
Bank Charges	10,349	23,703
Landscapping	-	3,239,461
Provision For Doubtful Debts	-	-
Specialised supplies and services	26,106,390	-
Total	55,511,288	27,338,300

13. Depreciation and Amortization Expenses

Description	FY 2024/2025 Kshs	FY 2023/2024 Kshs
Property Plant and Equipment	26,628,404	337,884
Intangible Assets	-	-
Total	26,628,404	337,884

14. Finance costs

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

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15. Gain/(loss) on disposal of assets

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

16. Gain/ (loss) on Fair Value Investments

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

17. Cash and cash equivalents

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Xxx Car Loan Account	-	-
Xxx County Mortgage Account	-	-
Fixed Deposits Account	-	-
On – Call Deposits	-	-
Current Account	86,596,859	226,648,853
Others (<i>Specify</i>)	-	-
Total Cash And Cash Equivalents	86,596,859	226,648,853

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

Financial Institution	Account number	FY 2024/2025 Kshs	FY 2023/2024 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			
Family bank	097000035297	1,108	3,459.00
Nandi county climate change fund	1000541504	86,592,292	226,645,394.00
Sub- Total		86,593,400	226,648,853.00
d) Others (Specify)			
Cash In Transit		-	-
Cash In Hand		-	-
Sub- Total		-	-
Grand Total		86,593,400	226,648,853.00

18. Receivables from exchange transactions

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Current Receivables		
Interest Receivable	-	-
Current Loan Repayments Due	-	-
Other Exchange Debtors	-	-
Less: Impairment Allowance	(-)	(-)

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

Additional disclosure on interest receivable

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Interest Receivable		
Interest receivable from current portion of long-term loans of previous years	-	-
Accrued interest receivable from of long-term loans of previous years	-	-
Interest receivable from current portion of long-term loans issued in the current year	-	-
Current loan repayments due	-	-
Current portion of long-term loans from previous years	-	-
Accrued principal from long-terms loans from previous periods	-	-
Current portion of long-term loans issued in the current year	-	-

19. Prepayments

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Prepaid Rent	-	-
Prepaid Insurance	-	-
Prepaid Electricity Costs	-	-
Other Prepayments (<i>Specify</i>)	-	-
Total	-	-

20. Inventories

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Consumable Stores	-	-

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Furniture and fittings	-	437,084
laptops and printers	-	374250
Spare Parts And Meters	-	-
Catering	-	-
Other Inventories (Specify)	-	-
Total Inventories at The Lower of Cost and Net Realizable Value	-	811,334

Detailed disclosure on inventories

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

21. Investments in financial assets

Description	FY 2024/2025	FY 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

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Impairment allowance/ provision	FY 2024/2025	FY 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

For investments in equity share listed above, list down the equity investments under the following categories:

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	-	-	-	-	-	-
	-	-	-	-	-	-

DISCLOSURES

In the Financial year 2023/2024, an amount of ksh 8,195,318 relating to property plant and equipment shown in the statement of financial position and amount of ksh 337,884 relating to the Depreciation as shown in the Financial Performance had not been disclosed in the financial statements but now disclosed.

In the statement of financial performance for financial year 2023/2024, the transfer from county Government amounting to ksh 252,980,175 had been omitted but now corrected.

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22. Property, plant, and equipment

Cost	Land and Buildings 2%	Motor vehicles 20%	Furniture and fittings 12.50	Computers and office equipment 25%	Infrastructure Assets 10%	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
As at 1st July 2023	-	-	-	-	-	-
Additions	7,534,677	-	499,525	499,000	-	8,533,202
Disposals	-	-	-	-	-	-
Transfers/Adjustments	-	-	-	-	-	-
As at 30th June 2024	7,534,677	-	499,525	499,000	-	8,533,202
						-
At 1st July 2024	7,534,677	-	499,525	499,000	-	8,533,202
Additions	-	8,846,000	2,333,965	2,226,500	233,350,647	246,757,113
Disposals	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-

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As at 30th june 2025	7,534,677	8,846,000	2,833,490	2,725,500	233,350,647	255,290,315
						-
Depreciation						-
As at 1st july 2023						
Depreciation	150,694	-	62,441	124,750		337,884
As at 30th june 2024	150,694	-	62,441	124,750	-	337,884
As at 1st july 2024	150,694	-	62,441	124,750	-	337,884
Depreciation	150,694	1,769,200	354,186	681,375	23,335,065	26,290,520
Disposals	-	-	-	-		-
Impairment	-	-	-	-		-
Transfer/Adjustment	-	-	-	-		-
As at 30th june 2025	301,387	1,769,200	416,627	806,125	23,335,065	26,628,404
Net Book Values						
As at 30th june 2024	7,383,983	-	437,084	374,250	-	8,195,318
As at 30th june 2025	7,233,290	7,076,800	2,416,863	1,919,375	210,015,583	228,661,911

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23. Intangible assets

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

24. Investment Property

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

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25. Trade and other payables from exchange transactions

Description	FY 2024/2025 Kshs	FY 2023/2024 Kshs
Trade Payables	99,716,406	-
Refundable Deposits	-	-
Accrued Expenses	-	-
Other Payables	-	-
Total Trade And Other Payables	99,716,406	-

26. Provisions

Description	Leave provision Kshs	Gratuity Provision Kshs	Other provision Kshs	Total 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	-	-	-	-

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27. Borrowings

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

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

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

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28. Employee benefit obligations

Description	Defined benefit plan	Post employment medical benefits	Other Provisions	Insert Current FY	Insert Comparative FY
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	-	-	-	-	-
Non-Current Benefit Obligation	-	-	-	-	-
Total	-	-	-	-	-

29. Social Benefit Liabilities

Description	FY 2024/2025	FY 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)	-	-

Social benefit schemes include benefits such as cash transfers for unemployment or elderly in line with IPSAS 42. They are incurred to mitigate against a certain social risk e.g poverty, age, unemployment among others.

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30. Cash generated from operations.

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Surplus/ (Deficit) For the period Before Tax	(19,639,691.57)	-
Adjusted For:		
Depreciation	26,628,403.72	-
Amortisation	-	-
Gains/ Losses On Disposal Of Assets	-	-
Interest Income	-	-
Finance Cost	-	-
Working Capital Adjustments		
Increase In Inventory	-	-
Increase In Receivables	-	-
Increase In Payables	99,716,405.95	-
Net Cash Flow From Operating Activities	106,705,118.10	-

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31. Related party balances

a) Nature of related party relationships

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

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

b) Related party transactions

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

c) Key management remuneration

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

d) Due from related parties

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

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Other Disclosures Continued

e) Due to related parties

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

32. Contingent assets and contingent liabilities

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

(Give details)

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33. Financial risk management

The Fund's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Fund's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimize 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 no 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 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	-	-	-	-

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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 entity has no significant concentration of credit risk on amounts due

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

b) Liquidity risk management

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June (2024/2025)				
Trade Payables	-	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	-	-	-	-
At 30 June (2023/2024)	-	-	-	-
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.

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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 optimizing the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

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

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

i. Foreign currency risk

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

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

Description		Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June (Current FY)			
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.

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

ii. Interest rate risk

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

Management of interest rate risk

To manage the interest rate risk, management has 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 xxx (20xx: Kshs xxx). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs xxx (20xx – Kshs xxx).

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d) Capital risk management.

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

Description	FY 2024/2025	FY 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	-%	-%

34. Events after the reporting period

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

35. Ultimate and Holding Entity

The entity is a County Public Fund established by Nandi County climate change fund Act under the Ministry of xxx. Its ultimate parent is the County Government of Nandi.

36. Currency

The financial statements are presented in Kenya Shillings (Kshs)

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20. Annexes

Annex I: Progress on Follow Up of Prior Year Auditor’s Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1(i)	The fund prepared the first set of financial statement however the statement has comparative balances.	The comparative amount was the closing bank balance at the end of FY 22/23	Resolved	
1(ii)	Statement of changes in net assets and the total disbursement in county executive show unexplained variance of 1,006,978.	The variance is an error made in the fund trial balance ,it will be reconciled in the FY 24/25	Resolved	
1(iii)	A trial balance was not prepared and submitted	Going forward it will be always be prepared and submitted in good time.	Resolved	
2	Reflected in the statement of financial performance is 11,744,728 which is not clear why the fund expense it	The amount was erroneously expensed under the use of goods therefore it will be corrected in the FY2024/2025.	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	under use of goods.			
3	Unsupported expenditure amounting to ksh 6,110,130	At the time of the audit, the files had been misplaced but later found.	Resolved	
	The statement of comparison of budget and actual amount reflects the under expenditure of 226,695,394 representing 85% in the FY under review.	Under expenditure occurred due to the late disbursement of CCRI Funds.	Resolved	

Guidance Notes:

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

Chief Officer
Jonah Biwott

Date..... 5/8/2025

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Annex II: Inter-Fund Confirmation Letter

***Nandi County Climate Change Fund
Box 802-30300
Kapsabet***

The *Nandi County Revenue Fund* wishes to confirm the amounts disbursed to you as at 30th June 2025 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by Nandi County Climate Change Fund as at 30th June 2025							
Reference Number	Date Disbursed	Amounts Disbursed by [CC/SAGA/Fund] (Kshs) as at 30 th June 2025				Amount Received by [beneficiary Fund] (KShs) as at 30 th June 2025 (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
Bal b/d						226,641,935	
COB/NDI/001/84(3)DD22082024	26/8/2024		11,000,000		11,000,000	11,000,000	0
COB/NDI/001/91(10)DD0612024	10/12/2024		11,500,000		11,500,000	11,500,000	0
COB/NDI/001/101(4)DD12052025	14/5/2025		10,000,000		10,000,000	10,000,000	0
COB/NDI/001/103(5)DD11062025	16/6/2025		30,000,000		30,000,000	30,000,000	0
Total						289,141,935	
In confirm that the amounts shown above are correct as of the date indicated.							

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Head of Accountants department of beneficiary Fund:

Name	Sign	Date
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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