

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

OF

FARLIAMENT
OF KENYA
LIBRARY

THE AUDITOR-GENERAL

ON

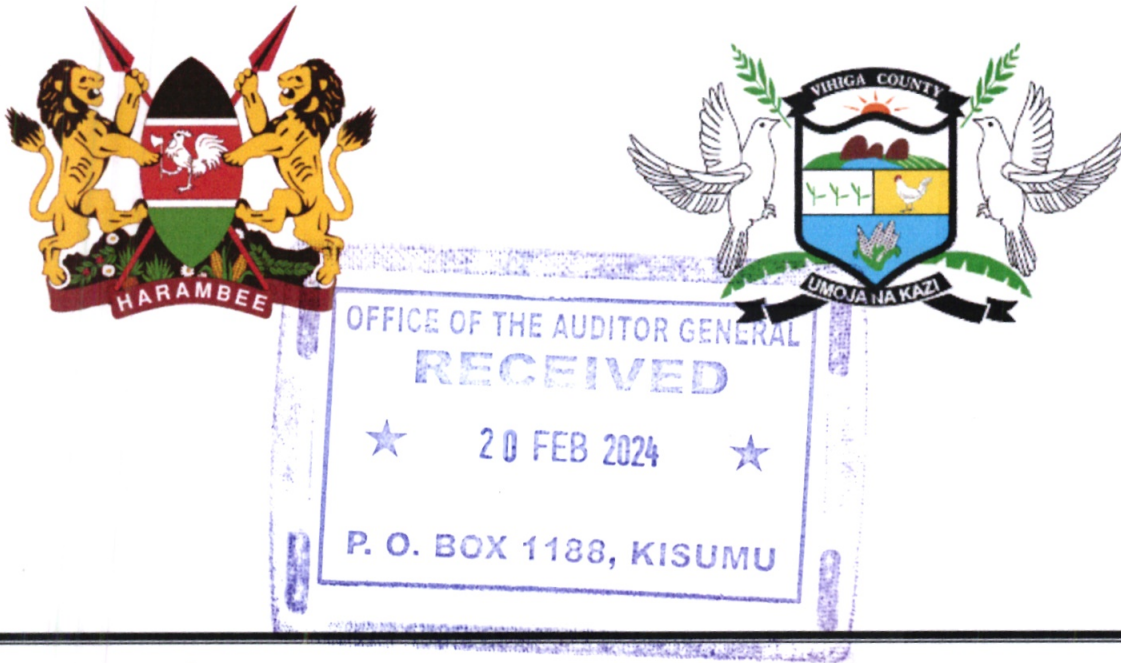
CLIMATE CHANGE FUND

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

COUNTY GOVERNMENT OF VIHIGA

PAPERS LAID	
DATE	26.3.24
TABLED BY	May Leader
COMMITTEE	C PIC
CLERK AT THE TABLE	Kwato

Revised 30th June 2023



**COUNTY GOVERNMENT OF VIHIGA
VIHIGA COUNTY CLIMATE CHANGE FUND**

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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

(Leave this page blank)

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

Table of Content

1. Acronyms and Glossary of Terms	iii
2. KEY ENTITY INFORMATION AND MANAGEMENT	iv
3. County Steering Committee	vii
4. County Planning Committee	xi
6. REPORT OF THE FUND ADMINISTRATOR	xvi
7. Statement of Performance Against The County Fund's Predetermined Objectives	xix
8. Corporate Governance Statement	xxi
9. Management Discussion and Analysis	xxii
10. Environmental and Sustainability Reporting	xxvi
11. Report of the Trustees	xxvii
12. Statement of Management's Responsibilities	xxviii
13. Report of The Independent Auditors.	xxix
14. Statement of Financial Performance for the Year Ended 30 th June 2023	1
15. Statement of Financial Position As at 30 June 2023	2
16. Statement of Changes in Net Assets for the year ended 30 th June 2023	4
17. Statement of Cash Flows for The Year Ended 30 June 2023	5
18. Statement Of Comparison of Budget and Actual Amounts for The Period ended June 30,2023	6
19. Notes to the Financial Statements	7
Annexes	11

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

1. Acronyms and Glossary of Terms

a) Acronyms

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

b) Glossary of Terms

Fiduciary Management The key management personnel who had financial responsibility
*Provide a list of Acronyms and Key terms used in the financial report as per above example.
The list to be exhaustive)*

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

2. KEY ENTITY INFORMATION AND MANAGEMENT

a) Background information

Vihiga County Climate Change Fund (CCCF) is established by Vihiga County Climate Change Fund Act, 2019 which came into force on 19th November 2019. The Vihiga County Climate Change Directorate is the implementing entity of the fund domiciled in the Department of Environment, Energy Water and Natural Resources.

The fund's broad objective is to facilitate and coordinate financing for community- initiated climate change adaptation and mitigation projects.

The principal mandate of the Fund is to finance climate change programs, projects and activities as provided for in the Climate Finance Framework.

b) Principal Activities

The principal mandate of the Fund is to finance climate change programs, projects and activities as provided for in the Climate Finance Framework.

The Fund exists to:

- i. Initiate and coordinate finance for climate change adaptation and mitigation activities at community level
- ii. Establish a climate finance mechanism (which includes the fund itself and its supporting structures)
- iii. Facilitate community-initiated Climate Change Adaptation and Mitigation
- iv. Facilitate planning of climate change adaptation and mitigation and budgetary framework
- v. Seek and receive grants from international sources, the national government and other organizations

c) Fund steering Committee

Ref	Name	Position
1	Dr. Wilbur Ottichilo	H.E. The Governor – Chairperson
2	Dr. Nicholas Kadaga Mwandih	CECM in Charge of Health – Member
3	Anne Desma Chilande	CECM in Charge of Environment
4	Dr. Jairus Boston Amayi	CECM in Charge of Finance – Member
5	Dr. Richard Boiyo	C.O. in Charge of Environment – Secretary

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

d) County Planning Committee

Ref	Name	Position
1	Dr. Ephraim Mukisira	Chairperson- of the Climate Change Planning Committee
2	Dr. Richard Boiyo	Member – C.O – Environment, Energy and Natural Resources
3	Kamadi Dominic Luvavo	Member – C.O – Agriculture, Livestock and Fisheries
4	James Atamba	Member - Chief Officer – Finance and Economic Planning,
5	Victor Kivaya Cheye	Member – C.O – Lands, Physical Planning and Urban Development
6.	Mary Susan Anyiendah	Member – C.O – Health
7.	Godfrey Omusonga	Member – County Director – Meteorology Services
8.	Hesbon Monda	Member – County Director Environment - NEMA
9.	Winstone Atamba	Secretary – County Director - Climate Change
10.	Evans Kisambo	Co-Secretary- Fund Administrator

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

Key Entity and Management (Continued)

e) Registered Offices

P.O. Box 344 50300
Maji House
Maragoli
Mbale KENYA

f) Fund Contacts

Website: www.vihiga.go.ke

g) Fund Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya
2. Equity Bank
Mbale Branch
P.O. Box 545
Maragoli 50300

h) Independent Auditors

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

i) Principal Legal Adviser



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

j) County Attorney

The County Attorne



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

3. County Steering Committee

	Name	Details of qualifications and experience
1.	 <p>H.E. Dr. Wilbur Ottichilo <i>Governor Vihiga County, Chairperson</i></p>	<p>H.E. Dr. Wilber K. Ottichilo was born on September 23, 1952 he is the current governor of Vihiga County.</p> <p>He attended Makerere University from 1974 to 1977, the University of Nairobi from 1981 to 1983, as well as Colorado State University from 1984-1986.</p> <p>He is the current chairman of Council of Governors committee on Environment.</p> <p>Having served as the Member of Parliament for Emuhaya Constituency and worked as the Director General of Regional Centre for Mapping of Resources for Development (RCMRD), an agency of United Nations Economic Commission for Africa (UNECA). Dr. Ottichilo has a vast experience in Public Service and Administration.</p> <p>He Holds a Doctorate in Natural Resource Management and Space Science from the University of Wageningen and the International institute of Earth Observations.</p>
2.	 <p>Dr. Nicholas Kadaga Mwandih <i>CECM – Health Services Member</i></p>	<p>Dr Nicholas Mwandih is the current CECM of Health Services, Vihiga County Government. Born 4th September 1976 in Banja Ward, Hamisi Sub- County,</p> <p>He attended Kenyatta University for Bachelor’s Degree, Education Science (Mathematics & Chemistry) in 2002. Later He enrolled for a Master’s Degree MSc Human Resource Management (HRM) in 2013. Later enrolled for a PhD in Human Resource Management in 2019.</p> <p>Dr Nicholas Mwandih was a long-time teacher of Mathematics and Chemistry at Goibei Girls school and also a member of the Board of Management of the Institution.</p> <p>Lecturer at the Faculty of Business at Jomo Kenyatta University of Agriculture and Technology.</p>

Vihiga County Climate Change Fund

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

3.	 <p>Joseph Karungani Lunani <i>Ag. CECM - Environment, Water, Energy, Natural Resources and Climate Change</i> Secretary</p>	<p>Mr. Lunani has over 15years experience in Technology, Governance, Management and Leadership. Having worked with clients from various industries from the Public Sector, Banking, Hospitality, Entertainment and Many others.</p> <p>Pursued Business Information Technology at Strathmore University, has a Bachelor’s of Science in Applied Business Computing from University of Sunderland and did several certifications at Computer Pride College. He is an alumni of Tallberg’s Pathfinder Strategy & Leadership Programme in Sweden.</p> <p>He is certified in various Information Technology professional courses. Cisco Certified Network Associate,(CCNA), A+, N+, Certified Information Systems Auditor (CISA) & PKI Review § His area of specialty is Project Management, Systems Analysis, Network Management and Call Centers § He currently advises key personalities on Technology & Governance. § Joseph has served as a board member of Chekalini Secondary School & Topmark Academy. Serves as a mentor at Nailab, KCB Foundation & Tony Elemelu Foundation. § He continues to speak to youth challenging and encouraging them to arrest business and career opportunities in Africa & beyond.</p>
4.	 <p>Dr. Jairus Boston Amayi <i>CECM - Finance and Economic Planning</i> Member</p>	<p>Hon. Dr Jairus B. Amayi is the current County Executive Committee Member responsible for the department of Finance and Economic Planning.</p> <p>CECM in Charge of Finance</p>

Vihiga County Climate Change Fund

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




		<p>Research Assistant at the International Union for Conservation of Nature (IUCN). Experienced educator with over 20 years at both secondary and university levels. Widely published on climate change issues. Mentored and supervised over 20 undergraduate and postgraduate students. Experienced consultant on climate change including projects in Karamoja Cluster—covering Kenya, Uganda, Ethiopia and Sudan. Developed training manuals for journalists on various aspects of climate change. Has a focus on issues that foster the interface between domestic and international climate finance.</p> <p>Honoured with a GEF fellowship for Master’s studies on the Conservation of Mount Marsabit in northern Kenya, and two fellowships by the Netherlands Fellowship Programme (NFP) to train on climate change adaptation and mitigation. Currently, a Senior Research Fellow of the African Impact Network Association.</p> <p>Email: cmulinya@kafu.ac.ke/ cmulinya@gmail.com</p>
--	--	---

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



5.	 <p>Nicolas Kitungulu <i>CECM - Agriculture, Livestock and Fisheries</i> Member</p>	<p>Hon -CECM Agriculture, Livestock and Fisheries</p> <p>Hon Nicolas is the current County Executive Committee Member responsible for the department of Agriculture, Livestock and Fisheries.</p>
6.	 <p>Dr. Richard Boiyo <i>Chief Officer - Environment, Energy Natural Resources and Climate Change</i> Member</p>	<p>Chief officer in Charge of Environment, Energy and Natural Resources and Secretary to the steering committee, he has a Phd.in, Absorptive aerosol Optical Properties</p>
7.	 <p>Dr. Caroline Mulinya <i>Director External Linkages KAFU</i> Member</p>	<p>Caroline Mulinya holds a Ph.D. in Geography (Climatology and Climate Change) from Jaramogi Oginga Odinga University of Science and Technology (2017), a Master of Arts in Geography (Climatology) from the University of Nairobi (2006), and a Bachelor of Arts in Education (Geography) from Moi University (1999). Currently, a Senior Lecturer of Geography (Climatology and Climate Change Science), Director of Academic Linkages and International Relations, and Coordinator of Climate Change Centre at Kaimosi Friends University. Previously, a Lecturer of Geography (Climatology and Climate Change Sciences) and Head of the Department of Geography and Environmental Sciences at Masinde Muliro University of Science and Technology. Also worked as a Research Scientist at the Kenya Industrial Research and Development Institute (KIRDI) and as a</p>

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



4. County Planning Committee

	Name	Details of qualifications and experience
1.	 <p>Dr. Ephraim Mukisira <i>Chairman</i></p>	<p>Dr. Ephraim Mukisira Chairman of the CCCF planning committee, he holds a PhD in Animal Science from McGill University in Canada, a MSc in Animal Science from Louisiana State University in Baton Rouge, USA. He has a long experience in Agricultural research and animal science. He previously worked as a Director/CEO, Kenya Agricultural Research Institute he also worked as the Assistant Director, KARI, in-charge of the Animal Production/Health Research Division in May 2000-July, 2001. He is serving as the Nominations and Governance Committee member within the Board.</p>
2.	 <p>Dr. Richard Boiyo <i>Chief Officer - Environment, Energy Natural Resources and Climate Change</i> <i>Member</i></p>	<p>Member – Chief officer in Charge of Environment, Energy and Natural Resources and Secretary to the steering committee, he has a Phd.in, Absorptive aerosol Optical Properties</p>
3.	 <p>Dominic Luvavo</p>	<p>Born on 7th April 1980</p> <p>Key Academic and professional</p> <ul style="list-style-type: none"> - Master's in Business Administration (Finance) -University of Nairobi - Senior Management Course-Kenya School of Government (KSG) - CPA 11(KCA) <p>Work Experience</p> <p>a. National Government</p> <ul style="list-style-type: none"> - Ministry of Youth Affairs and Sports(2007-2011) - Ministry of Devolution and planning (2012-2014)

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

	<p><i>Chief Officer - Agriculture, Livestock, Fisheries and Cooperative Development</i> Member</p>	<ul style="list-style-type: none"> - Ministry of Public Service, Youth and Gender Affairs (2015-2017) - Ministry of ICT, innovation and Youth Affairs (2017-2018) <p>b. County Government of Vihiga 2018 - to date</p> <ul style="list-style-type: none"> - Chief officer-Gender, Youth, Children and Social services <ul style="list-style-type: none"> • Water and Sanitation • Environment, Energy and Natural resources • Public Service, Administration & Coordination of County Affairs • Agriculture, Livestock & Fisheries
4.	 <p>James Atemba <i>Chief Officer – Finance and Economic Planning</i> Member</p>	<p>Born in the year 1985. Chief Officer – Finance and Economic Planning, has Masters in business administration in finance bachelor of business management and banking, CPA K</p>
5.	 <p>Dr. Mary Susan Anyianda <i>Chief Officer – Health Services</i> Member</p>	<p>Member – Chief Officer – Health Service Has Ph.D., Masters in education and Bachelor of education</p>

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

6.	<p>Victor Kivaya Cheye <i>Chief Officer – Physical, planning, Lands and Housing</i> Member</p>	<p>Member – Chief Officer – Physical, planning, Lands and Housing has</p>
7.	 <p>Vincent Kutai <i>Chief Officer – Water and Sanitation</i> Member</p>	<p>Born in the year 1978. Holds a Master’s degree in Public Health with a 15-year work experience</p>
8.	<p>Godfrey Omusonga <i>Director Metrological Services – Vihiga</i> Member</p>	
9.	<p>Hesbon Monda <i>Director NEMA – Vihiga</i> Member</p>	<p>Born in the year 1985. Holds a bachelor’s degree in Worked in NEMA from 2009 to date</p>
10.	 <p>Winstone Atamba <i>County Director Climate Change</i> Secretary</p>	<p>Mr. Miima Winstone Atamba; Director Climate Change, County Government of Vihiga (Tel: 0716261898, Email: ambamiima@gmail.com).</p> <p>Born in 1990, Mr. MIIMA Winstone Atamba Currently serving as the Director in Charge of Climate Change in the County Government of Vihiga holds a Bachelor Environmental Planning and Management from the University of Eldoret Kenya and a licenced Environmental Impact Assessment and Audit Expert. He is a holder a post graduate qualification in project management and is a master’s degree candidate of Climate Change Adaptation and Mitigation at Masinde Muliro University of Science and Technology. With 8 years’ experience in Climate change and environmental conservation programming, Mr. Miima</p>

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

		<p>has served as a project coordinator for a Climate Change Governance Project implemented as a partnership between Anglican Development Services Western (ADS Western), UKAID through which he spearheaded the County Governments of Kakamega, Vihiga and Nandi to establish a climate change governance framework.</p> <p>Through his leadership, the counties enacted climate change policies and acts, facilitated several seminars on climate change and led several sensitization meetings for citizens, members of county assemblies and other duty bearers in the counties. He was instrumental in designing and implementing capacity building programs on climate change at both county and ward level in the three counties.</p> <p>As the County Director in Charge of Climate Change, Winstone is the lead technical professional in the county government Vihiga who plans and implements climate change capacity building programs, awareness and sensitization and oversees implementing of climate change resilience projects.</p> <p>He has participated in several environmental conservation projects within the Lake Victoria North catchment areas particularly in Mt. Elgon area. In addition, he has participated in community mobilization for conservation projects in Western Region. Furthermore, he has participated in the preparation of catchment management and conservation plans, EIA and EA reports and general Environmental Management Plans.</p>
<p>11.</p>	<div data-bbox="344 1460 691 1787" data-label="Image"> </div> <div data-bbox="387 1792 675 1912" data-label="Caption"> <p>Evans Kisambo <i>Fund administrator</i> Member/ Co-secretary</p> </div>	<p>Co-Secretary- Fund Administrator was born in 1971, has a degree in economics and Business Studies from Kenyatta university</p>

5. PLANNING COMMITTEE CHAIRPERSON'S REPORT

Vihiga Climate Change Fund Act 2019 established Vihiga Climate Change Fund, with three level structure namely, the steering committee, the county planning committee and the ward climate change planning committee. During 2022/2023 financial year there were some changes in terms of key management team brought about by the 2022 general elections and subsequent appointments in the steering and planning committees.

The activities of the Fund commenced by establishment the governance structures and policy/legal framework. They include; establishment of the secretariat, Fund administration and the office, establishment of the County Climate Change Planning Committee, County Climate Change Steering Committee and the Ward Climate Change Planning Committees in all the 25 wards. Sensitisation of the public on climate change matters was done and training and inaugurating the ward climate change committee members was also undertaken.

The Fund was allocated Kshs.80 million in the FY 2022-2023 and Kshs. 22 million from National Treasury FLLoCA (Financing Locally-Led Climate Action Program Funds). County funding was reduced during supplementary budget to Kshs.64 million. Disbursements were delayed from both funders who started funding in the fourth quarter.

The Vihiga County Climate Change Fund will continue with the ongoing projects to completion. In the next financial year 2023/24 the Fund has been allocated Kshs. 80 million out of which 70 percent will go toward ward climate change projects that will be prioritized by wards.

In conclusion, I highly appreciate the staff, the committee members and other stakeholders for cooperation, support and hard work that enabled the Fund to achieve the above milestones. My special appreciation goes to H.E. the Governor for his strategic guidance in the design of climate change programs, the CECM and the Chief Officer(s) for their leadership in implementation of fund programs and the Director Climate Change for his day to day coordination of the fund's activities.

The Vihiga County Climate Change Fund envisions to attain greater performance in the next fiscal year 2023/24 and beyond.

Name: **Dr. Ephraim Mukisira** Signature  Date 25/6/2023
Chair of the Climate Change Planning Committee

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

6. REPORT OF THE FUND ADMINISTRATOR

Vihiga Climate Change Fund was established in the FY 2021/2022 as per the Vihiga Climate Change Fund Act 2019 (Amended 2021). During the year there was slight change in terms of key management team as a result of 2022 general elections which brought in a few new steering and planning committee members.

The activities implemented include:

- Capacity Building Program for Completion of the Vihiga County Climate Change Action Plan
- Capacity Building Program for Ward Climate change planning, steering and County Assembly Environment Committees secretariat, planning and steering Committees and Ward Climate change Committees on monitoring and evaluation.
- Community Prioritized Climate Change Investments proposals approved for implementation
- County Climate Change Planning and steering Committee to review and approve the project proposals from the Ward
- Completion of the Kimogoi-Shikomoli water project phase one and phase two
- Rehabilitation of Water Project Mwibona phase one and two
- Rehabilitation of Buhani village Agricultural. Water management usage & macro catchment sustainable land management project phase one
- Quarterly meetings of the County Climate Change planning committee and Steering Committee: Four meetings of the County Climate Change Planning Committee were held in the FY while the steering committee sat twice.

The allocation for the financial year 2022/2023 was Kshs. 80 million from County Government later reduced to KShs. 64 million during the first supplementary and 22 million from National Treasury FLoCA (Financing Locally-Led Climate Action Program Funds). Work plan was prepared by the planning committee and approved by the steering committee to cover the following areas, Administration costs 3%, countywide projects costs 20%, WCCPC projects costs 70%. Administration costs was further divided into planning committee 30%, Ward climate change planning committees 70%, countywide projects costs. Countywide projects costs was also further divided into; awareness activities 10%, research and development 20%, and countywide development 70% as provided for in the Climate change Fund Act 2019.

Disbursements were delayed from both the County government and the national treasury for FLoCA funds, until the fourth quarter which made it difficult to absorb all the funds within the financial year. From County government we received KShs, 10 million on 24th April 2023, another KShs. 10 million on 14th June 2023 then FLoCCA Kshs. 11 million on 17th April 2023

The main challenge the fund faced was the delay in disbursements of funds making it hard to implement its work plan fully and absorb all the funds allocated to it. Hope this will improve in future so that more activities can be rolled out during the first quarter.

Vihiga County Climate Change Fund

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

The ongoing projects / investments include;

PROJECT/ INVESTMENT	AMOUNT IN KSHS.
Madungu-Wengondo Water Project Phase 1	3,883,964
Kaptech Community climate change water project	4,416,330
Completion of Kimogoi- Shikomoli water project	7,731,708.86
Evojo community climate change solarized water project	6,778,800
South maragoli ward apiculture livelihood	5,384,812.80
Solarization and Expansion of Ebukhaya community Water project Ebukhaya Community water project	12,481,066.80
Emabungo cluster resilience investment –Rehabilitation of Bidii 1&2 Mumboto gravity schemes	5,501,100
Purchase of motor vehicle	8,500,000

FLoCA Activities in progress

No.	Activity	Sub activity remaining	Budget in Kshs.
1	Preparation of the County Climate Action Plan	Publishing and Launching	1,784,600
2	Training and capacity development	Training officers at KSG	880,000
3	Equipment and office furniture (for CCU)	procured items to be delivered	2,772,600
4	Research and data	Strengthening Climate Information Services and Early Warning System	1,581,500



Picture 1: Kimogoi Project Phase 2

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



Picture 2: Evojo Solarized Water Project



Picture 6: Water tap at a beneficiaries in Evojo and Tap at Kimogoi Project



An Apiary in South Maragoli Ward

Name: Evans Kisambo Signature [Signature] Date 30th June 2023
Fund Administrator

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

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

Introduction

Section 164 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting officer when preparing financial statements of each County Government 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 are:

- a) To strengthen climate change institutional and planning framework
- b) Enhance inclusion in climate action and decision making
- c) To establish climate change governance structures, at the ward and county level
- d) To promote climate action initiatives focusing on climate change resilience
- e) To facilitate community-initiated climate change resilience investments in five wards

Progress on attainment of Strategic development objectives

Below we provide the progress on attaining the stated objectives:

Program	Objective	Outcome	Indicator	Performance
Climate Change Governance	To strengthen climate change institutional and planning	Climate change governance structures at county and ward level established	Number of governance structures established	Ward Climate Change Committees, Climate Change Planning Committee and Steering Committee established
Capacity Building	To build the capacity of committees to enable them execute climate action	Enhanced capacity to manage climate risks	Number of staff, committees trained	<ul style="list-style-type: none"> • 18 officers on Monitoring and Evaluations • Trained 25 ward climate change-planning committees were trained on project m&e and reporting • 5 Officers trained at Kenya School of Government • Implemented school greening program(89,000 seedlings grown in schools)

Vihiga County Climate Change Fund

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

Resilience planning and M&E	To increase capacity to plan and respond to climate risks	Increased capacity to plan and respond to climate risks	Number of planning documents developed	<ul style="list-style-type: none"> • Participatory climate risks assessment completed • Participatory climate change action plan • Early warning system established • Climate Action
Community Prioritized climate resilience investments	To enhance adaptive capacities to climate change impacts	Enhanced adaptation to climate change among communities	Number of projects implemented	Six community prioritized projects implemented
Partnerships and collaborations for climate action	To mobilize resources for climate action	Enhanced collaboration for climate action	Number of partnerships established	MoU signed with Kaimosi University on Climate Action Received funding from the FLLoCA Program

8. Corporate Governance Statement

Section 14 of the Vihiga County Climate Change Fund Act 2019 provides for establishment of the County Climate Change Fund Steering Committee whose membership include the Governor as the Chairperson, CECM finance, CECM environment who is the secretary, CECM Public Health and CECM Agriculture. The Steering committee also comprises of representatives of the Business Community, Professionals in the County and Non-Governmental Organisations. The Steering Committee serves as the Board of the Vihiga County Climate Change Fund.

In line with the Act, for one to be appointed on the Steering Committee is by virtue of the offices they bear. They term of service is a period of five years after which another steering committee is appointed, or mandate renewed. For appointment, one must be a person who is actively engaged in climate change activities in the County, recommended by an umbrella organization representing the interest the nominee is to represent on the committee and be seconded by an organization that is actively involved in climate change adaptation, mitigation of climate finance activities in the county. In addition, they should have rare skills, knowledge, talents or linkages that are likely to benefit the Vihiga County Climate Change Fund.

The Steering Committee provides overall guidance for the development of a Climate Finance Framework for the County; facilitates and monitors the implementation of the Climate Finance Framework. The committee also develops necessary linkages for the fund with the national government and other relevant stakeholders outside the county and ensures compliance of the fund administration to the public finance management principles under article 201 of the constitution of Kenya and the provisions in Public Finance Management Act, 2012.

The Steering Committee also ensures that projects approved for funding conform to the Climate Finance Framework and mobilizes funding for projects, programs and activities listed in the Climate Finance Framework. Lastly, the Steering Committee coordinates the Climate Finance projects and programs with other programs in the county and regularly reviews the Framework.

The committee held two meetings in the year, the first meeting was held on 10th October 2022 whose agenda was to review performance of the previous period and approve the work plan for the current financial year. The second meeting was held on 20th March 2023 where the committee reviewed and approved community-prioritized projects in six wards.

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

9. Management Discussion and Analysis

The Vihiga County Climate Change Planning Committee met on 27th September 2023 at SOSA Cottages to review and adopt the work plan. The agenda was reading and confirmation of the minutes of the previous meeting, Matters arising from the minutes of the previous meeting, Update on the implementation of Quarter Four Activities and tabling of Climate Draft Change Work Plan for FY 2022-2023

The work plan was adopted with recommendation that a sub-committee reviews and effects recommendations made. The subcommittee sat on 7th October 2023 and incorporated the inputs of the committee into the work plan.

The second meeting was held in March 2023 to evaluate and approve proposals from the wards for community-prioritized projects.

The committee was taken through the project proposals from the wards. The CCCPC examined the details of the proposals particularly the projects identified, the beneficiary wards, the bills of quantities for each and the anticipated environmental and social impacts. Below is a list of projects evaluated by the committee:

Location/ County/ Ward	Date of Commu nity Consulta tion Forum	Prioritized projects	Components/ Main Activities	Mean Score and Verdict
Emuhaya Sub County				
Central Bunyore and N.E Bunyore	6/12/2022	REHABILITATION, EXPANSION AND SOLARISATION OF EBUKHAYA COMMUNITY WATER PROJECT Project to have an installed capacity of 500 households but to commence with 200 households.	The project components include: 1. Conservation of catchment with water friendly trees 2. General project administration 3. Installation of 18.5kw submersible pump 4. Pipe laying to increase pipe network by 4.1 kms 5. Storage Tank 6. Last mile connectivity to 100 households, Ehukhaya schools, Bunyore boys, Ebusiratsi primary, market centres, institutions at Imukunzi, Asebo primary among others	77.6% - Approved

Vihiga County Climate Change Fund

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

			<p>Source at Amare Spring and Existing infrastructure include:</p> <ul style="list-style-type: none"> • Pump house • 100m³ clear water sump • 100m³ clear water elevated steel tank • Four water kiosks, pipe network and a protected spring: climate 	
Sabatia Sub County				
1.Chavak ali	7/12/2022	<p>Evojo Community Climate Change Solarized Water Project: To Serve the Health Center, 3 schools and the Neighboring Community to benefit around 1000 people (around 100 households)</p>	<p>Components;</p> <ol style="list-style-type: none"> 1. Elevated storage tanks 2. Pipelines to extent supply 3. Last mile connectivity 4. Hand wash at school 5. Environmental conservation <p>Borehole available 8 cubic meter bore borehole already in place</p>	77.4%- Approved.
2.N.Mara goli	7th/12/2022	<p>Mulundu Solar Water Project: The project to benefit approximately 2230 people with aim to promote community access to clean and safe waste</p>	<p>Climate change interventions include:</p> <ol style="list-style-type: none"> 1. Protection of spring source at Mugogo Spring 2. Power house and intake sump 3. Solar Pumping systems 4. Pipelines to households, dispensary and other public institutions 5. Elevated Plastic storage tanks at Mulundu 	70.1% - Approved
Hamisi Sub county				

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

Jepkoyai	8/12/2022	Givole Community Climate Resilience Water Project: to benefit about 2100 people	Components by Climate Change Include: <ol style="list-style-type: none"> 1. Intake Works 2. Conservation of water intake areas 3. Treatment works 4. Sump 5. Solar Pumping Unit 6. Office Power House 7. Distribution and last mile connectivity 8. Environmental conservation though protection of riparian zones, sensitization on eucalyptus 	78.6% - Approved
Muhudu		Kaptech Community Climate change Water Project: Project targets to benefit 2000 people upon completion	Components Include: <ol style="list-style-type: none"> 1. Solar pumping system 2. 30,000 cubic meter storage tank at Kaptech market 3. Rehabilitation of the distribution 4. 5000l tank at Kaptech Primary 5. Plant 500 tree seedlings and hold 3 community sensitization forum on climate change. <p>Existing infrastructure include A 6m³ Borehole at Kaptech primary and a 12m³ Steel tank at Kaptech Market. An electric pump and some piping are in place. Supply is intermittent due to power related challenges.</p>	80.25% - Approved
South Maragoli		South Maragoli Ward Apiculture and Livelihood Project To benefit approximately 1120, largely drawing membership from the Maragoli Hills CFA, the group to transform into a	Project Components Include: <ol style="list-style-type: none"> 1. Community mobilization 2. Group registration and training 3. Site selection 4. Apiary design and development 5. Purchase of materials and equipment's 6. Installation, training and operationalizing 	79.6% - Approved

Vihiga County Climate Change Fund

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

		cooperative and replicate the success across the entire sub county. The project to be located within the Maragoli Hills Forest Complex under reforestation by the Department		
Luanda Sub County				
Wemilabi		Wemilabi Environmental Conservation Project	Project Components include: <ol style="list-style-type: none"> 1. Establishment of tree nurseries 2. Awareness and capacity building 3. Protection and conservation of degraded areas 	62.6%-Not Approved for lack of clear livelihood resilience aspect

10. Environmental and Sustainability Reporting

The Vihiga County Climate Change Fund, whose programs are implemented by the Directorate of Climate Change exists to strengthen resilience of communities to climate change, enhance adaptation for in the context of sustainable development.

1. Sustainability strategy and profile -

The Climate Change Fund will be sustainable there have been efforts to put in the budget at least two per cent of the County's annual budget. The governor being the chair of the steering committee that is the highest decision-making organ and the involvement of the members of the county assembly ensure the right trends in political and macroeconomic affecting sustainability priorities, reference to international best practices and key achievements and failure. Putting communities at the centre of decision making about project identification, implementation and operations helps to ensure sustainability of climate change initiatives under the fund. Furthermore, water projects implemented by the fund are handed over to the County Water Utility Company for sustainability.

2. Environmental performance

The fund undertakes environmental safeguards before implementation of the programs. There is a dedicated environmental and social safeguards focal person for the projects. In addition, the projects have an environmental and social components, which budgets for conservation of natural resources, restoration of degraded areas and sensitization of communities on environmental conservation and climate change.

3. Community Engagements-

Community engagements for social inclusion is one of the key pillars of the climate change fund. Community engagements in the reporting period were:

- Training of the 25 Ward Climate Change Planning Committees on project monitoring, evaluation and reporting.
- Undertaking community consultation forums for projects selection in 9 wards
- Radio Programmes for increased Climate Change awareness
- Engagement of communities on climate change risks identification in 25 wards
- Public participation for the identified, approved projects
- Community participation in supervision of the climate change projects
- Completion of the Vihiga County Climate Change Action Plan engagements in 25 wards

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

11. Report of the Trustees

The fund does not have board of trustees

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

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 Vihiga Climate Change Fund Act 2019 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, 2022. 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 Vihiga Climate Change Fund Act 2019. The Administrator of the Fund is of the opinion that the Fund's financial statements give a true and fair view of the state of Fund's transactions during the financial year ended June 30, 2022, and of the Fund's financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control.

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

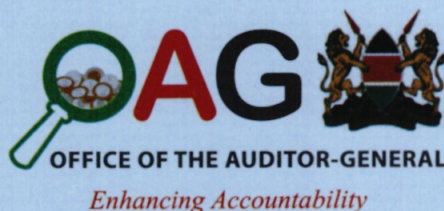
Approval of the financial statements

The Fund's financial statements were approved by the steering committee on July 27, 2023 and signed on its behalf by:


Evans Kisambo
Fund Administrator

REPUBLIC OF KENYA

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



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

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

PREAMBLE

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

- A. Report on the financial statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in use of public resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment and the internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Climate Change Fund - County Government of Vihiga set out on pages 1 to 12, which comprise of the statement of financial position as at 30 June, 2023, and the statement of financial performance,

Report of the Auditor-General on Climate Change Fund for the year ended 30 June, 2023 – County Government of Vihiga

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 Climate Change Fund as at 30 June, 2023, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with Vihiga County Climate Change Fund Act, 2019 and the Public Financial Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

The statement of financial performance and as disclosed in Note 2 to the financial statements reflects an amount of Kshs.29,460,421 under use of goods and services, which further includes an amount of Kshs.19,157,076 on other projects – climate change fund. However, the ledger amount is Kshs.19,295,753 resulting to a variance of Kshs.138,677. The amount of Kshs.138,677 is attributed to VAT paid to the Kenya Revenue Authority. Although Management indicates that the ledger has been revised, no evidence was provided to show how it was revised.

In the circumstances, the completeness and accuracy of the expenditure on use of goods and services could not be confirmed.

2. Irregular Allowances to Members of Vihiga County Assembly Environment Committee

The statement of financial performance and as disclosed in Note 2 to the financial statements reflects use of goods and services amount of Kshs.29,460,421 which includes administration expenses amounting to Kshs.7,006,630, which further includes an amount of Kshs.266,000 paid for sensitization of the Members of the County Assembly Environment Committee. Management did not provide any authority and documentation for the payments to the Members of the County Assembly (MCA).

In the circumstances, the completeness, accuracy and the validity of the amount paid to the MCA's could not be confirmed.

3. Lack of Imprest Register

The statement of financial position reflects an amount of Kshs.74,181,087 in total assets, which includes both cash and cash equivalents and property, plant and equipment. However, this amount did not include an amount of Kshs.1,749,700, relating to un surrendered imprest at the end of the year. In addition, the Fund did not maintain an imprest register, which is irregular.

In the circumstances, the completeness and accuracy of the disclosed assets in the statement of financial position could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.87,000,000 and Kshs.82,000,000 respectively, resulting in an underfunding of Kshs.5,000,000 or 6% of the budget. Similarly, the fund spent an amount of Kshs.29,460,421 against an approved budget of Kshs.87,000,000, resulting in an under-expenditure of Kshs.57,539,579 or 66% of the budget. Management has not provided satisfactory explanation on the low absorption of funds.

In the circumstances, the under receipts and under expenditure affected the planned activities and may have affected 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 judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in 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

Value for Money on Completion of Kimogoi Shikomoli Water Project

The statement of financial performance and as disclosed in Note 2 to the financial statements reflects an amount of Kshs.29,460,421 on use of goods and services.

Included in this amount is an expenditure of Kshs.19,157,076 relating to other project expenses which further includes Kshs.7,742,285 spent on payment for Kimogoi Shikomoli water project.

The water project was completed in the financial year under review. The purpose of the project was to enable the Kimogoi and Shikomoli communities to get clean water. However, site visits on 17 November, 2023 revealed that the project which was expected to benefit about one hundred households was completed, but a section of the community members indicated that water was not reaching their homes even though they were part of the project. Management attributed the non-serving of the community to lack of funds to purchase water treatment chemicals which could not be confirmed.

In the circumstances, the community may not have gotten value for the money spent on the project.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matter(s) described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall 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 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 control, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Fund or 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 are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls would not necessarily disclose all matters in the internal control that

might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal controls components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

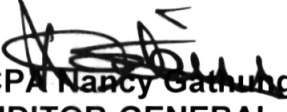
Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the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

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

07 March, 2024

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

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

Description	Note	2022-2023	2021-2022
		Kshs	Kshs
Revenue From Non-Exchange Transactions			
Transfers From the County Government	1	82,000,000	37,000,000
TOTAL REVENUE		82,000,000	37,000,000
Expenses			
Use of goods and services	2	29,460,421	15,633,492
Total Expenses		29,460,421	15,633,492
Surplus/(Deficit) for the Period		52,539,579	21,366,508

.....
 Name:
 Administrator of the Fund

.....
 Name: *Duke Agnlonki*
 Fund Accountant
 ICPAK Member Number:
30023

Vihiga County Climate Change Fund


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


15. Statement of Financial Position As at 30 June 2023

Description	Note	2022-2023	2021-2022
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	3	73,906,087	21,366,508
Total current assets		73,906,087	21,366,508
Non-Current Assets			
Property, Plant and Equipment	4	275,000	275,000
Total Assets		74,181,087	21,641,508
Liabilities			
Current Liabilities		-	
Total current liabilities		-	-
Non-Current Liabilities		-	-
Total Liabilities		-	-
Net Assets		74,181,087	21,641,508
Surplus		52,539,579	21,366,508
Accumulated Surplus		21,641,508	275,000
Total Net Assets and Liabilities		74,181,087	21,641,508

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 30/06 2023 and signed by:

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


.....
Name:
Administrator of the Fund


.....
Name: *Duke Agnomba*
Fund Accountant
ICPAK Member Number:
30023

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

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

Description	Revolving Fund	Revaluati on Reserve	Accumulated surplus	Total
		Kshs	Kshs	Kshs
Balance As At 1 July (2021)	-	-	-	-
Surplus For the Period	-	-	21,641,508	21,641,508
Balance As At 30 June (2022)	-	-	21,641,508	21,641,508
Balance As At 1 July (2022)	-	-	21,641,508	21,641,508
Surplus For the Period		-	52,539,579	52,539,579
Balance As At 30 June (2023)			74,181,087	74,181,087

*Vihiga County Climate Change Fund***Annual Report and Financial Statements for the year ended June 30, 2023****17. Statement of Cash Flows for The Year Ended 30 June 2023**

Description	Note	FY 2022-2023	FY 2021-2022
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from the county government	1	82,000,000	37,000,000
Total receipts		82,000,000	37,000,000
Payments			
Use of Goods and Services	2	29,460,421	15,633,492
Net cash flows from operating activities		52,539,579	21,641,508
Cash flows from investing activities			
Purchase of property, plant, equipment and Intangible assets	4	-	275,000
Net cash flows used in investing activities		-	275,000
Cash flows from financing activities			
Net cash flows used in financing activities		-	-
Net increase/(decrease) in cash & cash Equivalents		52,539,579	21,366,508
Cash and cash equivalents at 1 July		21,366,508	-
Cash and cash equivalents at 30 June	3	73,906,087	21,366,508

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

18. Statement Of Comparison of Budget and Actual Amounts for The Period ended June 30,2023

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% utilization
	2022/2023	2022/2023	2022/2023	2022/2023	2022/2023	2022/2023
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	
Transfers from County Govt.	80,000,000.00	-15,000,000.00	65,000,000.00	60,000,000	5,000,000.00	0.92
FloCA	22,000,000.00		22,000,000.00	22,000,000	0.00	1.00
Total income	102,000,000.00	-15,000,000.00	87,000,000.00	82,000,000	5,000,000.00	0.94
Expenses						
Administration expenses	46,000,000.00	-4,500,000.00	41,500,000.00	10,303,345	31,196,655.00	0.25
Other P expenses	56,000,000.00	-10,500,000.00	45,500,000.00	19,157,076	26,342,924.30	0.42
Total expenditure	102,000,000.00	-15,000,000.00	87,000,000.00	29,460,421	57,539,579.30	0.34
Surplus for the period	-	-		52,539,579		

Vihiga County Climate Change Fund

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

19. Notes to the Financial Statements

1. General Information

Vihiga Climate Change Fund Act 2019 established Vihiga Climate Change Fund, with three level structure namely, the steering committee, the county planning committee and the ward climate change planning committee. The entity is wholly owned by the County Government of Vihiga and is domiciled in Vihiga County, Kenya.

During 2022/2023 financial year there were some changes in terms of key management team brought about by the 2022 general elections and subsequent appointments in the steering and planning committees.

The activities of the Fund commenced by establishment the governance structures and policy/legal framework. They include; establishment of the secretariat, Fund administration and the office, establishment of the County Climate Change Planning Committee, County Climate Change Steering Committee and the Ward Climate Change Planning Committees in all the 25 wards. Sensitisation of the public on climate change matters was done and training and inaugurating the ward climate change committee members was also undertaken.

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.

Vihiga County Climate Change Fund

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

6. Notes To The Financial Statements

1. Transfers from County Government

Description	2022/2023	2021/2022
	KShs	KShs
Transfers from County Govt. – operations		37,000,000.00
Exchequer Release 17/04/2023 (FLLoCA)	11,000,000.00	-
Exchequer Release 24/04/2023	10,000,000.00	-
Exchequer Release 14/06/2023	10,000,000.00	-
Exchequer Release 03/07/2023	40,000,000.00	-
Exchequer Release 07/07/2023 (FLLoCA)	11,000,000.00	-
Total	82,000,000.00	37,000,000.00

2. Use of Goods and Services

Description	Insert Current FY2023-2022	Insert Previous FY2021-2022
	Kshs.	Kshs.
Administration	7,066,630	9,090,900
Bank Charges	235,480	11,203
Fuel and Oil Cost	294,885	250,000
Printing and Stationery	14,850	99,725
Furnitures and Fittings	-	135,000
Computers and Office equipment	-	140,000
Floca Expenses	2,691,500	-
Total Administration expenses	10,303,345	9,726,828
Other Projects-Climate Change Fund	19,157,076	5,906,664
TOTAL	29,460,421	15,633,492

Vihiga County Climate Change Fund

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

3. Cash and cash equivalents

Description	Period ended June30,2023	Prior Period Audited 2021-2022
	KShs	KShs
Current account	73,906,087.00	21,366,508.00
Total cash and cash equivalents	73,906,087.00	21,366,508.00

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

Financial institution	Account number	Period ended June 30, 2023	Prior Period Audited
		KShs	KShs
a) Current Account			
Special Purpose Account CBK		73,906,087.00	21,366,508.00
Equity Bank		-	
Sub- total		73,906,087.00	21,366,508.00

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

Date.....30/06/2023.....

Vihiga County Climate Change Fund

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

4. Property, plant and equipment

	Land and Buildings	Motor vehicles	Furniture and fittings	Computers and office equipment	Total
Cost	Kshs	Kshs	Kshs	Kshs	Kshs
At 1 st July (2021)	0	0	-	-	-
Additions	0	0	135,000	140,000	275,000
Disposals	0	0	-	-	-
Transfers/Adjustments	0	0	-	-	-
At 30 th June (2022)	0	0	135,000	140,000	275,000
At 1 st July (2022)					
Bal b/f	0	0	135,000	140,000	275,000
Additions	0	0	-	-	-
Disposals	0	0	-	-	-
At 30 th June (2023)	0	0	135,000	140,000	275,000
Depreciation And Impairment					
At 1 st July (2021)	0	0	0	0	0
Depreciation	0	0	0	0	0
Impairment	0	0	0	0	0
At 30 th June (2022)	0	0	0	0	0
At 1 st July (2022)					
Depreciation	0	0	0	0	0
At 30 th June (2023)	0	0	0	0	0
Net Book Values					
At 30 th June (2022)	0	0	135,000	140,000	275,000
At 30 th June (2023)	0	0	135,000	140,000	275,000

Note: Non-Current Assets were not depreciated because the County Government of Vihiga does not have an approved depreciation policy.

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

Annexes

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)
FY 2021/2022	Failure to disclose Property, Plant and Equipment	The Management noted the Auditors observation and its now reflected in the financial statement of financial year 2022/2023	Resolved	Fy 2022/2023
	Failure to prepare the Statement of changes in Net Assets	The Management noted the Auditors observation and its now reflected in the financial statement of financial year 2022/2023	Resolved	Fy 2022/2023
	Improper preparation of statement of cashflow	The Management noted the Auditors observation and its now reflected in the financial statement of financial year 2022/2023	Resolved	Fy 2022/2023
	Budgetary Control and Performance	The Management noted the Auditors observation and its now reflected in	Resolved	Fy 2022/2023

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
		the financial statement of financial year 2022/2023		