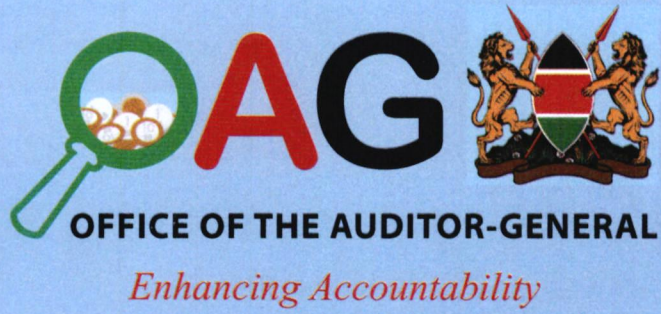


REPUBLIC OF KENYA



REPORT



OF

THE AUDITOR-GENERAL

ON

HOMA BAY COUNTY CLIMATE CHANGE FUND

FOR THE YEAR ENDED

30 JUNE, 2025

PAPERS LAID	
DATE	29/11/2025
TABLED BY	Mogonyi Ldr
COMMITTEE	
CLERK AT THE TABLE	Belinda



HOMABAY COUNTY CLIMATE CHANGE FUND

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

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

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

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1. Acronyms and Definition of Key Terms

A. Acronyms

AGPO	Access to Government Procurement Opportunities
BOM	Board of Management
CCISG	County Climate Institutional Support grant
CCRIG	County Climate Resilience Investment grant
CBK	Central Bank of Kenya
CG	County Government(s)
CRF	County Revenue Fund
CECM	County Executive Committee Member
EIA	Environmental Impact Assessment
FLLoCA	Financing Locally-led Climate Action
HBCCCF	Homa Bay County Climate Change Fund
HBCG	Homa Bay County Government
HBCCCSC	Homa Bay County Climate Change Steering Committee
HBCCCTC	Homa Bay County Climate Change Technical Committee
ICPAK	Institute of Certified Public Accountants of Kenya
IFMIS	Integrated Financial Management Information System
IDA	International Development Association (World Bank)
IPSAS	International Public Sector Accounting Standards
KfW	State owned German Development Bank
Kshs	Kenya Shillings
M&E	Monitoring and Evaluation
NEMA	National Environment Management Authority
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
SDG	Sustainable Development Goals
SPA	Special Purpose Account
WCCC	Ward Climate Change Committee(s)

2. Key Entity Information and Management

a) Background information

The Homa Bay County Climate Change Fund (HBCCCCF) is established by and derives its authority and accountability from the Homa Bay County Climate Change Act, 2022. The fund is wholly owned by the County Government of Homa Bay and is domiciled in Kenya.

Homabay County Climate Change's objective is to deliver locally-led climate resilience actions and strengthen Ward Climate Change Committees capacity to manage climate risk.

Based on Participatory Climate Risk Assessment Report and Homabay County Climate Change Action Plan 2023-2027, the steps will result in a portfolio of climate resilience actions/investments addressing communities' priorities.

The overall objective of HBCCF is to create enhanced resilience through the implementation of the county climate action plans through required legislation, the establishment of a CCU and a CCCF, and increased actual county expenditure for climate change adaptation, citizen engagement and mainstreaming of climate action in all CG-operations.

b) Principal activities of the fund are as follows:

- Developing and annually updating the CCAP and budget
- Training/mentoring of community and ward level Climate Action Consultation fora
- Participatory climate change risk assessments (also as learning events for communities)
- Training and capacity development (workshop venues, meals, course fees)
- Facilitation of activities by the CCU
- Establishing and maintaining a County Climate Information System
- Engaging climate science and/or consultancies for any of the above
- Modest office equipment and furniture for the dedicated CCU
- Activities that improve (community) access to water
- Activities that promote water conservation and more efficient use of water

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- Activities related to natural resource management and environmental conservation/community forestry
- Rehabilitation of degraded lands, for example through tree planting
- Promotion of community conservancies and ecotourism
- Promotion of renewable energy sources, including uptake of clean cooking solutions
- Agro-forestry and reforestation
- Climate smart agriculture
- Rehabilitation of degraded rangelands, local landscape management
- Activities that enhance agricultural and pastoralist/livestock productivity in a low carbon fashion
- Activities in preparedness and response to climate-related disasters and hazards
- Activities that make public infrastructure more resistant to droughts, floods, and other climate driven disasters
- Climate-resilient solid waste management, including refuse removal, refuse dumps, and solid waste disposal
- Early warning systems and preparedness
- Activities that have a direct link to green jobs and/or mitigating social risks of disaster and climate change or climate change adaptation
- Any other investment/activity of climate change adaptation that emanates from the climate risk assessment, that helps mitigate climate risks and vulnerability, and was prioritized and/or endorsed by communities

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c) Fund Administration Committee

Ref	Name	Position
1	Mr. Alfred Onyango	Chairperson
2	Mr. Alphonse Werah	Chief Officer, Finance
3	Mrs. Diana Anyango Ongere	Chief Officer, Environment
4	Mr. Roy Odongo	Director, Climate Change
5	Mr. Polycarp Rachuonyo	Fund Administrator
6	Ms. Irene J. Kibon	Member
7	Mr. Fredrick Ouma	Member
8	Bishop Peter Midodo	Member

d) Key Management team

Ref	Name	Position
1	Dr. John Agili (PhD.)	County Executive Committee Member for Water, Sanitation, Environment, Forestry, Energy & Climate Change
2	Mrs. Diana Anyango Ongere	Chief Officer Water, Sanitation, Environment, Forestry, Energy & Climate Change
3	Mr. Roy Odongo	Director Climate Change
4	Mr. Polycarp Rachuonyo	Fund Administrator
5	CPA. Sephania Okello Sita	Head of Accounts and Fund Accountant

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Key Entity and Management (Continued)

e) Fiduciary Oversight Arrangements

SN	Position	Name
1	Directorate Internal Audit	Daniel Ochieng Anyango

f) Registered Offices

P.O. Box 469-40300
Office of The Governor,
Homabay.
KENYA.

g) Fund Contacts

Telephone: (254) 722287563
E-mail: director.climate@homabay.go.ke
Website: www.homabay.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
P.O Box 368-40300
Tel. +254722210857, +2542005922438.
Homabay
Kenya.

i) Independent Auditors

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

Homabay County Climate Change Fund
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Key Entity Information and Management (Continued)

j) Principal Legal Adviser

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

k) County Attorney

Office of The County Attorney,
Homabay County Government
P.O Box 469-40300
Email: homabaycountyattorney1@gmail.com
HOMABAY

Homabay County Climate Change Fund

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3. Fund Administration Committee

	Name	Details of qualifications and experience
1.		<p>Name: Mr. Alfred Onyango</p> <p>Date of birth: 25/04/1967</p> <p>Qualifications: Master of Commerce</p> <p>Position: Climate Change Fund Board Chairperson</p>
2.		<p>Name: Mr. Alphonse Werah</p> <p>Date of birth: 12/03/1979</p> <p>Qualifications : MBA Finance, CPA (K)</p> <p>Position: Chief Officer Finance and Member of the Fund Board</p>
3.		<p>Name: Diana Anyango Ongere</p> <p>Date of birth: 16/05/1985</p> <p>Qualifications: BSc. Environmental Studies</p> <p>MSc. Governance and Regional Integration</p> <p>Position: Chief Officer Water, Sanitation, Environment, Forestry, Energy & Climate Change and Member of the Fund Board</p>
4.		<p>Name: Mr. Roy Odongo</p> <p>Date of birth: 28/12/1979</p> <p>Qualifications: Masters Environmental Policy</p> <p>Position: Director Climate Change and Member of the Fund Board</p>


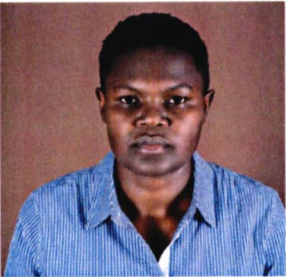


**Homabay County Climate Change Fund
Annual Report and Financial Statements for the year ended June 30, 2025**

5.		<p>Name: Bishop Peter Midodo</p> <p>Date of birth: 1971</p> <p>Qualifications: Theology</p> <p>Position: Representative of Faith Based Organizations and Member of the Fund Board</p>
6.		<p>Name: Ms. Irene J. Kibon</p> <p>Date of birth: 19/10/1987</p> <p>Qualifications: M.Sc. Project Management</p> <p>Position: Representative of Development Partners and Member of the Fund Board</p>
7.		<p>Name: Mr. Fredrick Ouma</p> <p>Date of birth: 07/08/1989</p> <p>Qualifications: Bachelor of Environmental Studies, Natural Resources & Conservation</p> <p>Position: Representative of Public Benefit Organization and Member of the Fund Board</p>
8.		<p>Name: Mr. Polycarp Rachuonyo</p> <p>Date of birth: 23/09/1992</p> <p>Qualifications: B.Com Accounting, CPA Finalist</p> <p>Position: Fund Administrator and Secretary to the Board</p>


Homabay County Climate Change Fund

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

4. Management Team

	Name	Details of qualifications and experience
1.		Name: Dr. John Agili (PhD.) Date of birth: 27/09/1973 Qualifications: PhD. Management of Education Position: County Executive Committee Member for Water, Sanitation, Environment, Forestry, Energy & Climate Change
2.		Name: Diana Anyango Ongere Date of birth: 16/05/1985 Qualifications: BSc. Environmental Studies MSc. Governance and Regional Integration Position: Chief Officer Water, Sanitation, Environment, Forestry, Energy & Climate Change and Member of the Fund Board
3.		Name: Mr. Roy Odongo Date of birth: 28/12/1979 Qualifications: Masters Environmental Policy Position: Director Climate Change and Member of the Fund Board
4.		Name: Mr. Polycarp Rachuonyo Date of birth: 23/09/1992 Qualifications: B.Com Accounting, CPA Finalist Position: Fund Administrator and Secretary to the Board

**Homabay County Climate Change Fund
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5.		<p>Name: CPA. Sephania Okello Sita Date of birth: 2/12/1977 Qualifications: Bachelor of Commerce, Accounting & Finance. CPA-K, IIA Position: Head of Accounts</p>
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Homabay County Climate Change Fund
Annual Report and Financial Statements for the year ended June 30, 2025

5. Fund Chairperson's Report

It is with great appreciation and responsibility that I present this year's Board Chair Report for the Homa Bay County Climate Change Fund (HBCCCCF) for the year ending June 30, 2025.

This year has underscored the urgency of our mission, channeling financial resources towards climate resilience, adaptation and mitigation. In this report, I provide a review of the Fund's performance, share our outlook for the future, and reflect on key developments shaping our journey.

This year, the Climate Change Fund has made meaningful progress in mobilizing and disbursing resources to support climate-smart interventions, allocating funds to projects across forty wards within the county with focus on provision of clean water, renewable energy, sustainable agriculture, and climate-resilient infrastructure. These projects have benefited the vulnerable within the communities who have long been disadvantaged by lack of clean water, use of unclean energy endangering their livelihoods.

The delivery of these important projects has been enhanced through proper monitoring and evaluation framework, ensuring that funded initiatives deliver measurable and transparent climate outcomes.

Even with the progress made, the climate crisis continues to evolve in scale and complexity. And as such, our strategic priorities for the coming year include scaling up Investments by increasing our annual funding envelope with a focus on least-developed and climate-vulnerable regions.

We also seek to strengthen our partnerships and collaborations with regional climate bodies, local governments, and the private sector to ensure alignment and scalability while aligning more closely with global frameworks such as the Paris Agreement and the Sustainable Development Goals (SDGs), particularly Goal 13 on climate action.

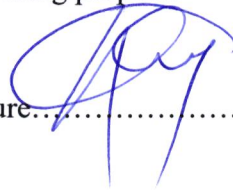
These efforts will be supported by a strong pipeline of high-impact projects and robust risk management strategies to ensure sustainability and resilience.

In conclusion, as climate impacts become more visible and severe, the role of climate finance is more critical than ever. The Homa Bay County Climate Change Fund remains steadfast in its commitment to catalyzing solutions that protect people, nature, and economy.

Homabay County Climate Change Fund
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On behalf of the Board, I thank our Partners, Steering Committee, the technical committee, ward committees and the communities for their dedication and belief in our mission. The challenges ahead are immense, but together, we can accelerate action and deliver hope for a more sustainable and equitable world.

Let us move forward with urgency, unity, and unwavering purpose.

Name ALFRED OKYAMBO Signature  Date 23/9/25
Chairperson of the Fund

Homabay County Climate Change Fund
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6. Report of the Fund Administrator

It is my pleasure to present this report as the Fund Administrator for the Homa Bay County Climate Change Fund (HBCCCF). This report presents the financial and programmatic performance of the Fund for the financial year ending 2024/2025. It highlights achievements under budget performance, Physical progress based on outputs, outcomes and impacts since establishment of County Public fund, challenges encountered and future priorities in line with the County Climate Change Action Plan 2023-2027.

During the year under review, the Fund spent a total of **Kshs.260,363,406** (two hundred sixty million, three hundred sixty-three thousand, four hundred and six) out of **Kshs.264,620,602** (two sixty-four million, six twenty thousand, six hundred and two) available for expenditure. this amount comprised of Kshs. 152,320,602 being budget carryover from 2023-2024 FY, 80,000,000, being County contribution to the fund and 32,300,000 from IDA and KfW.

From the received funds, **Kshs. 250,461,217** were channeled towards investment expenditures such as enhancing access to water, Investments in climate smart agriculture, enhancement of waste management and Investments in Ecosystem Restoration Initiatives, representing 95% of the total expenditure.

The fund has made commendable progress in enhancing climate resilience through community-driven investments. The projects implemented addressed key challenges in water access and climate-resilient agriculture, directly benefiting households across the forty wards within the County.

While at enhancing access to water, a total of 38 boreholes drilled of and equipped with a solar powered pump while two water major water projects were rehabilitated in what has been considered as flagship projects Kanyaluo and Kaksingri West wards. These have improved access to safe water for domestic and productive use and reduced distance covered and time spent in collecting water, especially for women and children.

To improve climate smart agriculture, the project focused on borehole irrigation systems, water harvesting structures and purchase of certified seeds. In so doing, this enhanced food security and household income, increased use of solar-powered irrigation for year-round farming and strengthened farmer groups and cooperatives.

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The project also enhanced environmental conservation through afforestation in degraded zones.

In addition, establishment of community tree nurseries were supported to a tune of Kshs. 12,790,006.

The construction of arboretum which nears completion in Homabay town ward will also be a gamechanger towards environmental conservation.

A part from on the achievements stated above, we ensured the project got value-for-money by ensuring 99% completion rate for the procured services. Enhancement of competitive procurement processes also yielded cost savings across infrastructure investments. We also ensured effective community monitoring structures which helped ensure minimal wastage and higher beneficiary satisfaction.

Despite the remarking achievements, the fund also experienced some shortfalls such as:

- Delayed disbursement from the exchequer occasionally disrupted project timelines.
- Limited funding against a huge demand for resources to implement climate change adaptation priorities in the communities
- Technical skills gaps at community level led to slower implementation of complex climate solutions.

Going forward, we seek to:

- Strengthen the financial management skills of Ward Climate Committees through targeted trainings.
- Adopt digital tools to fast-track procurement, payment tracking, and reporting.
- Advance contingency planning to minimize financial disruptions due to delayed disbursements

In Conclusion, the Fund demonstrated strong financial discipline with 98% budget absorption rate, ensuring that funds are effectively utilized to drive climate adaptation and community resilience. With continued capacity building and timely disbursements, we anticipate improved efficiency and impact in the coming fiscal year.

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

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

Introduction

Section 164 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer when preparing financial statements of each County Government entity 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 Homabay County Climate Change Action Plan 2023-2027 are highlighted in six key action areas

1. Water, Fisheries, and the Blue Economy
2. Environment & Forestry
3. Food and Nutrition Security
4. Disaster Risk Management
5. Energy, Transport and Manufacturing.
6. Health, Sanitation and Human Settlements.

Below we provide the progress on attaining the stated objectives:

Program	Objective	Outcome	Indicator	Performance
Water, Fisheries, and the Blue Economy	Enhance resilience of the water sector by ensuring access to, and efficient use of water for agriculture, domestic, recreation and other uses.	Water infrastructure developed to increase access to and supply of water	<ul style="list-style-type: none"> ▪ Number of boreholes sunk and equipped with solar pumps. ▪ Number of springs protected. ▪ Number of rehabilitated water pans ▪ Number of newly developed water pans 	During FY 2024/2025, 38No water boreholes were developed. 2 Nos rehabilitation of water projects were implemented.
Environment & Forestry	Enhance environmental protection and increase the County’s tree and forest cover	Increased tree and forest cover in the County	<ul style="list-style-type: none"> ▪ Number of community tree nurseries established. ▪ Total area of deforested 	82 Community groups were identified and trained

Homabay County Climate Change Fund

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			<p>areasplanted with trees.</p> <ul style="list-style-type: none"> ▪ Number of CFAs identified. ▪ Number of CFAs trained. ▪ Number of CFAs submitting regular reports on their activities. 	<p>82 community tree nurseries established</p> <p>82acres of land planted</p>
Food and Nutrition Security	Enhance food security and increase agricultural productivity in the County	Increased quality and quantity of crop harvests in the county.	<ul style="list-style-type: none"> • Number of farmers receiving improved and drought resistant seeds. • Total quantity of improved and drought resistant seeds distributed to farmers in the County. • Number of farmers adopting improved crop varieties. 	During the financial year 2024/2025 a total of 44,710 received improved drought-resistant seeds

8. Corporate Governance Statement

The Homa Bay County Climate Change Fund is committed to the highest standards of corporate governance, ensuring that all climate finance is managed transparently, accountably, and inclusively. The Fund's governance framework is anchored in the Homa Bay County Climate Change Act, 2022 which establish a multi-tiered institutional structure for oversight and decision-making. Key governance structures include:

- **Homa Bay County Climate Change Steering Committee (HBCCCSC):** The HBCCCSC is the top-level oversight body with overall responsibility for supervising climate change planning and action in the county. Chaired by the Governor, the 11-member Steering Committee includes executive officials (such as the CEC Members for Climate Change, Finance, and Agriculture) and representatives from the community, civil society, development partners, and other stakeholders. This broad composition ensures inclusive governance. The HBCCCSC provides strategic direction, mobilizes resources for the Climate Change Fund, and monitors implementation of climate change plans. It is also mandated under county law to oversee the management of the County Climate Change Fund (CCCF) and to uphold fiduciary standards.
- **Homa Bay County Climate Change Technical Committee (HBCCCTC):** The Technical Committee is a 12-member body chaired by the County Executive Committee Member (CECM) in charge of climate change. Its membership comprises technical experts and senior officials – including Chief Officers for Finance and Agriculture, Directors for Climate Change, Health, and Disaster Management, as well as representatives from national agencies (NEMA, Meteorological Department, Kenya Forest Service) and civil society. The HBCCCTC's role is to coordinate and execute climate change projects and programs on the ground. It reviews ward-level proposals, provides technical advice, and ensures projects align with county climate strategies. The Technical Committee thus translates the Steering Committee's strategic guidance into implementable actions, while ensuring technical quality and compliance with regulations.
- **Homa Bay County Ward Climate Change Committees (WCCCs):** At the community level, Ward Climate Change Committees have been formed in each of the 40 wards of Homa Bay County. Each WCCC consists of nine members chaired by the local Ward Administrator and includes ward-level officers for climate, agriculture and forestry, plus community representatives (youth, persons with disabilities, local CBOs, and other

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residents). The WCCCs are a cornerstone of the Fund’s participatory approach – they identify local climate risks and needs, mobilize community input, and design ward-level climate change projects. They forward prioritized project proposals for funding and oversee implementation at the grassroots. This devolved committee structure ensures that climate finance is demand-driven and that interventions reflect community priorities, thus enhancing transparency and public ownership of funded projects.

Throughout the FY 2024/25, these structures worked in synergy to ensure good corporate governance. The Steering Committee met regularly to provide policy guidance and to review progress reports from the Fund Administrator.

The Technical Committee offered expert evaluation of project proposals and monitored project execution across sectors. Ward Committees held public barazas and stakeholder forums to involve citizens in decision-making. This multi-layered governance system, combining top-level oversight with community-level participation, has been instrumental in upholding accountability and delivering climate change programs effectively. The County Government’s commitment to governance is evidenced by clear reporting procedures, capacity building for committee members, and the integration of climate change actions into county planning and budgeting processes. As a result, Homa Bay’s Climate Change Fund is managed in a transparent manner that inspires public confidence and aligns with both county legislation and global best practices in climate finance governance.

Homabay County Climate Change Fund
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9. Management Discussion and Analysis

The Homabay County Climate Change Fund, the implementing entity of climate change actions in Homabay County, was established in 2022 through Homabay County Climate Change Act 2022.

The fund is fully owned by Homabay County Government and is domiciled in Homabay County. The offices of the Fund are at Kenya Forest Service offices directly opposite Office of The Governor, Homabay County.

The entity is funded through donor funds, donations, public contributions and contributions from the County Government of Homabay.

The object and purpose of the Fund is to provide funding for climate change actions as outlined in the County Integrated Plan, the Annual Development Plans, the County Climate Change Action Plan and the County Annual Budgets and for connected purposes.

The fund's principal activity is to finance:

1. climate impact, risk, vulnerability and resilience assessments;
2. implementation of climate change response actions proposed by Ward Committees and community groups;
3. priority county-level climate change response actions approved by the Steering Committee;
4. priority county-level climate change response actions appropriated in the county annual budgets.
5. climate change research and knowledge management in the county;
6. public education, sensitization and awareness creation on climate change and its impacts;
7. capacity building for staff of the county and other stakeholders to effectively respond to climate change;
8. monitoring, evaluation, reporting and learning on climate change response in the county; and,
9. any other projects, activities and interventions recommended by the Steering Committee

Underpinning its role as Homabay County implementer of climate change actions, the Fund has placed combating climate change and its consequences at the top of its development agenda.

For the year ended 30 June 2025, Homabay County Climate Change Fund had an ambitious budget of Kshs. 735,687,741 comprising Ksh.152,320,602 rolled over from the previous year

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and a total of Kshs.583,367,139 for the year under review being Kshs.443,367,139 from World Bank and German Development Bank and Kshs.140,000,000 from Homabay County Government. The Fund and by extension the County had intentionally scaled up initiative to address climate change, disaster risks, and environmental degradation, making headway toward its elevated ambition to deliver on climate actions mandate.

However, by 30 June, 2025, the Fund had only realized Kshs.32,300,000 from the World Bank and Kshs.80,000,000 from the County Government in addition to budget carryover of Kshs.152,320,602 making a total of Kshs. 264,620,602 for expenditure during the year.

The Fund spent Kshs. 209,427,027 on capital investments. These were 38 number water boreholes, rehabilitation of two water projects, construction of Homabay County Arboretum, eight water access roads and two solar power projects.

The fund spent Kshs. 24,150,000 to procure and distribute certified seeds to farmers across the country to 44,710 farmers, 28,462 being female and 16,248 males.

The fund equally spent 12,790,000 in ecosystem restoration and establishment of two community tree nurseries in each of the 40 wards and two special projects in Homabay and Oyugis bringing the number to 82 community tree nurseries in the whole County.

The fund made a deliberate decision to support the minority groups of youth and women across all the projects.

During the financial year under review, the fund did not realize 64% of the budget amounting to Kshs.471,067,139. This shortfall caused a huge gap in meeting the projects outlined for the same financial year.

Challenges such as non-disbursement or late disbursement of funds, bureaucracy, lack of policies continue to bedevil the fund.

Looking into the future, the fund has a robust plan for the 2025/2026 financial year. The fund is still focused on providing reliable and safe water for domestic and commercial use. Among the projects earmarked under the water sector are drilling and solar equipping of 13 boreholes, pipeline extension for Last Mile Connectivity within 8 Wards, rehabilitation and protection of 11 water springs, development of a rain water harvesting and roof catchment facility in four wards, construction of two water pans and water reticulation from the lake and establishment of a small treatment facility at Uozi.

In the agriculture sector, there plans for construction of cattle dips, development of small-scale irrigation systems and installation of solar powered irrigation equipment, procurement and distribution of improved animal breeds including dairy goats, dairy cows and poultry and development of post harvesting aggregation Facilities.

In the Environment sector, there are plans for protection and rehabilitation of river banks by building gabions and planting bamboo, procurement and distribution of briquet making equipment and Installation of kilns for production of ICS Liners

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To ensure environmental & social safeguards mechanisms, the fund will conduct environmental & social impact assessments and preparation of ESIA Reports.

The fund continues to ensure relevant financial management policies and regulations are adhered to, donor requirements are met and that financial best practices are achieved.

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10. Environmental and Sustainability Reporting

i) Sustainability Profile & Strategy

Homa Bay County’s climate change initiatives in FY 2024/2025 were firmly aligned with the principles of sustainable development and global climate action goals. In particular, all projects under the Climate Change Fund advanced Sustainable Development Goal (SDG)13 on Climate Action whose mission is to “take urgent action to combat climate change and its impacts”. This commitment is evident in the Fund’s dual focus on climate change adaptation and mitigation.

On the adaptation front, the Fund strengthened the county’s resilience to climate hazards: water projects bolstered drought preparedness and water security, agricultural interventions safeguarded food systems against weather shocks, and disaster risk reduction measures (early warning) protected communities from climate-related extremes. On the mitigation side, environmental projects such as mass tree planting and promotion of renewable energy contributed to reducing greenhouse gas emissions and enhancing carbon sinks. By integrating these efforts, Homa Bay’s Climate Change Fund has ensured that our development path is sustainable and climate compatible. Every project is evaluated not only for immediate benefits but also for long-term environmental impact, ensuring that today’s solutions do not compromise future generations.

This section of the report highlights the environmental outcomes of our initiatives and the sustainability measures in place, demonstrating our accountability to both local stakeholders and the global community in the fight against climate change.

ii) Environmental Performance

The Climate Change Fund has had tangible positive impacts on county’s natural environment during the reporting period. One of the most notable outcomes is the progress in reforestation and afforestation efforts. Through partnerships and community mobilization, the county planted over 10,000 new trees in degraded forest areas (such as Kodera Forest) this year, adding to the hundreds of thousands of seedlings planted in the previous year. These growing forests are expected to become significant carbon sinks, absorbing CO₂ from the atmosphere as they mature, which contributes to climate change mitigation. They also restore vital ecosystem services: improved tree cover is helping to stabilize soils (reducing erosion and landslide risk), regenerate water catchments (improving stream flows and groundwater recharge), and preserve biodiversity by

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creating habitats for flora and fauna. Moreover, the county's tree-planting initiative directly supports Kenya's national aspiration of 10% forest cover – Homa Bay is aiming to raise its forest cover from the current 3.1% to 4% in the short term, moving steadily toward the national goal. In addition to forestry, the Fund's water projects also carry environmental benefits. By providing clean and reliable water access within communities, they reduce the need for environmentally harmful coping practices (such as digging raw water pans unsafely or encroaching on riparian areas). Properly drilled boreholes with solar pumps are an environmentally sustainable solution for water provision, as they tap groundwater without the heavy carbon footprint of diesel generators. Rainwater harvesting structures in schools and homesteads capture rainfall that would otherwise cause runoff, thereby mitigating soil erosion and flooding during heavy storms. These measures exemplify how adaptation projects implemented under the fund have yielded co-benefits for the environment.

The Fund's support for climate-smart agriculture is also contributing to environmental sustainability. The introduction of drought-tolerant and pest-resistant crops reduces the need for clearing new land for cultivation (as yields can be sustained on existing farmland) and lessens reliance on chemical pesticides, thereby protecting soil and water health.

iii) Employee Welfare

The Fund places a high priority on the welfare of its employees. During the FY 2024/2025 period, the Fund operated with staff seconded from the County Government's Directorate of Climate Change. These employees remained under the County Public Service Board's human resource framework. This arrangement ensured that personnel received the full benefits and protections accorded to county employees, including adherence to established labor regulations and policies on fairness and safety. Key aspects of the Fund's approach to employee welfare include:

- **Professional Development:** The Fund promoted continuous learning and capacity building for its team. Staff attended training workshops, seminars, and courses relevant to climate change to enhance their skills and knowledge.
- **Equitable Treatment:** As part of the County Public Service, all Fund staff are guaranteed fair and equitable treatment. The Fund upheld the constitutional and public service values of non-discrimination and equal opportunity in employment. This included affording equal

Homabay County Climate Change Fund

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opportunities in appointments, training, and career advancement to all employees, regardless of gender, ethnicity, or disability status.

- **Occupational Health and Safety:** The Fund is committed to providing a safe and healthy workplace for its employees. All reasonable measures were taken to safeguard staff health and well-being in accordance with Kenya's occupational safety laws.
- **Supportive Work Environment:** The Fund strives to foster a positive, supportive work culture that enables staff to perform at their best. Employees had access to the various welfare programs available through the County Government.

iv) Market Place Practices

In the FY 2024/2025, the Fund continued to demonstrate a strong commitment to ethical and inclusive practices in its dealings with the marketplace. All procurement and contracting activities were conducted with utmost integrity, transparency, and fairness. As a publicly funded entity, the Fund recognizes its obligation to obtain value for money while also fostering local economic development and inclusivity.

The Fund adhered to public procurement laws and regulations that ensured every tender and contract was handled ethically and openly. The Fund also emphasized fairness in contracting – ensuring that all contract terms were honored and that contractors were paid on time according to agreed terms.

Wherever feasible, the Fund engaged suppliers and contractors based in Homa Bay County for its projects. The Fund actively promoted inclusive participation by disadvantaged groups in its procurement. In line with the national Access to Government Procurement Opportunities (AGPO) program, at least 30% of the Fund's procurement opportunities were set aside for enterprises owned by youth, women, or persons with disabilities. The fund adopted a zero-tolerance policy on corruption in line with national anti-corruption guidelines. The Fund was open to external oversight by subjecting its procurement processes and financial statements to regular audits by both the County Internal Audit unit and the Office of the Auditor-General.

These measures collectively ensured that the Fund's marketplace dealings remained honest, transparent, and aligned with the public interest, thereby safeguarding the resources entrusted for climate change action in Homa Bay.

Homabay County Climate Change Fund
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v) Corporate Social Responsibility/Community Engagements

The Fund recognizes that climate resilience must be rooted not only in infrastructure and policy but also in strong relationships with the community. In FY 2024/2025, the Fund actively supported climate change education and public awareness campaigns throughout the county. The Fund facilitated sensitization forums in the communities. The Fund collaborated with Community Based Organizations in activities such as tree planting. These collaborations strengthened local institutional capacity for climate action.

Beyond funded environmental projects, the Fund undertook tree planting activities in schools and county offices to promote climate stewardship. The Fund sponsored over 5,000 seedlings for community tree planting events not directly tied to ward projects, thereby reinforcing a culture of environmental responsibility across the county.

Homabay County Climate Change Fund

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

11. Statement of Management's Responsibilities

Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a County Public Fund established by Homabay County Climate Change Act 2022 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.

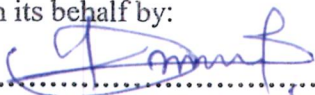
The Administrator of the County Public Fund accepts responsibility for the Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and Homabay County Climate Change Act 2022. The Administrator of the Fund is of the opinion that the Fund's financial statements give a true and fair view of the state of Fund's transactions during the financial year ended June 30, 2025, and of the Fund's financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control.

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

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 Board on 23/09/ 2025 and signed on its behalf by:


.....

Administrator of the County Public Fund

REPUBLIC OF KENYA

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



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

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

REPORT OF THE AUDITOR-GENERAL ON HOMA BAY COUNTY CLIMATE CHANGE FUND FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Homa Bay County Climate Change Fund set out on pages 1 to 26, which comprise the statement of financial position

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

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, the financial statements present fairly, in all material respects, the financial position of Homa Bay County Climate Change Fund as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Homa Bay County Climate Change Act, 2022 and the Public Finance Management Act, 2012.

Basis for Opinion

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects budgeted and actual receipts of Kshs.735,687,741 and Kshs.264,620,602 respectively, resulting in underfunding of Kshs.471,067,139 or 64% of the budget.

The under-funding affected the planned activities and negatively impacted on the programs and activities of the fund.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Information

The management is responsible for the other information set out on page iii to xxvii which comprise of Key Entity Information and Management, Fund Administration Committee, Management Team, Fund Chairpersons Report, Report of the Fund Administrator, Statement of Performance Against the Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Fund Administration Committee, Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the fund 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 matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Non-Publication of Procurement Contracts

Review of the procurement contracts for the Fund revealed that procurement contracts totaling Kshs.27,233,289 were not published on the County's notice boards and websites, contrary to Regulation 131(1)(a) of the Public Procurement and Asset Disposal Regulations, 2020, which stipulates that an accounting officer of a procuring entity shall, in accordance with Section 138 of the Act, publish and publicize all procurement contracts at its notice boards and websites within fourteen days after signing the contract. This may have been as a result of Fund Administrator's failure to adhere to the provisions of Regulation 131(1)(a) of the Public Procurement and Asset Disposal Regulations, 2020. It is recommended that going forward, the Fund Administrator publishes all contracts of the Fund on County's notice boards and websites as required by law.

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

2. Irregular Opening of Bank Account in a Commercial Bank

During the year under review, the Fund operated a commercial bank account, contrary Regulation 82(1)(b) of the Public Finance Management (County Governments) Regulations, 2015, which provides that all county government bank accounts shall be opened at the Central Bank of Kenya except for imprest bank accounts for petty cash. The account was used as the operations account of the Fund. This may have been as a result of Fund Administrator's failure to adhere to the provisions of Regulation 82(1)(b) of the Public Finance Management (County Governments) Regulations, 2015. It is recommended that going forward, the Fund Administrator closes the commercial bank account and open an account for the Fund at the Central Bank of Kenya as required by law.

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

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

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

Conclusion

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

Basis for Conclusion

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

Responsibilities of the Management and Fund Administration Committee

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material

misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

systems in accordance with the provisions of Section 7 (1) (a) of the Public Audit Act, 2015.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

29 September, 2025

Homabay County Climate Change Fund

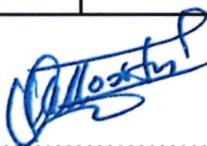
Annual Report and Financial Statements for the year ended June 30, 2025

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

Description	Note	2024-2025	2023-2024
		Kshs	Kshs
Revenue From Non-Exchange Transactions			
Public Contributions and Donations	1	11,000,000	241,617,006
Transfers From the County Government	2	38,440,006	14,050,000
Receipts from other operating activities	3	0	6,714,102
		49,440,006	262,381,108
Revenue From Exchange Transactions			
Interest Income		0	0
Other Income		0	0
		0	0
Total Revenue		49,440,006	262,381,108
Expenses			
Use of goods and services	4	50,517,329	110,060,506
Depreciation and Amortization Expense	5	24,051,228	0
Finance Costs		0	0
Total Expenses		74,568,557	110,060,506
Other Gains/Losses			
Gain/Loss on Disposal of Assets		0	0
Gain /Loss on fair value of investments		0	0
Deficit for the Period		(25,128,551)	152,320,602



Name: POLYCARP RACHUONJO
 Administrator of the Fund



Name: Okulo Oit
 Fund Accountant
 ICPAK Member Number: 80278

Homabay County Climate Change Fund

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

14. Statement of Financial Position As at 30 June 2025

Description	Note	2024-2025	2023-2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	6	4,257,196	152,320,602
Total current assets		4,257,196	152,320,602
Non-Current Assets			
Property, Plant and Equipment	7	185,794,849	0
Total Non- Current assets		185,794,849	0
Total Assets		190,052,045	152,320,602
Liabilities			
Current Liabilities			
Social benefit liabilities		0	0
Total current liabilities		0	0
Non-Current Liabilities			
Social benefit liabilities		0	0
Total Liabilities		0	0
Net Assets		190,052,045	152,320,602
Represented By:			
Capital Fund		209,846,077	0
Revaluation Reserves		0	0
Accumulated Surplus		(19,794,032)	152,320,602
Net Assets		190,052,045	152,320,602

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 23/9/2025 and signed by:



.....
Name: **POLICARPO RACHUONYO**
Administrator of the Fund



.....
Name: **Okello Sits**
Fund Accountant
ICPAK Member Number: **30275**

Homabay County Climate Change Fund

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

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

Description	Capital Fund	Revaluation Reserve	Accumulated Surplus	Total
		Kshs	Kshs	Kshs
Balance As At 1 July 2023	0	0	0	0
Surplus/(Deficit) For the Period	0	0	152,320,602	152,320,602
Funds Received During the Year	0	0	0	0
Transfers	0	0	0	0
Revaluation Gain	0	0	0	0
Balance As At 30 June 2024	0	0	152,320,602	152,320,602
Balance As At 1 July 2024	0	0	152,320,602	152,320,602
Prior Year adjustments	146,986,083		(146,986,083)	0
Surplus/(Deficit) For the Period	0	0	(25,128,551)	(25,128,551)
Funds Received During the Year	62,859,994	0	0	62,859,994
Transfers	0	0	0	0
Revaluation Gain	0	0	0	0
Balance As At 30 June 2025	209,846,077	0	(19,794,032)	190,052,045

Prior year adjustments-Transfer of funds received in the previous year that were utilized in capital expenditure in the current year.

Homabay County Climate Change Fund

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

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

Description	Note	2024-2025	2023-2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Public contributions and donations		11,000,000	241,617,006
Transfers from the county government		38,440,006	14,050,000
Interest received		0	0
Receipts from other operating activities		0	6,714,102
Total receipts		49,440,006	262,381,108
Payments			
Use of goods and services		50,517,329	110,060,506
Finance cost		0	0
Total payments		50,517,329	110,060,506
Net cash flows from operating activities	8	(1,077,323)	152,320,602
Cash flows from investing activities			
Purchase of property, plant, equipment and Intangible assets		(209,846,077)	0
Proceeds from sale of property, plant & equipment		0	0
Proceeds from loan principal repayments		0	0
Loan disbursements paid out		0	0
Net cash flows used in investing activities		(209,846,077)	0
Cash flows from financing activities			
Proceeds from Capital fund receipts		62,859,994	0
Additional borrowings		0	0
Repayment of borrowings		0	0
Net cash flows used in financing activities		62,859,994	0
Net decrease/increase in cash & cash Equivalents		(148,063,406)	152,320,602
Cash and cash equivalents at 1 July 2024	6	152,320,602	0
Cash and cash equivalents at 30 June 2025		4,257,196	152,320,602

Homabay County Climate Change Fund

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

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

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	b	C=(a+b)	d	e=(c-d)	f=d/c*100
Budget carryovers from the previous year*	-	152,320,602	152,320,602	152,320,602	0	100%
Receipts						
Public Contributions and Donations	262,984,144	180,382,995	443,367,139	32,300,000	411,067,139	7%
Transfers From County Government	140,000,000	0	140,000,000	80,000,000	60,000,000	57%
Total Income	402,984,144	332,703,597	735,687,741	264,620,602	471,067,139	36%
Expenses					0	
Use of Goods and Services	65,548,947	11,000,000	76,548,947	50,517,329	26,031,618	66%
Total Expenditure	65,548,947	11,000,000	76,548,947	50,517,329	26,031,618	66%
Capital expenditure	337,435,197	321,703,597	659,138,794	209,846,077	449,292,717	32%
Surplus For the Period	0	0	0	4,257,196	0	

- *The under realisation of receipts under Public Contributions and Donations of 93% was as a result of failure by the donor to remit all the budgeted funds within the financial year.*
- *The under realisation of receipts under Transfers from County Government of 43% was as a result of non-remittance of all the budgeted funds by the County Government.*
- *The Underutilization of expenditure on Use of Goods and Services of 34%, was as a result of failure by the donor and county Government to remit all the budgeted funds withing the year.*

Homabay County Climate Change Fund
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- *The Underutilization of capital expenditure of 68 %, was as a result of failure by the donor and county Government to remit all the budgeted funds within the year.*
- *Changes between original and final budget are as a result of anticipation of more funding from the donors.*

Budget Reconciliation

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	4,257,196
	Differences	-
	Closing Cash and Cash Equivalent as per the statement of Cash flows	4,257,196

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

18. Notes to the Financial Statements

Significant Accounting Policies

1. General Information

Homabay County Climate Change Fund is established by and derives its authority and accountability from Homabay County Climate Change Act 2022. The entity is wholly owned by the Homabay County Government and is domiciled in Kenya. The entity's principal activity is to implement climate action programs at the local (and community) levels to mitigate the impact of climate change by providing funding for climate change actions as outlined in the County Integrated Plan, the Annual Development Plans, the County Climate Change Action Plan and the County Annual Budgets and for connected purposes.

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

(When an IPSAS becomes effective on 1st January 2025, it is applicable in Kenya from 1st July 2025)

(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.

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

	The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	Applicable 1st January 2025 The Standard requires, 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: 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.
IPSAS 45: Property Plant and Equipment	Applicable 1st January 2025 The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.
IPSAS 46: Measurement	Applicable 1st January 2025 The objective of this standard was to improve measurement guidance across IPSAS by: <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. The standard also introduces a public sector specific measurement bases called the current operational value.
IPSAS 47: Revenue	Applicable 1st January 2026 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.

**Homabay County Climate Change Fund
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<p>IPSAS 48: Transfer Expenses</p>	<p><i>Applicable 1st January 2026</i> The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>
<p>IPSAS 49: Retirement Benefit Plans</p>	<p><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.</p>
<p>IPSAS 50: Exploration For & Evaluation of Mineral Resources</p>	<p><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:</p> <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 Financial Year 2025 was approved by the County Assembly on July 23, 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Fund recorded additional appropriations of Kshs.180,382,995 (one hundred eighty million, three hundred and eighty-two thousand, nine hundred ninety-five) on the Financial Year 2025 budget following the governing body's approval.

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

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Summary of Significant Accounting Policies (Continued)

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

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

c) Property, plant and equipment

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

a) Cash and cash equivalents

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

b) Comparative figures

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

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Summary of Significant Accounting Policies (Continued)

5. Significant judgments and sources of estimation uncertainty

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

a) Estimates and assumptions –

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

b) Useful lives and residual values

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

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

c) Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 00.

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.

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Notes To the Financial Statements Continued

1. Public contributions and donations

Description	2024-2025	2023-2024
	Kshs	Kshs
Donation From Development Partners-Operations	11,000,000	241,617,006
Contributions From the Public	0	0
Total Recurrent Grants	11,000,000	241,617,006
Donation From Development Partners-Development	21,300,000	0
Total Development Grants	21,300,000	0
Total	32,300,000	241,617,006

This is donation from IDA

2. Transfers from County Government

Description	2024-2025	2023-2024
	Kshs	Kshs
Transfers From County Govt. –Operations	38,440,006	14,050,000
Payments By County on Behalf of The Entity	0	0
Total Recurrent Grants	38,440,006	14,050,000
Unconditional Development grants	41,559,994	0
Total Development Grants	41,559,994	0
Total	80,000,000	14,050,000

3. Other income

Description	2024-2025	2023-2024
	Kshs	Kshs
Receipts from other operating activities	0	6,714,102
Total Other Income	0	6,714,102

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4. Use of Goods and Services

Description	2024-2025	2023-2024
	Kshs.	Kshs.
General Office Expenses	43,299	3,152,800
Printing And Stationery	634,649	1,223,630
Electricity And Water Expenses	7,705	54,335
Telephone And Communication Expenses	444,173	1,684,899
Fuel And Oil Costs	842,595	0
Committee Allowances	1,688,500	0
Consultancy and professional Services	0	3,557,586
Conference and Accommodation Services	1,148,260	7,889,390
Domestic Travel and Accommodation	4,620,330	7,499,834
Purchase of ICT equipment and Accessories	0	2,817,547
Purchase of Furniture and Fittings	0	866,596
Purchase of Motor Vehicle	0	11,301,725
Purchase of Certified Seeds	25,650,000	14,314,000
Waste Management Services	2,594,184	0
Ecosystem restoration activities	12,790,006	5,730,000
Drilling and Equipping of Boreholes and Rehabilitation of Water Projects	0	49,784,508
Other Payments (KRA Payments)		149,345
Bank Charges	53,628	34,311
Total	50,517,329	110,060,506

5. Depreciation and Amortization Expenses

Description	2024-2025	2023-2024
	Kshs.	Kshs.
Property Plant and Equipment	24,051,228	0
Intangible Assets	0	0
Total	24,051,228	0

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6. Cash and cash equivalents

Description	2024-2025	2023-2024
	Kshs	Kshs
On – Call Deposits	0	0
Current Account	4,257,196	152,320,602
Others (<i>Specify</i>)	0	0
Total Cash and Cash Equivalents	4,257,196	152,320,602

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

Financial Institution	Account number	2024-2025	2023-2024
		Kshs	Kshs
a) Fixed Deposits Account			
b) Current Account			
Central Bank of Kenya	1000260343	4,254,225	148,330,281
Kenya Commercial Bank	1305283295	2,971	3,990,321
Sub- Total		4,257,196	152,320,602
c) Others (Specify)			
Cash In Transit		0	0
Cash In Hand		0	0
Sub- Total		0	0
Grand Total		4,257,196	152,320,602

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7. Property, plant, and equipment

	Boreholes	Arboretum	Water Projects	Solar Street Lights	Access Roads	Computers and office equipment	Total
Rate	12.50%	0	12.50%	12.50%	12.50%	12.50%	
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
At 1st July 2023	0	0	0	0	0	0	0
Additions	0	0	0	0	-	0	0
Disposals	0	0	0	-	-	0	0
Transfers/Adjustments	0	0	0	0	0	0	0
Revaluation Adjustments	0	0	0	0	0	0	0
At 30th June 2024	0	0	0	0	0	0	0
At 1st July 2024							
Additions	127,315,499	17,436,250	20,639,234	1,707,350	42,328,694	419,050	209,846,077
Disposals	0	0	-	-	-		0
Transfer/Adjustments	0	0	0	0	0		0
Revaluation Adjustments	0	0	0	0	0		0
At 30th June 2025	127,315,499	17,436,250	20,639,234	1,707,350	42,328,694	419,050	209,846,077
Depreciation And Impairment							
At 1 st July 2023	0	0	0	0	0		0
Depreciation	0	0	0	0	0		0
Impairment	0	0	-	-	-		0
At 30th June 2024	0	0	0	0	0		0
At 1st July 2024							
Depreciation	15,914,437	0	2,579,904	213,419	5,291,087	52,381	24,051,228
Disposals	0	0	0	0	0	0	0
Impairment	0	0	0	0	0	0	0

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Transfer/Adjustment	0	0	0	0	0	0	0
At 30th June 2025	15,914,437	0	2,579,904	213,419	5,291,087	52,381	24,051,228
Net Book Values							
At 30th June 2024	0	0	0	0	0		0
At 30th June 2025	111,401,062	17,436,250	18,059,330	1,493,931	37,037,607	366,669	185,794,849

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8. Cash generated from operations.

Description	2024-2025	2023-2024
	Kshs	Kshs
Surplus/ (Deficit) For the Year Before Tax	(25,128,551)	152,320,602
Adjusted For:		
Depreciation	24,051,228	0
Amortization	0	0
Gains/ Losses On Disposal Of Assets	0	0
Interest Income	0	0
Finance Cost	0	0
Working Capital Adjustments		
Increase In Inventory	0	0
Increase In Receivables	0	0
Increase In Payables	0	0
Net Cash Flow From Operating Activities	(1,077,323)	152,320,602

9.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	2024-2025	2023-2024
	Kshs	Kshs
Transfers From Related Parties'	80,000,000	14,050,000
Transfers To Related Parties	0	0

c) Key management remuneration

Description	2024-2025	2023-2024
	Kshs	Kshs
Board Of Trustees	0	0

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Key Management Compensation	0	0
Total	0	0

d) Due from related parties

Description	2024-2025	2023-2024
	Kshs	Kshs
Due From Parent Ministry	0	0
Due From County Government	0	0
Total	0	0

Other Disclosures Continued

e) Due to related parties

Description	2024-2025	2023-2024
	Kshs	Kshs
Due To Parent Ministry	0	0
Due To County Government	0	0
Due To Key Management Personnel	0	0
Total	0	0

9. Contingent assets and contingent liabilities

Contingent Liabilities	2024-2025	2023-2024
	Kshs	Kshs
Court Case Against the Fund	0	0
Bank Guarantees	0	0
Total	0	0

10. Financial risk management

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

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

a) Credit risk

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

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2025				
Receivables From Exchange Transactions	0	0	0	0
Receivables From Non-Exchange Transactions	0	0	0	0
Bank Balances	4,257,196	-	-	-
Total	4,257,196	0	0	0
At 30 June 2024				
Receivables From Exchange Transactions	0	0	0	0
Receivables From Non-Exchange Transactions	0	0	0	0
Bank Balances	152,320,602	0	0	0
Total	152,320,602	0	0	0

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

b) Liquidity risk management

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

The table below represents cash flows payable by the Fund under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts

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disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2025				
Trade Payables	0	0	0	0
Current Portion Of Borrowings	0	0	0	0
Provisions	0	0	0	0
Employee Benefit Obligation	0	0	0	0
Total	0	0	0	0
At 30 June 2024				
Trade Payables	0	0	0	0
Current Portion Of Borrowings	0	0	0	0
Provisions	0	0	0	0
Employee Benefit Obligation	0	0	0	0
Total	0	0	0	0

c) Market risk

The board has put in place an internal audit function to assist it in assessing the risk faced by the entity on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

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

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

d) Foreign currency risk

The entity does not have transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency..

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 2025			
Financial Assets	0	0	0
Investments	0	0	0
Cash	4,257,196	0	4,257,196
Debtors/ Receivables	0	0	0
Liabilities	0	0	0
Trade And Other Payables	0	0	0
Borrowings	0	0	0
Net Foreign Currency Asset	4,257,196	0	4,257,196

Foreign currency sensitivity analysis

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

Description	Change in currency rate	Effect on surplus/ deficit	Effect on equity
	Kshs	Kshs	Kshs
2025			
Euro	N/A	N/A	N/A
USD	N/A	N/A	N/A
2024			
Euro	N/A	N/A	N/A
USD	N/A	N/A	N/A

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e) 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 Fund does not have interest rate risk. 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.

f) Capital risk management.

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

Description	2024-2025	2023-2024
	Kshs	Kshs
Revaluation reserve	0	0
Capital fund	209,846,077	0
Accumulated surplus	-19,794,032	152,320,602
Total funds	190,052,045	152,320,602
Total borrowings	0	0
Less: cash and bank balances	4,257,196	152,320,602
Net debt/(excess cash and cash equivalents)	4,257,196	152,320,602
Gearing	0%	0%

11. Events after the reporting period

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

12. Ultimate and Holding Entity

The entity is a County Public Fund established by Homabay County Climate Change Act 2022 under the Department of Water, Irrigation, Sanitation, Environment, Energy, Forestry and Climate Change. Its ultimate parent is the County Government of Homabay.

13. Currency

The financial statements are presented in Kenya Shillings (Kshs)

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14. 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)
Budget and Budgetary Control	The under expenditure affected the implementation of the planned activities and may have impacted negatively on the operations of the Fund.	The management has laid down the proper processes and systems for proper utilization of funds, however, delayed and or lack of remittances from donors and the exchequer continue to affect the absorption of funds	Not Resolved	
Late Submission of Financial Statements	The financial statements for the financial year ended 30 June, 2024 were submitted for audit on 3 March, 2025, five (5) months later than the statutory deadline. This is contrary to Section 68 (2)(k) of the Public Finance Management Act, 2012 which requires an Accounting Officer to	The management has adhered to the law and has prepared and submitted Financial Statements within the set timelines.	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)
	prepare annual financial statements for each financial year within three months after the end of the financial year, and submit them to the Auditor-General for audit. In the circumstances, Management was in breach of the law.			

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.

Fund Manager/Accounting Officer

Date... 23/09/2025

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Annex II: Inter-Fund Confirmation Letter



REPUBLIC OF KENYA

COUNTY GOVERNMENT OF HOMA BAY

Department of
Water, Irrigation, Sanitation, Environment, Energy, and Climate Change.
DIRECTORATE OF CLIMATE CHANGE



HOMA BAY COUNTY

Homabay County Climate Change Fund
P.O Box 469-40300, Homabay.

The Homabay County Climate Change Fund wishes to confirm the amounts disbursed to the Fund as at 30th June 2025 as indicated in the table below:

Confirmation of amounts received by Homabay County Climate Change Fund as at 30th June 2025							
Reference Number	Date Disbursed	Amounts Disbursed by County Treasury 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)		
FT24312PS K94	07/11/2024	11,000,000	0	0	11,000,000	11,000,000	0
FT25035Q 1V12	04/02/2025	38,440,006	41,559,994	0	80,000,000	80,000,000	0
FT251199 C464	29/04/2025	0	21,300,000	0	21,300,000	21,300,000	0
Total		49,440,006	62,859,994	0	112,300,000	112,300,000	

In confirm that the amounts shown above are correct as of the dates indicated.
Head of Accountants department of beneficiary Fund:
 Name *Okello Sita* Sign *[Signature]* Date *23/9/25*

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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		
Central Kasipul-St. Vincent Othiere Community Water Project (CWP)	Enhance climate resilient access to clean and reliable water supply	Clean and safe water	Rehabilitation, Equipping and distribution of water from existing borehole	3,499,900				IDA	HBCG
Central Kasipul-Kisure Integrated Project	Enhance climate resilient access to clean and reliable water supply	Clean and safe water	Drilling, equipping with solar powered pump and distribution to established cattle				4,418,554	IDA/KfW	HBCG
West Kamagak-Koyo Ohinga CWP	Enhance climate resilient access to clean and reliable water supply	Clean and safe water	Drilling ,equipping and development of small-scale agricultural infrastructure				3,349,950	IDA/KfW	HBCG
East Kamagak - Nyajwelu CWP	Enhance climate resilient	Clean and safe water	Drilling of Borehole and Equipping with a solar				3,297,830	IDA	HBCG

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	access to clean and reliable water supply		Powered pump.						
Kabondo East-Anjoch CWP	Enhance climate resilient access to clean and reliable water supply	Clean and safe water	Drilling of Borehole and Equipping with a solar Powered pump.				3,349,100	IDA	HBCG
Kabondo West-Ramba CWP	Enhance climate resilient access to clean and reliable water supply	Clean and safe water	Drilling of Borehole and Equipping with a solar Powered pump.				3,350,782	IDA	HBCG
Kokwanyo/Kakelo-Nyabondo CWP	Enhance climate resilient access to clean and reliable water supply	Clean and safe water	Drilling of Borehole and Equipping with a solar Powered pump.				3,289,412	IDA	HBCG
Kojwach- Got Kopusodho CWP	Enhance climate resilient access to	Clean and safe water	Drilling ,equipping and development of small-scale				3,282,885	IDA/KfW	HBCG

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	clean and reliable water supply		agricultural infrastructure.						
North Karachuonyo-Kibaga CWP	Enhance climate resilient access to clean and reliable water supply	Clean and safe water	Drilling of Borehole and Equipping with a solar Powered pump.				3,348,950	IDA	HBCG
Central Karachuonyo-Bongia CWP	Enhance climate resilient access to clean and reliable water supply	Clean and safe water	Drilling and equipping with solar powered pump construction of cattle watering trough	3,291,400				IDA/KfW	HBCG
Wangchieng'-Gungu CWP	Enhance climate resilient access to clean and reliable water supply	Clean and safe water	Drilling of Borehole and Equipping with a solar Powered pump.		3,299,094			IDA	HBCG
Kendu Bay Town-Wangadonji CWP	Enhance climate resilient access to clean and reliable water supply	Clean and safe water	Drilling of Borehole and Equipping with a solar Powered pump.				3,281,400	IDA	HBCG

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	reliable water supply								
Homa Bay Central-Wiga CWP	Enhance climate resilient access to clean and reliable water supply	Clean and safe water	Drilling of Borehole and Equipping with a solar Powered pump.				3,349,000	IDA	HBCG
Homa Bay Arujo-Owang CWP	Enhance climate resilient access to clean and reliable water supply	Clean and safe water	Drilling of borehole, equipping and development of small-scale agricultural infrastructure				3,281,400	IDA/KfW	HBCG
Homa Bay West-Nyagidha CWP	Enhance climate resilient access to clean and reliable water supply	Clean and safe water	Drilling of borehole and Equipping with a solar Powered pump.				3,349,900	IDA	HBCG
Homa Bay East-Ochuna CWP	Enhance climate resilient access to clean and reliable	Clean and safe water	Drilling and equipping with solar powered pump and construction of a cattle	3,349,000				IDA/KfW	HBCG

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	water supply		drinking trough.						
East Gem- God Marera CWP	Enhance climate resilient access to clean and reliable water supply	Clean and safe water	Drilling of Borehole and Equipping with a solar Powered pump.	3,349,900				IDA	HBCG
Kagan- Kooloo Apidi CWP	Enhance climate resilient access to clean and reliable water supply	Clean and safe water	Drilling of Borehole and Equipping with a solar Powered pump.				4,186,375	IDA	HBCG
Kochia-Amoso CWP	Enhance climate resilient access to clean and reliable water supply	Clean and safe water	Drilling, equipping and development of small-scale agricultural infrastructures				4,123,500	IDA/KfW	HBCG
Kwabwai - Owere	Enhance climate resilient access to clean and reliable	Clean and safe water	Drilling of Borehole and Equipping with a solar Powered pump	3,298,152				IDA	HBCG

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	water supply								
Kwabwai - Nyoniang	Enhance climate resilient access to clean and reliable water supply	Clean and safe water	Drilling ,equipping and development of small-scale agricultural infrastructure				3,401,445	IDA/KfW	HBCG
Kanyadoto – Odhiambo Rambo CWP	Enhance climate resilient access to clean and reliable water supply	Clean and safe water	Drilling of Borehole and Equipping with a solar Powered pump.				4,185,950	IDA	HBCG
Kanyikela- Achege CWP	Enhance climate resilient access to clean and reliable water supply	Clean and safe water	Drilling of Borehole and Equipping with a solar Powered pump.				3,349,950	IDA	HBCG
Kabuoch South/Pala – Koguta CWP	Enhance climate resilient access to clean and reliable	Clean and safe water	Drilling of Borehole and Equipping with a solar Powered pump.	3,349,100				IDA	HBCG

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	water supply								
Kabuoch North-Soko Kowawa CWP	Enhance climate resilient access to clean and reliable water supply	Clean and safe water	Rehabilitation and protection of the Soko Kowawa spring livestock watering.	3,499,840				IDA/KfW	HBCG
Kanyamwa Kosewe- Soko Konyango CWP	Enhance climate resilient access to clean and reliable water supply	Clean and safe water	Rehabilitation and protection of Soko Konyango spring for small scale irrigation				3,499,679	IDA/KfW	HBCG
Rusinga Island-	Enhance climate resilient access to clean and reliable water supply	Clean and safe water	Reticulation of water from the Kaswanga Water Scheme-				3,499,500	IDA	HBCG
Kanyamwa-Kosewe			Supply And Installation Of Solar Street Lights				1,000,000		HBCG
Solar street lights in West Kamagak Ward			Supply And Installation Of Solar Street Lights				750,000		HBCG

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Kasungu- Nyaera CWP	Enhance climate resilient access to clean and reliable water supply	Clean and safe water	Drilling and equipping with solar powered pump with the focus of small irrigation of Nyaera community water project				3,349,100	IDA/KfW	HBCG
Lambwe- Ogando CWP	Enhance climate resilient access to clean and reliable water supply	Clean and safe water	Drilling and equipping with solar powered pump and construction of a cattle watering trough.				3,297,285	IDA/KfW	HBCG
Gwasssi South- Ligongo CWP	Enhance climate resilient access to clean and reliable water supply	Clean and safe water	Drilling of Borehole and Equipping with a solar Powered pump.	3,359,950				IDA	HBCG
Gwasssi North – Makongeni CWP	Enhance climate resilient access to clean and reliable water supply	Clean and safe water	Rehabilitation and equipping with solar powered pump and construction of cattle watering trough	3,498,450				IDA/KfW	HBCG

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Kamisira CWP in East Gem			Rehabilitation and Pump replacement				1,000,000		HBCG
Wayara Community Water Project in Kwabwayi	Enhance climate resilient access to clean and reliable water supply		Pipeline Extension				3,498,275		HBCG
Gingo SDA, Sinogo Road			Opening And Rehabilitation				4,300,000		HBCG
Ugina Health Centre Access			Routine Maintenance				3,500,000		HBCG
Kaksingri west – Omuthuma CWP	Enhance climate resilient access to clean and reliable water supply	Clean and safe water	Drilling of Borehole and Equipping with a solar Powered pump.	3,288,020				IDA	HBCG
Kokidi -Masoga Pri-Koguya Market And Ranen Water Pan -Kamwaye To Masogo Pri. Road .			Road Maintenance				8,480,718		HBCG
Ruma Kaksingri-Kaisaya and Nyandiwa CWP	Enhance climate resilient access to clean and reliable	Clean and safe water	Rehabilitation and equipping with solar powered pump and construction of cattle	3,499,250.00				IDA/KfW	HBCG

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	water supply		watering trough						
Oluso-Kawiya and Kanan Community Water Projects			Equiping Of Oluso-Kawiya and Kanan Community Water Projects				2,981,196		HBCG
Ranjira CWP in Kanyamwa Kologi			Drilling, Development, Pump Testing and Equipping with Solar Pumping Unit				3,499,303		HBCG
Construction Of Homabay County Arboretum	Restoration of degraded ecosystem, conservation of biodiversity and reduction of GHC emissions	To enhance environmental sustainability	Excavation, landscaping, tree growing, paving and ablution. Planting of indigenous trees	5,700,000	5,890,250	2,346,000	3,500,000	IDA	HBCG
Establishment of Community Tree Nurseries and Tree Growing	Restoration of degraded ecosystem, conservation of biodiversity and reduction of GHC emissions	To enhance environmental sustainability	Establishment and management of tree nurseries		12,790,006			IDA/KfW	
Rehabilitation of Kanyaluo Water Project					7,000,000	7,000,000		IDA	HBCG

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Rehabilitation of Sindo Water Project						1,669,924		IDA	HBCG
Waste Management Services in Oyugis Municipality			Garbage collection, and cleaning services			2,594,184		HBCG	HBCG
Supply and Delivery of Certified seeds	Promotion of sustainable agricultural systems, climate smart technology and land management systems	Enhance climate resilient agricultural productivity and food security	Distribution of certified seeds to registered farmers across the county			24,150,000		KfW	HBCG