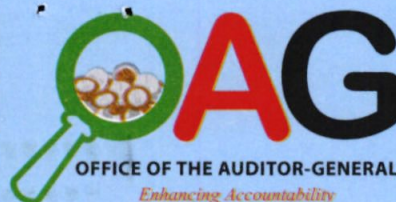
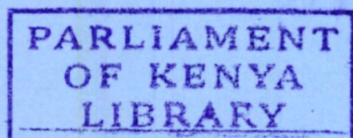


REPUBLIC OF KENYA



REPORT



OF

THE AUDITOR-GENERAL

ON

MAKUENI COUNTY CLIMATE
CHANGE FUND

FOR THE YEAR ENDED
30 JUNE, 2026

PAPERS LAID	
DATE	7/10/2026
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COMMITTEE	—
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MAKUENI COUNTY CLIMATE CHANGE FUND

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2026**

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

Makueni County Climate Change Fund
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1. Acronyms and Definition of Key Terms

A. Acronyms

BOM	Board of Management
CBK	Central Bank of Kenya
CCIS	Climate Change Institutional Support
CCRI	Climate Change Resilience Investment
CIDP	County Integrated Development Plan
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
KSHS	Kenya Shillings
NT	National Treasury
OAG	Office of the Auditor General
OCOB	Office of controller of Budget
OSHA	Occupational Safety and Health Administration
PFM	Public Finance Management
PPE	Property Plant and Equipment
PS	Principal Secretary
PSASB	Public Sector Accounting Standards Board
WB	World Bank

B. Definition of key terms

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

Comparative Year- FY 2024/2025.

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2. Who we are

a) Background information

The Makueni County Climate Change Fund was established under the Makueni County Climate Change Act, 2022.

Its primary objective highlights the need to mitigate and adapt to climate change at the local level. The Fund's main activity involves providing financial support for community-prioritized climate actions aimed at addressing climate-related risks within Makueni County.

The governance structure of the Fund includes vesting authority in the County Treasury, administration by a dedicated Fund Board, and management by a designated Fund Administrator. This setup ensures coordinated efforts to effectively mobilize and utilize resources for climate resilience initiatives in the county.

Sources Fund

The Fund shall consist of:

- Monies appropriated by the County Assembly annually, not being less than two percent of the county development budget.
- Monies received by the County from the national government pursuant to the Public Finance Management Act.
- International climate finance received by the County directly from the National Designated Authority, National Implementing Authority, or any other agency.
- Donations, endowments, bequests, grants, and gifts from local or foreign individuals, public and private entities.
- Charges, fees, levies, or fines accruing to the County government in connection with activities that adversely impact on climate change in the County.
- Interest and any other monies that may lawfully accrue to the Fund in any form

b) Principal Activities

The principal mandate of the Makueni County Climate Change Fund (MCCCCF) is to finance and facilitate community-prioritized actions that enable the people of Makueni County to adapt and build resilience to the impacts of climate change, while also supporting appropriate climate-change mitigation actions.

Under the Makueni County Climate Change Act, 2022, the Fund is essentially a financing mechanism for implementing climate-change actions identified and prioritized through community and county planning processes. The Fund supports projects that address climate vulnerabilities and strengthen community resilience.

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Vision

A model Climate Change Fund mechanism for locally led sustainable climate change actions.

Mission

To promote sustainable livelihoods at the local level whilst pursuing a low carbon development pathway through effective administration of climate change funds for enhanced community resilience.

Core values

- Equity
- Teamwork
- Partnership
- Professionalism
- Integrity
- Inclusivity
- Transparency and accountability

The Makueni Climate Change Act 2022 mandates the Climate Change Fund Board, with coordination and oversight roles in Climate Change Fund Management. The specific roles for the Board include and are not limited to:

- i. Approve the County Climate Change Budget;
- ii. Allocate resources in line with the legal and constitutional requirements of equity;
- iii. Mainstream climate change projects, programs and activities in county planning and budgeting, and ensure their approval and inclusion in the County Integrated Development Plan;
- iv. Monitor disbursements;
- v. Oversee budget execution;
- vi. Oversee implementation of climate programs and projects;
- vii. Monitor and evaluate climate change programs and projects;
- viii. Provide links between the steering committee, the County Treasury and County Assembly;
- ix. Coordinate capacity building at Ward and County level;
- x. Be responsible for financing cross Ward and cross County climate change programs; and
- xi. Mobilize funds for climate action

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c) Assurance and Audit

Makueni Climate Change Fund applies a combined assurance model to enhance the reliability of this report. Assurance is provided through:

- Management reviews
- Internal audit assessments overseen by the Board, Audit Risk, and Compliance Committee
- External audit of financial statements by the Office of the Auditor-General (OAG)

Legal, Compliance, and Corporate Governance Audits are conducted biannually to ensure adherence to applicable laws, regulations, and governance standards. The Board has applied its collective judgment to this report and confirms that it provides a balanced and accurate reflection of the Fund performance, strategy, and value-creation approach.

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d) Registered Offices

MCCFB Office
Red Cross Building -Opposite Governor's Office
P.O. Box 78-90300
Makueni, Kenya

e) Fund Contacts

Telephone: 0723387621
E-mail: co.environment@makueni.go.ke
Website: www.makueni.go.ke

f) Fund Bankers

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

g) Entity Auditors

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

h) Principal Legal Adviser

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

i) County Attorney

The County Attorney
Makueni County Government
County Headquarters Building
Off Wote-Makindu Highway
P.O. Box 78-90300

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3. Board/Fund Chairperson's Report

It is my pleasure to present the Makueni County Climate Change Fund Annual Report and Financial Statements for the Financial Year ended 30 June 2026. This report demonstrates the Fund's continued commitment to strengthening climate resilience, promoting sustainable livelihoods, and ensuring prudent stewardship of public resources through transparent, accountable, and participatory climate finance.

The financial year marked another significant milestone in the operationalization of the Makueni County Climate Change Fund established under the Makueni County Climate Change Act, 2022. During the year, the Board continued to provide strategic leadership and oversight to ensure that the Fund fulfilled its mandate of financing climate adaptation and resilience initiatives while maintaining sound governance and financial management practices. The Board also strengthened its governance systems through implementation of the Board Charter, establishment of Board committees, enhanced oversight of risk management, financial reporting, monitoring and evaluation, and compliance with the Public Finance Management Act and International Public Sector Accounting Standards (IPSAS).

The Fund recorded notable progress during the year. Total budget allocations amounted to **Ksh. 509.79 million**, including budget, carryovers of **Ksh. 266.6 million**. These resources enabled the Fund to continue strengthening climate governance institutions, develop key climate policy and regulatory frameworks, and finance community-prioritized climate resilience investments across the county. The Fund completed thirteen Phase I climate resilience projects and commenced implementation of seventeen additional investments under the Financing Locally Led Climate Action (FLLoCA) Programme, focusing on water security, ecosystem restoration, climate-smart agriculture and livelihood enhancement.

Beyond infrastructure investments, the Fund strengthened institutional capacity through operationalization of the County climate governance structures, capacity building of technical staff, and enhancement of monitoring, evaluation and reporting systems in the climate change sector. These achievements continued to position Makueni County as a national leader in locally led climate action and climate finance governance.

Despite these achievements, implementation was affected by several challenges, including delayed disbursement of development partner funds, donor funding conditionality's, and project implementation delays arising from land-related grievances. The Board remained committed to ensuring that these challenges were addressed through strengthened stakeholder engagement, enhanced risk management, improved grievance resolution mechanisms, and closer coordination with development partners and implementing agencies.

Looking ahead, the Board will focus on accelerating implementation of ongoing investments, strengthening resource mobilization, operationalizing additional governance and accountability mechanisms, enhancing monitoring and evaluation systems, and mobilizing climate finance to scale up locally led adaptation across all wards. Particular emphasis will be placed on timely utilization of available grants, strengthening institutional capacity, promoting innovation, and expanding strategic partnerships that support sustainable and resilient development.

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On behalf of the Board, I wish to express my sincere appreciation to the County Government of Makueni, the County Assembly, the National Treasury, the World Bank, development partners, implementing departments, the Fund Secretariat, Ward Climate Change Planning Committees, community institutions, and all stakeholders whose commitment and collaboration have contributed to the Fund's achievements during the year.

As we move forward, the Board remains committed to upholding the highest standards of corporate governance, financial accountability, transparency, and service delivery while ensuring that every investment contributes to building a climate-resilient, prosperous, and sustainable Makueni County.

Name.....

JESHO NIAH KINIA

Signature.....



Date.....

20th Aug 2026



Chairperson of the Board

Makueni County Climate Change Fund
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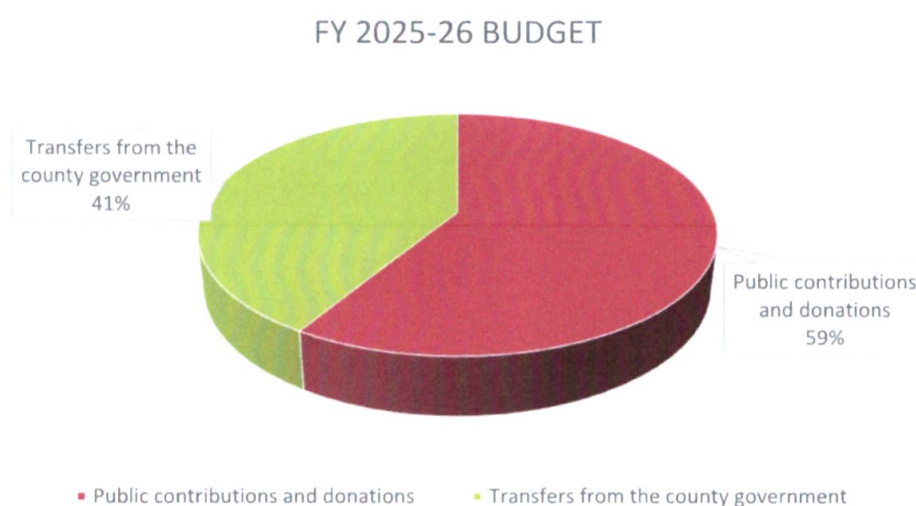
4. Report of The Fund Administrator

This report outlines the performance and progress of the County Climate Change Fund for the financial year, highlighting key activities, budget performance, and strategic objectives achieved.

Financial Performance

The total allocation in FY 2025-2026 for the Fund stood at Ksh. 243,164,964.00 of which Kshs. 142,746,435.00 was donations and Kshs 100,418,529.00 were transfers from the county government representing 59% and 41% respectively. (Figure 1.1)

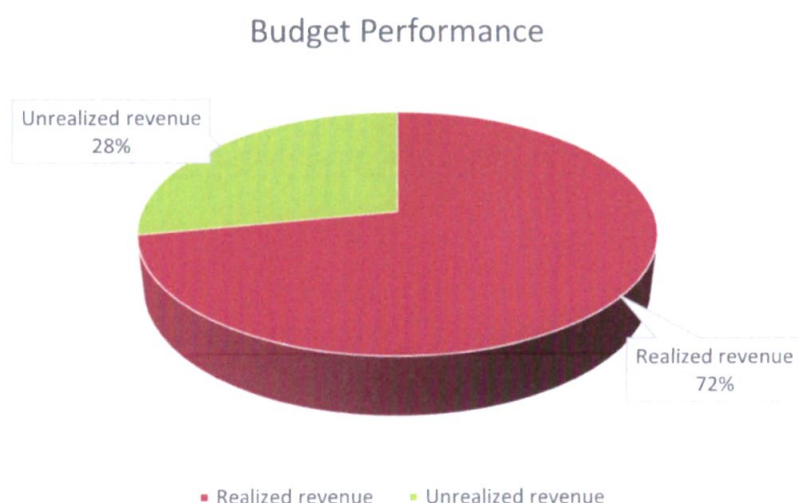
Figure 4.1 2025-26 FY Budget



We however had budget carryovers amounting to Kshs. 266,626,338.00 bringing the total fund allocation to Kshs. 509,791,293.00. The actual funds received from donations and county contributions was a total of Kshs. 367,044,867.00 leaving a donation of Kshs 142,746,435.00 yet to be disbursed as shown in figure 2 below

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Figure 4.2 Budget performance



In the current financial year, Kshs. 268,044,858.00.00 was spent on strengthening climate change structures, developing essential frameworks, regulations and strategies and implementing climate resilience projects.

We managed to complete the 13 phase I projects and commenced implementing 17 projects relating to the year's allocation. Below is a list of the current projects.

Table 4.1 FLLoCA Phase II – County Climate Resilience Investment

FLLoCA Phase II – County Climate Resilience Investment (CCRIG - II)		
S/No	Project Name	Amount
1	Ngai Ndethya Sand dam enhancement and livelihood restoration project	10,000,000.00
2	Muuoni- Mbitini Water distribution for agriculture and livelihood restoration project	13,000,000.00
3	Thwake water distribution and livelihood restoration project	13,000,000.00
4	Kiboko Twaandu livelihood restoration and water project	10,000,000.00
5	Ngandani water distribution and Livelihood project	10,000,000.00
6	Kilisa & AthiTunguni distribution and livelihood project	10,000,000.00
7	Kyakivadi Intergrated water and Livelihood restoration project	13,000,000.00
8	Kavuko borehole water distribution, land and Livelihood restoration project	13,000,000.00
9	Ak-wash water distribution and livelihood restoration project	13,000,000.00
10	Makaia borehole water distribution and livelihood restoration project	13,000,000.00
11	Ngoano sanddam construction and livelihood restoration project	10,000,000.00

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12	Mulima Water livelihood and restoration project	10,000,000.00
13	Thange Water and livelihood restoration project	13,000,000.00
14	Construction of londokwe - Kitise Earthpan restoration project	15,000,000.00
15	Kikuu -Kawala Intergrated Water and livelihood restoration Project	16,000,000.00
16	Kyanduu water distribution for domestic and agriculture project	15,000,000.00
17	Muthyamwii Intergrated water and livelihood restoration project	13,000,000.00

Physical Progress

Since the establishment of the County Climate Change Fund, the following outputs and impacts have been realized:

- **Strengthened Adaptive Capacity:** Enhanced community resilience through targeted initiatives.
- **Equitable Development Pathways:** Established frameworks for inclusive and sustainable climate actions at local and county levels.
- **Operationalized Monitoring Framework:** Developed mechanisms for tracking the progress of climate-resilient and low-carbon investments.
- **Capacity building and operationalization of Climate change structures** (County Climate Change Planning Committee, County Climate Change Steering Committee, County Climate Change Fund Board, Ward Climate Change Planning Committee and the Climate Change Unit)
- **Capacity building of the Climate change unit-** all the officers supporting climate change unit have been trained in Climate finance mechanisms and other specific programs to enhance their capacity in their work

Program Achievements

- The Fund successfully completed sixteen projects, demonstrating effective utilization of resources and achieving the desired outcomes. The remaining projects are at advanced implementation stage.

Value for Money achievements

The projects implemented achieved value for money in the following ways

- The projects selected were optimal in they demonstrated value for money by adopting transparent and competitive procurement processes, resulting in cost savings and ensuring economy in the use of public funds.
- Efficiency was enhanced through completion of planned projects within approved budgets and timelines.

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- The Fund achieved effectiveness by supporting initiatives that delivered tangible outcomes, including improved water harvesting, treatment and distribution, climate smart agriculture and resilience-building for vulnerable households.
- Equity was maintained by prioritizing projects identified through participatory ward-level planning processes, ensuring that resources reached marginalized and climate-vulnerable communities.
- The Fund leveraged partnerships with development actors and promoted community ownership of projects, thereby enhancing sustainability and reinforcing long-term value.

Implementation Challenges

Despite the progress made, several challenges were encountered, including:

- Late disbursement of funds, which affected the timely implementation of projects.
- Conditionality's imposed by donors
- Grievances at projects sites – grievances at the project site mostly land related delay the implementation of projects.

Future Outlook

Looking ahead, the Fund anticipates addressing the following in the upcoming financial year:

- Utilization of Ksh. 149 million grant from the World Bank and a Ksh. 88 million matching grant for further climate initiatives, which were not implemented in FY 2025/2026 due to late disbursements and donor conditionalities.
- Continued development of strategic documents to guide climate action.
- Strengthening of climate change structures at ward, county, and steering levels.
- Resource mobilization to enhance climate actions

Key Risk Management Strategies

To mitigate identified risks, the following strategies will be implemented:

- Strengthen Technical Working Group for better coordination
- Capacity Building -: Enhance trainings for CCF Governance Structures and tailor made trainings for Counties for each governance structure
- Continuously Enhance Public engagement through diverse forums - Chief Baraza, media and other forums
- Onboarding of Research institutions and private sector to enhance innovation
- Enhancing communication with donors to ensure timely disbursement of funds.

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Conclusion

The County Climate Change Fund has made significant strides in enhancing climate resilience and sustainability within the county. While challenges remain, the strategic focus on resource mobilization and effective governance will pave the way for continued success in the years to come

Name Samuel Mutiso Signature [Signature] Date 28/8/2026

Administrator of the Fund

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

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

The key development objectives of the Fund as per the Makueni County Climate Change Action Plan (2023–2027) are to:

1. Strengthen climate change governance, policy implementation, and institutional coordination at county and ward levels.
2. Enhance community resilience to climate change through locally led adaptation and mitigation interventions.
3. Improve water security by investing in water harvesting, storage, watershed protection, and efficient water use technologies.
4. Promote climate-smart agriculture and sustainable livestock production to improve food security and livelihoods.
5. Conserve, restore, and sustainably manage natural resources, including forests, rangelands, and biodiversity.
6. Mobilize and effectively manage climate finance from county, national, and development partner sources to support climate resilience projects.
7. Mainstream climate change into county planning, budgeting, and sector programmes to ensure climate-responsive development.
8. Promote renewable energy and low-carbon technologies to reduce greenhouse gas emissions and enhance sustainable development.
9. Strengthen climate information services, early warning systems, monitoring, evaluation, reporting, and knowledge management for evidence-based decision-making.
10. Build the capacity of county institutions, ward climate change committees, and communities to plan, implement, and monitor climate change interventions.

These objectives are aligned with the **Makueni County Climate Change Action Plan (2023–2027)**, the **Makueni County Climate Change Act, 2022**, Kenya's National Climate Change Action Plan, and the country's commitments under the Paris Agreement. They guide the County Climate Change Fund in financing projects that enhance climate resilience, promote sustainable natural resource management, and support low-carbon development across the county

Below we provide the progress on attaining the stated objectives:

Makueni County Climate Change Fund

Annual Report and Financial Statements for the year ended June 30, 2026

Table 5.1 Progress on attainment of Climate Change Fund Objectives

Programme	Strategic Objective	Expected Outcome	Performance Indicator	Performance / Progress Attained
Management of Climate Change Fund (CCF)	Effective administration and management of the County Climate Change Fund to support collective climate action that improves livelihoods, strengthens adaptation capacity, and promotes low-carbon, climate-resilient development.	Improved climate resilience and adaptive capacity of communities in Makueni County.	Amount of climate funds allocated.	KSh 243 million was allocated to climate change interventions during the reporting period.
			Number of climate resilience projects financed.	Annual budgetary allocation to the Climate Change Fund continued to increase, demonstrating sustained county commitment to climate resilience.
				17 Climate resilience projects, including water harvesting, climate-smart agriculture, afforestation, soil and water conservation, and ecosystem restoration, were implemented across wards.
			Number of households benefiting from climate-resilient livelihood interventions.	57,865 community members benefited from climate-resilient livelihood interventions, contributing to improved food security, water access, and resilience to climate shocks.
Climate Governance and Institutional Capacity	Strengthen climate governance, institutional coordination, and policy implementation.	Effective and accountable climate change governance.	Functional climate governance structures.	County Climate Change Steering Committee and Ward Climate Change Planning Committees remained operational.
			Number of climate governance meetings held.	Capacity building programmes were conducted for county staff and ward committees to improve climate planning and implementation.
			Number of staff and committees trained.	

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Climate Change Mainstreaming	Integrate climate change into county planning, budgeting, and sector programmes.	Climate-responsive planning and budgeting.	Number of sector plans integrating climate change.	Climate change was mainstreamed into the County Integrated Development Plan (CIDP), Annual Development Plan (ADP), and departmental budgets, improving coordination and resource allocation.
			Climate-responsive budgets prepared.	
Monitoring, Evaluation and Knowledge Management	Strengthen monitoring, reporting, evaluation, and learning systems.	Improved accountability and evidence-based decision-making.	Annual climate performance reports produced.	Annual implementation reports were prepared, and monitoring systems were strengthened to enhance performance tracking and accountability for climate investments.
			Monitoring reports completed.	

Overall assessment:

The County Climate Change Fund has made good progress towards attaining its strategic development objectives. Increased climate financing, strengthened governance structures, implementation of community resilience projects, and mainstreaming of climate change into county planning have significantly contributed to improved climate resilience. Continued investment in climate finance, monitoring systems, renewable energy, and climate-smart technologies will further enhance achievement of the Fund's strategic objectives.

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Annual Report and Financial Statements for the year ended June 30, 2026

6. Corporate Governance Statement
Part A: Board of Trustees/ Fund Administration Committee:

Name	Details of qualifications and experience
	<p>Dr. Stanislaus M. Kivai - Chairperson</p> <p>Born on 11th July 1976</p> <p>Holds a BSc in Natural Resources Management, MSc in Biology, MA in Anthropology and PhD in Primatology</p> <p>Has a wealth of experience spanning 15 years' of field and research on endangered and threatened Biodiversity across Kenya, research experience on climate implication on biodiversity, land use changes and zoonosis, Extensive training in primate nutrition ecology, Skilled in parasitological analysis and training on Conservation and Environmental sustainability and practical field methods in ecology</p> <p>He has received multiple awards such as 2020 ASP Conservationist Award, IPS Conservation Education Award, and grants from the Leakey Foundation Fellow Award, Rufford, IFS, and Primate Conservation Inc.</p> <p>He has worked as East Africa Deputy Chairperson - IUCN Primate Specialist Group, Lead Scientist - Laikipia Climate change, Land use changes & disease Risk Peer Project, Senior Research Scientist - Kenya Institute of Primate Research (KIPRE), Deputy Director - Evolutionary Ecology, KIPRE, Head of Conservation & Ecology -National Museums of Kenya, Editor African Primates - East Africa Journal of Ecology, American Journal of Biological Anthropology, Member of Scientific Committee International Primatological Society</p>

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Jechoniah Kitale- Vice Chairperson

Born 29th Dec 1966.

Holds a Master of Arts degree in Economic Policy Management from the University of Ghana, a Diploma in Project Management and Administration from Copenhagen Business College, and a Bachelor of Arts (Honours) degree in Economics from the University of Nairobi.

Has over 30 years of professional experience in development planning, economic policy, project management, renewable energy, energy access, clean cooking, climate change and sustainable development. He has held senior positions in the Government of Kenya, SNV Netherlands Development Organisation and Practical Action, where he served as Regional Consultancy Manager and Head of Energy Programmes.

He is currently the Managing Consultant and Lead Energy Expert at *Renewise Consulting Limited*, providing advisory services in energy policy and planning, renewable energy, clean cooking, climate resilience and institutional capacity development



Robert Muthami Kithuku

Born on 14th November 1987

Holds a Bachelor's Degree in Environmental Science, Higher Diploma in Project Management, Master of Arts in Environmental Policy and currently pursuing PhD in Law by Distance.

Currently working with Swedish International Cooperation Development Agency as the Regional (Africa) Advisor Environment and Climate Change, Senior Programme Advisor on Climate Change at Friedrich-Ebert-Stiftung and Project Officer at Pan African Climate Justice Alliance (PACJA)

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	<p>Dominic Kioko</p> <p>Born on 12th March 1988</p> <p>Holds a Master's degree and PhD in Climate Change. Also undergone Senior Management Course and Strategic Leadership and Development Programme at Kenya school of Government</p> <p>Has a wealth of experience spanning 13 years in education, climate issues, environment and matters of curriculum development. Also an Expert in leadership, education and climate issues</p> <p>Currently serves as ; Board member of MCCFB, Director Dojale Limited, Ad -KICD, liaison officer – NEMA World Desertification and Drought body, Member of board Climate Advocates Voices Unidas, Liaison Officer- Educate Kenya, Member First Lady Mazingira Award.</p>
	<p>Hamilton Tene Tom</p> <p>Born on 07th January 1977</p> <p>Holds Bachelor's Degree in Business administration (Accounting and Finance), Master of Business Administration – Entrepreneurship and CPA Certification part 11.</p> <p>Has wealth of experience in finance and currently working with EURO EXIM BANK LIMITED as Trade Finance Consultant previously worked as a Management Consultant at Felix Mumo & Associates and Group Finance and Administration Officer AT Sentrim Kenya LTD.</p>

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Robert Kimina

Born 29th Dec 1966. Holds a Master of Arts degree in Economic Policy Management from the University of Ghana, a Diploma in Project Management and Administration from Copenhagen Business College, and a Bachelor of Arts (Honours) degree in Economics from the University of Nairobi. Has over 30 years of professional experience in development planning, economic policy, project management, renewable energy, energy access, clean cooking, climate change and sustainable development.

He is currently the Managing Consultant and Lead Energy Expert at *Renewise Consulting Limited*, providing advisory services in energy policy and planning, renewable energy, clean cooking, climate resilience and institutional capacity development.



Justus Katumo Mutweia

Born on 29th September 1976. Holds a bachelor's degree in environment science and later political science. Did Masters in Theology, and a post graduate diploma in Counseling. A lot of experience in environmental conservation and research. Two time member of county assembly. A pastor, a Paralympian, a PWDs advocate and lecturer at Daystar University for 17 years.

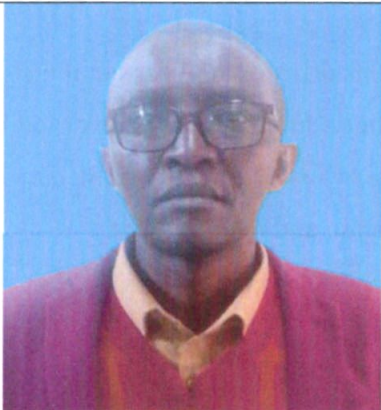
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	<p>Chief Officer - Environment, Natural Resources, Mining, and Climate Change</p> <p>Born on 10th September 1986, Dr. Geoffrey Ngovi Muthoka, Chief Officer for Environment, Natural Resources, Mining, and Climate Change, holds a PhD and MSc in Pure Mathematics as well as a BED in Mathematics and Physics. He previously served as a Pure Mathematics Lecturer and Tutorial Fellow at Kirinyaga University, and as a Teaching Assistant at Kenyatta University.</p>
	<p>County Chief Officer - Water, Sanitation & Irrigation</p> <p>Born on 24th June 1985, David Makau holds a Bachelor of science in Environmental and Bio Systems Engineering (Water & Irrigation Option)</p> <p>He's a member of the Engineers Board of Kenya and Institute of Engineers of Kenya.</p> <p>He has 14 years of experience in the water sector, ICRAF, NGOs, Water Companies, Government Agencies (Nakuru, Kilifi, Kajiado & Makueni) and has served as WASH & Construction Engineer, Technical Manager and is currently the County Chief Officer - Water, Sanitation & Irrigation</p> <p>He's a Board Member in Makueni Girls, Mwaani Girls, NOLWASCO, KIBMAWASCO, WOWASCO & MBONWASCO</p>
	<p>Felistus Kamene Mutune - Ag Chief Officer- Agriculture, Irrigation, Livestock, Fisheries & Cooperative Development</p> <p>She holds a Bachelor's degree in Linguistics, media and communication and currently undertaking master's degree in gender and Development studies.</p>

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	<p>Felistus worked as a media relations officer in the senate of the Republic of Kenya, Executive office administrator in the office of the senate minority whip and has a wealth of experience in communication, office administration and management.</p>
	<p>CPA John Nguni- Chief Officer, Financial Services</p> <p>Born in 1967. CPA John Nguni joined the County Government of Makueni County in May 2023 as the Chief Officer – Financial Services. He holds a Bachelor of Commerce (BCOM) degree (Accounting) from the University of Nairobi and a Master of Business Administration (MBA) in Finance degree from the University of Nairobi.</p> <p>He is proficient in Accounting and Finance boasting of an experience of over 32 years of practice.</p>
	<p>Chief Officer – Energy and Housing</p> <p>Born on 25th May, 1987</p> <p>Naomi Nthambi is an Electrical Engineer and renewable energy champion.</p> <p>She holds Master's degree in Electrical and Electronics Engineering and a bachelor's degree in Electrical and Communication Engineering.</p> <p>She's a member of the Engineers Board of Kenya and Institute of Engineers of Kenya and a certified Project Management Professional.</p> <p>She has 10 years of profession experience as a consultant in Electrical Engineering Building Services and currently 4 years' experience in Public Service as the Chief Officer Energy and housing.</p> <p>she is a member of Board of Governors in David Mbiti TVET</p>

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	<p>Born on 12th June, 1984, Stanislaus Matheka holds a Master of Arts degree in Project Planning and Management from the University of Nairobi and Bachelor of Arts (Economics) from Moi University,</p> <p>He's a Member of the Economist Society of Kenya (ESK)-</p> <p>He has Fifteen years of professional experience in Public Service in roles aimed at supporting prudent allocation and deployment of resources in line with national, county, and community priorities.</p> <p>He's currently the County director for planning</p>
	<p>Born on 20th December 1981, Alice Mwongeli. Holds a Masters degree in Project Planning and Management.</p> <p>She has 15 years' work experience in social work, community development and project management</p>
	<p>Fund administrator/ Secretary to the Board</p> <p>Samuel Mwongela Mutiso</p> <p>Born on 26th May 1979</p> <p>Holds a Master's degree in Business Administration, a degree of Bachelor of Commerce in Accounting and Finance, a Certified Public Accountant of Kenya. Has undergone several trainings with the Kenya School of Government including Strategic Leadership development course, productivity measurement and undertaken a senior management course.</p> <p>Has an experience of over 18 years in Banking and public finance.</p> <p>Currently working with the County Government of Makueni in the capacity of Chief Accountant</p>

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Part B: Management Profile

<i>Name</i>	<i>Details of qualifications and experience</i>
	<p>CECM – Department of Lands, Urban Planning & Development, Environment & Climate Change</p> <p>Dr Paul Musila is a Medical Practitioner with over twenty-one (21) years’ experience in public and private practice in Kenya. He worked in various Counties within Kenya, before joining the private sector at the Nairobi Hospital in 2014.</p> <p>He holds a Bachelor’s degree in Medicine and Surgery (MBChB) from the University of Nairobi and a Master’s Degree in Pediatrics and Child Health. Dr. Musila has a certificate in strategic leadership and development at the Kenya School of Government and is passionate about leadership and strategic partnerships that enhance quality of health care services.</p>
	<p>Chief Officer - Environment, Natural Resources, Mining, and Climate Change</p> <p>Born on 10th September 1986, Dr. Geoffrey Ngovi Muthoka, Chief Officer for Environment, Natural Resources, Mining, and Climate Change, holds a PhD and MSc in Pure Mathematics as well as a BEd in Mathematics and Physics. He previously served as a Pure Mathematics Lecturer and Tutorial Fellow at Kirinyaga University, and as a Teaching Assistant at Kenyatta University.</p>

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	<p>Fund Accountant</p> <p>Born on 10th March 1991, Pascalia Mulwa is an accountant by profession with a degree in Bachelor of Economics. She is a registered member of the Institute of Certified Accountants (ICPAK). She has over ten years' experience in public sector accounting.</p>
	<p>Ag. Assistant Director Climate Change</p> <p>Born on 24th May 1992 Jackline Kamusa is an environment and Climate Change Expert and holds BSC Environmental Science. She is the head of climate change Unit which is a secretariat to the Makueni Climate Change Fund Board. She previously served as an Environmental & Social Safeguard Expert. She is a registered NEMA Expert with wealth experience in undertaking environmental impact assessment.</p>
	<p>Fund administrator</p> <p>Samuel Mwangela Mutiso</p> <p>Born on 26th May 1979</p> <p>Holds a Masters degree in Business Administration , a degree of Bachelor of Commerce in Accounting and Finance, a Certified Public Accountant of Kenya. Has undergone several trainings with the Kenya School of Government including Strategic Leadership development course, productivity measurement and undertaken a senior management course.</p> <p>Has an experience of over 18 years in Banking and public finance.</p> <p>Currently working with the County Government of Makueni in the capacity of Chief Accountant.</p>

Part C: Governance arrangements

Board Composition, Appointment and Removal

The **Makueni County Climate Change Fund Board** is established under **Sections 12–14 of the Makueni County Climate Change Act, 2022**. The Board comprises of 15 members, the Chairperson, Chief Officer responsible for Climate Change, Chief Officers representing key sector departments, and representatives of civil society, the private sector and marginalized groups, ensuring a multidisciplinary and inclusive governance structure.

Board members are appointed and removed in accordance with the provisions of the Act, guided by the principles of leadership and integrity, gender equity, inclusivity and professional competence. The Board operates under an approved Board Charter, which defines its mandate, roles, responsibilities, ethical standards and governance framework

Roles and functions of the board

The Board provides strategic leadership and oversight of the County Climate Change Fund by setting strategic direction, approving policies, plans, budgets and climate investments, ensuring prudent financial management and regulatory compliance, overseeing programme implementation, environmental and social safeguards, risk management and resource mobilization, while promoting transparency, accountability and public participation in climate governance

Induction, training, and development

Following their appointment, members underwent a three-day induction programme at the **Kenya School of Government (24th–26th November 2025)** to strengthen their understanding of climate governance, the County Climate Change Fund mechanism, climate finance, resource mobilization, public finance management, financial reporting, donor-funded project management and results-based monitoring and evaluation.

The Board secretariat participated in continuous capacity development during the financial year through training in climate action planning, project management, groundwater recharge, financing climate solutions and investment strategies, environmental and social risk management, integrity and anti-corruption, financial management, communication and knowledge management, and climate-smart agriculture, enhancing its effectiveness in providing strategic oversight and governance of the Fund.

Board and members' performance

The Board continually evaluates its effectiveness in delivering its mandate.

During the reporting period, the Board successfully:

- Provided strategic oversight of Fund operations.
- Approved and monitored climate investments.
- Strengthened governance structures.

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- Oversaw implementation of FLLoCA investments.
- Supported development of Makueni Climate Change Management Bill 2026 and Regulations

The Board remains committed to continuous improvement through regular monitoring of institutional performance

Number of Board meetings held and the attendance to those meetings by members

The Board meets quarterly, in accordance with Section 18 of the Makueni County Climate Change Act, 2022, to provide strategic oversight of the County Climate Change Fund. During the reporting period, the Board met as scheduled to review programme and financial performance, approve work plans and financial statements, oversee implementation of climate resilience investments, monitor environmental and social safeguards, and provide strategic direction on governance, resource mobilization and institutional strengthening. The Board also constituted its sub-committees, elected the Vice-Chairperson and reviewed the Annual Climate Change Report 2024/25 as part of strengthening governance and accountability. During the year, all meetings recorded attendance of over 90% of the members in all the quarterly meetings.

Policy to manage conflicts of interest.

The Board has adopted mechanisms for identifying, declaring and managing conflicts of interest. Board members are required to:

- declare actual or potential conflicts before deliberations;
- recuse themselves where conflicts arise; and
- uphold integrity, impartiality and objectivity.

Conflict of interest declarations form part of Board meeting procedures.

Board remuneration

Board members receive remuneration strictly in accordance with SRC and County specific policies and approved rates for public boards and committees.

Remuneration comprises sitting allowances and transport reimbursement of approved expenses incurred while undertaking official Board duties.

Ethics and Conduct

- The Board upholds the highest standards of integrity, accountability and professionalism.
- Members are guided by:
- Constitution of Kenya, 2010;
- Leadership and Integrity Act, 2012;
- Public Officer Ethics Act; 2003
- Makueni County Climate Change Act, 2022;
- Public Finance Management Act, 2012;

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- Public Procurement and Asset Disposal Act, 2015;
- Board Charter

Governance audit

The Board continually reviews its governance practices to ensure compliance with applicable laws, policies and good corporate governance principles.

Internal audit reviews, financial audits and oversight by relevant County institutions provide assurance on governance effectiveness.

The Board is committed to undertaking periodic governance assessments to strengthen institutional performance and accountability

Communication policy

The Board is committed to transparent, timely and inclusive communication with stakeholders in accordance with the Makueni County Climate Change Stakeholder Engagement Plan (SEP) and the Makueni County Climate Change Act, 2022. The Stakeholder Engagement Plan provides the framework for meaningful participation, information disclosure, consultation and feedback throughout the planning, implementation, monitoring and evaluation of climate change interventions.

Terms of Reference of Committees

To enhance efficiency and effectiveness in the discharge of its mandate, the Board has established three standing sub-committees with approved Terms of Reference that provide focused oversight and make recommendations to the Board:

Financial Management and Administration Sub-Committee; Provides oversight on financial planning, budgeting, financial reporting, internal controls, audit, procurement, risk management and administrative compliance to ensure prudent stewardship of the Fund's resources.

Technical Evaluation Sub-Committee; Oversees technical appraisal of climate change projects, monitoring, evaluation, learning and reporting, and provides quality assurance to ensure investments are technically sound, climate-responsive and deliver value for money.

Resource Mobilization Sub-Committee; Leads resource mobilization initiatives by developing financing strategies, identifying funding opportunities, strengthening partnerships and promoting innovative financing mechanisms to enhance the sustainability of the County Climate Change Fund.

Each sub-committee reports directly to the Board and operates in accordance with its approved Terms of reference.

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Policy on related party transactions

The Fund maintains high standards of transparency in all transactions. Any related party transaction is disclosed and managed in accordance with applicable public finance laws, procurement regulations and accounting standards. Board members and staff are required to declare any interests that may influence decision-making. No related party transaction is undertaken without appropriate disclosure, approval and compliance with legal requirements.

Statement of compliance with laws and regulations

The Board confirms that, during the reporting period, the Fund complied with applicable legal and regulatory requirements, including:

- Constitution of Kenya, 2010;
- Public Finance Management Act, 2012;
- Public Procurement and Asset Disposal Act, 2015;
- Leadership and Integrity Act, 2012;
- Public Officer Ethics Act; 2003
- Occupational Safety and Health Act, 2007;
- Work Injury Benefits Act, 2007;
- Environmental Management and Coordination Act (EMCA); 1999
- Data Protection Act, 2019;
- Makueni County Climate Change Act, 2022;
- FLLoCA Programme Operations Manual, Grant Manual and Environmental & Social Safeguards Manual

Key management structure and its key roles

The governance and management of the Makueni County Climate Change Fund are anchored on the institutional framework established under the **Makueni County Climate Change Act, 2022**, which provides for coordinated policy oversight, technical implementation and community participation. The key institutions and their respective roles are summarized below:

Table 6.1 Key institutions and their roles

Institution	Key Roles
County Executive Committee Member (CECM) responsible for Climate Change	Provides policy leadership and overall oversight for the implementation of the Act and climate change programmes within the County.
County Climate Change Fund Board	Provides strategic direction and oversight of the Fund, approves policies, work plans, budgets and climate investments, mobilizes resources, and ensures prudent financial management, accountability and compliance.

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Climate Change unit	Serves as the technical and administrative arm of the Board, coordinating implementation of the Act, Board decisions, climate programmes, financial management, monitoring and evaluation, stakeholder engagement and reporting.
County Climate Change Planning Committee (CCCPC)	Provides technical advice on climate change planning, coordinates mainstreaming of climate change across County sectors, reviews climate change plans and proposals, and advises the Board and County Government on implementation of climate change programmes.
Ward Climate Change Planning Committees (WCCPCs)	Coordinate participatory climate risk assessments, prepare Ward Climate Change Action Plans, identify and prioritize community climate investments, oversee project implementation and facilitate community participation at the ward level.

Fiduciary oversight arrangements.

The **Makueni County Climate Change Fund (CCF)** has established robust fiduciary oversight arrangements to ensure the prudent, transparent, accountable, and efficient management of climate finance. Oversight is provided through the institutional framework established under the **Makueni County Climate Change Act, 2022**, complemented by the **Public Finance Management Act, 2012**, the **Public Procurement and Asset Disposal Act, 2015**, the **Public Audit Act, 2015**, and other applicable Government regulations.

The key fiduciary oversight arrangements include:

Table 6.2 Fiduciary oversight

Oversight Arrangement	Role and Responsibility
County Climate Change Fund Board	Provides strategic and fiduciary oversight of the Fund by approving annual work plans, budgets, climate investments, financial statements, policies, and reports, while ensuring accountability, compliance with legal requirements, and value for money in the utilization of climate finance.

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Finance and Administration Sub-Committee	Reviews budgets, financial statements, procurement plans, internal control systems, audit reports, and risk management measures, and makes recommendations to the Fund Board to strengthen financial governance and accountability.
Climate Change Secretariat	Responsible for the day-to-day management of the Fund, including budgeting, financial administration, accounting, procurement coordination, financial reporting, implementation of Board resolutions, and maintenance of proper financial records.
County Treasury	Provides oversight on budget preparation and execution, fund disbursement, financial reporting, cash management, and compliance with the Public Finance Management Act, 2012, and County Treasury financial management guidelines.
Internal Audit Function	Conducts independent reviews of financial and operational controls, evaluates compliance with laws, regulations, and policies, assesses risk management practices, and monitors implementation of audit recommendations.
Office of the Auditor-General	Undertakes annual external audits of the Fund's financial statements in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act, 2015, and reports audit findings to the County Assembly.
County Assembly	Exercises legislative oversight by reviewing financial reports, audit reports, budget implementation reports, and holding the Fund accountable for the use of public resources through its oversight committees.
Ward Climate Change Planning Committees (WCCPCs)	Provide community-level oversight by participating in project identification, monitoring implementation, verifying completion of projects, and promoting transparency and social accountability in the utilization of climate funds.

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7. Financial Performance Overview
FY 2025/26 Financial and Operational Performance Report

The budget for the year was Kshs. 243,164,955.00. Out of this amount the public contributions and donations was Kshs. 142,746,435 while county contribution was Kshs 100,418,520. During the fund only received the county contribution amounting to Kshs. 100,418,520.

Figure 7.1 FY 2025-26 Budget

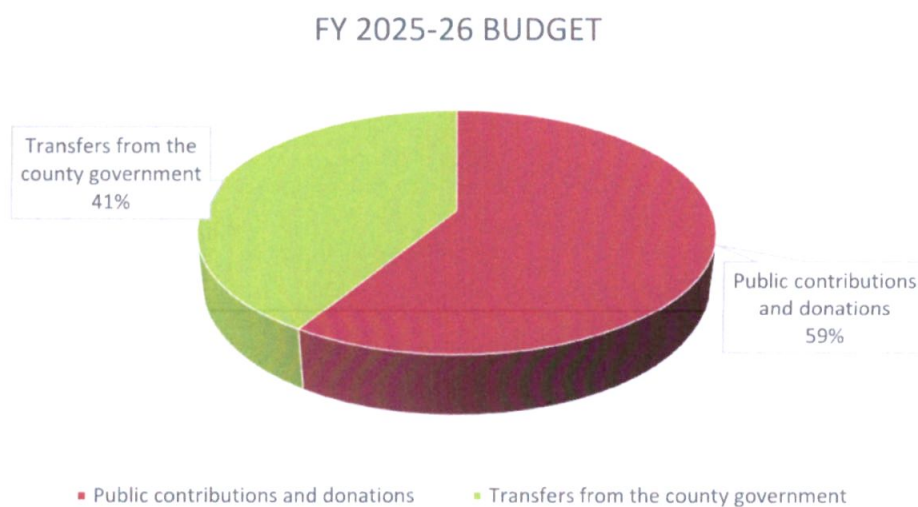


Figure 7.2 Funds received during the year

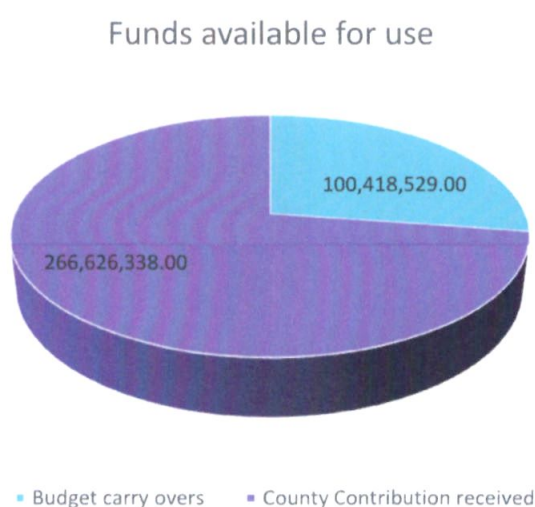


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1. Expenditure

In addition to the Kshs. 100,418,520 county contribution received during the year, a budget carryover of Kshs. 266,626,338.00 from the previous financial year was available for utilization. Consequently, the total funds available for use during the year amounted to Kshs. 367,044,858.00, as presented in the table and figure below.

Figure 7.3 Funds available for use



The Fund incurred total expenditure of Kshs. 122,154,158.00 during the year, of which Kshs. 72,855,952.00 was utilized for capital investments aimed at strengthening climate resilience within the County.

3. Revenue and Expenditure per Budget Estimates

- Revenue variance explanation***

During the FY 2025-26, the fund realized revenue of Kshs. 100,418,520 against a budgeted amount of Kshs. 243,164,955, resulting in a revenue shortfall of Kshs. 142,746,435. The variance arose due to delays in disbursement of donor funds which had not been released by close of the FY.

- Expenditure variance explanation***

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The Fund incurred total expenditure of Kshs. 122,154,458.00, representing 24% of the total available budget. The low absorption rate was primarily attributed to delays in the disbursement of donor funds, which were not received until the end of the financial year, as well as the delayed receipt of the County contribution, which was disbursed in May 2026, only one month before the close of the financial year.

4. Assets of the Entity

The fund has an asset portfolio of Kshs 416,134,156.45 composed of cash,61%, receivables,38% and PPE,1%.

5. Liabilities of the Entity

The fund has liabilities amounting to Kshs 6,659,464 which relate to retention money

6. Multi-Year Operational and Financial Performance (3–5 Years)

Table 7.1 Financial Performance Highlights

Indicator (Kshs.)	2023/24	2024/25	2025/26
County Contribution	53,585,000.00	109,700,000.00	100,418,520.00
Donor Disbursement	153,746,436.00	163,031,257.00	149,908,283.00
Total Revenue	207,331,436.00	272,731,256.71	250,326,803.00
Expenditure	13,828,707.55	180,784,505.95	122,154,457.60

Revenue and Expenditure Analysis

Total revenue increased from Kshs. 207.33 million in FY 2023/24 to Kshs. 272.73 million in FY 2024/25, before declining to Kshs. 250.33 million in FY 2025/26. County contribution rose substantially in FY 2024/25 and remained at Kshs. 100.42 million in FY 2025/26, while donor disbursements remained the larger revenue source. Expenditure increased significantly in FY 2024/25 and reduced to Kshs. 122.15 million in FY 2025/26.

Table 7.2 Balance Sheet Summary

Balance Sheet Item (Kshs.)	2023/24	2024/25	2025/26
Cash & Cash Equivalents	65,781,217.00	126,120,572.35	256,415,900.75
Receivables – Non-exchange	120,423,862.00	28,583,300.51	156,567,746.70
Property, Plant & Equipment	4,152,000.00	3,276,482.00	2,415,642.00
Trade & Other Payables	-	14,348,011.80	6,659,463.70
Accumulated Surplus	190,357,078.35	143,632,343.06	408,739,824.40

Key Performance Metrics / Observations

- Revenue peaked at Kshs. 272.73 million in FY 2024/25 and stood at Kshs. 250.33 million in FY 2025/26.
- Expenditure reduced from Kshs. 180.78 million in FY 2024/25 to Kshs. 122.15 million in FY 2025/26.
- Cash and cash equivalents increased substantially to Kshs. 256.42 million in FY 2025/26.
- Accumulated surplus increased to Kshs. 408.74 million in FY 2025/26.

6. Key Projects and Investment Decisions

The Makueni County Climate Change Fund and the Financing Locally Led Climate Action (FLLoCA) programme implemented and supported various climate change adaptation and resilience investments during the financial year 2025/2026. The key projects and investment decisions included:

1. **Community Climate Change Resilience Investments (CCRI)** – The Fund supported community-identified climate change adaptation and resilience projects across the county, focusing on water security, food security, environmental conservation and livelihood improvement.
2. **Water Infrastructure Projects** – Investments were made in water-related projects, including construction and improvement of water pans, dams, boreholes, water harvesting and storage facilities, and community water supply systems. These investments were aimed at addressing water scarcity and strengthening community resilience to recurrent droughts. A total of 32 climate resilient projects were identified and implemented by the county.
3. **Livelihood and Food Security Investments** – The Fund supported interventions aimed at enhancing household and community resilience to climate variability, including investments in climate-smart agriculture, water-efficient agricultural practices and other livelihood-support initiatives.
4. **Environmental Conservation and Ecosystem Restoration** – Investments were directed towards activities such as tree growing, land restoration, protection of natural resources and other measures intended to improve ecosystem resilience and mitigate the effects of climate change.
5. **Capacity Building and Community Climate Action Planning** – The programmes continued to strengthen the capacity of communities and local institutions to identify climate risks, prioritise investments and implement locally led climate change adaptation interventions.
6. **FLLoCA County Climate Resilience Investments** – Through FLLoCA, the County continued to implement community-prioritised climate resilience investments under the CCRI, with emphasis on locally identified climate risks and solutions. The investments were guided by community participation and the approved climate action planning and investment framework.

Overall Investment Decision

The investment approach was based on **locally led climate action**, with priority given to projects that address the most pressing climate vulnerabilities in communities. Water security, drought resilience, food security, environmental conservation and sustainable livelihoods remained the major investment priorities. Some projects were completed during the year, while others were ongoing at the close of the financial year due to procurement, community grievances, changes in scope and timing of fund disbursements

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7. Risk Analysis and Statutory Compliance

1. Major Risks Facing the Entity

The Makueni County Climate Change Fund (MCCCCF) is exposed to several strategic, operational, financial and environmental risks that may affect the achievement of its objectives. The major risks and mitigation measures are summarized below:

Table 7.3 Major risks

Risk	Description	Mitigation Measures
Climate and Environmental Risk	Extreme weather events such as prolonged droughts, floods and changing rainfall patterns may affect the implementation and sustainability of climate projects.	Climate risk assessments, resilient project design, continuous monitoring and adaptive management.
Financial and Fiduciary Risk	Risk of misuse or misappropriation of funds, weak internal controls or inaccurate financial reporting.	Strong internal controls, segregation of duties, regular internal and external audits, compliance with the Public Finance Management Act, 2012.
Governance Risk	Inadequate oversight, conflicts of interest or political interference in project selection and implementation.	Independent oversight through the Climate Change Fund Board, clear governance structures, public participation and transparent decision-making.
Procurement Risk	Delays or non-compliance with procurement regulations leading to project implementation delays.	Compliance with the Public Procurement and Asset Disposal Act, 2015, procurement planning and competitive procurement processes.
Capacity Risk	Limited technical and financial management capacity among implementing departments and ward-level committees.	Continuous capacity building, technical assistance and regular monitoring and supervision.
Funding Risk	Inadequate or delayed funding from the County Government or development partners affecting project implementation.	Diversification of funding sources, timely budget planning and enhanced resource mobilization.
Compliance Risk	Failure to comply with statutory, donor or reporting requirements.	Regular compliance reviews, legal support, timely submission of statutory reports and adherence to applicable laws and funding agreements.

2. Compliance with Statutory Requirements

The Makueni County Climate Change Fund complied with the applicable legal and regulatory framework governing public finance and climate change management during the reporting period. Specifically, the Fund complied with:

- The **Makueni County Climate Change Act, 2022**, which establishes the Fund and provides the governance framework for climate finance management.
- The **Climate Change Act, 2016**, which provides the national framework for climate change governance and financing.
- The **Public Finance Management Act, 2012**, relating to budgeting, financial management, accounting and financial reporting.
- The **Public Procurement and Asset Disposal Act, 2015**, governing procurement of goods, works and services.
- The **Public Audit Act, 2015**, through submission of financial statements for external audit.
- The **Constitution of Kenya, 2010**, particularly on public participation, transparency, accountability and prudent use of public resources.
- Other applicable County Government financial management policies, regulations and circulars.

Management confirms that statutory returns, financial reports and other required disclosures were prepared and submitted within the prescribed timelines, and no material instances of non-compliance were reported during the financial year.

3. Material Arrears in Statutory and Other Financial Obligations

As at **30 June 2026**, the Makueni County Climate Change Fund had **no material arrears** relating to statutory deductions, taxes, pension contributions, supplier obligations or other financial commitments.

Management confirms that:

- All statutory obligations were settled within the prescribed timelines.
- There were no outstanding tax liabilities or statutory remittances.
- There were no material pending payments that would adversely affect the Fund's financial position or operations.
- The Fund maintained adequate financial controls to ensure timely settlement of all financial obligations.

Accordingly, management is of the opinion that the Fund remained fully compliant with its statutory and financial obligations throughout the reporting period.

8. Economic and Sector Outlook

(a) Review of the Economy

During the 2025/2026 financial year, Kenya's economy remained resilient despite global and domestic economic challenges, including climate change, inflationary pressures, exchange rate fluctuations and geopolitical uncertainties. Economic growth was supported by improved agricultural production following favourable rainfall in some regions, growth in the services sector, increased public investment and continued infrastructure development. However, recurrent droughts and flooding in various parts of the country continued to affect agricultural productivity, food security and livelihoods, underscoring the need for increased investment in climate resilience. Inflation moderated during the year, while monetary policy remained focused on maintaining price stability. The Government continued implementing fiscal consolidation measures while prioritizing investments in climate adaptation, renewable energy and sustainable development in line with Kenya's development agenda and international climate commitments.

(b) Review of the Climate Change Sector

Climate change remains one of the greatest development challenges facing Makueni County. The county continues to experience prolonged droughts, erratic rainfall, land degradation, water scarcity and increasing temperatures, which adversely affect agriculture, livestock production, water resources and household incomes.

The Makueni County Climate Change Fund (MCCCCF) continued to play a critical role in financing community-driven climate adaptation and resilience projects. During the reporting period, the Fund supported interventions aimed at:

- Water harvesting and storage infrastructure.
- Rehabilitation of degraded ecosystems.
- Climate-smart agriculture and sustainable land management.
- Afforestation and landscape restoration.
- Community capacity building on climate resilience.
- Strengthening ward-level climate governance structures.

The Fund also continued to strengthen collaboration with development partners, national government agencies and local communities to mobilize climate finance and enhance implementation of climate resilience initiatives.

(c) Future Developments

The Fund intends to strengthen its climate finance portfolio through the following strategic initiatives:

- Scaling up investment in community-led climate adaptation projects across all wards.
- Increasing access to domestic and international climate finance from development partners and climate funds.

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- Strengthening monitoring, evaluation and climate information systems to improve project performance.
 - Enhancing capacity of Ward Climate Change Planning Committees and implementing departments.
 - Promoting nature-based solutions, ecosystem restoration and renewable energy technologies.
 - Mainstreaming climate change into County Integrated Development Plans (CIDPs), Annual Development Plans (ADPs) and sector planning.
 - Strengthening partnerships with the National Government, private sector, research institutions and development partners.
-

(d) Other Information Relevant to Users of the Financial Statements

The Makueni County Climate Change Fund remains committed to prudent financial management, transparency and accountability in the utilization of climate finance. The Fund continues to comply with the **Makueni County Climate Change Act, 2022**, the **Public Finance Management Act, 2012**, the **Climate Change Act, 2016**, and other applicable laws and regulations.

Management will continue to strengthen internal controls, risk management, fiduciary oversight and public participation to ensure that climate investments deliver sustainable social, economic and environmental benefits to the people of Makueni County.

Users of these financial statements should note that climate financing is increasingly dependent on partnerships with national and international funding institutions. Consequently, continued resource mobilization, institutional strengthening and effective project implementation will be critical to ensuring the long-term sustainability and impact of the Fund.

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8. Environmental and Sustainability Reporting

The Fund operates within the framework of the Makueni County Environment and Climate Change Policy, 2021, which provides for the integration of environmental sustainability and climate change into County planning, budgeting and development programmes. The policy promotes sustainable natural resource management, environmental protection and climate resilience while supporting inclusive economic growth and poverty reduction.

The Makueni County Climate Change Act, 2022 further strengthens environmental governance by providing the legal framework for mainstreaming climate change across County sectors and establishing the County Climate Change Fund as the primary financing mechanism for climate resilience investments.

Environmental and social sustainability remains a core requirement throughout the project cycle. All investments financed under the Fund are subjected to Environmental and Social Risk Screening, comply with applicable environmental legislation, and safeguard requirements, including acquisition of Environmental Impact Assessment (EIA) Licences, Water Resources Authority permits where applicable, and implementation of Environmental and Social Management Plans (ESMPs). Regular environmental and social monitoring is undertaken to ensure compliance with licence conditions and safeguard commitments.

To strengthen environmental governance during the reporting period, the Environmental and Social Safeguards Team:

- Trained Project Management Committees (PMCs) for four newly commenced climate resilience projects on environmental safeguards, social safeguards, grievance redress mechanisms, occupational health and safety, incident reporting, and compliance with NEMA licence conditions.
- Conducted routine Environmental and Social Safeguards inspections for ongoing projects to assess implementation of Environmental and Social Management Plans (ESMPs), compliance with environmental regulations and effectiveness of mitigation measures.
- Ensured active stakeholder engagement, gender mainstreaming, inclusion of vulnerable and marginalized groups, transparent grievance handling and adherence to labour management procedures across all projects.
- Undertook Annual Environmental Audits for twelve completed Phase I climate resilience projects in compliance with the Environmental Management and Coordination (Environmental Impact Assessment and Audit) Regulations, 2003 and NEMA licence conditions.
- Conducted water quality assessments for thirteen climate resilience water projects to ensure safe and reliable water supply for beneficiary communities.

During project implementation, environmental mitigation measures; including vegetation conservation, dust suppression, proper waste management, occupational health and safety, pollution prevention, community awareness, gender-based violence prevention, stakeholder consultation and grievance management were consistently implemented and monitored. The inspections confirmed a high level of compliance with Environmental and Social Management Plans, with only minor corrective actions issued to contractors where necessary.

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The Fund also strengthened environmental accountability through continuous community engagement, public disclosure of project information, maintenance of accessible grievance reporting channels and regular monitoring by trained Project Management Committees. These measures enhanced project ownership, transparency and environmental stewardship while ensuring that project benefits were equitably shared among women, youth, persons with disabilities and other vulnerable groups.

As at the end of the reporting period, the Fund had successfully implemented twelve (12) Phase I climate resilience investments that had undergone annual environmental audits and thirteen (13) water quality assessments, while ongoing Phase II 17 investments have undergone environmental and social Impact Assessment.

Employee welfare

The Makueni County Climate Change Fund does not directly employ staff but operates through the technical and administrative capacity provided by officers seconded by the County Public Service Board. The Secretariat currently comprises twelve (12) multidisciplinary technical officers with expertise in climate change, financial management, monitoring and evaluation, environmental and social safeguards, internal audit, communication and knowledge management, procurement, and project management. In addition, the Fund draws technical expertise from sector departments including Environment, Water, Agriculture, Roads, Energy and Public Works, whose officers constitute the Fund's Technical Working Group responsible for project appraisal, implementation support and quality assurance.

Recognizing that institutional capacity is fundamental to effective climate finance management, the Board developed a Capacity Development Plan to strengthen the technical, governance and fiduciary competencies of the Secretariat, Board members and implementing partners. A dedicated budget has been allocated annually to support continuous professional development.

During the financial year, the Fund supported capacity building in the following areas:

- Climate Action Planning and implementation;
- County Climate Change Fund Board induction and climate governance;
- Climate finance management and Financing Climate Solutions Investment Strategies;
- Project planning, management, monitoring and evaluation;
- Financial management and financial audit;
- Environmental and Social Risk Management and safeguard compliance;
- Social safeguards, grievance redress mechanisms and stakeholder engagement;
- Integrity, ethics and anti-corruption in climate finance;
- Communication, knowledge management and public participation;
- Groundwater recharge and integrated water resources management;
- Climate-smart agriculture and resilience building.

These capacity-building initiatives strengthened institutional governance, enhanced fiduciary oversight, improved environmental and social risk management, and promoted effective implementation of locally led climate adaptation investments across the County.

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The Fund is committed to providing a safe and healthy working environment for all personnel involved in project implementation. In accordance with the Work Injury Benefits Act, 2007 (WIBA), all project workers, including contractors, permanent staff and casual labourers engaged under Fund-supported projects, are covered against occupational injuries and accidents.

Further, the Fund complies with the Occupational Safety and Health Act, 2007 (OSHA) by ensuring that all project sites are registered as workplaces with the Directorate of Occupational Safety and Health Services (DOSHS) prior to commencement of works. Contractors are required to maintain valid WIBA insurance, provide appropriate Personal Protective Equipment (PPE), ensure availability of trained first aid personnel, and comply with occupational health and safety standards throughout project implementation. Routine environmental and social safeguards inspections undertaken during the reporting period confirmed compliance with workplace safety requirements, occupational health standards and environmental safeguards across funded projects

i) *Market place practices- :*

a) *Responsible competition practice.*

The Makueni County Climate Change Fund is committed to promoting integrity, transparency, accountability and fairness in the management of public resources. As a public entity, the Fund does not compete commercially but ensures equitable access to climate finance through transparent governance, competitive procurement processes and citizen-centred service delivery.

The Fund operates in compliance with the Public Finance Management Act, 2012, the Public Procurement and Asset Disposal Act, 2015, the Leadership and Integrity Act, 2012, the Makueni County Climate Change Act, 2022, and other applicable Government policies and regulations governing public administration.

To promote responsible governance and improve service delivery, the Fund has implemented the following measures:

- **Transparent and Competitive Procurement**

The Fund procures goods, works and consultancy services through open, fair and competitive procurement processes in accordance with the Public Procurement and Asset Disposal Act, 2015. Procurement opportunities are publicly advertised, bids are evaluated using prescribed criteria, and contracts are awarded through transparent procedures that promote value for money, fairness and equal opportunity for all eligible suppliers.

- **Anti-Corruption and Integrity**

The Fund maintains zero tolerance for fraud, corruption and unethical conduct. During the financial year, officers and Board members participated in training on Integrity, Ethics and Anti-Corruption in Climate Finance, strengthening institutional capacity for ethical leadership, accountability and prudent management of public resources. Financial audits, internal controls, project inspections and environmental and social compliance monitoring are regularly undertaken to safeguard public resources and ensure compliance with applicable laws and regulations.

b) Responsible Supply chain and supplier relations

The organization is committed to fostering strong, ethical relationships with its suppliers. This is achieved through;

- ensuring that all agreements with suppliers are fulfilled as per the terms and conditions specified. This includes timely delivery of goods and services, adherence to quality standards, and fulfilling all contractual obligations.
- paying according to agreed-upon terms. The organisation maintains a transparent and efficient payment process, ensuring that suppliers receive payments promptly and without undue delays.
- Regular and transparent communication channels are maintained to address any issues or concerns promptly, reinforcing trust and reliability in business dealings.

c) Responsible engagement with the citizens.

The Makueni County Climate Change Fund is committed to responsible, transparent and inclusive communication that promotes informed citizen participation in climate governance. Rather than relying on promotional marketing, the Fund emphasizes continuous public engagement, evidence-based communication and participatory decision-making, ensuring that communities receive accurate information and actively influence climate investments.

The Fund adopts a people-centred communication approach anchored on the Makueni County Climate Change Act, 2022, the Stakeholder Engagement Plan (SEP), the Grievance Redress Mechanism (GRM) Framework, and the principles of Locally Led Adaptation (LLA). These frameworks ensure that information is

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timely, accessible, factual and responsive to community needs while safeguarding transparency and accountability.

During the reporting period, the Fund implemented the following responsible citizen engagement initiatives:

- Inclusive public participation: Communities were engaged throughout the project cycle. This ensures that investments reflect locally identified priorities and community needs rather than externally imposed interventions.
- Transparent information disclosure: Project information, including Bills of Quantities (BoQs), project designs, Environmental and Social Impact Assessment (ESIA) reports, NEMA licenses, contractor work plans and implementation schedules, was made available to Project Management Committees (PMCs) and community members during project implementation, enabling public oversight and informed participation.
- Consultative forums: The Fund regularly convenes community barazas, stakeholder consultations, project inception meetings, PMC trainings, monitoring visits and public sensitization forums to provide project updates, respond to concerns and obtain community feedback. These engagements promote openness, mutual accountability and shared ownership of climate investments.
- Ethical communication: All public communication is evidence-based and avoids exaggerated claims regarding project benefits or implementation progress. Digital outreach and transparency:
- The Fund disseminates climate information, project progress, policy documents and public notices through the County Government website, digital participation platforms and official social media channels. The County's 'Engage Makueni platform' further enables citizens to participate in planning, budgeting, submit grievances and provide feedback digitally, strengthening transparency and public accountability.

- Accessible grievance redress: Multiple grievance reporting channels; including Project Management Committees, Ward Climate Change Planning Committees, County offices, telephone contacts, online platforms and written submissions—allow citizens to raise concerns, seek clarification and receive timely responses. Complaints are managed through an established Grievance Redress Mechanism to ensure fairness, transparency and accountability.
- Respect for diversity and inclusion: Public participation deliberately promotes representation of women, youth, persons with disabilities, older persons and other vulnerable and marginalized groups in decision-making, project implementation and employment opportunities. Gender-disaggregated participation data is maintained and inclusivity is monitored throughout implementation.
- Capacity building for community leadership: Project Management Committees receive training on environmental and social safeguards, stakeholder engagement, grievance handling, occupational health and safety, and community communication to enable responsible engagement with project beneficiaries throughout implementation.

d) Product stewardship or Awareness creation

The organization is committed to the responsible stewardship of goods and services:

1. Quality Assurance: Rigorous quality assurance processes are in place to ensure that all products and services meet high standards of excellence and reliability.
2. Efficient Resource Use: Resources are managed efficiently to reduce waste and optimize the use of materials, contributing to sustainability goals.
3. Customer Satisfaction: Focused on delivering value and satisfaction, the organization seeks feedback from customers to continuously improve its offerings and address any concerns and has a grievance handling mechanism.

The Fund ensures that all projects are implemented in a manner that protects public health, safety and the environment. Contractors are required to comply with

Makueni County Climate Change Fund
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Environmental and Social Management Plans (ESMPs), Occupational Safety and Health Act (OSHA, 2007), Work Injury Benefits Act (WIBA, 2007) and NEMA licence conditions. This includes provision of Personal Protective Equipment (PPE), registration of workplaces with DOSHS, availability of trained first aid personnel, proper waste management, dust suppression, pollution control and implementation of safety measures throughout project implementation.

The Fund promotes integrity, accountability and ethical conduct in climate finance management through implementation of anti-corruption measures, regular financial and technical audits, environmental compliance monitoring and adherence to public finance management principles. Citizens, contractors and stakeholders are encouraged to report fraud, corruption, environmental violations or unethical conduct through established County reporting channels and grievance mechanisms without fear of victimization.

The Fund has established a robust Grievance Redress Mechanism (GRM) that provides accessible, transparent and fair procedures for resolving complaints related to project implementation. Citizens may submit grievances through Project Management Committees, Ward Climate Change Planning Committees, County offices, designated telephone contacts, written submissions or online platforms. Complaints are documented, investigated and resolved within established procedures, while unresolved matters are escalated through higher grievance resolution structures where necessary.

ii) *Corporate Social Responsibility / Community Engagements*

The Makueni County Climate Change Fund advances community development through the implementation of locally led climate action, where investments are identified, prioritized and managed by communities themselves. This approach ensures that climate interventions directly respond to locally identified climate risks and development priorities while strengthening community ownership and sustainability

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Annual Report and Financial Statements for the year ended June 30, 2026

9. Report of The Board

The Trustees submit their report together with the audited financial statements of the **Makueni County Climate Change Fund** for the financial year ended **30 June 2026**, which disclose the state of the Fund's affairs in accordance with the **Public Finance Management Act, 2012**, the **Makueni County Climate Change Act, 2022**, and the applicable International Public Sector Accounting Standards (IPSAS).

Principal Activities

The principal activity of the Makueni County Climate Change Fund is to mobilize, receive, manage and disburse financial resources for the implementation of climate change adaptation and mitigation programmes and projects within Makueni County. Specifically, the Fund aims to:

- Finance community-driven climate resilience and adaptation projects at the ward level.
- Support climate-smart agriculture, sustainable natural resource management and water resource development.
- Promote renewable energy, ecosystem restoration and environmental conservation.
- Build institutional and community capacity for climate change planning and implementation.
- Mobilize climate finance from the County Government, National Government, development partners, the private sector and other lawful sources.
- Strengthen climate governance, monitoring, evaluation and accountability in climate finance management.

Results

The financial results of the Fund for the year ended **30 June 2026** are set out in the accompanying Statement of Financial Performance, Statement of Financial Position, Statement of Changes in Net Assets, Statement of Cash Flows and the accompanying Notes to the Financial Statements.

Trustees

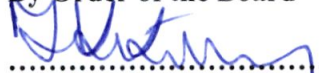
The members of the Climate Change Fund Management Board who served during the financial year are presented under the **Key Entity Information and Management** section of these financial statements. (pg. xviii-xxiii)

There were **no changes** in the composition of the Board of Trustees during the financial year ended 30 June 2026.

Auditors

The **Auditor-General** is responsible for the statutory audit of the Makueni County Climate Change Fund in accordance with **Article 229 of the Constitution of Kenya** and the **Public Audit Act, 2015**.

By Order of the Board


.....

Chairperson, Fund Board

Date: *20th Aug 2026*

Makueni County Climate Change Fund

Annual Report and Financial Statements for the year ended June 30, 2026

10. Statement of Management's Responsibilities

Section 167 of the **Public Finance Management Act, 2012** requires that, at the end of each financial year, the Administrator of a County Public Fund established by **the Makueni 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 (PSASB)**.

The Administrator of the **Makueni County Climate Change Fund** is responsible for the preparation and presentation of the Fund's financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended **30 June 2026**. 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 **Public Finance Management Act, 2012** and the **Makueni County Climate Change Act, 2022**.

The Administrator is of the opinion that the Fund's financial statements give a true and fair view of the state of the Fund's transactions during the financial year ended **30 June 2026**, and of the Fund's financial position as at that date. The Administrator further confirms the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the financial statements, as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Administrator has assessed the Fund's ability to continue as a going concern and confirms that:

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 20/8/2026 2026 and signed on its behalf by: [Signature]

Administrator, Makueni County Climate Change Fund

Date: 20/8/2026

REPUBLIC OF KENYA

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Anniversary Towers
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P.O Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON MAKUENI COUNTY CLIMATE CHANGE FUND FOR THE YEAR ENDED 30 JUNE, 2026

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 are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, Cap. 412A and the Public Audit Act, Cap. 412B. 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 Makueni County Climate Change Fund set out on pages 1 to 36, which comprise of the statement of financial position as at 30 June, 2026 and the statement of financial performance, statement of

changes in net assets, statement of cash flows and the 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, Cap. 412B. 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 Makueni County Climate Change Fund as at 30 June, 2026 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 Makueni County Climate Change Act, 2022 and the Public Finance Management Act, Cap. 412A.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Makueni 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 final receipts budget and actuals on comparable basis of Kshs.509,791,293 and Kshs.367,044,867 respectively, resulting in an under-funding of Kshs.142,746,426 or 28% of the budget. Management attributed the under-funding to the delays in the disbursement of County Climate Resilience Investment (CCRI) allocation for the year. However, budget carry-overs from the previous year of Kshs.266,626,338 was not fully reconciled to the opening cash and cash equivalents balance of Kshs.126,120,572 resulting in an unexplained difference of Kshs.140,505,766. Similarly, the Fund Management spent Kshs.72,855,953 against the actual receipts of Kshs.367,044,867 resulting to an under-absorption of Kshs.244,890,409 or 67% of the receipts.

The under-funding and under-absorption affected the planned activities and may have impacted negatively on service delivery to the residents of Makueni County.

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 pages iv to xlix which comprise of Who We Are, Board/Fund Chairperson's Report, Report of the Fund Administrator, the Statement of Performance Against Predetermined Objectives, the Corporate Governance Statement, the Financial Performance Overview, Environmental and Sustainability Reporting, the Report of the Board and the Statement of Management's Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

The audit was conducted in accordance with 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, Cap. 412B and 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 those Charged with Governance

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

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

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, Cap. 412B.

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

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, Cap. 412B and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, Cap. 412B. 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, Cap. 412B.

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

23 September, 2026

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Makueni County Climate Change Fund

Annual Report and Financial Statements for the year ended June 30, 2026

12. Statement of Financial Performance for the Year Ended 30th June 2026

Description	Note	2025-2026	2024-2025
		Kshs	Kshs
Revenue From Non-Exchange Transactions			
Public Contributions and Donations	6	161,563,018	26,203,126
Transfers From the County Government	7	100,418,529	109,700,000
Fines, Penalties and Other Levies		-	-
		261,981,547	135,903,126
Revenue From Exchange Transactions			
Other Income		-	-
		-	-
Total Revenue		261,981,547	135,903,126
Expenses			
Use of goods and services	8	119,822,998	181,329,521
Depreciation and Amortization Expense	9	1,619,927	1,298,340
Total Expenses		121,442,925	182,627,861
Other Gains/Losses			
Gain/Loss on Disposal of Assets		-	-
Surplus/(Deficit) for the Period		140,538,622	(46,724,735)

The entity financial statements were approved on 20/08/2026 2026 and signed by:

Name: Samuel Muli
Administrator of the Fund

Date 27/08/2026

Name: Pascaba Muli
Fund Accountant

ICPAK Member Number: 24049

Date 20/08/2026

Makueni County Climate Change Fund
Annual Report and Financial Statements for the year ended June 30, 2026

13. Statement of Financial Position as at 30 June 2026

Description	Note	2025-2026	2024-2025
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	10	256,415,901	126,120,572
Receivables from non exchange transactions	11	31,394,351	28,583,301
Total current assets		287,810,251	154,703,873
Non-Current Assets			
Property, Plant and Equipment	12	3,020,178	3,276,482
Total non- current assets		3,020,178	3,276,482
Total Assets (A)		290,830,429	157,980,355
Liabilities			
Current Liabilities			
Trade and Other Payables from Exchange Transactions	13	6,659,464	14,348,012
Total current liabilities		6,659,464	14,348,012
Non-Current Liabilities			
Non-Current Provisions		-	-
Tota Non-Current Liabilities		-	-
Total Liabilities (B)		6,659,464	14,348,012
Net Assets (A-B)		284,170,966	143,632,343
Represented By:			
Accumulated Surplus		284,170,966	143,632,343
Net Assets		284,170,966	143,632,343

The entity financial statements were approved on 20/08/2026 and signed by:

Name: Samuel Muliwa
Administrator of the Fund

Date

20/08/2026

Name: Pascalia Muliwa
Fund Accountant

ICPAK Member Number: 24049

Date 20/08/2026

Makueni County Climate Change Fund
Annual Report and Financial Statements for the year ended June 30, 2026

14. Statement of Changes in Net Assets for the year ended 30th June 2026

Description	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
		Kshs	Kshs	Kshs
Balance As At 1 July 2024 (Previous FY)			190,357,078	190,357,078
Surplus/(Deficit) For the Period			(46,724,735)	(46,724,735)
Prior year adjustment				
Adjustment of depreciation				-
Funds Received During the Year				
Transfers			-	-
Revaluation Gain			-	-
Balance As At 30 June 2025 (Previous FY)			143,632,343	143,632,343
				-
Balance As At 1 July 2025 (Current FY)			143,632,343.35	143,632,343
Surplus/(Deficit) For the Period			140,538,622.43	140,538,622
Funds Received During the Year			-	-
Transfers			-	-
Revaluation Gain			-	-
Balance As At 30 June 2026 (Current FY)			284,170,966	284,170,966

Makueni County Climate Change Fund
Annual Report and Financial Statements for the year ended June 30, 2026

15. Statement of Cash Flows for The Year Ended 30 June 2026

Description	Note	2025-2026	2024-2025
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Public contributions and donations		152,031,257	82,373,218
Transfers from the county government		100,418,529	158,750,644
Total receipts		252,449,786	241,123,862
Payments			
General expenses		120,790,835	180,361,684
Total Payments		120,790,835	180,361,684
Net cash flows from operating activities	14	131,658,951	60,762,178
Cash flows from investing activities			
Purchase of property, plant, equipment and		(1,363,623)	(422,822)
Net cash flows used in investing activities		(1,363,623)	(422,822)
Cash flows from financing activities			
Repayment of borrowings		-	-
Net cash flows used in financing activities		-	-
Net increase/(decrease) in cash & cash		130,295,328	60,339,356
Equivalents			
Cash and cash equivalents at 1 July	10	126,120,573	65,781,217
Cash and cash equivalents at 30 June	10	256,415,901	126,120,573

Makueni County Climate Change Fund

Annual Report and Financial Statements for the year ended June 30, 2026

16. Statement Of Comparison Of Budget And Actual Amounts For The Period 2026

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*	-	266,626,338	266,626,338	266,626,338	-	100%
Receipts						
Public Contributions and Donations	142,746,435		142,746,435		142,746,435	0%
Transfers From County Govt.	99,000,000	1,418,520	100,418,520	100,418,529	(9)	100%
Interest Income	-	-	-	-	-	
Other Income	-	-	-	-	-	
Total Income	241,746,435	268,044,858	509,791,293	367,044,867	142,746,426	72%
Expenses						
General Expenses	241,746,435	268,044,858	509,791,293	122,154,458	387,636,835	24%
Finance Cost	-	-	-	-	-	
Total Expenditure	241,746,435	268,044,858	509,791,293	122,154,458	387,636,835	24%
Capital expenditure	235,446,435	181,247,645	416,694,080	72,855,953	343,838,127	
Surplus For the Period	-	-	-	244,890,409		

Budget notes

1. The underutilization of funds is occasioned by non-disbursement of donor funds
2. The changes between original and final budget is as a result of additional allocation

Makueni County Climate Change Fund
Annual Report and Financial Statements for the year ended June 30, 2026

Budget Reconciliation

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	244,890,409
1	Donor contribution not carried forward in budget	9,284,822
2	County contribution not carried forward in budget	2,240,670
	Closing Cash and Cash Equivalent as per the statement of Cash flows	256,415,901

17. Notes to the Financial Statements

Significant Accounting Policies

1. General Information

Makueni Climate Change entity is established by and derives its authority and accountability from Makueni Climate Change Act, 2022. The entity is wholly owned by the Makueni County Government and is domiciled in Kenya. The entity's principal activity is management of climate change fund.

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.

Basis of measurement

Under the historical cost basis, assets are recorded at the amount of cash or cash equivalents paid, or the fair value of the consideration given to acquire them at the time of acquisition, plus directly attributable transaction costs. Liabilities are recorded at the amount of consideration received to assume the obligation, less transaction costs incurred when the liability was assumed.

For those assets and liabilities measured at fair value, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, the Entity uses market-to-observable data to the extent possible. If the fair value of an asset or a liability is not directly observable, it is estimated by the Entity using valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs (e.g., by use of the market comparable approach that reflects recent transaction prices for similar items, or discounted cash flow analysis). Inputs used are consistent with the characteristics of the asset or liability that market participants would take into account.

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Fair values are categorized into three levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities that the Entity can access at the measurement date.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).
- The Entity's accounting policy is to recognize transfers between levels of the fair value hierarchy at the end of the reporting period during which the change occurred. This policy is consistently applied to transfers into and out of each level.

Use of Estimates

The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgment in the process of applying the Entity's accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5 of these financial statements.

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3. Adoption of new and revised standards

(i) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2026

Standard	Effective date and impact:
IPSAS 43: Leases	<i>Applicable 1st January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<i>Applicable 1st January 2025</i> 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	<i>Applicable 1st January 2025</i> 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	<i>Applicable 1st January 2025</i> The objective of this standard was to improve measurement guidance across IPSAS by:

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	<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. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
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(ii) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2026.

Standard	Effective date and impact:
IPSAS 47: Revenue	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
IPSAS 48: Transfer Expenses	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial 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>
IPSAS 49: Retirement Benefit Plans	<p><i>Applicable 1st January 2026</i></p> <p>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>
IPSAS 50:	<p><i>Applicable 1st January 2027</i></p>

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Exploration For & Evaluation of Mineral Resources	<p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ol style="list-style-type: none">Limited improvements to existing accounting practices for exploration and evaluation expenditures.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.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.
IPSAS 51: Tangible Natural Resources Held for Conservation	<p><i>Applicable 1st January 2028</i></p> <p>The objective of this Standard is to establish the principles that an entity shall apply to report relevant information to users of financial statements about the nature, amounts, timing, and uncertainties arising from tangible natural resources held for conservation.</p> <p>A tangible natural resource held for conservation is a naturally occurring tangible asset that is managed to prevent its degradation.</p>
IPSASB SRS 1: Climate Related Disclosures	<p><i>Applicable 1st January 2028</i></p> <p>This standard provides principles for an entity to address climate-related risks and opportunities arising from an entity's activities and operations. The standard provides disclosures on governance, strategy, risk management, and metrics and targets.</p>

(i) Early adoption of standards

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

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

Finance income

Finance 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 and other similar Distributions

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

Rental income

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

b) Budget information

The original budget for FY 2025-26 was approved by the County Assembly on 24th June 2025. 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 1,418,520.00 on the FY 2025-26 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

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comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

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

Recognition and Measurement

The Entity's Property, Plant, and Equipment (PPE) are tangible items held for use in the production or supply of goods and services, for rental to others, or for administrative purposes, and are expected to be used for more than one reporting period.

An item of PPE is recognized as an asset if, and only if:

- It's probable that the future economic benefits or service potential associated with the item will flow to the entity.
- The cost or fair value of the item can be measured reliably.

Items acquired through non-exchange transactions (e.g., donations) are measured at their deemed cost, which is the fair value at the date of acquisition. For all other acquisitions, initial measurement is at cost, which includes all expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The entity has adopted the Historical cost model for the subsequent measurement of its PPE. Under this model, after initial recognition, an asset is carried at its cost less any accumulated depreciation and accumulated impairment losses.

Depreciation and Impairment

The entity applies the straight-line method of depreciation, as it best reflects the pattern of the asset's consumption of its future economic benefits or service potential. Depreciation begins when the asset is available for use and ceases at the earlier of the date the asset is classified as held for sale or the date of derecognition. The depreciable amount is the cost of the asset less its residual value. The residual value and the useful life of an asset are reviewed at least at each annual reporting date. The table below indicates the various classes of assets and the depreciation rates.

PPE Item	Depreciation Rate
Motor vehicles	16.67%

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PPE Item	Depreciation Rate
Furniture and fittings	12.5%
Computers & ICT Equipment	30%

A full year's depreciation is recognized both in the year of asset purchase and in the year of asset disposal.

Impairment The entity assesses at each reporting date whether there is any indication that an asset may be impaired. If an indication exists, the recoverable amount of the asset is estimated. An impairment loss is recognized immediately in the statement of financial performance.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in statement of financial performance.

d) Right of Use Asset

A right-of-use asset represents the entity's right to use an underlying leased asset over the lease term. At the commencement date of a lease, the entity recognizes a right-of-use asset and a lease liability, except for short-term leases and leases of low-value assets as allowed under IPSAS 43.

Recognition

The entity recognizes a right-of-use asset at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises:

- The amount of the initial lease liability;
- Any lease payments made at or before the commencement date, less any lease incentives received;
- Any initial direct costs incurred; and
- An estimate of the costs to be incurred in dismantling and removing the underlying asset or restoring the site.

Measurement

Right-of-use assets are initially measured at cost. After initial recognition, right-of-use assets are measured using the cost model, where the asset is carried at: Cost less accumulated

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depreciation, and Any accumulated impairment losses. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

Depreciation of right-of-use assets is charged to expenditure in accordance with the entity's depreciation policy applicable to owned assets of the same class. Right-of-use assets are assessed for impairment in accordance with IPSAS 21 – Impairment of Non-Cash-Generating Assets or IPSAS 26 – Impairment of Cash-Generating Assets, as applicable.

e) Lease Liability

The lease liability is measured at the present value of lease payments that are not paid at that date. The lease payments have been discounted using the interest rate implicit in the lease, and the rate can be readily determined. If the rate cannot be readily determined, the entity uses the incremental borrowing rate.

Subsequently, the lease liability is measured at amortized cost using the effective interest method and reduced by lease payments. Interest expense is recognized in the statement of financial performance.

f) Intangible Assets

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

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

g) Non-Current Assets Held for Sale and Discontinued Operations

Non-current assets or disposal groups are classified as held for sale when their carrying amount is expected to be recovered through sale rather than continued use. They are measured at the lower of carrying amount and fair value less costs to sell and have been presented separately in the Statement of Financial Position. Depreciation has ceased for the assets classified as held for sale.

The assets classified as held for sale have met the following required criteria: management has made a commitment to sell, the asset is actively being marketed for sale at a reasonable price, the sale will be completed within one year of the classification date, an active program to find a buyer has been initiated, and there are no significant changes to the plan that might impact the sale.

Discontinued operations are the major components that have been disposed of or are held for sale. Their results have been presented separately in the Statement of Financial Performance.

h) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the

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

i) Financial instruments

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

Financial assets

Classification of financial assets

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

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Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Financial liabilities

Classification

The entity classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

j) Inventories

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

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

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

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

k) Provisions

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

l) Social Benefits

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

m) Contingent liabilities

The Entity does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

Contingent assets

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

n) Nature and purpose of reserves

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

o) Changes in accounting policies and estimates

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

p) Employee benefits – Retirement benefit plans

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

Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected-unit credit method

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basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

q) Foreign currency transactions

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

r) Borrowing costs

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

s) Related parties

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

t) 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.

u) Comparative figures

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

Summary of Significant Accounting Policies (Continued)

5. Significant judgments and sources of estimation uncertainty

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

a) Estimates and assumptions –

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

b) Useful lives and residual values

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

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

c) Provisions

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

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

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Notes to the Financial Statements Continued

6. Public contributions and donations

Description	2025/2026	(2024/2025)
	Kshs	Kshs
Donation From Development Partners	161,563,018	26,203,126
Contributions From the Public	-	-
Total	161,563,018	26,203,126

This revenue is comprised of funds from development partners, specifically the FLLoCA program, to the fund

7. Transfers from County Government

Description	2025/2026	(2024/2025)
	Kshs	Kshs
Transfers From County Govt. –Operations	100,418,529	109,700,000
Payments By County On Behalf Of The Entity	-	-
Unconditional Development grants	-	-
Total	100,418,529	109,700,000

8. Use of Goods and Services

Description	2025/2026	2024/2025
	Kshs.	Kshs.
Fuel And Oil Costs	740,000	1,750,000
Printing And Stationery	1,242,763	606,460
Rental Costs		312,000
Security Costs	187,400	
General Operation Costs	117,652,835	178,661,061
Total	119,822,998	181,329,521

9. Depreciation and Amortization Expenses

Description	2025/2026	2024/2025
	Kshs.	Kshs.
Property Plant and Equipment	1,619,927	1,298,340
Intangible Assets	-	-
Total	1,619,927	1,298,340

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10. Cash and cash equivalents

Description	2025-2026	2024-2025
	Kshs	Kshs
Makueni Climate Change Fund Account	256,415,901	126,120,572
Total Cash And Cash Equivalents	256,415,901	126,120,572

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

Financial Institution	Account number	2025/2026	2024/2025
		Kshs	Kshs
a) Current Account			
Central Bank of Kenya	100****368	256,415,901	126,120,572
Sub- Total		256,415,901	126,120,572
Grand Total		256,415,901	126,120,572

11. Receivables

Description	2025-26	2024/2025
	FY 2025-26	FY 2024-25
	Kshs	Kshs
Current Receivables		
Interest Receivable	-	-
Current Loan Repayments Due	-	-
Other Exchange Debtors- Cotractors' Retention	6,659,464	13,380,175
Less: Impairment Allowance	-	-
Total Current Receivables	6,659,464	13,380,175
Non-Current Receivables		
FLLoCA CCRI-G	24,734,887	15,203,126
FLLoCA County contribution		
Total Non- Current Receivables	24,734,887	15,203,126
Total Receivables From Exchange Transactions	31,394,351	28,583,301

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Aging analysis for Receivables

Description	2025/26		2024/25	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	31,394,351	100%	28,583,301	100%
Between 1 and 2 years		%		%
Between 2-3 years		%		%
Over 3 years		%		%
Total (a+b)	31,394,351	%	28,583,301	%

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12. Property, plant, and equipment
Current FY

Cost/Value	Land	Buildings	Motor vehicles	Furniture and fittings	Computers	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
As At 1 July 2025		-	5,000,000	74,322	1,518,500	6,592,822
Additions	-	-	-	500,000	863,623	1,363,623
Disposals	-	-	-	-	-	-
Transfers/Adjustments	-	-	-	-	-	-
Revaluation Adjustments	-	-	-	-	-	-
As at 30th June 2026	-	-	5,000,000	574,322	2,382,123	7,956,445
Depreciation & Impairment						
At 1 July 2025	-	-	2,500,500	9,290	806,550	3,316,340
Depreciation	-	-	833,500	71,790	714,637	1,619,927
Impairment	-	-	-	-	-	-
Transfers/ Adjustments	-	-	-	-	-	-
As at 30th 2026	-	-	3,334,000	81,080	1,521,187	4,936,267
Net Book Value as at 30th June 2026	-	-	1,666,000	493,242	860,936	3,020,178

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Previous FY

	Land	Buildings	Motor vehicles	Furniture and fittings	Computers and office equipment	Total
Rate			16.67%	12.50%	30%	
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
At 1st July 2024	-	-	5,000,000	-	1,170,000	6,170,000
Additions				74,322	348,500	422,822
Disposals				-	-	
Transfer/Adjustments						
Revaluation Adjustments						
At 30th June 2025			5,000,000	74,322	1,518,500	6,592,822
Depreciation And Impairment						
At 1st July 2024			1,667,000		351,000	2,018,000
Depreciation			833,500	9,290	455,550	1,298,340
Disposals						-
Impairment						-
Transfer/Adjustment						-
At 30th June 2025			2,500,500	9,290	806,550	3,316,340
Net Book Values						
At 30th June 2025			2,499,500	65,032	711,950	3,276,482

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13. Trade and other payables from exchange transactions

Description	2025/2026		2024/2025	
	Kshs		Kshs	
Trade Payables			967,837	
Other Payables- Contractors Retentions	6,659,464		13,380,175	
Total Trade and Other Payables	6,659,464		14,348,012	
Ageing analysis (Trade and other payables)	Current FY 2024/2025	% of the Total	Comparative FY 2023/2024	% of the Total
Under one year	6,539,741	98%	14,348,012	100%
1-2 years	119722.9	2%		%
2-3 years		%		%
Over 3 years		%		%
Total (tie to above total)	6,659,464	100%	14,348,012	100%

14. Cash generated from operations.

Description	2025/2026	2024/2025
	Kshs	Kshs
Surplus/ (Deficit) For the Year Before Tax	140,538,622	(46,724,735)
Adjusted For:		
Depreciation	1,619,927	1,298,340
Working Capital Adjustments		
Increase In Inventory		-
Increase/Decrease In Receivables	(2,811,050)	91,840,561
Increase/Decrease In Payables	(7,688,548)	14,348,012
Net Cash Flow From Operating Activities	131,658,951	60,762,178

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15. 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:

- b) The County Government of Makueni;
- c) The department of Lands Urban planning and Development, Environment and Climate Change
- d) The climate Change Key management
- e) The Climate Change Fund Board

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Other Disclosures Continued

16. Financial risk management

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

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

a) Credit risk

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

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2026				
Receivables From Exchange Transactions				
Receivables From Non-Exchange Transactions				
Bank Balances				
Total				
At 30 June 2025				
Receivables From Exchange Transactions				
Receivables From Non-Exchange Transactions				
Bank Balances				
Total				

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for

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uncollectible amounts that the entity has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

The entity has no significant concentration of credit risk.

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

b) Liquidity risk management

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

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

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

c) Market risk

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

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

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

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

i. Foreign currency risk

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

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

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

The Fund manages foreign exchange risk from future commercial transactions and recognized assets and liabilities by projecting expected sales proceeds and matching the same with expected payments.

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

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main transaction currencies, with all other variables held constant. The reverse would also occur if the Kenya Shilling appreciated with all other variables held constant.

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

ii. Interest rate risk

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

Management of interest rate risk

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

d) Capital risk management.

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

Description	2025/2026	2024/2025
	Current FY	Comparative FY
	Kshs	Kshs
Revaluation reserve		
Revolving fund		
Accumulated surplus	408,739,824	143,632,643
Total funds	408,739,824	143,632,643
Total borrowings		
Less: cash and bank balances	256,415,901	126,120,573

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(excess cash and cash equivalents)	(256,415,901)	(126,120,573)
Gearing	0%	0%

17. Events after the reporting period

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

18. Ultimate and Holding Entity

The entity is a County Public Fund established by Makueni Climate Change Act,2022 under the Ministry/Department of Lands, Urban Planning and Development, Environment and Climate Change. Its ultimate parent is the County Government of Makueni.

19. Currency

The financial statements are presented in Kenya Shillings (Kshs)

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18. Annexes

Appendix I: Progress on Follow-Up of Prior Years' Auditor General's Recommendations

The following is a summary of the issues raised by the Auditor General and the management responses provided.

Reference No.	Issue/Observation	Management Response	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Financial Statements			
Budgetary control and performance	The statement of comparison of budget and actual amounts reflects final income budget and actual on comparable basis of Kshs.449,651,514 and Kshs.306,905,079 respectively resulting to underfunding of Kshs.142,746,435 or approximately 32% of the budget. Similarly, the Fund expended Kshs.180,784,506 against actual receipts of Kshs.306,905,079 resulting to under absorption of Kshs.126,120,573 or approximately 41% of actual receipts.The underfunding and under absorption affected the implementation of planned activities and programmes and may have negatively impacted on service delivery to the public.	There was a delay in the disbursement of FLLOCA CCRI funds amounting to Kshs. 142,746,435, which had not been received by the close of the Financial Year. The funds were subsequently disbursed in the financial year 2025/26	Resolved	

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	Lawfulness & Effectiveness in the use of Public Resources			
Delayed project implementation	Review of records revealed that the Fund allocated Kshs.162,746,435 which included Kshs.22,000,000 and Kshs.142,746,435 for Institutional Support for Climate Change Resilience and Implementation of thirteen (13) designated projects in thirteen (13) wards respectively. However, eleven (11) projects were completed, one (1) project (Enhancement of Athi Mavindini Water Project) with a budget allocation of Kshs.15,000,000 was on going while one (1) Project (Kyandulu/Ndovoini Water and Livelihoods Improvement Project) with a budget of Kshs.10,000,000 had not commenced as at the time of audit in September, 2025. Management did not provide the measures put in place to complete the projects. In the circumstances, value for money obtained from the incomplete projects could not be confirmed.	The Ndovoini Water Project implementation, with a budget allocation of Kshs. 10,000,000, was deferred following a grievance that necessitated a change in project scope. The grievance has since been resolved in accordance with FLLoCA requirements. . Following the revision, Phase I of the project has since been implemented. The Athi mavindini project of Kshs. 15,000,000.00 included the construction of a sump along the Athi River. However, persistent high water levels delayed the sump works. To ensure continued water provision and value for money, the existing sump was rehabilitated pending construction of the new one. All other project components have since been completed	Resolved	

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	Effectiveness of Internal Controls, Risk Management & Governance			
Delayed Board appointment and Composition of the Board	Review of the Boards records revealed that the term of the previous Board of Directors expired on 31 March, 2024. However, only four (4) positions were filled as at 20 January, 2025 while the remaining three (3) positions remained vacant one and half years later as at the time of audit in October, 2025. Although the Fund Management provided a report on recruitment of Board of Directors which was forwarded to the County Assembly for tabling and approval, there was no evidence to confirm that the report was deliberated on and approved by the County Assembly. This is contrary to the provisions of Section 15 of the Makueni County Climate Change Act, 2022 which requires the establishment of Climate Change Board to manage the Climate Change Fund. In addition, the Steering Committee held only two meetings during the year under review contrary to Sections 12 and 29 of the Makueni Climate Change Fund Act, 2022 which requires the committees to hold a minimum of four (4) meetings annually.	The appointment of the remaining board of directors was approved by the county assembly. The board was gazetted on 21 st November 2025. The fund management takes note of the recommendation and has instituted measures to ensure that the committees adhere to the requirement of holding at least four meetings annually as stipulated in the governing legislation. In the financial year 2025/26, the committee held its meetings in every quarter	Resolved	

.....
Fund Administrator

Date.....20/1/2026.....

Makueni County
Climate Change Fund
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Annex II: Inter-Fund Confirmation Letter
 REPUBLIC OF KENYA



DEPARTMENT OF LANDS, URBAN PLANNING & DEVELOPMENT, ENVIRONMENT & CLIMATE CHANGE
 OFFICE OF THE CHIEF OFFICER ENVIRONMENT & CLIMATE CHANGE
 P.O BOX 78 – 90300, MAKUENI

GOVERNMENT OF MAKUENI COUNTY



Email: co.environment@makueni.go.ke

www.makueni.go.ke

Makueni Climate Change Fund
 P.O Box 78-90300, Makueni

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

Confirmation of amounts received by Makueni Climate Change Fund as at 30 th June 2026							
Reference Number	Date Disbursed	Amounts Disbursed by Makueni County Government (Kshs) as at 30 th June 2026				Amount Received by Makueni Climate Change Fund	Differences (KShs) F= D-E
		Recurrent (A)	Development (B)	Inter-Ministerial(C)	Total(D)=(A+B+C)	(KShs) as at 30 th June 2026 (E)	
COB/MKN/001/169(12)DD 27082025	8/29/2025		15,203,126		15,203,126	15,203,126	-
COB/MKN/001/187(1)DD 16/02/2026	2/17/2026		136,828,131		136,828,131	136,828,131	-
COB/MKN/001/195(7)DD 25052026	5/28/2026		11,000,000		11,000,000	11,000,000	-
COB/MKN/001/195(8)DD 25052026	5/28/2026		89,418,529		89,418,529	89,418,529	-
Total			252,449,786		252,449,786	252,449,786	

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

Head of Accountants department of beneficiary Fund:

Name Pasaka Mulwa Sign [Signature] Date 20/08/2026

Makueni County
Climate Change Fund

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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		
Financing Locally Led Climate Actions	Building county level capacity for planning, budgeting, reporting and implementation of local climate actions in partnership with communities;	To strengthen community resilience to climate change impacts and risks	Agroforestry, Apiculture development and Climate Smart Agriculture			190,960.00		FLLoCA grant and County Contribution	
			Athi - Mavindini water project		1,079,050.00		5,732,923.75	FLLoCA grant and County Contribution	
			Climate Change initiative-Agroforestry-Muvau kikumini				21,900.00	FLLoCA grant and County Contribution	
			Climate Change Mainstreaming				450,000.00	FLLoCA grant and County Contribution	
			Climate information system and plan		328,100.00	214,200.00	136,375.00	FLLoCA grant and County Contribution	

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			Climate Smart Agriculture Training				1,153,380.00	FLLoCA grant and County Contribution	
			Communication				146,400.00	FLLoCA grant and County Contribution	
			Community Outreach		191,620.00	948,500.00	2,542,870.85	FLLoCA grant and County Contribution	
			Completion of Miting'ani Sand Dam Water Project		895,426.00			FLLoCA grant and County Contribution	
			Construction of londokwe - Kitise Earthpan restoration project	7,377,563.15		227,000.00	10,797,217.30	FLLoCA grant and County Contribution	
			Construction of Two (2) Sand Dams at Kwa Maundu, Musau Ndati To Londokwe River-Climate Change Fund		111,580.00	36,949.00	6,720.00	FLLoCA grant and County Contribution	

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			Designing and feasibility studies		115,950.00	739,600.00	2,832,720.00	FLLoCA grant and County Contribution	
			Desilting of Londokwe earthdam under climate change (Fuel)--Climate change fund	1,787,190.00	986,420.00	603,637.00	40,000.00	FLLoCA grant and County Contribution	
			Documentary on Climate actions			22,700.00	292,858.25	FLLoCA grant and County Contribution	
			Environment and Social Risk Management				300,400.00	FLLoCA grant and County Contribution	
			Environmental and Social Screening and proposal development		2,181,597.00	359,720.00		FLLoCA grant and County Contribution	
			Environmental Impact Assessment Consultancy		1,030,837.00	170,064.00	2,004,727.50	FLLoCA grant and County Contribution	
			FLLoCA program management		834,850.00	66,560.00	1,889,642.70	FLLoCA grant and	

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			costs (trainings, assessments Audits)					County Contribution	
			FllLoCA reporting and Internal Audit		347,200.00		505,100.00	FLLoCA grant and County Contribution	
			Fuel and vehicle maintenance		992,388.35	290,000.00		FLLoCA grant and County Contribution	
			Grievance Redress Mechanism				1,290,180.00	FLLoCA grant and County Contribution	
			Hydrogeologic al Survey and application of permits				1,306,037.70	FLLoCA grant and County Contribution	
			Induction of CCFB and training on resource mobilization		1,798,240.00			FLLoCA grant and County Contribution	
			Infrastructure development and disaster management				863,622.90	FLLoCA grant and County Contribution	

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			Isuuni – Kwa Kisela Sand dam pumping and water distribution project		864,905.60			FLLoCA grant and County Contribution	
			KianginiI Kikuu Community Water Enhancement Project		155,800.00			FLLoCA grant and County Contribution	
			Kikuu -Kawala Intergrated Water and livelihood restoration Project				7,213,904.65	FLLoCA grant and County Contribution	
			Kinze Earth dam water project enhancement				867,621.45	FLLoCA grant and County Contribution	
			Knowledge exchange and management-		26,400.00		495,600.00	FLLoCA grant and County Contribution	
			Kwa Kakui Earth Dam water		648,367.20			FLLoCA grant and County Contribution	

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			enhancement project						
			Kwa Nzoongo Earthdam Development and livelihood enhancement project		899,731.35			FLLoCA grant and County Contribution	
			Kyandulu/Ndovoini water and livelihood improvement project			1,994,646.65		FLLoCA grant and County Contribution	
			Kyanduu water distribution for domestic and agriculture project			14,276,882.80		FLLoCA grant and County Contribution	
			Monitoring and Evaluation		633,400.00			FLLoCA grant and County Contribution	
			Monitoring and Evaluation		2,337,240.00	958,580.00	1,523,340.00	FLLoCA grant and County Contribution	
			Muliluni kiambani water and livelihood		875,140.25			FLLoCA grant and County Contribution	

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			enhancement project						
			Muthyamwii Intergated water and livelihood restoration project				2,230,420.95	FLLoCA grant and County Contribution	
			Office furniture			500,000.00		FLLoCA grant and County Contribution	
			Participatory Climate Risk Assessment / CCAP review and sensitization				226,200.00	FLLoCA grant and County Contribution	
			Participatory Climate Risk Assessment validation		384,580.00	200,960.00	86,100.00	FLLoCA grant and County Contribution	
			Planting of trees -Climate change fund			32,620.00	699,006.00	FLLoCA grant and County Contribution	
			Project Management Committee			100,000.00	445,400.00	FLLoCA grant and County Contribution	

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			Review of climate Change Act		443,800.00	918,400.00		FLLoCA grant and County Contribution	
			Stakeholder engagement on locally led climate actions.		216,000.00	69,200.00	214,800.00	FLLoCA grant and County Contribution	
			Stationery and office supplies and equipment			696,975.50	475,630.70	FLLoCA grant and County Contribution	
			Technical Supervision		121,240.00	1,630,100.00	1,433,480.00	FLLoCA grant and County Contribution	
			Tendering Process		309,320.00	80,120.00	411,737.95	FLLoCA grant and County Contribution	
			Thange Water and livelihood restoration project				12,585,109.20	FLLoCA grant and County Contribution	
			Training technical officers on carbon markets, M&E, Project		288,360.00	230,000.00	1,319,936.90	FLLoCA grant and County Contribution	

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			Management, financial management						
			Water Quality testing			272,000.00	329,140.00	FLLoCA grant and County Contribution	
			Wautu/Kyanga ati Water project				3,867,766.35	FLLoCA grant and County Contribution	
			Yandia Water Project		499,104.00			FLLoCA grant and County Contribution	
			TOTALS	9,164,753	19,596,647	25,830,375	66,738,270		