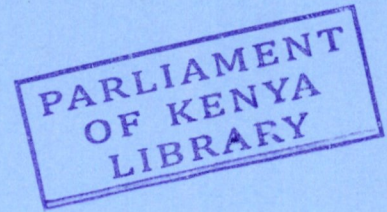


REPUBLIC OF KENYA



REPORT

OF

THE AUDITOR-GENERAL

ON

BUNGOMA COUNTY CLIMATE CHANGE FUND

FOR THE YEAR ENDED 30 JUNE, 2025

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



BUNGOMA COUNTY CLIMATE CHANGE FUND

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

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

Bungoma County Climate Change Fund

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

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1. Acronyms and Glossary of Terms

a) Acronyms

BOM	Board of Management
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
Kshs	Kenya Shillings
IDA	International Development Association
KFW	Kreditanstalt Fur Wrederaufbau (Green Climate Fund)
CCRI	Climate Change Resilience Investment
CCIS	Climate Change Institutional Support
FLLoCA	Financially Locally Led Climate Change Action
CPA	Certified Public Accountant
BWASCO	Bungoma Water Service Company
CCU	Climate Change Unit
PFMA	Public Finance Management Act
FY	Financial Year
PCRA	Participatory Climate Risk Assessment
NEMA	National Environment Management Authority
CECM	County Executive Committee Member
M&E	Monitoring and Evaluation
PIU	Project Implementation Committee

b) Glossary of Terms

Fiduciary Management The key management personnel who had financial responsibility.

Bungoma County Climate Change Fund

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

2. Key Entity Information and Management

a) Background information

Bungoma County Climate Change Fund is established by and derives its authority and accountability from Bungoma Climate Change Fund Act on 29th November 2022. The Fund is wholly owned by the County Government of Bungoma and is domiciled in the department of Environment, Tourism and Climate change.

The fund's objective is to facilitate and coordinate County Climate Change mitigation and adaptation programmes; and for connected purposes.

The Fund's principal activity is;

b) Principal Activities

The principal activity/mission/ mandate of the Fund is to:

1. Initiating and coordinating financing of climate change adaptation and mitigation projects at the community level;
2. Establishing Climate Finance Mechanisms;
3. Coordinating collection and dissemination of climate change information to the public to create awareness and preparedness.

c) Fund Administrative Committee

S/No.	Name	Position
1.	H.E Kenneth Makelo Lusaka	Chairperson
2.	Eng. Herbert Kibunguchy	Member
3.	Mr. Benedict Emachar	Member
4.	Dr. Monicah Fedha	Member
5.	Ms Carolyne Khalayi	Member
6.	Dr. Andrew Wamalwa	Member
7.	ARCH. Ronald Sasita	Member
8.	Dir. Jane Gitau Mukonambi	Fund Administrator

d) Key Management of the entity

S/No.	Position	Name
1	Fund Manager/ Administrator	Jane Gitau Mukonambi
2	Fund Accountant	CPA Jacqueline Makokha
3	Chief Officer Climate Change and Environment	Nicholas J.T Kiboi

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

e) Fiduciary Oversight Arrangements

S/No	Position	Name
1	Directorate Internal Audit	Dorothy Barasa
2	Public Accounts and Investments Committee	PAIC
3	Bungoma County Treasury	Robert Juma

f) Registered Offices

P.O. Box 437
BWASCO Headquarters
Bungoma 50200, KENYA

g) Fund Contacts

Tel: 0721897826
Email: nanyamajacqueline@gmail.com
www.bungoma.go.ke

h) Fund Bankers

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

i) Independent Auditors

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

j) Principal Legal Adviser


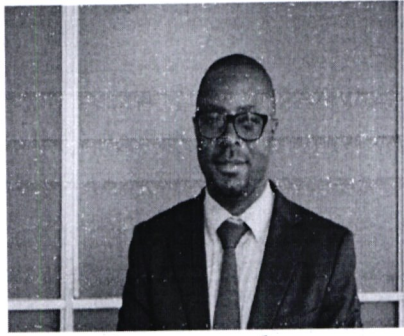
The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

Bungoma County Climate Change Fund
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- i) County Attorney**
Bungoma County Government
P.O BOX 437,
BUNGOMA, 50200.




**Bungoma County Climate Change Fund
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3. Fund Administration Committee




No.	Name	Details of qualifications and experience
1	<p>Governor Bungoma County</p>  <p>H.E Hon. Kenneth Makelo Lusaka</p>	<p>Year of Birth: 18th Sep 1963 Bachelor Degree in Government and History Master of Arts Degree in Public Policy and Administration, The International Institute of Social Studies (ISS) The Hague 2009-2011: Permanent Secretary, Ministry of Livestock Development 2013-2017: Governor, Bungoma County 2017: Dec Awarded the ELDER OF THE Golden Heart (EGH) by his Excellency The president in recognition of my leadership in Kenya 2017-2022: Speaker, the senate of Kenya. 2022 Aug to date: Elected Governor of Bungoma County for a second term.</p>
2	<p>CECM Water, Natural Resources, Environment, Climate Change and Tourism</p>  <p>Dr. Andrew wamalwa</p>	<p>Year of Birth: 4th Sept, 1983 2001 KCSE: Musingu High School 2008: University of Nairobi MBCH. B 2022: University of Medical Science of HAVANA CUBA Mmed Family Medicine. Work Experience: 2010-2013 : Samia Sub county MOH 2013-Aug 2015: MOH in Sirisia 2015-Nov 2017 MOH Webuye East Sub County. 2017-Nov 2018 - Kimilili MOH & Medical superintendent 2022 May-2022 Oct Physician 2022-Nov 2024 CECM Health 2024-to date CECM Environment, Tourism, Natural Resources and Climate Change</p>

Bungoma County Climate Change Fund

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



No.	Name	Details of qualifications and experience
4.	<p>CECM Agriculture, Livestock and Cooperative</p>  <p>Eng. Herbert Kibuchy</p>	<p>Year of Birth: 15th April 1957 BSc Degree In Civil Engineering</p>
5	<p>CECM Gender, Youth and Sports</p>  <p>Mr. Benedict Emacar</p>	<p>Bachelor of commerce and CPA II Work experience Economic Advisor in Bungoma County and Constituency development fund account manager for Kimilili, MT Elgon and Butula. Also served a credit controller for Kenya postal directories ltd and Nation newspaper ltd 2022 NOV: CECM Public Service Management and Administration</p>
6	<p>CECM Trade, Energy and Industrialisation</p>  <p>Dr. Monicah Fedha</p>	<p>Bachelor of Science Degree in Agriculture from Egerton University, Masters of science degree in food science and postharvest technology from JKUAT and currently finalizing her PHD studies in food security and sustainable agriculture from Jaramogi Oginga Odinga university of Science and Technology. Chief officer Bungoma county both in education and agriculture department, and sub county agriculture officer. 2022 Nov: CECM Agriculture, Livestock, Fisheries and cooperative development</p>
7	<p>CECM Health and Sanitation</p>	<p>Bachelor of Commerce degree Accounting Option. Diploma business management Finance option Diploma in supplies Management Advanced level in certified public accounting (CPA) Work experience</p>

**Bungoma County Climate Change Fund
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No.	Name	Details of qualifications and experience
	 <p>Ms Carolyne Khalayi</p>	<p>Records Management officer and accountant at national government constituency development fund Kabuchai constituency. Served as Research Assistant for National tax payers Association.</p>
8	<p>CECM Lands, Urban and Physical Planning</p>  <p>ARCH. Ronald Sasita</p>	<p>Mr. Sasita was appointed CECM for Lands, Urban and Physical planning in in November 2022. Prior to his appointment, he is a defector at yellow line Group Limited, Senior Architect at Ude sign Architects and Interior Designers and Graduate Architect at Studio Infinity Architects. He also served as Chair of Bungoma municipality Board. He has Bachelor of Architecture degree from the University of Nairobi and is a CPA finalist' He is a registered architect and a Corporate Member of Architectural Association of Kenya.</p>
	<p>Fund Administrator, Climate Change</p>  <p>Mrs Jane Gitau M</p>	<p>Year of Birth: 8TH May, 1971 Master's Degree in Climate Change Adaptation and Sustainable Development Work Experience: 1997-2006 –District crops officer Kajiado 2007-2010 District crops officer Mt. Elgon 2010-2018 Bumula subcounty Extensive and training officer 2019-2021 Deputy Director Agriculture Bungoma. 2021 to date Director Climate Change</p>

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

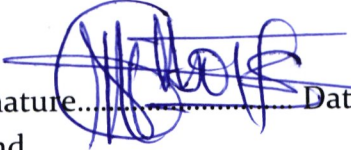
4. Management Team

Name	Details of qualifications and experience
<p>1. Fund Administrator, Climate Change</p>  <p>Mrs Jane Gitau Mukonambi</p>	<p>Year of Birth: 8TH May, 1971</p> <p>Master's Degree in Climate Change Adaptation and Sustainable Development</p> <p>Work Experience:</p> <p>1997-2006 – District crops officer Kajiado</p> <p>2007-2010 District crops officer Mt. Elgon</p> <p>2010-2018 Bumula subcounty Extensive and training officer</p> <p>2019-2021 Deputy Director Agriculture Bungoma.</p> <p>2021 to date Director Climate Change</p>
<p>2. Chief Officer Water, Natural Resources, Environment, Climate Change and Tourism</p>  <p>Nicholas T.J Kiboi</p>	<p>Date of Birth: 28th Nov, 1968</p> <p>1988 KACE: Kakamega High School</p> <p>2015: Kabarak University Masters in Business Administration & Management Administration. (MBA)</p> <p>1992 – Teacher at Cheptais Boys High School</p> <p>2003 – 2006 – Principal High School</p> <p>2010 – 2022 Snr High School Principal</p> <p>2023 – Chief Officer, Education/Vocational Training Centre</p> <p>2024 June to date – Chief Officer, Environment, Tourism and Climate Change</p>
<p>3. Fund Accountant</p>  <p>CPA Jacqueline N. Makokha</p>	<p>Year of Birth: 6th Jun 1979</p> <p>1986-1994: Sio Primary</p> <p>1995-1998: Kolanya Girls High School</p> <p>2001-Jun 2001: National Certificate in Computer Operations.</p> <p>2021: Certified Public Accountant</p> <p>2022-2024: Bachelor Degree in Commerce (Accounting Option) in Kibabii University</p>

5. Fund Chairperson's Report

Climate Change remains a threat to the sustainable development of Bungoma County. The impacts of Climate Change in the County have been manifested in erratic rainfall, delayed onset of rains, increasing temperatures and prolonged dry spells. This has affected key livelihood activities such as agriculture which is the major economic activity in the County

- The County Government of Bungoma expected a total grant of ksh 164,488,888 from the World Bank, The FLLoCA project is a Performance for Results and therefore grants are disbursed according to performance. After the Annual Performance Assessment, Bungoma County will receive Ksh 199,165,548 from IDA, 109,161,021 from KFW (Germany Funding) and 80M from the County Government as Counterpart Funding.
- The funds were partly received at the closure of FY 2024/25 hence expenditure is in the year FY25/26. The funds will be used to fund Community proposals through Contractors who have been contracted following due Government Procurement Processes. The Contractors are onsite and projects works are ongoing.
- The County Government endears to increase its funding from 1.67% to 3.5 % to be deposited in the Climate Change funding kitty.
- Collaboration with other key stakeholders will enhance more Climate Change actions in the County.
- The fund has enhanced of Climate Change actions and is in line with the Bottomup Economic Transformation Agenda (BETA)

Name..... Dr. A. Nambiro Signature.....  Date..... 3.10.2025

Chairperson of the Board/Fund

CECM TOURISM, ENVIRONMENT AND CLIMATE CHANGE

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

6. Report of The Fund Administrator

	Allocated amount	Actual amount spent	%
CCRI	440,781,943	323,425,252	78.5
CCIS	23,000,000	21,593,520	97%

- Physical progress based on outputs, outcomes and impacts since establishment of County Public fund/Board/ Scheme (encouraged to use actual figures and percentages)

a) Capacity Development

- Output
 - i. One number capacity development for the Steering Committee
 - ii. Two number Capacity development of County Planning Committee
 - ii. Four number Capacity development of the Ward Climate Change Planning Committee
 - iii. Five number Capacity development of the CCU focal members by PIU
 - iv. Three number capacity development of the CCU.
 - v. Three number Capacity development of the county assembly sectoral committee.
- Outcome
 - i. Enhanced skills and knowledge of climate change issues by the CCU.
 - ii. Improved access to information and resources by the steering and planning committees.
 - iii. Improved social cohesion among the local community members.
 - iv. Improved community participation in climate led action planning.
 - v. Increased participation of marginalized communities and groups in climate action planning.

- Impact

There is no great impact because is when projects have started.

- Remarks

Impact cannot be realised as the project is the 2nd year.

b) Legal Institutional framework formulation

- Output
 - i. 1No County climate change policy formulated and approved
 - ii. 1No county climate change fund act formulated
- Outcome
 - i. Improved governance and accountability of resources in the climate change space
 - ii. Improved policy implementation at all levels
 - iii. Increased public participation in overall governance of the program.
 - iv. Greater social equity and inclusion at the community level.
- Impact
 - i. There is no great impact because is when projects have started.
- Remarks
 - ii. Impact cannot be realised as the project is the 2nd year

c). Locally led project implementation

- Output
 - i. 500 No community proposals submitted and vetted by the CCU
 - ii. 165 No Bankable proposal approved (29No water projects, 68No Environment projects,
 - iii. 4 No Energy projects, 35No Agriculture projects and 29No Livestock projects)

The implementation challenges of strategic objectives for the entity and the entity's future outlook.

- a. Logistical challenge the CCU is yet to procure a motor vehicle and thus hindering the supervision, M&E function during implementation stage.
- b. Community expectation on how the projects will be procured and managed has raised a major operational challenge
- c. The department is able to plan for this FY 2024/25 CCRI allocation as based on last year's performance upon an assessment.

Key risk management strategies.

- a. Operational risk management Internal controls and continuity plans
- b. Regulatory compliance, Public Procurement and Disposal Act adherence
- c. Governance Institutional framework to manage the fund, the various committees

Bungoma County Climate Change Fund
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- d. Due diligence carried out before engaging suppliers and external stake holders
- e. Regular monitoring and reporting on all projects and initiatives undertaken
under the fund

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

7. Statement of Performance against the County Fund's Predetermined Objectives

These objectives are derived from Annual Development Plan, Participatory Climate Change Actions and Work plan.

Program Development Objective: To strengthen climate change resilience and build adaptive capacities among local communities

Program	Objective	Outcome	Indicator	Performance
Financing Locally Led Climate Actions	To strengthen climate change resilience and build adaptive capacities among local communities	Improved climate change resilience among communities	Number of climate resilient projects	68No environment projects under implementation
		Increased adaptive capacities among communities.		29No Water projects under implementation
		Improved knowledge on climate change actions	No of community sensitizations	4No projects under implementation.
		Strengthened legal framework	No of policies formulated and approved	19No capacity development done to all climate change committees
				2No policies approved

8. Corporate Governance Statement

The organization is committed to maintaining high standards of corporate governance, accountability, and transparency in all its operations. The Board plays a pivotal role in guiding the strategic direction, oversight, and integrity of the organization's activities, including those related to climate change initiatives that directly benefit the community.

Board Composition and Meetings

The Board is comprised of dedicated members with relevant experience and knowledge to effectively steer the organization. During the reporting period, the Board held two meetings, achieving 100% attendance, demonstrating their commitment and engagement. Board members provide strategic guidance, particularly to the Climate Change Units, helping to identify and support projects that offer tangible benefits to the community.

Board members are appointed for a three year term, after which an election is held. Depending on individual and collective performance, current members may be reappointed or replaced by a new team.

Roles and Responsibilities of the Board

The Board performs several critical roles, including:

- Approval of strategic and operational plans
- Development and endorsement of policies
- Oversight of the implementation of activities and compliance with regulations

Additionally, the Board ensures that the fund operates in alignment with all applicable laws and regulatory requirements.

Induction and Training

All Board members have undergone an induction and training session, equipping them with the necessary knowledge to perform their duties effectively.

Board and Member Performance

The performance of the Board has been **consistently good**, contributing positively to the growth and governance of the organization.

Conflict of Interest

There have been no reported conflicts of interest. The organization has a clear policy that requires members to declare any potential conflicts promptly to maintain transparency and accountability.

Board/Trustee Remuneration

Board members operate in alignment with legal and regulatory frameworks. Any remuneration, if applicable, adheres strictly to the policies and guidelines governing the fund.

Ethics, Conduct, and Governance Audit

The organization upholds high ethical standards and professional conduct. A strong governance culture is maintained across all levels, and regular governance assessments are undertaken to ensure continued compliance and improvement.

9 Management Discussion and Analysis

1. Program Activities Undertaken in the FY 2024/2025

Climate Change Institutional Support ((CCIS) and County Climate Resilient Investment Grants 1st, 2nd And 3rd Quarter Activity Expenditure Summary Report for The Fy 2024/2025.

1. Supervision of projects under FLLoCA Program

The climate change unit conducted supervision of the projects under the financing locally led climate action (FLLoCA) program with technical working group members from key sectors implementing climate change initiatives, sub county/ward officers from the respective sub departments. The objective of the supervision exercise was to enhance accountability and transparency in project implementation by offering technical guidance to the contractors and the implementing teams as guided by the bills of quantities for successful implementation. The technical committees were appointed and facilitated by the chief officer in charge of environment, tourism and climate change. The expected output of the supervision exercise was drafted project status reports that will inform subsequent processes including preparation of Implementation status report.

2. Supervision of Environment and Natural Resources Projects.

The technical staff from sub department of environment, tourism and climate change were appointed to carry out the supervision of projects under the department. The team technical team comprised of climate change unit and sub county environment and climate change officers. The projects implemented under the sub department include; establishment of tree nurseries across the thirty-nine (39) wards, rehabilitation of degraded sites (water pans, rivers and ecosystem in 18 areas) and institutional greening in ten (10) wards in different public institutions. The technical team were facilitated for a period of twenty days as the project implementation period was three months.

3. Supervision of Agriculture and livestock Projects.

The technical staff from sub department of agriculture and livestock were appointed to carry out the supervision of projects under the sub department. The technical team comprised of climate change unit and sub county/ward agriculture and livestock officers. The projects implemented under the sub department include; establishment of fruit tree nurseries, Establishment of fodder banks and fodder trees, establishment of zero grazing units alongside biogas units, establishment of apiary units and production of hass avocado.

4. Supervision of Energy Projects.

The technical staff from sub department of energy were appointed to carry out the supervision of projects under the sub department. The technical team comprised of climate change unit and Energy department officers. The projects implemented under the sub department include; supply and installation of energy centres for making energy saving Jikos/stoves for vulnerable members in four ward of maraka, Khasoko, Chwele/Kabuchai and Bukembe west. This is to help improve living standards of the people and mostly reduce carbon emission in the air.

5. Monitoring and Evaluation of FLLoCA Projects

The Climate change unit members from sub department of environment, tourism and climate change were appointed to carry out the monitoring and evaluation of the FLLoCA funded projects. The objective of the exercise was to assess the progress of the projects being implemented as required for informed subsequent informed corrective measures and as a learning exercise. The exercise was led by the M&E focal point person and the climate change unit under the FLLoCA program in the county and developed a report for subsequent decisions pertaining financing locally led climate action program projects.

6. Mapping and collection of site-specific project data, unbundling of the project concepts and revising of the project implementation matrix for reporting to program implementation unit

The climate change unit undertook Mapping and collection of site-specific project data, unbundling of the project concepts and revising of the project implementation matrix for reporting to program implementation unit. Field data collection was undertaken for the mapping exercise to collect project specific data through the KOBO tool as recommended by the program implementation unit among the counties.

The technical team embarked on unbundling the forty (40) projects to one hundred and THIRTY NINE projects as recommended by the program implementation team and cleaning of the county project implementation matrix consisting of the project location, coordinates, NEMA compliance licences, implementation status.

7. Capacity building of field officers from the sector departments of environment, agriculture, livestock, energy and water on project planning, monitoring and management for the FLLoCA funded projects.

The sub department of Environment, Tourism and Climate Change organized for training workshop at kabula pastoral centre for the field officers from the key sector departments implementing climate change actions under the financing locally led climate action program. The sector represented included; climate change unit, technical working group under the FLLoCA program, sub county technical officers from sub departments of agriculture, livestock, environment and climate change, natural resources, water and energy.

The objective of the workshop was to enhance the field officers with knowledge and skills in implementation of the FLLoCA program projects at the sub county/ward level. Some of the topics covered included; FLLoCA program project management, evaluation and reporting, monitoring and evaluation, project supervision skills, monitoring of environment and social safeguards among others.

8. Technical Evaluation of the Financing Locally Led Climate Action Program (FLLoCA) projects.

The sub department of environment, tourism and climate change organized for the evaluation of the advertised projects the county advertised the projects in two batches. The first batch consisted of water and a few projects from agriculture sector. The subprojects for Environment, Agriculture and Energy Sectors Projects being the second batch for evaluation under the financing locally led climate action (FLLoCA) program were advertised via the standard newspaper on 5 July 2024 and ran for eighteen (18) days up to 23 July 2024. Opening was done on the same final date of running on 23 July 2023 at 11.00am

The ad hoc evaluation committee was appointed by the chief officer – Environment, Tourism and Climate Change via letter Ref. CG/BGM/CO/FLLoCA/RFQ/APPNT/VOL1 (011) dated 23rd July, 2024 in accordance with public procurement and asset disposal act, 2015 section 46(1,4) to undertake the evaluation for the twenty-two (22) subprojects for a period of fourteen (14) days majorly from the Agriculture, Water and Environment sectors. Evaluation team consisted of both the ad hoc committee and the secretariat as appointed by the Chief Officer.

9. Capacity building of the ward climate change planning committees on climate change advocacy, project planning and management

The directorate of climate change under the climate change unit (CCU) undertook a capacity building activity for the ward climate change planning committees with the objective of enhancing the committees' skills and knowledge through climate change advocacy for effective project proposal development, project implementation and management and reporting. The activity was undertaken for the two days amongst all the fortyfive (45) wards.

The main topics during the training were not limited to: FLLoCA program background information; Ward climate change specific roles in project implementation (monitoring, supervision, evaluation and reporting); Roles of project management committees; Eligible and ineligible activities under the program; Administrative operation of the fund under FLLoCA program; Procurement methods preferred under the FLLoCA program; Direct and indirect project benefits to the communities under the FLLoCA program

10. Community Sensitization on Project Implementation

The directorate through the county climate change unit sensitized the communities on technical issues pertaining subproject implementation under the financing locally led climate action (FLLoCA) program. There exist project management committees for the specific subprojects that will play a vital role during project implementation.

The community was sensitized to be part of the project implementation to foster success and sustainability of the projects. Among the key thematic areas, that the communities were sensitized included; the contractor and the community at large compile to mode of

engagement between the contractor and the communities, subproject supervision and monitoring, reporting and technical aspect they need to ensure.

The covered thematic areas included; FLLoCA program background information; Ward climate change specific roles/ Roles of project management committees in project implementation (monitoring, supervision, evaluation and reporting; Eligible and ineligible activities under the program; Direct and indirect project benefits to the communities under the FLLoCA program and Project ownership and sustainability.

11. Preparation of tender documents

The technical team from key sub departments of environment, water, agriculture, livestock and energy prepared tender documents for their specific projects under the financing locally led climate action program. The procurement team led the technical officers in the workshop in developing the tender documents to inform subsequent processes of advertisement and evaluation before project implementation.

12. Climate change exhibition

Under the directorate of climate change, a technical team was formulated to participate and show case climate actions and achievements during the Bungoma County trade fair exhibition that took place at Masinde Muliro stadium in Kanduyi.

The objective of the exhibition was to empower stakeholders with climate change knowledge relevant to Bungoma County and show case the achievement attained in the county on climate change. The expectations from the exhibition was to promote climate smart technologies and actions to the stakeholders for adoption either and an individual or group level to mitigate and adapt to the prevailing adverse climate change impacts.

13. Community project identification, Review and updating of the Bungoma county PCRA and climate change action plan

The Sub department of Environment, Tourism and Climate Change under the chief officer appointed a team to undertake community project identification across all the forty-five wards, thereafter review, and update the participatory climate risk assessment report and Bungoma county climate change action plan.

The team identified the community projects for the financial year 2024/2025 under the Financing locally led climate action program through public participation/consultation with the ward specific ward climate change planning committees.

The objective of the activity was to amend the participatory climate risk assessment report and climate change action plan as required under the financing locally led climate action (FLLoCA) program

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The technical committee held a workshop for the technical inputs for the provided data that informed review and update of the Bungoma county participatory Climate risk assessment report and the Bungoma county Climate Change Action Plan 2023-2027.

10. Environmental and Sustainability Reporting

1. Sustainability strategy and profile

The management operates according accounting standards required. The FLLoCA Program has empowered the community to plant indigenous trees, Avocado to reduce carbon emissions. Also rehabilitation of river banks to prevent soil erosion.

2. Environmental performance

There exists structured approach to understanding and improving environmental performance in investments under the Bungoma County Climate Change Fund.

There is established environmental performance indicators as established in the Bungoma county climate change action plan 2023-2027 operationalized by the climate change fund with specific climate change sector indicators to be measured during investments implementation and for sustainability. They are not limited to; tracking number of community members with access to clean water and best water conservation practices, evaluating climate change effects on existing biodiversity and adoption of sustainable waste management practices.

Bungoma county environment policy and environment and social safeguards policy provides for environment and social impact assessment and audit to be undertaken for all the investments to screen for all the anticipated environmental and social impacts and provide the management plan for mitigation of the projected impacts. All the investments need to get approvals from national environment management authority.

The policies also promote the integration of environmental and social considerations in all the investments in the county.

The Bungoma climate change fund also provides continuous and period monitoring to track the progress on compliance to environment management as established in site specific developed environmental and social management plans approved by relevant authority (NEMA). Also, the Fund provides for reporting, transparency and accountability. Regular updates are to be made to stakeholders on environmental performance including areas for improvement and the investment success.

The fund calls for collaborative role amongst various players as established under the fund to enhance environmental management and conservation and establishes a grievance redress mechanism for the community to share concerns and suggestions regarding environmental impacts.

The Bungoma climate change fund leverages on promoting sustainable innovations and investments across the key sector impacted by climate change. the fund prioritizes funding for investments that promote innovativeness and environmentally friendly technologies.

- The community were engaged through public consultations in identifying negative environmental and social impacts and proposed strategies to address them and also maximizing the positive investment impacts.
- The community and department of climate change undertook project screening to determine the level of assessment for approval by NEMA before implementation.
- The department under the fund has undertaken environment and social impact assessment for the community investments viable for funding.

3. Employee welfare

The county government of Bungoma hires the employees and second them to the fund, proper facilitation is done to enable them perform their duties.

4. Market place practices

a) *Fund uses open tender method hence all suppliers are accommodated*

Corporate Social Responsibility / Community Engagements

- The department of climate change under the fund has integrated Environmental, Social, and Governance (ESG) factors into the investment strategies for alignment with sustainable practices and positive contribution to the society at large.
- The investments under the climate change fund focuses on generating social or environmental benefits alongside financial returns to the society/community.
- The department of climate change engaged the communities at local level affected by the climate change adverse hazards in proposing investments as per their needs at the local context.
- The department is also partnering with other nongovernmental organizations in enhancing community engagements in combating climate change adverse impacts. The department under the fund published community investments in the Bungoma county participatory risk assessment report and Bungoma county climate change action plan 2023-2027 highlighting community engagement initiatives and expected benefits and outcome at large.
- The community funded climate initiatives that were approved after community proposal submission were geared towards improving livelihoods of the communities and empowering the vulnerable members in the societies with income generating activities such; establishment of fruit and indigenous tree nurseries, bee keeping for honey production, production of energy saving stoves and jikos among others.
- The department of climate change has been capacity building and training community members on climate change priority investment under the fund and sustainability of the investments for accrued benefits for the community.

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

11. Report of the Trustees

The Trustees submit their report together with the audited financial statements for the period ended June 30, 2025 which show the state of the Fund affairs.

Principal activities

The principal activities of the Fund are:

1. Initiating and coordinating financing of climate change adaptation and mitigation projects at the community level.
2. Establishing Climate Finance Mechanisms
3. Coordinating collection and dissemination of climate change information to the public to create awareness and preparedness;

Results

The results of the Fund for the period ended June 30, 2025 are set out on page 1 to 6.

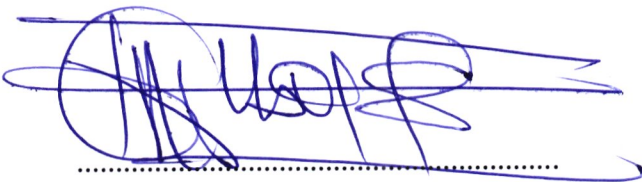
Trustees

The members of the Board of Trustees who served during the year are shown on page vi to x. There were changes of the board of trustees during the year where Engineer Wasike was appointed as steering committee member not on Fund administrative Committee.

Auditors

The Auditor General is responsible for the statutory audit of the Fund in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board



Chair of the Fund Administration Committee

Date: 3.10.2025

12. Statement of Management's Responsibilities

Section 168 of the Public Finance Management Act, 2012 requires that, at the end of each quarter, the Administrator of a County Public Fund established by *The Bungoma County Climate Change Act*. Shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

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

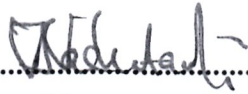
The Administrator of the County Public Fund accepts responsibility for the Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS),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

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

Approval of the financial statements

The Fund's financial statements were approved by the Board on 14th Jul_2025 and signed on its behalf by:

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



.....
Jane Gitau
Administrator of the County Climate Change Fund

REPUBLIC OF KENYA

Telephone: +254-(20) 3214,000
Email: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Bungoma County Climate Change Fund set out on pages 1 to 32, which comprise of the statement of financial

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

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Bungoma County Climate Change Fund as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Bungoma County Climate Change Fund Act, 2022 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Unconfirmed Revenue from Non-Exchange Transactions

The statement of financial performance reflects revenue from non-exchange transactions in respect to public contributions and donations amounting to Kshs.33,923,814 which, as disclosed in Note 1 to the financial statements includes Nil International Development Association (IDA) contribution amount. However, the financial statements of IDA Project Management Unit (PMU) reflects an amount of Kshs.19,916,555 that was disbursed to Bungoma County Climate Change Fund from IDA during the year ended 30 June, 2025 resulting in unexplained and unreconciled variance of Kshs.14,007,259.

In the circumstances, the accuracy and completeness of public contributions and donations revenue amounting to Kshs.33,923,814 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final income budget amount of Kshs.649,602,369 and actual amount on comparable basis of Kshs.135,923,814, resulting to under-funding of Kshs.513,678,555 representing 79% of the budget. Similarly, the Fund spent Kshs.304,135,767 against approved budget of Kshs.649,602,369 resulting to under-expenditure of Kshs.345,466,602 or 53% of the budget.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the previous year audit, several issues were raised under Report on the financial statements and Emphasis of Matter, as detailed in **Appendix 1**. However, no evidence was provided indicating whether the issues have been resolved or not.

In the circumstances, the issues remain unresolved.

Other Information

The Management is responsible for the other information set out on page iii to xxv which comprise of Key Entity Information and Management, Fund Administration Committee, Management Team, Fund Chairperson's Report, Report of the Fund Administrator, Statement of Performance Against County Fund's Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Trustees, 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 conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Project Implementation Status

The statement of financial performance and as disclosed in Note 4 to the financial statements reflects other transfer of grants totalling Kshs.251,009,675 relating to various projects undertaken by the Management. Review of project documents and the project implementation status report provided for audit, revealed that the Fund through Financing Locally Led Climate Change Action (FLLoCA) programme planned to execute forty-two (42) projects with a total contract sum of Kshs.304,782,402 in the 2024/2025 financial year.

Out of these projects, contracts totalling Kshs.120,559,607 were reported at 100% complete, leaving nineteen (19) projects with contract sum of Kshs.160,737,095 which were ongoing. Three (3) projects with a contract price of Kshs.23,485,700 were not yet started with the report indicating they were retendered.

Physical verification of five (5) projects on 8 September, 2025 revealed that Mwiya upgrading of borehole from hand pump to solar project, Namuninge dam solarization from electricity to solar, Nandolia and Khaoya water extension and solarization and upgrading Salitanyi dispensary solarization and community extension projects were 100% implemented while Sitabicha multipurpose dam project was ongoing at 75% completion level.

In the circumstances, the residents of Bungoma county did not get value for money in respect to delayed or not started projects.

2. Failure to Hold Requisite County Climate Change Steering Committee Meetings

During the year under review, the County Climate Change Steering Committee did not conduct meetings at least once every quarter as required by law. The committee only met twice in the financial year under review. This was contrary to Section 25 of the Bungoma County Climate Change Fund Act, 2022 which provides that the County Climate Change Steering Committee shall meet at least once in a quarter in each financial year.

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

3. Failure to Hold Requisite County Climate Change Planning Committee Meetings

During the year under review, the County Climate Change Planning Committee did not conduct meetings at least twice every quarter as required by law. The committee only met twice in the financial year under review. This was contrary to Section 12 of the Bungoma County Climate Change Fund Act, 2022 which provides that the County Climate Change Planning Committee shall meet at least twice in a quarter in each financial year.

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

4. Failure to Prepare Quarterly Reports on the Framework Contracts

The Management did not prepare a pattern of usage report on the framework agreement contracts during the year under review contrary to Section 114 (6) of the Public Procurement and Asset Disposal Act, 2015 which states that a procurement management unit shall prepare and submit to the Accounting Officer with a copy to the internal auditor quarterly reports detailing an analysis of items procured through framework agreements and these reports shall include, an analysis of pattern of usage, procurement costs in relation to the prevailing market rates and any recommendations.

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

5. Unexplained Expenditure on Use of Goods and Services

The statement of financial performance reflects use of goods and services expenditure amounting to Kshs.33,194,563 as disclosed in Note 3 to the financial statements. The amount includes allowances totalling Kshs.7,825,000 paid to several individuals. However, the following unsatisfactory matters were observed:

- i. An amount of Kshs.1,370,000 was paid in respect to payment of facilitation allowances to 685 participants from 45 wards for sensitization on projects implementation, ownership and sustainability under the Financing Locally Led Climate Action Program and Kshs.4,400,000 was incurred on County climate change unit planning meetings and community mobilization for 15 days. However, the amounts were paid to two individuals and not directly to the respective participants. Additionally, justification or basis for the payment of the allowances was not provided for audit review.
- ii. An amount of Kshs.2,055,000 was paid in respect of facilitation allowances to County Assembly of Bungoma Sector Committee Members for capacity building workshop on minimum performance conditions of projects and review of climate change projects. However, no justification was provided for audit review for facilitation of County Assembly members, while the County assembly has its own budget for such activities.

This was contrary to Regulation 42(1) (b) of the Public Finance (County Governments) Regulations, 2015 which requires that an Accounting Officer shall ensure that public funds entrusted to their care are properly safeguarded and are applied for purposes for which they were intended and appropriated by the County Assembly.

In the circumstances, Management was in breach of law and effectiveness in the use of public funds amounting to Kshs.7,825,000 could not be confirmed.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of the Management and 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 sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Fund or cease its operations.

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

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

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


Auditor-General's Responsibilities for the Audit

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

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

27 October, 2025

Appendix 1

Unresolved Prior Year Matters

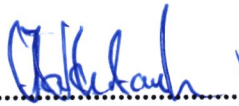
Reference No. of the Auditor-General's Report	Observation
	Report on the Financial Statements
1	Unconfirmed Transfers from the County Government
2	Anomalies in Presentation and Disclosure of Annual Report and Financial Statements
	Emphasis of Matter
	Budgetary Control and Performance

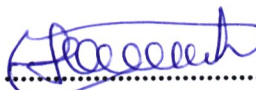
Bungoma County Climate Change Fund

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

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

Description	Note	2024/2025	2023/2024
		Kshs	Kshs
Revenue From NonExchange Transactions			
Public Contributions and Donations	1	33,923,814	342,781,944
Transfers from County Government	2	102,000,000	91,000,000
Total Revenue		135,923,814	433,781,944
Expenses			
Use of goods and services	3	33,194,563	42,831,989
Depreciation and Amortization Expense	5	380,011	494,285
Other transfer of Grants	4	251,009,675	
Retention	4b	19,551,520	
Total Expenses		(304,135,768)	43,326,274
Other Gains/Losses			
Surplus/(Deficit) for the Period		(168,211,954)	390,455,670


.....
Name: Jane Gitau
Administrator of the Fund



.....
Jacqueline Makokha
Fund Accountant
ICPAK Member Number: 31847

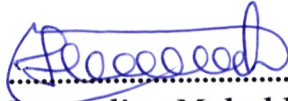
Bungoma County Climate Change Fund
Annual Report and Financial Statements for the year ended June 30, 2025

15. Statement of Financial Position as at 30 June 2025

Description	Note	2024/2025	2023/2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	6	151,277,507	384,607,230
Receivables From non-Exchange Transactions	7	60,493,738	3,993,739
Total current asset		211,771,245	388,600,969
Noncurrent Assets			
Property, Plant and Equipment	8	10,559,691	1,854,700
Total non-current assets		10,559,691	1,854,700
Total Assets (A)		222,330,936	390,455,669
Current Liabilities			
Trade Payables from nonexchange transactions	9	87,220	
Total Liabilities (B)		87,220	
Net Assets(AB)		222,243,716	390,455,670
Represented By:			
Revolving Fund			
Reserves			
Accumulated Surplus		222,243,716	390,455,670
Net Assets		222,243,716	390,455,670

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 14th August_ and signed by:


 Name: Jane Gitau
 Administrator of the Fund


 Jacqueline Makokha
 Fund Accountant
 ICPAK Member Number: 31847

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

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

Description	Accumulated surplus	Total
	Kshs	Kshs
Balance As At 1 July 2023	0	0
Surplus/(Deficit) For the Period	390,455,670	390,455,670
Funds Received During the Year	0	0
Transfers	0	0
Revaluation Gain	0	0
Balance As At 30 June 2024	390,455,670	390,455,670
Balance As At 1 July 2024	390,455,670	390,455,670
Surplus/(Deficit) For the Period	168,211,954	168,211,954
Funds Received During the Year	0	0
Transfers	0	0
Revaluation Gain	0	0
Balance As At 30 June 2025	222,243,716	222,243,716

Bungoma County Climate Change Fund

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

17. Statement of Cash Flows for the year Ended 30 June 2025

Description	Note	2024/2025	2023/2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Public contributions and donations		33,923,814	342,781,944
Transfers from the county government	2	45,500,000	87,006,261
Bounced Staff Revenue	2b	87,220	
Interest received			
Receipts from other operating activities			
Assets			
Total receipts		79,511,034	429,788,205
Payments			
Fund administration expenses			
Use of goods		33,194,563	42,831,989
General expenses			
Finance cost			
Other Transfer of grants		270,561,195	
Total payments		303,755,757	
Net cash flows from operating activities	10	224,244,723	386,956,216
Cash flows from investing activities			
Purchase of property, plant, equipment	8	(9,085,000)	(2,348,986)
Proceeds from sale of property, plant & equipment			
Proceeds from loan principal repayments			
Loan disbursements paid out			
Net cash flows used in investing activities		(9,085,000)	(2,348,986)
		(233,329,723)	384,607,230
Cash flows from financing activities			
Proceeds from revolving fund receipts			

Bungoma County Climate Change Fund

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

Additional borrowings			
Repayment of borrowings			
Net cash flows used in financing activities			
Net increase/(decrease) in cash & cash Equivalents		(233,329,723)	384,607,230
Cash and cash equivalents at 1 st July 2024		384,607,230	
Cash and cash equivalents at 30th June 2025		151,277,507	384,607,230

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

18. Statement of Comparison of Budget and Actual Amounts for the year ended June 30th, 2025

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	A	B86	C=(a+b)	D	e=(cd)	f=d/c*100
Revenue						
Public Contributions and Donations	164,488,888	394,113,481	558,602,369	33,923,814	524,678,555	6%
Transfers From County Govt.	91,000,000		91,000,000	45,500,00	45,500,000	50%
Receivables				56,500,000	(56,500,000)	
Interest Income						
Other Income						
Total Income	255,488,888	394,113,481	649,602,369	135,923,814	513,678,555	21%
Expenses						
Use of goods and services	35,389,128		35,389,126	33,194,563	2,194,563	94%
Depreciation				(380,011)	380,011	
Other Grants and Transfer	220,099,760	394,113,481	614,213,241	270,561,195	343,652,050	44%
Finance Cost						

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

Total Expenditure	255,488,888	394,113,481	649,602,369	304,135,767	345,466,602	47%
Surplus For the year	0	0	0	(168,211,953)	168,211,953	
Capital expenditure		0	10,000,000	9,085,000	915,000	91%

Note:-The statement of comparison of budget and actual amount has a performance difference or adjustments because the fund is only allocated money according to performance upon assessment.

The funds were underutilised due to the contractors had not finished works and late disbursement of funds as at 30th June 2025

Budget Reconciliation

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	(168,211,753)
	The difference between the Surplus and cash and cash equivalent	(65,117,970)
1	Net Increase in cash and cash equivalent	(233,329,723)
2	Balance at the start of the year	384607230
3	<i>There was increase from original budget due to good performance after assessment by world bank FLLOCA</i>	
4	Financial Constraints due to late disbursement of funds	
	Closing Cash and Cash Equivalent as per the statement of Cash flows	151,277,507

19. Notes to the Financial Statements
Significant Accounting Policies

1. General Information

Bungoma County Climate Change entity is established by and derives its authority and accountability from Bungoma County Climate Change Fund Act. The entity is wholly owned by the Bungoma County Government and is domiciled in Kenya. The entity's principal activity is initiating and coordinating, financing of climate adaptation and mitigation projects at the community level

2. Statement of compliance and basis of preparation

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

3. Adoption of new and revised standards

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

There were no new and amended standards issued in the period.

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

Standard	Effective date and impact:
IPSAS 43	<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 cash flows 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

Standard	Effective date and impact:
	discontinued operations to be presented separately in the statement of financial performance.
IPSAS 45 Property Plant and Equipment	<p>Applicable 1st January 2025</p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be 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.</p>
IPSAS 46 Measurement	<p>Applicable 1st January 2025</p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <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>
IPSAS 47 Revenue	<p>Applicable 1st January 2026</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>Applicable 1st January 2026</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>

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Standard	Effective date and impact:
IPSAS 49 Retirement Benefit Plans	<i>Applicable 1st January 2026</i> The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.

(i) Early adoption of standards

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

1. Summary of Significant Accounting Policies

a) Revenue recognition

i. Revenue from non-exchange transactions

Transfers from other government entities

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

ii. Revenue from exchange transactions

Interest income

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

Dividends

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

Rental income

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

b) Budget information

The original budget for FY 2024/2025 was approved by the County Assembly on 3rd July 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 ksh 394,113,481 on the FY 2024/2025 budget following the governing body's approval.

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

Summary of Significant Accounting Policies (Continued)

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 81(3) of these financial statements.

c) Property, plant and equipment

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

Intangible Assets

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

a) Intangible Assets

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

b) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day today maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. *Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over an one year period or investment property is*

measured at fair value with gains and losses recognised through surplus or deficit. Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of DE recognition.

c) Financial instruments

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

Financial assets

Classification of financial assets

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

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

Summary of Significant Accounting Policies (Continued)

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Summary of Significant Accounting Policies (Continued)

Financial liabilities

Classification

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

d. Inventories

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

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

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

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

e. Provisions

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

f. Social Benefits

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

Summary of Significant Accounting Policies (Continued)

g. Contingent liabilities

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

Contingent assets

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

h. Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements. *Entity to state the reserves maintained and appropriate policies adopted.*

i. Changes in accounting policies and estimates

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

K). 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 manager.

j. Employee benefits – Retirement benefit plans

The Entity provides retirement benefits for its employees and directors. Defined contribution plans are postemployment 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

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

L. 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 imprest and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

M. Comparative figures

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

2. Significant judgments and sources of estimation uncertainty

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

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

a) Estimates and assumptions –

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

b) Useful lives and residual values

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

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

c) Provisions

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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.

6. Notes to The Financial Statements Continued

1. Public contributions and donations

Description	2024/2025	2023/2024
	Kshs	Kshs
Donation From Development Partners		
FLLOCA	11,000,000	22,000,000
IDA		208,769,924
KFW	22,923,814	112,012,020
Contribution from the public		
Total	33,923,814	342,781,944

The actual amount received by County Government is Kshs 45,500,000 we are expecting from the County the co funding of Kshs 56,500,000

2. Transfers from County Government

Description	2024/2025	2023/2024
	Kshs	Kshs
Transfers From County Govt. -Operations	45,500,000	91,000,000
Payments By County on Behalf of the Entity	-	-
Expected Revenue	56,500,000	-
Total	102,000,000	91,000,000

2b. Bounced staff Revenue

These are the amounts from staffs that were periderm's during participation of supervision of FLLOCA projects, paid to their accounts but bounced back due to wrong personal accounts. See analysis in (note 9).

3. Use of Goods and Services

Description	2024/2025	2023/2024
	Kshs.	Kshs
General Office Expenses		
Loan Processing Costs		
Professional Services Costs		
Administration costs	15,961,855	21,855,300
Committee Allowances	7,825,000	15,120,975
Bank Charges		
Electricity And Water Expenses		
Fuel And Oil Costs	2,965,517	1,000,000
Insurance Costs		
Postage And Courier		
Printing And Stationery	1,066,695	

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Description	2024/2025	2023/2024
	Kshs.	Kshs
Rental Costs		
Security Costs		
Telephone And Communication Expenses	130,706.90	209,100
Bank Charges		
Audit Fees		
Provision For Doubtful Debts		
Catering services	4,844,789	4,646,614
Maintenance	400,000	
Social benefit expenses*		
Total	33,194,563	42,831,989

4. Other Grants Transfer

Description	2024/2025	2023/2024
	Kshs.	Kshs
Water Sector Projects	97,808,976	-
Environment Sector Projects	13,242,932	-
Energy Sector Projects	10,714,934	-
Agriculture Sector projects	54,196,833	-
Sensitization, capacity building of community and supervision of projects	75,046,000	-
Total	251,009,675	-

4. b Retention

The retention money was fully paid Kshs 19,551,520 as per bank statement and implementation status report sent to your email of every contractor but transferred to Bungoma County Deposit Account therefore remaining no balance that is zero hence we don't owe any contractor or related third party

5. Depreciation and Amortization Expense

Description	2024/2025	2023/2024
	Kshs.	Kshs
Property Plant and Equipment	380.011	494,285
Total	380,011	494,285

6. Cash and cash equivalents

Description	2023/2024	
	Kshs	
Car Loan Account	-	-
County Mortgage Account	-	-
Fixed Deposits Account	-	-
On - Call Deposits	-	-

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Current Account	151,277,507	384,607,230
Others (<i>Specify</i>)	-	-
Total Cash and Cash Equivalents	151,277,507	384,607,230

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

Financial Institution	Account number	2023/2024	
		Kshs	
a) Fixed Deposits Account			
Kenya Commercial Bank			
Equity Bank, Etc.			
Sub Total			
b) On Call Deposits			
Kenya Commercial Bank			
Equity Bank Etc.			
Sub Total			
c) Current Account			
Central Bank of Kenya			
Bungoma County Climate Change Fund	1000647205	151,277,507	384,607,230
Bank B			
Sub Total		151,277,507	384,607,230

7.Receivables from non exchange transactions

Description	2024/2025	2023/2024
	Kshs	Kshs
Current Receivables		
Receivable from nonexchange transactions	56,500,000	3,993,739
Total Current Receivables	56,500,000	3,993,739

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The actual amount received by County Government is Ksh 45,500,000 where, expecting from the County the co funding of Ksh 56,500,000 for current financial year and ksh 3,993,739 for the previous year

8. Property, plant and equipment

	Land and Buildings	Motor vehicles	Furniture and fittings	Computers and office equipment	Total
Cost	Kshs	Kshs		Kshs	Kshs
Depreciation Rate		17%	10%	25%	
At 1st July 2023		0	619,740	1,729,245	2,348,985
Additions					
Disposals					
Transfers/Adjustments					
At 30th June 2024		0	619,740	1,729,245	2,348,985
At 1st July 2024		0	619,740	1,729,245	2,348,985
Additions		9,085,000			9,085,000
Disposals					
Transfer/Adjustments					
At 30th Jun 2025		9,085,000	619,740	1,729,245	11,433,985
Depreciation And Impairment					
At 1st July 2023		0	0	0	0
Depreciation		0	61,974	432,311	494,285
Impairment					
At 30th June 2024		0	61,974	432,311	494,285
At 1st July 2024		0	61,974	432,311	494,285
Depreciation		0	55,777	324,234	380,011
Disposals					
Impairment					
Transfer/Adjustment					
At 30th June 2025		0	117,751	756,545	874,296
Net Book Values					

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	Land and Buildings	Motor vehicles	Furniture and fittings	Computers and office equipment	Total
Cost	Kshs	Kshs		Kshs	Kshs
At 30 th June 2024		0	557,766	1,296,934	1,854,700
At 30 th June 2025		9,085,000	501,990	972,701	10,559,691

9. Trade payables from non- exchange transactions

Date	Description	FT	2024/2025	2023/2024
			Kshs	Kshs
17Dec24	Maureen Wanjala	FT24352QC7JB	78400	-
29Jan25	Isaac Isalia	FT250239RK03	8,820	-
			87,220	-

Payments bounced due to wrong personal bank accounts.

10. Cash generated from operations.

Description	2024/2025	2023/2024
	Kshs	Kshs
Surplus/ (Deficit) For the Year Before Tax	(168,211,954)	390,455,670
Adjusted For:		
Depreciation	380,010	
Amortization		
Gains/ Losses On Disposal Of Assets		
Interest Income		
Finance Cost		
Working Capital Adjustments		
Increase In Inventory		
Increase In Receivables	(56,500,000)	
Increase In Payables	87,220	

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Net Cash Flow From Operating Activities	(224,244,723)	390,455,670
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10. 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 is related to the following entities:

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

b) Related party transactions

Description	2024/2025	2023/2024
	Kshs	Kshs
Transfers From Related Parties'	102,000,000	91,000,000
Transfers To Related Parties	-	-

c) Key management remuneration

Description	2024/2025	2023/2024
	Kshs	Kshs
Board Of Trustees	7,825,000	15,120,975
Key Management Compensation	-	-
Total	7,825,000	15,120,975

Note: Not applicable is an ineligible expenditure according to FLLOCA manual.

d) Due from related parties

Description	2024/2025	2023/2024
	Kshs	Kshs
Due From Parent Ministry	-	-
Due From County Government	56,500,000	3,993,739
Total	56,500,00	3,993,739

f).Due to related parties

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

g).Contingent assets and contingent liabilities

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

Note: There was no court case

11. 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 availableforsale 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:

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Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2022				
Receivables From Exchange Transactions	-	-	-	-
Receivables From NonExchange Transactions	-	-	-	-
Bank Balances	-	-	-	-
Total	-	-	-	-
At 30 June 2021				
Receivables From Exchange Transactions	-	-	-	-
Receivables From NonExchange Transactions	-	-	-	-
Bank Balances				
Total				

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

The entity has significant concentration of credit risk on amounts due from 2021

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 longterm 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 nonderivative 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.

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Description	Less than 1 month	Between 13 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2025				
Trade Payables	-	-	87,220	87,220
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	-	-	-	-
At 30 June 2023				-
Trade Payables	-	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	-	-	87,220	87,220

c) Market risk

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

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

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

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:

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

Description	2024/2025	2023/2024
	Kshs	Kshs
Revaluation reserve	-	-
Revolving fund	-	-
Accumulated surplus	222,243,716	390,455,670
Total funds	-	-
Total borrowings	-	-
Less: cash and bank balances	(151,277,507)	(384,607,230)
Net debt/(excess cash and cash equivalents)	-	-
Gearing	68%	98%

12. Events after the reporting period

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

13. Ultimate and Holding Entity

The entity is a County Public Fund established by Bungoma Climate Change Act on 29th November 2022, under the Ministry of Environment, Tourism and Climate change. Its ultimate parent is the County Government of Bungoma.

14. Currency

The financial statements are presented in Kenya Shillings (Kshs)

20. Annexes

Annex I: InterFund Confirmation Letter

COUNTY GOVERNMENT OF BUNGOMA



DEPARTMENT OF WATER, NATURAL RESOURCES, ENVIRONMENT, TOURISM AND
CLIMATE CHANGE

Office of the County Chief Officer

Sub Department of Environment, Tourism and Climate Change

Bungoma County Climate Change Fund

BOX 437, BUNGOMA

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

Confirmation of amounts received by Bungoma County Climate Change Fund as at 30 th June 2024								
Reference Number	Date Disbursed	Amounts Disbursed by [SC/SAGA/Fund] (Kshs) as at 30 th June 2024				Total (D)=(A+B+C)	Amount Received by [beneficiary Fund] (KShs) as at 30 th June 2024 (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	SS Development (B)	Inter-Ministerial (C)				
FT250301X XDF	30Jan2025	5,500,000			5,500,000	5,500,000		
FT250301X XDF	30Jan2025		40,000,000		40,000,000	40,000,000		
FT242560F XB1	12sep2024	11,000,000			11,000,000	11,000,000		
FT25195CQ YQB	14jul2025		22,923,814.41		22,923,814.41	22,923,814.41		
		16,500,000	62,923,814.41		79,423,814	79,423,814		

<p>NOTE: Expecting more funding due to good performance of last year In confirm that the amounts shown above are correct as of the date indicated.</p> <p>Head of Accountants department of beneficiary Fund: Name <u>Jacqueline Makoola</u> Sign <u>[Signature]</u> Date <u>3/10/2025</u></p>						
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Annex II: Progress on Follow up of Prior Year Auditor’s Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Late disbursement of funds	Still Late disbursement of funds	Not resolved	National Treasury to act on it this financial year.
	Unconfirmed Transfers from the County Government	The ksh 7,006,261 was spent from CRF account	Resolved	The County Treasury to Transfer ksh7,006,261 to special purpose account.
	Anomalies in presentation and disclosure of Annual Report and financial Statements	The correction was done in financial statement done in November 2024, submitted to Oag	Resolved	23 rd November, 2024

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

3.10.2025
Date.....

[Signature]
CHIEF OFFICER
P.O. Box 437-50200, BUNGOMA

