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ON

KISII COUNTY CLIMATE CHANGE FUND

FOR THE YEAR ENDED

30 JUNE, 2025

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KISII COUNTY CLIMATE CHANGE FUND

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2025

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

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

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1. Acronyms and Definition of Key Terms

A. Acronyms

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
CECM	County Executive Committee Member
KCCCF	Kisii County Climate Change Fund
CCISG	Climate Change Institutional Support Grant
CCRIG	Climate Change Resilient Investment Grant
FLLoCA	Financing Locally Led Climate Action

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

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2. Key Entity Information and Management

a) Background information

The Kisii County Climate Change Fund (KCCCF) is established by and derives its authority and accountability from The Kisii County Climate Change Act of 2021. The Fund is wholly owned by the County Government of Kisii and is domiciled in Kenya.

b) Principal Activities

The fund's objective is to provide funding for priority climate change actions and interventions identified in the County Climate Change Action Plan, by communities and other stakeholders and approved by the steering committee.

Specifically, the fund is used to finance:

- a) Climate resilience assessments
- b) Implementation of climate change response projects proposed by Ward Planning Committees and communities and approved by the Planning Committee
- c) Priority county level climate change response projects approved by the Planning Committee
- d) Climate change research and knowledge management in the county
- e) Public education, sensitization and awareness creation on climate change and its impacts
- f) Capacity building for stakeholders to effectively respond to climate change
- g) Monitoring, evaluation, reporting and learning on climate change response in the county
- h) Any other projects, activities and interventions recommended by the Planning Committee and approved by the Steering Committee

Sources of the fund

The fund is financed through:

- a) Initial capital appropriated by the County Assembly, being not less than two percent (2%) of the county annual development budget;

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- b) Money received from National Climate Change Fund-Financing of Locally Led Climate Change Actions (FLLoCA).
- c) International Climate Finance received by the County directly or through the National Designated Authority, National Implementing, Entity or other agency;
- d) Donations, endowments, bequests, grants and gifts from individuals, public and private entities local or foreign;
- e) Charges, fees, levies or fines received by the county government in connection with activities that adversely impact on climate in the county;
- f) Interest and any other money that may lawfully accrue to the Fund in any form.

Operations of the Fund are guided by the Kisii County Climate Change Fund Regulations of 2021, whose main objective is to define procedures for management, operations and winding up of the Fund, and for planning of climate change response interventions to be funded by the Fund. The fund is managed and disbursements made with due regard to the following principles:

- a) Giving effect to priorities set by communities following a community-driven participatory planning process;
- b) Strengthening the role of communities, community structures and indigenous knowledge systems in the planning of climate change response interventions; and
- c) Investing in public goods and structures to strengthen adaptation to, and mitigation of climate change

c) Kisii County Climate Change Steering Committee/ Fund administration Committee

Ref	Name	Position
1.	H.E Hon. Paul Simba Arati	Governor (Chairperson)
2.	Kennedy Okemwa Abincha	County Executive Committee Member in charge of Finance and planning
3.	Elija Obwori	County Executive Committee Member in charge of Agriculture, Livestock and Fisheries
4.	Leah Bwari Ogega	County Executive Committee Member in charge of Water

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		and climate change
5.	Ronald Gideon Nyakweba	County Executive Committee Member in charge of Health
6.	Cleophas Okioi	Fund Administrator Climate Change
7.	Zebedeo Nyaboga Moreka	Public Benefit Organization representative
8.	Caroline Mbola Kilonzo	Women representative
9.	Japhet Oginda Nyakundi	Youth representative
10.	Anne Monyenye Omwoyo	County Director in charge of Climate Change (Secretary, ex-officio)

The County Government has a Kisii County Climate Change Steering Committee whose objective is to coordinate and oversee climate change response in the county, and in this connection;

- a) Ensures mainstreaming of climate change into county planning and development process;
- b) Coordinates formulation and monitors implementation of the County Climate Change Action Plan, County Climate Finance Framework and any other county climate change policies, plans and strategies;
- c) Administers the County Climate Change Fund;
- d) Reviews, approves and monitors implementation of Regulations for administration and management of the Fund;
- e) Reviews and makes recommendations on the biennial report on implementation of the County Climate Change Action Plan and any other reports on climate change response interventions in the county;
- f) Advises the county government on legislative, policy and other measures necessary for climate change response and attainment of low carbon climate resilient development;
- g) Approves and oversees the implementation in the county of a comprehensive programme of climate change education, awareness creation and capacity building;
- h) Provides policy direction on research, training and dissemination of information relating to climate change to the public and other stakeholders of the county;

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- i) Ensures positive linkages, interaction and synergy between the county, neighbouring counties and the national government in climate change response programming and action;
- j) Ensures a coordinated approach to climate change response programming and action within the county government, between the county government and national government, and among the different stakeholders in the county; and
- k) Performs any other functions that may further the foregoing objectives and/or may be assigned by the county government.

d) Key Management team

Ref	Name	Position
1	H.E Hon. Paul Simba Arati	Governor Kisii County (Chairperson of the steering committee)
2	Kennedy Okemwa Abincha	County Executive Committee Member (CECM) for finance and economic planning
3	Mrs. Leah Bwari Ogega	County Executive Committee Member (CECM) for Water, Environment, Energy, Natural resources and Climate Change
4	Vincent Nyang'wara	Chief Officer Finance, Accounting Services and Revenue Management
5	Cleophas Okioi	Fund Administrator and Chief Officer Climate Change
6	Anne Monyenye Omwoyo	Director Climate Change
7	Hyline Moraa Simba	Fund Accountant

Key Entity and Management (Continued)

e) Fiduciary Oversight Arrangements

SN	Position	Name
1	Directorate Internal Audit	CPA Nicodemus Karori

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f) Registered Offices

Kisii County Government
P.O. Box 3354-40200,
Kisii, KENYA

g) Fund Contacts

Telephone: (254) 582030005/208
E-mail: climatechange045@gmail.com
Website: www.kisii.go.ke

h) Fund Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya
2. Family Bank of Kenya
Umoja Complex Building
P.O Box 4154 – 40200
Kisii, Kenya

Key Entity and Management (Continued)

i) Independent Auditors

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

j) Principal Legal Adviser

The Attorney General
State Law Office
Harambee Avenue

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P.O. Box 40112
City Square 00200
Nairobi, Kenya

k) County Attorney




The County Attorney
P.O Box 4550 – 40200,
Kisii, Kenya

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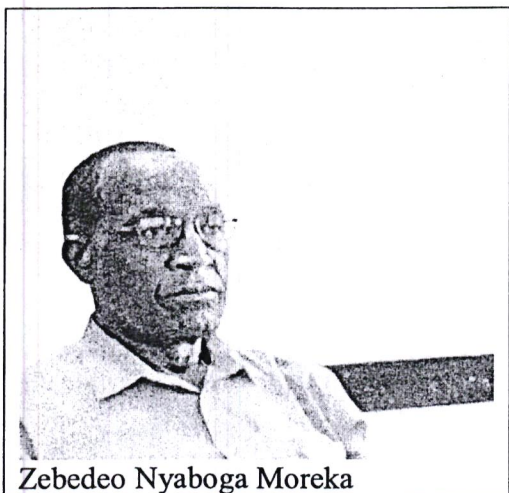

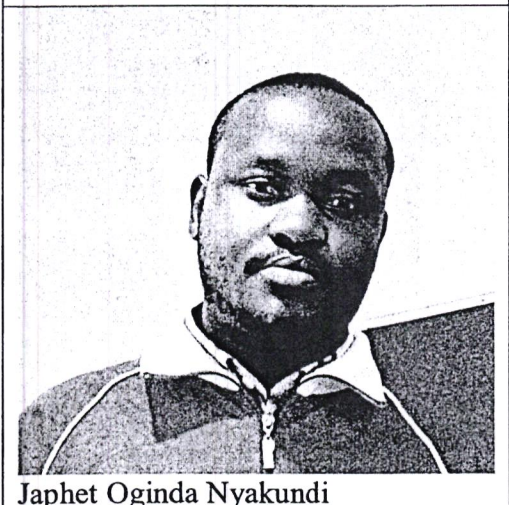
3. Fund Administration Committee

Name	Details of qualifications and experience
 <p>His Excellency Hon. Paul Simba Arati Governor, Kisii County</p>	<p>H.E Hon. Paul Simba Arati –Governor Kisii County Government. Prior to his appointment, Hon. Simba Arati was a member of parliament for 10 years in the republic of Kenya representing the people of Dagoreti North constituency, in Nairobi the capital city of Kenya. His Excellency holds a Master’s Degree in Business Administration and Bachelor’s degree in International Relations from Jaramogi Oginga Odinga University of Science and Technology.</p>
 <p>Mr. Kennedy Okemwa Abincha</p>	<p>Mr. Kennedy Okemwa Abincha – CECM Finance and economic Planning. He holds a Master’s Degree in Business Administration –Strategic Management option and Bachelor’s degree – Insurance Option from The University Nairobi. Mr. Abincha is a chartered insurer and prior to his appointment, he had worked with Ventar Insurance Investigators as a Technical Manager and worked as Ag. Chief Executive Officer /Principal Officer at Invesco Assurance Co Ltd.</p>
 <p>Elijah Obwori</p>	<p>Mr. Elijah Okemwa Obwori – CEC Education, Technical Training, Innovation and Social Sciences. He holds a Master of Business Administration in Strategic Management, Post Graduate Diploma in Education and a Bachelors Degree in Business Administration. Mr. Obwori has over 30 years of experience in various capacities in the education sector, including serving as a director and as a board chair in various institutions.</p>



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 <p>Mrs. Leah Bwari Ogega</p>	<p>Mrs. Leah Bwari Ogega – CECM Water, Environment, Energy, Natural Resources and Climate Change. Prior to this appointment she served as the CECM Health.</p> <p>She has been in public service for 30+ years having served at different levels. She headed a Reproductive Health Program at the county level and also served in various managerial positions at the sub-county.</p> <p>She holds a Bachelors degree in Community Health and Development from Jomo Kenyatta University of Agriculture and Technology (JKUAT), Diploma in Community Health Nursing from Kenya Medical Training College (KMTTC), SMC and SLDP from KSG.</p>
 <p>Ronald Gideon Nyakweba</p>	<p>Mr. Ronald Gideon Nyakweba – CEC Health</p> <p>He holds a Bachelor of Education Arts and a higher Diploma in Strategic and Resource Management.</p> <p>He has over 10 years experience in HRM in senior positions both in government and in private sector</p>
 <p>Mr. Cleophas Okioi</p>	<p>Mr. Cleophas Okioi - Chief Officer Water, Environment, Energy, Natural Resources and Climate Change is a holder of Masters degree in Business Administration from University of Nicosia, Cyprus (2019), Bachelor of Science degree in Software Engineering from University of Eastern Africa, Baraton (2008) and a host of international professional certifications. He is a professional leader in information technology and is an active member of the Computer Society of Kenya (CSK)</p> <p>Cleophas has cumulatively over 14 years of working experience in high-level practice in information technology, trade, business and in various industrial undertakings both in the public and private sectors.</p>

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 <p>Zebedeo Nyaboga Moreka</p>	<p>Zebedeo Nyaboga: Kisii county climate change steering committee representing private sector.</p> <p>Zebedeo holds a bachelor degree in education (Arts) from University of Nairobi, and prior to this appointment was working as a sub county administrator in Kisii county. He also previously worked as high school teacher.</p> <p>Zebedeo is working with private sector players in matters environmental conservation/climate change mitigations activities.</p>
 <p>Caroline Mbola Kilonzo</p>	<p>Caroline Kilonzo: Kisii county climate change steering committee representing women.</p> <p>Caroline Kilonzo is a prominent business lady, and has worked with various women groups both in formal and informal sector in matters environmental conservation activities geared towards mitigations on the effects of climate change. Caroline is working with women groups in the 45 wards of Kisii county.</p>
 <p>Japhet Oginda Nyakundi</p>	<p>Japheth OGINDA Nyakundi: Kisii County Climate change steering committee youth representative.</p> <p>Japheth holds a bachelor degree in commerce from Egerton university currently pursuing MBA from Kisii University . Japheth has previously worked with various organizations like Equity bank, Bank of Africa ,Radio Africa group amongst others. Japheth is working with various youth groups, CBO's, CSO's, and NGO's across our 45 wards in matters environmental conservation and climate change mitigations activities and campaigns through mobilization of the youth .</p>

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	<p>Ms. Anne Omwoyo – Director Climate Change. Prior to her appointment Ms. Anne was a Chief Environment and Naural Resources officer in the Department of Water, Energy, Environment, Natural resources and Climate Change. She posses 9+ years of experience in managing and coordinating environmental policies and implimentation of climate change programs. She holds a Doctor of Philosophy Degree in Dryland Resource Management from the university of Nairobi (2025), Master’s Degree in Climate Change from University of Nairobi (2017). Bachelors of Environment Science (Hydrology) from university of Eldoret, Kenya. Certifications in environmental impact assessment, project planning, leadership and management.</p>
	<p>CPA. Hyline Moraa Simba. Prior to this appointment, she served as the Senior Accountant in the department of Planning and Economic Development. She holds a master’s degree in business administration from Kisii University (2022), Bachelor of Commerce degree (Accounting option) from Egerton University (2012). She is also a member of the Institute of Certified Public Accountant of Kenya (ICPAK).</p>

Ms. Anne Omwoyo

CPA. Hyline Moraa Simba

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4. Management Team

Name	Details of qualifications and experience
 <p data-bbox="178 875 616 943">His Excellency Hon. Paul Simba Arati Governor, Kisii County</p>	<p data-bbox="683 432 1437 786">H.E Hon. Paul Simba Arati –Governor Kisii County Government. Prior to his appointment, Hon. Simba Arati was a member of parliament for 10 years in the republic of Kenya representing the people of Dagoreti North constituency, in Nairobi the capital city of Kenya. His Excellency holds a Master’s Degree in Business Administration and Bachelor’s degree in International Relations from Jaramogi Oginga Odinga University of Science and Technology. He provides political leadership and strategic oversight.</p>
 <p data-bbox="178 1368 584 1406">Mr. Kennedy Okemwa Abincha</p>	<p data-bbox="683 947 1437 1368">Mr. Kennedy Okemwa Abincha – CECM Finance and economic Planning. He holds a Master’s Degree in Business Administration –Strategic Management option and Bachelor’s degree – Insurance Option from The University Nairobi. Mr. Abincha is a chartered insurer and prior to his appointment, he had worked with Ventar Insurance Investigators as a Technical Manager and worked as Ag. Chief Executive Officer /Principal Officer at Invesco Assurance Co Ltd. He oversees fund integration into the county budget and financial sustainability</p>
 <p data-bbox="178 1832 488 1870">Mrs. Leah Bwari Ogega</p>	<p data-bbox="683 1411 1437 1865">Mrs. Leah Bwari Ogega – CECM Water, Environment, Energy, Natural Resources and Climate Change. Prior to this appointment she served as the CECM Health. She has been in public service for 30+ years having served at different levels. She headed a Reproductive Health Program at the county level and also served in various managerial positions at the sub-county. She holds a Bachelors degree in Community Health and Development from Jomo Kenyatta University of Agriculture and Technology (JKUAT), Diploma in Community Health Nursing from Kenya Medical Training College (KMTC), SMC and SLDP from KSG. She leads policy direction for climate-related sectors.</p>

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 <p>Mr. Vincent Okioma Nyang'wara</p>	<p>Mr. Vincent Nyang'wara - Chief Officer of Finance and Accounting services. Prior to his current position, he served as the chief officer Infrastructure, Roads & Public works in Kisii County Government. He also worked at the Parliamentary Service Commission as a constituency manager for Dagoretti North Constituency. He Holds a Bachelors of Arts degree in International Relations from the Kenya Methodist University.</p> <p>Has a vast of skills in administration, community mobilization, budgeting, financial management as well as Project management.</p> <p>He ensures fund disbursement, compliance, and financial accountability</p>
 <p>Mr. Cleophas Okioi</p>	<p>Mr. Cleophas Okioi - Chief Officer Water, Environment, Energy, Natural Resources and Climate Change is a holder of Masters degree in Business Administration from University of Nicosia, Cyprus (2019), Bachelor of Science degree in Software Engineering from University of Eastern Africa, Baraton (2008) and a host of international professional certifications. He is a professional leader in information technology and is an active member of the Computer Society of Kenya (CSK)</p> <p>Cleophas has cumulatively over 14 years of working experience in high-level practice in information technology, trade, business and in various industrial undertakings both in the public and private sectors.</p> <p>He serves as the fund administrator, and manages climate programs and interdepartmental coordination.</p>
 <p>Ms. Anne Omwoyo</p>	<p>Ms. Anne Omwoyo – Director Climate Change. Prior to her appointment Ms. Anne was a Chief Environment and Natural Resources officer in the Department of Water, Energy, Environment, Natural resources and Climate Change. She posses 9+ years of experience in managing and coordinating environmental policies and implimentation of climate change programs.</p> <p>She holds a Doctor of Philosophy Degree in Dryland Resource Management from the university of Nairobi (2025), Master's Degree in Climate Change from University of Nairobi (2017). Bachelors of Environment Science (Hydrology) from university of Eldoret, Kenya. Certifications in environmental impact assessment, project planning, leadership and management.</p> <p>She leads technical execution and supports project design and monitoring.</p>

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CPA. Hyline Moraa Simba

CPA. Hyline Moraa Simba. Prior to this appointment, she served as the Senior Accountant in the department of Planning and Economic Development. She holds a master's degree in business administration from Kisii University (2022), Bachelor of Commerce degree (Accounting option) from Egerton University (2012). She is also a member of the Institute of Certified Public Accountant of Kenya (ICPAK).

She handles fund accounting, reporting, and financial transparency.


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5. Fund Chairperson's Report

The Kisii County Climate Change Fund was established in the year 2021, following enactment of the Kisii County Climate Change Act, 2021. It has its special purpose account (SPA) domiciled at the Central Bank of Kenya (CBK). The principal objective of the fund is mobilization and coordination of resources for climate change programs from public and private entities. The fund's financial resources were rolled out in the financial year 2022/2023. Its operations are guided by key Committees (County Steering, County Planning and Ward Climate Change Committees) and the climate change directorate.

Since its establishment, the Fund has demonstrated significant physical progress, translating investments into tangible outputs, measurable outcomes and positive impacts across the county. The programs were focused on critical areas such as water resource management, sustainable agriculture, environmental conservation and renewable energy adoption. For instance, in water resource management, we have successfully rehabilitated 9 water schemes and 5 boreholes, and drilled 7 new boreholes in highly deserving areas, therefore directly increasing access to clean water for the community. Furthermore, the protection and rehabilitation of 196 natural water springs have enhanced water security and ecosystem health. In sustainable agriculture, the implementation of climate-smart practices, including the use of Bokashi manure and agricultural lime is envisaged to improve soil health and increase crop yields, thus contributing to enhanced food security. Our afforestation and reforestation in targeted areas is anticipated to contribute to carbon sequestration and biodiversity conservation. The solarization of facilities like Gesieka hospital and three milk cooperatives, is envisaged to reduce reliance on conventional energy sources leading to lower operational costs and reduced greenhouse gas emissions.

The Fund will go miles in the promotion and mainstreaming of Climate Smart interventions in order to foster Climate resilience, adaptation and mitigation in Kisii County.


Name..... H.E. Simba Ash Signature.....  Date..... 15/09/2025

Chairperson of the Fund

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6. Report of The Fund Administrator

In the financial year 2024/2025, Kisii County Climate Change fund received Ksh.294, 985, 320. The fund's objective is to provide funding for priority climate change actions and interventions identified in the County Climate Change Action Plan, by communities and other stakeholders and approved by the steering committee. Kisii county climate change unit utilized a total of Kshs. 243,192,925 in the financial 2024/2025 towards achieving the fund's objective. The Climate Change resilience projects, based on the physical verification, are on course. The projects' anticipated outcomes of improved resilience and adaptation to Climate Change are envisaged. Through locally led planning and monitoring, the impacts at the local scale have improved livelihoods at the community level especially to the vulnerable groups. This has been realized due to active community involvement in projects identification, planning and implementation, especially through meetings and public barazas. Despite significant progress, the Fund has encountered several implementation challenges like the unpredictable nature of climate variability impacting project timelines. Furthermore, securing consistent funding remains a challenge; necessitating continuous engagement with development partners and national government. Looking ahead, the Fund is poised for continued growth and impact.

Name... CLEOPITAS OKIOI ... Signature...  ... Date... 15/09/2025

Administrator of the Fund

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

Objectives

The performance of the Climate Change Fund and progress of attainment strategic development objectives are as indicated in the following table.

S/N O	Name of Activity	Output	Indicator	Target	Achievement	Remarks
1	Rehabilitation and protection of water springs/ catchment areas	Water springs/ catchment areas rehabilitated and protected	Number of water springs/ catchment areas rehabilitated and protected	241	229	Water springs/ catchment areas were rehabilitated and protected (12 springs' protection is ongoing)
2	Borehole drilling, installing hand pump at Itibo market (phase 1)	Borehole drilled and hand pump installed	Number boreholes drilled and hand pump installed	1	1	Borehole was drilled and hand pump installed
3	Promotion of roof catchment water harvesting and storage	Plastic water tanks procured, distributed and installed in public institutions	Number of plastic water tanks procured, distributed and installed	150	150	Plastic water tanks of 10,000L capacity were procured, supplied and installed to public institutions
4	Rehabilitation of Mobamba borehole	Borehole rehabilitated	Number of boreholes rehabilitated	1	1	The borehole was rehabilitated
5	Community water project – drilling and equipping of Nyagiki borehole (phase 1)	Drilled and equipped borehole	Number of boreholes drilled	1	1	The borehole was drilled and hand pump installed
6	Rehabilitation of Nyansakia water reticulation from Nyagiku borehole	Rehabilitated water scheme	Number of water schemes rehabilitated and reticulated	1	1	Rehabilitation and water reticulation from Nyagiku was done
7	clean energy solutions for Gesieka hospital (solar)	Installed solar panels	Number of solar panels installed	22	22	Solar panels were installed in Gesieka hospital
8	Rehabilitation of Riparian (Boikanga)	Riparian land rehabilitated	Number of riparian areas rehabilitated	1	1	The area was rehabilitated and

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						indigenous trees planted
9	Enhancing water supply and access through rehabilitation of Nyagisai community water project	Rehabilitated borehole	Number of water projects rehabilitated	1	1	The borehole was rehabilitated, solar panels installed, and water points rehabilitated
10	Reticulation of water from Kienguku borehole	Water reticulation done	Number of water projects reticulated	1	1	Water reticulation was done
11	Rehabilitation of six degraded sites (Bogetenga)	Rehabilitated sites	Number of sites rehabilitated	1	1	The site was rehabilitated and indigenous trees planted
12	Borehole drilling at Kimai primary and reticulation- phase 1	Drilled borehole	Number of boreholes drilled	1	1	The borehole was drilled and capping done
13	Enhancing water supply and access through establishment of Nyasasa water scheme	Established water scheme	Number of water projects established	1	1	The water scheme was established and water points installed
14	Promoting sustainability in the milk value chain through solarization and operationalization of milk cooperatives	Solarised and operationalised milk cooperatives	Number of milk cooperatives solarised and operationalised	3	3	Solar panels, ablution blocks and water towers were installed in 3 milk cooperatives
15	Promotion of alternative livelihood through bee keeping	Apiary constructed and equipped	Number of apiaries constructed and equipped	2	2	The apiaries were constructed and equipped
16	Rehabilitation and protection of Riarwara catchment	Rehabilitated and protected water scheme	Number of water catchment areas rehabilitated and protected	1	1	The water catchment area was rehabilitated and protected
17	Improving agricultural	Farmer groups trained on bokash manure	Number of farmer groups trained on	135	135	Farmer groups trained on bokash manure

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	productivity and soil health through the use of Bokash manure and liming	preparation, demonstration of lime application	bokash manure preparation, demonstration of lime application			preparation, demonstration of lime application
18	Rehabilitation of Openda community water project	Rehabilitated water scheme	Number of water scheme rehabilitated	1	1	Water scheme rehabilitated
19	Promotion of roof water catchment harvesting and storage	Plastic water tanks procured and supplied	Number of water tanks procured and supplied	42	42	Water tanks were procured and supplied to public institutions
20	Establishment of indigenous tree nurseries	Established indigenous tree nurseries	Number of indigenous tree nurseries established	8	5	5 Indigenous tree nurseries were established. The remaining 3 are ongoing
21	Establishment of grafted fruit tree nurseries	Established grafted fruit tree nurseries	Number of grafted fruit tree nurseries established	10	6	6 grafted fruit tree nurseries were established. The remaining 4 are ongoing
22	Rehabilitation of Ensoko gravity water	Rehabilitated water scheme	Number of water schemes rehabilitated	1	1	The water scheme was rehabilitated
23	Promotion of Agroforestry planting of indigenous tree species in communal Institutions (VTCs)	Indigenous tree species planted in communal institutions	Number of indigenous tree species planted	20,000	20,000	Indigenous tree species were planted in VTCs across the county
24	Borehole drilling, and equipped at Otamba (phase 1)	Borehole drilled and equipped	Number boreholes drilled and equipped	1	1	Borehole was drilled and a water pump installed
25	Rehabilitation and reticulation of Ikuruma water scheme	Water scheme rehabilitated and reticulated	Number of water schemes rehabilitated	1	1	Water scheme was rehabilitated and reticulated
26	Enhancing water supply and access	Water scheme developed	Number of water schemes developed	1	1	Water scheme was developed

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	through water scheme development in Nyagenke					
27	Rehabilitation/Reforestation of Community Forest	Community forests rehabilitated	Number of community forests rehabilitated	3	3	Reforestation of community forests was done
28	Promotion of high value (orphaned) and climate change resilience crops	High value and climate resilient crops promoted for food security	Number of farmer groups trained and planting high value crops	675 farmers (15 farmer groups)	675 farmers (15 farmer groups)	Demonstration on crop establishment done, the crop are cover crops and are climate resilient
29	Rehabilitation of Nyakobaria gravity water project	Water project rehabilitated	Number of water projects rehabilitated	1	1	The water project was rehabilitated
30	Promotion of Agroforestry through planting of indigenous tree species in public Institutions	Indigenous tree species planted in public institutions	Number of indigenous tree species planted	45,000	45,000	Indigenous tree species were planted in public institutions across the county
31	Promotion of clean cooking by use of energy saving jikos	Energy efficient cooking methods promoted and embraced by the community members	Number of energy efficient cooking methods supplied and distributed	100 households	100	Vulnerable household were issued with energy saving jikos

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8. Corporate Governance Statement

This Corporate Governance Statement outlines the governance framework and practices adopted by the Fund to ensure effective, transparent and accountable management of its operations and resources. The Fund is committed to upholding the highest standards of corporate governance, recognizing that robust governance structures are fundamental to achieving its mandate, safeguarding stakeholder interests and fostering public trust. This statement details the composition, roles and responsibilities of the County Climate Change Steering Committee and the policies guiding its conduct/operations.

i. Composition of the county climate change steering committee

The County Climate Change Steering Committee is composed of 13 members as indicated below:

Membership of County Climate Change Steering Committee
1. Governor (Chairperson)
2. County Executive Committee Member in charge of Finance and planning
3. County Executive Committee Member in charge of Agriculture, Livestock and Fisheries
4. County Executive Committee Member in charge of Water and climate change
5. County Executive Committee Member in charge of Health
6. County Director of Meteorology
7. County Director of Environment (NEMA)
8. Public Benefit Organization representative
9. Women representative
10. Youth representative
11. Persons living with disability representative
12. Private sector representative
13. County Director in charge of Climate Change (Secretary, ex-officio)

The steering committee is the supreme governing body, responsible for the overall strategic direction, oversight and performance of the Fund.

ii. Roles and functions of the committee: -

- a) Ensures mainstreaming of climate change into county planning and development process.

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- b) Coordinates formulation and monitors implementation of the County Climate Change Action Plan, County Climate Finance Framework and any other county climate change policies, plans and strategies.
- c) Administers the County Climate Change Fund.
- d) Reviews, approves and monitors implementation of Regulations for administration and management of the Fund.
- e) Reviews and makes recommendations on the biennial report on implementation of the County Climate Change Action Plan and any other reports on climate change response interventions in the county.
- f) Advises the county government on legislative, policy and other measures necessary for climate change response and attainment of low carbon climate resilient development.
- g) Approves and oversees the implementation in the county of a comprehensive programme of climate change education, awareness creation and capacity building.
- h) Provides policy direction on research, training and dissemination of information relating to climate change to the public and other stakeholders of the county.
- i) Ensures positive linkages, interaction and synergy between the county, neighbouring counties and the national government in climate change response programming and action.
- j) Ensures a coordinated approach to climate change response programming and action within the county government, between the county government and national government, and among the different stakeholders in the county.
- k) Performs any other functions that may further the foregoing objectives and/or may be assigned by the county government.

iii. Induction, training and development

Upon appointment, all new Committee members undergo a structured induction program. This program is designed to familiarize them with the Fund's mandate, strategic objectives, operational procedures and the legal and regulatory framework within which it operates. Recognizing the dynamic nature of climate change and governance, the Fund is committed to the continuous training and development of its committee members. This includes workshops, seminars or conferences on topics relevant to the Fund's mandate, such as climate finance, project management, carbon markets, risk management and ethical leadership. These

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development initiatives ensure that Committee members remain abreast of best practices, emerging trends, and regulatory changes, thereby enhancing their capacity to provide effective oversight and strategic guidance.

iv. Committee Meetings

The steering committee is mandated to sit at least once every 6 months in a financial year according to the Kisii County Climate Change Act, 2021. In the financial year under review, the steering committee has held three meetings. The frequency of meetings is determined by the volume and complexity of matters requiring committee's attention, ensuring that sufficient time is allocated for thorough deliberation.

v. Succession Plan

The tenure period of the steering committee is five years (renewable once for the non-state actors). The Fund recognizes the importance of a robust succession plan for both its County Climate Change Steering Committee and key management positions to ensure continuity of leadership and smooth transitions. Since the Fund was recently established, no succession has taken place. However, the Fund's succession planning process will involve:

Identifying Critical Roles: Pinpointing key Committee positions e.g., Chairperson and senior management roles that are essential for the Fund's strategic and operational continuity.

Talent identification and development: Proactively identifying potential candidates, both internal and external, who possess the necessary skills, experience, and leadership qualities to fill these critical roles. For internal candidates, this would include providing opportunities for professional development and exposure to diverse aspects of the Fund's operations.

Knowledge Transfer: Implementing mechanisms for effective knowledge transfer from outgoing to incoming leaders, ensuring that institutional memory and critical insights are preserved.

vi. Committee Remuneration

Remuneration of the steering committee is as advised by the county treasury, in consultation with the Salaries and Remuneration Commission (SRC) and in accordance to the Public Finance Management Act or its Regulations.

vii. Ethics and Conduct

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The Kisii County Climate Change Fund is founded on principles of integrity, professionalism and ethical conduct. The expected standards of conduct/behavior include:

Honesty and Integrity: Acting with honesty, integrity, and fairness in all dealings.

Accountability: Being accountable for actions and decisions.

Confidentiality: Protecting confidential information of the Fund and its stakeholders.

Respect: Treating all individuals with respect and dignity, free from discrimination or harassment.

Compliance with Laws: Adhering to all applicable laws, regulations, and internal policies.

Stewardship of Resources: Ensuring the responsible and efficient use of the Fund's resources.

viii. Communication Policy

The Fund maintains a clear and comprehensive County Climate Change Communication Strategy to ensure timely, accurate and transparent dissemination of information to all relevant stakeholders. The strategy supports both internal and external communications and aims to:

Promote Transparency: Ensure that information about the Fund's operations, financial performance, and impact is readily accessible to the public and stakeholders.

Maintain Consistency: Ensure that all communications are consistent with the Fund's strategic objectives and public statements.

Manage Reputation: Protect and enhance the Fund's reputation through professional and responsible communication.

Facilitate Engagement: Encourage constructive dialogue and feedback from stakeholders.

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9. Management Discussion and Analysis

a) Financial Performance

The financial performance of the Kisii County Climate Change Fund during the reporting period was robust, demonstrating prudent financial management and effective resource mobilization. The Fund's primary sources of income include grants from the development partners, including the FLLoCA program as well as County Contribution. The Kisii County Climate Change Act, 2021 states that the initial capital of the Fund shall be not less than two percent of the annual development budget of the county appropriated by the County Assembly in a financial year. Expenditures were primarily directed towards project implementation, administrative costs, and capacity building initiatives. During the financial year Kisii county Government and FLLoCA contributed to Kisii County Climate Change fund to a tune of **Kshs.294,985,320**.

b) Key projects and investment decisions implemented or ongoing

The Kisii County Climate Change Fund has undertaken a diverse range of key projects and investment decisions aimed at addressing the impacts of climate change and fostering resilience within the county.

c) Compliance with Statutory Requirements

The Kisii County Climate Change Fund is committed to upholding the highest standards of governance, transparency and accountability. It operates in strict compliance with all relevant national and county statutory requirements, including the Public Finance Management Act, 2012, and other regulations governing public funds. Regular internal and external audits are conducted to ensure adherence to financial regulations and reporting standards. All necessary reports are submitted to the relevant oversight bodies within the stipulated timelines. Our procurement processes are in line with the Public Procurement and Asset Disposal Act, 2015, ensuring fairness, competitiveness, and value for money.

d) Major Risks Facing the Fund

While the Fund has demonstrated strong performance, several major risks could impact its operations and financial stability. Proactive measures are in place to mitigate these risks:

- i. **Funding Volatility:** Reliance on grants and donor funding exposes the Fund to potential fluctuations in revenue. Mitigation strategies include diversifying funding sources,

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strengthening partnerships with various stakeholders, and advocating for increased budgetary allocations from the county government.

- ii. **Climate Change Impacts:** The very nature of our work means we are exposed to the increasing severity and frequency of climate-related disasters, which can disrupt project implementation and increase demand for interventions. Mitigation involves developing flexible project designs, investing in early warning systems, and building community adaptive capacity.
- iii. **Operational Challenges:** Logistical hurdles in remote areas, community resistance to new technologies, and capacity gaps among implementing partners can impede project delivery. Mitigation includes strengthening community engagement, providing targeted training, and enhancing monitoring and evaluation frameworks.
- iv. **Governance and Corruption Risks:** As a public entity managing significant funds, the Fund is susceptible to governance and corruption risks. Mitigation measures include robust internal controls, regular audits, strict adherence to anti-corruption policies and promoting a culture of integrity and transparency.

e) Material Arrears in Statutory and Other Financial Obligations

As of the reporting date, the Kisii County Climate Change Fund has no material arrears in statutory and other financial obligations. Payments to suppliers and contractors have been made in accordance with contractual agreements, demonstrating our commitment to responsible financial management and maintaining strong relationships with our partners.

f) Other Relevant Information

Partnerships and Collaborations: The Fund has actively sought and strengthened partnerships with various national and international organizations, research institutions, and civil society groups. These collaborations have been instrumental in leveraging expertise, sharing best practices, and mobilizing additional resources for climate action in Kisii County. Notable partnerships include those with the National Environmental Management Authority (NEMA) for environmental compliance, and various NGOs for community-level project implementation.

Capacity Building Initiatives: Recognizing the importance of human capital, the Fund has invested significantly in building the capacity of its staff and local communities. Training programs have focused on climate change adaptation techniques, project management, climate smart agriculture and environmental stewardship. These initiatives aim to empower individuals

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and communities to take ownership of climate action and ensure the long-term sustainability of interventions.

Future Outlook: The Kisii County Climate Change Fund remains optimistic about its future outlook. We anticipate continued growth in funding and an expansion of our project portfolio. Our strategic focus for the upcoming period will include scaling up successful pilot projects, explore innovative financing mechanisms, and strengthen our monitoring and evaluation systems to ensure maximum impact. We are committed to adapting our strategies to emerging climate change challenges and opportunities, ensuring that Kisii County remains at the forefront of climate resilience efforts.

10. Environmental and Sustainability Reporting

i) *Sustainability strategy and profile*

This section provides a comprehensive overview of the Kisii County Climate Change Fund's environmental and sustainability initiatives, aligning with global political and macroeconomic trends, particularly climate change. The Fund acknowledges the critical importance of international sustainability best practices frameworks, such as the Sustainable Development Goals (SDGs), as guiding principles for its operations. Our sustainability initiatives are deeply integrated into our policy framework, reflecting a commitment to fostering a resilient and environmentally conscious community within Kisii County. During the reporting period, the Fund has made significant strides in advancing its sustainability priorities. Key achievements include the successful implementation of climate-smart agricultural practices in several wards, leading to enhanced food security and reduced vulnerability to climate variability. Furthermore, our efforts in promoting renewable energy solutions have seen an increase in the adoption of solar lighting systems in rural households, contributing to a reduction in carbon emissions and improved access to clean energy.

ii) *Environmental performance*

The Kisii County Climate Change Fund operates under a robust climate change policy that guides all its interventions and operations. This policy is rooted in the principles of ecological conservation, sustainable resource management and climate resilience. All projects being implemented or planned for implantation have to undergo thorough screening for environmental and social safeguards. After screening, all projects have to undergo environmental and social impact assessment (ESIA) and finally approved and licensed by national environmental management authority (NEMA).

Despite these achievements, challenges such as illegal logging in protected areas and improper waste disposal practices in some urban centers continue to pose threats to environmental integrity. To mitigate these shortcomings, the Fund has intensified its collaboration with law enforcement agencies and community leaders to enforce environmental regulations and raise awareness about the importance of environmental stewardship.

iii) *Employee welfare*

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The Fund is committed to fostering a diverse, equitable and inclusive workplace. Significant efforts have been made in improving employee skills and managing career progression. The Fund invests in continuous professional development programs, workshops and training sessions to enhance the technical and soft skills of its staff. This commitment to capacity building ensures that our team remains at the forefront of climate change adaptation and mitigation strategies. Furthermore, the Fund places paramount importance on the safety and well-being of its employees. Our safety interventions are in strict compliance with the Occupational Safety and Health Act of 2007 (OSHA).

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iv) ***Market place practices-***

a) Responsible competition practice.

The Kisii County Climate Change Fund ensures improved service delivery practices through Service charter information which is readily available, Service automation-self-service, GRM-reporting and continuous public sensitization/outreach on Climate Change issues geared towards building local community resilience to the impacts of Climate Change

b) Responsible Supply chain and supplier relations

Kisii County Climate Change Fund maintains good business practices by complying with the provisions of the public procurement and asset disposal act and the public procurement and asset disposal regulation. We apply fairness, equity, transparency, cost effectiveness and competition in honoring contracts. Payments are promptly done once the works have been completed as per the bills of quantities; we use competitive procurement methods to identify our service providers as stipulated in the public procurement and asset disposal act

c) Responsible engagement with the citizens.

The Kisii County Climate Change Fund through the Communication officer ensures its outreach and sensitization practices are ethical and responsible through social media, website briefs, holding consultative forums, avoiding false or exaggerated promises, giving adequate information, respecting diversity by involving the vulnerable groups

d) Awareness creation

There exist the GRM structures which are widely circulated within Kisii County geared towards promoting an accessible, collaborative, expeditious and effective mechanism for resolving concerns through dialogue, joint fact-finding, negotiation and problem solving

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v) *Corporate Social Responsibility / Community Engagements*

Beyond direct investments, the Fund actively promotes other forms of community engagement. This includes actively involving communities in assessments related to environmental protection and climate change, ensuring that local perspectives and traditional knowledge are integrated into policymaking. Our budget-making processes are also open and participatory, allowing citizens to voice their priorities and contribute to resource allocation decisions. We also hold regular community consultations on proposed development projects in their areas, ensuring that projects are demand-driven and environmentally sound. This continuous dialogue fosters a sense of ownership and partnership, crucial for the success and sustainability of our climate action initiatives.

11. Statement of Management's Responsibilities

Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a County Public Fund established by Kisii 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 year ended on June 30, 2025. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Fund; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Fund; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Administrator of the County Public Fund accepts responsibility for the Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and Kisii County Climate Change Fund Regulations, 2021. The Administrator of the Fund is of the opinion that the Fund's financial statements give a true and fair view of the state of Fund's transactions during the financial year ended June 30, 2025, and of the Fund's financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control.


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

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Nothing has come to the attention of the Administrator to indicate that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Fund's financial statements were approved by the steering committee on 16/09/2025 2025 and signed on its behalf by:

Name... CLEOPHAS DKIOI Signature..... 

Administrator of the County Public Fund

REPUBLIC OF KENYA

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



Enhancing Accountability

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

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Kisii County Climate Change Fund set out on pages 1 to 29 which comprise of the statement of financial position as

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

In my opinion, the financial statements present fairly, in all material respects, the financial position of Kisii 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 Kisii County Climate Change Fund Act 2021 and the Public Finance Management Act, 2012.

Basis for Opinion

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.881,531,258 and Kshs.650,616,504 respectively, resulting in an underfunding of Kshs.299,664,754 or 34% of the budget. Similarly, the Programme expenditure amounted to Kshs.234,947,181 against the realized receipts of Kshs.650,616,504 resulting in an under-utilization of Kshs.415,669,323 or 64% of the actual receipts.

In the circumstances, the under-funding and under-utilization may have impacted negatively on planned activities in fighting the climate change in the County.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Information

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

Expenditure on the Rehabilitation of Active Nyabigena Soapstone Quarry

Included in the statement of financial performance under use of goods and services is an expenditure totaling Kshs.20,464,560 on rehabilitation of riparian land as disclosed in Note 2 to the financial statements. Included in this amount is Kshs.2,000,000 that the Fund paid a company for rehabilitation of Nyabigena Soapstone Quarry. However, field verification of the project revealed persistent heavy mining going on in the quarry.

In the circumstances, it was not possible to confirm whether value for money has been realized from the expenditure on the rehabilitation works on an active quarry.

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

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.

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 processes and systems of internal controls, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi


29 September, 2025

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

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

Description	Note	FY 2024-2025	FY 2023-2024
		Kshs	Kshs
Revenue From Non-Exchange Transactions			
FLLoCA –IDA		149,158,278	160,992,000
FLLoCA CCIS-IDA		-	22,000,000
FLLoCA-KFW		81,756,476	84,121,480
County Contribution		294,985,320	78,500,000
Total Revenue	1	525,900,074	345,613,480
Expenses			
Use of goods and services	2	239,193,425	29,799,024
Depreciation	5	812,115	-
Total Expenses		240,005,540	29,799,024
Surplus/(Deficit)for the Period		285,894,534	315,814,024

(The notes set out on pages 36 to 40 form an integral part of these Financial Statements)

Sign.....

Name: *CLEOPHAS OKIOI*
Administrator of the Fund

Sign.....

Name: *HYLITE SIMBA*
Fund Accountant
ICPAK Member Number: 24923

**Kisii County Climate Change Fund
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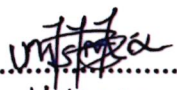
14. Statement of Financial Position as at 30 June 2025

Description	Note	FY 2024-2025	FY 2023-2024
		K shs	K shs
Assets			
Current Assets			
Cash and Cash Equivalents		415,669,323	355,631,184
Current Receivables	4	230,914,754	-
Total current assets		646,584,077	355,631,184
Non-Current Assets			
Property, Plant and Equipment	5	8,357,135	3,425,600
Total non- current assets			3,425,600
Total Assets (A)		654,941,212	359,056,784
Liabilities			
Current Liabilities			
Trade and Other Payables from Exchange Transactions	6	13,989,394	3,999,500
Total current liabilities			3,999,500
Non-Current Liabilities		-	-
Total Liabilities (B)			-
Net Assets (A-B)		640,951,818	355,057,284
Represented By:			
Accumulated Surplus		640,915,818	355,057,284
Net Assets		640,915,818	355,057,284

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 16th SEPT. 2025 and signed by: CLEOPHAS

Sign..........

Name: CLEOPHAS OKIOI
Administrator of the Fund

Sign..........

Name: HYLINE SIMBA

Fund Accountant
ICPAK Member Number: 24923

Kisii County Climate Change Fund
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15. Statement of Changes in Net Assets for the year ended 30th June 2025

Description	Accumulated surplus
	Kshs
Balance As At 1 July 2024	355,057,284
Surplus for the year	285,894,534
Accumulated surplus as at 30th June 2025	640,915,818

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

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

Description	Note	FY 2024-2025	FY 2023-2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from the county government	1	294,985,320	345,613,486
Total receipts		294,985,320	345,613,486
Payments			
Use of goods	2	229,203,531	29,799,024
Net cash flows from operating activities		65,781,789	315,814,462
Cash flows from investing activities			
Purchase of property, plant, equipment and Intangible assets	5	(5,743,650)	(3,425,600)
Net cash flows used in investing activities		(5,743,650)	(3,425,600)
Cash flows from financing activities			
			3,999,500
Net cash flows used in financing activities			3,999,500
Net increase in cash & cash			
Equivalents		60,038,139	316,388,362
Cash and cash equivalents at 1 July, 2024		355,631,184	39,242,822
Cash and cash equivalents at 30 June, 2025		415,669,323	355,631,184

The difference between use of goods in the financial performance and use of goods in the cash book is because of an accrued payable for the financial year 2023/2024 of Kshs. 3,999,500

Kisii County Climate Change Fund
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17. Statement Of Comparison Of Budget And Actual Amounts For The Period 2025

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	b	c=(a+b)	d	e=(c-d)	f=d/c*100
Budget carryovers from the previous year*	-	355,631,184	355,631,184	355,631,184	-	100%
Receipts						
FLLoCA-1	68,750,000		68,750,000	-	68,750,000	-
FLLoCA-IDA	160,000,000	(10,841,722)	149,158,278	-	149,158,278	-
FLLoCA-KFW	84,000,000	(2,243,524)	81,756,476	-	81,756,476	-
Transfers From County Govt.	121,185,320	173,800,000	294,985,320	294,985,320		100%
FLLoCA-CCIS	28,612,022	(28,612,022)	-	-		
Total Income	462,547,342	418,983,916	881,531,258	650,616,504	299,664,754	
Expenses						
Use of Goods and Services	456,847,342	418,583,916	875,431,258	229,203,531	646,227,727	26%
Acquisition of assets	5,700,000	400,000	6,100,000	5,743,650	356,350	94%
Total Expenditure	462,547,342	400,000	881,531,258	234,947,181		26%
Surplus For the Period		418,983,916		415,669,323	-	

Budget notes

1. The underutilization is due to late disbursement of funds.

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2. The underutilization of funds is due delayed project completion.
3. The changes between original and final budget are due to actual allocation after annual performance assessment.

Budget Reconciliation

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	415,669,323
	Closing Cash and Cash Equivalent as per the statement of Cash flows	415,669,323

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18. Notes to the Financial Statements

Significant Accounting Policies

1. General Information

The Kisii County Climate Change Unit is established by an executive order and derives its authority and accountability from Kisii County Climate Change Act, 2021. The entity is wholly owned by the Kisii County Government and is domiciled in Kenya. The entity's principal activity is to promote, coordinate, mainstream and sustain climate smart interventions in order to foster climate resilience, adaptation and mitigation, by use of climate risk information as a tool for policy formulation and low carbon development planning.

2. Statement of compliance and basis of preparation

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

3. Adoption of new and revised standards

(i) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024

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

(ii) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024.

Standard	Effective date and impact:
IPSAS 43: Leases	<i>Applicable 1st January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This

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	<p>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.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 45-Property Plant and Equipment	<p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be 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> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 46 Measurement	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <p>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</p>

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	<p>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS;</p> <p>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</p> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 47- Revenue	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 48- Transfer Expenses	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 49- Retirement Benefit Plans	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 50:	<p><i>Applicable 1st January 2027</i></p>

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Exploration For & Evaluation of Mineral Resources	<p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized. <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
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(i) Early adoption of standards

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

4. Summary of Significant Accounting Policies

a) Revenue recognition

i. Revenue from non-exchange transactions

Transfers from other government entities

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

ii. Revenue from exchange transactions

Interest income

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

Dividends

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

Rental income

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

b) Budget information

The original budget for FY 2024/2025 was approved by the County Assembly on 20th June 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals to conclude the final budget. Accordingly, the Fund recorded additional appropriations on the FY 2024/2025 budget following the governing body's approval.

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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.

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 the final section 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.

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

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development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred.

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

b) Investment property

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

Summary of Significant Accounting Policies (Continued)

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

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

Summary of Significant Accounting Policies (Continued)

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity

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recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in.

Financial liabilities

Classification

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

d) Inventories

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

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

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

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

e) Provisions

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

f) Social Benefits

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

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

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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.

j) Employee benefits – Retirement benefit plans

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

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

Summary of Significant Accounting Policies (Continued)

k) Foreign currency transactions

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

l) Borrowing costs

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

m) Related parties

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

n) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised

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

o) Comparative figures

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

Summary of Significant Accounting Policies (Continued)

5. Significant judgments and sources of estimation uncertainty

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

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

a) Estimates and assumptions –

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

b) Useful lives and residual values

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

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

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➤ Changes in the market in relation to the asset

c) Provisions

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

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

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

Notes to the Financial Statements

1. Transfers from County Government

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Climate Change Institutional Support Grant (FLLoCA CCIS-IDA)	-	22,000,000
Climate Change Resilient Investment(FLLoCA CCRI-IDA)	149,158,278	160,992,006
KFW Grant	81,756,476	84,121,480
County Contribution-1...3/4/25	132,385,320	
County Contribution-2....9/6/25	162,600,000	78,500,000
Total	525,900,074	345,613,486

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2. Use of Goods and Services

Description	FY 2024-2025	FY 2023-2024
	Kshs.	Kshs.
Hospitality Supplies and Services		565,950
Professional Services Costs	9,322,000	10,900,826
Awareness and Publicity		211,940
Committee Allowances	8,257,199	264,000
Bank Charges	2412	4105
Rehabilitation of Riparian land	20,464,560	1,854,000
Training Expenses	3,452,646	2,426,150
Printing And Stationery		188,300
Purchase of tanks	34,008,660	5,771,600
Cleaning and Sanitary		23,615
Agro-forestry		2,999,820
Environmental and Social Safeguards (ESS)screening		589,218
Boreholes	30,339,170	3,999,500
Spring protection	56,728,495	-
Clean energy	10,276,830	-
Facilitation of activities by climate change directorate	1,312,650	
High Value crops	2,836,000	
Soil Conservation	33,947,000	
Seedling Propagation	25,974,813	
Promotion of livelihood	999,790	
ICT and Equipment	1,271,200	
depreciation	812,115	
Total	240,005,540	29,799,024

Payables as at 30.6.2025 was Kshs. 13,989,394

Depreciation for the year Kshs. 812,115

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The difference between use of goods in the financial performance and use of goods in the cash flow is because of a payable for the financial year 2023/2024 of Kshs. 3,999,500.

Kisii County Climate Fund**Annual Report and Financial Statements for the year ended June 30, 2025****3. Cash and cash equivalents**

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Current Account – Kisii County Climate Change Fund Account –No-027000056290(family bank)	-	2,412.10
Special Purpose Account – Kisii County Climate Change Fund-acc .no.1000522275(Central Bank)	415,669,323	355,628,771.35
Total cash and cash equivalents	415,669,323	355,631,184.45

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

Financial Institution	Account number	FY 2024-2025	FY 2023-2024
		Kshs	Kshs
a) Current Account			
Family Bank Kisii County Climate Change Fund	027000056290		2,412.10
Sub- Total			2,412.10
b) Central Bank of Kenya Kisii County Climate Change Fund			
Cash In Transit CCRIG-IDA			80,496,003
Cash In Transit CCISG III-IDA			11,000,000
Cash At Hand CCRIG-IDA			80,496,003
Cash At Hand CCRIG-KFW			84,121,480
Cash At Hand CCISG II- IDA			11,000,000
KCCCF		294,985,320	78,500,000
Sub- Total		294,985,320	345,613,486
Grand Total		294,985,320	345,615,898.10

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4. Receivables from non exchange transactions

Current Receivables	2024-2025	2024-2023
FLLoCA-IDA	149,158,278	
FLLoCA-KFW	81,756,476	
Total Current Receivables	230,914,754	

Notes

1. Kshs 68,750,000 indicated on the budget were projections of funds expected from the county government that were never ratified after APA.

*Kisii County Climate Fund***Annual Report and Financial Statements for the year ended June 30, 2025****Notes To The Financial Statements (Continued)****5. Property, plant and equipment**

	Land and Buildings-2%	Motor vehicles-	Furniture and fittings-12.5%	Computers and office equipment-30%	Total
Cost	Kshs	Kshs	Kshs	Kshs	Kshs
At 1 st July 2023	-	-	-	-	-
Additions	-	-	-	-	-
Disposals	(-)	(-)	-	-	(-)
Transfers/Adjustments	-	(-)	-	(-)	(-)
At 30 th June 2024	-	-	-	-	-
At 1 st July 2024			1,231,800	2,193,800	3,425,600
Additions	5,743,650	-	-	-	5,743,650
Disposals	(-)	-	-	-	(-)
Transfer/Adjustments	(-)	-	-	(-)	(-)
At 30 th June 2025	5,743,650	-	1,231,800	2,193,800	9,169,250
Depreciation And Impairment					
At 1 st July 2023	(-)	(-)	(-)	(-)	(-)
Depreciation	(-)	(-)	(-)	(-)	(-)
Impairment	(-)	-	-	-	(-)
At 30 th June 2024	-	-	-	-	-
At 1 st July 2024					
Depreciation	(-)	(-)	(153,975)	(658,140)	(812,115)
Disposals	-	-	-	-	-
Impairment	(-)	(-)	-	-	(-)
Transfer/Adjustment	-	(-)	(-)	-	-
At 30 th June 2025	-	-	-	-	-
Net Book Values					
At 30 th June 2024	-	-	-	-	-
At 30 th June 2025	5,743,650	-	1,077,825	1,535,660	8,357,135

Kisii County Climate Fund

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

Notes to the Financial Statements (Continued)

6. Trade and other payables from exchange transactions

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Trade Payables	13,989,394	3,999,500
Total Trade and Other Payables	13,989,394	3,999,500

Ageing analysis (Trade and other payables)	Current FY2024/25	% of the Total	Comparati	% of the Total
			ve FY 2023/24	
Under one year	13,989,394	100	3,999,500	100
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (tie to above total)	13,989,394		3,999,500	

7. Cash generated from operations.

Description	FY 2024/2025	FY2024/2023
	Kshs	Kshs
Surplus/ (Deficit) For the Year Before Tax	54,979,780	315,814,462
Adjusted For:		
Depreciation	812,115	-
Increase In Payables	9,989,894	-
Net Cash Flow from Operating Activities	65,781,788	315,814,462

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

19. Annexes

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Time frame: (Put a date when you expect the issue to be resolved)
	Unaudited comparative figures of 2022-2023	The Management submitted Financial Statements to the office of Auditor-General.	Resolved	
	Budgetary Control and Performance	The Management is committed in addressing the issue.	Resolved	31 st December, 2025
	Sustainability of fruit Trees Planting Projects to Institutions	The Management is committed in addressing the issue.	Resolved	31 st December, 2025

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

Annex II: Inter-Fund Confirmation Letter

KISII COUNTY GOVERNMENT

Telephone: +254709727017/+254730184017
Email: cecfinance@kisii.go.ke
Email: treasury@kisii.go.ke



Gusii County Council Building
P.O. Box 4550 – 40200
Kisii, Kenya.

**OFFICE OF THE COUNTY EXECUTIVE COMMITTEE MEMBER
TREASURY AND ECONOMIC PLANNING**

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

Confirmation of amounts received by Kisii County Climate Change Fund Account as at 30 th June 2025							
Reference Number	Date Disbursed	Amounts Disbursed by [SC/SAGA/Fund] (Kshs) as at 30 th June 2025				Amount Received by [beneficiary Fund] (Kshs) as at 30 th June 2025 (E)	Differences (Kshs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
FT25093JBQ0S	3/4/2025		132,385,320		132,385,320		-
FT25160QYWMJ	9/6/2025		162,600,000		162,600,000		-
TOTAL					294,985,320		-

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

Head of Accountants department of beneficiary Fund:

Name HYLINE SIMBA Sign [Signature] Date 16/9/2025

