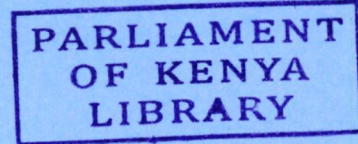


REPUBLIC OF KENYA



Enhancing Accountability

REPORT



OF

THE AUDITOR-GENERAL

ON

GARISSA COUNTY CLIMATE CHANGE FUND

**FOR THE YEAR ENDED
30 JUNE, 2025**

PAPERS LAID	
DATE	29/10/2025
TABLED BY	Majority Leader
COMMITTEE	
CLERK AT THE TABLE	Belinda



GARISSA 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)

Garissa County Climate 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

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.

(This list is an indication of the common acronyms and abbreviations; The Entity should customize the acronyms and abbreviations to capture all that has been used in the preparation

Garissa County Climate Fund

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

2. Key Entity Information and Management

a) Background information

Garissa County Climate Change Fund was established by and derives its authority and accountability from the Garissa County Climate Change Fund Act, 2018 on 27th July 2018. The Fund is wholly owned by the County Government of Garissa and is domiciled in Kenya.

The fund's objective is to establish a Climate Change Fund to support community-initiated climate change adaptation and mitigation projects that enhance community resilience towards the vagaries of climate change.

b) Principal Activities

The Fund's principal activity is to create a fund in the County for the purpose of facilitating Climate Finance in the County for:

- Establishing Climate Finance mechanisms in the County;
- Facilitating planning for Climate Change Adaptation and Mitigation in the county planning and budgetary framework;
- Seeking and receiving grants from international sources, the National Government, the County Government and other organizations;
- Initiating and coordinating Climate Change Adaptation and Mitigation frameworks at the community level in the County;
- Facilitating community-initiated Climate Change Adaptation and Mitigation activities in the County; and
- Co-ordinating support from National Government Climate Change policy and legislative framework.

c) Board of Trustees/Fund Administration Committee

Ref	Name	Position
1	Ahmed Mohamed Ibrahim	Chairperson
2	Imran Mukhtar Sheikh	Member
3	Abdilatif Sheik mohamed	Member

d) Key Management team

Ref	Name	Position
1	Ahmed Mohamed Ibrahim	CECM -Environment & Climate change
2	Abdilatif Sheikh Mohamed	Chief Officer-Finance
3	Imran Mukhtar Sheikh	Chief Officer Climate Change/Fund Administrator
4	Abdi Ali Nuriye	Director Accounting Services
5	Ahmed Mohamed Ibrahim	CECM -Environment & Climate change

Key Entity and Management (Continued)

e) Fiduciary Oversight Arrangements

SN	Position	Name
1	Directorate Internal Audit	Abdifatah Mohamed
2	County Assembly of Garissa- Environment Committee	Mohamed Sheikh
3	Budget and Appropriation committee	Mahat Abdikadir

f) Registered Offices

County Climate Change Unit,
County Government of Garissa
P.O. Box 563-70100
County HQ
Lamu Road
Garissa, KENYA

g) Fund Contacts

E-mail: climatechange@garissa.go.ke
Website: www.garissa.go.ke

h) Fund Bankers

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

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

k) County Attorney

Office of the Governor
P.O. Box 563-70100
Treasury offices
Lamu Road
Nairobi, KENYA

3. Board of Trustees/ Fund Administration Committee

Name	Details of qualifications and experience
<p>1. Ahmed Mohamed Ibrahim</p>  <p>Hon. Ahmed Mohamed Ibrahim CECM - WATER, ENVIRONMENT, CLIMATE CHANGE & NATURAL RESOURCES</p> <p>CECM Water, Environment, Natural Resources & Climate Change</p>	<p>Ahmed M. Ibrahim is a graduate of M.A International relations from Brunel University in London. He also holds Post graduate Diploma in risk, crisis and disaster management from university of Leceisester England UK with many years of work experience both in the public and the private sector. Mr Ahmed joined the County Government of Garissa as CECM for Water, Environment, Natural resources & Climate Change.</p>
<p>2. Imran Muktar Sheikh Chief officer Environment &</p>  <p>Climate Change/Fund Administrator</p>	<p>Imran holds a degree in International Studies and Diplomacy from the University of Nairobi, along with a Master’s in Project Planning and Management. He is a proficient and resourceful strategic leader, project manager, and expert in policy advocacy and international relations. With over eight years of experience in diverse operational and leadership roles, he has a strong focus on excellence in operations and service delivery.</p> <p>.Mr. Imran is now the chief officer in charge of Environment & climate change. He is also the fund administrator of the fund</p>
<p>3. Abdilatif Sheikh Mohamed- Chief Officer-Finance</p> 	<p>Abdilatif Sheikh Mohamed- Chief Officer Finance Education background: Bachelor of Business Management Experience: Ten(10) years in Finance field and currently Chief Officer Finance</p>

4. Management Team

Name	Details of qualifications and experience
<p>1.</p>  <p>Hon. Ahmed Mohamed Ibrahim CECM - WATER, ENVIRONMENT, CLIMATE CHANGE & NATURAL RESOURCES</p>	<p>Ahmed M. Ibrahim is a graduate of M.A International relations from Brunel University in London. He also holds Post graduate Diploma in risk, crisis and disaster management from university of Leceisester England UK with many years of work experience both in the public and the private sector. Mr Ahmed joined the County Government of Garissa as CECM for Water, Environment, Natural resources & Climate Change</p>
<p>2. Imran Mohamed-Chief Officer Environment and Climate Change/Fund Administrator</p> 	<p>Imran holds a degree in International Studies and Diplomacy from the University of Nairobi, along with a Master’s in Project Planning and Management. He is a proficient and resourceful strategic leader, project manager, and expert in policy advocacy and international relations. With over eight years of experience in diverse operational and leadership roles, he has a strong focus on excellence in operations and service delivery.</p> <p>Mr. Imran is now the chief officer in charge of Environment & climate change. He is also the fund administrator of the fund</p>
<p>3. Abdilatif Sheikh Mohamed -Chief Officer Finance</p> 	<p>Abdilatif Sheikh Mohamed- Chief Officer Finance Education background: Bachelor of Business Management Experience: Ten(10) years in Finance field and currently Chief Officer Finance</p>
<p>4. Abdi Ali Nuriye -Director Accounting Services</p>	<p>Abdi Ali Nuriye -Director Accounting Services Education background: Masters in Business Administration – finance option (Kenyatta University Bachelor of Business Administration Accounting(OPTION) Moi University Experience: Ten(10) years in Accounting and finance</p>

5. Board/Fund Chairperson’s Report

The Public Finance Management Act (PFM Act, 2012) Section 111, grants powers to the County Executive Committee Member for Finance to establish and administer County Government Climate Change fund in accordance with a framework and criteria approved by the County Assembly. The County Executive Committee Member for Finance may make payments from the Climate Change fund only if he is satisfied that there is an urgent need for expenditure for which there is a legislative authority exists and that the payments are meant to alleviate the damage, loss, hardship or suffering or the payment is budgeted for and cannot be delayed until a later financial year without harming the general public interest. However, The Unforeseen event should be one that threatens damage to human life or welfare or threatens damage to environment.

- Changes in the Fund during the year (in terms of the board or key management team)

The Climate Change is managed by Fund Administrator and there were no changes in the key management team of the fund for the year under review.

- Review of the Fund’s performance

The County Government of Garissa allocated Kshs. 80,000,000 to the Climate Change Fund for the financial year 2023/2024. Additionally, the county received Kshs. 173,580,354 through the County Climate Resilience Investment Grant (CCRIG) from the Financing Locally-Led Climate Action (FLLoCA) program, Kshs. 11,000,000 through the County Climate Institutional Support (CCIS), However, Kshs. 257,037,604 carried forward from FY 2023/2024. It also received Ksh, 11,000,000 through the CCCIS during the FY 2024/2025. The total budget for climate change in the county for FY 2024/2025 amounted to Kshs. 268,037,604, combining both balance brought forward (Ksh. 257,037,604 and Ksh, 11,000,000 received from CCIS FLLoCA contributions.

Most of these resources are planned to be directed towards the agriculture, water, and environment sectors, focusing on smart agriculture, water management, and environmental restoration.

- Future outlook of the Fund

The Climate Change Fund is expected to grow as Garissa County continues to strengthen partnerships with national and international climate financing entities. By leveraging additional funding through initiatives like FLLoCA and CCCF, the County aims to increase its investment in sustainable projects that enhance climate resilience across sectors. Future allocations will focus on scaling up smart agriculture, improving water resource management, and expanding environmental restoration efforts to mitigate climate risks. There is also a priority to build local capacity, ensure effective fund utilization, and support community-driven initiatives, positioning Garissa County as a leader in locally-led climate action.

Name: Ahmed Ibrahim Mohamed. Signature..........Date 20/08/2025.....

Chairperson of the Board/Fund

Garissa County Climate Fund

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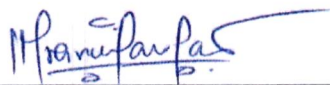
6. Report of The Fund Administrator

The Garissa County Climate Change Fund operates under the authority of the Garissa County Climate Change Act of 2018. The fund is managed through a three-tier committee structure: the County Climate Change Planning Board, the County Climate Change Steering Committee, and the Ward Climate Change Planning Committees, which are established in all 30 wards across Garissa County. The Ward Committees are responsible for identifying and prioritizing climate change projects, which they then submit to the County Climate Change Steering Committee. The Steering Committee evaluates the technical aspects of these projects and forwards them to the Board for final approval and resource allocation.

At the beginning of 2024/2025 financial year, the Garissa County Climate Change Fund had an opening balance of Kshs. 257,037,604. During the period it received Kshs. 11,000,000 from the Financing Locally-Led Climate Action (FLLoCA) program, for the County Climate Institutional Support (CCIS). This brought the total budget for climate change initiatives in Garissa County for FY 2024/2025 to Kshs. 268,037,604.

Most of these funds are earmarked for initiatives within the agriculture, water, and environment sectors, focusing on climate-smart agriculture, sustainable water management, and environmental restoration, all of which aim to enhance community resilience and reduce vulnerabilities, in line with the Fund's objectives.

However, by the close of the financial year, Kshs. 227,200,903 had been utilized.

Signed:  _____ -

Imran Muktar Sheikh
CHIEF OFFICER – ENVIRONMENT & CLIMATE CHANGE

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

Introduction

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

Garissa County has a vision to be

'A competitive, prosperous, and cohesive county with a high quality of life for all its citizens'

This vision will be achieved through the county's strategic objectives in the various sectors listed hereafter

The County Government prepared the CIDP 2023-2027 which is the county development blue print for the five years plan period from 2023-2027. Tracking of programmes and projects implementation status is done through a number of activities including: field inspection reports, quarterly M&E reports and annual M&E reports. Annual reports are carried out as per Section 164 (2) (f) of the Public Finance Management Act, 2012.

Moreover, the CIDP 2023-2027 is tracked through a CIDP Mid Term Review slated after two and a half years of the 3rd Generation County Government. The County Government of Garissa plans to undertake a CIDP Mid-Term Review during the current Financial Year. Similarly, we also prepare County Annual Progress Reports (C-APR) on a Yearly basis from the data collected during the M & E exercise. Yet, the County has developed a Counter Indicator Handbook from the Garissa CIDP 2023-2027 Indicator that is used to review performance outcomes against the CIDP target outcomes.

Strategic development objectives

The County government of Garissa 2023-2027 CIDP has identified a number of strategic development objectives. Broadly, these objectives have been identified through a participatory process that reviewed the development priorities of the Governor's Manifesto, Vision 2030, SDGs and the MTP III.

The strategic objectives are a synthesized product of the afore-mentioned planning frameworks that amalgamate the thematic focus and development aspirations in these policy frameworks and plans, and are summarized here-in-under;

- (i) Stabilize greenhouse gas concentrations at a level that would prevent dangerous human induced interference with the climate system.
- (ii) Provide housing to staff and management.
- (iii) promotion and support of innovative adaptation options that address climatic risks along the livestock, agricultural inputs, and water value chains
- (iv) Harness the renewable energy resources like solar and wind.
- (v) Increase forest cover through afforestation and agroforestry.

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Below we provide the progress on attaining the stated objectives, particularly on matters of Environment and climate adaptation of the planned activities under the review period
Below we provide the progress on attaining the stated objectives

**Garissa County Climate Fund
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Project Name & Location	Objective / Purpose	Output	Description of Key activities	Status (Include the milestones)	Estimated Cost (Ksh.)	Source of funds
Proposed development of irrigation scheme in Wathajir B farm in Nanighi Ward	The overall objective of the proposed irrigation scheme in Wathajir B farm is to reduce the community's vulnerability to climate shocks by ensuring a reliable water supply and promoting sustainable agriculture.	Enhanced community resilience to recurrent climate shocks & improved food security through reliable water supply and sustainable agricultural practices.	<ul style="list-style-type: none"> ✓ Supply and installation of solar-powered irrigation pump set ✓ Construction of closed conduits pipeline for irrigation ✓ Construction of flood-proofed pump house ✓ Construction division boxes ✓ Construction of sluice valve ✓ Establishment of mini-irrigation unit ✓ Riverbank protection using bamboo ✓ Supply of assorted early maturity & drought tolerant 	<p>The project is yet to start, but the following preliminary studies have been done:</p> <ul style="list-style-type: none"> ✓ Hydrological report done ✓ ESIA report done ✓ Soil sample test done ✓ Survey & design done ✓ B.O.Q for the project is done ✓ Projects advertisement ✓ Opening of TD ✓ Evaluation ✓ Intention to award 	16,000,000	FLLoC A-CCRIG & CCCF

Garissa County Climate Fund

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			seeds & seedlings ✓ Establishment of fodder by supplying high-yielding grass seeds & harvesting accessories			
Proposed development of irrigation scheme in the First farm in Galbet Ward.	The overall objective of the proposed irrigation scheme in First farm is to reduce the community's vulnerability to climate shocks by ensuring a reliable water supply and promoting sustainable agriculture.	Enhanced community resilience to recurrent climate shocks & improved food security through reliable water supply and sustainable agricultural practices.	✓ Supply and installation of solar powered irrigation pump set ✓ Construction of closed conduits pipeline for irrigation ✓ Construction of flood-proofed pump house ✓ Construction division boxes ✓ Construction of sluice valve ✓ Establishment of mini-apiary unit	The project is yet to start, but the following preliminary studies have been done: ✓ Hydrological report done ✓ ESIA report done ✓ Soil sample test done ✓ Survey & design done ✓ B.O.Q for the project is done ✓ Projects advertisement ✓ Opening of TD ✓ Evaluation ✓ Intention to award	16,000,000	FLLoC A-CCRIG & CCCF

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			<ul style="list-style-type: none"> ✓ Riverbank protection using bamboo ✓ Supply of assorted early maturity & drought tolerant seeds & seedlings ✓ Establishment of fodder by supplying high-yielding grass seeds & harvesting accessories 			
Proposed development of irrigation scheme in Lehalay farm in Sankuri Ward	The overall objective of the proposed irrigation scheme in Lehalay farm is to reduce the community's vulnerability to climate shocks by ensuring a reliable water supply and promoting sustainable	Enhanced community resilience to recurrent climate shocks & improved food security through reliable water supply and sustainable agricultural practices.	<ul style="list-style-type: none"> ✓ Supply and installation of solar power irrigation pump set ✓ Construction of closed conduits pipeline for irrigation ✓ Construction of flood-proofed pump house ✓ Construction 	The project is yet to start, but the following preliminary studies have been done: <ul style="list-style-type: none"> ✓ Hydrological report done ✓ ESIA report done ✓ Soil sample test done ✓ Survey & design done ✓ B.O.Q for the project is done ✓ Projects advertisement ✓ Opening of TD ✓ Evaluation 	16,000,000	FLLoC A-CCRIG & CCCF

Garissa County Climate Fund

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	agriculture.		<ul style="list-style-type: none"> division boxes ✓ Construction of sluice valve ✓ Establishment of mini-apiary unit ✓ Riverbank protection using bamboo ✓ Supply of assorted early maturity & drought tolerant seeds & seedlings ✓ Establishment of fodder by supplying high-yielding grass seeds & harvesting accessories 	✓ Intention to a award		
Proposed development of irrigation scheme in Badaa farm, Saka Ward.	The overall objective of the proposed irrigation scheme in Badaa farm is to reduce the community's vulnerability	Enhanced community resilience to recurrent climate shocks & improved food security through reliable	<ul style="list-style-type: none"> ✓ Supply and installation of solar power irrigation pump set ✓ Construction of closed conduits pipeline 	The project is yet to start, but the following preliminary studies have been done: <ul style="list-style-type: none"> ✓ Hydrological report done ✓ ESIA report done ✓ Soil sample test done 	16,000,000	FLLoC A-CCRIG & CCCF

**Garissa County Climate Fund
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	ity to climate shocks by ensuring a reliable water supply and promoting sustainable agriculture.	water supply and sustainable agricultural practices.	<ul style="list-style-type: none"> for irrigation ✓ Construction of flood-proofed pump house ✓ Construction division boxes ✓ Construction of sluice valve ✓ Establishment of mini-irrigation unit ✓ Riverbank protection using bamboo ✓ Supply of assorted early maturity & drought tolerant seeds & seedlings ✓ Establishment of fodder by supplying high-yielding grass seeds & harvesting accessories 	<ul style="list-style-type: none"> ✓ Survey & design done ✓ B.O.Q for the project is done ✓ Projects advertisement ✓ Opening of TD ✓ Evaluation ✓ Intention to award 		
Proposed Excavation of	The proposed 50,000m ³	Reduced community	✓ Excavation of 50,000M ³	The project is yet to start, but the following	26,360,952	FLLoC A-CCRIG

Garissa County Climate Fund

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<p>50,000M³ multi-purpose water pan in Maalimin village, Maaalimn Ward.</p>	<p>multi-purpose water pan in Maalimin village aims to reduce community vulnerability to climate shocks by providing a reliable water source for domestic use, livestock, and irrigation.</p>	<p>vulnerability to droughts and other climate-related hazards.</p>	<p>pan with 5m deep</p> <ul style="list-style-type: none"> ✓ Construction of silt trap, collection channel, and spillway ✓ Fencing of the water pan ✓ Solarization and equipping of the pan ✓ Construction of the elevated 10m tower that can hold 20,000 liters ✓ Construction of water kiosks and troughs ✓ Establishment of mini-apiary unit 	<p>preliminary studies have been done:</p> <ul style="list-style-type: none"> ✓ Hydrological report done ✓ ESIA report done ✓ Soil sample test done ✓ Survey & design done ✓ B.O.Q for the project is done ✓ Projects advertisement ✓ Opening of TD ✓ Evaluation ✓ Intention to a award 		<p>& CCCF</p>
<p>Proposed Excavation of 50,000M³ multi-purpose water pan in Dacarow village, Sangailu Ward.</p>	<p>The proposed 50,000m³ multi-purpose water pan in Dacarow village aims to reduce community</p>	<p>Reduced community vulnerability to droughts and other climate-related hazards.</p>	<ul style="list-style-type: none"> ✓ Excavation of 50,000M³ pan with 5m deep ✓ Construction of silt trap, collection channel, and spillway 	<p>The project is yet to start, but the following preliminary studies have been done:</p> <ul style="list-style-type: none"> ✓ Hydrological report done ✓ ESIA report done ✓ Soil sample test done 	<p>26,360,952</p>	<p>FLLoC A-CCRIG & CCCF</p>

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	vulnerability to climate shocks by providing a reliable water source for domestic use, livestock, and irrigation.		<ul style="list-style-type: none"> ✓ Fencing of the water pan ✓ Solarization and equipping of the pan ✓ Construction of the elevated 10m tower that can hold 20,000 liters ✓ Construction of water kiosks and troughs ✓ Establishment of mini-apiary unit 	<ul style="list-style-type: none"> ✓ Survey & design done ✓ B.O.Q for the project is done ✓ Projects advertisement ✓ Opening of TD ✓ Evaluation ✓ Intention to a award 		
Proposed Excavation of 50,000M ³ multi-purpose water pan in Gerile village, Ijara Ward.	The proposed 50,000m ³ multi-purpose water pan in Gerile village aims to reduce community vulnerability to climate shocks by providing a reliable water source for domestic use,	Reduced community vulnerability to droughts and other climate-related hazards.	<ul style="list-style-type: none"> ✓ Excavation of 50,000M³ pan with 5m deep ✓ Construction of silt trap, collection channel, and spillway ✓ Fencing of the water pan ✓ Solarization and equipping of the pan ✓ Construction of the elevated 	<p>The project is yet to start, but the following preliminary studies have been done:</p> <ul style="list-style-type: none"> ✓ Hydrological report done ✓ ESIA report done ✓ Soil sample test done ✓ Survey & design done ✓ B.O.Q for the project is done ✓ Projects advertisement ✓ Opening of TD 	26,360,952	FLLoC A-CCRIG & CCCF

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	livestock, and irrigation.		<ul style="list-style-type: none"> 10m tower that can hold 20,000 liters ✓ Constructi on of water kiosks and troughs ✓ Establish ment of mini- apiary unit 	<ul style="list-style-type: none"> ✓ Evaluation ✓ Intention to a award 		
Proposed environmental restoration of degraded sites in Gurufa village, Sabena Ward	The objective is to restore 10 hectares of degraded land in Gurufa village to improve soil health, vegetation cover, and local biodiversity.	10 hectares of degraded land were restored, enhancing soil health, vegetation cover, and local biodiversity.	<ul style="list-style-type: none"> ✓ Drilling and equipping of high-yielding borehole ✓ Solarizatio n of the borehole ✓ Fencing of 10Ha of degraded sites ✓ Purchase & supply of assorted seeds & seedlings ✓ Establish ment of mini- apiary unit 	<p>The project is yet to start, but the following preliminary studies have been done:</p> <ul style="list-style-type: none"> ✓ Hydrogeolo gical report done ✓ Hydrologica l report done ✓ ESIA report done ✓ Soil sample test done ✓ Survey & design done ✓ B.O.Q for the project is done ✓ Projects advertiseme nt ✓ Opening of TD ✓ Evaluation ✓ Intention to a award 	18,042,000	FLLoC A-CCRIG & CCCF
Proposed environmental restoration	The objective is to restore 10	10 hectares of degraded	<ul style="list-style-type: none"> ✓ Drilling and equipping of high- 	<p>The project is yet to start, but the following preliminary</p>	18,042,000	FLLoC A-CCRIG

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of degraded sites in Boransis village, Dertu ward	hectares of degraded land in boransis village to improve soil health, vegetation cover, and local biodiversity.	land restored, enhancing soil health, vegetation cover, and local biodiversity.	<ul style="list-style-type: none"> yielding borehole ✓ Solarization of the borehole ✓ Construction of 20m³ elevated tower ✓ Fencing of 10Ha of degraded sites ✓ Purchase & supply of assorted seeds & seedlings ✓ Establishment of mini-apirary unit 	<p>studies have been done:</p> <ul style="list-style-type: none"> ✓ Hydrogeological report done ✓ Hydrological report done ✓ ESIA report done ✓ Soil sample test done ✓ Survey & design done ✓ B.O.Q for the project is done ✓ Projects advertisement ✓ Opening of TD ✓ Evaluation ✓ Intention to a award 		& CCCF
Proposed environmental restoration of degraded sites in Dadaab village, Dadaab Ward	The objective is to restore 10 hectares of degraded land in Dadaab village to improve soil health, vegetation cover, and local biodiversity.	10 hectares of degraded land restored, enhancing soil health, vegetation cover, and local biodiversity.	<ul style="list-style-type: none"> ✓ Drilling and equipping of high-yielding borehole ✓ Solarization of the borehole ✓ Construction of 100M³ elevated steel tower ✓ Construction of 2024m main pipeline ✓ Fencing of 10Ha of 	<p>The project is yet to start, but the following preliminary studies have been done:</p> <ul style="list-style-type: none"> ✓ Hydrogeological report done ✓ Hydrological report done ✓ ESIA report done ✓ Soil sample test done ✓ Survey & design done ✓ B.O.Q for the project is done 	21,042,000	FLLoC A-CCRIG & CCCF

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			<ul style="list-style-type: none"> degraded sites ✓ Purchase & supply of assorted seeds & seedlings ✓ Establishment of mini-apiary unit 	<ul style="list-style-type: none"> ✓ Projects advertisement ✓ Opening of TD ✓ Evaluation ✓ Intention to a award 		
Proposed environmental restoration of degraded sites in Boji yarey village, Labasigale ward	The objective is to restore 10 hectares of degraded land in Boji Yarey village to improve soil health, vegetation cover, and local biodiversity.	10 hectares of degraded land in Boji Yarey village restored, enhancing soil health, vegetation cover, and local biodiversity.	<ul style="list-style-type: none"> ✓ Drilling and equipping of high-yielding borehole ✓ Solarization of the borehole ✓ Construction of 20M³ tower elevated tower ✓ Construction of 2024m pipeline for irrigation ✓ Fencing of 10Ha of degraded sites ✓ Purchase & supply of assorted seeds & seedlings ✓ Establishment of 	<p>The project is yet to start, but the following preliminary studies have been done:</p> <ul style="list-style-type: none"> ✓ Hydrogeological report done ✓ Hydrological report done ✓ ESIA report done ✓ Soil sample test done ✓ Survey & design done ✓ B.O.Q for the project is done ✓ Projects advertisement ✓ Opening of TD ✓ Evaluation ✓ Intention to a award 	18,042,000	FLLoC A-CCRIG & CCCF

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			mini- apiary unit			
Proposed construction of modern tree nursery in Garissa township	The objective of the proposed construction of a modern tree nursery in Garissa Township is to enhance climate resilience by producing and distributing 1,000,000 assorted trees annually to support reforestation efforts, improve local biodiversity, and combat the effects of climate change.	Established a modern tree nursery in Garissa Township, which can produce and distribute 1,000,000 assorted trees annually to support reforestation, improve biodiversity, and enhance climate resilience.	<ul style="list-style-type: none"> ✓ Construction of nursery structure ✓ Construction of potting shade ✓ Construction nursery store ✓ Construction of double door latrine ✓ Construction of an elevated tower that can hold 20,000 litters ✓ Supply assorted seeds & nursery tools 	The project is yet to start, but the following preliminary studies have been done: <ul style="list-style-type: none"> ✓ Hydrogeological report done ✓ Hydrological report done ✓ ESIA report done ✓ Soil sample test done ✓ Survey & design done ✓ B.O.Q for the project is done ✓ Projects advertisement ✓ Opening of TD ✓ Evaluation ✓ Intention to a award 	9,000,000	FLLoC A-CCRIG & CCCF

8. Corporate Governance Statement

i. Appointment, Removal of the Board

The Garissa County Climate Change Fund Board (the Board) is established under Section 7 of the Garissa County Climate Change Fund Act, 2018. The Board is a body corporate with perpetual succession, capable of suing and being sued, acquiring and disposing property, and entering contracts.

The Board comprises a multi-sectoral membership including:

- Chairperson appointed by the County Executive Committee (CEC) Member for Environment (not a public officer)
- Chief Officers responsible for Environment, Development Planning, Finance, Agriculture, Livestock, Public Health, Intergovernmental & Institutional Relations, and Water & Irrigation
- County Drought Coordinator (NDMA)
- Representatives from Participating Institutions, Public Benefit Organizations, and Religious Institutions
- Director, National Environment Management Authority (NEMA)

This composition ensures diversity in expertise, gender, and sectoral representation. Members are required to be residents of Garissa County, hold at least a degree, have at least three years' relevant experience, and satisfy Chapter Six of the Constitution on leadership and integrity.

The Chairperson may be removed by the CEC Member on grounds of violation of the law, gross misconduct, incapacity, incompetence, or bankruptcy (Section 8). The Board operates under a formal Board Charter anchored in the Act and the First Schedule, which prescribes rules on quorum, decision-making, and conduct of affairs.

ii. Roles and Functions of the Board

The Board's roles are provided under **Section 9** and include:

- Approving the County Climate Finance Framework and budget
- Overseeing implementation of climate change programmes and projects
- Approving county climate change projects and allocating resources
- Coordinating climate finance research, capacity building, and awareness
- Mobilizing funding and coordinating technical assistance from county departments
- Ensuring adherence to public finance management principles (Article 201, Constitution)
- Overseeing compliance of all funded projects with the Climate Finance Framework.

9. Management Discussion and Analysis

During the period under review, the County Assembly of Garissa appropriated Kshs. 268,037.604 for the Climate Change fund. There were Kshs 227,200,903 expenditures incurred for the year under review as per the Climate Change Fund Act and regulations approved by the County executive through the County Assembly of Garissa

10. Environmental and Sustainability Reporting

1. Sustainability strategy and profile -

The Garissa County Development Agenda is informed by the need to increase and expand sustainable development opportunities and build people's capacities to enable them to create wealth and transform their lives for growth and prosperity. The County Envisions being a competitive, industrialized and socio-economically self-sustaining and securing county. This will be attained by providing quality and efficient services through innovative and sustainable utilization of resources for a better quality of life of all citizens of Garissa County. The county intends to attain and sustain it through creation of a county culture anchored on; Transparency; Inclusiveness and Equity; Empowerment; Quality and result oriented in provision of the county services.

2. Environmental performance

As outlined in the County 2023-2027 CIDP, Environment is one of the key thematic areas that the county has put a lot of focus in its development's agendas. Land is a natural resource which can be sustainably used to satisfy man's unlimited needs and wants as long as the concept of scarcity is recognized. Cognizant of the need for responsible land use for environmental sustainability, The County has developed a number of policies, programmes and structures guiding environmental matters within the County.

3. Employee welfare

Garissa County Recognizes the value of its employees in the implementation and long-term sustainability of its development strategy. As a result, it has always ensured a fair recruitment process where competences and qualification has been key in hiring of its employees to ensure value from its human resource. All recruitments observe the one third Gender rule and the inclusivity. All senior management staff from the level of county directors and above is placed under performance Contract while the junior staff are under performance Appraisal system.

This is aimed at inculcating a results culture and also helps to identify skills gap for capacity building and future development the County staff as they inform approvals for Promotion and training for carrier growth. For a better and health work force, the county has also placed all staff under a medical cover which on terms as provided by the Salaries and Remuneration Commission's guideline of Employee Medical benefits.

4. Market place practices-

The County embraces diversity and offers services to all county residents without discrimination. All county fees and charges are levied after wide consultation with the citizens through public participation

5. Community Engagements

The County has been engaging its citizens in all its development programmes through public participation in all the county plans, Budget and legislations. This participation ensures that the views of the citizen are included from planning to implementation stages. Participation is done by the county through its established participation structures such as, the County Budget and Economic Forum, The County Citizen education and Civic Education Unit etc.

By Order of the Board



Ahmed Ibrahim Mohamed

CECM WATER, ENVIRONMENT AND CLIMATE CHANGE

CHAIRPERSON OF THE BOARD

11. Report of The Trustees

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

Principal activities

The principal activities of the Climate Change Fund typically include:

- 1 Funding Community-Led Projects: Financing locally-driven climate adaptation and mitigation projects to address specific community needs and vulnerabilities.
- 2 Capacity Building: Providing training and resources to build local capacity for climate resilience, including workshops on climate-smart agriculture, water management, and environmental conservation.
- 3 Climate Risk Assessments: Supporting the assessment and identification of climate risks and vulnerabilities within the community to inform targeted interventions.
- 4 Sustainable Resource Management: Investing in sustainable resource management practices, such as reforestation, soil conservation, and water conservation projects, to mitigate the impacts of climate change.
- 5 Monitoring and Evaluation: Implementing a robust system for monitoring and evaluating funded projects to ensure their effectiveness and sustainability.
- 6 Leveraging Additional Funding: Attracting additional funding from government, international donors, and private entities to expand the reach and impact of climate resilience initiatives.

Results

The results of the Fund for the year ended June 30, 2025 are set out on page 12.

Trustees

The members of the Board who served during the year are shown on page 5 – 7.

Auditors

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

By Order of the Board

Date:  _____

Ahmed Ibrahim Mohamed

COUNTY EXECUTIVE COMMITTEE MEMBER -WATER, ENVIRONMENT & CLIMATE CHANGE

12. Statement of Management’s Responsibilities

Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a County Public Fund established by the Garissa County Climate Change Fund 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, 2024. 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 of 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 Garissa County Climate Change Fund Act 2018. 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.

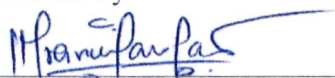
The Administrator further confirms the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund’s financial statements as well as the adequacy of the systems of internal financial control.

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

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

Approval of the financial statements

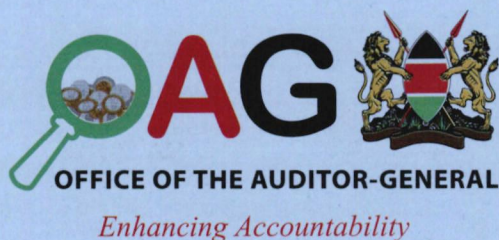
The Fund’s financial statements were approved by the Board on 20th August 2025 and signed on its behalf by:



Imran Muktar Sheikh
CHIEF OFFICER – ENVIRONMENT & CLIMATE CHANGE

REPUBLIC OF KENYA

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



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

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

PREAMBLE

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

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

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 Garissa County Climate Change Fund set out on pages 1 to 32, which comprise the statement of financial position as at 30 June, 2025 and the statement of statement of financial performance, statement of

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

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

Basis for Opinion

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

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 Matter

Unresolved Prior Year Matter

During previous audits, one (1) audit issue under the Report on Lawfulness and Effectiveness in the Use of Public Resources remained unresolved and Management has not provided satisfactory reasons for the delay in addressing this matter. The unresolved issue was on the failure to enact Climate Change Fund Regulations.

This is in breach of the Section 31(1)(a) of the Public Audit Act, 2015 which requires the Fund to state on how it has addressed prior year audit recommendations.

Other Information

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

Failure to Enact Climate Change Fund Regulations

As at the time of audit in September, 2025 the Climate Change Fund Regulations were not in place. This is contrary to Section 31 of the Garissa County Climate Change Fund Act, 2018, which states that the Executive Committee Member for the time being in charge of Environment shall, with the approval of the County Assembly, make Regulations for the better carrying out of the provisions of this Act.

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

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

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

Conclusion

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

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

Responsibilities of the Management and the Fund Administration Committee

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is

not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

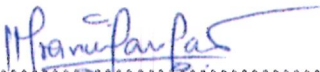
Nairobi


2 October, 2025

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

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

15. Description	Note	2024/2025	2023/2024
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the County Government.	6	-	80,000,000
Transfers from the Conditional Grants	7	11,000,000	184,580,354
Revenue from exchange transactions			
Total revenue		11,000,000	264,580,354
Expenses			
Use of Goods	8	22,058,320	8,840,260
Climate Change Expenses	9	221,875,103	-
Depreciation	10	237,689	-
Total expenses		244,171,112	8,840,260
Other gains/losses			
Gain/loss on disposal of assets			
Surplus/(deficit) for the period		(233,171,112)	255,740,094


Name: Mwanuzi Mukter Sheikh
Administrator of the Fund


Name: Mahat Bisher Abdi
Fund Accountant
ICPAK Member Number: 30126

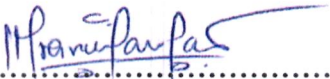
Garissa County Climate Fund

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


16. Statement of Financial Position As at 30 June 2025

Description	Note	2024-2025	2023-2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	11	40,836,701	257,037,604
Total current assets		40,836,701	257,037,604
Non-Current Assets			
Property, Plant and Equipment	12	1,663,820	-
Total non- current assets		1,663,820	-
Total Assets (A)		42,500,521	257,037,604
Liabilities			
Current Liabilities			
Trade and Other Payables from Exchange Transactions	20	18,634,029	-
Total current liabilities(B)		18,634,029	-
Net Assets (A-B)		23,866,492	257,037,604
Represented By:			
Reserves			
Accumulated Surplus		23,866,492	257,037,604
Net Assets		23,866,492	257,037,604

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 20/08/2025 and signed by:


.....

Name: Imran Muktar Sheikh
Administrator of the Fund


.....

Name: Mahat Bishar Abdi
Fund Accountant
ICPAK Member Number: 30126

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

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

Description	Accumulated surplus Kshs	Total Kshs
Balance as at 1 July 2023	1,297,510	1,297,510
Surplus/(deficit) for the period	255,740,094	255,740,094
Balance as at 30 June 2024	257,037,604	257,037,604
Balance as at 1 July 2024	257,037,604	257,037,604
Surplus/(deficit) for the period	(233,171,112)	(233,171,112)
Balance as at 30 June 2025	23,866,492	23,866,492

Garissa County Climate Fund

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

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

Description	Note	2024-2025	2023-2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers From Conditional Grants		11,000,000	184,580,354
Transfers from the county government			80,000,000
Total receipts		11,000,000	264,580,354
Payments			
Use of goods and Service	8	22,058,320	8,840,260
Climate change fund	9	203,241,074	
Net cash flows from operating activities		(214,299,394)	255,740,094
Cash flows from investing activities			
Purchase of property, plant, equipment and Intangible assets	12	(1,901,509)	-
Net cash flows used in investing activities		(1,901,509)	-
Net increase/(decrease) in cash & cash Equivalents		(216,200,903)	255,740,094
Cash and cash equivalents at 1 July 2024		257,037,604	1,297,510
Cash and cash equivalents at 30 June 2025		40,836,701	257,037,604

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

19. 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*	257,037,604		257,037,604	257,037,604	-	100%
Receipts			-			
Public Contributions and Donations						
Transfers From CRF	11,000,000		11,000,000	11,000,000		100%
Total Income	268,037,604	-	268,037,604	268,037,604	-	100%
Expenses			-			
Fund Administration Expenses	(23,611,018)	-	(23,611,018)	(22,058,320)		93%
Climate Change Expense	(242,501,336)		(242,501,336)	(221,875,103)		91%
Finance Cost			-			
Total Expenditure	(266,112,354)		(266,112,354)	(243,933,423)		92%
Capital expenditure	(1,925,250)		(1,925,250)	(1,901,509)		99%
Surplus For the Period	-	-	-	22,202,672	-	

Garissa County Climate Fund

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

Budget Reconciliation

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	22,202,672
1	Accrual expenses recognized in the P&L but not yet paid	18,634,029
2	Reason for differences	-
3	Reason for differences	-
4	Reason for differences	-
	Closing Cash and Cash Equivalent as per the statement of Cash flows	40,836,701

20. Notes to the Financial Statements

Significant Accounting Policies

1. General Information

- entity is established by and derives its authority and accountability from - Act. The entity is wholly owned by the - County Government and is domiciled in Kenya. The entity’s principal activity is -.

2. Statement of compliance and basis of preparation

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

3. Adoption of new and revised standards

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

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

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

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

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

Garissa County Climate Fund

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

<p>Sale and Discontinued Operations</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>
<p>IPSAS 45: Property Plant and Equipment</p>	<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>
<p>IPSAS 46: Measurement</p>	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
<p>IPSAS 47: Revenue</p>	<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>

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

<p>IPSAS 48: Transfer Expenses</p>	<p><i>Applicable 1st January 2026</i> The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers. <i>State the expected impact of the standard to the Entity if relevant</i></p>
<p>IPSAS 49: Retirement Benefit Plans</p>	<p><i>Applicable 1st January 2026</i> The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan. <i>State the expected impact of the standard to the Entity if relevant</i></p>
<p>IPSAS 50: Exploration For & Evaluation of Mineral Resources</p>	<p><i>Applicable 1st January 2027</i> The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires: <ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity’s financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized. <i>State the expected impact of the standard to the Entity if relevant</i></p>

(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 2025 was approved by the County Assembly on 30th July 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Fund recorded additional appropriations of Kshs.268,037,604 on the FY 2025 budget following the governing body's approval.

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

Summary of Significant Accounting Policies (Continued)

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

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

c) Property, plant and equipment

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

a) Intangible Assets

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

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

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 an xx-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.

Summary of Significant Accounting Policies (Continued)

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.

Financial assets

Classification of financial assets

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

Subsequent measurement

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

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 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 *Note xx*.

Summary of Significant Accounting Policies (Continued)

Financial liabilities

Classification

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

d) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through 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 recognises a social benefit as an expense for the social benefit scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the entity will incur in fulfilling the present obligations represented by the liability.

Summary of Significant Accounting Policies (Continued)

g) Contingent liabilities

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

Contingent assets

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

h) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements. The following reserves have been maintained during the year:

Accumulated Surplus/Deficit: Represents the cumulative excess of income over expenditure (or vice versa) from prior years, carried forward for future use in service delivery and operations.

Policy: Transfers to and from reserves are made in accordance with approved financial policies, relevant laws, and regulations.

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 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
- 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 .

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 Continued

6. Transfer from County Government

Description	2024-2025	2023-2024
	Kshs	Kshs
Transfers From County Govt. –Operations		80,000,000
Contributions From The Public		
Total		80,000,000

7. Transfers from the Conditional Grant

Description	2024-2025	2023-2024
	Kshs	Kshs
Transfers From County Govt. –Operations		
Payments By County On Behalf Of The Entity		
Unconditional Development grants	11,000,000	184,580,354
Total	11,000,000	184,580,354

8. Use of Goods and Services

Description	2024-2025	2023-2024
	Kshs.	Kshs.
General Office Expenses	599,920	1,432,100
Loan Processing Costs		
Professional Services Costs		
Administration Fees		
Daily Subsistence Allowances	19,594,400	6,908,160
Bank Charges		
Electricity And Water Expenses		
Fuel And Oil Costs	1,000,000	500,000
Purchase of Furnitures		
Hospitality	864,000	
Printing and Stationery		
Rental Costs		
Security Costs		
Telephone And Communication Expenses		
Bank Charges		
Audit Fees		
Provision Community Support Project		

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Description	2024-2025	2023-2024
	Kshs.	Kshs.
Other (<i>Specify</i>)		
Social benefit expenses*		
Total	22,058,320	8,840,260

Social benefit schemes include benefits such as cash transfers for unemployment or elderly in line with IPSAS 42

9. Climate Change Expense

Description	2024-2025	2023-2024
	Kshs.	Kshs.
Climate Change Exchange	221,875,103	-
Total	221,875,103	

10. Depreciation and Amortization Expenses

Description	2024-2025	2023-2024
	Kshs.	Kshs.
Property Plant and Equipment	237,689	
Intangible Assets	-	-
Total	237,689	-

11. Cash and cash equivalents

Description	2024-2025	2023-2024
	Kshs	Kshs
- Car Loan Account		
- County Mortgage Account		
Fixed Deposits Account		
On – Call Deposits		
Current Account	40,836,701	257,037,604
Others (<i>Specify</i>)		
Total Cash and Cash Equivalents	40,836,701	257,037,604

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12. Property, plant, and equipment

	Motor vehicles	Furniture and fittings	Computers and office equipment	Total
Rate	X%	33.30%	12.50%	
	Kshs	Kshs	Kshs	Kshs
At 1 st July 2024	-	-	-	-
Additions	-	-	-	-
Disposals	(-)	-	-	(-)
At 30 th June 2024	-	-	-	-
At 1 st July 2025				
Additions	-	724,950	1,176,559	1,901,509
Disposals	-	-	-	(-)
Transfer/Adjustments	-	-	(-)	(-)
Revaluation Adjustments	-	-	-	-
At 30 th June (2025)	-	724,950	1,176,559	1,901,509
Depreciation And Impairment				
At 1 st July 2024	(-)	(-)	(-)	(-)
Depreciation	(-)	(-)	(-)	(-)
Impairment	-			
At 30 th June 2024	-			
At 1 st July 2025		(-)	(-)	(-)
Depreciation	(-)	90,619	147,070	237,689
Disposals	-	-	-	(-)
At 30 th June 2025	-	90,619	147,070	237,689
Net Book Values		634,331	1,029,489	1,663,820
At 30 th June 2024	-	-	-	-
At 30 th June 2025	-	634,331	1,029,489	1,663,820

13. Trade and other payables from exchange transactions

Description	2023-2024		2023-2024	
	Kshs		Kshs	
Trade Payables	18, 634,029		-	
Refundable Deposits			-	
Accrued Expenses			-	
Other Payables			-	
Total Trade and Other Payables	18, 634,029		-	
Ageing analysis (Trade and other payables)	2025	% of the Total	Comparative FY	% of the Total
Under one year	18, 634,029-	100%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (tie to above total)	18, 634,029-	100%	-	%

14. Provisions

Description	Leave provision	Gratuity Provision	Other provision	Total
	Kshs	Kshs	Kshs	Kshs
Balance b/f	-	-	-	-
Additional provisions	-	-	-	-
Provision utilised	(-)	(-)	(-)	(-)
Change due to discount and time value for money	(-)	(-)	(-)	(-)
Total provisions year end	-	-	-	-
Current Provisions	-	-	-	-
Non-Current Provisions	-	-	-	-

15. Cash generated from operations.

Description	2023-2024	2023-2024
	Kshs	Kshs
Surplus/ (Deficit) For the Year Before Tax	(233,171,112)	255,740,094
Adjusted For:		
Depreciation	237,689	-
Amortization	-	-
Gains/ Losses On Disposal Of Assets	-	-
Interest Income	-	-
Finance Cost	-	-
Working Capital Adjustments	-	-
Increase In Inventory	-	-
Increase In Receivables	-	-
Increase In Payables	18,634,029	-
Net Cash Flow From Operating Activities	(214,299,394)	255,740,094

16. Related party balances

a) Nature of related party relationships

Entities and other parties related to the Fund include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates and close family members. The fund/scheme is related to the following entities:

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

b) Related party transactions

Description	2023-2024	2023-2024
	Kshs	Kshs
Transfers From Related Parties'	-	-
Transfers To Related Parties	-	-

c) Key management remuneration

Description	Insert 2025	Insert Comparative FY
	Kshs	Kshs
Board Of Trustees	-	-
Key Management Compensation	-	-
Total	-	-

d) Due from related parties

Description	Insert 2025	Insert Comparative FY
	Kshs	Kshs
Due From Parent Ministry	-	-
Due From County Government	-	-
Total	-	-

Other Disclosures Continued

e) Due to related parties

Description	Insert 2025	Insert Comparative FY'
	Kshs	Kshs
Due To Parent Ministry	-	-
Due To County Government	-	-
Due To Key Management Personnel	-	-
Total	-	-

17. Contingent assets and contingent liabilities

Contingent Liabilities	Insert 2025	Insert Comparative FY
	Kshs	Kshs
Court Case - Against the Fund	-	-
Bank Guarantees	-	-
Total	-	-

(Give details)

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18. Financial risk management

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

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

a) Credit risk

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

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

(NB: The totals column should tie to the individual elements of credit risk disclosed in the entity's statement of financial position)

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

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

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

b) Liquidity risk management

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

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

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

c) Market risk

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

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

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

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

i. Foreign currency risk

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

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

Description	Other currencies		Total
	Kshs	Kshs	Kshs
At 30 June (2025)			
Financial Assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors/ Receivables			
Liabilities			
Trade And Other Payables	-	-	-
Borrowings	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

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

Foreign currency sensitivity analysis

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

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Description	Change in currency rate	Effect on surplus/ deficit	Effect on equity
	Kshs	Kshs	Kshs
(2025)			
Euro	10%	-	-
USD	10%	-	-
(Comparative FY)			
Euro	10%	-	-
USD	10%	-	-

ii. Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

The Fund analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs - (2025: Kshs -). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs - (2025 – Kshs -).

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d) Capital risk management.

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

Description	2025	Comparative FY
	Kshs	Kshs
Revaluation reserve	-	-
Revolving fund	-	-
Accumulated surplus	-	-
Total funds	-	-
Total borrowings	-	-
Less: cash and bank balances	(-)	(-)
Net debt/(excess cash and cash equivalents)	-	-
Gearing	xx%	xx%

19. Events after the reporting period

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

20. Ultimate and Holding Entity

The entity is a County Public Fund established by - Act (*state the legislation establishing the Fund*) under the Ministry of -. Its ultimate parent is the County Government of -.

21. Currency

The financial statements are presented in Kenya Shillings (Kshs)

21. Annexes

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

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

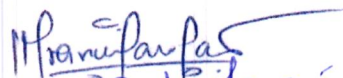
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
4.2 Budget and Budgetary Control	<p>The statement of comparison of budget and actual amounts reflects an expenditure of Kshs.8,840,260 against actual receipts of Kshs.265,877,864, resulting in an under-utilization of Kshs.257,037,604 or 97%.</p> <p>The under-utilization affected the planned activities and may have impacted negatively on service delivery to the public.</p>	<p>We confirm that the Annual County Climate Resilience Investment Grant (CCRIG) work plan was prepared and approved on time. However, there were delays in the disbursement of funds from the exchequer to the County Climate Change Fund (CCCF) account which affected the execution of planned activities.</p>	Not Resolved	30 June 2026
4.4 Failure to Enact Climate Change Fund Regulations	<p>As at the time of audit in October, 2024 the Climate Change Fund Regulations provided under Section 31 of the Garissa Climate Change Fund Act, 2018 were not in place.</p>	<p>The County has initiated the development of a comprehensive Garissa County Climate Change Bill, 2024, to align with the National Climate Change Act of 2016 (revised 2023) and relevant provisions of the Public Finance</p>	Not Resolved	30 June 2026

Garissa County Climate Fund

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		Management (PFM) Act 2012. This new bill is intended to repeal and replace the current County Climate Change Fund Act, 2018. The County has also developed a draft Climate Change Fund Regulations, 2024. Both the County Climate Change Bill and the Fund Regulations have been approved by the County Executive and forwarded to the County Assembly for consideration		

Fund Administrator/Accounting Officer
Imran Muktar Sheikh


Date.....20/08/2025.....

Garissa County Climate Fund
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Annex II: Inter-Fund Confirmation Letter



COUNTY GOVERNMENT OF GARISSA
DEPARTMENT OF ENVIRONMENT AND CLIMATE CHANGE
P.O. BOX 563-70100, GARISSA.

The Garissa 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 [Insert name of beneficiary Fund] as at 30 th June 2025							
Reference Number	Date Disbursed	Amounts Disbursed by COUNTY /FLLoCA (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)
		FLLoCA (A)	Garissa County (B)	Inter –Ministerial (C)	Total (D)=(A+B+C)		
FT242775GGZG	03/10/2024	11,000,000.00	0.00	0.00	11,000,000.00	11,000,000.00	
Total					11,000,000.00	11,000,000.00	

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

Head of Accountants department of beneficiary Fund:
 Name Mahat Bishar Abeli Sign [Signature] Date 20/08/2025

Annex III: Reporting of Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		

