

REPUBLIC OF KENYA



*Enhancing Accountability*



**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

**TURKANA COUNTY CLIMATE  
CHANGE FUND**

**FOR THE YEAR ENDED  
30 JUNE, 2024**

PAPERS LAID	
DATE	6/3/2025
TABLED BY	Dep Maj Khip
COMMITTEE	
CLERK AT THE TABLE	Maalim



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**THE TURKANA COUNTY CLIMATE CHANGE FUND**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**

**JUNE 30, 2024**

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

***The Turkana County Climate Change Fund***  
**Annual Report and Financial Statements for the year ended June 30, 2024**

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***The Turkana County Climate Change Fund***  
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## **1. Acronyms and Glossary of Terms**

### **a) Acronyms**

BOM	Board of Management
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
Kshs	Kenya Shillings
FY	Financial Year
TC.	Turkana County Government
FLLoCA.	Financing Locally Led Climate Action
CO	Chief Officer
CECM	County Executive Committee Member
ICT	Information and Communication Technology
NGO	Non-Governmental Organization
UK	United Kingdom
IFC	International Finance Corporation
CPA	Certified Public Accountant
KASNEB	Kenya Accountants and Secretaries National Examinations Board
CRS	Catholic Relief Services
CCRIG	County Climate Resilience Investment Grant.

### **b) Glossary of Terms**

Fiduciary Management      The key management personnel who had financial responsibility

## **2. Key Entity Information and Management**

### **a) Background information**

Turkana County Climate Change Fund was established by and derives its authority and accountability from Turkana County Climate Change Fund Act, 2021 Via Turkana County Gazette Supplement No.4 of 2021. The Fund is wholly owned by the County Government of Turkana and is domiciled in Kenya.

The fund's objective is to;

- i) Create resilience at the local (and community) levels to mitigate the impact of climate change.
- ii) Provide funding for climate change projects identified in the County Climate Change Policy, County Climate Change Action Plan, other climate related framework enacted within the County and for connected purposes.
- iii) Public education, sensitization and awareness creation on climate change and its impacts.
- iv) Capacity Building of County Staff and other stakeholders to effectively respond to climate change related occurrences.
- v) Climate Change research and knowledge management in the county.
- vi) Monitoring, evaluation, reporting and learning on climate change response in the county.

### **b) Principal Activities**

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

- i) Strengthen the role of communities, community structures and indigenous knowledge systems in the planning of climate change response interventions.
- ii) Climate resilience assessments.
- iii) Monitoring, evaluation, reporting and learning on climate change response in the county.
- iv) Invest in public goods and structures to strengthen adaptation to climate change.
- v) Capacity Building for staff of the County and other stakeholders to effectively respond to climate change related occurrences.

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**c) Board of Trustees/Fund Administration Committee**

Ref	Name	Position
1	Fr. Joseph Ekomwa	Chairperson of the Board
2	Eunice Majuma	Board Member
3	William Emoru Ejore	Board Member
4	Director Disaster	Board Member
5	Joseph Ekalale	Fund Administrator

**d) Key Management team**

Ref	Name	Position
1	Leah Lokaala	CECM Tourism, Culture, Natural Resources and Climate Change
2	Joseph Ekalale	Fund Administrator
3	George Emase	Director Climate Climate
4	Grace Ewoi	Fund Accountant

**e) Fiduciary Oversight Arrangements**

**Turkana County Audit Committee.**

SN	Position	Name
1	Member	Susan Amlango Aletia
2	Member	Sylvia Lapur Lokuruka
3	Member	Paul Lopodo Mutu
4	Member	Erukudi Marklewis Ekuam
5	Member	Amos Kiptui Kibet
6	Member	Francis Lokwar
7	Member	Jeremiah Ngachekio

**f) Registered Offices**

P.O. Box 11-30500  
Tourism, Culture, Natural Resources and  
Climate Change Offices,  
Next to NARIGP Offices,  
Lodwar, KENYA.

**Key Entity and Management (Continued)**

**g) Fund Contacts**

E-mail: [tcg@turkana.go.ke](mailto:tcg@turkana.go.ke)

Website: [www.tcg.go.ke](http://www.tcg.go.ke)

**h) Fund Bankers**

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

**i) Independent Auditors**

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

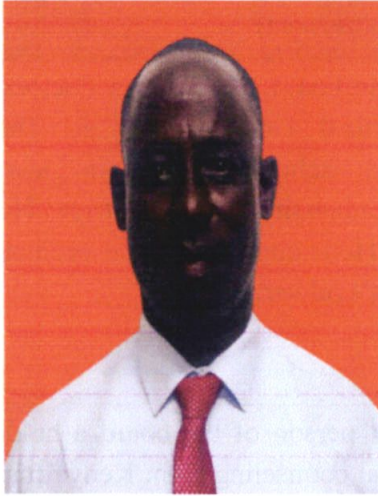
**j) County Attorney**

The Office of the County Attorney  
P.O. Box 11-30500  
Lodwar, Kenya

**3. Board of Trustees/ Fund Administration Committee**

Name	Details of qualifications and experience
<p>1. Fr.Dr. Joseph Ekomwa</p> 	<p>Joseph is the chairperson of the board. He holds a doctorate in Sacred Theology from Pontifical University of st. Thomas Aquinas. He has a masters and bachelor's degree in Dogmatic Theology from the Catholic University of East Africa. He has served as a priest for 37 years. He is currently the co-ordinator of social ministry at the Diocese of Lodwar.</p>
<p>2. Eunice Majuma</p> 	<p>Eunice Majuma is a vice chair person of the board a holder of Higher diploma in psychological counseling from Kenya Institute of Professional Counseling Nairobi. She has a certificate in Social Development from Kobujoi Development Training Institute - Kapsabet Child safeguarding online KODE and Resource mobilization and sustainability strategies. Eunice has 24 years working in Turkana for Catholic Diocese of Lodwar justice and peace commission 10 years. Advocating on human rights and especially women and girls. Worked as Child protection officer and trainer now with St. Patrick's missionary society in Lodwar and south Sudan. Eunice has a special passion for women and children matters. A community paralegal and a member of Turkana Gender and child Protection network. She has a vast experience in Gender based Violence, Governance and Advocacy.</p>
<p>3. William Ejore</p> 	<p>William Ejore is the deputy principal teacher at katilu boys high school, a member of Turkana Climate Change Fund Management Board. Ejore is a holder of Masters in Education in Special Needs Education (Maseno University), BA. Education in special needs Education at Maseno University, Higher diploma in Human resource management KNEC option at ETTI, Executive diploma in Human Resources Management at Israel Galilee international institute, diploma in special education at KISE. Ejore has 22 years experience in teaching service and six years of experience in public service management. He has also worked at Turkana County Public Service Board as an executive member for a period of six years. Ejore has also served in several boards such as Kenya Union of the Blind, Sight Savers International representing the County Elite for persons with Disability, Minorities and the marginalized.</p>

4. Joseph Ekalale



Joseph was born on He is the Chief Officer and Fund Administrator. Joseph holds a bachelor's degree in Sociology and Geography from University of Nairobi. He has over twenty-three (23) years extensive knowledge and experience in areas of Public Administration, conflict management and resolution, Community engagements, humanitarian response and Private Sector. He formerly worked for County Government as a chief officer and a political advisor to the Governor. He has held various management and field positions in World Food Programme within and outside the country missions. He also worked in various capacities for Lutheran World Federation in Dadaab and Kakuma refugee Camps. Joseph also worked with Tullow Oil Kenya BV as a contractor for Kenya Kazi Services Limited.


**4. Management Team**

Name	Details of qualifications and experience
<p>1. Leah Lokaala</p> 	<p>Leah is holder of a Master of science degree in Human resource management, Bachelor of Arts in Education, a Higher National Diploma in Human resource Management and a certificate in primary teacher Education.</p> <p>She has over 10 years of work experience in Government working in various public sector departments and institutions.</p>
<p>2. Joseph Ekalale</p> 	<p>Joseph was born on 22nd November,1973. He is the Chief Officer and Fund Administrator. Joseph holds a bachelor’s degree in Sociology and Geography from University of Nairobi. He has over twenty-three (23) years extensive knowledge and experience in areas of Public Administration, conflict management and resolution, Community engagements, humanitarian response and Private Sector. He formerly worked for County Government as a chief officer and a political advisor to the Governor. He has held various management and field positions in World Food Programme within and outside the country missions. He also worked in various capacities for Lutheran World Federation in Dadaab and Kakuma refugee Camps. Joseph also worked with Tullow Oil Kenya BV as a contractor for Kenya Kazi Services Limited.</p>
<p>3. George Emase</p> 	<p>George was born on 21<sup>st</sup> May 1991. He is the current director for Climate Change. George holds a Master of Science degree in Sustainability, Environment and Development from University of Leeds, United Kingdom (UK) with a bachelor’s degree in Sociology from Moi University. He is a registered member of the Environment Institute of Kenya and Workplace Safety Professionals Association of Kenya. He has a fifteen (15) year extensive experience in Formulation of Policies, Standards and Procedures, Quality Assurance, Environmental Impact Assessment and Auditing, IFC performance standards, workplace Safety, incident Investigations and Grievances Resolution. Prior to joining the County Government George worked for different organisations both public and private. He formerly worked for MaceYMR as a Health, Safety and Environment Manager, China Railway No. 5 Engineering Group as an Environmental Advisor. He also worked for</p>

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	<p>Tullow Kenya as a Health, Safety and Environment Advisor, Turkana County Assembly as a Public Relations Officer among others.</p>
<p>4. CPA Grace Ewoi</p> 	<p>Grace was born on 26th January, 1987. She has over twelve (12) years' working experience in Public and Non-Governmental Organizations in areas of accounting and financial Management.</p> <p>She holds a Master of Science degree in International Oil and Gas Management from University of Dundee, UK and a bachelor's degree in business management (Finance and Banking Option) from Moi University. She is a Certified Public Accountant (CPA) graduate with KASNEB Examining Body and an investment analyst. She also possesses expertise in Energy and Natural Resources management and policy formulation, Extractive industries financial modelling and analysis and experience in streamlining financial systems in humanitarian emergency responses. Grace is the fund accountant.</p>

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**5. Board Chairperson's Report**

Turkana County Climate Change Fund's core mandate is to create resilience at the local levels to mitigate the impact of climate change through provision of funding for climate change projects identified in the County Climate Change Policy, County Climate Change Action Plan, other climate related frameworks enacted within the County. This fund is co-funded by national government through FLLoCA conditionally grant and county government. FLLoCA will provide county level performance grants that will result in a portfolio of climate resilience actions/investments addressing communities' priorities.

The FLLoCA grant's objective is to deliver locally led climate resilience actions and strengthen county and national government's capacity to manage climate risk. It's envisioned that the grant will strengthen County Government's capacity to plan, budget, implement and monitor climate mitigation and adaptation actions, with a focus on sub-county (ward and community) levels.

In the Financial year under review the fund had an allocation of **Kshs.445,765,546** from which **Kshs.273,443,958** was an unconditional FLLoCA grant from World Bank through the National Government, **Kshs.120,000,000** County matching contribution and Kshs.52,321,588 balance carried forward. From this disbursement **Kshs.200,000** was to be utilized for board expenses, **Kshs.128,841,589** was for General Expenses/climate change adaptation activities while **Kshs.316,723,957** for capital projects. A total of **Kshs.111,000** was utilized on board expenses while **Kshs.82,595,565** was utilized on general expenditure including consultancy for Ward projects identification and profiling, climate assessments, trainings among others..

The fund has been allocated **Kshs.120,000,000** as a county contribution and **Kshs.11,000,000** FLLoCA grant in FY 2024/2025. These funds will be utilized to implement the various sub-county community level identified projects that are geared towards cushioning the residents from the ravaging climate change related outcomes.

Name JOSEPH EKOMWA Signature  Date 18/11/2024

Chairperson of the Board

## **6. Report of The Fund Administrator**

Turkana County Climate Change Fund's core mandate is to create resilience at the local levels to mitigate the impact of climate change through provision of funding for climate change projects identified in the County Climate Change Policy, County Climate Change Action Plan, other climate related frameworks enacted within the County. This fund is co-funded by national government through FLLoCA conditionally grant and county government. FLLoCA will provide county level performance grants that will result in a portfolio of climate resilience actions/investments addressing communities' priorities.

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All the necessary support will be accorded to the fund board/management committee to enable timely implementation of the identified ward projects for the county to achieve the minimum

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performance conditions to enable the county access the highest allocation for County Climate Resilience Investment Grant (CCRIG).



.....  
**Name: Joseph Ekalale Imoni**

**Fund Administrator**

**The Turkana County Climate Change Fund  
Annual Report and Financial Statements for the year ended June 30, 2024**

**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 Government entities in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the county government entity’s performance against predetermined objectives.

The key development objectives of the Turkana County Climate Change Fund’s 2022-2027 strategic plan are to:

- i) Create resilience at the local (and community) levels to mitigate the impact of climate change.
- ii) Provide funding for climate change projects identified in the County Climate Change Policy, County Climate Change Action Plan, other climate related framework enacted within the County and for connected purposes.
- iii) Public education, sensitization and awareness creation on climate change and its impacts.
- iv) Capacity Building of County Staff and other stakeholders to effectively respond to climate change related occurrences.
- v) Climate Change research and knowledge management in the county.
- vi) Monitoring, evaluation, reporting and learning on climate change response in the county.

**Progress on attainment of Strategic development objectives**

Below we provide the progress on attaining the stated objectives:

<b>Program</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>
Climate Change Adaptation	Create Resilience at local levels to mitigate the impact of climate change	Climate change mitigation projects implemented.	Number of projects and or activities implemented that mitigate the impact of climate change.	During FY 2023/2024 the Fund had a sum of Kshs.445,765,546. Expenditure incurred amounted to Kshs.82,706,565 which includes

**The Turkana County Climate Change Fund**

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				training for the local communities and staff, consultancy for resilience projects among others.
Climate Change Adaptation	Climate Change research and knowledge management in the county.	A database and research conducted.	A database established.	It is still at the initial stages.
Climate Change Adaptation	Public education, sensitization and awareness creation on climate change and its impacts.	Locals sensitized and aware of climate change impacts.	No. of people sensitized	30 Ward climate change committees formed. More than 3,000 people already sensitized across the 30 wards .
Climate Change Adaptation	Monitoring, evaluation, reporting and learning on climate change response in the county.	Monitoring and evaluation reports conducted	No.of monitoring and evaluation reports done.	Monitoring and evaluation reports done

***The Turkana County Climate Change Fund***  
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**8. Corporate Governance Statement**

The fund is established by an act of the Turkana County Assembly. The fund shall be a financing mechanism for climate change actions and interventions in the County. The fund encompasses three committees namely; the Steering, Planning and ward planning committees.

During the period under review the Board held two meetings for County Planning Climate Change Committee;

<b>S/No</b>	<b>Board Member</b>	<b>Designation</b>	<b>No.of Meetings</b>	<b>No.of Meetings attended</b>
1.	Joseph Ekalale	Board Chairperson	2	2/2
2.	George Emase	Secretary	2	2/2
3.	Lokaale Lotom	Member representing Youth Council	2	2/2
4.	Gabriel Ewaton	Member representing Chamber of Commerce	2	2/2
5.	Alexander Lama	Member representing Persons Abled Differently.	2	2/2
6.	Patrick Mwenja	Member-KEFRI	2	2/2
7.	Elizabeth Loote	Member	2	2/2
8.	Aletia Faith	Member	2	2/2
9.	Richard Guya	Member	2	2/2
10.	Dr. Peter Edome	Member	2	2/2
11.	Dr. Apalia Anthony	Member	2	2/2
12.	Faith Akiru	Member	2	2/2

**Appointment and Removal of Directors/Board Members.**

Board of directors is composed of competent, diverse and qualified members capable of exercising objective and independent judgement. The Board has appropriate autonomy and authority to

exercise its functions, accountability and responsibility to the stakeholders. The composition of the Board provides a diversity of gender, competencies and skills required for effective leadership of the organization.

The Board of management is appointed through a transparent and formal. The chairperson is appointed by the governor on the recommendation of the County Executive Committee Member responsible for Tourism, Culture, Environment, Natural Resources and Climate Change with the approval of the County Assembly. The members shall be appointed by the County Executive Committee Member responsible for Tourism, Culture, Environment, Natural Resources and Climate Change; being drawn from within the county while observing the interests of minorities, Youth, gender and people living with disability.

A person shall not be qualified for appointment as a member of the board if that person is;

- i. a member of National Assembly;
- ii. is adjudged bankrupt;
- iii. is convicted of a criminal offence and sentenced to a term of imprisonment of not less than six months.

An appointed member of the Board shall cease to be a member when;

- i. Dies;
- ii. Is unable to perform the functions of the office due to mental or physical infirmity

The conduct of business of the Board shall be as provided in the First Schedule, but subject thereto, the Board may regulate its own procedure. The quorum for the conduct of business of the meeting of the Board shall be two-thirds of the total number of members of the Board.

#### **Roles and Function of the Board.**

The board of management shall have the following functions;

- i. To compile the projects approved by the Steering Committee;
- ii. Allocate resources for the various climate related projects, in line with the legal and constitutional requirements of equity;
- iii. Mainstream climate change projects, programmes and activities in county planning and budgeting, and ensure their approval and inclusion in the County Integrated Development Plan;

***The Turkana County Climate Change Fund***

**Annual Report and Financial Statements for the year ended June 30, 2024**

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- iv. Manage the administrative costs of the fund including the cost of meetings and sittings of the County Planning and the Ward Planning Committees;
- v. Monitor disbursement and oversee the execution of the fund;
- vi. Provide essential links between the Steering Committee, the County Treasury and County Assembly with regard to management of the fund;
- vii. Coordinate research for climate change finance as well as development of climate finance research priority needs list for the County;
- viii. Be responsible for financing cross ward and cross county climate change programmes;
- ix. Assist the Steering Committee in developing the Climate Finance Framework; and
- x. Mobilize funds for climate change finance.

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The board shall meet at least once every quarter in each financial year or when need be. The quorum for meetings of the board shall be two-thirds of the membership. A resolution of the board shall require an affirmative vote of more than one-half of the members present at a meeting, excluding the chairperson's vote which shall be a casting vote. In the absence of the chairperson, the vice-chairperson shall chair meetings of the board, and in the absence of both, members in attendance shall elect one of them to chair the meeting.

**Conflict of Interest**

During every meeting of the board, members are allowed to declare conflict of interest in any matter under discussion. Where a member has conflicting interest, they are excluded from the deliberations of the said agenda.

**Board Remuneration**

The members of the board shall be paid such allowances or remuneration as per the Salaries and Remuneration Commission and in accordance with the relevant financial regulations and/or guidelines currently in force including the Salaries and Remuneration Commission.

**Ethics and Conduct**

Board members received training on ethics and conduct during the induction training. There are no ethical and misconduct issues to declare.

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**9. Management Discussion and Analysis**

The FLLoCA grant's objective is to deliver locally led climate resilience actions and strengthen county and national government's capacity to manage climate risk. It's envisioned that the grant will strengthen County Government's capacity to plan, budget, implement and monitor climate mitigation and adaptation actions, with a focus on sub-county (ward and community) levels.

In the Financial year under review the fund had an allocation of **Kshs.445,765,546** from which **Kshs.273,443,958** was an unconditional FLLoCA grant from World Bank through the National Government, **Kshs.120,000,000** County matching contribution and **Kshs.52,321,588** balance carried forward. From this disbursement **Kshs.200,000** was to be utilized for board expenses, **Kshs.128,841,589** was for General Expenses/climate change adaptation activities while **Kshs.316,723,957** for capital projects. A total of **Kshs.111,000** was utilized on board expenses while **Kshs.82,595,565** was utilized on general expenditure including consultancy for Ward projects identification and profiling, climate assessments, trainings among others..

The fund has been allocated **Kshs.120,000,000** as a county contribution and **Kshs.11,000,000** FLLoCA grant in FY 2024/2025. These funds will be utilized to implement the various sub-county community level identified projects that are geared towards cushioning the residents from the ravaging climate change related outcomes.

**10. Environmental and Sustainability Reporting**

Turkana County Climate Change Fund's core mandate is to create resilience at the local levels to mitigate the impact of climate change through provision of funding for climate change projects identified in the County Climate Change Policy, County Climate Change Action Plan, other climate related frameworks enacted within the County.

The fund did not undertake any CSR activities.

**The Turkana County Climate Change Fund**  
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**11. Report of The Trustees**

The Trustees submit their report together with the audited financial statements for the year ended June 30, 2024 which show the state of the Fund affairs.

**Principal activities**

The principal activity of the Fund is to create resilience at the local levels to mitigate the impact of climate change within Turkana County.

**Results**

The results of the Fund for the year ended June 30, 2024 are set out on pages 1 to 6.

**Trustees**

The members of the Board of Trustees who served during the year are shown on page vi to vii.

**Auditors**

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

By Order of the Board



.....  
**Chair of the Board**

**Date:** 18/11/2024 .....

## **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 Constitution, an Act of Parliament or County Legislation, 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 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 the Turkana County Climate Change Fund Act, 2021. The Administrator of the Fund is of the opinion that the Fund's financial statements give a true and fair view of the state of Fund's transactions during the financial year ended June 30, 2024, and of the Fund's financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control.

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

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**Approval of the financial statements**

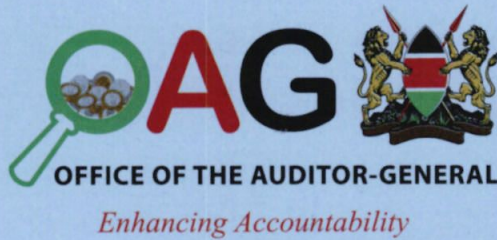
The Fund's financial statements were approved by the Board on 18<sup>th</sup> NOV 2024 and signed on its behalf by:



.....  
**Administrator of the County Public Fund**

# REPUBLIC OF KENYA

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



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

## REPORT OF THE AUDITOR-GENERAL ON TURKANA COUNTY CLIMATE CHANGE FUND FOR THE YEAR ENDED 30 JUNE, 2024

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### PREAMBLE

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

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

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### Opinion

I have audited the accompanying financial statements of Turkana County Climate Change Fund set out on pages 1 to 34, which comprise the statement of financial position as at 30 June, 2024 and the statement of financial performance, statement of changes in

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

In my opinion, the financial statements present fairly, in all material respects, the financial position of Turkana County Climate Change Fund as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with Public Sector Accounting Standards (Accrual Basis) and comply with the Turkana County Climate Change Fund Act, 2021 and the Public Finance Management Act, 2012.

### **Basis for Opinion**

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

### **Emphasis of Matter**

The statement of comparison of budget and actual amounts for the year under review reflects actual receipts of Kshs.445,765,546 against actual expenditure of Kshs.82,706,565 resulting to underutilization of Kshs.363,058,981 or 81% of the budget.

The under-utilization of the funds affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

### **Key Audit Matters**

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

### **Other Information**

The Management is responsible for the other information set out on page iii to xxiii which comprise of key entity Information and Management, the Board of trustees, management team, chairman's statement, report of the Fund administrator, corporate governance statement, Management discussion and analysis, environmental and sustainability reporting, report of the trustees, statement of trustees responsibilities, statement of performance against predetermined objectives. The Other Information does not include the financial statements and my audit report thereon.

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

## REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effects of the matter 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**

#### **Irregular Operation of Bank Accounts**

Review of the bank statements and other documents provided for audit verification revealed that the Fund operated and transacted in two bank accounts that are; Turkana County Climate Change Fund account held at the Central Bank of Kenya and Turkana County Climate Change Fund account held at a local commercial bank. This is in contravention of Regulation 19(2) of the Public Finance Management (Turkana County Climate Change Fund) Regulations, 2021 that states that there shall be only one designated bank account for the Fund, which shall be hosted by the County Treasury.

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

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

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

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015 and based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on the Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

## **Basis for Conclusion**

### **1. Irregular Authorization of Expenditure**

The statement of financial performance for the year ended 30 June, 2024 reflects use of goods amount of Kshs.82,706,565 which includes Kshs.82,590,167 for general office expenses as disclosed in Note 6 to the financial statements. These expenses were authorised by the director climate change as the designate A.I.E holder in contravention Regulation 19(4) of the Public Finance Management (Turkana County Climate Change Fund) Regulations, 2021 which stipulates that the Chairperson of the Board, Chief Officer responsible for climate change, and Fund Administrator shall be the signatories.

In the circumstances, the effectiveness of the Fund's management structure could not be confirmed.

### **2. Inadequate Controls in Cash Book and Bank Reconciliation Management**

Scrutiny of the cash book, bank reconciliation and bank statement provided for audit revealed that the cash books were not signed by the preparer and checked by senior officer. Further, the officer who prepares the cash books is the same officer who prepares the monthly bank reconciliation statements.

In the circumstance, there was no segregation of duties and the Fund does not have strong internal control system.

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

### **Responsibilities of the Management and those Charged with Governance**

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

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

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

Management Board 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**

**28 November, 2024**

**The Turkana County Climate Change Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2024**

**14. Statement of Financial Performance for the Year Ended 30<sup>th</sup> June 2024**

Description	Note	FY 2023-2024	FY 2022-2023
		Kshs	Kshs
<b>Revenue From Non-Exchange Transactions</b>			
Public Contributions and Donations	1	-	-
Transfers From the County Government	2	120,000,000	164,978,013
Fines, Penalties and Other Levies	3	-	-
<b>Total revenue from Non-Exchange Transactions</b>		<b>120,000,000</b>	<b>164,978,013</b>
<b>Revenue From Exchange Transactions</b>			
Other Income	4	-	-
<b>Total revenue from Exchange Transactions</b>		<b>-</b>	<b>-</b>
<b>Total Revenue</b>		<b>120,000,000</b>	<b>164,978,013</b>
<b>Expenses</b>			
Employee Costs	5	-	-
Use of goods and services	6	82,706,565	78,737,193
Depreciation and Amortization Expense	7	3,121,108	692,917
Finance Costs	8	-	-
<b>Total Expenses</b>		<b>85,827,673</b>	<b>79,430,110</b>
<b>Other Gains/Losses</b>			
Gain/Loss on Disposal of Assets	9	-	-
Gain /Loss on fair value of investments	10	-	-
<b>Surplus/(Deficit) for the Period</b>		<b>34,172,327</b>	<b>85,547,903</b>

(The notes set out on pages 7 to 33 form an integral part of these Financial Statements)

.....  
 Name: Joseph Escalante  
 Administrator of the Fund

.....  
 Name: GRACE ENOI  
 Fund Accountant  
 ICPAK Member Number: 25932

*The Turkana County Climate Change Fund*  
**Annual Report and Financial Statements for the year ended June 30, 2024**

**15. Statement of Financial Position As at 30 June 2024**

Description	Note	FY 2023-2024	FY 2022-2023
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	11	370,423,798	52,321,588
Current Portion of Long- Term Receivables From Exchange Transactions	12	-	-
Receivables from Non-Exchange Transactions	12(b)	10,462,340	19,959,232
<b>Total current assets</b>		<b>380,886,138</b>	<b>72,280,820</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	13	12,278,050	13,267,083
Long Term Receivables from Exchange Transactions	12	-	-
<b>Total non- current assets</b>		<b>12,278,050</b>	<b>13,267,083</b>
<b>Total Assets (A)</b>		<b>393,164,188</b>	<b>85,547,903</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables from Exchange Transactions	14	-	-
Employee Benefit Obligations	15	-	-
Social benefit liabilities	16	-	-
<b>Total current liabilities</b>		<b>-</b>	<b>-</b>
<b>Non-Current Liabilities</b>			
Non-Current Employee Benefit Obligation	15	-	-
Social benefit liabilities	16	-	-
<b>Total Non- Current Liabilities</b>		<b>-</b>	<b>-</b>
<b>Total Liabilities (B)</b>		<b>-</b>	<b>-</b>
<b>Net Assets (A-B)</b>		<b>393,164,188</b>	<b>85,547,903</b>
<b>Represented By:</b>			
Capital Fund		273,443,958	-
Reserves		-	-

**The Turkana County Climate Change Fund**

**Annual Report and Financial Statements for the year ended June 30, 2024**

Description	Note	FY 2023-2024	FY 2022-2023
		Kshs	Kshs
Accumulated Surplus		119,720,230	85,547,903
<b>Net Assets</b>		<b>393,164,188</b>	<b>85,547,903</b>

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 18/11 2024 and signed by:



.....  
Name: JOSEPH EKALELE  
Administrator of the Fund



.....  
Name: GRACE GWOT  
Fund Accountant  
ICPAK Member Number: 25932

*The Turkana County Climate Change Fund*

**Annual Report and Financial Statements for the year ended June 30, 2024**

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**16. Statement of Changes in Net Assets for the year ended 30<sup>th</sup> June 2024**

Description	Capital Development Fund	Revaluation Reserve	Accumulated surplus	Total
		Kshs	Kshs	Kshs
<b>Balance As At 1 July,2022</b>	-	-	-	-
Surplus/(Deficit) For the Period	-	-	85,547,903	85,547,903
Funds Received During the Year	-	-	-	-
Transfers	-	-	-	-
Revaluation Gain	-	-	-	-
<b>Balance As At 30 June 2023</b>	-	-	<b>85,547,903</b>	<b>85,547,903</b>
<b>Balance As At 1 July 2023</b>	-	-	<b>85,547,903</b>	<b>85,547,903</b>
Surplus/(Deficit) For the Period	-	-	34,172,327	34,172,327
Funds Received During the Year	273,443,958	-	-	273,443,958
Transfers	-	-	-	-
Revaluation Gain	-	-	-	-
<b>Balance As At 30 June 2024</b>	<b>273,443,958</b>	-	<b>119,720,230</b>	<b>393,164,188</b>

**The Turkana County Climate Change Fund  
Annual Report and Financial Statements for the year ended June 30, 2024**

**17. Statement of Cash Flows for The Year Ended 30 June 2024**

Description	Note	FY 2023-2024	FY 2022-2023
		Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Public contributions and donations	1	-	-
Transfers from the county government	2	120,000,000	164,978,013
Receipts from other operating activities		-	-
<b>Total receipts</b>		<b>120,000,000</b>	<b>164,978,013</b>
<b>Payments</b>			
Fund administration expenses	6	-	4,564,400
General expenses	6	82,706,565	74,172,793
Finance cost	8	-	-
<b>Total Payments</b>		<b>82,706,565</b>	<b>78,737,193</b>
<b>Net cash flows from operating activities</b>	24	<b>37,293,435</b>	<b>86,240,820</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment and Intangible assets		(2,132,075)	(13,960,000)
Proceeds from sale of property, plant & equipment		-	-
Proceeds from loan principal repayments		-	-
Loan disbursements paid out		-	-
<b>Net cash flows used in investing activities</b>		<b>(2,132,075)</b>	<b>(13,960,000)</b>
<b>Cash flows from financing activities</b>			
Proceeds from Capital fund receipts		273,443,958	-
TCG Executive Internal Borrowing		(6,942,662)	(19,959,232)
Refund of Internal borrowings		16,439,554	-
<b>Net cash flows used in financing activities</b>		<b>282,940,850</b>	<b>(19,959,232)</b>
<b>Net increase/(decrease) in cash &amp; cash Equivalents</b>		<b>318,102,210</b>	<b>52,321,588</b>
Cash and cash equivalents at 1 July	11	52,321,588	-
<b>Cash and cash equivalents at 30 June</b>		<b>370,423,798</b>	<b>52,321,588</b>

*The Turkana County Climate Change Fund*  
**Annual Report and Financial Statements for the year ended June 30, 2024**

**18. Statement Of Comparison Of Budget And Actual Amounts For The Period 2024**

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
<b>Revenue</b>						
Public Contributions and Donations	-	-	-	-	-	-
Transfers From County Govt.	393,443,958	-	393,443,958	393,443,958	-	100
Interest Income	-	-	-	-	-	-
Opening Balance	52,321,588	-	52,321,588	52,321,588	-	100
<b>Total Income</b>	<b>445,765,546</b>	<b>-</b>	<b>445,765,546</b>	<b>445,765,546</b>	<b>-</b>	<b>100</b>
<b>Expenses</b>						
Board Expenses	200,000	-	200,000	111,000	89,000	56
General Expenses	128,841,589	-	128,841,589	82,595,565	46,246,024	64
Finance Cost	-	-	-	-	-	-
<b>Total Expenditure</b>	<b>129,041,589</b>	<b>-</b>	<b>129,041,589</b>	<b>82,706,565</b>	<b>46,246,026</b>	<b>64</b>
<b>Surplus For the Period</b>	<b>316,723,957</b>	<b>-</b>	<b>316,723,957</b>	<b>363,058,981</b>	<b>(46,246,026)</b>	
<b>Capital expenditure</b>	<b>316,723,957</b>	<b>-</b>	<b>316,723,957</b>	<b>-</b>	<b>316,723,957</b>	

**Budget notes**

*The capital projects procurement process has already commenced.*

**19. Notes to the Financial Statements**

**Significant Accounting Policies**

**1. General Information**

Turkana County Climate Change Fund was established by and derives its authority and accountability from Turkana County Climate Change Fund Act, 2021 Via Turkana County Gazette Supplement No.4 of 2021. The Fund is wholly owned by the County Government of Turkana and is domiciled in Kenya.

**2. Statement of compliance and basis of preparation**

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

**3. Adoption of new and revised standards**

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

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

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

Standard	Effective date and impact:
IPSAS 43	<p><i>Applicable 1<sup>st</sup> January 2025</i></p> <p>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.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p><i>There is no impact to the fund.</i></p>

**The Turkana County Climate Change Fund  
Annual Report and Financial Statements for the year ended June 30, 2024**

<p>IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations</p>	<p><b>Applicable 1<sup>st</sup> January 2025</b> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance. <i>There is no impact to the fund.</i></p>
<p>IPSAS 45- Property Plant and Equipment</p>	<p><b>Applicable 1<sup>st</sup> January 2025</b> 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. <i>There is no impact to the fund.</i></p>
<p>IPSAS 46 Measurement</p>	<p><b>Applicable 1<sup>st</sup> January 2025</b> The objective of this standard was to improve measurement guidance across IPSAS by: <ul style="list-style-type: none"><li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li><li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS;</li><li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li></ul>The standard also introduces a public sector specific measurement bases called the current operational value. <i>There is no impact to the fund.</i></p>
<p>IPSAS 47- Revenue</p>	<p><b>Applicable 1<sup>st</sup> January 2026</b> 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. <i>There is no impact to the fund.</i></p>

***The Turkana County Climate Change Fund***  
**Annual Report and Financial Statements for the year ended June 30, 2024**

<p>IPSAS 48- Transfer Expenses</p>	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b>  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>There is no impact to the fund.</i></p>
<p>IPSAS 49- Retirement Benefit Plans</p>	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b>  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>There is no impact to the fund.</i></p>

**(i) Early adoption of standards**

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

#### **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 FY2023/2024 was approved by the County Assembly on 30<sup>th</sup> June, 2023. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Entity upon receiving the respective approvals to conclude the final budget. The Entity did not record any additional appropriations. 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 an accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement

***The Turkana County Climate Change Fund***  
**Annual Report and Financial Statements for the year ended June 30, 2024**

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to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 14 of these financial statements.

**c) Property, plant and equipment**

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

**d) 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.

**e) 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. 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 derecognition. Transfers are made to or from investment property only when there is a change in use.

**Summary of Significant Accounting Policies (Continued)**

**f) Financial instruments**

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

**Financial assets**

**Classification of financial assets**

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

**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.

**a) 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.

**b) 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.

**c) 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)**

**d) 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.

**e) Nature and purpose of reserves**

The Entity does not create nor maintain reserves in terms of specific requirements.

**f) 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.

**g) 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)**

**h) 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.

**i) 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.

**j) 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.

**k) 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.

**l) 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 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.

*The Turkana County Climate Change Fund*  
**Annual Report and Financial Statements for the year ended June 30, 2024**

**6. Notes To The Financial Statements Continued**

**1. Public contributions and donations**

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Donation From Development Partners	-	-
Contributions From The Public	-	-
<b>Total</b>	-	-

**2. Transfers from County Government**

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Transfers From County Govt. –Operations	120,000,000	153,978,013
Payments By County On Behalf Of The Entity	-	-
Unconditional Development grants	273,443,958	11,000,000
<b>Total</b>	<b>393,443,958</b>	<b>164,978,013</b>

**3. Fines, penalties and other levies**

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Late Payment Penalties	-	-
Fines	-	-
<b>Total</b>	-	-

**4. Other income**

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Insurance Recoveries	-	-
Income from Sale of Tender Documents	-	-
Bad debts recovered	-	-
Miscellaneous Income	-	-
<b>Total Other Income</b>	-	-

**The Turkana County Climate Change Fund  
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**Notes To The Financial Statements Continued**

**5. Employee Costs**

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Salaries And Wages	-	-
Staff Gratuity	-	-
Staff Training Expenses	-	-
Social Security Contribution	-	-
Other	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**6. Use of Goods and Services**

Description	FY 2023-2024	FY 2022-2023
	Kshs.	Kshs.
General Office Expenses	82,590,167	74,167,243
Loan Processing Costs	-	-
Professional Services Costs	-	-
Administration Fees	-	4,564,400
Committee Allowances	111,000	-
Bank Charges	5,398	5,550
Electricity And Water Expenses	-	-
Fuel And Oil Costs	-	-
Insurance Costs	-	-
Postage And Courier	-	-
Printing And Stationery	-	-
Rental Costs	-	-
Security Costs	-	-
Telephone And Communication Expenses	-	-
Audit Fees	-	-
Provision For Doubtful Debts	-	-
Other ( <i>Specify</i> )	-	-
<b>Total</b>	<b>82,706,565</b>	<b>78,737,193</b>

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**Notes To The Financial Statements Continued**

**7. Depreciation and Amortization Expense**

Description	FY 2023-2024	FY 2022-2023
	Kshs.	Kshs.
Property Plant and Equipment	3,121,108	692,917
Intangible Assets	-	-
<b>Total</b>	<b>3,121,108</b>	<b>692,917</b>

**8. Finance costs**

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Interest On Bank Overdrafts	-	-
Interest On Loans From Banks	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**9. Gain/(loss) on disposal of assets**

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Property, Plant and Equipment	-	-
Intangible Assets	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**10. Gain/ (loss) on Fair Value Investments**

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Investments at Fair Value- Equity investments	-	-
Fair value – Investment property	-	-
Fair value- other financial assets (specify)	-	-
<b>Total Gain</b>	<b>-</b>	<b>-</b>

**The Turkana County Climate Change Fund**  
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**Notes To The Financial Statements Continued**

**11. Cash and cash equivalents**

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Current Account	370,423,798	52,321,588
On – Call Deposits	-	-
Fixed Deposits Account	-	-
<b>Total Cash and Cash Equivalents</b>	<b>370,423,798</b>	<b>52,321,588</b>

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

Financial Institution	Account number	FY 2023-2024	FY 2022-2023
		Kshs	Kshs
<b>a) Fixed Deposits Account</b>			
Kenya Commercial Bank		-	-
Equity Bank, Etc.		-	-
<b>Sub- Total</b>		-	-
<b>b) Current Account</b>	0107129964300		
National Bank of Kenya		-	41,321,588
<b>Sub- Total</b>		-	<b>41,321,588</b>
<b>c) Current Account</b>	1000544268		
Central Bank of Kenya		370,423,798	11,000,000
Special Purpose Account			
<b>Sub- Total</b>		<b>370,423,798</b>	<b>11,000,000</b>
<b>d) Others(Specify)</b>			
Cash In Transit		-	-
Cash In Hand		-	-
<b>Sub- Total</b>		-	-
<b>Grand Total</b>		<b>370,423,798</b>	<b>52,321,588</b>

**The Turkana County Climate Change Fund  
Annual Report and Financial Statements for the year ended June 30, 2024**

**Notes to the Financial Statements Continued**

**12. Receivables from exchange transactions**

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
<b>Current Receivables</b>		
Interest Receivable	-	-
Current Loan Repayments Due	-	-
Other Exchange Debtors	-	-
Less: Impairment Allowance	-	-
<b>Total Current Receivables</b>		
<b>Non-Current Receivables</b>		
Long Term Loan Repayments Due	-	-
<b>Total Non- Current Receivables</b>	-	-
<b>Total Receivables From Exchange Transactions</b>	-	-

**Additional disclosure on interest receivable**

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
<b>Interest Receivable</b>		
Interest receivable from current portion of long-term loans of previous years	-	-
Accrued interest receivable from of long-term loans of previous years	-	-
Interest receivable from current portion of long-term loans issued in the current year	-	-
<b>Current loan repayments due</b>	-	-
Current portion of long-term loans from previous years	-	-
Accrued principal from long-terms loans from previous periods	-	-
Current portion of long-term loans issued in the current year	-	-

*The Turkana County Climate Change Fund*

**Annual Report and Financial Statements for the year ended June 30, 2024**

**12(b) Receivables from Non-exchange transactions**

Description	FY 2023/2024	FY 2022/2023
	Kshs.	Kshs.
Refund from County Executive	10,462,340	19,959,232
Transfer from donor Fund	-	-
<b>Total</b>	<b>10,462,340</b>	<b>19,959,232</b>

**Analysis of Receivables from Non-Exchange Transactions**

Description	FY 2023/2024		FY 2022/2023	
	Kshs		Kshs	
	FY 2023/2024	% of the total	FY 2022/2023	% of the total
Less than 1 year	10,462,340	%	-	%
Between 1- 2 years	-	%	19,959,232	%
Between 2-3 years	-	%	-	%
Over 3 years	-	%	-	%
<b>Total (a+b)</b>	<b>10,462,340</b>	<b>%</b>	<b>19,959,232</b>	<b>%</b>

Description	FY 2023/2024	FY 2022/2023
	Kshs.	Kshs.
<b>Balance at beginning of the period</b>	<b>19,959,232</b>	-
Borrowings during the year	6,942,662	19,959,232
Repayments of borrowings during the period	16,439,554	-
<b>Balance at end of the period</b>	<b>10,462,340</b>	<b>19,959,232</b>

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**Notes To The Financial Statements (Continued)**

**13. Property, plant and equipment**

	Motor Bikes	Motor vehicles	Furniture and fittings	Computers and office equipment	Total
Cost	Kshs	Kshs	Kshs	Kshs	Kshs
At 1 <sup>st</sup> July 2022	2,670,000	11,290,000	-	-	13,960,000
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Transfers/Adjustments	-	-	-	-	-
At 30 <sup>th</sup> June 2023	2,670,000	11,290,000	-	-	13,960,000
At 1 <sup>st</sup> July 2023					
Additions	-	-	1,734,000	398,075	2,132,075
Disposals	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-
At 30 <sup>th</sup> June 2024	2,670,000	11,290,000	1,734,000	398,075	16,092,075
<b>Depreciation And Impairment</b>					
At 1 <sup>st</sup> July 2022	-	-	-	-	-
Depreciation	(222,500)	(470,417)	-	-	(692,917)
Impairment	-	-	-	-	-
At 30 <sup>th</sup> June 2023	(222,500)	(470,417)	-	-	(692,917)
At 1 <sup>st</sup> July 2023					
Depreciation	(890,000)	(1,881,667)	(216,750)	(132,692)	(3,121,108)
Disposals	-	-	-	-	-
Impairment	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-
At 30 <sup>th</sup> June 2024	(890,000)	(1,881,667)	(216,750)	(132,692)	(3,121,108)
<b>Net Book Values</b>					
At 30 <sup>th</sup> June 2023	2,447,500	10,819,583	-	-	13,267,083
At 30 <sup>th</sup> June 2024	1,557,500	8,937,917	1,517,250	265,383	12,278,050

**The Turkana County Climate Change Fund**

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The department adopted the National Government assets depreciation policy as the county Government Assets Management policy has not been approved. All the assets have been depreciated using straight line depreciation policy. Motorbikes depreciation of 3 years, Motor vehicles 6 years, Furniture 8 years and Computers and Office Equipment at 3 years.

**14. Trade and other payables from exchange transactions**

Description	FY 2023-2024		FY 2022-2023	
	Kshs		Kshs	
Trade Payables	-		-	
Refundable Deposits	-		-	
Accrued Expenses	-		-	
Other Payables	-		-	
<b>Total Trade and Other Payables</b>	-		-	
<b>Ageing analysis (Trade and other payables)</b>	<b>FY 2023-2024</b>	<b>% of the Total</b>	<b>FY 2022-2023</b>	<b>% of the Total</b>
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
<b>Total</b>	-		-	

**15. Employee benefit obligations**

Description	Defined benefit plan	Post employment medical benefits	Other Provisions	FY 2023-2024	FY 2022-2023
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	-	-	-	-	-
Non-Current Benefit Obligation	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

**16. Social Benefit Liabilities**

Description	FY 2023-2024		FY 2022-2023	
	Kshs		Kshs	
Health social benefit scheme	-		-	
Unemployment social benefit scheme	-		-	
Orphaned and vulnerable benefit scheme	-		-	

**The Turkana County Climate Change Fund**  
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Elderly social benefit scheme	-	-
Bursary social benefits	-	-
<b>Total</b>	-	-
Current social benefits	-	-
Non- current social benefits	-	-
<b>Total (tie to totals above)</b>	-	-

**17. Cash generated from operations.**

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
<b>Surplus/ (Deficit) For the Year Before Tax</b>	<b>307,616,285</b>	<b>85,547,903</b>
<b>Adjusted For:</b>		
Depreciation	3,121,108	692,917
Amortisation	-	-
Gains/ Losses On Disposal Of Assets	-	-
Interest Income	-	-
Finance Cost	-	-
<b>Working Capital Adjustments</b>		
Increase In Inventory	-	-
Increase In Receivables	-	-
Increase In Payables	-	-
<b>Net Cash Flow From Operating Activities</b>	<b>310,737,393</b>	<b>86,240,820</b>

**Notes To The Financial Statements (Continued)**

**18. 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	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Transfers From Related Parties'	393,443,958	164,978,013
Transfers To Related Parties	-	-

**c) Key management remuneration**

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Board Of Trustees	-	-
Key Management Compensation	-	-
<b>Total</b>	-	-

**d) Due from related parties**

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Due From Parent Ministry	10,462,340	-
Due From County Government	11,000,000	-
<b>Total</b>	<b>21,462,340</b>	-

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**Other Disclosures Continued**

**e) Due to related parties**

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Due To Parent Ministry	-	-
Due To County Government	-	-
Due To Key Management Personnel	-	-
<b>Total</b>	-	-

**19. Contingent assets and contingent liabilities**

Contingent Liabilities	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Court Case Against the Fund	-	-
Bank Guarantees	-	-
<b>Total</b>	-	-

**Notes To The Financial Statements (Continued)**

**20. 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:

<b>Description</b>	<b>Total amount Kshs</b>	<b>Fully performing Kshs</b>	<b>Past due Kshs</b>	<b>Impaired Kshs</b>
<b>At 30 June 2024</b>				
Receivables From Exchange Transactions	-	-	-	-
Receivables From Non-Exchange Transactions	10,462,340	-	10,462,340	-
Bank Balances	370,423,798	370,423,798	-	-
<b>Total</b>	<b>380,886,138</b>	<b>370,423,798</b>	<b>10,462,340</b>	<b>-</b>
<b>At 30 June 2023</b>				
Receivables From Exchange Transactions	-	-	-	-
Receivables From Non-Exchange Transactions	19,959,232	-	19,959,232	-
Bank Balances	52,321,588	52,321,588	-	-
<b>Total</b>	<b>72,280,820</b>	<b>52,321,588</b>	<b>19,959,232</b>	<b>-</b>

**The Turkana County Climate Change Fund**  
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**Notes To The Financial Statements (Continued)**

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

The entity has no significant concentration of credit risk.

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

**b) Liquidity risk management**

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
<b>At 30 June 2024</b>				
Trade Payables	-	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligation	-	-	-	-
<b>Total</b>	-	-	-	-
<b>At 30 June 2023</b>				
Trade Payables	-	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligation	-	-	-	-
<b>Total</b>	-	-	-	-

**Notes To The Financial Statements (Continued)**

**c) Market risk**

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

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

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

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
<b>At 30 June 2024</b>			
Financial Assets	-	-	-
Investments	-	-	-
Cash	370,423,798	-	370,423,798
Debtors/ Receivables	-	-	-
<b>Liabilities</b>			
Trade And Other Payables	-	-	-
Borrowings	-	-	-
<b>Net Foreign Currency Asset/(Liability)</b>	<b>370,423,798</b>	<b>-</b>	<b>370,423,798</b>

**Notes To The Financial Statements (Continued)**

**Foreign currency sensitivity analysis**

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

Description	Change in currency rate	Effect on surplus/ deficit	Effect on equity
	Kshs	Kshs	Kshs
<b>At 30 June 2024</b>			
Euro	10%	-	-
USD	10%	-	-
<b>At 30 June 2023</b>			
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 (2024: Kshs). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs (2023 – Kshs).

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**Notes To The Financial Statements (Continued)**

**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	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Revaluation reserve	-	-
Revolving fund	-	-
Accumulated surplus	393,164,188	85,547,903
<b>Total funds</b>	<b>393,164,188</b>	<b>85,547,903</b>
Total borrowings	-	-
Less: cash and bank balances	(370,423,798)	(52,321,588)
Net debt/(excess cash and cash equivalents)	370,423,798	52,321,588
<b>Gearing</b>	<b>94%</b>	<b>61%</b>

**21. Events after the reporting period**

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

**22. Ultimate and Holding Entity**

The entity is a County Public Fund established by Turkana County Climate Change Fund Act, 2021 under the Ministry of Tourism, Culture, Natural Resources and Climate Change. Its ultimate parent is the County Government of Turkana.

**23. Currency**

The financial statements are presented in Kenya Shillings (Kshs).

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**20. 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.

<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
	Budgetary Control and Performance	The under-absorption of the budget was necessitated by a delay in the release of funds and a lack of fund management board.	Resolved	March,2024
	Delayed Appointment of the Fund Management Board	The fund management board constitution was delayed by the County Assembly Vetting process that took long than expected.	Resolved	March,2024



**Fund Administrator**

Date.....18<sup>th</sup> NOV 2024

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**Annex II: Inter-Fund Confirmation Letter**



**Turkana County Climate Change Fund  
P.O Box 11-30500  
Lodwar.**


The Turkana County Climate Change Fund wishes to confirm the amounts disbursed to you as at 30<sup>th</sup> June 2024 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.

<b>Confirmation of amounts received by the Turkana County Climate Change Fund as at 30<sup>th</sup> June 2024</b>							
Reference Number	Date Disbursed	Amounts Disbursed by the Turkana County Government (Kshs) as at 30 <sup>th</sup> June 2024				Amount Received by [beneficiary Fund] (KShs) as at 30 <sup>th</sup> June 2024 (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
	09/04/2024	-	11,000,000		11,000,000	11,000,000	0
	03/05/2024	120,000,000	-		120,000,000	120,000,000	0
	07/06/2024		131,221,979		131,221,979	131,221,979	0
	08/07/2024		131,221,979		131,221,979	131,221,979	0
<b>Total</b>		<b>120,000,000</b>	<b>273,443,958</b>		<b>393,443,958</b>	<b>393,443,958</b>	<b>0</b>

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

**Head of Accountants department of beneficiary Fund:**

Name ..... GRACE EWOI ..... Sign .....  ..... Date ..... 18/11/2024 .....

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**Annex III: Reporting of Climate Relevant Expenditures**

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		
Resilience Building on Climate Change Induced Displacement in Turkana.	Resilience Building Workshop on Climate Change Induced Displacement in Turkana.	<p>To provide humanitarian assistance and build resilience among the most vulnerable communities severely affected by the drought and resource-based conflict.</p> <p>To generate feedback and recommendations from stakeholders that support a roadmap to facilitate building resilience to climate change while at the same time learn about the nexus between displacement and migration occurring in relation to climate change and conflicts.</p>	<p>Collection of displacement data through Displacement Tracking Matrix in Turkana.</p> <p>Conduct study on resource-based conflicts, provided livelihood assistance and water infrastructure refurbishments, conflict prevention and TVET support to climate change affected communities in Turkana.</p>			X		IOM	IOM

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The Kenya Red Cross CMDRR training on strengthening anticipatory action and shock-responsive social mechanism	Community-Managed Disaster Risk Reduction (CMDRR) on strengthening anticipatory action and shock-responsive social mechanism	To improve the knowledge and skills of key stakeholders involved in drought risk reduction and management. To provide participants with an in-depth understanding of community-managed drought risk reduction.	The program focused on identifying and implementing strategies to mitigate drought risks and enhance the resilience of the local communities.			X			
Strengthening E&S capacity for Horn of Africa Ground Water for Resilience staff training	Strengthening E&S capacity for Horn of Africa Ground Water for Resilience staff training	Increasing the sustainable use and management of ground water by beneficiary groups in the Horn of Africa (HoA).	Capacity building trainings			X		World Bank	World Bank
Turkana County Peace Actors Workshop	Turkana County Peace Actors Workshop	To actively raise awareness and encourage the adoption of Turkana				X		TCG	TCG

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		County Peace policy and Act 2022 among local stakeholders and civil society actors.							
Community Action Planning to support Climate Resilient Food Systems hub	Developing Community action plans to support Climate Resilient Food Systems hub	To provide the basis for addressing the zero-hunger challenge, focusing on pooling partnerships and bundling a range of integrated climate-adaptive interventions that enable communities at risk, including smallholder producers and other value chain actors, to produce, aggregate, add value, access markets, reduce food losses and consume safe and healthy food	The Directorate of Climate Change supported WFP in realizing the vision by facilitating trainings, area-based programming and developing action plans that will guide the implementation phase			X		WFP	WFP
Environmental and Social Screening for FLLoCA projects	Environmental and Social Screening for all proposed climate change resilience	Conducted Environmental and Social Screening for all community identified projects					X	FLLoCA	Turkana County Government (TCG) & National Government of Kenya (GoK)

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	projects to be funded under FLLoCA.	through Ward Climate Change Planning Committees to ensure compliance with World Bank requirements under FLLoCA funding model.							
Establishment of Climate Change Structures	Establishment of Climate Change Structures	Launch of Turkana County climate change planning committee, steering committee, and fund management board	Training the committees on their roles. Issuance of appointment letters to nominated committee members.	X				TCG	Turkana County Government (TCG)
Enhancing peace and prevention of resource-based conflicts in Northern Kenya	Enhancing Peace through the prevention of Natural Resources-based Conflicts in Northwestern Kenya		Meetings				X	IOM	TCG & IOM
		The main objective of the workshop was to train the participants on Advocacy Procedures, especially when	Sensitization workshop				X	CARITAS LODWAR	<b>CARITAS Lodwar</b>

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		advocating for Climate Change related issues							
	Turkana south sub-county stakeholders & partners coordination meeting	<ul style="list-style-type: none"> <li>To allow Heads of Government Department from National and County government to report and share government projects/programs implemented in Turkana South Sub-county.</li> <li>To allow development partners to present projects and programs implemented in Turkana South Sub-county and joint identification of existing gaps for prioritization across the sub-county.</li> </ul>	Meeting				X		

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		<ul style="list-style-type: none"> <li>To develop sub-county Sector Working Groups (SWGs) that will enhance greater collaboration and coordination between the government (both national and county) and development partners in Turkana South Sub-county.</li> </ul>							
Capacity Building	Capacity building Ward Climate Change Planning Committees for participatory climate change action training	Capacity building Ward Climate Change Planning Committees for participatory climate change action training					X		State department for devolution, Commission for Administrative Justice and the Ethics and the Anti-Corruption Commission

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**Annex IV: Reporting on Disaster Management Expenditure**

Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments
None						

There was no disaster related expenditure during the period ended 30th June,2024.