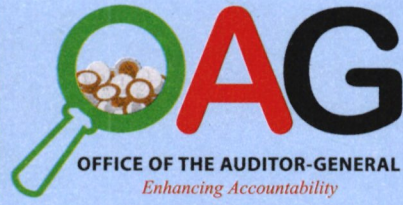
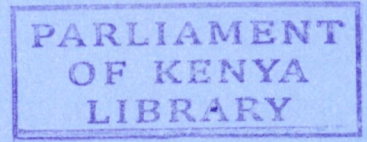


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability



REPORT

OF

THE AUDITOR-GENERAL

ON

**TAITA TAVETA COUNTY CLIMATE CHANGE
FUND**

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

PAPERS LAID	
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COMMITTEE	—
CLERK AT THE TABLE	Ms. Nabalayo

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Revised 30th June 2025



**TAITA TAVETA COUNTY
CLIMATE CHANGE FUND**

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

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

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

Table of Contents

1. Acronyms and Definition of Key Terms	ii
2. Key Entity Information and Management	iii
3. Fund Administration Committee	vi
4. Fund Management Team	ix
6. Report of the Fund Administrator	xii
7. Statement of Performance Against the County Fund's Predetermined Objectives	xv
8. Corporate Governance Statement	xix
9. Management Discussion and Analysis	xxii
10. Environmental and Sustainability Reporting	xxvi
11. Report of The Trustees	xxviii
12. Statement of Management's Responsibilities	xxix
13. Report of the Independent Auditor on the Financial Statements for the Taita Taveta Climate Change Fund (2025)	xxx
14. Statement of Financial Performance for the Year Ended 30 th June 2025	1
15. Statement of Financial Position As at 30 June 2025	2
16. Statement of Changes in Net Assets for the year ended 30 th June 2025	3
17. Statement of Cash Flows for The Year Ended 30 June 2025	4
18. Statement Of Comparison Of Budget And Actual Amounts For The Period 2025	5
19. Notes to the Financial Statements	6
20. Annexes	39

1. Acronyms and Definition of Key Terms

a) Acronyms

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
CPA	Certified Public Accountant
FY	Financial Year
CCCSC	County Climate Change Steering Committee
CCCPC	County Climate Change Planning Committee
WCCPC	Ward Climate Change Planning Committee
CCU	Climate Change Unit
CCAP	Climate Change Action Plan
PCRA	Participatory Climate Risk Assessment
CCIS	Climate Change Institutional Support
CCRIG	Climate Change Resilient Investment Grant
FLLoCA	Financing Locally Led Climate Action

b) Definition of Key Terms

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

Comparative Year- Means the prior period.

2. Key Entity Information and Management

a) Background information

TAITA TAVETA COUNTY CLIMATE CHANGE is established by and derives its authority and accountability from Taita Taveta Climate Change Act 2022. The Fund is wholly owned by the County Government of Taita Taveta and is domiciled in Kenya.

The fund’s objective is to provide funding for climate change activities identified in the County Climate Change Action Plan that was developed from the PCRA report.

The Fund’s principal activity is the management of monies allocated to the Climate change unit to implement resilience projects that will enable communities adapt and mitigate effects of climate change actions.

b) Principal Activities

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

- Supervise and control the administration of the fund
- Support and empower local communities identify climate resilience projects to be implemented at the ward level.

Implement the proposed resilience projects proposed by the local communities through the WCCPC

c) Fund Administration Committee

Ref	Name	Position
1	Grantone Mwandawiro	Chairperson
2	CPA Elijah Mwazo	Committee Member
3	Engineer Leonard Kiute	Committee Member
4	CPA Fredrick Nganga	Committee Member
5	John Mlamba	Committee Member
6	CPA Joyce Mwachia	Committee Member
7	Benjamin Odago	Committee Member
8	Valentina Mwata	Fund Manager/ Administrator

d) Key Management team

SN	Name	Position
1.	Valentina Mwata	FUND ADMINISTRATOR
2.	CPA Gershon Mwaluda	FUND ACCOUNTANT
3.	Hannah Mwacheda	FUND PROCUREMENT OFFICER
4.	Godfrey Mrombo	CLIMATE CHANGE OFFICER

e) Fiduciary Oversight Arrangements

SN	Position	Name
1	Directorate Internal Audit- Internal Auditor	Francis Wadu

f) Registered Offices

Taita Taveta County,
Department of Water, Sanitation, Environment, Natural Resources & Climate Change
Tavevo Offices Voi.
P.O. Box 1066 - 80304
Wundanyi
Taita Taveta, Kenya

g) Fund Contacts

Climate Change Unit,
County Government of Taita Taveta
Telephone: 0756766064
E-mail: water.taitataveta@gmail.com

h) Fund Bankers

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

Key Entity and Management (Continued)

i) Independent Auditors

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




j) Principal Legal Adviser



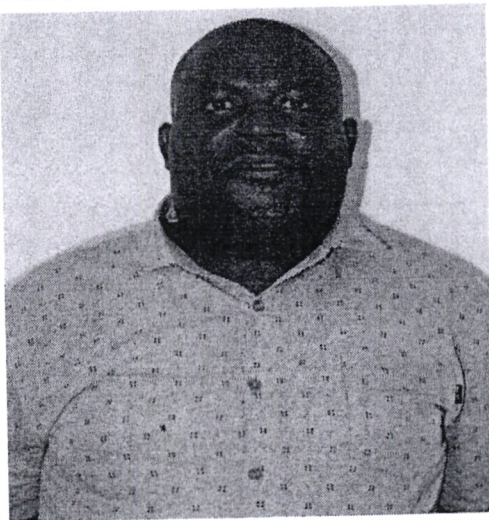
The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

k) County Attorney

The County Attorney
County Government of Taita Taveta
P.O. Box 1066 - 80304
Wundanyi
Taita Taveta, Kenya

3. Fund Administration Committee

Name	Details of qualifications and experience
<p>1. CPA Elijah Mwazighe</p> 	<p>CECM- Finance & Economic Planning DOB: 1979 A certified Public Accountant in good standing with over 10yrs experience in public accounting. He is the Vice Chairperson of the committee</p>
<p>2. Grantone Mwandawiro</p> 	<p>CECM- Water, Sanitation, Environment, Natural Resources and Climate Change. DOB: 1989 A holder of a bachelor degree in environment, over 5yrs of experience in WASH project management. He is the chairperson of the committee.</p>
<p>3. CPA Fredrick Nganga</p> 	<p>CCO-Finance & Economic Planning DOB: 1966 A certified Public Accountant in good standing and over 10yrs of experience in public accounting. He is a member of the Committee</p>

<p>4. Eng. Leonard Kiute</p> 	<p>CCO- Environment, Natural Resources & Climate Change DOB: 1981 A holder of a master's in civil engineering in Structural Engineering and a Bachelor Science Degree in Civil, Construction and Environmental Engineering, with over 15yrs of experience in the above field. He is a member of the committee.</p>
<p>5. CPA Joyce Mwachia</p> 	<p>Director- Accounting Services DOB: 1978, A holder of an MBA in project management, Bachelor of commerce accounting option and a certified public Accountant in good standing. Over 20yrs of experience in accounting and 11yrs in public accounting. She is a member of the management committee.</p>
<p>6. John Mlamba</p> 	<p>Director- Environment & Climate change DOB: 1971 A holder of a degree in environmental science, with over 10yrs experience in environmental management. He is a member of the committee</p>

7. Benjamin Odago



Director- Economic Planning

A holder of a degree in economics, with over 10yrs of experience in economic planning and budgeting. He is the secretary of the committee

8. Valentina Mwata






Fund Administrator- Climate Change

DOB: 1991,

A holder of an MBA in Finance, Bachelor of Science in Tourism management and CPA II holder. 5yrs of experience in public accounting. She is a member of the management committee.

4. Fund Management Team

Name	Details of qualifications and experience
<p>1. Valentina Mwata</p> 	<p>Fund Administrator- Climate Change DOB: 1991 A holder of an MBA in Finance, Bachelor of Science in Tourism management and CPA II holder. 5yrs of experience in public accounting. She is a member of the management committee.</p>
<p>2. CPA Gershon Mwaluda</p> 	<p>Fund Accountant- Climate Change DOB: 1993 A holder of Bachelor of Commerce in Finance Option. A Certified Public Accountant in good standing. 8years of experience in Accounting. He is a member of the management committee</p>
<p>3. Hannah Mwae</p> 	<p>Supply Chain officer- Climate Change DOB: 1987 A holder of degree in supply chain management and a certified member in procurement with over 10yrs of procurement and supply management. She is a member of the committee.</p>

4. Godfrey Mfuko



Environmental safeguard officer- Climate Change

DOB: 1989

A holder of a degree in environment. Over 5yrs of experience in environmental safeguard and environmental management.

He is the vice secretary to the committee

5. Fund Chairperson's Report

It is my pleasure to present the financial statements of the **Taita Taveta County Climate Change Fund** for the year ended 30th June 2025. The financial statements have been prepared in accordance with the provisions of the **Public Finance Management Act, 2012** and the guidelines issued by the **Public Sector Accounting Standards Board (PSASB)**. These statements present the financial performance and position of the Fund over the past year.

Review of Performance

Income

In the year ended 30th June 2025; the Fund had projected revenue of KShs **255,537,810**, comprising conditional grant allocations and county contributions, as well as balances brought forward. Actual inflows during the year amounted to **KShs 36,000,000**, of which **KShs 11,000,000** was received as FLLoCA CCIS grant and **KShs 25,000,000** from the County Government as part of the County Contribution.

Expenditure

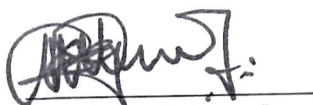
The total expenditure during the year amounted to **KShs 81,765,034.20**. This comprised:

- **KShs 61,461,440.20** on development projects (completed and paid),
- **KShs 72,000.00** on fuel,
- **KShs 3,588,250.00** on committee allowances, and
- **KShs 16,643,344.00** on other operational and ICT equipment costs.

This represents an absorption rate of approximately **31.99%** against the approved budget. In addition, there were other development projects that had been handed to the contractor and were on going.

Future Outlook

The Fund's focus is to build a robust and sustainable financing mechanism to mitigate the impacts of climate change and strengthen the resilience of communities within Taita Taveta County. Going forward, the Fund will prioritize the timely implementation of development projects, efficient utilization of resources, and enhanced collaboration with development partners. Continued support from the County Government and development partners will be vital in achieving the Fund's objectives and fulfilling its mandate of promoting climate-resilient development.



Grantone Mwandawiro

**The CECM Water Sanitation Environment Natural Resources and Climate Change
Chairperson- Climate Change Management Committee**

6. Report of the Fund Administrator

It is my pleasure to present the Fund Administrator's report for the **Taita Taveta County Climate Change Fund** for the year ended 30th June 2025. This report highlights the financial and physical performance of the Fund, program achievements, and the outlook for the coming year.

The Taita Taveta County Climate Change Fund was established by the 'Taita Taveta County Climate Change Fund Act, 2022, through a special issue "Kenya Gazette Supplement No. 6A (Taita Taveta County Acts No. 3A) dated 27th May 2022.

Budget Performance

The Fund's approved budget for FY 2024/25 was **KShs 255,537,810**, comprising conditional grants, county contributions, and balances brought forward.

- **Actual receipts** during the year were **KShs 36,000,000** (KShs 11,000,000 FLLoCA CCIS; KShs 25,000,000 county), representing **14.1%** of the annual budgeted inflows.
- **Expenditure** amounted to **KShs 81,765,034.20**, representing **31.99%** absorption against the approved budget.

Item	Budget (KShs)	Actual (KShs)	Absorption (%)
Total Inflows	255,537,810	36,000,000	14.1%
Total Expenditure	255,537,810	81,765,034	32.0%

Physical Progress

During the year, the Fund financed several climate change adaptation and resilience-building initiatives:

- **Completed development projects** worth **KShs 61,461,440.20** were paid and commissioned.
- **Ongoing projects** were under various stages of implementation at year-end.
- **ICT and equipment** worth **KShs 1,698,602** were procured to support fund management and monitoring.

This represents a **physical project completion rate of 44.7%** within the financial year.

Programme Performance

- **Programme 1: Climate-Resilient Infrastructure**
Several development projects were initiated and implemented, including water harvesting structures, community resource centers, and afforestation initiatives.
- **Programme 2: Governance and Capacity Building**
Committee activities were undertaken at a cost of **KShs 3,588,250**, enhancing transparency, oversight, and stakeholder engagement.
- **Programme 3: Operations and Administration**
Operational costs, including fuel and ICT equipment, were incurred to strengthen fund management and monitoring capacity.

Value for Money Achievements

The Fund has consistently sought to maximize value-for-money by:

- Prioritizing high-impact community projects aligned with the County Climate Change Act and Strategic Plan.
- Ensuring transparent procurement processes and participatory community oversight.
- Leveraging donor support to complement county allocations, thereby widening resource reach.

Challenges

The Fund faced several challenges during the year:

- **Delayed disbursement** of grants, leading to low absorption rates.
- **Capacity constraints** in technical supervision of ongoing projects.
- **Limited community awareness** on climate change projects and their impacts.

Future Outlook

Looking ahead to FY 2025/26, the Fund projects increased budgetary allocations from both donor and county contributions to accelerate project implementation. The Fund will prioritise:

- Completion of the **ongoing projects**.
- Scaling up **community-driven climate adaptation initiatives**.
- Strengthening **monitoring, evaluation, and reporting systems**.

The Fund's strategic focus remains on building resilience of communities, enhancing adaptive capacity, and aligning investments with the County Integrated Development Plan.

Risk Management

The Fund recognises potential risks, including funding delays, climate-related shocks, and governance challenges. To mitigate these, the Fund will:

- Strengthen engagement with the National Treasury and development partners for predictable disbursements.
- Institutionalize **risk-based project appraisal** and monitoring.
- Build community ownership to ensure sustainability of investments

I take this opportunity to thank all committees for their support, the fund management committee, which is the one that work hand in hand with this office to ensure prudent financial management. I would also wish to thank all CCU staff whom we have worked hand in hand to ensure that The Taita Taveta County Climate Fund achieves its mission.

Signed: _____



Valentina Mwata

Fund Administrator

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 objective and purpose of the Fund is to provide funding for climate change activities identified in the County Climate Change Action Plan. Specifically, the fund shall be used to finance:

- a)* Climate resilience investments within the county and ward-level
- b)* Strengthening institutional capacity for effective climate governance, particularly at the ward level;
- c)* Operationalizing the County Climate Change Fund (CCCF) to enable direct access to climate finance by communities;
- d)* Supporting community-driven interventions that address challenges such as water scarcity, land degradation, biodiversity loss, and agricultural vulnerability; and
- e)* Enhancing transparency and community participation through an accessible and functional Grievance Redress Mechanism (GRM).

Progress on attainment of Strategic development objectives

For the FY 2024-2025, the County Government of Taita Taveta has received KES 11 million, Climate Change Institutional Support (CCIS) funds, KES 25,000,000 as county contribution and there was a balance brought forward from 2023-2024 FY for implementation of CCRI projects

This Financial Year 2024/2025, a total of 31 climate resilience projects were earmarked for implementation across four thematic sectors: water, agriculture, disaster risk management (DRM), and environment. These interventions are designed to address key local climate challenges while strengthening adaptive capacity and sustainability at the grassroots level.

Below we provide the progress on attaining the stated objectives:

S/NO	Project	Objective	Indicators	Performance & Outcome
1	Rehabilitation of Ndolwa water project	Restore the Ndolwa water system to improve access to safe water.	Number of households reconnected; improved water flow.	Rehabilitation completed leading to reliable water supply.
2	Fencing of the Maghonyi Dumpsite	Enhance environmental safety by fencing the dumpsite.	Perimeter fenced; reduction in illegal dumping.	Fencing completed, leading to improved sanitation.
3	Rehabilitation of Ghazi water project	Repair Ghazi water system to restore supply.	System functionality; water supply restored.	Project completed with improved water access.
4	Malela water project	Provide clean water to Malela residents.	Number of taps installed; households connected.	Access to safe water improved, reducing waterborne diseases.
5	Construction of Nguwa Kighala Kirughurunyi water project	Construct water infrastructure to serve three villages.	Water tank built; distribution pipelines laid.	Ongoing
6	Construction of Maghonyi Box Culvert	Improve stormwater drainage and prevent flooding.	Culvert constructed; reduced flooding reports.	Ongoing
7	Equipping, Solarization and Distribution of Uthiani borehole	Equip borehole with solar energy and expand water distribution.	Solar system installed; pipelines connected.	Sustainable water supply achieved at lower cost.
8	Mahoo Storm water management	Manage stormwater in Mahoo area to reduce flooding.	Drainage channels constructed; fewer flood cases.	Improved community safety and protection of property.
9	Decommissioning of Chakaleri Dumpsite	Close and rehabilitate dumpsite for environmental protection.	Dumpsite closed; land rehabilitated.	Reduced environmental and health risks.
10	Ngelenyi Water Project	Increase water supply in Ngelenyi community.	New boreholes/pipelines constructed; beneficiaries reached.	Improved water access for households.

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

11	Drilling and developing of Gandia Kiriwenyi Borehole	Provide a borehole source of water in Gandia Kiriwenyi.	Borehole drilled and fitted with pump.	Initial stage.
12	Rehabilitation and Expansion of Kivingo Water pan	Expand water storage capacity for livestock and domestic use.	Pan capacity increased; area fenced.	Sustainable water source available during dry seasons.
13	Purchase and installation of pipes for supplying water to Majengo and Mtakuja A villages	Lay distribution network to two villages.	Pipes installed; number of households connected.	Villages receive safe and reliable water supply.
14	Wundanyi/ Mbale Water projects	Enhance water supply in Wundanyi/Mbale areas.	Water points rehabilitated; households served.	Water access improved in urban centers.
15	Distilling of Malela dam	Remove silt from Malela dam to increase storage.	Volume of silt removed; increased capacity.	Dam efficiency restored ensuring water security.
16	Pipping of Mombasa shop Mwakonyi	Lay water pipes for local water distribution.	Pipes installed; number of consumers reached.	Improved access to piped water.
17	Purchase of pipes for water supply at Malk C	Support water distribution with new pipes.	Length of pipes procured; installed connections.	Increased water reach to more households.
18	Installation of water pump and water tank in Mahoo borehole phase II	Enhance Mahoo borehole with pumping and storage capacity.	Pump installed; tank capacity created.	Steady water supply achieved for the community.
19	Installation of electricity power in Lang'ata and Lessesia water boreholes	Provide power to support borehole pumping operations.	Electric connections installed; boreholes operational.	Reliable power enables continuous water pumping.
20	Installation of Josa Modambogo water project	Install new water supply system at Josa Modambogo.	Pipelines and water points installed.	Community has improved water access.
	Mengo water project installation and distribution lines	Expand water distribution in Mengo area.	Pipelines laid; households connected.	Increased water coverage and access.
21	Maworenyi-Mariwe-Kiweto water project	Provide clean water to three villages.	Length of distribution network constructed.	Villagers gain access to reliable water.

22	Installation of Madangonyi community water supply in Ghazi	Supply Ghazi community with piped water.	Pipes laid; storage tanks installed.	Improved clean water coverage in Ghazi.
23	Kilogwa Kisengenyi Lolo Ndau Water Project	Provide piped water to Kilogwa, Kisengenyi, Lolo, and Ndau.	Distribution system constructed; taps installed.	Enhanced access to potable water.
24	Construction of Nguwa water tank	Build water tank for storage and supply in Nguwa.	Capacity of tank built; connections established.	Sustainable water supply ensured.
25	Construction of water tank Msidunyi Ngulu	Provide water storage facility at Msidunyi Ngulu.	Tank capacity achieved; linked to pipelines.	Improved reliability of water supply.
26	Supply and laying of pipes at Riata Kubwa project 1	Lay distribution pipes to expand water access.	Pipes length installed; consumers connected.	Access to water improved.
27	Supply and laying of pipes at Riata Kubwa project 2	Expand second phase of Riata Kubwa water project.	Pipes length laid; new households connected.	Further improved water distribution.
27	Installation of water pump and piping in Korana borehole	Equip Korana borehole with pump and piping.	Pump operational; distribution pipes installed.	Community gains access to clean borehole water.
28	Installation of water pump and piping in Bustani borehole	Provide pumping and piping system for Bustani borehole.	Pump installed; water distributed.	Households gain reliable water.
29	Fencing of Njoro Kubwa phase 2	Secure water infrastructure at Njoro Kubwa.	Area fenced; vandalism reduced.	Improved safety and sanitation outcomes.

8. Corporate Governance Statement

THE FUND

The Taita Taveta County Climate Change Fund was established by the 'Taita Taveta County Climate Change Fund Act, 2022, through a special issue "Kenya Gazette Supplement No. 6A (Taita Taveta County Acts No. 3A)

The County Steering committee performs all functions vested in the fund regulations, including;

- approve estimates of revenue and expenditure of the Fund for each financial year;
- approve annual budget, work plan, procurement plans and cash plans for the Fund;
- allocate funding for cross-ward and cross-county climate change response projects
- approve the financial statements of the Fund prepared by the Fund Administrator before they are presented for audit;
- approve the County Climate Finance Framework and the strategic plan of the Fund;

The Fund is committed to ensuring compliance with regulatory and supervisory corporate governance requirements. Essential to the establishment of a corporate governance framework in the fund is a formal governance structure with the Steering committee at its apex and two other planning committees that is the County Climate change planning Committee and the Ward Climate Change Planning Committee. The structure is designed to ensure an informed decision-making process based on accurate reporting.

THE STEERING COMMITTEE MEMBERS

The Steering Committee shall comprise 9 members who shall be appointed by the Governor.

(2) The members of the Steering Committee shall be—

- a) Deputy Governor who shall be the Chairperson;
- b) Executive Committee Member who shall be the Secretary;
- c) Executive Committee Member in charge of the County Treasury
- (d) Executive Committee Member-in-charge of Agriculture;
- (e) representative of the private sector nominated by the body representing the largest number of institutions in the private sector operating in the County;
- (f) a representative of the Civil Society nominated by the most representative registered association of civil societies working on climate change in the County;
- (g) a representative of the youth nominated by the most representative registered association of youths in the County;
- (h) a representative of women nominated by the most representative registered association of women in the County;

- (i) a representative of persons living with disability nominated by the umbrella body representing persons living with disability in the County;
- (j) Fund Administrator, who shall be as an ex-officio member with no voting rights

The Members are provided with full, appropriate and timely information that enables them to maintain full and effective control over the strategic, financial, operational and compliance issues. The day-to-day running of the operations of the fund is delegated to the fund Administrator but the Members are responsible for establishing and maintaining the fund's system of internal controls for the realization of its mandate of providing financial support for Climate Change.

STEERING COMMITTEE MEETINGS

The fund holds meetings as may be required in order to monitor the implementation of the fund's strategic plan and achievement of the targets. The Committee also plays an oversight role over all other financial and operational issues. The committee holds at least 4 meetings per financial year

AUDIT AND RISK COMMITTEE

The County internal Audit committee and internal Auditors are tasked with ensuring that corporate governance and integrity is enhanced in between the governance of the fund. The committee was established to advise the board on institutional risk management and compliance.

STATEMENT OF COMPLIANCE

The Management confirms that the fund has throughout the FY2024/2025 complied with all statutory and regulatory requirements and that the fund has been managed in accordance with the principles of good corporate governance.

INTERNAL CONTROL AND RISK MANAGEMENT

Internal Control

The committee is responsible for reviewing the effectiveness of the fund's system of internal control which is designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against unauthorized use or disposition and the maintenance of proper accounting records and the reliability of financial information used or for publication. These controls are designed to manage rather than eliminate the risk of failure to achieve funds' objectives due to circumstances which may reasonably be foreseen and can only provide reasonable and not absolute assurance against material misstatement or loss.

Standing Instructions

The fund has a Code of Ethics and Service that is applicable to all employees. These have a number of standing instructions to employees of the fund designed to enhance internal control.

Organization Structure

A clear organizational structure exists, detailing lines of authority and control responsibilities.

Strategic Plan

The business of the fund is determined by the County Climate change Action Plan. The County Climate change Action Plan sets out the objectives of the fund, and the annual targets to be met to attain those objectives. The County Climate change Action Plan is evaluated annually to assess the achievement of those objectives.

Internal Control Framework

The fund continues to review its internal control framework to ensure it maintains a strong and effective internal control environment. Business processes and controls are reviewed on an ongoing basis. A risk-based audit plan, which provides assurance over key business processes and operational and financial risks facing the fund, is approved by the audit and risk committee. The audit and risk committee considers significant control matters raised by management and both the internal and external auditors and reports its findings to the board. Where weaknesses are identified, the committee ensures that management takes appropriate action.

Auditor

The fund is audited by the Auditor-General.

9. Management Discussion and Analysis

9.1 Overview

The Taita Taveta County Climate Change Fund (CCCF) was established to mobilize, manage, and disburse financial resources for climate change adaptation and mitigation projects. For the year ended 30th June 2025, the Fund continued to support programmes aimed at building community resilience to climate change through investments in infrastructure, governance, and institutional capacity.

The financial year was characterized by modest inflows, significant development expenditure, and a large portfolio of ongoing projects, reflecting the Fund’s growing pipeline of climate interventions.

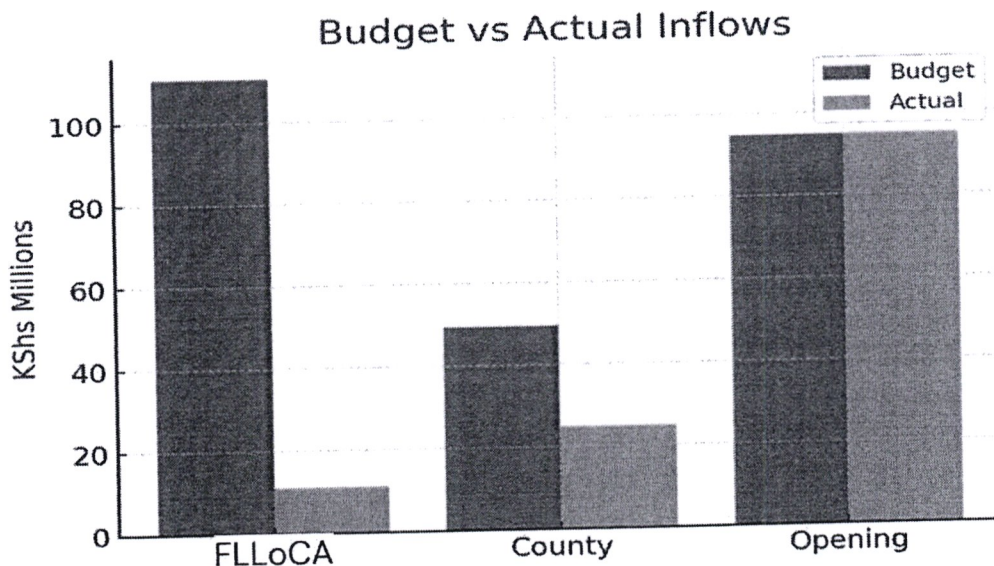
9.2 Financial Performance

Revenue

The approved budget for FY 2024/25 was KShs 255.54 million, comprising donor inflows, county contributions, and balances brought forward.

Actual inflows during the year amounted to KShs 36 million, equivalent to 14.1% of the budget.

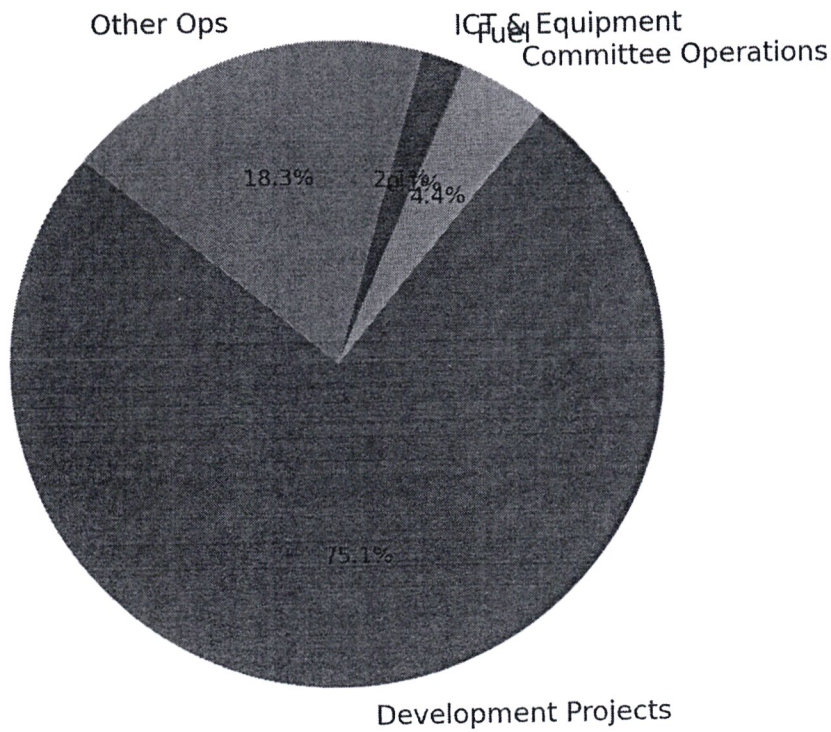
S/No	Source of Funds	Budget (KShs)	Actual (KShs)	Performance (%)
1	FLLoCA Grant	111,000,000	11,000,000	9.9%
2	County Contribution	49,600,000	25,000,000	50.4%
3	Opening Balance	94,937,810	94,937,810	100%
	Total	255,537,810	130,937,810	51.2%



Expenditure

Total expenditure was KShs 81.77 million, equivalent to 32.0% absorption of the approved budget. Breakdown of expenditure is as follows:

Expenditure by Category (FY 2024/25)



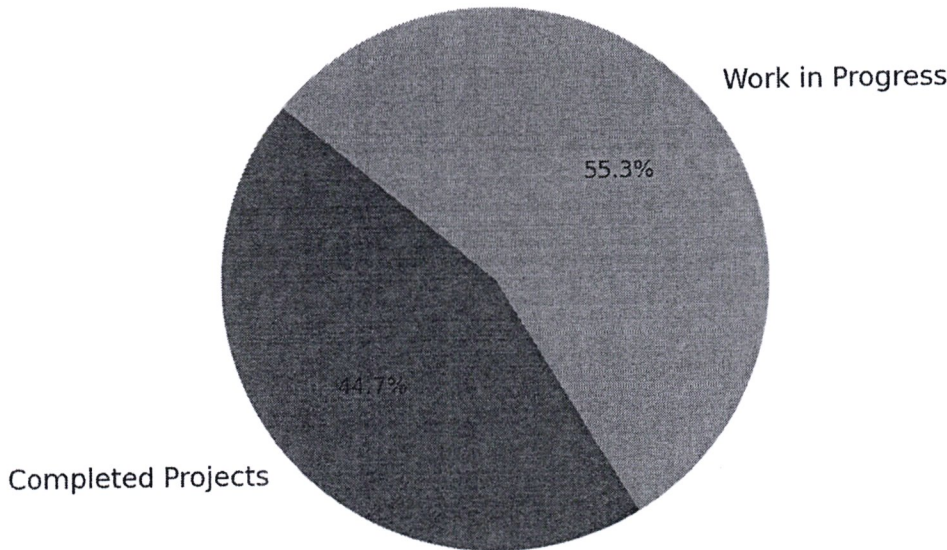
9.3 Physical Progress

During the year, the Fund achieved the following milestones:

- Completed Projects: KShs 61.46m fully paid and commissioned.
- Ongoing Projects under implementation.
- ICT Investments: KShs 1.70m procured.

Physical completion rate: 44.7% of total portfolio.

Project Implementation Status (FY 2024/25)



9.4 Compliance with Statutory Requirements

The Fund complied with the Public Finance Management Act, 2012, IPSAS Accrual standards, and PSASB reporting framework. All financial transactions were properly recorded and presented.

9.5 Key Risks and Risk Management

Key risks faced include:

- Funding delays due to late disbursement of donor grants and county contribution.
- Climate-related shocks affecting project timelines.
- Limited technical capacity for project supervision.

Mitigation measures implemented:

- Engagement with County Treasury and donors for timely disbursements.
- Risk-based project appraisal.
- Enhanced Community participation for sustainability.

9.6 Challenges

- Late release of conditional grants delayed projects.
- Limited community awareness on climate change.
- Procurement delays in execution of projects.

9.7 Future Outlook

In FY 2025/26, the Fund projects increased allocations from donors and the County Government. Priorities will include:

1. Completion of ongoing projects.
2. Scaling up new climate-resilient infrastructure.
3. Capacity building for governance committees.
4. Strengthened monitoring and evaluation.

The Fund will continue to ensure value-for-money in all projects to enhance community resilience.

10. Environmental and Sustainability Reporting

(i) Sustainability Strategy and Profile

The Taita Taveta County Climate Change Fund (CCCF) operates within the global context of climate change, which is recognized as one of the greatest challenges of our time. The Fund aligns its priorities with the Sustainable Development Goals (SDGs), particularly:

- SDG 13: Climate Action
- SDG 6: Clean Water and Sanitation
- SDG 15: Life on Land
- SDG 11: Sustainable Cities and Communities

During the reporting period (FY 2024/25), the Fund's sustainability strategy was guided by the County Climate Change Act, County Climate change Action Plan and national climate change frameworks.

Achievements

- Implementation of KShs 61.46 million worth of completed projects.
- Initiation of KShs 76.03 million worth of ongoing projects.
- Over 30% of contracts allocated to local suppliers, youth, women, and PWDs.

Challenges and Mitigation Measures

Challenges:

- Late disbursement of grants.
- Limited community involvement.

Mitigation Measures:

- Strengthening community participation forums.
- Phased project planning aligned with funding timelines.

(ii) Environmental Performance

The Fund is guided by the County Climate Change Policy and implements initiatives that reduce carbon footprint and promote sustainable ecosystems.

Key Achievements

- Tree planting programmes integrated into project sites.
- Adoption of digital record-keeping to reduce paper use.
- Promotion of environmentally friendly procurement practices.
- Investments in water harvesting structures and sustainable agriculture.

Shortcomings and Mitigation

- Limited adoption of eco-technologies due to cost barriers.
- Mitigation through partnerships and co-financing.

(iii) Employee Welfare

The fund does not hire employees but they have committees and staff seconded from the county executive. On those, the fund has ensured;

- Inclusive selection of committees guided by gender, youth, and PWD representation.
- Staff trained in project management and climate adaptation.
- Compliance with the Occupational Safety and Health Act, 2007, with no major injuries reported.
- Performance appraisals and rewards linked to results.

(iv) Market Place Practices

a) Responsible Competition Practices

The Fund ensures open and fair competition through transparent tendering, public participation, and compliance audits to mitigate corruption risks.

b) Responsible Supply Chain and Supplier Relations

Contracts are honored promptly, with over 30% of procurement directed to local suppliers, youth, women, and PWDs.

c) Responsible Engagement with Citizens

Engagement through public forums, website updates, and participatory planning, ensuring inclusivity and transparency.

d) Product Stewardship / Awareness Creation

Safeguarding citizens' rights through grievance redress mechanisms, project information disclosure, and compliance with the Data Protection Act, 2019.

(v) Corporate Social Responsibility / Community Engagements

In FY 2024/25, CSR and community engagement activities included:

- Tree planting campaigns with schools and community groups.
- Capacity building workshops on climate adaptation.
- Public participation forums in project planning.
- Support for vulnerable groups in climate governance structures.

Impact: These initiatives enhanced climate awareness, increased community participation, and improved household resilience in Taita Taveta County.

11. Report of The Trustees

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

Principal activities

The principal activities of the Fund are; Implement the proposed resilience projects proposed by the local communities through the WCCPC, create awareness on climate actions, mitigations and adaptation intervention and build resilience of the local communities

Results

The results of the Fund for the year ended June 30, 2025 are set out on page (xx)

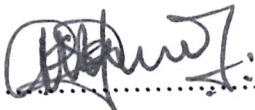
Trustees

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

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 Fund Administration Committee

Date:10.11.2025

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 Taita Taveta County Climate Change Act, 2022 shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

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

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

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

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

Approval of the financial statements

The Fund’s financial statements were approved by the Management team on 28-Aug-2025 and signed by the Fund Administrator Climate Change.



.....
Fund Administrator

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 TAITA TAVETA COUNTY CLIMATE CHANGE FUND FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Taita Taveta County Climate Change Fund set out on pages 1 to 39, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting

policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Taita Taveta County Climate Change Fund as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Financing Agreement No. (IDA V 319 – KE (P173065) between World Bank and the Government of Kenya and the Public Finance Management Act, 2012.

Basis for Opinion

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts revealed that the Fund had a revenue budget of Kshs.255,537,810 against actual realization of Kshs.130,937,810 resulting in under-realization of Kshs.124,600,000, or 49% of the budget. Similarly, the Fund spent a balance of Kshs.81,765,034 against actual receipts of Kshs.130,937,810 resulting in an under-utilization of Kshs.49,172,776 or 38% of the actual receipts.

The under realization and under-utilization affected 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 xxix which comprise of Key Entity Information and Management, Fund Administration Committee, Management Team, Fund Chairpersons report, Report of the Fund Administrator, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Trustees, Statement of

Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

i. Incomplete Projects and Lack of Value for Money on Climate Change Projects

Review of project records and physical verification carried out during the month of October, 2025 on a sample of five (5) projects that were procured during the year under review disclosed the following anomalies: -

ii. Fencing of Maghonyi Dumpsite

Fencing of Maghonyi dumpsite was awarded to a contractor at a contract sum of Kshs.5,022,500. The works entailed fencing the dumpsite to reduce illegal dumping of waste. The project was completed, works certified and the contractor was paid the whole contract sum. However, review of the bill of quantities provided included Kshs.200,000 provisional sums for project management which was not supported with a breakdown of the payments.

iii. Rehabilitation of Ghazi Water Project

The works for the Ghazi Water Project was procured at a contract sum of Kshs.4,866,835. The works involved repairing Ghazi water system in order to restore supply. The works were on going and an amount of Kshs.3,808,325 had been certified. The bill of quantities included works on lockable still locks which were however, not done. Further, the water supply lines were dilapidated resulting in leakages and there were no taps installed hence the community was experiencing difficulties in accessing water as they had to climb up the tank to fetch water posing a risk to the residents. Included in the bill of quantities was Kshs.200,000 as provisional sums which was not supported by the activities to be undertaken.

iv. Decommissioning of Chakaleri Dumpsite

The Fund advertised a tender for the decommissioning of Chakaleri dumpsite which attracted four (4) bidders. The tender was awarded to the winning bidder at a contract sum of Kshs.2,782,840 for a period of twenty (20) weeks. The project's objective was to close the dumpsite and rehabilitate it for environmental protection which was completed and the contractor paid the whole amount as per the contract terms. However, as at the time of the audit, the dumpsite was still in operation with trucks from Wundanyi and Voi still dumping wastes because the new dumpsite could not be accessed by the waste trucks due to un-built box culvert at Maghonyi seasonal water course. The dumpsite is still polluting the environment and thus no value for money was realized.

v. Ngelenyi Water Project

Ngelenyi water project was targeted at increasing water supply to the Ngelenyi community and involved works of construction of new boreholes and pipelines for supply of water supply. The tender was awarded to a firm at a contract sum of Kshs.5,488,067 out of which an amount of Kshs.4,652,507 was certified. The project is however in-complete and not in use, and the contractor was not on site at the time of the audit.

vi. Malela Water Project

The Malela water project involved connection of clean water to the residents of Malela at a contract sum of Kshs.4,862,188 out of which an amount of Kshs.3,582,952 was certified. The Malela water project is situated on private land and the Fund had no proof of ownership. Further, the contractor was to excavate a trench at a cost of Kshs.111,320 and was paid but no work was done. The project required a 3 phase connection which the Fund indicated to be expensive, as a result of which there was no electricity connection at the time of the audit. In addition, water was found to be extremely dirty and not suitable for human consumption.

Consequently, value for money may not have been achieved for the total amount of Kshs.23,022,430 contracted for the projects.

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, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance sections 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. Lack of County Climate Change Finance Framework

The Fund does not have a County Climate Change Finance Framework as required by Regulation 12 of Taita Taveta Climate Change Fund (Amendment) Regulations to guide the development and implementation of detailed climate change interventions listed in the climate change action plans. The policy framework aims to integrate climate change considerations into planning, budgeting, implementation and decision making at the National and County level and across all sectors. It also establishes a funding mechanism and strategy that enables implementation of priority actions for climate resilience adaptive capacity and low-carbon growth.

In the circumstances, the Fund lacked framework to guide the development and implementation of detailed climate change interventions.

2. Lack of ICT Policy and Disaster Recovery Plans

Review of the Fund's ICT internal control environment revealed that there was no formal approved ICT Policy in place at the time of audit which includes data security policy and disaster recovery plans. Further, formally documented and approved processes to manage upgrades for all financial and performance information systems were not in place. Failure to have in place a formal approved ICT Policy may expose the Fund to critical loss of data and thus jeopardize operations in case of disaster. This is contrary to Regulation 158(1) of the Public Finance Management Regulations, 2015 (County Governments) that requires the County Government entity to develop a system of risk management and internal control that builds robust business operations.

In the circumstances, the effectiveness of internal controls could not be confirmed.

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.

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


Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL


Nairobi

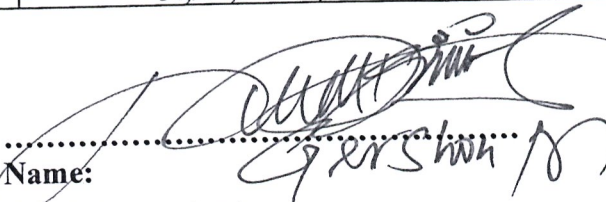
19 November, 2025

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

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

Description	Note	2024-2025	2023-2024
		Kshs	Kshs
Revenue From Non-Exchange Transactions			
Public Contributions and Donations	6	20,520,557.00	95,053,502.00
Transfers From the County Government	7	25,000,000.00	20,196,072.00
Fines, Penalties and Other Levies	8		
Revenue From Exchange Transactions			
Interest Income	9		
Other Income	10		
Total Revenue		45,520,557.00	115,249,574.00
Expenses			
Employee Costs	11		
Use of goods and services	12	80,066,432.20	21,856,138.00
Depreciation and Amortization Expense	13	361,321.47	
Finance Costs	14		
Total Expenses		80,427,753.67	21,856,138.00
Other Gains/Losses			
Gain/Loss on Disposal of Assets	15		
Gain /Loss on fair value of investments	16		
Surplus/(Deficit) for the Period		- 34,907,196.67	93,393,436.00


 Name: VALENTINA MWATA
 Administrator of the Fund


 Name: *Ershon N. Wanjau*
 Fund Accountant
 ICPAK Member Number: 81221

15. Statement of Financial Position As at 30 June 2025

Description	Note	2024-2025	2023-2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	17	49,172,775.80	94,952,036.00
Current Portion of Long- Term Receivables from Non- Exchange Transa	18 (a)	9,520,557.00	
Prepayments	19		
Inventories	20		
Investments in financial assets	21		
Total current assets		58,693,332.80	94,952,036.00
Non-Current Assets			
Property, Plant and Equipment	22	2,836,968.77	1,499,688.24
Intangible Assets	23		
Long Term Receivables from Exchange Transactions	18		
Investment Property	24		
Total non- current assets		2,836,968.77	1,499,688.24
Total Assets (A)		61,530,301.57	96,451,724.24
Liabilities			
Current Liabilities			
Trade and Other Payables from Exchange Transactions	25	-	
Current Provisions	26	-	
Current Portion of Borrowings	27	-	
Employee Benefit Obligations	28	-	
Social benefit liabilities	29	-	
Total current liabilities			
Non-Current Liabilities			
Non-Current Provisions	26	-	
Long Term Portion of Borrowings	27	-	
Non-Current Employee Benefit Obligation	28	-	
Social benefit liabilities	29	-	
Total Liabilities (B)			
Net Assets (A-B)		61,530,301.57	96,451,724.24
Represented By:			
Revolving Fund		-	
Surplus /Deficit for the period		34,907,196.67	
Reserves- WIP		96,451,724.24	96,451,724.24
Accumulated Surplus		61,544,527.57	96,451,724.24
Net Assets			

(Disclosure of the difference in note 17)

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 30th June, 2025 and signed by:

.....
 Name: VALERINA MWATA
 Administrator of the Fund

.....
 Name: Gershon Mwangi
 Fund Accountant
 ICPAK Member Number: 31231

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

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

Description	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
		Kshs	Kshs	Kshs
Balance As At 1 July 2023			1,558,599.00	1,558,599.00
Surplus/(Deficit) For the Period			94,893,125.24	94,893,125.24
Funds Received During the Year				-
Transfers				-
Revaluation Gain			96,451,724.24	96,451,724.24
Balance As At 30 June 2024				-
Balance As At 1 July 2024			96,451,724.24	96,451,724.24
Surplus/(Deficit) For the Period			- 34,907,196.67	- 34,907,196.67
Funds Received During the Year				-
Transfers				-
Revaluation Gain			61,544,527.57	61,544,527.57
Balance As At 30 June 2025				

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

Description	Note	2024-2025	2023-2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Public contributions and donations		11,000,000.00	95,053,502.00
Transfers from the county government		25,000,000.00	20,196,072.00
Interest received			
Receipts from other operating activities			
Total receipts		36,000,000.00	115,249,574.00
Payments			
Fund administration expenses			
General expenses		80,066,432.20	21,856,138.00
Finance cost			
Other payments			
			21,856,138.00
Net cash flows from operating activities	30	- 44,066,432.20	93,393,436.00
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		- 1,698,602.00	
Proceeds from sale of property, plant & equipment			
Proceeds from loan principal repayments			
Loan disbursements paid out			
Net cash flows used in investing activities		- 1,698,602.00	-
Cash flows from financing activities			
Proceeds from revolving fund receipts			
Additional borrowings			
Repayment of borrowings			
Net cash flows used in financing activities			
Net increase/(decrease) in cash & cash equivalents		- 45,765,034.20	93,393,436.00
Equivalents			
Cash and cash equivalents at 1 July	17	94,952,036.00	1,558,599.00
Cash and cash equivalents at 30 June	17	49,172,775.80	94,952,035.00

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

18. Statement Of Comparison Of Budget And Actual Amounts For The Period 2025

Description	Original budget Kshs	Adjustments Kshs	Final budget Kshs	Actual on comparable basis Kshs	Performance difference Kshs	% Utilization
	a	b	C=(a+b)	d	e=(c-d)	f=d/c*100
Budget carryovers from the previous year*	94,937,810.00		94,937,810.00	94,937,810.00	-	
Receipts						
Public Contributions and Donations	111,000,000.00		111,000,000.00	11,000,000.00	100,000,000.00	9.90990991
Transfers From County Govt.	49,600,000.00		49,600,000.00	25,000,000.00	24,600,000.00	50.40322581
Interest Income			-		-	0%
Other Income			-		-	0%
Total Income	255,537,810.00		255,537,810.00	130,937,810.00	124,600,000.00	51.24009242
Expenses						
Fund Administration Expenses						
General Expenses	255,537,810.00		255,537,810.00	81,765,034.20	173,772,775.80	
Finance Cost					-	
Total Expenditure	255,537,810.00		255,537,810.00	81,765,034.20	173,772,775.80	31.99723524
Capital expenditure						
Surplus For the Period				49,172,775.80		

Budget notes

1. Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization (IPSAS 24.14)
2. Provide an explanation of changes between original and final budget indicating whether the difference is due to reallocations or other causes. (IPSAS 24.29)

Budget Reconciliation

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	49,172,775.80
1	Reason for differences	
2	Reason for differences	
3	Reason for differences	
4	Reason for differences	
	Closing Cash and Cash Equivalent as per the statement of Cash flows	49,172,775.80

19. Notes to the Financial Statements

Significant Accounting Policies

1. General Information

Taita Taveta County Climate Change is established by and derives its authority and accountability from Taita Taveta Climate Change Act 2022. The Fund is wholly owned by the County Government of Taita Taveta and is domiciled in Kenya. The Fund's principal activity is the management of monies allocated to the Climate change unit to implement resilience projects that will enable communities adapt and mitigate effects of climate change actions.

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 2025

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

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

Standard	Effective date and impact:
IPSAS 43: Leases	<i>Applicable 1st January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities. <i>The fund has no leases</i>
IPSAS 44:	<i>Applicable 1st January 2025</i> The Standard requires,

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

Non- Current Assets Held for Sale and Discontinued Operations	<p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p><i>The fund does not hold Assets for sale</i></p>
IPSAS 45: Property Plant and Equipment	<p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p>The fund carried PPE added during the year at cost and existing PPE was depreciated and the charge was included in the statement of financial performance. Further, depreciation is calculated on a reducing balance basis.</p>
IPSAS 46: Measurement	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
IPSAS 47: Revenue	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non-exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>

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

(i) Early adoption of standards

The Taita Taveta County Climate Change did not early – adopt any new or amended standards in the financial year 2024/2025.

4. Summary of Significant Accounting Policies

a) Revenue recognition

i. Revenue from non-exchange transactions

Transfers from other government entities

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

ii. Revenue from exchange transactions

Interest income

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

Dividends

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

Rental income

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

b) Budget information

The original budget for FY 2024-2025 was approved by the County Assembly on June 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget.

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

Summary of Significant Accounting Policies (Continued)

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

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

c) Property, plant and equipment

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

a) Intangible Assets

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

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

b) Investment property

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

Summary of Significant Accounting Policies (Continued)

c) Financial instruments

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

Financial assets

Classification of financial assets

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

Subsequent measurement

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

Summary of Significant Accounting Policies (Continued)

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Summary of Significant Accounting Policies (Continued)

Financial liabilities

Classification

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

d) Inventories

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

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

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

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

e) Provisions

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

f) Social Benefits

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

Summary of Significant Accounting Policies (Continued)

g) Contingent liabilities

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

Contingent assets

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

h) Nature and purpose of reserves

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

i) 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)

j) 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.

k) 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.

l) 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.

m) 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.

n) 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 judgments, estimates and assumptions made e.g.

a) Estimates and assumptions –

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

b) Useful lives and residual values

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

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

c) Provisions

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

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

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

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

Notes To the Financial Statements Continued

6. Public contributions and donations

Description	2024-2025	2023-2024
	Kshs	Kshs
Donation From Development Partners (CCIS)	11,000,000.00	95,053,502.00
Donation From Development Partners (CCRIG)	9,520,557.00	
Total	20,520,557.00	95,053,502.00

(During the year the climate change fund received an institutional grant (CCIS) of Kes 11,000,000, and Kes 9,520,557 County Climate Resilience Grant CCRIG which was recognized as a receivable because it had not been received by the end of FY although a schedule had already been shared)

7. Transfers from County Government

Description	2024-2025	2023-2024
	Kshs	Kshs
County Contribution	25,000,000	20,196,072.00
Payments By County On Behalf Of The Entity		
Unconditional Development grants		
Total	25,000,000	20,196,072.00

8. Fines, penalties and other levies

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Late Payment Penalties	xxx	xxx
Fines	xxx	xxx
Total	xxx	xxx

9. Interest income

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Interest Income from Mortgage Loans	xxx	xxx
Interest Income From Car Loans	xxx	xxx
Interest Income From Investments in financial assets	xxx	xxx
Interest Income On Bank Deposits	xxx	xxx
Total Interest Income	xxx	xxx

(Provide brief explanation for this revenue)

10. Other income

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Insurance Recoveries	xxx	xxx
Income from Sale of Tender Documents	xxx	xxx
Bad debts recovered	xxx	Xxx
Miscellaneous Income	xxx	xxx
Total Other Income	xxx	xxx

(NB: All income should be classified as far as possible in the relevant classes and other income should be used to recognise income not elsewhere classified. Disclose write backs if any or recoveries from write offs).

11. Employee Costs

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Salaries And Wages	xxx	xxx
Staff Gratuity	xxx	xxx
Staff Training Expenses	xxx	xxx
Social Security Contribution	xxx	xxx
Other <i>(Specify)</i>	xxx	xxx
Total	xxx	xxx

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

12. Use of Goods and Services

Description	2024-2025	2023-2024
	Kshs.	Kshs.
General Office Expenses	14,944,742.00	11,874,907.00
Loan Processing Costs		
Professional Services Costs		
Administration Fees		
Committee Allowances	3,588,250.00	4,783,400.00
Bank Charges		
Electricity And Water Expenses		
Fuel And Oil Costs	72,000.00	
Insurance Costs		
Postage And Courier		
Printing And Stationery		
Rental Costs		
Security Costs		
Telephone And Communication Expenses		
Bank Charges		
Audit Fees		
Provision For Doubtful Debts		
Other: Community development Expenditure	61,461,440.20	5,197,831.00
Social benefit expenses*		
Total	80,066,432.20	21,856,138.00

13. Depreciation and Amortization Expenses

Description	2024-2025	2023-2024
	Kshs.	Kshs.
Property Plant and Equipment	361,321.47	497,263.76
Intangible Assets		
Total	361,321.47	497,263.76

14. Finance costs

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Interest On Bank Overdrafts	xxx	xxx
Interest On Loans From Banks	xxx	xxx
Total	xxx	xxx

15. Gain/(loss) on disposal of assets

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Property, Plant and Equipment	xxx	xxx
Intangible Assets	xxx	xxx
Total	xxx	xxx

16. Gain/ (loss) on Fair Value Investments

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Investments at Fair Value- Equity investments	xxx	xxx
Fair value – Investment property	xxx	xxx
Fair value- other financial assets (specify)	xxx	xxx
Total Gain	xxx	xxx

17. Cash and cash equivalents

Description	2024-2025	2023-2024
	Kshs	Kshs
Xxx Car Loan Account		
Xxx County Mortgage Account		
Fixed Deposits Account		
On – Call Deposits		
Current Account	49,172,775.80	94,952,036.00
Others (Specify)		
Total Cash and Cash Equivalents	49,172,775.80	94,952,036.00

Detailed analysis of the cash and cash equivalents are as follows

Financial Institution	Account number	2024-2025	2023-2024
		Kshs	Kshs
a) Fixed Deposits Account			
Kenya Commercial Bank			
Equity Bank, Etc.			
Sub- Total			
b) On - Call Deposits			
Kenya Commercial Bank			
Equity Bank - Etc.			
Sub- Total			
c) Current Account			14,226.00
Kenya Commercial Bank			
Central Bank of Kenya	1000567856	49,172,775.80	94,937,810.00
Sub- Total		49,172,775.80	94,952,036.00
d) Others(Specify)			
Cash In Transit			
Cash In Hand			
Sub- Total			
Grand Total		49,172,775.80	94,952,036.00

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

Disclosure note: in the Statement of Financial position there is a variance of kes 14,266 between Total Assets and Financed by. This amount arose from the previous year balance in a commercial bank account that was not operational in FY 204-25 and therefore is not part of the year's cash and cash equivalent.

18. Receivables from exchange transactions

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Current Receivables		
Interest Receivable	xxx	xxx
Current Loan Repayments Due	xxx	xxx
Other Exchange Debtors	xxx	xxx
Less: Impairment Allowance	(xxx)	(xxx)
Total Current Receivables		
Non-Current Receivables		
Long Term Loan Repayments Due	xxx	xxx
Total Non- Current Receivables	xxx	xxx
Total Receivables From Exchange Transactions	xxx	xxx

Additional disclosure on interest receivable

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Interest Receivable		
Interest receivable from current portion of long-term loans of previous years	xxx	xxx
Accrued interest receivable from of long-term loans of previous years	xxx	xxx
Interest receivable from current portion of long-term loans issued in the current year	xxx	xxx
Current loan repayments due		
Current portion of long-term loans from previous years	xxx	xxx
Accrued principal from long-terms loans from previous periods	xxx	xxx
Current portion of long-term loans issued in the current year	xxx	xxx

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

18 (a) Receivables from Non- Exchange transactions

Description	2024-2025	2023-2024
	Kshs	Kshs
CCRIG- County Climate Resilience Grant (non-exchange transactions)	9,520,557.00	0
Less: impairment allowance	-	0
Total receivables from non- exchange transactions	9,520,557.00	0

This Amount was not received into the Account by the close of FY, hence was recorded as a receivable

Reconciliation for Impairment Allowance on Receivables from Non-Exchange Transactions

Description	2024-2025
	KShs
At the beginning of the period	0
Additional provisions during the period	0
Less: Recovered during the period	0
Less: Written off during the period	0
At the end of the period	0

19. Prepayments

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Prepaid Rent	xxx	xxx
Prepaid Insurance	xxx	xxx
Prepaid Electricity Costs	xxx	xxx
Other Prepayments (<i>Specify</i>)	xxx	xxx
Total	xxx	xxx

20. Inventories

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

Description	Period Ended 30th Jun 2025	Period Ended 30th Jun 2024
	Kshs	Kshs
Consumable Stores		
Spare Parts And Meters		
Catering		
Other Inventories (WIP Projects)	-	
Total Inventories	-	

Detailed disclosure on inventories

Description	Period Ended 30th Jun 2025	Period Ended 30th Jun 2024
Opening balance	-	
Additional Inventory in the year	-	
Inventory expensed in the year	-	
Write-downs in the year		
Others(WIP Projects)		
Closing balance	-	

21. Investments in financial assets

Description	Insert Current FY	Insert Previous FY
	Kshs	Kshs
a. Investment in Treasury bills and bonds		
Financial institution		
CBK	xxx	xxx
CBK	xxx	xxx
Sub- total	xxx	xxx
b. Investment with Financial Institutions/ Banks		
Bank x	xxx	xxx
Bank y	xxx	xxx
Sub- total	xxx	xxx
c. Equity investments (specify)		
Equity/ shares in Entity xxx	xxx	xxx
Sub- total	xxx	xxx
Grand total	xxx	xxx

(Entity should disclose whether the fixed investment financial assets are measured at amortised cost or at fair value through changes in net assets/ equity) Investments in equity should be measured at fair value through surplus or deficit. Other information to be disclosed includes: the interest rates, maturity dates, valuation methodology, and impairment of these investments.

Movement of Equity Investments

Impairment allowance/ provision	Insert Current FY	Insert Previous FY
	Kshs	Kshs
At the beginning of the year	xxx	xxx
Purchase of investments in the year	xxx	xxx
Sale of investments during the year	(xxx)	(xxx)

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

Gain/(loss) in fair value of investments through surplus or deficit	xxx	xxx
At the end of the year	xxx	xxx

e) Shareholding in other entities

For investments in equity share listed above, list down the equity investments under the following categories:

Name of Entity where investment is held	No of shares			Nominal value of shares	Fair value of shares	Fair value of shares
	Direct shareholding	Indirect shareholding	Effective shareholding		Current year	Prior year
	%	%	%	Kshs	Kshs	Kshs
Entity A	xxx	xxx	xxx	xxx	xxx	xxx
Entity B	xxx	xxx	xxx	xxx	xxx	xxx
Entity C	xxx	xxx	xxx	xxx	xxx	xxx
	xxx	xxx	xxx	xxx	xxx	xxx

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

22. Property, plant, and equipment

Rate	Land	Work in Progress	ICT Equipments	Furniture and fittings	Computers and office equipment	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
				598,952.00	1,398,000.00	1,996,952.00
At 1st July 2023						-
Additions						-
Disposals						-
Transfers/Adjustments						-
Revaluation Adjustments				598,952.00	1,398,000.00	1,996,952.00
At 30th June 2024				598,952.00	1,398,000.00	1,996,952.00
At 1st July 2024			650,000.00		1,048,602.00	1,698,602.00
Additions						-
Disposals						-
Transfer/Adjustments						-
Revaluation Adjustments			650,000.00	598,952.00	2,446,602.00	3,695,554.00
At 30th June 2025						-
Depreciation And Impairment						-
At 1st July 2023				77,863.76	419,400.00	497,263.76
Depreciation						-
Impairment				77,863.76	419,400.00	497,263.76
At 30th June 2024						-
At 1st July 2024				67,741.47	293,580.00	361,321.47
Depreciation						-
Disposals						-
Impairment						-
Transfer/Adjustment			-	145,605.23	712,980.00	858,585.23
At 30th June 2025						-
Net Book Values				521,088.24	978,600.00	1,499,688.24
At 30th June 2024						-
At 30th June 2025			650,000.00	453,346.77	1,733,622.00	2,836,968.77

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

23. Intangible assets

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Cost		
At Beginning of The Year	xxx	xxx
Additions	xxx	xxx
At End of The Year	xxx	xxx
Amortization And Impairment		
At Beginning of The Year	xxx	xxx
Amortization	xxx	xxx
At End of The Year	xxx	xxx
Impairment Loss	xxx	xxx
At End of The Year	xxx	xxx
NBV	xxx	xxx

24. Investment Property

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
At beginning of the year	xxx	xxx
Additions	xxx	xxx
Disposal during the year	(xxx)	(xxx)
Depreciation	(xxx)	(xxx)
Impairment	(xxx)	(xxx)
Gain/(loss) in fair value (if fair value is elected)	xxx	xxx
At end of the year	xxx	xxx

(For investment property held at fair value, changes in fair value should go through the statement of financial performance. Where cost model is elected, depreciation and impairment should not be charged. Investment measured at fair value should be evaluated at the end of the reporting period for changes in fair value.). Entity should disclose the independent valuers, rental income from the investment property if any and the direct costs attributed to the investment property. Any charges on the investment property as well as any difficulty in classifying this asset as an investment property.

25. Trade and other payables from exchange transactions

Description	Insert Current FY		Insert Comparative FY	
	Kshs		Kshs	
Trade Payables	xxx		xxx	
Refundable Deposits	xxx		xxx	
Accrued Expenses	xxx		xxx	
Other Payables	xxx		xxx	
Total Trade and Other Payables	xxx		xxx	
Ageing analysis (Trade and other payables)	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	xxx	%	xxx	%
1-2 years	xxx	%	xxx	%
2-3 years	xxx	%	xxx	%
Over 3 years	xxx	%	xxx	%
Total (tie to above total)	xxx		xxx	

(NB: Amount under deposits and retentions should tie to cash held in deposit account)

26. Provisions

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

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

27. Borrowings

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Balance At Beginning of The Period	xxx	xxx
External Borrowings During the Year	xxx	xxx
Domestic Borrowings During the Year	xxx	xxx
Repayments of External Borrowings During the Period	(xxx)	(xxx)
Repayments of Domestic Borrowings During the Period	(xxx)	(xxx)
Balance At End of The Period	xxx	xxx

The table below shows the classification of borrowings into external and domestic borrowings:

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
External Borrowings		
Dollar Denominated Loan From 'X Organization'	xxx	xxx
Sterling Pound Denominated Loan From 'Y Organization'	xxx	xxx
Euro Denominated Loan from Z Organization'	xxx	xxx
Domestic Borrowings		
Kenya Shilling Loan From KCB	xxx	xxx
Kenya Shilling Loan from Barclays Bank	xxx	xxx
Kenya Shilling Loan from Consolidated Bank	xxx	xxx
Borrowings From Other Government Institutions	xxx	xxx
Total Balance at End of The Year	xxx	xxx

The table below shows the classification of borrowings long-term and current borrowings:

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Short Term Borrowings (Current Portion)	xxx	xxx
Long Term Borrowings	xxx	xxx
Total	xxx	xxx

(NB: the total of this statement should tie to note 22 totals. Current portion of borrowings are those borrowings that are payable within one year or the next financial year. Additional disclosures on terms of borrowings, nature of borrowings, security and interest rates should be disclosed). Borrowings should be measured at amortised cost as per IPSAS 41)

28. Employee benefit obligations

Description	Defined benefit plan	Post employment medical benefits	Other Provisions	Insert Current FY	Insert Comparative FY
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	xxx	xxx	xxx	xxx	xxx
Non-Current Benefit Obligation	xxx	xxx	xxx	xxx	xxx
Total	xxx	xxx	xxx	xxx	xxx

29. Social Benefit Liabilities

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Health social benefit scheme	xxx	xxx
Unemployment social benefit scheme	xxx	xxx
Orphaned and vulnerable benefit scheme	xxx	xxx
Elderly social benefit scheme	xxx	xxx
Bursary social benefits	xxx	xxx
Total	xxx	xxx
Current social benefits	xxx	xxx
Non- current social benefits	xxx	xxx
Total (tie to totals above)	xxx	xxx

Social benefit schemes include benefits such as cash transfers for unemployment or elderly in line with IPSAS 42. They are incurred to mitigate against a certain social risk e.g poverty, age, unemployment among others.

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

30. Cash generated from operations.

Description	2024-2025	2023-2024
	Kshs	Kshs
Surplus/ (Deficit) For the Year Before Tax	- 44,427,753.67	
Adjusted For:		
Depreciation	361,321.47	
Amortization		
Gains/ Losses On Disposal Of Assets		
Interest Income		
Finance Cost		
Working Capital Adjustments		
Increase In Inventory		
Increase In Receivables		
Increase In Payables		
Net Cash Flow From Operating Activities	- 44,066,432.20	

31. 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	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Transfers From Related Parties'	xxx	xxx
Transfers To Related Parties	xxx	xxx

c) Key management remuneration

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Board Of Trustees	xxx	xxx
Key Management Compensation	xxx	xxx
Total	xxx	xxx

d) Due from related parties

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Due From Parent Ministry	xxx	xxx
Due From County Government	xxx	xxx
Total	xxx	xxx

Other Disclosures Continued

e) Due to related parties

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Due To Parent Ministry	xxx	xxx
Due To County Government	xxx	xxx
Due To Key Management Personnel	xxx	xxx
Total	xxx	xxx

32. Contingent assets and contingent liabilities

Contingent Liabilities	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Court Case Xxx Against the Fund	xxx	xxx
Bank Guarantees	xxx	xxx
Total	xxx	xxx

(Give details)

33. 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 minimize the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The Fund does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

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

a) Credit risk

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

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

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

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

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

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

b) Liquidity risk management

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

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

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

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.

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

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

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

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

i. Foreign currency risk

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

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

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

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

Foreign currency sensitivity analysis

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

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

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 xxx (20xx: Kshs xxx). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs xxx (20xx – Kshs xxx).

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

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

34. Events after the reporting period

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

35. Ultimate and Holding Entity

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

36. Currency

The financial statements are presented in Kenya Shillings (Kshs)

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.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)

Guidance Notes:

- (i) Use the same reference numbers as contained in the external audit report.
- (ii) Obtain the “Issue/Observation” and “management comments”, required above, from final external audit report that is signed by Management.
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your Fund responsible for implementation of each issue.
- (iv) Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report to National Treasury.

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

Date.....

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

Annex II: Inter-Fund Confirmation Letter
[Insert your Letterhead]

[Insert name of beneficiary Fund]

[Insert Address]

The *[insert XXX name here]* wishes to confirm the amounts disbursed to you as at 30th June 20xx as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by <i>[Insert name of beneficiary Fund]</i> as at 30 th June 20xx							
Reference Number	Date Disbursed	Amounts Disbursed by <i>[CC/SAGA/Fund]</i> (Kshs) as at 30 th June 20xx				Amount Received by <i>[beneficiary Fund]</i> (KShs) as at 30 th June 20xx (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
Total							

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

Head of Accountants department of beneficiary Fund:

Name Sign Date



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

Annex III: Reporting of Climate Relevant Expenditures

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

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

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