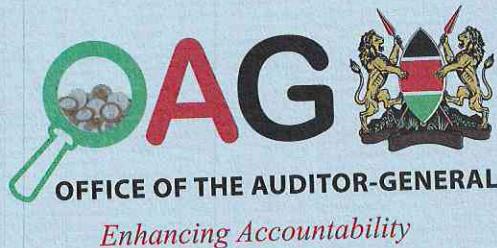


REPUBLIC OF KENYA

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



OAG/KRO/BOMET CCCF /2023/2024/ (20)

Mr. Isaac K Kitur
Clerk of the Bomet County Assembly,
P. O. Box 590-20400
BOMET



30 December, 2024

Dear Sir,

REPORT OF THE AUDITOR-GENERAL ON COUNTY CLIMATE CHANGE FUND FOR THE YEAR ENDED 30 JUNE, 2024 – COUNTY GOVERNMENT OF BOMET

I transmit the report on the examination and audit of **County Climate Change Fund** for the year ended 30 June, 2024 in accordance with the provisions of Article 229(7) of the Constitution of Kenya for the necessary action as required by Article 229(8) of the Constitution.

Yours sincerely

FCPA Sylvester N. Kiini
For: AUDITOR-GENERAL

Copy to:

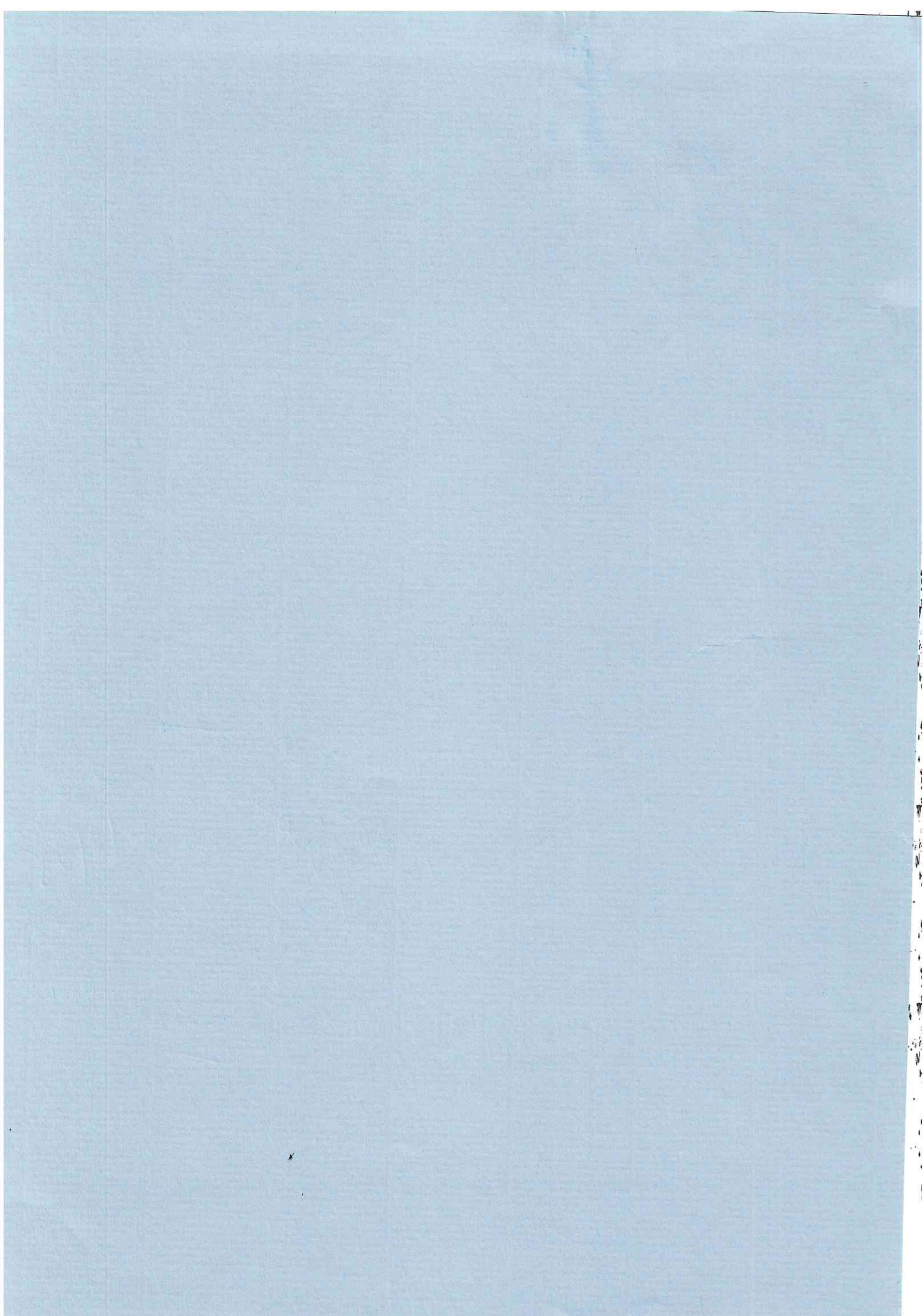
Dr. Chris Kiptoo, CBS
Principal Secretary
The National Treasury
P.O. Box 30007 - 00100
NAIROBI.

Mr. Jeremiah Nyegenye, CBS
Clerk to the Senate
P. O. Box 41842 – 00100
NAIROBI.

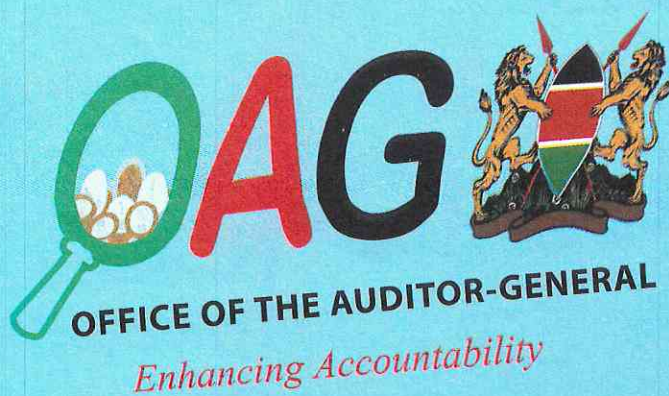
H.E. Hon. Dr. Hillary Barchok, EGH
Governor
County Government of Bomet
P.O. Box 19-20400
BOMET

Hon. Rosa Chepngetich Bett
C.E.C.M. Finance and Economic Planning
County Government of Bomet
P. O Box 19-20400
BOMET

Tabled on 12/2/25
Tabled on 12/2/25
12/2/25



REPUBLIC OF KENYA



REPORT

OF

THE AUDITOR-GENERAL

ON

COUNTY CLIMATE CHANGE FUND

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

COUNTY GOVERNMENT OF BOMET



BOMET COUNTY CLIMATE CHANGE FUND

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED JUNE 30, 2024

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

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

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1. Acronyms and Glossary of Terms

a) Acronyms

BOM	Board of Management
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
Kshs	Kenya Shillings
PCRA	Participatory Climate Risk Assessment
BCCCAP	Bomet County Climate Change Action Plan
FLLoCA	Financing Locally Led Climate Action
CCIS	Climate Change Institutional Support
CCRI	Climate Change Resilient Investment
Prof	Professor
Dr.	Doctor
CECM	County Executive Committee
CCRI-G	Climate Change Resilient Investment Grant

2. Key Entity Information and Management

a) Background information

- b) Bomet County FLLOCA Fund is established by and derives its authority and accountability from Bomet County Climate Change Act 2021. The Fund is wholly owned by the County Government of Bomet and is domiciled in Kenya.
- c) The funds main objective is;
 - (i) The object of the fund is to enhance climate resilience through development, management, implementation, regulation and monitoring of adaptation and mitigation measures and actions.
- d) (iii) Establish and implement mechanisms to promote and facilitate climate change research and development, innovations, technology development and transfer, training and capacity building;
- e) (iv) Integrate climate change into the exercise of power and functions of all levels of the county government, including in decentralized units and enhance cooperative climate change governance between the county, neighbouring counties and the national government;
- f) (v) Contribute to national efforts to address the adverse impacts of climate change;
- g) (vi) Put in place measures to minimize and continuously assess climate change risks and disasters;

(b) Principal Activities

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

- (a) Enhance community driven and bottom-up planning of response to climate change;
- (b) Support commitment to informed participation of communities in planning and implementation of climate change response interventions;
- (c) Ensure recognition, respect and integration of knowledge, perspectives and experiences of communities in climate change response;

(d) Ensure planning and implementation of climate change response to be anchored in and supportive of devolution.

(c) County Climate Change Steering Committee

Ref	Name	Position
1	HE Prof.Hillary Barchok	Chairman
2	HE.Shadrack Rotich	Vice Chair
3	Hon.Julia Chepchirchir Chepkuto	Secretary
4	Andrew Sigei	Member
5	Dr.Kipngetich Kirui	Member
6	Benard Kirui	Member
7	Rosa Chepngetich Bett	Member
8	Beatrice Cheron	Member
9	Cheron Kosgei	Member
10	Alphonse Rotich	Member
11	Dr.Ahmed Omar	Member

(d) Key Management team

Ref	Name	Position
1	Solomon Kimeto	Chief Officer Water, Environment and Climate Change.
2	CPA Erick Chepkwony	Chief Officer Finance
3	Theophilus Koech	Director Environment and Climate Change
4	CPA Anne Maina	Fund Accountant

(e) Fiduciary Oversight Arrangements.

The key fiduciary bodies at the County for the year ended 30th June, 2024 were;

1. Directorate of internal Audit.
2. County Assembly of Bomet Committee on Water, Environment and Climate Change.
3. Budget and Appropriation Committee.

(f) Registered Offices

P.O. Box 19-20400
Bomet, Kenya.

Off Narok- Sotik Highway.

(g) Fund Contacts.

Telephone: (254) 7210418933

E-mail: climatechange@bomet.go.ke

Website: www.bomet.go.ke

(h) Fund Bankers

1. Central Bank of Kenya

Haile Sellassie Avenue

P,o box 60000

City Square 00200

Nairobi Kenya

2. Equity Bank,Bomet Branch

Along Kaplong Nairobi Highway.

A/C No.1220282601634

Bomet, 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

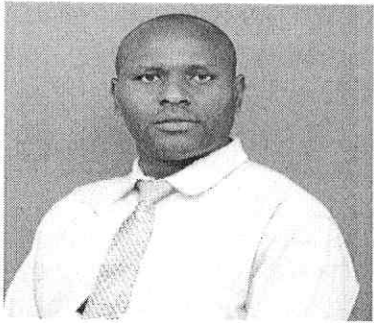
The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

(k) County Attorney

The County Attorney
County Government of Bomet
Office of the Governor
P.O. Box 19-20400
Bomet, Kenya

3. County Climate Change Steering Committee

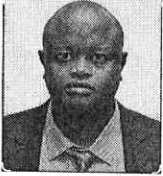
Name	Details of qualifications and experience
 H.E. Prof. Hillary Barchok	H.E. Prof. Hillary Barchok the fourth Governor of Bomet County took the oath of office on August, 2022 for his second term in office. H.E. The Governor holds PhD from Moi university, M.E.D (science) from Egerton university and a bachelor of education degree (science) from Egerton university. Before being a Governor, he served as the deputy Governor to the 2nd Governor; and senior lecturer and Dean of students at Chuka university as well as being an appointee of Retirement benefit authority (RBA) as a non-executive director.
 H.E David Shadrack Rotich	H.E David Shadrack Rotich is the third Deputy Governor of Bomet County. He holds a Master of Business Administration (MBA) East and Southern Africa Management Institute (ESAMI) Arusha, Tanzania and a Bachelor of Commerce (B.COM) Degree from Punjab University, INDIA and He served as Bomet County Assembly Speaker and prior to that as Finance and Administration Manager in Association of County Governments of Kenya (ACGOK)
 Dr Joseph Kipnetich Kirui	Dr Joseph Kipnetich Kirui is the CECM, Administration, ICT and public service. He has been a lecturer by profession with 14 years' experience out of which he has served as a teacher trainer for 4 years. He holds a PhD in curriculum development from Moi University and a Master's in Education arts from Moi University.

	Julia Jephchir Chepkuto is CECM, Water, Environment and Natural Resources. She previously served in the same capacity upon her appointment as CECM on 21st August 2019 as CECM Trade, Investment, Industry and Energy. Ms. Chepkuto is a teacher by profession with 22 years' experience. Before her appointment she served as a member Longisa County Referral Hospital Management Board. She holds a Bachelors' Degree in Education (Early Childhood Education)
 Mr Andrew Kimutai Sigei	Mr Andrew Kimutai Sigei is the CECM, Finance and Economic Planning. He also served as a Fund Account Manager at the National Government Constituency Development Fund (NGCDF) Board for Sotik and Ainamoi constituencies. Mr. Sigei holds master degree in Business management (Strategic management) from University of Kabianga, a Bachelor's degree in Mathematics and Economics from University of Nairobi and he is pursuing PhD in strategic management.
 Dr Benard Tonui	Dr Benard Tonui is the CECM, Youth, Sports and Social Services. Dr Tonui has been a senior lecturer for more than 10 years. He has a PhD (JKUAT) in Applied statistics, MSC statistics (UON) and BED (Egerton University).
 Ms Rosa Bett	Ms Rosa Bett is the CECM, Cooperatives and Enterprise development. She also served as a CEO Kimbilio Daima Sacco from 2011 and also served as a manager of the same Sacco from 1999. She currently serves as a board member for Kimulot Boys High School. Mrs Rosa holds a bachelor of Education arts degree in Maths and Business studies. She is also a CPAK holder and post graduate diploma in marketing management. She also holds a master's degree in strategic management

Bomet County Climate Change Fund

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

4. Management Team

Name	Details of qualifications and experience
 CPA Erick Chepkwony	Mr. Erick Chepkwony is 36 years old and currently the Chief Officer for Finance. He has Masters in Business Administration, Bachelor of Commerce (Accounting), CPA (K) Holder. He has over 10 years working experience most of which in different capacities. He is the chair of the Fund.
 Mr. Solomon Kimeto	Mr. Solomon Kimeto is a 44 years and is Chief Officer in charge of Climate Change. He has Msc. in Occupational Safety and Health, Bsc. in Occupational Safety and Health. He has 16 years' work experience as Safety advisor, fire auditors, Air quality monitor, NEMA lead expert
 Mr. Theophilus Koech	Theophilus Koech is a 41-year-old and serves as Director in charge of Climate Change at County. He has masters in Project Planning and Management, Bachelors in IT, High Diploma IMIS, Senior Management Course (SMC), Certificate in Climate Solutions and Climate Change the Science and Global Impact. He has 15years experience. He is a member of the fund
 CPA Anne Maina	Anne Maina has Bachelor of Commerce Degree in Accounting and a CPA (K) holder, Senior Management Course (SMC) She has over 10 years' experience in Public Sector Accounting. She is the Fund Accountant.

5. Fund Chairperson's Report

I wish to thank the World Bank for the partnership we have with them at the County level. The Funds they have extended to us at the County have given us enormous support especially during laying out of climate change structures. We have received Funds from World Bank amounting to Ksh.11, 000,000 CCIS grant and Ksh. 128,519,868 CCRI grant whereas we received Ksh.35, 000,000 from County budgetary allocation. The total amount received was Ksh.174,519,868 and payments made by the county government on behalf of the entity was 13,762,983. The total expenditure during the year amounted to Ksh. 87,368,362.

There were no changes in the Fund during the year. The board committee and the key management team are still working with us.

We faced challenges of delay in release of funds by the National treasury which were released at the close of financial year, therefore we were not able to utilise the funds because the financial year came to a close. This fund has a long term benefit to the residence of Bomet County through building climate resilience and mitigation, restoration of water catchment areas.

Signature



Date 27th November 2024

Hon. Julia Chepchirchir Chepkuto.

6. Report of the Fund Administrator.

It is my humble pleasure to present to you the Annual Report and Financial statements for the year ended 30th June, 2024. I wish to thank the World Bank for the partnership we have wit

Climate Change Institutional Support (CCIS) Funds from World Bank amounting to Ksh.11, 000,000 whereas we received Ksh. 35,000,000 from County budgetary allocation towards Climate Change and Kshs. 128,519,868 CCRI grant. Out of County Budgetary allocation of Ksh.60, 000,000 we were able to receive Ksh.35, 000,000. The deficit of Ksh.25, 000,000 is to be received in due course of the new financial year 24/25. These funds were spent as per work plan and budget of the Climate Change Unit. Although we received these funds (county contribution and CCRI-G at the end of the financial year we were able to spend Ksh 87,368,362 against a total amount received of Ksh. 188,282,851.

Capacity building is achieved through training community. The Climate Change Unit has been able to do a lot of climate change sensitization at the ground level, spearheading forest reclamation and protection of springs, rivers and water catchment areas. We have also trained the communities about the benefits of green climate in all the five sub-counties namely Konoin, Chapalungu, Bomet East, Bomet Central and Sotik Sub counties.

The Budgeted amount for Capacity building and awareness was ksh.11, 000,000 CCIS. The whole amount was utilised for the said activity.

We faced challenges of delay in release of funds by the National treasury especially both allocations –the county contribution and the donor funds. This year we were not having any pending bills. This fund has mitigation, restoration of water catchment areas.

Throughout this process we have been able to achieve the following as value for money across the county;

- Trees have grown along river banks. We were able to plant 121,670 tree seedlings to reflect an increase of 90,670 tree seedlings.

- Communities have supply of water at close proximity. We were able to construct water pans and water pipelines across the county during the financial year. We connected water within shared amenities like schools, dispensaries, ward offices and villages across the county.
- The community is now aware of protective activities towards the environment at large and water sources around them.

The key risk strategies to be implemented to avoid future problems are;

In order to minimize fund risks, the committee of the Fund requisition fund to be transferred to the FLLoCA Special Purpose Account (SPA) at Central Bank on quarterly basis to minimise delays in project implementations.

As a team, we are committed to ensuring climate change resilient are build and strengthen in the community and serving public better every day while adhering to existing regulations governing management of the Fund. We are focusing on future goals County to greatness.

Sustainability will be achieved by handing over the projects to water company for proper maintenance and servicing to ensure continuity of the projects. In agriculture sector, extension officers be offering extension services for better productions and



.....
CPA Erick Chepkwony
Fund Administrator
County Government of Bomet -Climate Change Fund.

Date 27th November 2024

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

Introduction

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

The key development objectives of the Fund as per the strategic plan for 2022-2026 are to:

- a) Facilitate public participation in climate change responses
- b) Environmental Protection.
- c) Build and strengthen communities on climate change resilience.

Progress on attainment of Strategic development objectives

Below we provide the progress on attaining the stated objectives:

Program	Objective	Outcome	Indicator	Performance
Training and Capacity development	To increase awareness creation	Increased community participation in environment protection and climate change mitigation and adaptation strategies	More people are aware of mitigation and adaptation of climate change	In FY 23/24 we increased capacity building by 20 %
Restoration of degraded land	rehabilitation of eroded areas,	Increased restored ecosystem	More trees have been planted	In FY 23/24 we increased trees planted by

	reforestation and tree planting	conserving the environment		121,670 tree seedlings.
	To improve the ability of the local community to cope with prolonged dry spell	Enhanced community ability to cope with prolonged dry spell	Number of water sources constructed, number of capacity enhancement undertaken	In FY 23/24 we Constructed water pans, desilted water pans and constructed pipelines.

8. Corporate Governance Statement

Bomet county FLLoCA Fund steering committee was commissioned in September 2022 and sat for their inaugural meeting in December 2022 and another in 22nd May 2023 to approve PCRA and BCCCAP for the five years from 2022-2026.

Composition of Steering Committee and its sub-committees

- (1) The Steering Committee shall comprise of not more than fifteen members who shall be appointed by the Governor.
- (2) The members of the Steering Committee shall be—
 - (a) Governor who shall be the chairperson and the Deputy Governor who shall be the Vice Chairperson;
 - (b) County Commissioner
 - (c) Executive Committee Member as Secretary;
 - (d) Executive Committee Member in charge of Finance;
 - (e) Executive Committee Member in charge of Agriculture;
 - (f) Executive Committee Member in charge of Environment, water and irrigation;
 - (g) Executive Committee Member in charge of Disaster Management;
 - (h) Executive Committee Member in charge of Energy;
 - (i) one representative of a duly registered public benefit organizations working in the county nominated by the umbrella organization representing the largest number of public benefit organizations in the county;
 - (j) one representative of the private sector in the county nominated by the umbrella organization representing the private sector in the county;

(k) One representative of women in the county nominated by the umbrella organization representing the largest number of women's organizations in the county

(l) One representative of youth in the county nominated by the umbrella organization representing the largest number of youth organizations in the county existence of a board/trustee charter,

Process of appointment and removal of Steering Committee

Appointment

Persons nominated for appointment are presented to the county assembly for approval as per the act.

Removal of Member of the Steering Committee

(1) A member of the Steering Committee may resign from the Committee by issuing one month's notice in writing to the Governor.

(2) A member of the Steering Committee may be removed from the Committee by the Governor on any one or a combination of the following grounds—

(a) Failure to attend two consecutive meetings of the Steering Committee without reasonable cause duly communicated to the chairperson of the Committee;

(b) Serious violation of the Constitution or any other written law;

(c) Gross misconduct;

(d) Physical or mental incapacity;

(e) Bankruptcy.

Roles and Functions of Steering Committee

The Steering Committee shall coordinate and oversee climate change response in the county, and in this connection shall—

Bomet County Climate Change Fund
Annual Report and Financial Statements for the year ended June 30, 2024.

- (a) Ensure mainstreaming of climate change into county planning and development processes;
- (b) Coordinate formulation and monitor implementation of the County Climate Change Action Plan, County Climate Finance Framework and any other county climate change policies, plans and strategies;
- (c) Mobilize funds into and administer the County Climate Change Fund established under this Act;
- (d) Review, approve and monitor implementation of Regulations for administration and management of the Fund;
- (e) Review and make recommendations on the biennial report on implementation of the County Climate Change Action Plan and any other reports on climate change response interventions in the county;
- (f) Advise the county government on legislative, policy and other measures necessary for climate change response and attainment of low carbon climate resilient development;
- (g) Approve and oversee the implementation in the county of a comprehensive programme of climate change education awareness creation and capacity building;
- (h) Provide policy direction on research, training and dissemination of information relating to climate change to the public and other stakeholders in the county;
- (i) Ensure positive linkages, interactions and synergy between the county, neighboring counties and the national government in climate change response programming and action;
- (j) Ensure a coordinated approach to climate change response programming and action within the county, between the county and national government, and among the different stakeholders in the county;
- (k) Coordinate the formulation of a climate change reporting framework, and the preparation and dissemination of an annual report on climate change response activities in the county; and

(l) Perform any other functions that may further the foregoing objectives and/or as may be assigned by the Governor.

(m) The steering committee may from time to time establish sub-committees for the better carrying of its functions induction and training, board and member performance, conflict of interest,

Steering Committee Remuneration

The members of the steering committee are paid allowances as approved by SRC and the county Treasury.

Oversight Role

The steering committee and Assembly provides direction with a focus on consistent operation of the fund in an atmosphere of transparency and accountability. It retains full control and monitors implementation of the plans and strategies.

In accordance with the principle of good governance, Members of the Committee are required to act in accordance with the highest standards of honesty and integrity as per Chapter Six of the Kenya Constitution 2010. They ensure ethical behaviour and compliance with relevant laws and regulations, audit, and accounting principles, corporate policies, procedures and code of ethics.

Conflict of Interest

The committee is under legal duty to act honestly in the best interest of the institution. Any business transacted must be at arm's length and fully disclosed. They are required to promote diversity across the organisation with regards to youth, gender, disadvantage groups and all community members of Bomet County. There is an elaborate mechanism to monitor and control any conflict of interest at any level.

Committee Meetings and Trainings

The meetings of the Committee are convened by the chairperson or in the absence of the chairperson; the vice-chair person or a member designated by the chairperson at such times as may be necessary for the discharge of the Committee's functions. The committee members are given appropriate and timely agenda for the meeting.

Existence of Service Charter

The Fund has a service charter to ensure quality improvements that are sustainable and guided by the type of service standards our customers (internal and external) expect. It also offers a guide to

Bomet County Climate Change Fund

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

all our communities on how to make complaints through Grievance Redress Mechanism channels and suggestions on improvements in our service.

Succession Plan

The Fund's Administrator and the Director in charge of Climate Change are Public Officers and thus there is continuity when new Fund Committee will be constituted as a result of change of government which might warrant change of fund committee composition.

Committee Allowances/Remuneration

Committee allowances are paid as per SRC Circular dated 16th April, 2014 and Ministry of Devolution and Planning Circular dated 2nd August, 2013

9. Management Discussion and Analysis

Operational and financial performance of the Fund.

The Fund was established by Bomet County Assembly Act 2021 with aim of enacting enhance climate resilience through development, management, implementation, regulation and monitoring of adaptation and mitigation measures and actions.

(1), this Fund shall be applied by the county government in all sectors of the economy to—

- (a) Mainstream climate change responses into development planning, decision making and implementation;
- (b) Implement coordinated and integrated responses to climate change and its impacts by all actors and stakeholders;
- (c) Facilitate effective management of climate change impacts by enhancing adaptive capacity, strengthening resilience and reducing vulnerability to climate change;
- (d) Promote, support and facilitate community-based and community-initiated adaptation and mitigation activities;
- (e) Enforce duties and provide incentives for the private sector to contribute to achievement of low carbon climate resilient development;
- (f) Facilitate public participation in climate change response through capacity development, awareness creation, consultation, representation and access to information;
- (g) Establish frameworks and mechanisms for mobilization and transparent and accountable management of financial and other resources for climate change response;
- (h) Establish and implement mechanisms to promote and facilitate climate change research and development, innovations, technology development and transfer, training and capacity building;
- (i) Integrate climate change into the exercise of power and functions of all levels of the county government, including in decentralized units and enhance cooperative climate change governance between the county, neighbouring counties and the national government;
- (j) Contribute to national efforts to address the adverse impacts of climate change;

Climate Change Unit has been in operation to ensure all minimum conditions that were required for the unit are met in order to receive the CCRI grant from the World Bank. From the total County Budget allocation, we were allocated 2.7 % being Contribution towards climate change. A total of Ksh.60, 000,000 was allocated in our County Budget. An institutional support grant of Ksh. 11,000,000 was received as CCIS grant. Another grant allocation of Ksh. 130,000,000 was budgeted for as CCRI-G

Bomet County Climate Change Fund

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

We received 11,000,000 CCIS grant which was spent fully as per the PCRA plan. From the County Budget we received Khs.35, 000,000 and Kshs.128, 579,868 as grant was received which was to be spent as per BCCAP

Fund's compliance with statutory requirements

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 Bomet County Climate Change Act, 2021 shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

Further, 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.

Being the second financial year since the inception of the fund these financial statements have been derived from the initial financial statements of the fund.

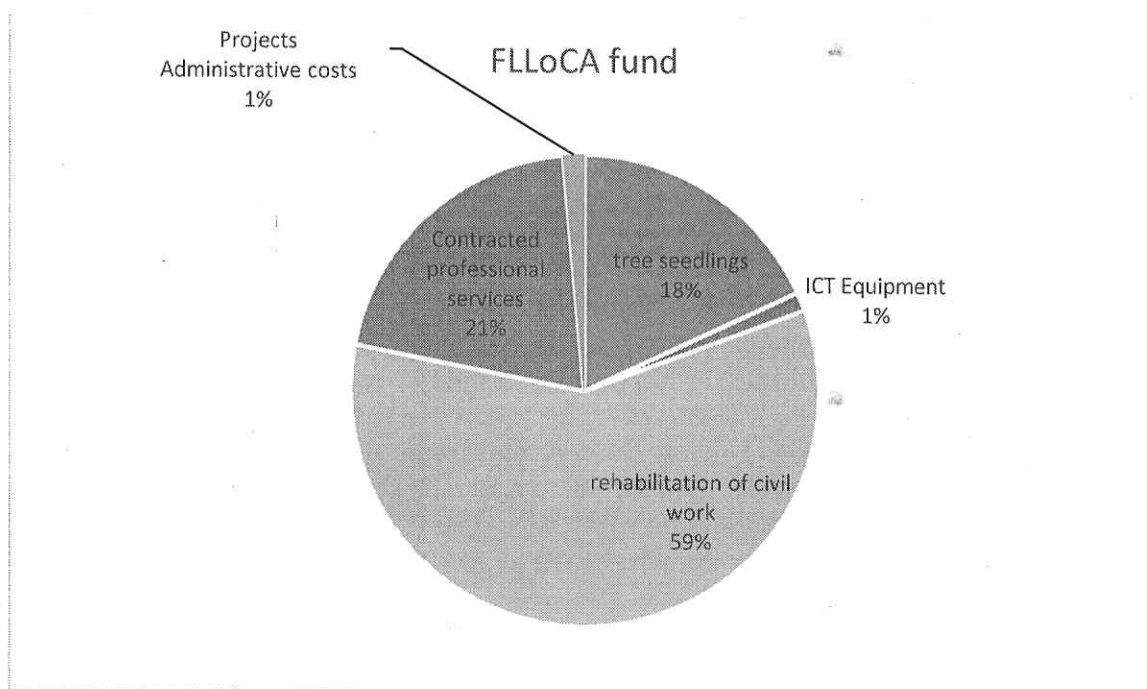
Major risks facing the Fund

Cash flow fluctuations and unpredictability

Internal revenue flow is unpredictable due to fluctuations on a month to month basis and donor funds towards FLLoCA related activities. This unpredictability results in irregular budget and planning for the funds leading to delays in commencement and completion of projects and planned activities.

Inflation rates

High inflation rates might destabilize the budgets thus inflating the costs of the projects. This is more pronounced for projects and programmes that roll over for more than one financial year.



The tree seedlings were worth Ksh. 18,793,266, ICT Equipment Ksh.998,000 , Rehabilitation of Civil works was Ksh. 48,520,571 whereas Ksh.1,115,000 was spent on project prioritization and Screening.

10. Environmental and Sustainability Reporting

1. Sustainability strategy and profile

A long term environmental sustainability and Climate Change adaptation and mitigation strategy is one of the aspects receiving globally receiving attention. Our County has put efforts is environmental and climate change actions build climate change resilience in our communities and minimize adverse effects to our communities through sustainable action programs. Advocating for environmental resources management that aims to ensure that ecosystem services are protected and maintained for future human generations, and also maintain ecosystem integrity through considering ethical, economic and scientific is a best practice. Global climate finance through Inter-governmental agreements and policies have seen a success in ensuring our environment and climate mitigation strategies

2. Environmental performance

Directorate of Environment, Natural Resources and Climate Change has put in place different mechanisms in an effort to manage biodiversity through implementations of policies and legal framework in place. County Environmental Action Program (CEAP) addresses Environmental challenges facing Bomet County as a whole. These Environmental Challenges include deforestation, poor agricultural practices in water catchment areas, pollution of water resources and loss of biodiversity. Further, the county is prone to climate change.

Environmental Management and Coordination Policy, which brings together relevant sectors- Public Health, Agriculture and Environment- in dealing with environmental cross cutting issues e.g. Sanitation, Gender, Environment and Natural Resources specific issues and water management. The objective of this policy is to ensure timely and coordination responses to environmental related emergencies. Climate Change Policy 2019 is in place guiding the climate mitigation and adaptation to climate change

The department Water, Natural Resources, Environment and Climate Change has successfully carried out countywide Participatory Climate Risk Assessment (PCRA) which is a mile stone. All 25 Wards have PCRA profile and proposed Climate Resilient projects and activities were forwarded by communities to be implemented within Bomet County Climate Change Action Plan (BCCCAP 2022-2026). Established Ward Climate Change Committees at the every Ward have been given mandate to run locally Lead Climate

Actions and also Climate Change Unit has taken Charge with implementation of Climate Actions these will reduce environmental impacts in our organisation's products. A Climate Change funding (Financing Locally Led Action (FLLoCA) from World Bank through The National Treasury has been put down Intergovernmental Agreement signed with the county.

3. Employee welfare

Our county has recruitment policies designed in recruitment of new employees. FLLoCA has in its policy asked counties to establish climate Change Unit (CCU) to be responsible in Climate change finance and implementation of climate resilient Projects/activities but guided by the enacted Climate change laws passed by Bomet County Assembly. This Global fund and the County at large prohibits all forms of sexual harassment, sexual exploitation but strictly adhere to the Code of Conduct in the work environment

4. Market place practices-

a) Responsible Supply chain and supplier relations-

Public Procurement and Disposal Act 2022 is adhered to at all times. The legal framework and policies governing procurements and ensure a transparent awards and competitive bidding process to a winning bidder is successfully done in a manner that follows the procurement laws.

b) Responsible ethical practices-

Fraudulent practices or collusive practices or abusive practices within the department are prohibited. The principle of transparency has been practised to minimize corruption practises,

c) Stewardship of goods and services

The department has established Citizen Engagement channels and Grievance Redress Mechanism (GRM) to address all concerns from its residents and external customers. Efforts to reach our citizen are done openly through all the communication channels and service delivery to them.

5. Community Engagements

Corporate social responsibility is the key practice. Given the Locally Led programs is a bottom up program where communities are the one to identify projects and activities to be implemented. This is a commitment from Bomet County to ensure all engagements with the community is fruitful and their environmental and climate change related issues are addressed their local level as depicted in the Participatory Climate Risk Assessment (PCRA) exercise.

11. Report of the steering committee

The steering committee submit their report together with the audited financial statements for the year ended June 30, 2024 which show the state of the Fund affairs. This is further highlighted in the chairman's report and the report of the fund administrator.

Principal activities

The principal activities of the Fund continue to be as indicated in the key entity management and information.

Results

The results of the Fund for the year ended June 30, 2024 are set out on page 1 to page 21 of the financial statements.

Trustees

The members of the steering Committee who served during the year are shown on page viii, ix and x. There were no changes in the Board during the financial year.

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 for the period ended June 30, 2024.

By Order of the Board



Hon. Julia Chepkuto

Chair of the Board/Fund Administration Committee

Date 27th November 2024

12. Statement of Management's Responsibilities

Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a County Public Fund established by The *Bomet County Climate Change Act, 2021* shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The Administrator of the County Public Fund is responsible for the preparation and presentation of the Fund's financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 2024. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Fund; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Fund; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Administrator of the County Public Fund accepts responsibility for the Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and Bomet County Assembly Act 2021. The Administrator of the Fund is of the opinion that the Fund's financial statements give a true and fair view of the state of Fund's transactions during the financial year ended June 30, 2024, and of the Fund's financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Administrator of the County Public Fund has assessed the Fund's ability to continue as a going concern and disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements. 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 Board on 27th November 2024 and signed on its behalf by:



Signature Rosa Bett

County Executive Committee Member – Finance and Economic Planning

REPUBLIC OF KENYA

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Enhancing Accountability

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NAIROBI

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

PREAMBLE

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

- A. Report on the 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 the Lawfulness and Effectiveness in 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 the Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of County Climate Change Fund- County Government of Bomet set out on pages 1 to 28, which comprise the statement of financial position as at 30 June, 2024 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of County Climate Change Fund- County Government of Bomet as at 30 June, 2024 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 Bomet County Climate Change Act, 2021 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracy of Transfers from the County Government

The statement of financial performance reflects transfers from the County Government amounting to Kshs.48,862,623. The amount includes payments made by the County Government on behalf of the Fund totalling Kshs.13,762,983 and relating to previous financial year payables as disclosed in Note 2 to the financial statements. This did not relate to the current financial year.

Further, the supporting expenditure returns, Authority to Incur Expenditure, request letters to and the corresponding approvals from the County Treasury indicating specific application of the funds were not provided for audit review.

In the circumstances, the accuracy, completeness and propriety of transfers from the County Government amounting to Kshs.13,762,983 could not be confirmed.

2. Inaccuracy of Total Revenue Comparative Figure

The statement of financial performance reflects Nil total revenue comparative figure. However, the amount differs with the prior year audited total revenue amounting to Kshs.45,000,000 resulting to an unexplained variance of Kshs.45,000,000.

In the circumstance, the accuracy and completeness of Nil total revenue comparative figure could not be confirmed.

3. Unsupported Project Administrative Costs

The statement of financial performance reflects use of goods and services amounting to Kshs.86,370,363. The amount includes project administrative cost amounting to Kshs.2,477,080 as disclosed in Note 3 to the financial statements. Review of records revealed that the project administrative cost amount includes allowances paid to County Government officers who participated in the screening and prioritization of action projects within the Sub-Counties totalling Kshs.1,115,000 which was paid in the form of imprest. However, the imprest surrender documents were not provided and the imprest was not recorded in the imprest register.

In the circumstance, the accuracy, completeness and propriety of project administrative cost amounting to Kshs.1,115,000 could not be confirmed.

4. Inaccuracy of Cash and Cash Equivalents

The statement of financial position reflects cash and cash equivalents totalling Kshs.108,042,747. The amount includes Bomet County Climate Change Fund Bank account balance amounting to Kshs.108,020,053 as disclosed in Note 4 to the financial statements. However, the balance differs with the cash book balance of Kshs.113,637,661 resulting to an unexplained variance of Kshs.5,617,608.

Further, bank reconciliation statements for the bank accounts were not prepared in the year under review.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.108,020,053 could not be confirmed.

5. Inaccuracy of Total Current Assets

The statement of financial position reflects total current assets amounting to Kshs.109,040,747. However, the amount differs with the recomputed total current assets amounting to Kshs.108,042,747 resulting in unexplained variance of Kshs.998,000.

Further, the statement reflects total assets comparative figure amounting to Kshs.13,762,983 which differs with the prior year audited figure totalling bKshs.13,924,735 resulting in unexplained variance of Kshs.161,752.

In the circumstances, the accuracy and completeness of total current assets amounting to Kshs.109,040,747 could not be confirmed.

6. Unsupported Trade Payables

The statement of financial position reflects trade payables totalling Kshs.6,866,867 as further disclosed in Note 5 to the financial statements. However, the supporting documents including ledger schedule giving a detailed list of the suppliers, invoices, delivery notes, local service or local purchase order numbers were not provided for audit review.

Further, a permanent ledger for the trade and other payables to show individual opening balance, additions, and specific amount settled during the year and the closing balance was not maintained. The ageing analysis for the payables was also not provided for audit review

In addition, the statement reflects trade payables comparative figure of Kshs.13,924,735 which differs with the previous audited financial statements balances of Kshs.13,762,983 resulting to unexplained variances of Kshs.161,752.

In the circumstances, the accuracy and completeness of the trade payables balance of Kshs.6,866,867 could not be confirmed.

7. Inaccuracies in the Statement of Cash Flows

The statement of cash flows reflects transfers from the County Government amounting to Kshs.35,099,640 which differs with the transfers from the County Government amounting to Kshs.48,862,623 as reflected in the statement of financial performance resulting in unexplained variance of Kshs.13,762,983.

Further, the statement reflects use of goods and services amounting to Kshs.79,503,496 which differs with the use of goods and services amounting to Kshs.86,370,363 reflected in the statement of financial performance resulting in unexplained variance of Kshs.6,866,867.

In addition, the statement reflects Nil net cash flows from investing activities which differs with the recomputed net cash flows from investing activities amounting to Kshs.998,000 resulting in unexplained variance of Kshs.998,000.

In the circumstances, the accuracy and completeness of the statement of cash flows could not be confirmed.

8. Inaccuracies in the Statement of Comparison of Budget and Actual Amounts

The statement of comparison of budget and actual amounts reflects final expenditure budget totalling Kshs.202,000,000. However, the amount differs with the recomputed final expenditure budget totalling Kshs.201,000,000 resulting in unexplained variance of Kshs.1,000,000.

Further, the statement reflects total expenditure performance difference amounting to Kshs.115,629,638. However, the amount differs with the recomputed expenditure performance difference amounting to Kshs.114,629,638 resulting to unexplained variance of Kshs.1,000,000.

In the circumstances, the accuracy and completeness of statement of comparison of budget and actual amounts could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final revenue budget and actual on comparable basis amounting to Kshs.202,000,000 and Kshs.188,382,491 respectively resulting to an under-funding of Kshs.13,617,509 or seven percent (7)% of the budget. Similarly, the statement reflects final expenditure budget and actual on comparable basis amounting to Kshs.202,000,000 and Kshs.86,370,362 respectively resulting to under-expenditure of Kshs.115,629,638 or fifty seven percent (57%) of the budget.

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

My report is not modified in respect of this matter.

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the matter described in the

Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, twelve (12) issues were raised under the Report on Financial Statements, Other Matter, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, Management has not resolved the issues or given any explanation for failure to resolve the issues.

My opinion is not modified in respect of this matter.

Other Information

The Management is responsible for the Other Information set out on page v to xxix which comprise of Key Entity Information and Management, County Climate Change Steering Committee, Management Team, Fund Chairman's Report, Report of the Fund Administrator, Statement of Performance against County Fund's Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Steering Committee, and 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 conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on the Lawfulness and Effectiveness in Use of Public Resources section of my report, I

confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Non – Compliance to Fiscal Policy on Climate Change Fund

The statement of comparison of budget and actual amounts reflects original and final revenue and expenditure budget amounting to Kshs.202,000,000 . However, the Fund did not have an approved budget for the year under review. This was contrary to Section 49(1) of Bomet County Climate Change Act, 2021, which state that the functions of the Steering Committee, the Planning Committee and Ward Planning Committee and the Secretariat thereof shall be financed through a vote in the estimates of revenue and expenditure of the relevant Department.

In the circumstances, Management is in breach of law.

2. Failure to Enact Fund Regulations

The Fund has been operating without approved regulations contrary to Section 48(1) of the Bomet County Climate Change Act ,2021 which states that the Executive Committee Member in charge of finance shall, in consultation with the County Executive Committee Member for the time being responsible for climate change matters in Bomet County, develop Regulations for administration and management of the Fund.

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

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

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

Conclusion

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

Basis for Conclusion

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

Responsibilities of the Management and 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 INTOSAI Framework of Professional Pronouncements (IFPP). The Framework requires

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

24 December, 2024

Bomet County Climate Change Fund**Annual Report and Financial Statements for the year ended June 30, 2024****14. Statement of Financial Performance for the Year Ended 30th June 2024**

Description	Note	2023-2024	2022-2023
		Kshs	Kshs
Revenue From Non-Exchange Transactions			
Public Contributions and Donations	1	139,519,868	11,000,000
Transfers From the County Government	2	48,862,623	34,000,000
Revenue From Exchange Transactions			
		-	-
Total Revenue		188,382,491	-
Expenses			
Use of goods and services	3	86,370,363	44,838,248
Total Expenses		86,370,363	44,838,248
Other Gains/Losses			
Surplus for the Period		102,012,128	161,752



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Name: CPA Erick Chepkwony
Administrator of the Fund



Name: CPA Anne Chepkemai
Fund Accountant
ICPAK Member Number: 21550

15. Statement of Financial Position As at 30 June 2024

Description	Note	2023-2024	2022-2023
		Kshs	Kshs
Assets			
Non-Current asset			
Property Plant and Equipment		998,000	
Current Assets			
Cash and Cash Equivalents	4.	108,042,747	13,924,735
Total current assets		109,040,747	13,924,735
Total Assets		109,040,747	13,924,735
Liabilities			
Current Liabilities			
Trade payables	5	6,866,867	13,924,735
Total current liabilities		6,866,867	13,924,735
Non-Current Liabilities			
Total Liabilities		6,866,867	13,762,983
Net Assets		102,173,880	161,752
Revolving Fund		-	-
Reserves		-	-
Accumulated Surplus		102,173,880	161,752
Total Net Assets and Liabilities		102,173,880	161,752

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 26th September 2024 and signed by:



Name: CPA Erick Chepkwony
Administrator of the Fund



Name: CPA Anne Chepkemai
Fund Accountant
ICPAK Member Number: 21550

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

16. Statement Of Changes in Net Assets for the year ended 30th June 2024.

Description	Revolving Fund	Revaluation Reserve	Accumulated surplus		Total
			Kshs	Kshs	
Balance As At 1 July 2021	-	-	-	-	-
Surplus/(Deficit) For the Period	-	-	-	-	-
Funds Received During the Year	-	-	-	-	-
Transfers	-	-	-	-	-
Revaluation Gain	-	-	-	-	-
	-	-	-	-	-
Balance As At 1 July 2022	-	-	-	-	-
Surplus/(Deficit) For the Period	-	-	161,752	161,752	161,752
Funds Received During the Year	-	-	-	-	-
Transfers	-	-	-	-	-
Revaluation Gain	-	-	-	-	-
	-	-	-	-	-
Balance As At 1 July 2023			161,752	161,752	161,752
Surplus/(Deficit) For the Period	-	-	102,012,128	102,012,128	102,012,128
Funds Received During the Year		-	-	-	-
Transfers		-	-	-	-
Revaluation Gain		-	-	-	-
Balance As At 30 June 2024		-	102,173,880	102,173,880	102,173,880

Bomet County Climate Change Fund
Annual Report and Financial Statements for the year ended June 30, 2024.

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

Description	Note	2023-2024	2022-2023
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Public contributions and donations	1	139,519,868	11,000,000
Transfers from the county government	2	35,099,640	34,000,000
Interest received			-
Receipts from other operating activities		-	-
Total receipts		174,619,508	45,000,000
Payments			
Fund administration expenses		-	-
Use of goods and services	3.	79,503,496	31,075,265
Other payments –Purchase of ICT Equipment.			-
Net cash flows from operating activities		95,116012	13,924,735
Cash flows from investing activities			
Purchase of property, plant, equipment and Intangible assets	6.	998,000	
Proceeds from sale of property, plant & equipment		-	-
Proceeds from loan principal repayments		-	-
Loan disbursements paid out		-	-
Net cash flows used in investing activities		-	-
Cash flows from financing activities			
Proceeds from revolving fund receipts		-	-

Bomet County Climate Change Fund

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

Additional borrowings			-	-
Repayment of borrowings			-	-
Net cash flows used in financing activities				
Net increase/(decrease) in cash & cash Equivalents			97,118,012	13,924,735
Cash and cash equivalents at 1 July 2023			13,924,735	-
Cash and cash equivalents at 30 June, 2024			108,042,747	13,924,735

i. The cash flow statement is prepared on cash basis hence the transfers from the county government excludes payments on behalf of the entity of Ksh 13,762,983 from the total receipts of Ksh 48,762,983 as indicated in note 2 of the financial statement.

ii. The use of goods and services also excludes payables of Ksh 6,866,867 from the total payments of Ksh 86,370,362

Bomet County Climate Change Fund
Annual Report and Financial Statements for the year ended June 30, 2024.

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

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	b	C=(a+b)	d	e=(c-d)	f=d/c*100
Revenue						
Public Contributions and Donations- Grants	142,000,000	-	142,000,000	139,519,868	2,480,132	98%
Transfers From County Govt.	60,000,000	-	60,000,000	48,862,623	11,137,377	81%
Total Income	202,000,000	-	202,000,000	188,382,491	13,617,509	93%
Expenses					0	
Use of goods and services	201,000,000	-	201,000,000	86,370,362	114,629,638	43%
Total Expenditure	202,000,000	-	202,000,000	86,370,362	115,629,638	43%
Surplus For the Period				102,012,129	-102,012,129	

Budget notes

The underutilization of below 90% resulted from late disbursements by the national treasury during the financial year. This would have pushed utilization higher had the money been received earlier. However, there was an increase in expenditure during the year up from 23% to 39%.

Bomet County Climate Change Fund

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

19. Notes to the Financial Statements

1. General Information

Bomet County Government FLLOCA entity is established by and derives its authority and accountability from Bomet County Climate Change Act 2021. The entity is wholly owned by the Bomet County Government and is domiciled in Kenya. The entity's principal activity is

Building and strengthening climate change resilience

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) There new and amended standards issued during the year ended 30 June 2024.

Standard	Effective date and impact
IPSAS 41: Financial Instruments	Applicable: 1st January 2023 The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:

Bomet County Climate Change Fund
Annual Report and Financial Statements for the year ended June 30, 2024.

Standard	Effective date and impact
	• Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy. Impact This amendment had no effect on the current financial report
IPSAS 42: Social Benefits	Applicable: 1st January 2023 The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess: (a) The nature of such social benefits provided by the Entity; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows. Impact. This amendment had no impact on this financial report.
Amendments to Other IPSAS resulting from IPSAS 41,	Applicable: 1st January 2023 a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.

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

Standard	Effective date and impact
Financial Instruments	b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued. Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued. Impact: This amendment had no effect on this financial report.
Other improvements to IPSAS	Applicable 1st January 2023 • IPSAS 22 Disclosure of Financial Information about the General Government Sector. Amendments to refer to the latest System of National Accounts (SNA 2008). • IPSAS 39: Employee Benefits Now deletes the term composite social security benefits as it is no longer defined in IPSAS. • IPSAS 29: Financial instruments: Recognition and Measurement Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023. Impact. This amendment had no impact on this financial report.

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

Standard	Effective date and impact:
IPSAS 43	Applicable 1st January 2025 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

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

Standard	Effective date and impact:
	for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities. Impact. This amendment had no impact on this financial statement.
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	Applicable 1st January 2025 The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance. Impact. This amendment had no impact on this financial report.

(iii)Early adoption of standards

The Entity did not early`

– adopt any new or amended standards in the financial year 2023.

Bomet County Climate Change Fund

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

1. 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 2023/2024 was approved by the County Assembly on June 2022. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Fund did not record any additional funds during the FY 2024 budget following the governing body's approval.

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

Summary of Significant Accounting Policies (Continued)

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

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

c) Property, plant and equipment

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

d) Intangible Assets

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

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

e) Investment property

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

Summary of Significant Accounting Policies (Continued)

f) Financial instruments

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

Financial assets

Classification of financial assets

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

Subsequent measurement

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

Bomet County Climate Change Fund
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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.

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.

Bomet County Climate Change Fund

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g) 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.

h) 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 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.

i) 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)

j) 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.

k) Nature and purpose of reserves

There were no reserves maintained during the financial year.

l) 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.

m) 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)

n) 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.

o) 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.

p) 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.

q) 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.

r) Comparative figures

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

5. Significant judgments and sources of estimation uncertainty

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

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

a) Estimates and assumptions –

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

b) Useful lives and residual values

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

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

c) Provisions

Provisions were raised and management determined an estimate based on the information available.

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.

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6. Notes To The Financial Statements

1. Public contributions and donations

Description	2023-2024	2022-2023
	Kshs	Kshs
Donation From Development Partners	139,519,868	11,000,000
Total	139,519,868	11,000,000

2. Transfers from County Government

Description	2023-2024	2022-2023
	Kshs	Kshs
Transfers From County Govt. Batch 1		14,000,000
Transfers From County Govt. Batch 2	35,000,000	20,000,000
Returned EFT	99,640	
Subtotal Total Transfers From County Govt. –Operations	35,099,640	34,000,000
Payments By County On Behalf Of The Entity	13,762,983	-
Unconditional Development grants		-
Total	48,862,623	34,000,000

The Payments by County On Behalf of the Entity were accrued payables at the close of the previous financial year of Ksh 13,762,983.

3. Use of Goods and Services

Description	2023-2024	2022-2023
	Kshs.	Kshs.
Purchase of tree seeds and seedlings	18,793,266	9,099,500
Rehabilitation of Civil works	48,520,570	16,721,164
Professional services	16,575,355	19,011,154
Bank Charges	4,090	6,430
Project Administrative cost	2,477,080	-
Total	86,370,361	44,838,248

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4. Cash and Cash Equivalents.

Description	2023-2024	2022-2023
	Kshs	Kshs
Cash and bank balances	108,065,441	13,924,735
Total Cash And Cash Equivalents	108,042,747	13,924,735

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

Financial Institution	Account number	2023-2024	2022-2023
		Kshs	Kshs
a) Current Account			
Equity Bank	1220282601634	22,694	5,714,916
Bomet County Climate Change Fund	1000543582	108,020,053	8,209,819
Sub- Total		108,042,747	13,924,735
Grand Total		108,042,747	13,924,735

5. Trade and other payables from exchange transactions

Description	2023-2024		2022-2023	
	Kshs		Kshs	
Trade Payables	6,866,867		13,762,983	
Total Trade and Other Payables	6,866,867		13,762,983	
Ageing analysis (Trade and other payables)	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	-	100%	-	
1-2 years	-	-	-	
2-3 years	-	-	-	
Over 3 years	-		-	
Total (tie to above total)	-	100%	-	

Bomet County Climate Change Fund**Annual Report and Financial Statements for the year ended June 30, 2024.****6. Property, plant and equipment**

	Land and Buildings	Motor vehicles	Furniture and fittings	Computers and office equipment	Total
Cost	Kshs	Kshs	Kshs	Kshs	Kshs
At 1 st July 2024	-	-	-	-	-
Additions	-	-	-	998,000	998,000
Disposals	-	-	-	-	-
Transfers/Adjustments	-	-	-	-	-
At 30 th June 2022	-	-	-	-	-
At 1 st July 2022	-	-	-	-	-
At 30 th June 2024	-	-	-	998,000	998,000
Net Book Values	-	-	-	998,000	998,000

7. Cash generated from operations.

Description	2023-2024	2022-23
	Kshs	Kshs
Surplus/ (Deficit) For the Year Before Tax	100,914,489	161,752
Adjusted For:		
Depreciation		
Amortisation		
Gains/ Losses On Disposal Of Assets		
Interest Income		
Finance Cost		
Working Capital Adjustments		
Decrease in payables	(6,896,116)	13,762,983
Increase in payables		
Net Cash Flow From Operating Activities	94,018,373	13,924,735

5. 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) County Climate Change Steering Committee; etc.

b) Related party transactions

Description	2023-2024	2022-2023
	Kshs	Kshs
Transfers From Related Parties	35,000,000	-
Transfers To Related Parties	-	-

c) Key management remuneration

Description	2023-2024	2022-2023
	Kshs	Kshs
County Climate Change Steering Committee	-	-
Key Management Compensation	-	-
Total	-	-

d) Due from related parties

Description	2023-2024	2022-2023
	Kshs	Kshs
Due From Parent Ministry	-	-
Due From County Government	-	-
Total	-	-

Other Disclosures Continued

e) Due to related parties

Description	2023-2024	2022-2023
	Kshs	Kshs
Due To Parent Ministry	-	-
Due To County Government	-	-
Due To Key Management Personnel	-	-
Total	-	-

f) Financial risk management

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

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

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

The 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.

a) 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.

b) 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

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 on-going basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.

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

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

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

i. Foreign currency risk

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

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%	-	-
USD	10%	-	-
(Comparative FY)			
Euro	10%	-	-
USD	10%	-	-

ii. Interest rate risk

Interest rate risk is the risk that the entity's financial condition may be adversely affected as a result of changes in interest rate levels. The entity's interest rate risk arises from bank deposits.

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

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.

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:

	2024		2023
	KShs		KShs
Revaluation reserve	-	-	-
Revolving fund	-	-	-
Accumulated surplus	-	-	-
Total funds	-	-	-
Total borrowings	-	-	-
Less: cash and bank balances	-	-	-
Net debt/(excess cash and cash equivalents)	-	-	-
Gearing	-	-	-

g) Events after the reporting period

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

h) Ultimate and Holding Entity

The entity is a County Public Fund established by Bomet County Climate Change Act under the department of Water, Environment and Climate Change. Its ultimate parent is the County Government of Bomet.

i) Currency

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

Bomet County Climate Change Fund
Annual Report and Financial Statements for the year ended 30th June 2024

10. Annexes

ANNEX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

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)
OAG/KRO/B OCFLLOCA/ 2022/20213/(23)	Lack of an approved budget	County approved budget by the Assembly availed	Resolved	N/A
OAG/KRO/B OCFLLOCA/ 2022/20213/(23)	Failure to develop and operationalized regulation	The development and operationalise County Climate Change Fund	At cabinet level for approval	N/A
OAG/KRO/B OCFLLOCA/ 2022/20213/(23)	Inaccuracies In the Financial Statements	Amendments were done	Unresolved	N/A
OAG/KRO/B OCFLLOCA/ 2022/20213/(23)	Lack of trial balance	Trial balance availed	Unresolved	
OAG/KRO/B OCFLLOCA/ 2022/20213/(23)	Statement of cash Flow	Amendments done	Unresolved	
OAG/KRO/B OCFLLOCA/ 2022/20213/(23)	Undisclosed Movement of Capital Fund	Abnormalities corrected	Unresolved	
OAG/KRO/B OCFLLOCA/	Consultancy Services and	Supporting documents availed awaiting to be resolved	Unresolved	

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

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)
2022/20213/(23)	professional services			
OAG/KRO/B OCFLLOCA/ 2022/20213/(23)	Unsupported purchase of tree seeds and seedlings	Supporting documents availed awaiting to be resolved	Unresolved	
OAG/KRO/B OCFLLOCA/ 2022/20213/(23)	Unsupported Trade payables	Supporting documents availed awaiting to be resolved	Unresolved	
OAG/KRO/B OCFLLOCA/ 2022/20213/(23)	Over-budgeting of funds to Bomet county FLLoCA Fund	As per the FLLoCA Manual, a minimum of 1.5% county contribution is required	Unresolved	
OAG/KRO/B OCFLLOCA/ 2022/20213/(23)	Implementation of Non-approved Plans Activities	Minutes of Climate Steering Committee minutes availed	Unresolved	
OAG/KRO/B OCFLLOCA/ 2022/20213/(23)	Change Of Fund Name	Bomet County Climate Change Fund amended	Unresolved	

Fund Manager



CPA ERICK CHEPKWONY

Date 27th November 2024

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Annex II: Inter-Fund Confirmation Letter
County Climate Change Fund.
P.o Box 19 Bomet 20400

The *County Climate Change Fund* wishes to confirm the amounts disbursed to you as at 30th June 2024 as indicated in the table below.

Confirmation of amounts received by County Climate Change Fund] as at 30 th June 2024						
Reference Number	Date Disbursed	Amounts Disbursed by [National Treasury] (Kshs) as at 30 th June 2024.			Amount Received by [Bomet County Climate Change Fund] (KShs) as at 30 th June 2024 (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)		
FT2319196W1N	10-Jul-23		11,000,000		11,000,000	
FT2410317PC2	12/04/2024		128,519,868		128,519,868	
FT24180J91QV	28/06/2024		35,000,000		35,000,000	-
Total			174,519,868		174,519,868	-
In confirm that the amounts shown above are correct as of the date indicated.						
Head of Accountants department of beneficiary Fund:						
Name CPA Anne Chepkemoi		Sign			Date 27 th November 2024	

Annex: III Reporting of Climate Relevant Expenditures

County Climate Change Fund
Annual Report and Financial Statements for the year ended June 30, 2023

Project Name	Project Description	Project Objectives	Project Activities	Q1	Q2	Q3	Q4	Source Of Funds	Implementing Partners
Legal Framework	Development of legal framework		Drafting Bomet climate change regulations				1,490,000	CGOB	CCU
Risk Assessment	Climate risk assessment						2,940,000	CGOB	CCU
Action Plan	Development of climate change action plan						2,960,000	CGOB	CCU
	Capacity building		Training for climate change unit (CCU), technical officer county planning committee, county climate change steering committee.				2,840,000	CGOB	CCU
Equipping office operations	Procurement of office supplies		Purchase of laptops, printers, office furniture and office supplies		987,000			CGOB	CCU