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OFFICE OF THE AUDITOR-GENERAL

REPORT

OF

THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
PETROLEUM TRAINING LEVY
FUND**

**FOR THE YEAR ENDED
30 JUNE 2016**

MINISTRY OF ENERGY AND PETROLEUM



PETROLEUM TRAINING LEVY FUND

MINISTRY OF ENERGY AND PETROLEUM

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED JUNE 30,
2016**

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



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I. KEY FUND INFORMATION AND MANAGEMENT

(a) Background information

The Petroleum Training Levy Fund was formed on 27th October, 2006 under the ministry of Energy and Petroleum, the Fund is managed by the Cabinet Secretary for Energy who is responsible for the general policy and strategic direction of the Fund.

(b) Principal Activities

The principal activity/mission of the *Petroleum Training Levy Fund* is to train Kenyan nationals in the Petroleum industry.

(c) Key Management

The key management personnel who held office during the financial year ended 30th June 2016 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Principal Secretary	Eng. Joseph Njoroge
2.	Chief Finance Officer	William O. Mbaka
3.	Principal Accountant	Veronica W. Kamau
4.	Head of Supplies Chain	Mary Mwangi
5.	SAD/HRD	Janerose Karanja

(d) Fund Headquarters

Ministry of Energy
Nyayo House
P.O.BOX 3058242
Nairobi, Kenya

(e) Fund Contacts

Telephone: (254) 203310112
E-mail: ps@energy.go.ke
Website: www.energy.go.ke

(f) Fund Bankers

Kenya Commercial Bank
Account number 1104175142
P.O.BOX 30012-00100
Nairobi, Kenya



(g) Independent Auditors

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

(h) Principal Legal Adviser

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



II. STATEMENT OF FUND MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer for a national government Fund shall prepare financial statements in respect of that Fund. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

The Principal Secretary in charge of the Petroleum Training 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, 2016. 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 Principal Secretary in charge of the (Petroleum Training Levy Fund) accepts responsibility for the Fund's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS) and relevant legal framework of the Government of Kenya. The Principal Secretary 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, 2016, and of the Fund's financial position as at that date. The Principal Secretary charge of the (Petroleum Training Fund) further confirms the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control.

The Principal Secretary in charge of the Petroleum Training Fund confirms that the Fund has complied fully with applicable Government Regulations, and that the Fund's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Principal Secretary confirms that the Fund's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The Fund's financial statements were approved and signed by the Principal Secretary on 30th December 2016.

Principal Secretary

Chief Accountant



III. REPORT OF THE INDEPENDENT AUDITORS ON THE PETROLEUM TRAINING LEVY FUND

We have audited the accompanying financial statements of Petroleum Training Fund for the year ended June 30, 2016, which comprise: (i) a statement of receipts and payments; (ii) a statement of financial assets and liabilities; (iii) a statement of comparative budget and actual amounts; (iv) a statement of pending bills as at June 30, 2016; and (v) a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

The Fund's Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Public Sector Accounting Standards, and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Fund's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at June 30, 2016, and its receipts and payments, as well as cash flows for the year then ended in accordance with International Public Sector Accounting Standards.

Auditor General

Date



REPUBLIC OF KENYA

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NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON PETROLEUM TRAINING LEVY FUND FOR THE YEAR ENDED 30 JUNE 2016 – MINISTRY OF ENERGY AND PETROLEUM

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Petroleum Training Levy Fund set out on pages 5 to 15, which comprise the statement of assets and liabilities as at 30 June 2016, and the statement of receipts and payments, statement of cash flow and statement of comparative 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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The 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.

Auditor-General's Responsibility

My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. The audit was conducted in accordance with International Standards of Supreme Audit Institutions. Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. An audit also includes evaluating the

Report of the Auditor-General on the Financial Statements of Petroleum Training Levy Fund for the year ended 30 June 2016 – Ministry of Energy and Petroleum

appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

Basis for Qualified Opinion

1. Revenue Due

The statement of receipts and payments indicates Contributions from Oil Companies amount of Kshs.558,349,996, and as disclosed under note 1 to the financial statements (2015 Kshs.391,317,711). Available information however, indicates that eight (8) oil companies did not remit their annual training contributions and surface fees contributions amounting to USD 7,445,042 or Kshs.754,147,743, contrary to Clause 5(2) and clause 13(2) respectively of their individual Production Sharing Contracts (PSC). Had the amounts been paid, the Fund would have reported a surplus for the year of Kshs.724,311,785 instead of the current deficit of Kshs.29,835,958.

2. Excess Expenditure over Approved Budget

As previously reported and during the year under review, the Ministry also, incurred expenditure totaling Kshs. 576,187,396 on payments for use of goods and services, in comparison to an approved budget of Kshs. 487,000,000 thus resulting in a budget overrun of Kshs.89,187,396 or 18%. The Ministry is therefore in contravention of Section 43 (2)(C) of the Public Financial Management Act, 2012 which requires entities to supplementary approval for approved expenditure exceeding 10%.

3. Noncompliance with Petroleum Act Cap 308

3.1. Ineligible Expenditure

Section 11 (1) and (4) of the Petroleum (exploration and production) Act Cap 308, provides that the training Fund should only be used for training Kenyan nationals in the petroleum industry. However, the statement of receipts and payments reflects payments under compensation of employees amounting to Kshs.9,741,600 being salaries and gratuity payments for officers as disclosed under note 3 for the period under review. The Fund is in contravention of the Act to the extent that the funds have not been used for the intended purposes.

3.2. Invalid Contract with Oil Company

Section 2 (2) of the Petroleum (exploration and production) regulations of 1984 stipulates that no person other than a company incorporated or registered in Kenya under the Companies Act may enter into a petroleum agreement with the Government.

Contrary to these provisions, the Ministry entered into a Production Sharing Contract with, a company incorporated outside Kenya, on 28 June 2012. The Ministry is therefore in breach of the law.

Qualified Opinion

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Petroleum Training Levy Fund as at 30 June, 2016, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Petroleum (Exploration and Production) Act, Cap 308.

Other Matter

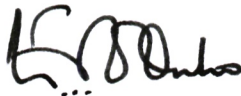
Budget Performance

The statement of comparative budget and actual amounts for the year under review reflects an approved budget of Kshs.63,000,000 in respect of acquisition of assets. However, there was nil utilization under this item during the year. Management has not explained why it was not able to utilize the budgeted amounts. In the circumstances, the confirmed impact of unutilized funds on service delivery cannot be confirmed.

Non remittance of Community Project Funds

The production sharing contract for individual Oil Companies under Clause 13(3) requires the contractors to pay minimum fees per year to the Government for the benefit of local communities. During the year under review, three (3) Oil Companies did not pay their contributions amounting to Kshs.22,000,000 to the Government contrary to the contracts in place. According to management, the contractors disbursed the funds directly to the community projects. However, no document was provided to confirm that the unremitted amounts were actually spent directly on the community projects. In the circumstances, it was not possible to confirm whether the disbursements were made for benefit of the intended community.

My opinion is not qualified in respect of these matters.



FCPA Edward R. O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

28 February 2017

PETROLEUM TRAINING LEVY FUND
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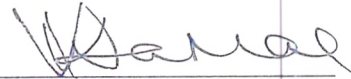
IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2015-2016 Kshs	2014-2015 Kshs
RECEIPTS			
Contributions from Oil Companies	1	558,349,996	391,317,711
Other Receipts	2	62,743,042	24,605,005
TOTAL RECEIPTS		621,093,038	415,922,716
PAYMENTS			
Compensation of Employees	3	9,741,600	-
Use of goods and services	4	576,187,396	541,154,967
Grants and Transfers to Other Government Entities	5	65,000,000	128,815,303
TOTAL PAYMENTS		650,928,996	669,970,270
SURPLUS/(DEFICIT)		(29,835,958)	(254,047,554)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Fund financial statements were approved on 30-12-, 2016 and signed by:



Principal Secretary



Chief Accountant



PETROLEUM TRAINING LEVY FUND
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V. STATEMENT OF ASSETS AND LIABILITIES

	Note	2015-2016 Kshs	2014-2015 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	6	63,932,644	93,768,602
TOTAL FINANCIAL ASSETS		<u>63,932,644</u>	<u>93,768,602</u>
REPRESENTED BY			
Fund Balance B/fwd	7	93,768,602	347,816,156
Surplus/Deficit for the Year		(29,835,958)	(254,047,554)
NET FINANCIAL POSITION		<u>63,932,644</u>	<u>93,768,602</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Fund financial statements were approved on 30-12-, 2016 and signed by:

Principal Secretary

Chief Accountant



PETROLEUM TRAINING LEVY FUND
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VI. STATEMENT OF CASHFLOW

	Note	2015-2016 Kshs	2014-2015 Kshs
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts for Operating Income			
Contributions from Oil Companies	1	558,349,996	391,317,711
Other Receipts	2	62,743,042	24,605,005
Payments for operating expenses			
Compensation of Employees	3	(9,741,600)	-
Use of goods and services	4	(576,187,396)	(541,154,967)
Grants and Transfers to Other Government Entities	5	(65,000,000)	(128,815,303)
Net Cashflow from Operating Activities		<u>(29,835,959)</u>	<u>(254,047,554)</u>
NET INCREASE IN CASH AND CASH EQUIVALENT		<u>(29,835,959)</u>	<u>(254,047,554)</u>
Cash and Cash Equivalent at BEGINNING of the Year	6	<u>93,768,602</u>	<u>347,816,156</u>
Cash and Cash Equivalent at END of the Year		<u><u>63,932,644</u></u>	<u><u>93,768,602</u></u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Fund financial statements were approved on 30-12-, 2016 and signed by:



Principal Secretary




Chief Accountant




VII. STATEMENT OF COMPARATIVE BUDGET AND ACTUAL AMOUNTS

Revenue/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation Difference to Final Budget
	a	b	c=a+b	d	e=d-c	f=e/c %
Receipts						
Contributions from Oil Companies	615,000,000	-	615,000,000	558,349,996	(56,650,004)	(9)
Other Receipts	-	-	-	62,743,042	62,743,042	100
Total Receipts	615,000,000	-	615,000,000	621,093,038	6,093,038	1
Payments						
Compensation of Employees	-	-	-	9,741,600	9,741,600	100
Use of goods and services	487,000,000	-	487,000,000	576,187,396	89,187,396	18
Grants and Transfers to Other Government Entities	65,000,000	-	65,000,000	65,000,000	-	-
Acquisition of Assets	63,000,000	-	63,000,000	-	(63,000,000)	(100)
Total Payments	615,000,000	-	615,000,000	641,187,396	26,187,396	4

Note: The significant budget utilisation/performance differences in the last column are explained in **Annex 1** to these financial statements.



Principal Secretary



Chief Accountant



VIII. SIGNIFICANT ACCOUNTING POLICIES

The principle accounting policies adopted in the preparation of these financial statements are set out below:

1. Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) with particular emphasis on Cash Basis Financial Reporting under the Cash Basis of Accounting and relevant legal framework of the Government of Kenya. The financial statements comply with and conform to the form of presentation prescribed by the Public Sector Accounting Standards Board of Kenya.

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the Fund. The accounting policies adopted have been consistently applied to all the years presented.

The financial statements have been prepared on the cash basis. The cash basis of accounting recognises transactions and events only when cash is received or paid by the Fund.

2. Recognition of revenue and expenses

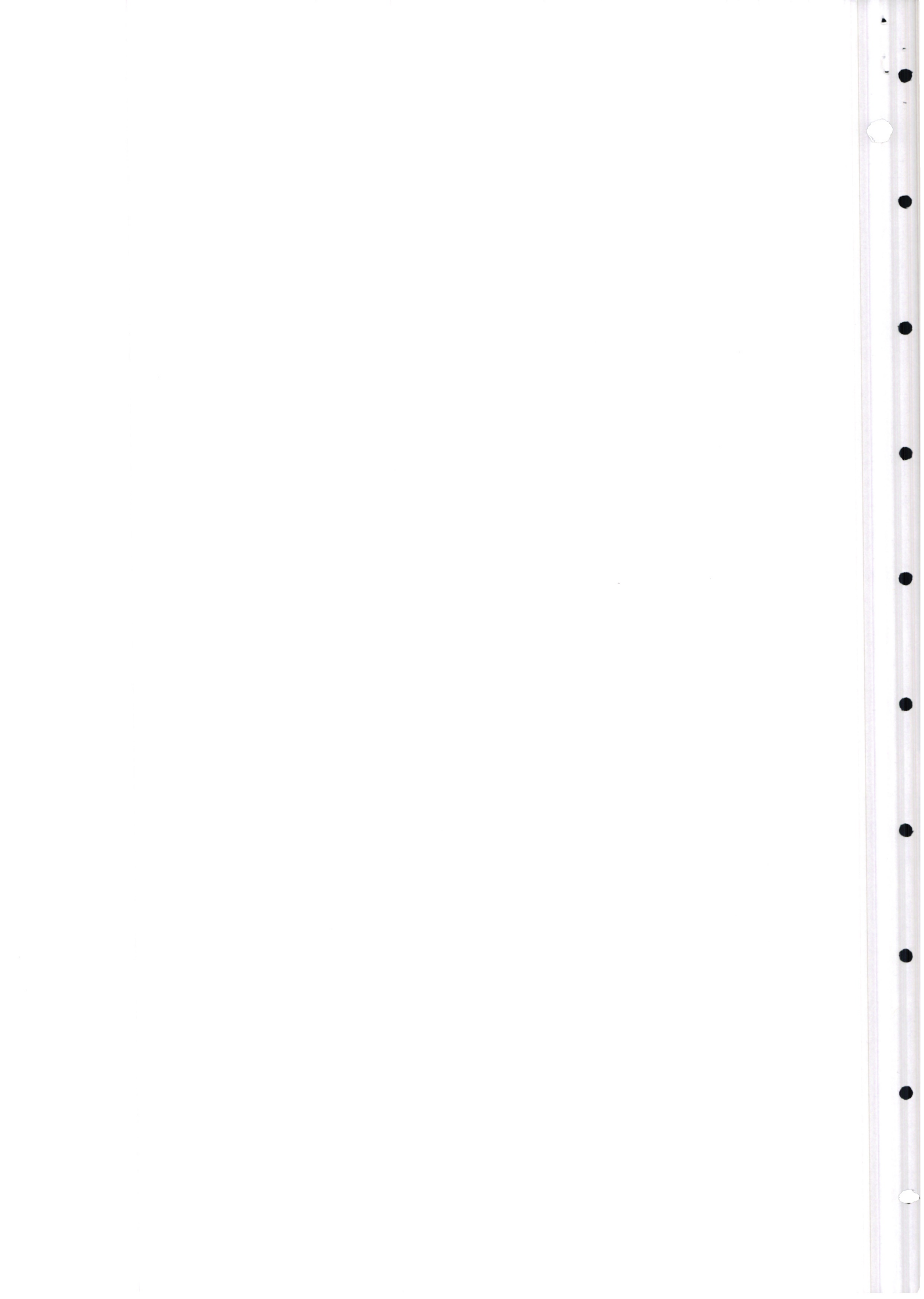
The Fund recognises all revenues from the various sources when the event occurs and the related cash has actually been received by the Fund. In addition, the Fund recognises all expenses when the event occurs and the related cash has actually been paid out by the Fund.

3. In-kind contributions

In-kind contributions are donations that are made to the Fund in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the Fund includes such value in the statement of receipts and payments both as revenue and as an expense in equal and opposite amounts; otherwise, the contribution is not recorded.

4. 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.



PETROLEUM TRAINING LEVY FUND
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5. Budget

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The Fund budget was approved as required by Law and as detailed in the Government of Kenya Budget Printed Estimates. A high-level assessment of the Fund actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

6. Comparative figures

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

7. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2016.



PETROLEUM TRAINING LEVY FUND
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For the year ended June 30, 2016

IX. NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. CONTRIBUTIONS FROM OIL COMPANIES

	2015-2016	2014-2015
	Kshs	Kshs
Surface Fees and Training Contributions	558,349,996	391,317,711
Total	558,349,996	391,317,711

NOTE 2. OTHER RECEIPTS

	2015-2016	2014-2015
	Kshs	Kshs
Royalties on Geothermal Exploration	49,674,000	-
Interest Income	13,069,042	19,070,453
Other Receipts not Classified Elsewhere	-	5,534,552
Total	62,743,042	24,605,005

NOTE 3. COMPENSATION OF EMPLOYEES

	2015-2016	2014-2015
	Kshs	Kshs
Salaries	8,758,800	-
Gratuity	982,800	-
Total	9,741,600	-

NOTE 4. USE OF GOODS AND SERVICES

	2015-2016	2014-2015
	Kshs	Kshs
Training Expenses	571,493,958	541,097,804
Bank Charges and Other Operating Expenses	4,693,438	57,163
Total	576,187,396	541,154,967

NOTE 5. GRANTS AND TRANSFERS TO OTHER GOVERNMENT ENTITIES

	2015-2016	2014-2015
	Kshs	Kshs
Capital Transfers to Non-Financial P/Enterprises	30,000,000	30,000,000
Capital Grants to Government Agencies	35,000,000	98,815,303
Total	65,000,000	128,815,303



PETROLEUM TRAINING LEVY FUND
Reports and Financial Statements
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NOTE 6. BANK ACCOUNT

Name of Bank, Account No. & currency	Indicate whether recurrent, Development, deposit, revenue, CRF e.t.c	2015-2016	2014-2015
		Kshs	Kshs
Kenya Commercial Bank, 1104175142, Kshs	Fund	42,775,679	93,768,602
<i>Add:</i> Receipts in Bank not recorded in Cashbook		23,307,059	-
<i>Less:</i> Payments in Bank not recorded in Cashbook		(2,150,094)	-
Adjusted Bank Balance		63,932,644	93,768,602

NOTE 7. BALANCE BROUGHT FORWARD

	2015-2016	2014-2015
	Kshs	Kshs
Bank Account	93,768,602	347,816,156
Total	93,768,602	347,816,156



PETROLEUM TRAINING LEVY FUND

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For the year ended June 30, 2016

NOTE 8. 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. All the issues were resolved as per the comments indicated in the columns below.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
Paragraph 190	<p>Excess Expenditure</p> <p>The Ministry during the year under review, incurred expenditure totaling Kshs.669,970,270 on payments for use of goods and services, transfer to other government units and interest payments in comparison to an approved budget of Kshs.600,000,000 thus resulting in a budget overrun of Kshs.69,970,270 or 12%. The Ministry is therefore in contravention of the Public Financial Management Act 2012 Section 43 (2) (c) which provides for seeking supplementary approval for approved expenditure</p>	<p>It is true that the ministry exceeded its budget by an amount of Kshs.69,970,270. The over expenditure was as a result of an urgent procurement of petroleum exploration data interpretation software for resource risk assessment. Therefore, an amount of Kshs.75m was transferred to NOCK since the procurement process had already been finalized.</p>	<p>Veronica Kamau, Chief Accountant</p>	<p>Note resolved</p>	<p>31/03/2017</p>



PETROLEUM TRAINING LEVY FUND

Reports and Financial Statements

For the year ended June 30, 2016

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	exceeding 10%.				
Paragraph 191	<p>Unsupported Imprest Surrender</p> <p>Included in the training expenses amount of Kshs.541,097,804 and reported under use of goods and services is an imprest surrender of Kshs.7,800,000 on account of 'Powering Freedom' campaign during the launch of Olkaria IV 140 MW power plant. This expenditure has not been supported with relevant documentation. Consequently, it has not been possible to confirm the validity and accuracy of the Kshs.7,800,000 training expenditure as reported.</p>	Supporting documents in respect to the expenditure were availed for Audit review.	Veronica Kamau, Chief Accountant	Resolved	N/A



PETROLEUM TRAINING LEVY FUND

Reports and Financial Statements

For the year ended June 30, 2016

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
Paragraph 192	<p>Completeness of Reported Revenue</p> <p>The total reported receipts of Kshs.415,922,716 exclude unreceipted revenues totalling Kshs.74,103,211.45 earned during the year on account of contributions by oil companies and interest earned on deposits. This represents 18% of the reported receipts in the financial statements. Consequently, the reported revenue is understated to that extent. It was therefore not possible to confirm the accuracy of the reported deficit in the financial statements.</p>	<p>The delay was as a result of late submission of documents from the oil companies, however this amount has already been recorded in the cash book</p>	<p>Veronica Kamau, Chief Accountant</p>	<p>Resolved</p>	<p>N/A</p>

The Fund financial statements were approved on _____, 2016 and signed by:

Principal Secretary

Chief Accountant



PETROLEUM TRAINING LEVY FUND
Reports and Financial Statements
For the year ended June 30, 2016

ANNEX - VARIANCE EXPLANATIONS - COMPARATIVE BUDGET AND ACTUAL AMOUNTS

Revenue/Expense Item	Final Budget	Actual on Comparable Basis	Budget Utilisation Variance	% of Utilisation Variance to Final Budget	Comments on Variance
	a	b	c=b-a	d=c/a%	
Receipts					
Contributions from Oil Companies	615,000,000	558,349,996	(56,650,004)	(9)	
Other Receipts	-	62,743,042	62,743,042	100	Unexpected receipt
Total Receipts	615,000,000	621,093,038	6,093,038	1	
Payments					
Compensation of Employees	-	9,741,600	9,741,600	100	Unexpected expenditure
Use of goods and services	487,000,000	576,187,396	89,187,396	18	
Grants and Transfers to Other Government Entities	65,000,000	65,000,000	-	-	
Acquisition of Assets	63,000,000	-	(63,000,000)	(100)	
Total Payments	615,000,000	641,187,396	26,187,396	4	

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