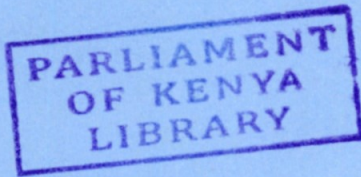


REPUBLIC OF KENYA



REPORT

OF



THE AUDITOR-GENERAL

ON

STATE DEPARTMENT FOR PETROLEUM

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

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 11 MAR 2026	DAY: WEDNESDAY
TABLED BY:	LEADER OF MAJORITY PARTY HON. OWEN BAYAMP
CLERK-AT THE-TABLE:	J. LEMERELLE



STATE DEPARTMENT FOR PETROLEUM

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2025

**Transitional IPSAS Financial Statements in accordance with the Accrual Basis of Accounting Method Under International
Public Sector Accounting Standards (IPSAS)**

State Department for Petroleum
Annual Report and Financial Statements for the year ended June 30, 2025.

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1. Acronyms and Definition of Key Terms

A: Acronyms and Abbreviations

CS	Cabinet Secretary
PS	Principal Secretary
CBK	Central Bank of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
AIE	Authority to Incur Expenditure
CFO	Chief Finance Officer
GRB	Geologists Registration Board
HAU	Head of Accounting Unit
ICT	Information Communication Technology
IPSAS	International Public Sector Accounting Standards
KPC	Kenya Pipeline Corporation
KPRL	Kenya Petroleum Refineries Limited
NOCK	National Oil Corporation of Kenya
MDAs	Ministries Departments and Agencies
OCOB	Office of the Controller of Budget
OAG	Office of the Auditor General
PFM	Public Finance Management
PFMC	Public Finance Management Committee

B: Definition of Key Terms

Fiduciary Management- The key management personnel who held office during the financial year ended 30th June 2025 and who had direct fiduciary responsibility in the State Department for Petroleum.

2. Key MDA Information and Management

(a) Background information

The Ministry of Energy and Petroleum was established vide Executive Order No. 1 of 2025 on the Organization of the Government, with the mandate of providing policy and strategic management of the extractive sector. It was established to provide leadership in the management of the extractives sector in the country. Through the Executive Order No. 1 of 2025 on Organization of the Government of the Republic of Kenya, the Ministry was split into State Department for Petroleum, which was established as one of the two State Departments under the Ministry of Energy and Petroleum, and State Department for Energy.

At Cabinet Level, the Ministry is represented by the Cabinet Secretary for Energy and Petroleum who is responsible for the general policy and strategic direction of the Ministry. The Ministry's mandate entails; development and implementation of Energy and Petroleum policies, programmes and projects, creating a favourable legal and regulatory environment for investments and building capacity among other functions.

Vision statement

A regional leader in provision of energy and petroleum for sustainable development.

Mission statement

To promote access to clean, renewable, reliable and competitive energy and petroleum products and services through sustainable exploitation and management of energy and petroleum resources in Kenya.

Core Values

The Ministry is committed to developing and nurturing an organizational culture that supports effective realization of its mandate. The core values are aligned to the Constitution of Kenya, 2010.

- (i) Professionalism and Integrity;
- (ii) Transparency and accountability;
- (iii) Innovativeness;
- (iv) Stakeholder participation;
- (v) Customer centric;
- (vi) Teamwork and Commitment;
- (vii) Sustainability; and
- (viii) Inclusivity and impartiality

(b) Mandate

The Ministry's mandate is derived from the Executive Order No. 1 of June, 2025 on the Organization of the Government of the Republic of Kenya. The mandate is executed through Energy and Petroleum functional areas:

Petroleum Functional Area

- i. Petroleum Policy;
- ii. Strategic Petroleum Stock Management;
- iii. Promotion and marketing of oil and gas investment opportunities
- iv. Management, commercialization and marketing of discovered oil and gas resources
- v. Development and review of petroleum master plan;
- vi. Oil and Gas Exploration Policy Development;
- vii. Oil / Gas Sector Capacity Development;
- viii. Petroleum Products, Import / Export / Marketing Policy Management;
- ix. Licensing of Petroleum Marketing and Handling; and
- x. Quality Control of Petroleum Products.

The Ministry has an oversight responsibility over National Oil Corporation of Kenya (NOCK), Kenya Pipeline Corporation (KPC) and Kenya Petroleum Refineries Limited (KPRL).

Strategic Objectives

- To enhance exploitation of energy and petroleum resources;
- To enhance access to clean, renewable, reliable and competitive energy and petroleum products and services;
- To ensure uninterrupted availability of energy sources and petroleum products;
- To enhance environmental conservation; and
- To improve legal, policy and Institutional regulatory framework.

(c) Key Management

The State Department's day-to-day management is under the following key organs:

To effectively implement and deliver on its mandate, the State Department has the following directorates/departments:

- (i) Upstream Directorate;
- (ii) Mid/Downstream Directorate;
- (iii) Geological Survey and Geo Information Management Directorate; and

State Department for Petroleum
Annual Report and Financial Statements for the year ended June 30, 2025.

(iv) Administration and Support Services which include:

- HRM&D
- Public Communications
- Central Project Planning and Monitoring
- Supply Chain Management Services
- Information Communication Technology (ICT)
- Finance
- Accounts
- Legal
- Internal Audit

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2025 and who had direct fiduciary responsibility were:

No	Designation	Name	Date of Appointment
1	Cabinet Secretary	Opiyo Wandayi	August,2024
2	Principal Secretary, Petroleum	Mohamed Liban	December,2022
3	Commissioner, Petroleum	Mr. Joseph Cambb Otieno	August,2024
4.	Secretary, Administration	Mr. M. B. Mohamed OGW	June,2022
5.	Senior Chief Finance Officer	CPA Dismas Ogot	January,2023
6.	D/ HRM&D	Mr. Eliud Mwaruah	March,2023
7.	Senior Deputy Accountant General	CPA Veronica Kamau	March,2023
8.	Director Economist	Ms. Lucy Gaithi	March,2023
9.	Director Supply Chain Management	Mrs. Joyce Ala	March,2023

(e) Fiduciary Oversight Arrangements

(a) *Public Finance Management Committee (PFMC)*

The State Department has put in place the PFMC that is chaired by the Accounting Officer. The PFMC provided direction on the periodic (quarterly) management of the State Department. The PFMC also provided leadership and engagements in strategic plan review, budget formulation, budget implementation, prudent procurement, quarterly reporting to the Controller of Budget, parliamentary departmental committees, accounting and reporting internal control systems and control, as well as external audit reporting, control and closing.

(b) *Senior Management Committee*

The State Department, in pursuit of strong governance and compliance, held periodic heads of department meetings that prepared annual work plans and performance contracting targets for execution and quarterly reviews, reporting and addressing of challenges. The initiative yielded high results in financial stewardship.

(f) State Department for Petroleum Headquarters

P.O. Box 51614, 00100
KASNEB Towers II
Off Hospital Road, Upper Hill
NAIROBI, KENYA

State Department Contacts

Telephone: +254(020) 3310112, +254716508492
E-mail: info@petroleumandmining.go.ke
Website: www.petroleumandmining.go.ke

(g) State Department for Petroleum Banker

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

(h) Independent Auditors

Auditor General
Office of The Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
NAIROBI, KENYA

(i) Principal Legal Adviser

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

3. Profile of Cabinet Secretary



Hon. J. Opiyo Wandayi,

Cabinet Secretary, Ministry of Energy and Petroleum

Hon. Opiyo Wandayi, was appointed to the position of Cabinet Secretary in August, 2024. Hon. Wandayi is a social democrat and firm believer in equity and fairness in the management of private and public affairs. Hon. Wandayi is an alumnus of the University of Nairobi (UoN) where he graduated with a Bachelor of Science in Agriculture, specializing in Agricultural Economics in 1996. In addition, the Hon. Wandayi holds a Masters in Business Administration (MBA) from Jomo Kenyatta University of Agriculture and Technology (JKUAT) and a Diploma in Business Management from the Kenya Institute of Management (KIM). He has recently obtained a Bachelor of Laws Degree from Daystar University.



4. Profiles of Accounting Officer and Key Management.

Accounting Officer and Key Management	
	<p>Mr. Mohamed Liban Principal Secretary</p> <p>Mr. Mohamed was appointed to the position in December, 2022. Prior to the appointment he was the Chairman of the Ewaso Ng'iro North Development Authority, a position he held from 2019. He has a wealth of Leadership capabilities having served as Regional Elections Coordinator under the Independent Electoral and Boundaries Commission from 2009 – 2017. Other Positions held include Regional Health manager with Kenya Red Cross Society of Kenya and Deputy Chief Clinical Officer at the Ministry of Health.</p> <p>As the PS, he steers the Petroleum docket at the Ministry where he oversees implementation of Petroleum projects/operations. Mr. Liban holds a Masters of Public Health and Epidimeology from Kenyatta University, Higher National Diploma in Cataract Surgery from Kenya Medical Training college (KMTC), International Diploma in Community Eye Health from London University and Higher National Diploma in Ophthalmology from KMTC and have attended several Human Resource management Courses.</p>
	<p>Mr. Mohamed Birik Mohamed Secretary, Administration</p> <p>Mr. Mohamed Birik assumed the position of Head of Administration in June, 2022. He is in charge of the overall Administration Function in the Department. Mr. Birik Holds a Master's Degree in Peace and Conflict Resolution from Kenyatta University, Bachelors of Arts Degree in Education from University of Nairobi and Diploma in Public Administration. He has a wealth of expertise in Strategy & Policy Development, Conflict Management & Resolution, Financial Management, Performance Management and relationship skill.</p>
	<p>Mr. Joseph Cambb Otieno, Commissioner, Petroleum</p> <p>Mr. Joseph C. Otieno, R. Geol, is the Commissioner for Petroleum, responsible for the overall coordination of the Petroleum function. He has over 18 years of experience in the Petroleum industry. He holds an M.Sc. degree in Petroleum Geoscience from the Royal Holloway, University of London, United Kingdom; B.Sc. (Hons) degree in Geology from the University of Nairobi; Certificate in Petroleum Policy and Resource Management from PETRAD, Norway; Certificate in International Petroleum Business from the Institute of Petroleum Development, USA; among other qualifications. Mr. Otieno is a Registered Geologist with the Geologist's Registration Board (GRB) and a Professional Member of the Geological Society of Kenya (GSK).</p>

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	<p>CPA Dismas Ogot Senior Chief Finance Officer</p> <p>CPA Dismas Ogot assumed the position of Head of Finance Unit in 17th January, 2023. He is in charge of Public Finance Management; Budget preparation, coordination, implementation, control, monitoring and evaluation, budget reviews and periodic reporting, as by law provided. He holds an MBA (Strategic Management) and Honours Bachelor of Arts (Economics), of the University of Nairobi. He is a CPA (K) holder, and also a member of the ICPAK.</p>
	<p>Mr. Eliud Mwaruah, Director/HRM&D</p> <p>Mr. Eliud Mwaruah assumed the position of Head, Human Resource Management and Development in March, 2023. He is in charge of managing the Human Resource Function in the Department including Training & Development, and Governance Programmes for effective and efficient Service delivery. He holds an MBA Methodist University, a Bachelor of Arts degree in Political Science from the University of Nairobi and a Post graduate Diploma in Human Resource Management. A member of Institute of HRM and Institute of Directors Kenya.</p>
	<p>CPA. Veronica Kamau Senior Deputy Accountant General</p> <p>Ms. Veronica Kamau assumed the position of Head of Accounting Unit in March, 2023 a position she holds to date. She is in charge of Accounting and Financial Reporting as well as designing, implementing and monitoring internal controls. She is responsible for the preparation of financial reports in line with the relevant International Public Sector Accounting Standards (IPSAS). She holds an MBA (Strategic Management), Bachelor of Commerce (Accounting Option) and she's a Certified Public Accountant of Kenya and a member of the Institute of Certified Public Accountants of Kenya. She is a Certified ISO Auditor and attended several Management Courses including Women Managers Course, SLDP and others.</p>

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	<p>Ms. Lucy Gaithi Director, Planning and Project management</p> <p>Ms. Lucy Gaithi assumed the position of Head of Economic Planning in March, 2023 a position she holds to date. She is responsible for Coordination of Economic Planning and Monitoring implementation of Programmes and Projects in the State Department. She holds a Master of Management in Public and Development Management (MM P&DM) from the University of Witswatersrand, Johannesburg South Africa and a Bachelor of Arts (Economics & Statistics) from University of Nairobi. She is member of the Economist Society of Kenya (ESK).</p>
	<p>Ms. Joyce Ala Director, Supply Chain Management Services (SCMS)</p> <p>Ms. Joyce Ala assumed the position of Head of Supply Chain Management Division in March, 2023 a position she holds to date. Her functions include: Procurement of Good and services and Disposal of Unserviceable/surplus Assets/Stores and Inventory Management. She holds an MBA (Strategic Managements) from Moi University, Bachelor of Arts in Business Administration from Daystar and Diploma in Supplies Management. She's a member of Kenya Institute of Supplies Management (No. 62400).</p>

5. Statement by the Cabinet Secretary

The Ministry of Energy and Petroleum is established by the Executive Order No. 1 of 2025 on Organization of the Government of the Republic of Kenya, and has two State departments namely; The State Department for Energy and the State Department for Petroleum.

The Executive Order No. 1 of 2025, gives the mandate of the State Department for Petroleum as: Petroleum Policy; Strategic Petroleum Stock Management; Management of Upstream Petroleum Products Marketing; Oil and Gas Exploration Policy Development; Oil/Gas Sector Capacity Development; Petroleum Products Import/Export Marketing Policy Management; Licensing of Petroleum Marketing and Handling; and Quality Control of Petroleum Products.

The State Department's strategic objectives are: to enhance exploitation of petroleum resources; to enhance access to clean petroleum products; to enhance uninterrupted availability of petroleum products; to enhance environmental conservation; and to improve legal, policy and institutional regulatory framework

For effective implementation of the State Department's strategic objectives, the State Department is committed to prudently utilize the available resources; adopting new technologies; enhancing and strengthening of partnerships and collaboration among stakeholders; and developing an effective monitoring, evaluation and reporting framework.

The annual report and financial statements for the year ended June 30, 2025, provides an opportunity to interrogate and understand our programs and activities and to showcase how we have been able to accomplish a lot with the limited resources available.

.....
Cabinet Secretary
Ministry of Energy and Petroleum

6. Statement by the Accounting Officer

The Annual Report and Financial Statements for the year ended June 30, 2025 provides the State Department for Petroleum with an opportunity to display how the department used allocated resources prudently and efficiently. Several activities were undertaken during the period under review as discussed in subsequent sections.

Activities planned for implementation during the financial year ending June 30, 2025 include finalization of National Petroleum Policy; finalization of the Field Development Plan to develop the hydrocarbon resources in Turkana County; Promotion of Clean Cooking Gas for Public Learning Institutions; finalization and launch of Strategic Plan for the State Department; Strengthening of Oil and Gas Sector Policy, Legal and Regulatory Framework; Security of Supply of Petroleum Products; Assessment of Petroleum Resource Potential in Open Petroleum Blocks; Promotion of Oil and Gas Sector Investments Locally and Internationally; and continuous capacity building of staff through training to enable them have competent skills.

All these activities were undertaken through collaboration with stakeholders, innovation and skills/knowledge transfer for better service delivery. During the formulation of this report, a consultative and participatory approach was employed with the various departments contributing to its formulation.

In conclusion, I take the opportunity to recognize the Accounts Department for coordinating the compilation of this report, and commend the officers in the State Department for Petroleum for their commitment in the preparation and review process of the report.



.....
Principal Secretary

State Department for Petroleum

7. Statement of Performance Against Predetermined Objectives for FY2024/2025

Section 81 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer presents a statement of performance against predetermined objectives of the MDA.

The key strategic objectives as per the State Department's Strategic Plan for FY 2023-2027 are to:

- To enhance exploitation of petroleum resources;
- To enhance access to clean petroleum products;
- To enhance uninterrupted availability of petroleum products;
- To enhance environmental conservation; and
- To improve legal, policy and institutional regulatory framework.

Progress on the attainment of Strategic Objectives through Performance Contracting

For purposes of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified for reasons of tracking progress and performance measurement: Below is a provision of the progress on achievements of the stated objectives:

Table 1: Programme performance

Programme and Sub-Programme Performance Report-non-financials for FY 2024/25 (As at 30th June, 2025)

Programme	Sub-programme	Outcomes /Key Outputs	Key Performance Indicators	Annual Target(s) 2024/25	Achievement	Remarks
Exploration and Distribution of Oil and Gas	Oil and gas exploration	Petroleum Blocks	No. of Petroleum Blocks Marketed	3	10	10 Petroleum Blocks were marketed at the 11 th East African Petroleum Conference and Exhibition 2025 (EAPCE'25) in Dar es Salaam and Africa Oil week in Cape Town South Africa in October 2025
			% Completion of bid round conducted	80	75	The completion level was at 35% at the end of Q2. During the period under review, 20% of the target was achieved comprising of preparation of data packages and atlases for Block 9, L8 and L4. Kenya Petroleum Block map was reconstituted to 50 petroleum blocks and gazzeted. Licensing strategy was developed; Bid documents for ten (10) premium petroleum blocks prepared. Kenya announced to undertake bid rounds in September 2025 in September after approval of petroleum regulations
		Geo-scientific Data	Area (KM ²) for which geoscientific data has been acquired (onshore)	1,000	1025	1025 square kilometers of geoscientific data was acquired in the block. Further data acquisition, processing, analysis and interpretation for the acquired area has been finalized.
		% Completion of evaluation of gas potential in Block 9, Marsabit County	50	50	Evaluation of gas potential for Block 9 completed in the previous quarters. Atlas for Block 9 developed showing as gas potential.	

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		Natural gas	% of preliminary activities on development of natural gas pipeline undertaken	50	15	Bilateral agreement to undertake feasibility study is awaiting signing.
		Petroleum legislation, regulations and Master Plan	No. of petroleum regulations developed	2	1	Draft Petroleum (Liquefied Petroleum Gas) Regulations, 2024 completed and forwarded to AG's Office for clearance
			National Petroleum Master Plan developed	1	0	A Multi-Agency Technical Working Committee to spearhead the development process was constituted; Terms of Reference for the Committee drawn; and Roadmap developed; and an inaugural meeting for the Committee convened. The target to be finalized in the FY 2025/26
		Reticulation in the Affordable Housing Project at Meteorological Site Nairobi for Lots 1, 2, & 3 (Mukuru Kwa Njenga)	No. of affordable housing units connected to LPG	1080	1080	<ul style="list-style-type: none"> All the 1080 units have been connected to the reticulation system, installation of tank firms at 85% completion. Civil works for tank firms, caging and filling of seed gas pending
	General Administration	Capacity Building	Number of staff trained	150	377	Target surpassed as follows: Q1: 23 Q2: 71

	n and Support Services					<p>Q3: 133 Q4: 150 Total: 377 staff trained</p> <p>The over achievement is as a result of some officers participating in both individual and group trainings. Various group training programmes implemented include: Mandatory courses such as Senior Management Course, Strategic Leadership Development Programme, Defensive driving, induction for the newly recruited officers and officers on transfer.</p>
		Fuel Prices Stabilized	No. of fuel price hike incidences reviewed and stabilized	12	10	<p>The following pricing cycles were stabilized, and the amounts paid out to OMCs:</p> <ul style="list-style-type: none"> i. June/July 2024 ii. July/August 2024 iii. August/September 2024 iv. September/October 2024 v. October/November 2024 vi. December/January vii. January/February 2025 viii. February/March 2025 ix. March/April 2025 x. April/May 2025
		Financial Services	Quarterly reports to the Controller of Budget	4	4	<p>Fourth quarter COB report was prepared and submitted to OCOB as required.</p>
			Finalized budget estimates submitted to Treasury	1	1	<p>The budget estimates have been finalized and submitted to the National Treasury</p>

8. Governance Statement

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 Ministry shall prepare financial statements in respect of that Ministry. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board of Kenya from time to time.

The Accounting Officer in charge of the **State Department for Petroleum** is responsible for the preparation and presentation of the State Department's financial statements, which give a true and fair view of the state of affairs of the State Department for and as at the end of the financial year ended on June 30, 2025. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the State Department, (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 State Department; (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the **State Department for Petroleum** accepts responsibility for the State Department's financial statements, which have been prepared on transitional to IPSAS Accrual Basis of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the **State Department for Petroleum** financial statements gives a true and fair view of the state of State Department's transactions during the financial year ended June 30, 2025, and of the State Department's financial position as at that date. The Accounting Officer in charge of the State Department for Petroleum further confirms the completeness of the accounting records maintained for the State Department which have been relied upon in the preparation of the State Department's financial statements as well as the adequacy of the systems of internal financial control.

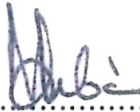
The Accounting Officer in charge of the **State Department for Petroleum** confirms that the State Department has complied fully with applicable Government Regulations and the terms of external

State Department for Petroleum
Annual Report and Financial Statements for the year ended June 30, 2025.

financing covenants (where applicable), and that the State Department'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 Accounting Officer confirms that the State Department'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 State Department for Petroleum financial statements were approved and signed by the Accounting Officer on this day 31/11 2025.



.....
Name: MOHAMED LIBAN
Accounting Officer



.....
Name: VERONICA KAMAU
Head of Accounting Unit
ICPAK M/No. 10669

9. Management Discussion and Analysis

1. National Liquefied Petroleum Gas Enhancement Project (Mwananchi LPG Project)

The programme seeks to promote the use of clean energy by increasing LPG per capita consumption from 7.5 kg to 15 kg and enhance penetration from 24% to 70% by 2028 by distributing 6 kg LPG cylinders and their accessories to 100,000 low-income households.

- (1) The assets transferred to NOCK are transferred free of charge and without financial adjustment, save for the obligations/conditions outlined herein. The assets are tabulated below:

Table – Matrix of assets earmarked for transfer to NOCK

Item No.	Description	Quantity	Location
1.	6 kg Cylinders (Short Collar)	166,944	KNTC & NNT
2.	6 kg Cylinders (Long Collar)	69,325	NNT
3.	2-Burner Cookstoves	40,000	NNT & KNTC
		44,500	KNTC
4.	Burners	329,258	NNT & KNTC
5.	Grills	330,115	NNT & KNTC
6.	Flex Rubber Hosepipes	103,603 (m)	NNT

- (2) The Parties affirm that the Project is part of the National LPG Growth Strategy and therefore shall be implemented for the public good and in a self-sustaining manner not for commercial gain. The Parties therefore acknowledge that transfer of assets is necessary to allow for the prudent management, accounting, sale and distribution of the assets in a sustainable manner by the Accounting Officer of NOCK:
- i. as the legally incorporated entity;
 - ii. for compliance with the laws of Kenya; and
 - iii. as the legally defined brand owner.
- (3) The project shall be supported by a Project Implementation Team which shall report to the Accounting Officer of NOCK. The Project Implementation Team shall develop a Project Implementation Plan which shall be prepared in accordance with this letter and applicable laws, guidelines and NOCK Commercial Policy. The Project Implementation Plan shall become effective upon approval by the Accounting Officer of NOCK.

(4) The applicable price to the beneficiary for the acquisition of any assets and the seed gas per 6 kg cylinder under this Project shall not be more than KES 1,500.00 as tabulated here below. The 6kg cylinder, accessories and seed gas are fully subsidised. Thereafter, refilling shall be undertaken by NOCK and charged at the prevailing market rates.

Table - Mwananchi Gas Pricing Structure

Item	Kg	6Kg	Notes
Cost of Gas	130	780.00 ¹	Actual of gas delivered at NNT Plant
Overheads/ Distribution Cost	11.5	69.00	Filling cost , distribution cost
Revalidation	12.36	74.17	Revalidation cost
Total Costs	153.86	923.17	
NOCK Selling and Admin cost	46.14	276.84	
Price to the Distributor	200	1,200.01	
Distributor Expenses	25	150.00	
Price to Retailers	225	1,350.01	
Retail/Stockist Expenses	25	150.00	
Price to Consumers - Gas	250	1,500.01	
Cost of Cylinder @2183	Cylinder	0.00	Subsidized at 100%
Cost of Burner @ 386.64	Burners	0.00	Subsidized at 100%
Cost of Grill @ 243.33	Grills	0.00	Subsidized at 100%
Final selling price to consumers		1,500.01	

(5) Notwithstanding anything contained in this letter, the Ministry of Energy and Petroleum and/or SDP (as applicable) shall retain its policy and oversight roles of the Project on behalf of the Government, in accordance with Executive Order No. 1 of 2025 and applicable laws.

(6) In rolling out the project, NOCK shall prior to a constituency/county roll out:

- a) Develop and submit to the Principal Secretary, State Department for Petroleum a Distribution Plan and associated budget for the initial roll out in this case two (2) constituencies, Roysambu and Embakasi South, Nairobi County;
- b) Develop and submit to the Principal Secretary, State Department for Petroleum a Roadmap, Distribution Plan and the associated budget for Project scale-up in other counties across the country;
- c) Identify eligible beneficiaries;
- d) Conduct joint (SDP / NOCK) stakeholder engagement;

¹ Cost of gas may vary subject to landed cost of LPG in Mombasa

- e) Undertake continuous safety training and awareness of beneficiaries; and
- f) Develop a tracking system of the cylinders and monitoring the impact of the Project.

(7) NOCK shall develop Key Performance Indicators for the Project such as sustainability, affordability, safety, revenue collection and revalidation fund among others. NOCK shall keep SDP updated on these KPI's on quarterly basis.

(8) NOCK shall implement the Project and manage the above assets in accordance with and adhere to the accountability requirements of the applicable laws.

1. Capacity Development in Oil and Gas

258 officers were trained on Oil and Gas courses as part of building capacity of institutions for effective management and administration of oil and gas resources.

2. Emerging issues

- **Fluctuating crude oil and gas prices** - The global price volatility of crude oil has adversely affected investment in oil and gas exploration globally.
- **High capital investment requirement in oil and gas projects** - Exploration, appraisal and development of Oil and Gas fields are capital intensive undertakings.
- **Use of emerging technologies in exploration and extraction** - Modern oil and gas industry utilizes emerging technology to improve production, optimize equipment utilization, ensure worker safety and monitor remote areas.
- **Geopolitical tensions and conflicts** - Geo-political tensions and associated sanctions e.g the conflict between Russia and Ukraine, affect the supply and demand for petroleum products.
- **Climate Change and energy transition** - The ecological fallouts, such as global warming has **resulted** to unprecedented extreme weather disasters, are some of the effects of the climate change that are making it costlier and more difficult for oil and gas companies to efficiently operate in their environments.
- **Environmental impact** – Exploration in search for new deposits of crude oil, can have significant environmental impacts.

3. Key Risk Management Strategies.

- Review of the terms of the Production Sharing Contracts to create an efficient permitting process
- Provision of tax incentives on investments in oil and gas
- Ensure compliance with Oil Spill Mutual Aid Group (OSMAG) requirements;
- Develop regulations and ensure compliance through spot checks
- Undertake regular inspection to ensure proper maintenance of plant and equipment
- Monitor and ensure compliance of disaster recovery plan & Business Continuity Plans
- Periodic monitoring and evaluation of projects to track implementation of projects and programmes
- Promotion of public private partnership
- Involvement of development partners in project implementation
- Periodic Monitoring, Evaluation of ongoing projects
- Results-based auditing
- Undertake corruption risk assessments
- Mobilization of diverse financial resources

4. Implementation challenges, mitigation measures and recommendations

a) **Challenges**

- i) Funding and Budgetary Constraints
- ii) Human Resource constraints
- iii) Unstable Geo Political Environment
- iv) Complexity in land and right of way acquisition
- v) Impasse between Turkana Leaders and National Land Commission of land acquisition process
- vi) Inadequate specialized technical capacity in the sector
- vii) Diversion of fuel meant for transit
- viii) Long lead time between project conceptualization and realization
- ix) Community/stakeholders resistance to programmes and project
- x) Litigations leading to project delays and increased project costs

b) **Mitigation measures**

- i) Lobbied the National Treasury and Parliament and embraced PPP as a way of project financing.
- ii) Human resource capacity enhanced through recruitment of additional staff and training.
- iii) Stabilization framework through energy subsidies.
- iv) Enhanced collaboration and consultations with the relevant Ministries, Counties, Departments and Agencies (MCDAs) to fast-track land and right of way acquisition.
- v) Enhanced investment in specialized technical capacity and leveraged on technology and digitization of services.
- vi) Through EPRA, enhanced monitoring, surveillance to prevent and deter diversion of fuel meant for transit.
- vii) Enhanced its project management capacity for the effective and efficient delivery of its programmes and projects.
- viii) The department has enhanced stakeholder consultations (particularly with the communities around projects) prior to initiation and during implementation of its projects.

c) **Recommendations**

- i) Continuous stakeholder's engagement and the application of the Provisions of the Petroleum Act, 2019, in addressing the revenue sharing concerns is key in unlocking the production stalemate.
- ii) Implementation of capacity building programmes for enhanced exploration and production of oil and gas.
- iii) Fast-tracking the implementation of the National Petroleum Master Plan.
- iv) Enhanced sensitization of the public on the multiple benefits of exploration to counter the high expectations.
- v) Enhanced allocation of funds for geological mapping to provide baseline data for investment.

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Future Developments:

The table below presents strategic objectives and strategies identified towards development of the petroleum sector in the period FY 2024/25-2027/28.

Strategic Objective	Strategy
1.1 To enhance exploitation of petroleum resources	1.1.1 Map and assess petroleum resources 1.1.2 Promote investment petroleum resources 1.1.3 Develop and commercialize Petroleum resources
2.1 To enhance access to clean, renewable, reliable and competitive petroleum products and services	2.1.1 Expand and upgrade petroleum infrastructure 2.1.2 Enhance management of supply of petroleum products and services 2.1.3 Promote uptake and adoption of LPG
3.1 To ensure uninterrupted availability of petroleum products	3.1.1 Collaborate to develop regional petroleum programmes and projects 3.1.2 Enhance security of petroleum infrastructure 3.1.3 Maintain strategic stocks for critical infrastructure and petroleum products
4.1 To enhance environmental conservation	4.1.1 Implement environmental conservation programmes
5.1 To improve legal, policy and Institutional regulatory framework	5.1.1 Strengthen legal and policy framework 5.1.2 Strengthen human resource capacity 5.1.3 Enhance ICT capacity 5.1.4 Enhance research, development and innovation 5.1.5 Enhance resource mobilization and management (Finance, Strategy, Procurement and Accounts, Audit) 5.1.6 Mainstreaming of gender, Persons with Disabilities and other vulnerable groups in policy programmes and projects in the sector

10. Environmental and Sustainability Reporting

The State Department for Petroleum is established, as one of the two State Departments under the Ministry of Energy and Petroleum, by the Executive Order No. 1 of 2025 on Organization of the Government of the Republic of Kenya. This executive order on organization of Government gives the mandate of the State Department for Petroleum as follows:

- i. Petroleum Policy;
- ii. Strategic Petroleum Stock Management;
- iii. Management of Upstream Petroleum Products Marketing;
- iv. Oil and Gas Exploration Policy Development;
- v. Oil/Gas Sector Capacity Development;
- vi. Petroleum Products Import/Export Marketing Policy Management;
- vii. Licensing of Petroleum Marketing and Handling; and
- viii. Quality Control of Petroleum Products.

While performing her mandate, environmental concerns can broadly be divided into four (4) main categories as listed below;

Environmental	Natural disasters	<ul style="list-style-type: none"> • Leads to infrastructural damage • Potential invocation of Force majeure on contractual obligations
	Pollution	Potential adverse effect on marine and terrestrial life
	Waste management	Pollution prevention
	Climate change	May have adverse effects on water sources required for upstream development

The Ministry has identified these factors and developed avenues of reporting any incidences and subsequent actions taken as elaborated below. The reporting structure has been developed in compliance with National Environmental Management Authority (NEMA) guidelines.

PART VIII of the Petroleum Act 2019 provides for matters Environment, Health and Safety and Section 59. (1) Opinions that... “A contractor shall carry out upstream petroleum operations in the contract area in accordance with all the applicable environment, health, safety and maritime laws and best petroleum industry practices”.

Section 63. (1) of the Petroleum Act 2019 provides that... “A person engaged in any undertaking or activity pursuant to a petroleum agreement or permit issued under this Act shall notify the Authority within forty eight hours in writing, in the form and manner prescribed by the Authority, of any accident or incident causing loss of life, personal injury, explosion, oil spill, fire or any other accident or incident causing harm or damage to the environment or property which has arisen in Kenya or within Kenya's Exclusive Economic Zone or Outer Continental Shelf”.

a) Sustainability strategy and profile

The State Department evaluates community projects carried out by contractors in their respective blocks the Ministry in particular Establishes;

- Guidelines and procedures in place in management of community projects
- The impact the social projects have to the horst community
- The extent of community involvement/ participation in identification, procuring, evaluating and management of the projects
- The cost of the project as reported in the contractor's books of account and ensure accuracy and transparency.
- The scope of the assignment is to conduct audit of community development projects

b) Environmental performance /climate change/ mitigation of natural disasters

The State Department is guided by Environmental Management and Coordination Act (EMCA 2015) in monitoring environmental impacts department also insists on the individual company's policy on Health Safety and Environment and check consistency with the existing regulations and laws. The Ministry is developing a National Liquefied Petroleum Gas strategy so to increase the use of LPG as a cleaner source of energy as compared to biomass (firewood, charcoal etc). The strategy is to enhance LPG penetration and increase LPG per capita consumption from the current 7.5 kg per year to 15 kg per year and enhance its penetration from approximately 24% currently to 70% by 2028. The use of LPG as a source of fuel has the benefit of reducing indoor pollution, reduction of respiratory diseases due to indoor pollution.

c) Employee welfare

The state Department has a Recruitment Plan for its Technical Staff vacancies that are identified and forwarded to Public Service Commission in accordance with the Regulations for recruitment. All the stakeholders are engaged and recruitment is done in accordance with the Guiding Policies.

d) Operational practices/ Market place practice

The ministry has put in place several efforts including:

The Ministry of Energy and Petroleum has put in place

- a) Project Implementation Committee
- b) Inspection, Receipt and Acceptance Committee that ensures goods received confirm to specification and the payment to suppliers is affected within the shortest period possible.
- c) Clients who show interest in trading with the Department are encouraged to submit all the mandatory registration documents and hence included in the registered list of suppliers with the Department which is a continuous process as per Public Procurement Asset Disposal Act and its attendant regulation 2020.

The State Department also complies with Article 227 of the constitution where all suppliers are treated equally without any favourism.

- a) Use of open tender method, which is the most competitive method of procurement
- b) The Ministry continually register suppliers in various categories of goods, works and services
 - Suppliers visit our offices and are given audience
 - Suppliers are informed of problems about their contracts which is resolved through audience to rectify any problems with their contracts amicably for the interest of both parties.
 - Contract period can be extended for suppliers to complete deliveries as per requests
 - The Ministry rarely punish our suppliers by not cashing their bid bonds.
- c) Market surveys are regularly conducted
 - Technical officers from technical Ministry also ensure they continually research to understand up-to date information in relation to changes in technology and technological product.
- d) The Ministry ensure that product specifications meet the set standard and threshold as prescribed in the Public Procurement and Asset Disposal Act, 2015.

11. Statement of Management Responsibilities

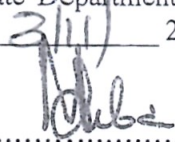
Section 81 of the Public Finance Management Act, 2012 requires the Accounting Officer to prepare Annual financial statements in respect of that State Department for Petroleum, which give a true and fair view of the state of affairs of the State Department for Petroleum at the end of the financial period and the operating results of the State Department for Petroleum for that period. The Accounting Officer is also required to ensure that the State Department for Petroleum keeps proper accounting records that disclose with reasonable accuracy the financial position of the State Department for Petroleum. The Accounting Officer is also responsible for safeguarding the assets of the State Department for Petroleum.

The Accounting Officer is responsible for preparing and presenting the State Department for Petroleum's financial statements, which give a true and fair view of the state of affairs of the State Department for Petroleum for and at the end of the financial period ended on 30th June 2025. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the State Department for Petroleum; (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 State Department for Petroleum; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer is responsible for the State Department for Petroleum'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) accrual and by the PFM Act, 2012. The Accounting Officer believes that the State Department for Petroleum's financial statements give a true and fair view of the state of the State Department for Petroleum's transactions during the financial period, and of the State Department for Petroleum's financial position as of that date. The Accounting Officer further confirms the completeness of the accounting records maintained for the State Department for Petroleum, which have been relied upon in the preparation of the State Department for Petroleum's financial statements as well as the adequacy of the systems of internal financial control. Nothing has come to the attention of the Accounting Officer to indicate that the State Department for Petroleum 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 State Department for Petroleum's financial statements were approved by the Management on 31/10 2025 and signed on its behalf by:


.....
Name: MOHAMED LIBAN
Accounting Officer

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON STATE DEPARTMENT FOR PETROLEUM FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying Transitional International Public Sector Accounting Standards (IPSAS) financial statements of State Department for Petroleum set out on pages 1 to 33, which comprise of the statement of financial position as at 30 June, 2025

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

In my opinion, the transitional IPSAS financial statements present fairly, in all material respects, the financial position of State Department for Petroleum as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) including the transitional provisions permitted under IPSAS 33 and comply with the Public Finance Management Act, 2012 and The National Treasury and Economic Planning Circular No.3 of 14 April, 2025.

Basis for Opinion

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

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the prior years' audit reports, several issues were raised under the Report on Lawfulness and Effectiveness in Use of Public Resources. Review of the status during audit of the State Department in 2024/2025 financial year revealed that the following matters remained unresolved.

No.	Audit Issue
1.	Misclassification of Expenditure
2.	Unsupported Third -Party Deposits and Retention
3.	Unsupported Pending Bills
4.	Importation of Refined Petroleum Products under Government -to- Government Framework
5.	Stalled Mwananchi Gas Project
6.	Lack of Governance Framework for Stabilization of petroleum

Other Information

Management is responsible for the Other Information set out on page iii to xxix which comprise of Key State Department Information and Management, Profile of Cabinet Secretary, Profile of Accounting Officer and Key Management, Statement by the Cabinet Secretary, Statement by the Accounting Officer, Statement of Performance Against Predetermined Objectives, Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, and the 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 State Department for Petroleum financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Unaudited Oil Exploration Cost Recovery Statements

During the year under review, the State Department had four (4) active Production Sharing Contracts (PSC) with an Oil and Gas Exploration Company for Oil. The contracts provide that the costs incurred during exploration, field development and production are recoverable from future revenues realised on the sale of oil and gas extracted. The Government is mandated to conduct an audit of the costs within two (2) calendar years of the period to which they relate, and shall complete that audit within one (1) calendar year. Further, the contracts provide that in the absence of an audit within two (2) calendar years or in the absence of notice to the contractor of a discrepancy in the books and accounts within three (3) calendar years of the period to which the audit relates, the contractor's books and accounts shall be deemed correct.

Review of cost recovery statements for four (4) oil and gas exploration blocks operated by an International Oil Company (IOC) revealed costs totalling to USD2,355,112,184 (equivalent to Kshs.304,374,698,660) had been incurred on the Blocks as at 30 June, 2025. However, no evidence was provided to indicate that the costs had been subjected to audit as provided for in clause 30 of the Production Sharing Contracts.

In the circumstances, non-compliance with audit of cost provisions in the Production Sharing Contracts may lead to recovery of ineligible costs in the future.

2. Delay in Approval of the Field Development Plan

Review of upstream petroleum exploration and development information and correspondence files provided by Management revealed that an Oil and Gas exploration Company had submitted a draft Field Development Plan for blocks 10BB and 13T on 19 October, 2021. However, approval of the Plan was yet to be granted. Further, no evidence was provided indicating whether Management reviewed the Plan and made recommendations to the contractor for incorporation. This was contrary to clause 20(3) of the production sharing contracts, which provides that the Minister and the Contractor shall jointly consider the Development Plan within sixty (60) days.

In the circumstances, Management is in breach of the provisions of the contract.

3. Inconsistencies in the Framework for Importation of Petroleum Products

As previously reported, the Government of Kenya made a policy shift on importation of petroleum products for the local and transit markets from an Open Tender System (OTS) to a system described as Government-to-Government (G-to-G) Framework in March, 2023. The change was meant to mitigate against the declining value of the Kenyan currency that was attributed to Oil Marketing Companies (OMC) operations and reduce pressure on foreign currency liquidity for the economy.

Review of documents provided by Management in respect of implementation of the Framework revealed several inconsistencies and anomalies which included; unsupported extensions to supply contracts, unprocedural nomination of importers, higher import premiums, unsupported existence and operations of escrow accounts, irregular and unapproved inclusion of legal costs and shortfall financing in petroleum pump prices and unsupported demurrage cost charges to pump prices among others. The matters raised were outstanding during the year under review and Management did not indicate the status of implementation of recommendations.

Further, a special audit conducted in March 2025 on the importation Framework between March, 2023 and June, 2024 and submitted to the National Assembly on 24 March, 2025 revealed several irregularities and anomalies in administration of the Framework which included; use of unapproved legal instruments to execute fuel supply contracts, unsupported variations to fuel supply contracts, lack of framework for shortfall financing, inconsistencies and supported pump price setting, inclusion of unapproved costs to pump prices, and irregular and unsupported demurrage charges included in petroleum pump prices.

In the circumstances, the legality of the Framework, and the existence of sufficient controls to safeguard against misappropriation of public funds by private entities involved in importation of fuel on account of Government guarantees, could not be confirmed.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

Lack of a National Petroleum Policy

During the year under review, the State Department did not have a National Petroleum Policy on Petroleum operations. This is contrary to Part II Section 5(1) of the Petroleum Act, 2019. Although Management stated that the Policy was developed, subjected to public participation, and a final draft was submitted to the Cabinet, the Cabinet approval had not yet been received.

In the circumstances, the State Department may not be able to mitigate risks in the Petroleum Industry in the absence of a National Petroleum Policy.

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

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


Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

19 December, 2025

13. Statement of Financial Performance for the year ended 30 June 2025

	Notes	Period Ended 30th June 2025
		Kshs
Revenue from non-exchange transactions		
Transfers from Exchequer	5	329,972,403
Levies, fines, penalties, and forfeitures	6	24,762,944,871
Total		25,092,917,274
Revenue from exchange transactions		
Miscellaneous income	7	41,000
Total		41,000
Total revenue		25,092,958,274
Expenses		
Employee costs	8	240,686,797
Use of goods and services	9	2,425,161,392
Transfers to other Government Entities	10	8,910,911,634
Depreciation and amortization expense	11	17,740,153
Other Grants and Subsidies	12	13,181,443,067
Total expenses		24,775,943,043
Surplus/Deficit for the year		317,015,231

The Financial Statements set out on pages 1 to 6 were signed by:

.....
 Name: MOHAMED LIBAN
 Accounting Officer

.....
 Name: VERONICA KAMAU
 Head of Accounting Unit
 ICPAK M/No. 10669

State Department for Petroleum
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14 Statement of Financial Position as at 30 June 2025

	Notes	Period as at 30th June 2025	Opening Statement 1 st July 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash equivalents	13	141,816,718	118,369,894
Total Current Assets		141,816,718	118,369,894
Non-Current Assets			
Property, Plant, and Equipment	14	362,635,957	32,502,483
Intangible Assets	15	12,180,000	10,657,500
Total Non-Current Assets		374,815,957	43,159,983
Total Assets (A)		516,632,675	161,529,877
Liabilities			
Current Liabilities			
Trade and Other Payables	16	159,790,252	30,248,871
Refundable Deposits	17	25,393,580	19,574,413
Total Current Liabilities		185,183,832	49,823,284
Total Liabilities (B)		185,183,832	49,823,284
Net Assets (A-B)		331,448,843	111,706,593
Represented By:			
Accumulated Surplus		331,448,843	111,706,593
Net Assets		331,448,844	111,706,593

The financial statements set out on pages 1 to 6 were signed by:

.....
Name: MOHAMED LIBAN
Accounting Officer

.....
Name: VERONICA KAMAU
Head of Accounting Unit
ICPAK M/No. 10669

15 Statement of Changes in Net Assets for the year ended 30 June 2025

	Accumulated Surplus	Total
Fund balance As at July 1, 2024	98,795,481	98,795,481
Adjustments		
Recognition of Assets	44,682,483	44,682,483
Recognition of Liabilities	-30,248,871	-30,248,871
Return to Exchequer	-98,795,481	-98,795,481
Surplus/ deficit for the year	317,015,231	317,014,872
As at June 30, 2025	331,448,844	331,448,484

The Assets have been depreciated using the reducing balance method and are Net of depreciation for the year.

State Department for Petroleum
Annual Report and Financial Statements for the year ended June 30, 2025.

16. Statement of Cash Flows for the year ended 30 June 2025

		<i>Period Ended 30th June, 2025</i>
	Notes	Kshs
Cash flows from operating activities		
Receipts		
Transfers from exchequer		329,972,403
Levies, fines, penalties and forfeitures		24,762,944,871
Other income		41,000
Total receipts		25,092,958,274
Payments		
Employee costs		240,686,797
Use of goods and services		2,295,620,011
Transfers to other Government Entities		8,910,911,634
Other Grants and Subsidies		13,181,443,067
Total payments		24,628,661,510
Net cash flows from/(used in) operating activities	19	464,296,764
Cash flows from investing activities		
Purchase of PPE		(342,054,459)
Intangible Assets		(-)
Net cash flows from/(used in) investing activities		(342,054,459)
Cash flows from financing activities		
Return to Exchequer		(98,795,481)
Net cash flows from financing Activities		(98,795,481)
Net increase/(decrease) in cash & Cash equivalents		23,446,824
Cash and cash equivalents at the start of the period	13	118,369,894
Cash and cash equivalents at the end of the period	13	141,816,718

17. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2025

Recurrent and Development Combined

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
Receipts						
Exchequer releases	700,411,883	(368,853,057)	331,558,826	329,972,402	1,586,423	100%
Transfers from other government entities	30,500,000,000	(277,707,200)	30,222,292,800	24,762,944,871	5,459,347,929	83%
Miscellaneous receipts	-	250,000	250,000	41,000.00	209,000	16%
Total Receipts	31,200,411,883	-646,310,257	30,554,101,626	25,092,958,274	5,461,143,352	82%
Payments						
Compensation of employees	229,000,000	12,349,090	241,349,090	240,686,797	662,293	100%
Use of goods and services	1,116,872,336	252,142,211	2,432,794,444	2,295,620,010	137,174,434	94%
Subsidies	27,000,000,000	(8,428,911,634)	18,571,088,366	13,181,443,067	5,389,645,299	71%
Transfers to other government entities	385,000,000	8,525,911,634	8,910,911,634	8,910,911,634	-	100%
Acquisition of assets	2,469,539,547	(1,007,801,558)	397,958,092	342,054,459	55,903,633	86%
Other payments						
Total Payments						

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Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	31,200,411,883	(646,310,257)	30,554,101,626	24,976,535,494	5,577,566,132	82%
Surplus	-	-	-	122,242,307		

(a) *Variance analysis:*

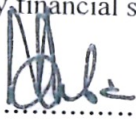
- The pump price was fairly stable during the year hence we did not request for the full budget allocation and the underutilization of pump price amount
- The budget for miscellaneous receipts was based on planned assets disposal, but the disposal process was not finalised as at 30th June 2025
- Acquisition of assets was affected by non-acquisition of LPG plant following a change in LPG policy on LPG growth strategy

(b) The statement of comparison of Budget and Actual amounts for the year is reported on cash basis

(c)

Surplus for the period	122,242,307
adjusted for retention monies paid/(received)	- 5,819,167
Net Surplus	<u>116,423,140</u>

The entity financial statements were approved on 3/11 2025 and signed by:


.....

Name: MOHAMED LIBAN

Accounting Officer


.....

Name: VERONICA KAMAU

Head of Accounting Unit

ICPAK M/No. 10669

Budget Reconciliation to the Statement of Cash Flows

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	116,423,140
2	Cash and cash equivalents at 1 July 2024	118,369,894
4	Return to Exchequer	-98,795,481
	Closing Cash and Cash Equivalent as per the statement of Cash flows	19,574,413

Budget Notes

The balance of **Ksh.19,574,413** is opening balance for third party deposits.



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Budget Execution by Programmes and Sub-Programmes for FY2025

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	Kshs	Kshs	Kshs	Kshs	Kshs
021500000- Exploration and Distribution of Oil and Gas	30,544,101,626	-	30,544,101,626	24,976,523,755	5,577,577,871
0215000000- Exploration and Distribution of Oil and Gas	-	-	-	-	-
0215010000- Oil and Gas Exploration	2,156,694,238	-	2,156,694,238	2,001,455,792	155,238,446
0215020000- Distribution of Petroleum and Gas	1,089,280,722	-	1,089,280,722	1,071,311,984	17,968,738
0215030000- General Administration and Support Services	27,308,126,666	-	27,308,126,666	21,903,755,979	5,404,370,687
Total	30,544,101,626	-	30,544,101,626	24,976,523,755	5,577,577,871

18. Notes to the Financial Statements

1. Establishment

The State Department for Petroleum is established by and derives its authority and accountability from The Executive order no. 1 of 2025. The State Department for Petroleum is wholly owned by the Government of Kenya and is domiciled in Kenya. The State Department for Petroleum's principal activity is to provide policy and strategic management of the extractive sector.

2. Statement of Compliance and Basis of Reporting

Statement of compliance

These financial statements have been prepared in accordance with transitional to International Public Sector Accounting Standards (IPSAS) accrual basis.

For the purpose of these financial statements, the Department has been categorized as a Schedule 1 national government State Department for Petroleum in line with Section 4 of the Public Finance Management Act, 2012 read together with Regulation 211 (2) of the Public Finance Management (National Government) Regulations, 2015. Schedule 1 national government entities include Ministries, Departments, Agencies, constitutional institutions and independent offices. State Department for Petroleum is a reporting entity whose primary objective is to provide policy and coordination of government services.

The use of public resources by the State Department for Petroleum s is primarily governed by Chapter 12 of the Constitution, the relevant Appropriation Act, the Public Finance Management Act, of 2012, and the Public Procurement and Disposal Act, of 2015.

These financial statements were authorized for issue by the Accounting Officer on 15th January 2025.

The financial statements have been prepared in accordance transition to IPSAS accrual. The State Department for Petroleum has taken advantage of the transitional provisions under IPSAS 33 and therefore this year financial statements are transitional financial statements and the State Department for Petroleum has taken advantage of the transition provisions outlined in IPSAS 33.

Notes to the financial statements

Reporting period

The reporting period for these financial statements is for the period ended 30th June 2025.

Basis of preparation

These financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period on an accrual basis unless otherwise specified (for example, the Statement of Cash Flows). Under an accrual basis, revenues are recognised when rights to assets are earned or levied rather than when cash is received, and expenses are recognised when obligations are incurred rather than when they are settled. The financial statements have been prepared and presented in Kenya Shillings to the nearest shilling. The accounting policies adopted have been consistently applied to all the years presented.

Critical accounting judgements

IPSAS requires accounting judgements to be made in determining accounting policies that impact the presentation of these financial statements. The most critical of these judgements, and their impact, are:

Recognition of revenue

A revenue is an increase in the net financial position, other than increases arising from ownership contributions. Revenue is required to be measured when the event occurs and when recognition criteria (probable inflow of resources and ability to reliably measure their value) are met. Judgment is required to determine if these criteria are met, particularly where limited evidence is available at the time the revenue is earned.

Recognition of non-exchange expenses and liabilities

A liability is a present obligation of the State Department for Petroleum for an outflow of resources that results from a past event. Expenses (and other liabilities) are recognized when there is a present obligation (legal or constructive) as a result of a past event. An outflow of resources embodying economic benefits will probably be required to settle the obligation and a reliable estimate of the obligation can be made. Judgment is required in assessing each of these conditions, and therefore reporting if an expense and a present obligation should be reported.

The State Department for Petroleum pursues a number of policy targets and outcomes. However, the commitment to these targets and outcomes, generally, do not of themselves constitute a present

State Department for Petroleum

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

obligation unless the State Department for Petroleum is clear on the cost it intends to incur, when payment will be made, and to whom and as a consequence has raised a valid expectation. As a consequence, liabilities are not reported for costs associated with the State Department for Petroleum policy objectives and targets. Where a policy choice gives rise to an obligation that exists independently of the State Department for Petroleum's future actions, expenses (and other related liabilities) are recognized for that policy.

Purpose and nature of financial instruments

Judgment is required in determining whether financial assets (including investment in securities and advances) and financial liabilities are held for trading or to provide a return through interest and principal transactions. Depending on that judgment, financial instruments will be reported at fair value or on an amortized cost basis.

Climate change obligations

Kenya's current National Determined Contribution (NDC) to deliver on the goals of the Paris Agreement sets a headline target of a 32 per cent emission reduction by 2030 relative to the business-as-usual scenario of 143 MtCO₂eq. State Department for Petroleum commitment to climate change action does not constitute a present obligation on the balance sheet but are disclosed separately.

Physical assets

An asset is a resource presently controlled by the State Department for Petroleum as a result of a past event. The primary reason for holding property, plant and equipment and other assets is for their service potential rather than their ability to generate cash flows. Because of the types of services provided, a significant proportion of assets used by public sector entities including roads, national parks, heritage buildings etc are specialized in nature. There may be a limited market for such assets and so judgement is required on measurement. Judgment is also required whether assets are held for commercial purposes or public benefit purposes.

3. Summary of Significant Accounting Policies

a) **Revenue recognition**

i) **Revenue from non-exchange transactions**

Fees, taxes, and fines

The State Department for Petroleum recognizes revenues from fees, taxes, and fines when the event occurs and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the *State Department for Petroleum* and the fair value of the asset can be measured reliably.

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 State Department for Petroleum and can be measured reliably. Development grants are recognized in the statement of financial performance after meeting the revenue recognition criteria. Conditional grants are recognized as revenue upon fulfilment of the set conditions.

ii) **Revenue from exchange transactions**

Rendering of services

The State Department for Petroleum recognizes revenue from the rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours.

Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

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.

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.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

b) Budget information

The original budget for FY 2024/25 was approved by the National Assembly on 30th June 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the State Department for Petroleum upon receiving the respective approvals to conclude the final budget. Accordingly, the State Department for Petroleum recorded additional appropriations of 1 on the 2024/25 budget following the governing body's approval. The State Department for Petroleum budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on an accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement 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 cashflows has been presented under a section of these financial statements.

c) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a period. 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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

d) 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 State Department for Petroleum 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.

e) Right of use asset

The right-of-use assets comprises the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Whenever the State Department for Petroleum incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under IPSAS 21 or IPSAS 26. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories. Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the State Department for Petroleum expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease. The right-of-use assets are presented as a separate line in the statement of financial position.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

f) Tangible Natural Resources

The State Department for Petroleum recognizes a tangible natural resource if, and only if: It is probable that service potential associated with the natural resource will flow to the State Department for Petroleum; the State Department for Petroleum controls the tangible natural resource as a result of past events; and the tangible natural resource can be measured reliably. Where these criteria are not met, the State Department for Petroleum discloses the tangible natural resource in the notes to the financial statements. Where a tangible natural resource is recognized as an asset as the result of an event that is not a transaction in an orderly market, including non-exchange transactions, the asset shall be measured initially at its deemed cost. A State Department for Petroleum shall apply IPSAS 46, Measurement when measuring the deemed cost of such a recognized tangible natural resource. A recognized tangible natural resource acquired through an exchange transaction shall be measured at its cost. The historical cost model is applied after initial recognition less any depreciation and impairment losses.

g) 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.

h) Research and development costs

The State Department for Petroleum expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the State Department for Petroleum can demonstrate:

- i) The technical feasibility of completing the asset so that the asset will be available for use or sale
- ii) Its intention to complete and its ability to use or sell the asset
- iii) How the asset will generate future economic benefits or service potential
- iv) The availability of resources to complete the asset
- v) The ability to reliably measure expenditure during development.

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

development is complete, and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

i) 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 State Department for Petroleum 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 State Department for Petroleum and a financial liability or equity instrument of another State Department for Petroleum. At initial recognition, the State Department for Petroleum 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.

i) Financial assets

Classification of financial assets

The State Department for Petroleum classifies its financial assets as subsequently measured at amortized cost, fair value through net assets/ equity, or fair value through surplus and deficit based on both the State Department for Petroleum'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 to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

State Department for Petroleum has made an irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

Based on the business model and the cash flow characteristics, the State Department for Petroleum 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.

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 the 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.

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.

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 State Department for Petroleum manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through a surplus or deficit model.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Impairment

The State Department for Petroleum 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 State Department for Petroleum recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in *Note xx*.

i) Financial liabilities

Classification

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

j) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or 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:

- i) Raw materials: purchase cost using the weighted average cost method.
- ii) 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 State Department for Petroleum.

k) Provisions

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

l) Social Benefits

Social benefits are cash transfers provided to

- i) specific individuals and/or households that meet the eligibility criteria,
- ii) ii) mitigate the effects of social risks and
- iii) iii) Address the needs of society as a whole. The State Department for Petroleum recognizes a social benefit as an expense for the social benefits scheme at the same time that it recognizes a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the State Department for Petroleum will incur in fulfilling the present obligations represented by the liability.

m)Contingent liabilities

The State Department for Petroleum 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.

n) Contingent assets

The State Department for Petroleum 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 State Department for Petroleum 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.

o) Nature and purpose of reserves

The State Department for Petroleum creates and maintains reserves in terms of specific requirements.

p) Changes in accounting policies and estimates

The State Department for Petroleum recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

q) Employee benefits

Retirement benefit plans

The State Department for Petroleum provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an State Department for Petroleum pays fixed contributions into a separate State Department for Petroleum (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 a proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

r) **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 on 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.

s) **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 the construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

t) **Related parties**

The State Department for Petroleum regards a related party as a person or an State Department for Petroleum with the ability to exert control individually or jointly or to exercise significant influence over the State Department for Petroleum, or vice versa. Members of key management are regarded as related parties and comprise the directors, the CEO and senior managers

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

u) Service concession arrangements

The State Department for Petroleum analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the State Department for Petroleum recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price.

In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the State Department for Petroleum also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

v) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at the 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.

w) Biological Assets

All biological assets (including those acquired biological assets through a non-exchange transaction) are measured at fair value less costs to sell unless fair value cannot be measured reliably. Agricultural produce is measured at fair value at the point of harvest less costs to sell. Any change in the fair value of biological assets during a period is reported in surplus or deficit.

x) Comparatives

In preparing these financial statements the State Department for Petroleum has elected to apply paragraph 79 of IPSAS 33, which allows for the election by a State Department for Petroleum to present one statement of financial performance, one statement of cash flow, one statement of net assets and the statement of financial position and an opening statement of financial position as at the time of first-time adoption of the accrual basis of accounting.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

4. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the State Department for Petroleum'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:

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 State Department for Petroleum 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 State Department for Petroleum. Such changes are reflected in the assumptions when they occur.

Useful lives and residual value

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

- a) The condition of the asset based on the assessment of experts employed by the State Department for Petroleum.
- b) The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- c) The nature of the processes in which the asset is deployed.
- d) Availability of funding to replace the asset.
- e) Changes in the market in relation to the asset

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 40.

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.

Notes to the Financial Statements (Continued)

5. Transfers from Exchequer

Nature of transfer	Amount recognized to Statement of Financial performance	Amount deferred under deferred income	Total transfers Period ended 30 th June 2025
	Kshs	Kshs	Kshs
Recurrent	329,972,403	-	329,972,403
Development	-	-	-
Total Transfers from Exchequer	329,972,403	-	329,972,403

6. Levies, fines, penalties and forfeitures

Description	FY 2024/2025
	Kshs
Pump Price Stabilization	21,610,354,701
Petroleum Development Levy	2,835,127,808
Royalties on Oil Exploration	162,550,433
Royalties on Oil Exploration-Training	154,911,939
Total	24,762,944,871

7. Miscellaneous Income

Description	FY 2024/2025
	Kshs
Proceeds from sale of asset	41,000
Total miscellaneous income	41,000

8. Employee Costs

Description	FY 2024/2025
	Kshs
Basic salaries of permanent employees	157,065,853
Personal allowances – part of salary	69,531,516
Employers' contributions to compulsory National Social Security Schemes	14,089,427
Total Employee costs	240,686,797

State Department for Petroleum
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Notes to the Financial Statements (Continued)

9. Use of Goods and Services

Description	FY 2024/2025 Kshs
Utilities, supplies and services	3,455,583
Communication, supplies and services	723,480
Domestic travel and subsistence	4,444,800
Printing, advertising, and information supplies & services	38,698,295
Rentals of produced assets*	56,787,703
Training expenses	155,190,284
Hospitality supplies and services	379,914,291
Specialized materials and services	56,452,972
Office and general supplies and services	48,745,230
Fuel Oil and Lubricants	1,826,000
Routine maintenance – vehicles and other transport equipment	4,522,550
Routine maintenance – other assets	3,278,132
Other operating expenses*	691,952,774
Research Costs*	979,169,299
Total	2,425,161,392

Cash flows on Use of goods

Total Use of Goods and Services	2,425,161,392
Adjusted for	
Changes in payables	(129,541,381)
Total cash flows on use of goods	2,295,620,011

Notes to the Financial Statements (Continued)

10. Transfers to Other Government Entities

Description	FY 2024/2025
	Kshs
Transfers to national govt entities- Current Grant (SAGA's)*	8,578,911,634
Transfer to (SAGA's)- Capital Grant (NOCK)	332,000,000
Total	8,910,911,634

* Transfers to national govt entities- Current Grant (SAGA's)

KPRL -	3,515,911,634.00
NOCK -	4,913,000,000.00
EPRA -	<u>150,000,000.00</u>
TOTAL	<u>8,578,911,634.00</u>

11. Depreciation and Amortization Expense-Reducing Balance Method

Description	FY 2024/2025
	Kshs
Property, plant and equipment	17,740,153
Intangible Assets	-
Total	17,740,153

12. Other Grants and Subsidies

Description	FY 2024/2025
	Kshs
Subsidies to Private entities-OMCs	13,181,443,067
Total Grants and Subsidies	13,181,443,067

13. Cash and Cash Equivalents

Description	FY 2024/2025	Opening statement 1 st July 2024
	Kshs	Kshs
Recurrent Account	5,548,913	18,651,603
Development Account	-	80,143,878
Deposits Account	25,393,580	19,574,413
Surface Fee	110,874,225	-
Total	141,816,718	118,369,894

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13b) Detailed Analysis of the Cash and Cash Equivalents

		FY 2024/2025	Opening statement
Financial Institution	Account number	Kshs	1st July 2024
			Kshs
Recurrent Account			
<i>CBK001</i>	1000734299	5,548,913	18,651,603
Development Accounts			
<i>CBK002</i>	1000734329	-	80,143,878
Deposits Accounts	1000734388	25,393,580	19,574,413
<i>KCB BANK</i>			
Surface Fee	1273052536	110,874,225	-
Others (Specify)			
Sub- Total		141,816,718	118,369,894
Grand Total		141,816,718	118,369,894

State Department for Petroleum

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Notes to the Financial Statements (Continued)

14. Property, Plant, and Equipment

Description	Motor vehicles	Furniture and fittings	Computers & ICT Equipment	Work in progress	Machinery and Equipment	Total
Depreciation Rate	12.50%	12.50%	30%		12.50%	
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Opening Bal as 1 st July 2024	7,610,000	1,429,950	20,805,650	-	11,461,225	41,306,825
Additions	-	7,400,000	-	258,844,427	81,629,200	347,873,627
As At 30th Jun 2025	7,610,000	8,829,950	20,805,650	258,844,427	93,090,425	389,180,452
Depreciation And Impairment						-
Opening Bal as 1 st July 2024	951,250	178,744	6,241,695	-	1,432,653	8,804,342
Depreciation	832,344	1,081,401	4,369,187	-	11,457,221	17,740,153
As At 30Jun 2025	1,783,594	1,260,145	10,610,882	-	12,889,875	26,544,494
Net Book Values						
Opening Bal as at 1 st July 2024	6,658,750	1,251,206	14,563,955	-	10,028,572	32,502,483
As At 30th June, 2025	5,826,406	7,569,805	10,194,769	258,844,427	80,200,550	362,635,957

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Notes to the Financial Statements (Continued)

1. Valuation

Items of PPE are valued at Historical cost at the point of recognition in the financial statements. Where historical cost is not available or the item has been acquired during the year, PPE has been valued at the current operational value which is the amount the State Department For Petroleum would pay for the remaining service potential of an asset at the measurement date.

Cash flows on PPE

total additions	347,873,626.7
Adjusted for retention monies paid/received	-
	5,819,167.2
Total cash outflows on PPE	342,054,459.5

Notes to the Financial Statements (Continued)

15. Intangible Assets

Description	Insert Current FY
	Kshs
Cost	
At beginning of the year	12,180,000
Additions	-
Disposal	(-)
At end of the year	12,180,000
Opening Bal 1st July 2024	12,180,000
Additions—internal development	-
Disposal	(-)
At end of the year	12,180,000
Amortization and impairment	
At beginning of the year	-
Amortization	-
At end of the year	-
Impairment loss	-
At end of the year	-
NBV	12,180,000

16. Trade and Other Payables

Description	FY 2024/2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Trade payables	159,790,252		30,248,871	
Total trade and other payables	159,790,252		30,248,871	
Ageing analysis: (Trade and other payables)	FY	% of the	1st	% of
	2024/2025	Total	July 2024	the
Under one year	159,790,252	100%	30,248,871	100%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (tie to above total)	159,790,252		30,248,871	

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Notes to the Financial Statements (Continued)

17. Refundable Deposits and Prepayments

Description	FY 2024/2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Other deposits-Retention	25,393,580		19,574,413	
Total deposits	25,393,580		19,574,413	
Ageing analysis: (Refundable deposits)	Current FY	% of the Total	1st July	% of the Total
Under one year	25,310,438	100%	19,574,413	100%
1-2 years	83,142	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	25,393,580		19,574,413	

Notes to the Financial Statements (Continued)

18. Employee Benefit Obligations

Retirement benefit Asset/ Liability (*Applicable to Pensions*)

The State Department for Petroleum operates a defined benefit scheme for all full-time employees from July 1, 2024. The scheme is administered by The National Treasury. The scheme is based on a percentage of salary of an employee at the time of retirement.

An actuarial valuation to fulfil the financial reporting disclosure requirements of IPSAS 39 was carried out as at 30th June 2025. On this basis the present value of the defined benefit obligation and the related current service cost and past service cost were measured using the Projected Unit Credit Method. The principal assumptions used for the purposes of valuation are as follows:

Notes to the Financial Statements (Continued)

a) Amounts recognised in the Statement of Financial Position

The State Department for Petroleum also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The State Department for Petroleum's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at KShs. 300 per employee per month. Employer contributions are recognised as expenses in the statement of financial performance within the period they are incurred.

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Notes to the Financial Statements (Continued)

19. Cash Generated from Operations

	Period ended 30th June 2025
	Kshs
Surplus for the period before tax	317,015,232
Adjusted for:	
Depreciation	17,740,153
Increase in payables	129,541,381
Net cash flow from operating activities	464,296,765

20. Events after the Reporting Period

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

21. Ultimate And Holding MDA

The State Department for Petroleum ultimate parent is the Government of Kenya.

22. Currency

The financial statements are presented in Kenya Shillings (Kshs) and is rounded off to the nearest shilling.

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19. Appendix

Appendix 1: Implementation Status of Auditor-General's Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.	Misclassification of expenditure	The projects have inbuilt both capital and recurrent expenditures such as Monitoring and Evaluation, Travelling and Subsistence, Specialised materials to support the project.	Awaiting to appear in Parliament	
2.	Unsupported Third-party deposits and Retention	The supporting documents have been obtained and the money paid to the Consolidated fund as guided by section 106 of the PFM regulations.	Resolved in previous Year	
3.	Unsupported Pending Bills	The supporting documents have since been received and the pending bills settled.	Resolved	



.....
 Accounting Officer

Date

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Appendix II: Projects implemented by The State Department for Petroleum

Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)

Status of Projects completion

(Summarise the status of project completion at the end of each quarter, i.e. total costs incurred, stage which the project is etc)

Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds

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Appendix III: Fixed Asset Register

Asset class	Historical Cost b/f (Kshs) Previous Year	Additions during the year (Kshs)	Depreciation during the year (Kshs)	Transfers in/(out) during the year	Historical Cost c/f (Kshs) Current Year
Transport equipment-Motor Vehicle	7,610,000	-	(1,783,594)	-	5,826,406
Office equipment, furniture and fittings	1,429,950	7,400,000	(1,260,145)	-	7,569,805
ICT Equipment	20,805,650	-	(10,610,882)	-	10,194,769
Machinery and Equipment	11,461,225	81,629,200	(12,889,875)	-	80,200,550
Work in Progress		258,844,427	-	-	258,844,427
Total	41,306,825	347,873,627	(26,544,494)	-	362,635,957

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Appendix IV: Transfers from Other Government Entities

Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/ Development/ Others	Total Amount - KES	Statement of Financial Performance	Where Recorded/recognized				Total Transfers during the Year
					Deferred Income	Receivables	Others - must be specific		

Appendix VI: Reporting of Climate Relevant Expenditures

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

Appendix VII: Disaster Expenditure Reporting Template

Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments

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Appendix XI: Analysis of Pending Bills

Firm Name	Payment details	Invoice Number	Invoice Date	Invoiced Amount (Kshs)	Reasons for non-Payment
M/s Nation Media Group Plc	Being provision of media coverage services for petroleum summit	-	02/06/2025	1,500,000.00	Lack of Funds
M/s Lizmart Agencies,Ltd	Provision of Repair services for motor vehicle GKA 245Z Toyota Hilux Pick Up			315,000.00	Incomplete Documentation
M/s Jimmon Cleaning Services	Being provision of Cleaning Services for month of May 2025	4000	28/05/2025	540,002.87	Lack of Fund
M/s Jimmon Cleaning Services	Being provision of Cleaning Services for month of June 2025	4551	30/06/2025	540,002.87	Lack of Fund
M/s Tojma Investment	Repair Works (PS) Office	-	-	653,600.00	Incomplete Documentation
M/s Tojma Investment	provision of artwork, supply and fixing of floor marking, office designations, officers' designations and numbering of all offices in state Department for Petroleum	-	-	1,779,500.00	Incomplete Documentation
M/s Tojma Investment	Supply and Delivery of 2 steel cabinets, 7 stamps, 4 tyres 265R17 and Tonners 8305 one set	-	-	486,300.00	Incomplete Documentation
M/s Johncil World Enterprises Ltd	Being 2nd Interim Payment for proposed supply, installation, testing and commissioning of LPG gas for Machakos TTI for the blind	-	28/02/2025	928,811.74	Lack of funds

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M/s Johncil World Enterprises Ltd	Being 2nd Interim Payment for proposed supply, installation, testing and commissioning of LPG gas for Chogoria High School	-	28/02/2025	2,256,404.16	Lack of funds
M/s Joyric Technologies Ltd	Provision of VIP Tents and Carpets for LPG presidential launch at Jamhuri High School	-	-	2,999,550.00	Lack of Funds
M/s Reshka Ltd	Being Provision of Power Backup Systems during the LPG presidential launch at Jamhuri High School			2,997,800.00	Lack of Funds
M/s Keirac Enterprises	Being Provision of holding Room Services during the LPG presidential launch at Jamhuri High School			2,997,300.00	Lack of Funds
M/s Ryker General Merchants Ltd	Being Provision of lighting services for the LPG presidential launch at Jamhuri High School			2,999,010.00	Lack of Funds
M/s Benitoh Ventures	Being provision of Security and security scanning equipment during the LPG presidential launch at Jamhuri High School			2,998,485.00	Lack of Funds
M/s Dewberry Enterprises	Provision of Air Conditioning Systems during the LPG presidential launch at Jamhuri High School			2,998,830.00	Lack of Funds
M/s Staing Enterprises Ltd	Being provision of audio sound and audio-visual systems during the LPG presidential launch at Jamhuri High School			2,988,980.00	Lack of Funds
M/s Jentech Investments	Being provision of registration area and services			2,998,595.00	Lack of Funds

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M/s Surian Ventures Ltd	Provision of VIP Catering services during the LPG presidential launch at Jamhuri High School			2,997,998.00	Lack of Funds
M/s Kenserve International Ltd	Provision of General Catering services during the LPG presidential launch at Jamhuri High School			2,998,750.00	Lack of Funds
M/s bunzytech Technologies	Provision of mobile toilets during the LPG presidential launch at Jamhuri High School			2,999,455.00	Lack of Funds
M/s Dexter Key Logistics	Being provision of furniture and fittings during the LPG presidential launch at Jamhuri High School			2,998,600.00	Lack of Funds
M/s Licious Events Company Ltd	Being provision of branding and decoration services during the LPG presidential launch at Jamhuri High School			2,999,205.00	Lack of Funds
M/s Naivasha Country Hotel	Provision of conference Facility for planning workshop	60619	04/06/2025	382,500.00	Incomplete Documentation
M/s Balhi Enterprises	Supply and delivery of Motor Vehicle tyres and Batteries			2,950,000.00	Incomplete Documentation
M/s Boardco Software Ltd	Supply and Delivery of Specialized Petroleum Equipment, Tender No. MOEP/SDP/ONT/004/2024-2025			5,154,400.00	Late Delivery
M/s Geoscintex	Supply and Delivery of Specialized Petroleum Equipment, Tender No. MOEP/SDP/ONT/004/2024-2025			41,800,000.00	Late Delivery
M/s Compton Ltd	Being Bill for Renewal of Office 365	4934	30/06/2025	2,965,000.00	Incomplete Documentation
M/s Pillar Audio Visual Services Ltd	Hire of Launch Concept & AV Equipment on 20th May 2025 at KICC			406,000.00	Incomplete Documentation

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	during the Strategic plan launch for the Ministry				
M/s Government Advertising Agency	Being Bill for placing various advertisements	004076, 003009, 003456, 003459, 003348,	10/06/2025	1,285,219.50	Incomplete Documentation
M/s Swiss Lenana Mount	Provision of Conference facility	-	16/01/2025	140,000.00	Incomplete Documentation
M/s Green Bay Travel Ltd	Provision of Air Tickets	6066	15/11/2024	49,570.00	Incomplete Documentation
M/s Chef Table	Provision of Tea, Snacks and Lunch	99	12/03/2025	59,500.00	Incomplete Documentation
M/s Holimarc Motors & Allied Services	Motor vehicle Repair & Services for GKC 567A Toyota Prado	778	05/06/2025	167,000.00	Incomplete Documentation
M/s Wagtech Africa Ltd	Supply And Delivery of Specialized Petroleum Equipment, Contract No: MOEP/SDP/OIT/05/2023-2024			8,948,571.86	Incomplete Documentation
M/s Kaylan Tous and Travel	Being Provision of return Ticket from Nairobi to Kisumu and Back			60,200.00	Incomplete Documentation
M/s Holimarc Motors & Allied Services	Motor vehicle Repair & Services for GKC 567A Toyota Prado			113,000.00	Incomplete Documentation
M/s Mavuno	Motor vehicle Repair & Services for GKC 566A Toyota Prado			143,550.00	Incomplete Documentation
M/s Symetric Ltd	Being 3rd Interim Payment for proposed supply, Installation, Testing and Commissioning of LPG Reticulation Block No.2 &3 for the			7,091,465.00	Payment received after closer of the Financial Year.

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	Affordable House project at the Metrological Site in Nairobi (lot 2)				
M/s Symetric Ltd	Being 3rd Interim Payment for proposed supply, Installation, Testing and Commissioning of LPG Reticulation Block No.4 & 5 for the Affordable House project at the Metrological Site in Nairobi (lot 3)			7,091,465.00	Payment received after closer of the Financial Year.
M/s Symetric Ltd	Being 3rd Interim Payment for proposed supply, Installation, Testing and Commissioning of LPG Reticulation Block No.1 for the Affordable House project at the Metrological Site in Nairobi (lot 1)			3,428,040.70	Payment received after closer of the Financial Year.
M/s Crystal Valuers Ltd	Being Payment of Rent, service Charge & Parking fee for July to September, 2025			1,305,000.00	Payment received after closer of the Financial Year.
M/s Symmetric Ltd	Being 3rd and Final Payment for Proposed Supply, Installation, Testing and Commissioning LPG and associated Civil Works for Chavakali High School			1,831,032.54	Payment request received after closer of financial year
M/s Symmetric Ltd	Being 3rd and Final Payment for Proposed Supply, Installation, Testing and Commissioning LPG and associated Civil Works for Kipsonoi Girls High School			2,219,261.94	Payment request received after closer of financial year

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M/s Symmetric Ltd	Being 3rd and Final Payment for Proposed Supply, Installation, Testing and Commissioning LPG and associated Civil Works for St Paul Igonga School			1,607,484.38	Payment request received after closer of financial year
M/s Symmetric Ltd	Being 3rd and Final Payment for Proposed Supply, Installation, Testing and Commissioning LPG and associated Civil Works for Luuya Girls High School			1,748,895.18	Payment request received after closer of financial year
M/s Symmetric Ltd	Being 3rd and Final Payment for Proposed Supply, Installation, Testing and Commissioning LPG and associated Civil Works for Siala Technical Institute			1,606,049.99	Payment request received after closer of financial year
M/s Symmetric Ltd	Being 3rd and Final Payment for Proposed Supply, Installation, Testing and Commissioning LPG and associated Civil Works for Ogande Girls High School			2,194,233.46	Payment request received after closer of financial year
M/s Symmetric Ltd	Being 3rd and Final Payment for Proposed Supply, Installation, Testing and Commissioning LPG and associated Civil Works for St St. Georges Girls Eldoret			1,755,345.56	Payment request received after closer of financial year
M/s Symmetric Ltd	Being 3rd and Final Payment for Proposed Supply, Installation, Testing and Commissioning LPG and associated Civil Works for Jamhuri High School			2,309,485.34	Payment request received after closer of financial year

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M/s Symmetric Ltd	Being 3rd and Final Payment for Proposed Supply, Installation, Testing and Commissioning LPG and associated Civil Works for Murangá Boys High School			2,353,710.14	Payment request received after closer of financial year
M/s Symmetric Ltd	Being 3rd and Final Payment for Proposed Supply, Installation, Testing and Commissioning LPG and associated Civil Works for Isiolo Girls High School			2,071,251.94	Payment request received after closer of financial year
M/s Everfortune Co. Ltd	Being 3rd and Final Payment for Proposed Supply, Installation, Testing and Commissioning LPG and associated Civil Works for Shimo La Tewa High School			1,144,086.95	Payment request received after closer of financial year
M/s Everfortune Co. Ltd	Being 3rd and Final Payment for Proposed Supply, Installation, Testing and Commissioning LPG and associated Civil Works for Kenya Coast National Polytechnic			1,394,751.13	Payment request received after closer of financial year
M/s Athopi Mechanical Engineering Service Ltd	Being 3rd and Final Payment for Proposed Supply, Installation, Testing and Commissioning LPG and associated Civil Works for Karatina Girls High School			1,551,537.38	Payment request received after closer of financial year
M/s Expur Enterprises Ltd	Being 3rd and Final Payment for Proposed Supply, Installation, Testing and Commissioning LPG and associated Civil Works for Thika School for the Blind			1,201,361.00	Payment request received after closer of financial year

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M/s Expur Enterprises Ltd	Being 3rd and Final Payment for Proposed Supply, Installation, Testing and Commissioning LPG and associated Civil Works for Our Lady of Fatima School			1,341,513.12	Payment request received after closer of financial year
M/s Hatari Security Guards Ltd	Settlement for Mwananchi Warehouse Security Charges at KNTC			144,090.00	Incomplete Documentation
M/s Briandy Logistics	Being Payment for Supply and Delivery of Tender box, Quotation box and compliment/Complaint Box			323,000.00	Incomplete Documentation
M/s Mam Caleb Chem & Lab Suppliers Ltd	Being payment for provision of asset tagging/trucking			1,480,500.00	Incomplete Documentation
GRAND TOTAL				159,790,251.75	