


REPUBLIC OF KENYA



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 THE NATIONAL ASSEMBLY	
REPORT	
DATE:	31 MAY 2022
	DAY TUESDAY
TABLED BY: OF	Majority whip, Hon. E. Wangwe, MP
CLERK-AT THE-TABLE:	Contrude Chebet.

THE AUDITOR-GENERAL

ON

MINISTRY OF ENERGY

**FOR THE YEAR ENDED
30 JUNE, 2021**



MINISTRY OF ENERGY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2021

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

MINISTRY OF ENERGY
Reports and Financial Statements
For the year ended June 30, 2021.

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1. KEY MINISTRY INFORMATION AND MANAGEMENT

(a) Background information

The Ministry of Energy was formed many years ago and on 20 May 2013, its name was changed to the Ministry of Energy and Petroleum through Executive Order No.2/2013 that outlined the Organisation of the Government of Kenya. However, under the Executive Order No. 1 of May, 2020 on the Organization of the Government of the Republic of Kenya, the Ministry was renamed to the Ministry of Energy and it draws its mandates from the above Executive Order. At the Cabinet level, the Ministry is represented by the Cabinet Secretary who is responsible for the general policy and strategic direction of the Ministry.

i. Vision of the Ministry of Energy

“Affordable, Quality Energy for all Kenyans

ii. Mission of the Ministry of Energy

To facilitate provision of clean, sustainable, affordable, reliable and secure energy services for national development while protecting the environment.

iii. Mandate of the Ministry of Energy

The Ministry of Energy is mandated to undertake the following functions:

- National Energy and Policy management
- Hydro-power Development
- Thermal Power Development
- Geothermal Exploration and Development
- Rural Electrification Programme
- Promotion of Renewable Energy
- Energy Regulation, Security, and Conservation

iv. Core Values of the Ministry of Energy

- Integrity
- Transparency
- Accountability
- Professionalism
- Prudent utilization of resources
- Open to constructive suggestions

(b) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2021 and who had direct fiduciary responsibility were:



**AMBASSADOR MONICA KATHINA
JUMA, DPhil (Oxon), EGH**

Cabinet Secretary

Ambassador (Dr.) Monica Juma is the Cabinet Secretary, Ministry of Energy in the Republic of Kenya. She oversees the execution of the constitutional mandate relating to the provision of clean, affordable, reliable, secure and environmentally sustainable energy services for national development.

She came to the Ministry of Energy with extensive experience and expertise obtained from serving at the top level of the security triad across the Government of Kenya. First, as Principal Secretary in the Ministries of Defence (2013-2014), Interior and Coordination of National Government (2014-2016) and Foreign Affairs (2016-2018), and then as Cabinet Secretary for the Ministry of Foreign Affairs (2018-2020), and Cabinet Secretary for Defence (2020-2021).

Prior to serving at top executive level, Dr. Juma was Ambassador Extra-Ordinary and Plenipotentiary of Kenya to Ethiopia and Djibouti and Permanent Representative of Kenya to the African Union (AU), the Inter-governmental Authority on Development (IGAD) and the United Nations Commission for Africa (UNECA) (2010 and 2013).

She joined government with a depth of experience in research and policy analysis obtained from

	<p>working for various continental and international think tanks, including the International Peace Academy, SaferAfrica; and the African Institute of South Africa. She also served in the United Nation's Secretary General's (UNSG) High Level Panel on Resourcing African Union led, UNSC mandated peacekeeping missions (otherwise known as the Prodi Report 2008), and consulted for many UN Agencies, the African Union and its agencies in particular NEPAD on matters of security, peace, governance and development.</p> <p>Ambassador Juma has strong academic credentials, having served as a lecturer in the Department of Government and Public Administration and Research Director at the Centre for Refugee Studies, both at Moi University, Eldoret. She began her work experience as a Management Analyst in the Department of Personnel Management - Office of the President, where she focused on organizational development within the public service.</p> <p>She holds a Bachelor of Arts Degree and Master of Arts Degree in Government and Public Administration from the University of Nairobi; a Certificate of Refugee Studies and a Doctor of Philosophy in Politics from the University of Oxford. Dr. Juma is a well published scholar in areas of her qualification and competence.</p>
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**Maj. Gen (Rtd) Dr. Gordon .O.
Kihalangwa, CBS
Principal Secretary**

Maj. Gen (Rtd) Dr. Gordon .O. Kihalangwa, CBS joins the Ministry of Energy as the Principal Secretary from the State Department for Public Works. Before his posting in the Ministry of Energy, he served as the Director for Immigration services from 2014 until March 2018 when he was appointed as the Principal Secretary, State Department for Immigration and Citizen Services, in the Ministry of Interior and Coordination of National Government. He also had a short stint as Principal Secretary, Ministry of Defence in August 2019, he was reassigned in the same capacity to the State Department for Public Works in the Ministry of Transport, Infrastructure, Housing, Urban Development and Public Works in 2019.

Prior to joining the Civil Service, he worked in the Military which he joined as a Cadet Officer close to 40 years ago. He diligently served and worked his way through the ranks in the military and rose to the rank of Major General and was appointed to the position of Assistant Chief of General Staff in-charge of Personnel and Logistics. He retired as a Major General in 2014 after close to 33 years of Service.

During his time in the Military, Maj. Gen (Rtd) Dr.

	<p>Kihalangwa underwent various military courses and Strategic Leadership training, locally and internationally. He is an Alumni of the National Defence College (K), National Defence College 'ensp' (RSA) and Defence Staff College (K). He holds a PhD and a Master's degree in International Studies and Diplomacy from Washington International University (WIU) in the United States of America. He further holds a Diploma in Strategic Studies and a Diploma in International Studies both from the University of Nairobi (UoN).</p>
 <p>HON. Zachary Ogamba Ayieko Chief Administrative Secretary</p>	<p>The Chief Administrative Secretary assists the Cabinet Secretary in coordinating the affairs of the Energy Ministry. He supports the Cabinet Secretary in implementing the policy and legislative agenda of the Government.</p> <p>Hon. Zachary O. Ayieko was appointed to his current position of Chief Administrative Secretary in February, 2021. He previously served as the Managing Director Kenya Power and Lighting Company and the Chief Executive Officer of Rural Electrification Authority. He has over 40 years experience in the Energy Sector. He holds a bachelor of Commerce (Accounting Option) from the University of Nairobi and he is currently pursuing a Master of Business Administration (Strategic Management Option) from the same University. He is a certified Public Accountant of Kenya.</p>





**Eng. Julius Mwathani, Secretary,
Electrical Power Development**

Eng. Julius Micheni Mwathani is the Secretary, Electrical Power Development in the Ministry. He is a Registered Consulting Mechanical Engineer by the Engineers Board of Kenya and a corporate member of the Engineers Institution of Kenya. His current duties include the formulation of energy policies, the economic and financial appraisal of energy projects, the monitoring and implementation of energy projects and the preparation and implementation of directorate work plans, budgets and procurement plans. He has a Bachelor's degree from the University of Nairobi in Mechanical Engineering and an Executive Master's degree Business Administration from Jomo Kenyatta University of Agriculture Technology.



**Eng. Isaac N. Kiva, OGW
Secretary for Renewable Energy**

Eng. Isaac Kiva is the Secretary for Renewable Energy since 1 June, 2017. Previously, he had served as the Director of Renewable Energy from 30th August, 2013. He heads the Directorate charged policy formulation, and promotion of development and utilization of renewable energy, energy efficiency and conservation, including facilitation of private sector investment. Eng. Kiva has wide experience in public sector management, having worked in energy and senior Government positions for over 20 years. He holds a Bachelor's Degree in Electrical Engineering from the University of Nairobi, and has undergone several professional courses in management, leadership, energy development and financial and economic analysis and modeling. He is a registered

	<p>Professional Engineer with the Engineers Board of Kenya and a member of the Institution of Engineers of Kenya.</p>
 <p>Mr. Evans M. Mutari (MBS) Secretary Administration</p>	<p>Mr Evans Mutari is the Secretary Administration in the Ministry of Energy since 2018 He holds a Master’s Degree in Business Administration from JKUAT</p> <p>Previously he has served at State House as Director of Administration, He has a vast experience in Civil Service as District Commissioner and District Officer in various district all over the country. He has also attended several administrative courses including Senior Strategic Leadership.</p>
 <p>CPA. Moses Gitari Senior Deputy Accountant General</p>	<p>CPA Moses Gitari is the Head of Accounting Unit, State Department for Energy. He holds an MBA in Strategic Management from Nairobi University and BBA in Accounting and Finance from KEMU.</p> <p>Mr Gitari is a practicing Accountant and a member of Institute of Certified Public Accountant of Kenya (ICPAK) ICPAK. He has vast experience in Accounting Systems Implementation and Business process re-engineering.</p> <p>He has previously worked in the Ministry of Health as an Accountant and at the National Treasury IFMIS Department as the Head of business process re-engineering.</p>



Mr, William O. Mbaka
Senior Deputy Director Budget

Mr. William O. Mbaka is currently Head of Finance in the Ministry of Energy at the grade of Senior Deputy Director of Budget. He is also serving as the Chairman of Energy Task force on the implementation of Energy Act 2019.

He has served in the Civil Service for 30 years and in particular as a Head of Finance for 18 years. He has served in various ministries which includes; National Treasury, Housing, Agriculture, Health, Planning and Labour, among others.

Mr Mbaka has also served as an Alternate Director in various State Corporations including Nzoia Sugar Company, Kenya Sugar Board, Sony Sugar Company and Coast Development Authority and currently is serves as an Alternate Director at Kenya Generating Electricity Company (KENGEN).

He holds an MBA in Finance from Birmingham University (UK), A degree in Business Studies from Kenyatta University and an ACCA qualification.






Mr. Chrispin O. Lupe
Chief Geologist

Mr. Chrispin O. Lupe is heading the Geo-Exploration Directorate. He holds a BSc degree in Geology from the University of Nairobi and MSc degree in geoinformation from ITC, Netherlands. He is a Registered Geologist with the Geologist Registration Board and a Professional Member of the Geological Society of Kenya.

Mr. Lupe joined the Ministry of Energy and Petroleum on 7th September, 2017 on promotion from Ministry of Mining. He has served in the Civil Service for 27 years as a Geologist at different levels in the Geological Survey Department.

The Geo-Exploration Directorate is in charge of exploration and development of geo-energy resources from geothermal, coal and nuclear resources for power generation.

	<p>Mr. Stephen Lusweti assumed the position of Director, Human Resource Management & Development in March, 2015. He is responsible for the human resource management and development function at the State Department Energy. He holds a Bachelor of Arts degree from the University of Nairobi and Master's degree from Speyer University, German</p>
 <p>Mr. Timothy Gakuu,OGW Head of Economic Planning</p>	<p>Mr. Timothy G. Gakuu joined the Ministry in October 2015 to Head the CPPMU. He coordinates and supervises Economic Planning functions in the ministry that include; Planning, analysis and review of government policies; Economic analysis, review and monitoring and evaluation of development programmes and projects; analysis of information on energy to advise the Principle Secretary on economic and strategic planning; performance contracting and budget management processes and reporting. He holds a Masters in Economics and a Bachelor's degree from Nairobi University.</p>
 <p>Mr. Charles Mulandi Assistant Director Supply Chain &</p>	<p>Mr. Charles M. Mulandi is the Head of Supply Chain Management Unit. He holds an MSC (Procurement and Contract Management) from JKUAT, MBA (Finance) and Bachelor of Laws (LLB) both from the University of Nairobi and Bachelor of Business Management (Finance) from Moi University. Mr. Mulandi also holds a Post Graduate Diploma in Procurement and Supply from the Chartered Institute of Purchasing and Supply (CIPS,UK), a Postgraduate diploma in Law from the Kenya School of Law and is Certified Public Accountant of Kenya(CPA) Finalist.</p> <p>Mr. Mulandi is a member in good standing of KISM, CIPS and the Law Society of Kenya being an advocate of the High Court of Kenya. He has a</p>

Management	wealth of experience in Public Procurement having served in different capacities within the Supply Chain Management Services cadre in the Public service for over 17 years.
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(c) Fiduciary Oversight Arrangements

(i) Budget Implementation Committee;

Responsibilities of Budget Implementation Committee are;

- To review and consider the cash flows plans – this shall involve a regular review of the Ministerial cash plan and approval of any changes to the initial cash flow plan to be communicated to the National Treasury
- To review the utilization of cash limits and consider any changes as may be required.
- To review the utilization of donor funds voted for MDA;
- To advise the Accounting officer on any challenges related to the budget implementation
- To review and recommend reallocation of expenditures;
- To review and approve the submission of the expenditure returns, IPPD, pending billings and AIA returns for MDAs and recommend actions to be taken;
- To participate in sector working groups and
- To prepare the budget for the line Ministry/ State Department in consultation with Heads of Departments

(ii) Ministerial Human Resource Management Advisory Committee

The Committee has nine members and the quorum is five and meets once in each month. The functions of the committee are;

- Recruitment, selection and appointments
- Promotions
- Confirmation in appointments
- Training and development
- Training impact assessment
- Management if skills inventory
- Establishment and complement control;
- Payroll management
- Deployment
- Promotion of values and principles of public service

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(iii) Internal Audit Unit

The mandate of Internal Audit unit includes;

- Planning, co-ordination, organization and management of internal audit services at the Ministry of Energy.
- Appraising the economy, efficiency and effectiveness with which finances and other resources are managed and utilized at the Ministry.
- Conducting risk-based value for money and systems audit aimed at strengthening internal control mechanisms that could have an impact with achievement of the strategic objectives of the Ministry
- Assist the Principal Secretary in establishing Audit Committee in the Ministry and provide secretarial services

- Co-ordination of the Institutional Risk Policy Framework agenda at MOE
- Conduct investigations/ special audits as maybe assigned by the Accounting officer
- Advising the Cabinet Secretary and the Principal Secretary in the emerging issues in Internal Auditing

(iv) Development Partners Oversight Activities

The Ministry main development partners are; African Development Bank, European International Bank, The World Bank, Japan International Corporation Company (JICA), EXIM Bank of India and China, German Development Bank and Agence Francaise De Development.

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(d) Ministry Headquarters

P.O. Box 30582-00100
Nyayo House
Kenyatta Avenue
NAIROBI, KENYA

Ministry of Energy Contacts

Telephone: (254) (020)3310112
E-mail: psenergy@energy.go.ke
Website: www.energy.go.ke

(e) Ministry Bankers

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

2 Kenya Commercial Bank
Kipande Branch
NAIROBI, KENYA

Credit Bank
Koinange Street Branch
NAIROBI, KENYA

2. Independent Auditors

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

3. Principal Legal Adviser

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

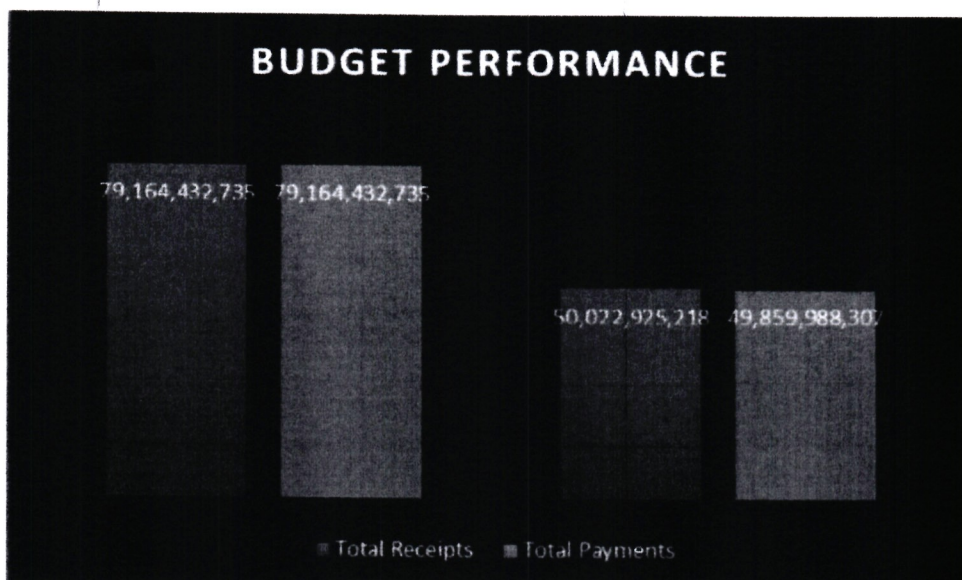
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2. FORWARD BY THE CABINET SECRETARY

I. Budget Performance Against Actual Amounts for 2020/21

- a) During the year under review, the budget for the financial year 2020-2021 was Kshs. 79,164,432,735. The actual receipts collected was Kshs. 50,022,925,218 and payments made were Kshs 49,859,988,307. This led to a surplus budget of Kshs 162,936,911 and a budget overall performance of 63% as shown below

Details	Budget	Actual	Variance	Utilisation Variance
	Kshs	Kshs	Kshs	%
Total Receipts	79,164,432,735	50,022,925,218	29,141,507,517	63%
Total Payments	79,164,432,735	49,859,988,307	29,304,415,179	63%
Surplus for the Year	-	162,936,911	-162,936,911	



- b) The budget allocation by programmes for the Ministry during the year which were allocated and spent in various thematic areas as shown below:

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Administrative Services	265,941,789	224,173,519	41,768,270
Planning and Project Monitoring	29,796,447	29,434,387	362,060
Financial Services	244,585,160	230,019,664	14,565,496
Geothermal generation	14,643,030,351	9,565,388,698	5,077,641,652
Development of Nuclear Energy	813,557,756	813,557,756	0
Coal Exploration and Mining	399,000,000	341,246,040	57,753,960
National Grid System	51,377,625,049	31,754,422,916	19,623,202,133
Rural Electrification	9,411,457,171	5,917,899,906	3,493,557,265
Alternative Energy Technologies	1,979,439,012	983,845,420	995,593,592

The Ministry transferred an amount of Kshs 32,003,846,607 in the FY 2020-21 compared to FY 2019-20 of Kshs 19,054,108,779. This was an increase in transfer of Kshs 12,949,737,828.



II. Key Programmes and Projects Performance During 2020/21 FY-Non-Financial

A. Power Generation

1. Generation capacity added to the National Grid

0.5MW (Kianthumbi Hydro power plant) new capacity was added to the grid.

2. Geothermal Development

a) Olkaria I Unit 6 (83.3MW)

The project is at 86%. Construction works for power plant and the Steamfield development is ongoing. Installation of the turbine is ongoing. The project is expected to be completed in September, 2021.



b) Olkaria VI PPP (140MW)

KenGen completed tender evaluation and five firms were shortlisted and gazzeted. The Draft Agreements and RFP documents have been forwarded to the PPP Unit for their concurrence prior to issuing to the shortlisted bidders. The expected completion date is July, 2024.

c) Olkaria I Rehabilitation (50.7MW)

The project is at 29%. The tendering process for the EPC contractor and consultancy service is ongoing. The expected completion date is September, 2024.



Olkaria I rehabilitation power plant

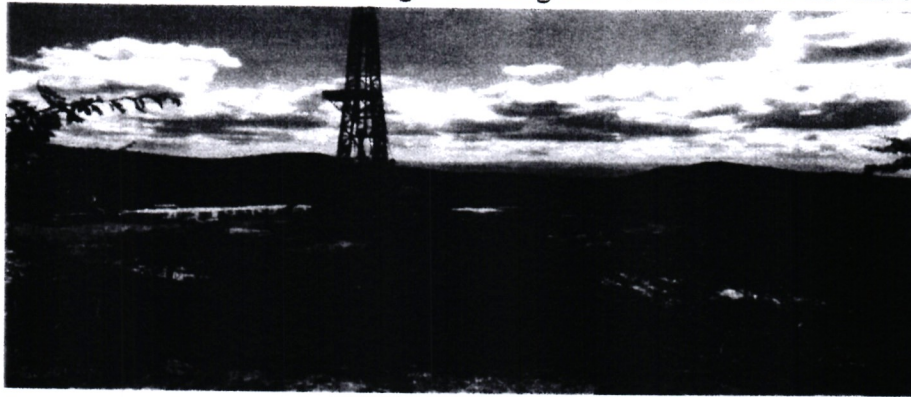
d) Drilling of Geothermal Wells

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Two (2) wells namely were completed in Bogoria-Silale geothermal field. Three wells (PW04, KW03) at Baringo- Silale and One (MW35) at Menengai were still ongoing.

As of 30th June 2021:

- A total of 16 Kms of access roads in Menengai have been graded from a target of 10Kms.
- A total of 85km of access roads have been graded out of the targeted 42Kms.
- All leakages on the Menengai and Bogoria- Silali water lines had been repaired.



Drilling of geothermal wells at paka (Baringo-Silali project)

e) Increase steam available for Geothermal Power Production

The cumulative steam equivalent available increased to 193.46 MWe. Most of the wells drilled were still heating up in readiness for measurement at the end of the year.

3. Nuclear Power Development

During the year under review, the following were undertaken.

Nuclear Power and Energy Agency (NuPEA), finalized the site selection activities, identifying one preferred and one alternative site in Kilifi and Kwale counties respectively. The Agency further, engaged local county leadership and the host community in Kilifi County to get the buy-in and support for the nuclear power program.

The Agency undertook the Integrated Nuclear Infrastructure Review (INIR) follow up Mission by the International Atomic Energy Agency (IAEA) which concluded that the country has made significant steps towards the implementation of the nuclear power program in ensuring that Kenya becomes a knowledgeable customer, Ready to Invite Bids for the First Nuclear Power Plant.

The Agency trained a total the Agency trained 120 people through short courses and expert mission from various stakeholder institutions on the nuclear power program. The Agency developed a draft knowledge management policy that will ensure knowledge generated and acquired within the Agency is systematically identified, analyzed, documented and shared. Further, the Agency developed Kenya Nuclear Power Human Resource (NPHR) strategy

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The Agency completed the preparation of 5 years strategic plan for the period 2020-2025. The goals and initiatives in NUPEA strategic plan will guide the Agency in implementing the expanded mandate as per the Energy Act, 2019 and is in line with the country development Agenda as outlined in the Big 4 Agenda, the Vision 2030 and the Medium-Term Plan.

The Agency conducted a feasibility study and preliminary site studies for the national research reactor program. The Agency evaluated the capability of the local industries to participate in the Nuclear Power Program, developed a database of current and potential industrial capabilities and is developing a capacity building strategy to enhance industrial uptake of nuclear opportunities by local industries.

Pursuant to the provisions of the Environmental Management and Co-ordination Act 1999 the Agency has undertaken a Strategic Environmental Assessment of Kenya's Nuclear Power Program to obtain more effective and efficient decision-making for sustainable development of the Nuclear Power Program.

The Agency has identified 4 key Nuclear Safety Conventions, conducted relevant stakeholder engagement and subjected to extensive public participation. A Cabinet memo has been prepared and forwarded to the Ministry of Foreign Affairs for onward transmission to the Cabinet for the consideration and Accession to the four key nuclear safety conventions.



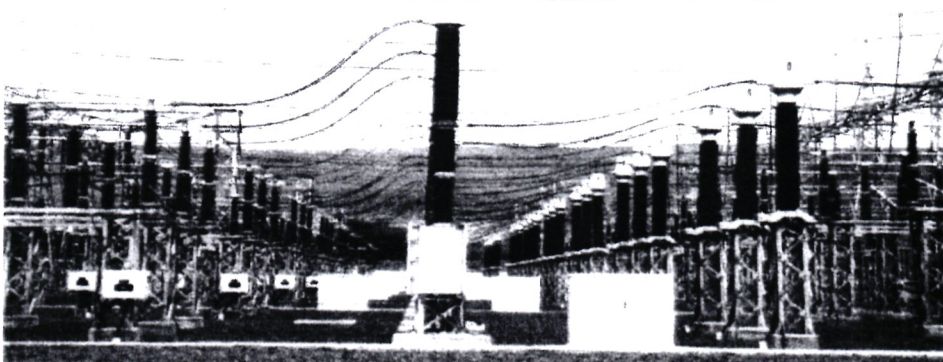
Nuclear Power Plant site D in Kwale County

B. Power Transmission and Distribution

1. National Grid Expansion and Upgrade

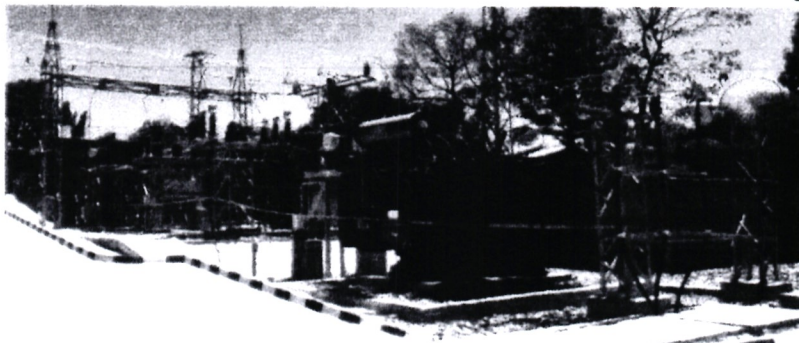
- a) During the FY 2020/21 a total of 368Km of transmission lines and associated sub-stations were completed against a total target of 505.4Km. Delays in exchequer funds contributed to the variance. The 349.4Km comprises of
- i. 250.4Km of the 290Km 400/220 kV Olkaria-Lessos-Kisumu transmission line was constructed and completed.
 - ii. 99Km of the 431km 132kV Power Transmission System Improvement Projects Constructed. 53km strung on Lessos-Kabarnet, 28km in Olkaria- Narok, 4km in Kitu-Wote and 14km in Nanyuki-Rumuruti

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Suswa Converter sub-station for Ethiopia-Kenya transmission line

- b) Progress of other transmission lines was increased as follows;
- i. 96Km 132kV Nanyuki-Isiolo-Meru Transmission Line and associated sub-stations from 93% to 97%.
 - ii. 247km 220kV Garsen - Hola - Garissa Transmission Line and associated sub-stations from 20% to 50%.
 - iii. 148km 220kV Kamburu-Embu--Thika Transmission Line Constructed and associated sub-stations from 10% to 50%.
 - iv. 210km 132kV Kenya Power Transmission Expansion Project (KPTEP) Constructed and associated sub-stations from 15% to 55%.
 - v. 96Km 400kV Kenya-Tanzania line and associated sub-station from 62.4% to 90%.
 - vi. 61km 132Kv Rabai - Bamburi - Kilifi transmission line and associated sub-station from 10% to 50%.
- c) 510Km of MV of distribution lines were added to the existing network.



Distribution sub-station

2. Rural Electrification

During the 2020/21 FY:

- a) The number of new customers connected to the electricity was increased by 714,510;

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- b) Six (6) new substations (Thika, Mikinduri, Kisii East, Kahurura, Nkuene, and Kaloleni) were constructed while the rest (Mtondia, Chavakali, Itein, Njoro, Sibembe and Matuu, Ortum, Kaloleni and Muirungi) were upgraded during the year.
- c) 20,150 street lighting points were installed across the country.
- d) The number transformers were installed in constituencies under the installation of transformers in constituencies programme increased by 135.
- e) 160 public facilities were connected to electricity.
- f) 345 Previously installed Solar PV systems were maintained.



Launch of Last Mile Connectivity in Garissa County

C. Alternative Energy Technologies

During the period under review the following was achieved:

- i. Public institutions connected with solar PV in off-grid areas. 42 institutions electrified with solar PV. Due to budget cuts, the target was revised from 75 to 42 institutions.
- ii. Well maintained previously installed solar P.V systems. The 89 maintenance projects were commissioned.
- iii. Solar/wind water pumping systems. 13 sites completed. Initial annual target was 20 but was reduced due to reduced budget.
- iv. Water desalination system. The project was complete and commissioned.
- v. Hydropower dams Water catchment areas re-afforested. Main activity was bush clearing and planting of 105,000 seedlings. 32500 seedlings planted in Endeless and 16500 planted in South Imenti.
- vi. Hectares of afforested hydro dams water catchment areas maintained. The main activity was Spot weeding and management. Maintenance 500ha of sites planted was also done.
- vii. Community Small Hydro Power projects. Stand by turbine used during maintenance.
- viii. Well maintained and rehabilitated previously installed Wind masts and data loggers. 19 wind masts were repaired.
- ix. Investment Grade Audits and General Audits. 21 investment grade audits and 19 General Grade Audits were undertaken.

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- x. Institutional biogas plants. Two Institutional biogas plants were constructed in Nyeri and Laikipia Counties. All are working
- xi. Domestic household biogas digesters. 182 domestic biogas digesters were constructed in 13 counties. Constructed in Murang'a, Bungoma, Kajiado, Vihiga, Kisumu, Nakuru, Laikipia, Nyandarua, Embu, Transzoia, Uasin Gishu, Kericho, and Bomet.
- xii. Efficient charcoal kilns. Three kilns constructed - in Mirangine, Kitui and Mtwapa Energy Centres.
- xiii. Renewable Energy Technology (RET) Demonstration in Energy Centres. 6 RETs demonstrated. These include solar PV, Solar Thermal, biogas, Charcoal kilns, Improved Cookstoves and Fireless cookers, tree nurseries.
- xiv. Solar home systems. 52,346 standalone solar home systems installed (KOSAP). Targets revised downward due to the COVID 19 effects.
- xv. Clean cooking units. 3651 clean cooking units disseminated. Targets revised downwards due to COVID 19 effects.



Sondu Miriu Reafforestation

D. Challenges

- a) Acquisition of sites, wayleaves and land posed a major challenge. This was because of escalating cost of land acquisition due to speculations, compensation variations between the market value and the local owner's expectations and encroachment of land earmarked for development purpose causing project delays and increased costs of projects.
- b) Legal and contractual issues impact adversely on project implementation.
- c) Vandalism of infrastructure facilities creating additional cost for maintenance and restoration.
- d) Inadequate funding and delayed release of budget
- e) Covid-19 containment measures affected the pace of implementation of projects. It also delayed factory acceptance tests and shipment of materials thus affecting project implementation.

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- f) Delay in issuance of specific tax exemptions resulting to lengthening of clearance of materials at the ports.
- g) Government policy on logging affected the supply of wooden poles resulting to delays in implementation of electrification projects.
- h) Delay in budget approval affected the project progress.

E. Mitigation Measures and way-forward

- a) Public education; engaging national and county government and other public bodies; and undertaking due diligence on the projects to minimize right of way challenges. Conflict resolution mechanisms should be enhanced.
- b) To deal with vandalism there is need for punitive legislation to guard against vandalism, apply anti-vandalism technology, sensitise local communities on protecting/policing power infrastructure and establishment of security intelligence system and community informers' frameworks.
- c) Installation of security alarm and surveillance systems in all power infrastructure projects including substations and strategic points along the major transmission lines and networks will minimize security threats. Security arrangements should be enhanced.
- d) There is need to review Public Financial Management (PFM) Act, 2012 and the regulations to increase efficiency in disbursements.
- e) Lobbying National Treasury and National Parliament and Development Partners for more budgetary allocations is required.
- f) New business models e.g. formation of subsidiaries for off balance sheet financing need to be explored. Diversification of revenue sources need also to be relooked.
- g) To enhance capacity there is need to FastTrack completion of National Centres of Excellence and also relook on capacity building programmes such as benchmarking and partnerships

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F. Emerging Issues

- a) Covid-19 which changed means of monitoring the progress of the projects and also the project implementations.
- b) Security threats of key infrastructure installations.
- c) Regional economic integration resulting to growth of regional power trade and taxation of cross-border exchanges

Sign



CABINET SECRETARY
MINISTRY OF ENERGY

3. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES

Introduction

Section 81 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer when preparing financial statements of each National Government Ministry in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the national government Ministry's performance against predetermined objectives.

The key strategic objectives as per the Strategic Plan (2018-2022) are:

- a) Universal access to electricity by 2022 through the grid and off grid solutions.
- b) Universal access to modern household energy by 2028.
- c) Promote indigenous energy resources for industry using modern technology.
- d) Ensure adequate, reliable and secure electricity system
- e) Increase share of clean and renewable energy for environmental sustainability.
- f) Create an enabling environment for energy development and consumption

Progress on attainment of Strategic Objectives

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 we provide the progress on attaining the stated objectives:

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Progress on attainment of Strategic development objectives

SNO	Program	Strategic Objective	Outcome	Indicator	Performance
1.	Power Generation	To increase power supply through power generation	Adequate power supply	MW of power generated and added to the grid	0.5MW Kianthumbi Hydro power plant completed.
2.	Power Transmission and Distribution	To increase electricity access to more customers	Increased access to electricity	Km of transmission lines constructed	368Km
				Number of distribution sub-station constructed and upgraded	11
				Km of distribution lines constructed	510.1Km
				Number of new customers connected to electricity	714,510
				Number of street lighting points installed	20,150
				Number of constituency transformers installed	135
				No. of Public Facilities Connected with Electricity	160
3.	Alternative Energy Technologies	To Increase access to clean alternative energy sources	Increased access to clean alternative energy sources	No. of public institutions Connected with Solar PVs	42
				Percentage (%) maintenance of Previous installed solar P.V systems	100
				No. of water pumping systems installed in community	13

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SNO	Program	Strategic Objective	Outcome	Indicator	Performance
				boreholes in ASAL areas	
				Updated National small hydropower atlas Report	1
				No. of community small hydropower projects supported	1
				No. of institutional biogas plants installed in public institutions	2
				Number of domestic biogas plants constructed	182
				Number of Energy Centres rehabilitated	16
				Ha. of land planted with trees and maintained	131
				No. of Woodlots established	110
				No. of Tree seedlings nurseries established	8
				No. of efficient and sustainable charcoal kilns for training & Demonstration installed	3
				No. of investment Grade Audits undertaken and implemented to reduce Energy consumption by 10-30%.	21
				No. of Biodiesel processing unit components	1

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SNO	Program	Strategic Objective	Outcome	Indicator	Performance
				designed and fabricated	
				Percentage (%) Maintenance of wind masts and data loggers maintained	100
				No. of standalone solar home systems installed	52,346
				No. of clean cooking units disseminated	3,651
4.	General Administration Planning and Support Services	To enhance service delivery to the customers	Efficient service delivery	Number of policies, strategies and regulations developed	The Ministry has developed 30 Draft Regulations to guide implementation of Energy Act, 2019.

4. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

1. Sustainability strategy and profile

The Ministry is committed to promoting sustainable environmental management and utilization of natural resources to generate socio- economic benefits. Measures were put in place in 2019/20 to ensure sustainable energy resource management. Among them include: Implementation of the Energy Act 2019 through development and review of various regulations (in draft form) that guides on sustainable utilization of the energy resources; Formulation of the Kenya Energy Efficiency and Conservation Strategy and Bio-energy strategy (which aims at promote the development and utilization of bio-energy resources in Kenya in a sustainable manner) both of which are at draft stage; among others. Other strategies put in place included protection of riparian land and reforestation of hydro dam catchment areas through direct involvement and also supply of seedlings to the communities living in project areas.

2. Environmental performance

The Energy Act 2019 emphasizes the need to protect the environment and to conserve the natural resources in accordance with relevant national and international laws and policies. It also emphasizes the importance of implementation of the projects without causing harm or damage to the environment or property. Strategic Environment Assessment and Social Impact Assessment (ESIA) have always been carried out in accordance with the Environmental Management and Coordination Act before major projects are implemented.

The Ministry is also committed to promoting sustainable environmental management and utilization of natural resources to generate socio- economic benefits. To enhance this, it participated in reforestation of hydro dam catchment areas and other projects areas such as Tana, Sondu Miriu, Menengai etc and also supported communities in resource management through provision of tree seedlings for planting and reforestation in their farms.

3. Employee welfare

The policies that guides the Ministry on recruitment includes: PSC Recruitment and Selection Policy; Delegation of PSC HRM Functions to the Cabinet Secretary, July,2018; Framework for Short Term Employment in the Public Service, May,2019; and Human Resources Policies and Procedure Manual for the Public Service, May,2016. This enabled the Ministry to promote common cadre under the delegated powers as guided by the policy taking into consideration gender and regional balance.

For skill improvements and career progression the Ministry is guided by Human Resource Development Policy for the Public Service, June, 2015 and Guidelines on Managing Training in the Public Service. This enabled the Ministry to conducts individual trainings programmes required for career progression/promotion and those required in the Schemes of Service for various cadres and also group trainings for various cadres.

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The Ministry ensured that all staffs were put on Performance Appraisal System (PAS) as guided by guidelines for Implementation of Performance Rewards and Sanctions in the Public Service and also Performance Rewards and Sanctions framework.

The Ministry has developed its own Occupational Safety and Health Policy with reference made to Occupational Safety and Health, ACT of 2007. A Ministerial Committee on Occupational Safety and Health is in place which ensures adherence to OSHA and safety and security of the staff and Ministry properties.

4. Market place practices

The Energy Act 2019 empowers Energy and Petroleum Regulatory Authority in section 10 (m) to monitor in consultation with the Competition Authority of Kenya condition of contractors' operations and their trade practice. In section 10 (b) the authority is mandated to ensure and facilitate competition, access and utilization of facilities by third parties. With regard to these legal mandates, the Authority analyses the level of competition by computing the Herfindahl-Hirschman Index (HHI) for electricity and petroleum sector. The index provides a measure of the size of firms in relation to the industry and an indicator of the amount of competition among them.

Section 10 (h) of the Energy Act, 2019 mandates EPRA to protect consumer, investor and other stakeholders' interest. The Authority in collaboration with the Ministry put in place measures to protect citizens and stakeholders with regard to consumption and investments of energy and petroleum goods and services.

The Ministry continued to engage the Independent Power Producers (IPPs) in the power generation.

5. Community Engagements

The Ministry has been carrying out the following measures to enhance acceptance of the projects by the communities around the project area;

a) Protection of the Marginalized

The Ministry connected power to the high-density areas including the slums in various parts of the country. It also continued to expand grid to arid and semi-arid areas in addition to off-grid connections through solar and wind.

In addition, the Ministry was at forefront in provision of the necessary infrastructure and resources to the marginalized communities during the 2019/20 year. The following were provided;

- Construction of two water boreholes in Yoonye and Kateiko areas of Mui Coal Basin;
- Provision of raw and portable water for livestock and domestic use by L. Baringo-Silali Community Water Supply System in north rift;
- Provision of water holding tank for distribution to various communities and institutions in project areas; Construction of a standard ECD classroom in Kibenos in north rift;

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- construction of new classrooms and infrastructure rehabilitations in Voondeni Primary School in Machakos County, St. Mary's Girls Secondary School in Nakuru County, Mwea Primary School in Embu and Turkwel Gorge Mixed Secondary school as well as provision of books;
- Contribution towards fight against COVID 19 through COVID 19 Emergency Response Fund and provision of ambulance services to Bahati Sub-County Hospital in Nakuru County; Sponsoring activities of the Nyeri Hospice which offers homebased and outpatient palliative care services to patients with life limiting diseases such as Cancer and HIV/AIDS; distribution of beds and beddings in West Pokot and Turkana;
- Contributions to help alleviate the suffering of the flood victims through disaster relief drive organized by energy sector players.

b) Participation of the People

The Ministry and its Agencies put in place mechanism for engagement of the people during project implementation. Among them includes operationalization of Stakeholders Coordination Committees and rolling out of community engagement strategy and policy.

In addition, the Ministry continued to ensure that local communities were considered for jobs during the implementation of the energy projects. Local communities were also involved during documentations of Resettlement Action Plan (RAP) and Environmental and Social Impact Assessment (ESIA). Also, the Ministry reached the people through participation in the annual ASK shows and community relation outreach programs.

5. STATEMENT OF MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting Officer for a National Government 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 the Public Sector Accounting Standards Board of Kenya from time to time.

The Accounting Officer in charge of the Ministry of Energy is responsible for the preparation and presentation of the Ministry's financial statements, which give a true and fair view of the state of affairs of the Ministry for and as at the end of the financial year (period) ended on June 30, 2021. 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 Ministry; (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 Ministry; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

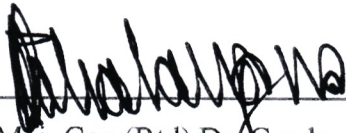
The Accounting Officer in charge of the Ministry of Energy accepts responsibility for the Ministry's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the Ministry's financial statements give a true and fair view of the state of Ministry's transactions during the financial year ended June 30, 2021, and of the Ministry's financial position as at that date. The Accounting Officer charge of the Ministry of Energy further confirms the completeness of the accounting records maintained for the Ministry, which have been relied upon in the preparation of the Ministry's financial statements as well as the adequacy of the systems of internal financial control.

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The Accounting Officer in charge of the Ministry of Energy confirms that the Ministry has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the Ministry'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 Ministry'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 Ministry's financial statements were approved and signed by the Accounting Officer on 9-9-2021.



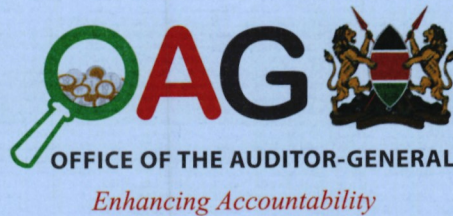
Maj. Gen (Rtd) Dr Gordon O. Kihalangwa, CBS
Principal Secretary



Moses Peterson Gitari Muriuki
Senior Deputy Accountant General
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REPORT OF THE AUDITOR-GENERAL ON MINISTRY OF ENERGY FOR THE YEAR ENDED 30 JUNE, 2021

PREAMBLE

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

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

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Ministry of Energy set out on pages 35 to 62, which comprise the statement of assets and liabilities as at

30 June, 2021, and the statement of receipts and payments, statement of cash flows, summary statement of appropriation - recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Ministry of Energy as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Several balances reflected in the financial statements were not supported with sufficient appropriate records or information, as discussed in the following paragraphs:

1.0 Use of Goods and Services

The statement of receipts and payments reflects use of goods and services expenditure totaling Kshs.496,087,643 as further reflected in Note 7 to the financial statements. However, the balance contains the following anomalies:

1.1 Unsupported Expenditure

The following payments totalling Kshs.4,283,700 made at the close of the financial year from the 28 to 30 June, 2021 were not supported with records on the nature and dates of the activities paid for:

No.	Expenditure Item	Amount (Kshs.)
1.	Domestic Travel	2,904,600
2.	Training Expenses	213,000
3.	Office and General Supplies	617,000
4.	Routine Maintenance -Other Assets	439,100
5.	Fuel and Other Lubricants	110,000
Total		4,283,700

1.2 Training Expenses

The use of goods and services expenditure includes training expenses totalling Kshs.17,582,215 as indicated in Note 7 to the financial statements. However, records on the payments indicated that expenses totalling Kshs.10,224,197 were incurred on non-training items such as office expenses and allowances paid to various officers. Further, Management did not provide records to confirm that the reallocations were made in

accordance with the provisions of the applicable provisions of Section 43 of the Public Finance Management Act, 2012.

In view of the anomalies, the training expenses balance totalling Kshs.17,582,215 may not be fairly stated.

1.3 Routine Maintenance

The goods and services expenditure balance further includes routine maintenance expenses-other assets, totalling Kshs.83,944,712, as indicated in Note 7 to the financial statements. Expenses totalling Kshs.72,600,390 included in the balance relate to Authority-to-Incur-Expenditure (AIEs) disbursed to various Energy Centres established by the Ministry. However, returns on actual expenditures incurred by the Centres were not provided for audit and as a result, the accuracy, completeness and validity of the routine maintenance-other assets expenses totalling Kshs.83,944,712 could not be confirmed.

1.4 Office and General Supplies

Note 7 to the financial statements reflects office and general supplies expenses totalling Kshs.22,151,720. Examination of the financial records indicated that expenses totalling Kshs.5,266,540 related to undefined cash office expenses and payments of allowances and imprests. However, contrary to Section 43(b) of the Public Finance Management Act, 2012, Management did not provide documents to explain the nature of the expenses, including the approvals, if any, for the re-allocation of the funds.

Consequently, the occurrence, accuracy, and validity of the office and general supplies expenses totalling Kshs.22,151,720 could not be confirmed.

1.5 Hospitality, Supplies and Services

In addition, the use of goods and services balance includes hospitality, supplies and services amounting to Kshs.48,875,797 which in turn include the following payments totalling Kshs.6,665,000.

	Item	Amount Kshs.
1	Allowances to staff for undertaking their normal duties	1,890,000
2	Ungazetted allowances for transport and logistics	1,600,000
3	Unsupported sub-committee allowances on finalization of the budget	2,175,000
4	Refund on transport expenses	1,000,000
	Total	6,665,000

However, records on authorizations for the payments were not provided for audit review and as a result, the propriety of the payments could not be confirmed.

In view of the anomalies observed in relation to payments for use of goods and services, the accuracy, validity and fair statement of the expenditure balance totalling Kshs.496,087,643 reflected in the statement of receipts and payments could not be confirmed.

2.0 Acquisition of Assets

The statement of receipts and payments reflects acquisition of assets totalling Kshs.16,982,483,963, as further disclosed in Note 9 to the financial statements. However, the following anomalies were noted in respect of the balance:

2.1 Rehabilitation of Civil Works

Note 9 to the financial statements indicates that Kshs.71,873,092 was spent on rehabilitation of civil works out of which Kshs.28,125,000 was denoted as transfers to the Ministry's Energy Centers located in various counties. However, the transfers were not supported with records on civil works undertaken at the Centres and as a result, it was not possible to confirm the occurrence and validity of the expenditure.

In addition, expenditure records indicated that daily subsistence allowances totalling Kshs.10,719,829 were paid to various officers. However, the payments were not supported with approved budgets and work plans, and further, the dates of the activities were not disclosed.

In the circumstances, the propriety and accuracy of the payments totalling Kshs.71,873,092 reported in respect of rehabilitation of civil works in the year under review could not be confirmed.

2.2 Construction and Civil Works

Note 9 to the financial statements further reflects expenditure totalling Kshs.16,285,826,843 spent on construction and civil works. The balance includes payments totalling Kshs.16,231,249,088 made by the Ministry on behalf of Government Agencies for projects executed by the Agencies. Therefore, the amount is inappropriately accounted for as it should have been included in transfers totalling Kshs.32,003,846,607 reported in the statement of receipts and payments and Note 8 to the financial statements as having been made by the Ministry to other Government Agencies in the year under review. Further, the balance includes daily subsistence allowance payments totalling Kshs.2,434,000 made to various officers. Management did not provide records or explain why the payments for operational expenses were included in the construction and civil works account.

In the circumstances, the accuracy, completeness and fair statement of the construction and civil works balance totalling Kshs.16,301,132,250 as at 30 June, 2021 could not be confirmed.

2.3 Research, Studies, Project Preparation

Note 9 to the financial statements further reflects research, studies, project preparation, design and supervision expenditures totalling Kshs.583,493,000. However, examination of the respective records revealed the following anomalies:

- i. Imprest payments totalling Kshs.83,130,458 were made to 250 officers at the close of the financial year under review in June, 2021. Out of this balance, Kshs.47,604,700 was paid to 130 officers between 22 and 30 June, 2021. However, the imprests were not supported with approved work plans and were

not accounted for by the Officers. They were instead expensed without records on the respective activities they were spent on.

- ii. Expenditure records indicated that AIEs totalling Kshs.9,087,500 were issued to 16 (sixteen) Energy Centers and Kshs.4,844,000 paid out as daily subsistence allowances to officers on working visits to the Centres. However, for both expenditures, no records were provided to support or explain the spending.
- iii. A sum of Kshs.5,000,000 was paid to a fuel supplier against a proforma invoice dated 29 June, 2021 which implied that the fuel may not have been supplied and utilized by the end of the financial year one day later on 30 June, 2021. Further, the payment was not supported with detailed orders, a fuel register, work tickets and suppliers' records showing use of the fuel. Therefore, the validity and propriety of the expenditure totalling Kshs.5,000,000 could not be confirmed.
- iv. Daily subsistence allowances payments totalling Kshs.4,500,000 were made to 30 officers undertaking their normal duties at their work stations. Further, the officers were not required to account for the funds which were instead directly expensed in the books of account.

In view of the foregoing, the propriety of the research, studies, project preparation, design and supervision payments totalling Kshs.583,493,000 reported in the year under review could not be confirmed.

2.4 Irregular Payment of Allowances

Note 9 to the financial statements reflects expenditure on refurbishment of buildings totalling Kshs.8,226,574. Included in the balance are facilitation allowance payments totalling Kshs.3,494,028 paid to various officers. However, the payments were not supported with approved work plans and records on travel and activities undertaken by the officers. In addition, contrary to Regulation 93(5) of Public Finance Management Regulations, 2015, there were no records showing how the Officers accounted for the imprests. As a result, the propriety of the payments totalling Kshs.3,494,028 could not be confirmed.

In view of these issues, the accuracy and validity of the acquisition of assets balance totalling Kshs.16,982,482 963 reflected in the statement of receipts and payments could not be confirmed.

3.0 Bank Balances

The statement of assets and liabilities reflects bank balances totalling Kshs.424,965,555 as further disclosed in Note 10A to the financial statements. Examination of bank reconciliation statements for the month of June, 2021 for the Development and Recurrent bank accounts disclosed unrepresented cheques totalling Kshs.4,681,006,617 and Kshs.29,461,825 respectively.

The cheques included imprest payments to various officers totalling Kshs.23,025,394 under the recurrent account and Kshs.12,210,998 under the development account for activities scheduled for the following (2021/22) financial year. However, the imprests were expensed upon payment. As a result, the propriety of payments totalling Kshs.35,236,39, and fair statement of the bank balance totalling Kshs.424,965,555 reflected in the statement of assets and liabilities as at 30 June, 2021 could not be confirmed.

4.0 Accounts Payables - Long Outstanding Retention Monies

The statement of assets and liabilities reflects accounts payable totalling Kshs.183,247,173 as at 30 June, 2021, as further disclosed in Note 11 to the financial statements. The balance includes retention monies totalling Kshs.112,753,222 payable to various vendors and contractors. Annex 5 of the financial statements indicates that Kshs.89,160,030 of the retentions had been outstanding for more than three years as at 30 June, 2021.

Further, retention monies and deposits totalling Kshs.70,493,951.25 included in the Kshs.112,753,222 balance and attributed to the Principal Secretary to the Ministry were not supported with sufficient records and as a result, their nature and origin could not be confirmed.

In view of these issues, the accuracy and validity of the accounts payables balance totalling Kshs.183,247,173 reflected in the statement of assets and liabilities as at 30 June, 2021 could not be confirmed.

5.0 Fixed Assets

Annex 1 – summary of fixed assets reflects fixed assets with historical costs totalling Kshs.285,647,117,842 which include land costed at Kshs.8,226,575. As reported in previous years and as disclosed in Annex I, the State Department did not have title deeds for the following eight (8) plots of land measuring 21.42 hectares in aggregate and estimated by the Ministry to have an aggregate market value of Kshs.180,700,000 as at 30 June 2021:

Location	Size (Hectares)	Location (County)	Approximate Value (Kshs.)	Condition
1. Kericho Energy Centre	0.8	Kericho	15,000,000	Developed but not fenced.
2. Kisii Energy Centre	1	Kisii	12,000,000	Developed and fenced.
3. Migori Energy Centre	0.4	Migori	2,200,000	Developed and fenced.
4. Bukura Energy Centre	2	Kakamega	3,500,000	Developed and fenced.
5. Uasin Gishu Energy Centre	0.8	Uasin Gishu	12,000,000	Developed and fenced.
6. Kitui Energy Centre	10.4	Kitui	53,000,000	Developed and fenced.

Location		Size (Hectares)	Location (County)	Approximate Value (Kshs.)	Condition
7.	Wambugu Energy Centre	4	Nyeri	80,000,000	Developed and fenced.
8.	Mitunguu Energy Centre	2.02	Meru	3,000,000	Developed and fenced.
Total		21.42		180,700,000	

Information provided by Management indicated that the process of acquiring title deeds for some of the plots had been underway for several years.

In the absence of the title documents, it was not possible to confirm ownership of the lands by the Ministry and the accuracy and completeness of the Ministry's fixed assets balance totalling Kshs.268,664,633,879 as at 30 June, 2021 reflected in Annex 1 of the financial statements.

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

Key Audit Matters

Key audit matters are those matters, which, 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

1.0 Budgetary Control and Performance

The summary statement of appropriation - recurrent and Development Combined indicates that the Ministry's revenue budget for the year under review amounted to Kshs.79,164,432,735 but actual receipts were Kshs.50,040,924,077 resulting to a revenue shortfall of Kshs.29,123,508,658 or 37% of the budget. Additionally, the Ministry's budgeted expenditure amounted to Kshs.79,164,432,735 but actual spending amounted to Kshs.49,877,987,166 or 63% of the budget resulting to under-expenditure of Kshs.29,286,445,569. Further, review of the programmes and sub-programmes implemented by the Ministry indicated under-expenditure on various sub-programmes, as highlighted in the following table:

Programme/Sub-Programme		Final Budget (Kshs.)	Actual on Comparable Basis (Kshs.)	Budget Utilization Difference (Kshs.)	% of Utilization
General Administration Planning and Support Services					
1.	Administrative Services	265,941,789	224,173,519	41,768,270	84%
2.	Planning and Project Monitoring	29,796,447	29,434,387	362,060	99%
3.	Financial Services	244,585,160	230,019,664	14,565,496	94%
Power Generation					
4.	Geothermal Generation	14,643,030,351	9,565,310,933	5,077,719,418	65%
5.	Development of Nuclear Energy	813,557,756	813,557,756	-	100%
6.	Coal Exploration and Mining	399,000,000	341,246,040	57,753,960	86%
Power Transmission and Distribution					
7.	National Grid System	51,377,625,049	31,754,265,483	19,623,359,566	62%
8.	Rural Electrification	9,411,457,171	5,917,899,906	3,493,557,265	63%
Alternative Energy Technologies					
9.	Alternative Energy Technologies	1,979,439,012	984,080,620	995,358,392	50%

In view of the under-expenditure, programme outputs planned for the year may not have been attained.

2.0 Late Exchequer Releases from The National Treasury

Audit review of the Exchequer releases received by the Ministry indicated that development vote funds totalling to Kshs.4,446,857,887 were received on 2 July, and 3 July, 2021 after the end of the financial year on 30 June, 2020.

Consequently, the delayed Exchequer releases may have hindered timely implementation of the Ministry's programmes.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

1.0 Unexplained Use of Petroleum Development Funds

Revenue records indicated that Kshs.500,000,000 was received by the Ministry from the Petroleum Development Fund the year under review. The purpose of the transfer of the funds to the Ministry, including the activities the funds were to be spent on, was not adequately explained. Section 4(4) of the Petroleum Development Fund Act 1991 requires that such funds only be spent on development of common facilities for distribution or testing of oil products and matters relating to the development of the oil industry.

The records further indicated that Kshs.35,000,000 of the Kshs.500,000,000 receipts was transferred to the Kenya Association of Manufacturers (KAM) which is not a public entity. However, the framework or contract for disbursement of the funds to KAM was not provided for audit review.

In view of these anomalies, it was not possible to confirm whether the funds totalling Kshs.500,000,000 were spent in compliance with the requirements of the Petroleum Development Fund.

2.0 Overstaffing

Audit review of staffing records indicated that there were 75 Officers above the number prescribed in the authorized staff establishment. Five out of the Officers held posts that were not provided for in the establishment. Management explained the over-staffing as having arisen from promotions made by the Public Service Commission in the entire Civil Service for the purpose of managing succession of staff expected to retire from the Service.

In the absence of an updated approved staff establishment, the Ministry may be over-staffed and may be incurring unnecessary employee costs.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 4000. The standard requires 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 are in compliance, 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, 2012, based on the audit procedures performed, I confirm that, except for the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my

report, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance, were not effective.

Basis for Conclusion

1.0 Lack of Risk Management Policy Framework

Regulation 165(1) of the Public Finance Management Regulations, 2015, requires each National Government entity to develop risk management strategies which should include fraud prevention mechanisms, a disaster recovery plan and a system of risk management and internal control that builds robust operations. However, as similarly noted in the previous year, the Ministry did not have a risk management policy framework in the year under review.

In the absence of an approved risk management framework, Managements' ability to identify, measure and mitigate operational and other risks faced by the Ministry may have been constrained.

2.0 Lack of Fixed Assets Register

The summary fixed assets register at Annex 1 indicates that the Ministry had fixed assets with a total historical cost of Kshs.285,647,117,842 as at 30 June, 2021. However, contrary to the requirements of Circular 1 No. 5/2020 of 25 February, 2020 issued by The National Treasury, the assets register provided for audit did not include an analysis of the various categories of assets included in the balance. In addition, not all land and buildings owned by the Ministry were disclosed in the register. In particular, the register did not reflect assets located at the various Energy Centers established by the Ministry. Further, assets records indicated that the Ministry disposed of eight (8) motor vehicles in the year under review but no adjustments were made in the register to recognize the sales.

In the absence of an accurate and comprehensive register of assets, control on fixed asset records was inadequate. In addition, the accuracy, completeness of the fixed assets balance totalling Kshs.285,647,117,842 and safe custody of the respective assets, could not be confirmed.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and 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 (Cash Basis), and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material

misstatement, whether due to fraud or error and for assessment of the effectiveness of the internal control, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the Ministry's ability to continue sustaining its services, disclosing as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to dissolve the Ministry.

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 are in compliance 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 Ministry's financial reporting process, reviewing the effectiveness of Management's systems for monitoring 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

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report which includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. 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 and weakness 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 addition to the audit of the financial statements, a compliance review is planned and performed to express a conclusion on whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution, and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control 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 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control which might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level, the risk that misstatements caused by error or fraud in amounts which would be material in relation to the financial statements being audited, may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the Ministry's policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence which is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions which may cast significant doubt on the Ministry's ability to continue sustaining its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Ministry to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner which achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Ministry to express an opinion on the financial statements.

- Perform such other procedures as I consider necessary in the circumstances.

I communicate with Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control which are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters which may reasonably be thought to bear on my independence, and where applicable, related safeguards.


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

13 April, 2022

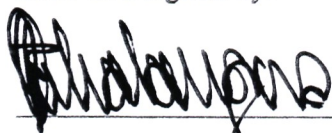
MINISTRY OF ENERGY
Annual Report and Financial Statements
For the year ended 30, June 2021.

7. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH JUNE 2021

RECEIPTS			
Tax Receipts	1	2,463,534,875	2,205,150,443
Exchequer releases	2	31,000,535,961	20,603,611,338
Proceeds from Foreign Borrowings	3	16,213,250,230	26,290,524,112
Proceeds from Sale of Assets	4	8,604,152	1,970,623
Other Receipts	5	337,000,000	352,000,000
TOTAL RECEIPTS		50,022,925,218	49,453,253,516
PAYMENTS			
Compensation of Employees	6	377,570,094	374,318,150
Use of goods and services	7	496,087,643	2,825,368,705
Transfers to Other Government Entities	8	32,003,846,607	19,054,108,779
Acquisition of Assets	9	16,982,483,963	27,371,843,346
TOTAL PAYMENTS		49,859,988,307	49,625,713,980
SURPLUS/DEFICIT		162,936,911	(172,457,464)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Ministry of Energy financial statements were approved on 9-9-

2021 and signed by:



Maj. Gen (Rtd) Gordon O. Kihlangwa, CBS
Principal Secretary



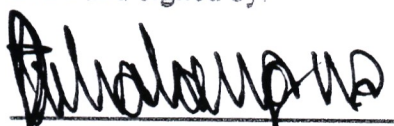
Moses Peterson Gitari Muriuki
Senior Deputy Accountant General
ICPAK Member Number: 4204

MINISTRY OF ENERGY
Annual Report and Financial Statements
For the year ended 30, June 2021.

8. STATEMENT OF ASSETS AND LIABILITIES AS AT 30TH JUNE 2021

FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	10A	424,965,555	249,069,789
TOTAL FINANCIAL ASSETS		424,965,555	249,069,789
FINANCIAL LIABILITIES			
Accounts Payables	11	(183,247,173)	(149,495,200)
NET FINANCIAL ASSETS		241,718,382	99,574,589
REPRESENTED BY			
Fund balance b/fwd	12	99,574,589	285,955,332
Prior year adjustment	13	(20,793,118)	(13,923,279)
Surplus/Deficit for the year		162,936,911	(172,457,464)
NET FINANCIAL POSITION		241,718,382	99,574,589

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Ministry of Energy financial statements were approved on 9-9- 2021 and signed by:



Maj. Gen (Rtd) Dr. Gordon O. Kihalangwa, CBS
 Principal Secretary

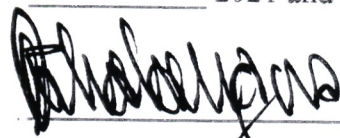


Moses Peterson Gitari Muriuki
 Senior Deputy Accountant General
 ICPAK Member Number: 4204

9. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE 2021

Receipts for operating income			
Tax Receipts	1	2,463,534,875	2,205,150,443
Exchequer Releases	4	31,000,535,961	20,603,611,338
Other Receipts	5	337,000,000	352,000,000
Payments for operating expenses			
Compensation of Employees	6	377,570,094	-374,393,150
Use of goods and services	7	496,087,643	-2,825,368,705
Transfers to Other Government Units	8	32,003,846,607	-19,054,108,779
Adjusted for:			
Adjustments during the year			
Increase/(Decrease) in Accounts Payable	11	33,751,973	-8,213,134
Prior Year Adjustments	13	-20,793,118	-13,923,279
Net cash flow from operating activities		936,525,347	884,754,734
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	4	8,604,152	1,970,623
Acquisition of Assets	9	-16,982,483,963	-27,371,843,346
Net cash flows from Investing Activities		-16,973,879,811	-27,369,872,723
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from Foreign Borrowings	3	16,213,250,230	26,290,524,112
Net cash flow from financing activities		16,213,250,230	26,290,524,112
NET INCREASE IN CASH AND CASH EQUIVALENT		175,895,766	-194,593,877
Cash and cash equivalent at BEGINNING of the year		249,069,789	443,663,666
Cash and cash equivalent at END of the year		424,965,555	249,069,789

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Ministry of Energy financial statements were approved on 9-9-2021 and signed by:



Maj. Gen (Rtd) Dr. Gordon O. Kihlangwa, CBS
Principal Secretary



Moses Peterson Gitari Muriuki
Senior Deputy Accountant General
ICPAK Member Number: 4204

For the year ended 30, June 2021.

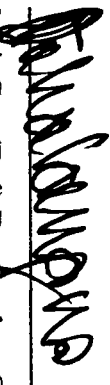
10. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

RECEIPTS									
Tax Receipts	9,137,500,000	746,500,000	9,884,000,000	2,463,534,875	7,420,465,125	24%			
Proceeds from Domestic and Foreign Grants	248,800,000		248,800,000	-	248,800,000	0%			
Exchequer releases	32,664,971,578	771,500,000	33,436,471,578	31,000,535,961	2,435,935,617	93%			
Proceeds from Foreign Borrowings	32,620,613,546		32,620,613,546	16,213,250,230	16,407,363,316	50%			
Proceeds from Sale of Assets	1,790,000	1,790,000	3,580,000	8,604,152	-5,024,152	240%			
Other Receipts	1,534,924,189	1,436,043,422	2,970,967,611	337,000,000	2,633,967,611	11%			
TOTAL RECEIPTS	76,208,599,313	2,955,833,422	79,164,432,735	50,022,925,218	29,141,507,517	63%			
PAYMENTS									
Compensation of Employees	171,833,422	209,833,422	381,666,844	377,570,094	4,096,750	99%			
Use of goods and services	1,327,291,443	120,143,082	1,447,405,275	496,087,643	951,317,633	34%			
Transfers to Other Government Units	42,151,971,578	2,607,500,000	44,759,471,578	32,003,846,607	12,755,624,971	72%			
Other grants and transfers									
Social Security Benefits	3,963,247	650,000	4,613,247	-	4,613,247	0%			
Acquisition of Assets	32,553,539,623	17,706,918	32,571,246,541	16,982,483,963	15,588,762,578	52%			
TOTAL PAYMENTS	76,208,599,313	2,955,833,422	79,164,432,735	49,859,988,307	29,304,415,179	63%			
Surplus/ Deficit	-	-	-	162,936,911.00	(162,936,911.00)	-			

**Annual Report and Financial Statements
For the year ended 30, June 2021.**

- i. Tax Receipts 24%; this is due few applications for Royalties licences.
- ii. Proceeds from sale of assets and other receipts 240%; due to over-collection of ALA.
- iii. Proceeds from Foreign Borrowings 50%; this is due to non-disbursement of funds from some donors.
- iv. Proceeds from Sale of Assets 240%; this is due to increase in collection of incidental Sale by Non-Market establishments
- v. Other Receipts 11%; this is due to low collection of ALA revenues
- vi. Use of goods and services 34%; due to effects of Covid-19 and increased Supplementary budget
- vii. Transfers to Other Government Units 72%; the under expenditure was increase in supplementary budget.
- viii. Acquisition of Assets 52%; the under expenditure was due the increase of the budget in the supplementary.
- ix. The Ministry's had a net increase of Supplementary budget of Kshs. 2,955,833,422

The Ministry of Energy financial statements were approved on 9-9- 2021 and signed by:



Maj. Gen (Rtd) Dr. Gordon O. Kihalangwa, CBS
Principal Secretary



Moses Peterson Gitari Muriuki
Senior Deputy Accountant General
ICPAK Member Number: 4204

Annual Report and Financial Statements
For the year ended 30, June 2021.

11. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT

RECEIPTS									
Tax Receipts	1,198,500,000	746,500,000	1,945,000,000			1,945,000,000		0%	
Exchequer releases	721,500,000	771,500,000	1,493,000,000	1,483,013,012		9,986,988		99%	
Proceeds from Sale of Assets	1,790,000	1,790,000	3,580,000,000	8,604,152		-5,024,152		240%	
Other Receipts	1,464,924,189	1,436,043,422	2,900,967,611	271,000,000		2,629,967,611		9%	
TOTAL RECEIPTS	3,386,714,189	2,955,833,422	6,342,547,611	1,762,617,164		4,579,930,447		32%	
PAYMENTS									
Compensation of Employees	159,833,422	209,833,422	369,666,844	367,350,603		2,316,241		99%	
Use of goods and services	153,576,443	120,143,082	273,719,525	252,051,066		21,668,459		92%	
Transfers to Other Government Units	3,054,500,000	2,607,500,000	5,662,000,000	1,123,333,156		4,538,666,844		20%	
Social Security Benefits	3,963,247	650,000	4,613,247			4,613,247		0%	
Acquisition of Assets	14,841,077	17,706,918	32,547,995	18,404,334		14,143,661		56%	
TOTAL PAYMENTS	3,386,714,189	2,955,833,422	6,342,547,611	1,761,139,159		4,581,408,452		28%	
Surplus/Deficit	-	-	-	1,478,005		(1,478,005)		0	

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For the year ended 30, June 2021.

- i. Proceed from sale of Assets 240%; this is due to increase in collection of incidental Sale by Non- Market establishments
- ii. Other Receipts 11%; this is due to low collection of ALA revenues
- iii. Transfers to Other Government Units 20% the under expenditure due to increase in supplementary budget.
- iv. Acquisition of Assets 56% the under expenditure was due the increase of the budget in the supplementary.
- v. The State Department had a net increase of Supplementary budget of K shs 2,955,833,422.

The Ministry of Energy financial statements were approved on 9-9- 2021 and signed by:



Maj. Gen (Rtd) Dr. Gordon O. Kihalangwa, CBS
Principal Secretary



Moses Peterson Gitari Muriuki
Senior Deputy Accountant General
ICPAK Member Number: 4204

Annual Report and Financial Statements
For the year ended 30, June 2021.

12. SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT

RECEIPTS							
Tax Receipts	7,939,000,000		7,939,000,000	2,463,534,875	5,475,465,125	31%	
Social Security Contributions	248,800,000		248,800,000		248,800,000	0	
Exchequer releases	31,943,471,578		31,943,471,578	29,517,522,949	2,425,948,629	92%	
Proceeds from Foreign Borrowings	32,620,613,546		32,620,613,546	16,213,250,230	16,407,363,316	50%	
Other Receipts	70,000,000		70,000,000	66,000,000	4,000,000	94%	
TOTAL RECEIPTS	72,821,885,124		72,821,885,124	48,260,308,054	24,561,577,070	65%	
PAYMENTS							
Compensation of Employees	12,000,000		12,000,000	10,219,491	1,780,509	85%	
Use of goods and services	1,173,715,000		1,173,715,000	244,036,577	929,678,423	21%	
Transfers to Other Government Units	39,097,471,578		39,097,471,578	30,880,513,451	5,635,000,000	79%	
Acquisition of Assets	32,538,698,546		32,538,698,546	16,964,079,629	15,574,618,917	52%	
TOTAL PAYMENTS	72,821,885,124		72,821,885,124	48,098,849,149	22,141,077,849	66%	
Surplus/Deficit	-		-	161,458,906	(161,458,906)		

**Annual Report and Financial Statements
For the year ended 30, June 2021.**

- i. Tax receipts 31%; this is due to low collection of AIA revenues.
- ii. Proceeds from Foreign borrowings 50%; this is due to non-disbursement of funds from some donors.
- iii. Transfers to Other Government Units 79% the under expenditure was due decrease in AIA collection.
- iv. Acquisition of Assets 52 % the under expenditure was due the decrease in disbursement of donor funds.
- v. The State Department had no change in Supplementary budget.

The Ministry of Energy financial statements were approved on 9-9- 2021 and signed by:



Maj. Gen (Rtd) Dr. Gordon O. Kihalangwa, CBS
Principal Secretary



Moses Peterson Gitari Muriuki
Senior Deputy Accountant General
ICPAK Member Number: 4204

13. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

General Administration Planning and Support Services	540,323,396		540,323,396	483,627,570	56,695,826
Administrative Services	265,941,789		265,941,789	224,173,519	41,768,270
Planning and Project Monitoring	29,796,447		29,796,447	29,434,387	362,060
Financial Services	244,585,160		244,585,160	230,019,664	14,565,496
Power Generation	15,855,588,107		15,855,588,107	10,720,192,495	5,135,395,612
Geothermal generation	14,643,030,351		14,643,030,351	9,565,388,698	5,077,641,652
Development of Nuclear Energy	813,557,756		813,557,756	813,557,756	0
Coal Exploration and Mining	399,000,000		399,000,000	341,246,040	57,753,960
Power Transmission and Distribution	60,789,082,220		60,789,082,220	37,672,322,822	23,116,759,398
National Grid System	51,377,625,049		51,377,625,049	31,754,422,916	19,623,359,566
Rural Electrification	9,411,457,171		9,411,457,171	5,917,899,906	3,493,557,265
Alternative Energy Technologies	1,979,439,012		1,979,439,012	983,845,420	995,593,592
Alternative Energy Technologies	1,979,439,012		1,979,439,012	983,845,420	995,593,592
Total					

14. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of Compliance and Basis of Preparation

The financial statements have been prepared in accordance with Cash-basis International Public Sector Accounting Standards (IPSAS) as prescribed by the Public Sector Accounting Standards Board (PSASB) and set out in the accounting policy note below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include deposits and retentions.

The financial statements comply with and conform to the form of presentation prescribed by the PSASB. The accounting policies adopted have been consistently applied to all the years presented.

2. Reporting Ministry

The financial statements are for the Ministry of Energy. The financial statements encompass the reporting Ministry as specified under section 81 of the PFM Act 2012 and also comprise of the following development projects implemented by the Ministry:

- Kenya Electricity Modernization Project
- Kenya Off-Grid Solar Access Project

3. Reporting Currency

The financial statements are presented in Kenya Shillings (KShs), which is the functional and reporting currency of the Government and all values are rounded to the nearest Kenya Shilling.

MINISTRY OF ENERGY
Annual Report and Financial Statements
For the year ended 30, June 2021.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Significant Accounting Policies

The accounting policies set out in this section have been consistently applied by the Ministry for all the years presented.

a) Recognition of Receipts

The Ministry recognises all receipts from the various sources when the event occurs and the related cash has actually been received by the Ministry.

i) Tax Receipts

Tax receipts are recognized in the books of accounts when cash is received. Cash is considered as received when notification of tax remittance is received

ii) Transfers from the Exchequer

Transfers from the exchequer are recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the receiving Ministry.

iii) External Assistance

External assistance is received through grants and loans from multilateral and bilateral development partners.

Grants and loans shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the recipient Ministry or by the beneficiary.

In case of grant/loan in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice. A similar recognition criteria is applied for loans received in the form of a direct payment.

During the year ended 30th June 2021, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

iv) Other receipts

These include Appropriation-in-Aid and relates to receipts such as proceeds from disposal of assets and sale of tender documents. These are recognised in the financial statements the time associated cash is received.

b) Recognition of payments

The Ministry recognises all payments when the event occurs, and the related cash has been paid out by the Ministry.

i) Compensation of Employees

Salaries and wages, allowances, statutory contribution for employees are recognized in the period when the compensation is paid.

ii) Use of Goods and Services

Goods and services are recognized as payments in the period when the goods/services are paid for. Such expenses, if not paid during the period where goods/services are consumed, shall be disclosed as pending bills.

iii) Interest on Borrowing

Borrowing costs that include interest are recognized as payment in the period in which they are paid for.

iv) Repayment of Borrowing (Principal Amount)

The repayment of principal amount of borrowing is recognized as payment in the period in which the repayment is made.

v) Acquisition of Fixed Assets

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment.

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A fixed asset register is maintained by each public Ministry and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the financial statements.

5. In-kind contributions

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

6. Third Party Payments

Included in the receipts and payments, are payments made on its behalf to third parties in form of loans and grants. These payments do not constitute cash receipts and payments and are disclosed in the payment to third parties in the statement of receipts and payments as proceeds from foreign borrowings.

7. Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

a) Restriction on Cash

Restricted cash represents amounts that are limited/restricted from being used to settle a liability for at least twelve months after the reporting period. This cash is limited for direct use as required by stipulation.

Amounts maintained in deposit bank accounts are restricted for use in refunding third party deposits. As at 30th June 2021, this amounted to Kshs 183,247,173 compared to Kshs 149,495,200 in prior period as indicated on note 11. There were no other restrictions on cash during the year.

8. Accounts Receivable

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as payments when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

9. Accounts Payable

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized on an accrual basis (as accounts payables). This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted by National Government Ministries and Agencies. Other liabilities including pending bills are disclosed in the financial statements.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

10. Pending Bills

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the Ministry at the end of the year. When the pending bills are finally settled, such payments are included in the Statement of Receipts and Payments in the year in which the payments are made.

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 2020 for the period 1st July 2019 to 30th June 2020 as required by Law and there were two supplementary adjustments to the original budget during the year.

A comparison of the actual performance against the comparable budget for the financial year under review has been included in the financial statements.

Government Development Projects are budgeted for under the MDAs but receive budgeted funds as transfers and account for them separately. These transfers are recognised as inter-Ministry transfers.

12. Comparative Figures

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

13. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2021.

14. Errors

Material prior period errors shall be corrected retrospectively in the first set of financial statements authorized for issue after their discovery by: i. restating the comparative amounts for prior period(s) presented in which the error occurred; or ii. If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.

15. Related Party Transactions

Related party relationships are a normal feature of commerce. Specific information with regards to related party transactions is included in the disclosure notes.

16. Contingent Liabilities

Section 148 (9) of the PFM Act regulations 2015 requires the Accounting officer of a National Government Ministry to report on the payments made, or losses incurred, by the National Government Ministry to meet contingent liabilities as a result of loans during the financial year.

A contingent liability is:

- a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Ministry; or
- b) A present obligation that arises from past events but is not recognised because:
 - i) It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
 - ii) The amount of the obligation cannot be measured with sufficient reliability.
- c) Some of contingent liabilities may arise from: litigation in progress, guarantees, indemnities. Letters of comfort/ support, insurance, Public Private Partnerships, The Ministry 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.

15. NOTES TO THE FINANCIAL STATEMENTS

1 Tax Receipts

	Taxes on Goods and Services	2,463,534,875	2,205,150,443
	Total	2,463,534,875	2,205,150,443

These are AIA revenues collected from Petroleum development levy fund, Royalties on Geothermal Development and electricity levy

2 Exchequer Releases

	Total Exchequer Releases for quarter 1	4,821,722,573	5,506,470,627
	Total Exchequer Releases for quarter 2	3,229,117,359	5,286,358,148
	Total Exchequer Releases for quarter 3	1,479,194,837	7,967,179,914
	Total Exchequer Releases for quarter 4	21,470,501,193	1,843,602,649
	Total	31,000,535,961	20,603,611,338

The Ministry received a total of Kshs 1,483,013,012 against a recurrent budget of Kshs 1,493,000,000 and also a total of Kshs 29,517,522,949 against a Development budget of Kshs 31,943,471,578.

3 Proceeds from Foreign Borrowings

	Foreign Borrowing - Direct Payments	16,213,250,230	26,290,524,112
	Total	16,213,250,230	26,290,524,112

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4 Proceeds from Sale of Assets

Receipts from the Sale of Inventories, Stocks and Commodities	8,604,152	1,970,623
Total	8,604,152	1,970,623

5 Other Receipts

Receipts from Administrative Fees and Charges - Collected as AIA	337,000,000	352,000,000
Total	337,000,000	352,000,000

6 Compensation of Employees

Basic salaries of permanent employees	236,503,954	236,629,045
Basic wages of temporary employees	12,213,281	11,654,911
Personal allowances paid as part of salary	128,852,858	126,034,194
Total	377,570,094	374,318,150

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

7 Use of Goods and Services

	2020-2021 KShs	2019-2020 KShs
Utilities, supplies and services	9,819,142	5,595,492
Communication, supplies and services	15,396,359	11,941,694
Domestic travel and subsistence	90,769,812	60,539,326
Foreign travel and subsistence		5,607,232
Printing, advertising and information supplies & services	2,422,100	3,493,774
Rentals of produced assets	352,000	324,160
Training expenses	15,731,485	20,406,449
Hospitality supplies and services	48,875,797	59,547,187
Specialized materials and services	12,354,424	10,842,977
Office and general supplies and services	22,151,721	12,883,526
Fuel Oil and Lubricants	19,214,976	18,376,877
Other operating expenses	160,867,781	2,519,534,557
Routine maintenance – vehicles and other transport equipment	14,187,333	13,161,259
Routine maintenance – other assets	83,944,712	83,094,195
Total	496,087,642	2,825,368,705

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8 Grants and Transfers to other Government Entities

Transfers to National Government entities			
Current grants to government agencies and other level of government	1,123,333,156	1,675,000,000	
Capital grants to government agencies and other level of government	30,880,513,451	17,379,108,779	
TOTAL	32,003,846,607	19,054,108,779	

The above transfers were made to the following self-reporting entities in the year:

Transfers to SAGAs and SCS			
Rural Electrification & Renewable Energy Corporation	365,000,000	2,344,868,972	2,709,868,972
Geothermal Development Corporation	374,775,400	1,330,093,014	1,704,868,414
Kenya Electrical Transmission Company Ltd		10,831,798,269	10,831,798,269
Nuclear Power & Energy Agency	383,557,756	430,000,000	813,557,756
Kenya Power and Lighting Company Ltd		8,708,753,195	8,708,753,195
Kenya Electricity Generating Company		7,200,000,000	7,200,000,000
Kenya Association of Manufacturers		35,000,000	35,000,000
TOTAL	1,123,333,156	30,880,513,451	32,003,846,607
			19,054,108,779

We have confirmed these amounts with the recipient entities and attached these confirmations as an Appendix to this financial statement.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

9 Acquisition of Assets

Refurbishment of Buildings	8,226,575	13,353,469
Construction and Civil Works	16,285,826,843	26,705,966,270
Overhaul of Vehicles and Other Transport Equipment	276,400	757,716
Purchase of Office Furniture and General Equipment	7,117,433	24,009,196
Purchase of Specialized Plant, Equipment and Machinery	15,305,407	695,475
Purchase of Certified Seeds, Breeding Stock and Live Animals	10,365,193	59,662,550
Research, Studies, Project Preparation, Design & Supervision	583,493,020	534,570,524
Rehabilitation of Civil Works	71,873,092	32,828,146
Total	16,982,483,963	27,371,843,346

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

10A: Bank Accounts

Central Bank of Kenya 1000383992 Recurrent Kshs – Ps State Dept. Energy,	Kshs	Recurrent	1,538,555	830,768
Central Bank of Kenya 10003848007 Development Kshs – Ps State Dept. Energy	Kshs	Development	180,688,336	19,962,350
Central Bank of Kenya 1000384018 Deposit Kshs – Ps State Dept. Energy	Kshs	Deposit	183,247,173	149,495,200
Central Bank of Kenya 1000390875 t Kshs – KEMP	Kshs	Project	21,116,595	33,627,958
Central Bank of Kenya 1000390824 Kshs – KOSAP	Kshs	Project	38,374,895	45,153,512
Total			424,965,555	249,069,789

11. Accounts Payable

Retention	112,753,222	867,958
Deposits	70,493,951	148,627,242
Total	183,247,173	149,495,200

This related to retention funds withheld from contractors as analyzed in Annex 5

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. Fund Balance Brought Forward

Bank accounts	249,069,789	443,659,556
Cash in hand	0	4,110
Accounts Receivables	0	0
Accounts Payables	(149,495,200)	(157,708,334)
Total	99,574,589	285,955,332

13. Prior Year Adjustments

Bank account Balances	249,069,789	(20,793,118)	228,276,671
Cash in hand	0	0	0
Accounts Payables	(149,495,200)	0	(149,495,200)
Receivables	0	0	0
	99,574,589	(20,793,118)	78,781,471

This amount relates to **Kshs 830,768** and **Kshs 19,962,350** in Recurrent and Development bank balances respectively that were taken back to consolidated bank by the National Treasury

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

14. Increase/ (Decrease) in Accounts Payable

Payables as at 1 st July 2020	149,495,200	157,708,334
Payables as at 30 th June 2021	183,247,173	149,495,200
Increase/ (Decrease) in payables	33,751,973	(8,213,134)

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15. Related Party Disclosures

Related party disclosure is encouraged under non-mandatory section of the Cash Basis IPSAS.

The following comprise of related parties to the Ministry of Energy

- i) Key management personnel that include the Cabinet Secretaries and Accounting Officers
- ii) Other Ministries Departments and Agencies and Development Projects;
- iii) County Governments; and
- iv) State Corporations and Semi-Autonomous Government Agencies.

Related party transactions:

Related party transactions		
<u>Transfers to related parties</u>		
Transfers to SCs and SAGAs	32,003,846,607	19,054,108,779
Total Transfers to related parties	32,003,846,607	19,054,108,779
<u>Transfers from related parties</u>		
Transfers from the Exchequer	31,000,536,961	20,603,611,338
Total Transfers from related parties	31,000,536,961	20,603,611,338

External assistance relating loans and grants

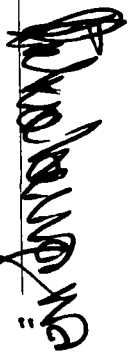
External assistance relating loans and grants		
External assistance received as loans and grants for Acquisition of Assets	16,213,250,230	26,290,524,112
Total	16,213,250,230	26,290,524,112

16. **PROGRESS ON FOLLOW UP OF PRIOR YEARS AUDITOR'S RECOMMENDATIONS**

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

1146	Land Without Titles	The process of acquiring title deeds for some of the land parcels has been underway	Not Resolved	30-June-2022
1147	Budgetary Performance and Control	The under absorption of the budget was due to effect of Covid-19 Pandemic	Resolved	N/A
1149	Lack of Risk Management Policy Framework	The management has put a Committee in place to have a Risk Management policy framework in place	Not resolved	30-June -2022
1150	Incomplete Fixed Assets Register	The Management has Fixed Asset Register now in place	Resolved	N/A

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Maj. Gen (Rtd) Dr. Gordon. O. Kihalangwa, CBS
Principal Secretary



Moses Peterson Gitari Muriuki
Senior Deputy Accountant General
ICPAK Member Number: 4204

ANNEX 1 – SUMMARY OF FIXED ASSET REGISTER

Land	*121,780,643			*121,780,643
Buildings and structures	1,597,156,816	8,226,575		1,605,383,390
Transport equipment	160,916,778	276,400		161,193,178
Office equipment, furniture and fittings	84,891,805	7,117,433		92,009,238
ICT Equipment	67,397,009			67,397,009
Machinery and Equipment	261,889,504,076	16,301,132,250		278,190,636,326
Biological assets	741,595,152	583,493,020		1,325,088,172
Certified seeds and afforestation's	3,774,010,269	10,365,193		3,784,375,462
Rehabilitation of civil works	227,381,331	71,873,092		299,254,423
Total	268,664,633,879	16,982,483,963		285,647,117,842

* The cost of this land doesn't not include the value of the land for eight (8) centres across the Country with an area of 21.42 hectares valued at approximately Kshs 180.7M which were allocated to the State Department. The State Department is in the process of acquiring the title deeds then obtained comprehensive valuations and capitalise these land assets

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ANNEX 2 – ANALYSIS OF PENDING ACCOUNTS PAYABLE

The Ministry did not have any pending bill payable as at 30th June 2021

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ANNEX 3 – LIST OF PROJECTS IMPLEMENTED BY THE MINISTRY OF ENERGY

Ref	Project Name	Principal activity of the project	Accounting Officer	Project consolidated in these financial statements (yes/no)
1	Kenya Electricity Modernization project	Increase access to electricity, improve reliability of electricity service and to strengthen KPLC's financial situation.	Maj. Gen (Rtd) Dr. Gordon .O. Kihalangwa, CBS	Yes
2	Off-Grid Solar Access project	Electrification of areas not served with electric power from national grid	Maj. Gen (Rtd) Dr. Gordon .O. Kihalangwa, CBS	Yes
3	Kenya Electricity Expansion Project	Increase capacity, efficiency and quality of electricity supply and expand access to electricity in Urban, Peri-Urban and Rural areas.	Maj. Gen (Rtd) Dr. Gordon .O. Kihalangwa, CBS, CBS	Yes

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ANNEX 4 – LIST OF SCs, SAGAS AND PUBLIC FUNDS UNDER THE MINISTRY OF ENERGY

1	Rural Electrification & Renewable Corporation	Implementation of Governments rural electrification programme through construction of rural electrification projects.	Mr. Peter Mbugua	2,709,868,972	Yes
2	Geothermal Development Corporation	Development of Steam for sale	Eng. Jared Othieno	1,704,868,414	Yes
3	Kenya Electrification Transmission Company	Transmission Of generated electricity	F CPA Fernandes Barasa	10,831,798,269	Yes
4	Nuclear Power & Energy Agency	Fast- tracking the development of nuclear power in order to enhance the production of affordable and reliable electricity	Eng. Collins Juma, MBS	813,557,756	Yes
5	Kenya Power and Lighting Company	Distribution of electric powers to consumers	Eng. Rosemary Oduor	8,708,753,195	Yes
6	Kenya Association of Manufacturers	Supervision of Manufacturing Companies	Ms. Phyllis Wakiaga	35,000,000	Yes
7	Kenya Electricity Generating Company	Generation of electricity through the development, management and operation of power plants.	Mrs. Rebecca Miano, MBS	7,200,000,000	Yes

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ANNEX 5 - ANALYSIS OF ACCOUNTS PAYABLES

DATE	BENEFICIARY	AMOUNT
		KSHS
30/06/2018	Principal styles	53,362.20
30/06/2018	Principal styles	89,758.20
30/06/2018	Principal styles	737,592.20
29/03/2018	Regulator	352,000.00
30/06/2018	Bizrate	183,984.00
30/06/2018	Bizrate	221,524.70
30/06/2018	Foundation Piling	2,227,200.00
30/06/2018	Integrated Forestry	52,612.00
30/06/2018	Kenya forest Serv. Coll	135,000.00
30/06/2018	Pharma Consulting	197,275.00
30/06/2018	Principal styles	392,153.90
09/05/2018	Ambe Gen Merchant	407,135.00
29/06/2018	Sky Tech Constructions	340,000.00
29/06/2018	Almond constructions	284,084.80
29/06/2018	Edmar Enterprises	835,200.00
29/06/2018	Eunivy Resources	386,795.40
29/06/2018	Glare Technology	103,657.50
29/06/2018	Go-Solar System	2,963,877.70
29/06/2018	Go-Solar System	2,673,038.25
29/06/2018	Go-Solar System	2,483,316.35
29/06/2018	Go-Solar System	1,901,909.35
29/06/2018	Go-Solar System	996,822.90
29/06/2018	Kijito Wind Power	615,444.95
29/06/2018	Pharma Consulting	281,448.50
29/06/2018	Pharma Consulting	112,567.50
29/06/2018	Pharma Consulting	329,700.00
29/06/2018	Philafe Engineer	64,383.50
29/06/2018	Philafe Engineer	126,461.00
29/06/2018	Philafe Engineer	111,794.50
29/06/2018	Power Point System	448,734.20
09/07/2018	Power Point System	2,016,329.65
09/07/2018	Power System	2,194,244.00
29/06/2018	Power Point System	2,922,920.60
29/06/2018	Rural Technology	775,285.00
30/06/2018	Black Oak	535,130.00
30/06/2018	Eddy Engineering	300,608.00
30/06/2018	Eddy Engineering	1,962,101.10

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30/06/2018	Eunivy Resources	708,866.00
30/06/2018	Eunivy Resources	1,344,231.95
30/06/2018	Eunivy Resources	1,344,231.95
30/06/2018	Ezemar	552,596.00
30/06/2018	Fair Bank	432,164.00
30/06/2018	Fair Bank	1,774,769.00
30/06/2018	Fair Bank	296,389.60
30/06/2018	Fair Bank	513,005.40
30/06/2018	Farris Agency	1,954,175.00
30/06/2018	Go-Solar System	253,578.00
30/06/2018	Green Belt	715,058.00
30/06/2018	Intergrated Forestry	116,860.80
30/06/2018	Intergrated Forestry	17,371.00
30/06/2018	Kamfor Co.	311,189.00
30/06/2018	Lemorio	1,281,306.70
30/06/2018	Lemorio	1,703,532.70
30/06/2018	Pharma Consulting	218,770.00
30/06/2018	Pharma Consulting	84,870.00
30/06/2018	Power Option	320,309.70
30/06/2018	Principal styles	38,122.00
30/06/2018	Regulator	1,580,209.85
30/06/2018	Regulator	1,130,409.00
30/06/2018	Regulator	586,353.90
30/06/2018	Skytech	167,058.00
30/06/2018	Solarwise	1,141,864.90
30/06/2018	Solarwise	931,386.60
09/07/2018	Blakold	1,866,335.00
09/07/2018	EASCO	459,336.10
09/07/2018	EASCO	193,690.00
09/07/2018	Edimar	1,028,390.40
09/07/2018	Elephant Const	914,450.30
09/07/2018	Gedi Construction	2,617,550.00
09/07/2018	Gedi Construction	1,924,475.55
09/07/2018	Glare Elect.	60,886.00
09/07/2018	Glare Elect.	1,309,336.05
09/07/2018	Go-solar	2,895,194.00
09/07/2018	Go-solar	3,800,618.65
09/07/2018	Go-solar	1,145,499.20
09/07/2018	Pharma Investment	1,423,320.00
09/07/2018	Jowaki	30,939.40
09/07/2018	Kajaja	159,460.00

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09/07/2018	Liberty	340,040.00
09/07/2018	Pharma	2,261,755.00
09/07/2018	Pharma Consulting	1,210,000.00
09/07/2018	Pharma Consulting	476,282.00
09/07/2018	Power Option	770,640.20
09/07/2018	Power Option	900,084.40
09/07/2018	Power Option	725,859.65
09/07/2018	Power Point System	771,471.50
09/07/2018	Realtech	108,005.65
09/07/2018	Tree tech System	4,383,054.00
09/07/2018	Rukwaro	527,559.50
09/07/2018	Samcon	1,032,872.00
09/07/2018	Yasmoh	221,551.40
14/06/2019	Elgon Nyanza	168,363.00
14/06/2019	Nelliwa Builders	2,416,969.00
14/06/2019	Nelliwa Builders	1,616,890.50
14/06/2019	Pharma Consulting	730,935.00
14/06/2019	Pharma Consulting	116,894.00
14/06/2019	Principal styles	73,649.10
14/06/2019	Principal styles	28,000.00
14/06/2019	Principal styles	115,542.50
23/03/2020	Principal styles	1,581,663.90
23/03/2020	Neva Real	3,861,805.75
23/03/2020	Principal styles	100,200.00
23/03/2020	Rwabeka	512,476.00
23/03/2020	Neva Real	47,800.00
30/06/2020	Babuye	243,000.00
30/06/2020	Nelliwa Builders	821,935.00
30/06/2020	Nelliwa Builders	291,718.35
30/06/2020	Pharma Consulting	129,536.00
30/06/2020	Principal styles	324,977.20
30/06/2020	Rwabeka	92,650.00
30/06/2020	Rwabeka	740,717.00
14/08/2020	MERU COUNTY- RETENTION	235,652.00
14/08/2020	PRINCIPAL STYLES - RETENTION	773,573.00
23/11/2020	RWAMBEKA- RETENTION	239,770.00
23/11/2020	BABUYE INVESTMENT - RETENTION	960,800.00
18/12/2020	Withholding Tax -LUGANA VENTURES	360,843.00
18/12/2020	Withholding Tax- WOODROFFE ENTERPRISES	461,928.00
18/12/2020	PRINCIPAL STYLES - RETENTION	738,965.00
08/02/2021	Withholding Tax- NASIKA LTD	260,980.00

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07/05/2021	Withholding Tax- GREENLOG SOLUTIONS	846,235.00
07/06/2021	Withholding Tax- GRACEFUL VENTURES	240,360.00
16/06/2021	Withholding Tax- FOUNDATION PILING LT	452,010.00
16/06/2021	Withholding Tax- FOUNDATION PILING LT	494,760.00
23/06/2021	Withholding Tax- GLOBALTEK ENTERPRISES	327,750.00
23/06/2021	Withholding Tax- CONVERGENT INVESTM	627,390.00
23/06/2021	Withholding Tax- FINKEN HOLDING LTD	675,153.25
23/06/2021	Withholding Tax- GO SOLAR SYSTEMS LTD	815,882.00
24/06/2021	Withholding Tax- GREENLOG SOLUTIONS	679,656.25
24/06/2021	Withholding Tax- GREENLOG SOLUTIONS	1,528,571.30
02/07/2021	Withholding Tax- MARSAR VENTURES	154,122.00
02/07/2021	Withholding Tax- WOODROFFE ENTERPRISES	165,052.00
02/07/2021	Withholding Tax- GRACEFUL VENTURES	232,894.65
02/07/2021	Withholding Tax -LUGANA VENTURES	259,410.00
02/07/2021	Withholding Tax- RESTAH COMPANY LTD	332,290.50
02/07/2021	Withholding Tax LIBERTY GROUP LTD	434,850.00
02/07/2021	Withholding Tax- NASIKA LTD	441,130.00
02/07/2021	Withholding Tax- CASARO CONSTRUCTI	626,093.30
02/07/2021	Withholding Tax- CHATIMO INVESTMENT L	683,151.60
14/07/2021	Principle Styles	239,736.00
14/07/2021	Rwabeka	279,000.00
	Retentions	112,753,222.10
05/07/2021	MoE KOSF	32,000,000.00
07/07/2021	MoE Royalties	35,202,551.45
01/07/2021	SURRENDER OF AIA TO CBK A/C From Energy Centres	89,800.00
23/06/2021	SURRENDER OF AIA TO CBK A/C From Energy Centres	54,550.00
21/05/2021	SURRENDER OF AIA TO CBK A/C From Energy Centres	193,950.00
23/04/2021	SURRENDER OF AIA TO CBK A/C From Energy Centres	33,200.00
23/04/2021	SURRENDER OF AIA TO CBK A/C From Energy Centres	96,450.00
08/04/2021	SURRENDER OF AIA TO CBK A/C From Energy Centres	100,000.00
08/04/2021	SURRENDER OF AIA TO CBK A/C From Energy Centres	280,000.00
30/03/2021	SURRENDER OF AIA TO CBK A/C From Energy Centres	63,800.00
22/12/2020	SURRENDER OF AIA TO CBK A/C From Energy Centres	87,650.00
28/12/2020	SURRENDER OF AIA TO CBK A/C From Energy Centres	126,675.00
11/09/2020	SURRENDER OF AIA TO CBK A/C From Energy Centres	261,400.00
18/11/2020	SURRENDER OF AIA TO CBK A/C From Energy Centres	1,597,739.80
06/08/2020	SURRENDER OF AIA TO CBK A/C From Energy Centres	306,185.00
	Deposits	70,493,951.25
	Deposit Bank Totals	183,247,173.35

MINISTRY OF ENERGY
Annual Report and Financial Statements
For the year ended 30, June 2021.