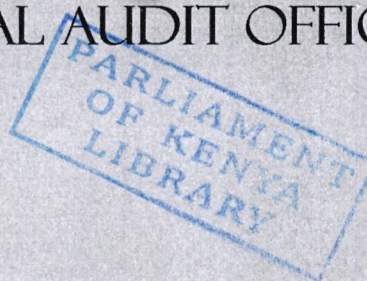


REPUBLIC OF KENYA



KENYA NATIONAL AUDIT OFFICE



REPORT

OF

THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF THE
MINISTRY OF MINING**

**FOR THE YEAR ENDED
30 JUNE 2014**

REPUBLIC OF KENYA

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P.O. Box 30084-00100
NAIROBI

KENYA NATIONAL AUDIT OFFICE

REPORT OF THE AUDITOR-GENERAL ON MINISTRY OF MINING FOR THE YEAR ENDED 30 JUNE 2014

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Ministry of Mining set out on pages 7 to 24, which comprise the statement of financial assets and liabilities as at 30 June 2014, the statement of receipts and payments, the statement of cash flows and statement of comparative budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 8 of the Public Audit Act, 2003. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

Management's Responsibility for the Financial Statements

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

The management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 4 of the Public Audit Act, 2003.

Auditor-General's Responsibility

My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with the provisions of Section 9 of the Public Audit Act, 2003 and submit the report in compliance with Article 229(7) of the Constitution of Kenya. The audit was conducted in accordance with International Standards on Auditing. Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

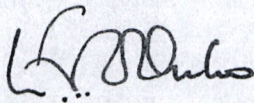
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or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

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

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

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Ministry of Mining as at 30 June 2014, and of its financial performance and its cash flows for the year ended in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012.



Edward R. O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

13 March 2015



MINISTRY OF MINING

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2014

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

MINISTRY OF MINING
Reports and Financial Statements
For the year ended June 30, 2014

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I. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The Ministry of Mining was created in May 2013 through an Executive Order No.2/2013 and is represented by the Cabinet Secretary for Mining, who is responsible for the general policy and strategic direction of the entity.

(b) Principal Activities

The Ministry's vision is 'to be a world class institution in management of mineral resources and geo-spatial data'. Consequently, the ministry's mission is to 'promote and maximize benefits from mineral resource exploitation and geo-spatial information use for sustainable development.

The core functions of the Ministry are to: coordinate mineral exploration and develop extractive industry policies and management; compiling inventory and undertaking mapping of mineral resources; coordinating mining and mineral development; develop policies on the management of quarrying and mining of rocks and industrial minerals; undertake management of health conditions and health and safety in mines; conduct resource survey and remote sensing; and undertake maintenance of geological data.

(c) Key Management

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

- Cabinet Secretary Office
- Principal Secretary Office
- Department of Administration
- Department of Mines and Geology and
- Department of Resource Survey and Remote Sensing

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2014 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Principal Secretary	Patrick Omutia (From 4 th Sept., 2014)
2.	Principal Secretary	Richard T.Ekai (up to 3 rd Sept.,2014)
3.	Director of Administration	Joseph M.Kirubi
4.	Deputy Secretary	Dan Mesis
5.	Ag.Commissioner of Mines and Geology	Moses N.Njeru
6.	Ag. Director of Resource Survey and Remote Sensing	Patrick W. Wako
7.	Chief Finance Officer	William O. Mbaka
8.	Head of Accounting Unit	Edward O. Were (from 1st July,2014)
9.	Head of Accounting Unit	Margaret Kariuki (up to 1 July, 2014)

I. KEY ENTITY INFORMATION AND MANAGEMENT (continued)

(d) Fiduciary Management

No.	Designation	Name
10.	Head of Supply Chain and Management Services	Elijah Obebo
11.	Head of Human Resource Management	Kagendo Marangu
12.	Head of Internal Audit	William Kagondu
13.	Head of ICT	Lynn Nyongesa

(e) Fiduciary Oversight Arrangements

Audit and Finance Committee Activities

- Conduct Risk Analysis
- Auditing all items of expenditure
- Implementing measures to mitigate risks
- Review audit matters

Finance Committee Activities

- Monitoring utilization of budget
- Periodic reporting to Accounting office
- Aligning expenditure to voted provision.
- Reviewing the supplementary budget
- Preparing MTEF budget

Parliamentary Committee Activities

- Scrutinizes the MTEF Budget and makes recommendations
- Approves the Key projects to be financed in the budget
- Reviews budget policy statement
- Approves the appropriation bill
- Approves itemised budget estimates for implementation during the financial year.

(f) Entity Headquarters

P.O. Box 30009-00100
Works Building/House/Plaza
Ragati Road
Nairobi, Kenya

(g) Entity Contacts

Telephone: (254) 020-2723101
E-mail: ps@mining.go.ke
Website: www.mining.go.ke

I. KEY ENTITY INFORMATION AND MANAGEMENT (continued)

(h) Entity Bankers

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

(i) Independent Auditors

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

(j) Principal Legal Adviser

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

II. FORWARD BY THE CABINET SECRETARY

This is the first report and financial statement since the Ministry's formation in May 2013. The report highlights the expenditure status as at the close of the 2013/14 financial year.

In the period under review, the Ministry was allocated a budget of Kshs.1,414,983,107.00 out of which a total of Kshs.994, 040,935.00 was utilized. This represents a budget utilization level of 70%. The expenditure in terms of economic classification was 70% on compensation for employees, 64% use of goods and services and 73% acquisition of assets. This performance emanated from the fact that most structures within the ministry were in their formative stages

However, I am happy to report that despite the performance above, a number of strategic issues relating to the sector were achieved. Key among the achievement was the drafting and forwarding to the National Assembly the Mining Bill 2014. This Bill sits the stage for a holistic diagnosis of the entire sector and promises to make Kenya an emerging mining jurisdiction in Africa. Additionally, the Ministry established a structure well aligned to its mandate as stipulated in the executive order establishing it hence putting the Ministry on the path towards fulfilling the core objective. On the operational front, the Ministry is happy to report that it established a mining cadaster unit aimed at making licensing and concession management efficient, transparent and premised on international best practice.

The mining sector has for a long term operated without a dedicated policy guiding its management. Towards this end, the Ministry developed a minerals and mining policy and it's currently on the final stages. This will also go along way at ensuring the sector is consistent and managed in a sustainable way.

During the course of implementation of the above mentioned projects, the Ministry experienced a number of challenges and emerging issues. Key among them was the apparent lack of geological data which is key at establishing a leading mining jurisdiction. Indeed, it has been seen in other leading mining countries that it is the principle responsibility of the countries to provide mining investors with geological data to aim at exploration and reduce the risks of failing to secure a mincable rescrvc while increasing the level of confidence by exploration companies. Connected with this challenge, there are low exploration activities in the country.

In order to arrest the situation, the Ministry has proposed to undertake a Nationwide Airborne Geophysical Survey. This exercise is envisaged to map out potential mineralized areas and act as a pointer to invest on the minerals available in Kenya. Going forward, the Ministry aspires that adequate budgetary provision shall be allocated to the Ministry in order to assist it surmount the identified challenges and make the sector vibrant.

.....
HON. NAJIB M. BALALA, EGH
CABINET SECRETARY

Date

III. STATEMENT OF ENTITY 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 Entity shall prepare financial statements in respect of that entity. 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 Mining 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, 2014. 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 entity; (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 Mining 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, 2014, and of the Ministry's financial position as at that date. The Accounting Officer in charge of the Ministry of Mining 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.

The Accounting Officer in charge of the Ministry of Mining confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity'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 29th September 2014.



Principal Secretary



Principal Accounts Controller

IV. REPORT OF THE INDEPENDENT AUDITORS ON THE MINISTRY OF MINING

V. STATEMENT OF RECEIPTS AND PAYMENTS

	NOTE	2013-2014 Kshs	2012-2013 Kshs
Exchequer releases	1	995,150,000	-
Domestic Currency and Domestic Deposits	2	31,081,693	-
Other Receipts	3	92,889,437	-
TOTAL REVENUES		1,119,121,130	-
PAYMENTS			
Compensation of employees	4	191,371,210	-
Use of goods and services	5	215,573,894	-
Acquisition of assets	6	570,388,324	-
Other payments	7	16,707,309	-
TOTAL PAYMENTS		994,040,737	-
SURPLUS/DEFICIT		125,080,394	-

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 29th September 2014 and signed by:



Principal Secretary



Principal Accounts Controller

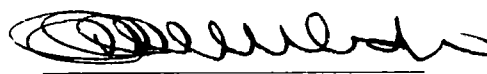
VI. STATEMENT OF ASSETS

	NOTE	2013-2014 Kshs	2012-2013 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8A	124,053,104	-
Cash Balances	8B	766,884	-
Outstanding Imprest	8C	260,406	-
TOTAL FINANCIAL ASSETS		125,080,394	-
REPRESENTED BY			
Surplus for the year		125,080,394	-
NET FINANCIAL POSITION		125,080,394	-

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 29th September 2014 and signed by:



 Principal Secretary




 Principal Accounts Controller

VII.STATEMENT OF CASHFLOW

	NOTE	2013 - 2014 Kshs	2012 - 2013 Kshs
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts for operating income			
Transfers from National Treasury	1	995,150,000	-
Other Revenues	3	92,889,437	-
Payments for operating expenses			
Compensation of employees	4	(191,371,210)	-
Use of goods and services	5	(215,573,894)	-
Other expenses	7	(16,707,309)	-
Net cashflow from operating activities		664,387,025	-
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	6	(570,388,324)	-
Net cash flows from Investing Activities		(570,388,324)	-
CASHFLOW FROM BORROWING ACTIVITIES			
Domestic Currency and Domestic Deposits	2	31,081,693	-
Net cash flow from financing activities		31,081,693	-
NET INCREASE IN CASH AND CASH EQUIVALENT			
		125,080,394	-
Cash and cash equivalent at BEGINNING of the year	8	-	-
Cash and cash equivalent at END of the year	8	125,080,394	-

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 29th September 2014 and signed by:



 Principal Secretary



 Principal Accounts Controller

VIII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	Kshs a	Kshs b	Kshs c=a+b	Kshs d	Kshs e=c-d	f=d/c %
RECEIPTS						
Exchequer releases	1,401,483,034	-	1,401,483,034	995,150,000	406,333,034	71%
Other Receipts-AIA	13,500,000	-	13,500,000	12,577,917	922,083	93%
TOTALS	1,414,983,034	-	1,414,983,034	1,007,727,917	407,255,117	71%
PAYMENTS						
Compensation of Employees	291,434,027	(16,834,027)	274,600,000	191,371,209	83,228,791	70%
Use of goods and services	229,986,284	106,700,000	336,686,284	215,573,894	121,112,390	64%
Acquisition of assets	606,241,000	179,300,000	785,541,000	570,388,324	215,152,676	73%
Other payments	18,155,750	-	18,155,750	16,707,309	1,448,441	92%
TOTALS	1,145,817,061	269,165,973	1,414,983,034	994,040,737	420,942,298	70%

The entity financial statements were approved on 29th September 2014 and signed by:



Principal Secretary



Principal Accounts Controller

IX. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	Kshs a	Kshs b	Kshs c=a+b	Kshs d	Kshs e=c-d	f=d/c %
RECEIPTS						
Exchequer releases	688,572,034	-	688,572,034	452,000,000	236,572,034	66%
Other Receipts- AIA	13,500,000	-	13,500,000	12,577,917	922,083	93%
TOTALS	702,072,034	-	702,072,034	464,577,917	237,494,117	66%
PAYMENTS						
Compensation of Employees	291,434,027	(16,834,027)	274,600,000	191,371,209	83,228,791	70%
Use of goods and services	229,986,284	106,700,000	336,686,284	215,573,894	121,112,390	64%
Acquisition of assets	29,330,000	43,300,000	72,630,000	27,392,217	45,237,783	38%
Other payments	18,155,750	-	18,155,750	16,707,309	1,448,441	92%
TOTALS	568,906,061	133,165,973	702,072,034	451,044,629	251,027,405	65%

Note: The 38% underutilisation was due to the fact the supplementary budget was approved in the month of June which made the payment process to be completed in June and therefore the Ministry could not get enough exchequer to service the payments.

The entity financial statements were approved on 29th September 2014 and signed by:


Principal Secretary


Principal Accounts Controller

X SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT

Receipt/Expense Item	Original Budget		Adjustments		Final Budget		Actual on Comparable Basis		Budget Utilisation Difference		% of Utilisation
	Kshs	a	Kshs	b	Kshs	c=a+b	Kshs	d	Kshs	e=c-d	
RECEIPTS											
Exchequer releases	712,911,000		-		712,911,000		543,150,000		169,761,000		76%
TOTALS	712,911,000		-		712,911,000		543,150,000		169,761,000		76%
PAYMENTS											
Acquisition of assets	576,911,000		136,000,000		712,911,000		542,996,107		169,914,893		76%
TOTALS	576,911,000		136,000,000		712,911,000		542,996,107		169,914,893		76%

The entity financial statements were approved on 29th September 2014 and signed by:


 Principal Secretary


 Principal Accounts Controller

XI. SUMMARY STATEMENT OF PROVISIONINGS

- Details of General Accounts On Vote

	2013 - 2014 Kshs	2012 - 2013 Kshs
GAV Provisioning account balance	409,809,290	-
Total	409,809,290	-

- Details of Exchequer Account

	2013 - 2014 Kshs	2012 - 2013 Kshs
Exchequer Provisioning account balance	406,333,034	-
Total	406,333,034	-



Principal Secretary



Principal Accounts Controller

XII. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

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

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

The financial statements have been prepared on the cash basis following the Government's standard chart of accounts. The cash basis of accounting recognises transactions and events only when cash is received or paid by the Ministry of Mining.

2. Recognition of revenue and expenses

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

3. In-kind contributions

In-kind contributions are donations that are made to the Ministry of Mining 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 of Mining includes such value in the statement of receipts and payments both as revenue and as an expense in equal and opposite amounts; otherwise, the contribution is not recorded.

4. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year

XII. SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. 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 of Mining 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.

6. Budget

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

7. Comparative figures

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

8. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2014.

XIII. EXPLANATORY NOTES

1. EXCHEQUER RELEASES

RECURRENT			
Reference	Date	2013-2014 Kshs	2012-2013 Kshs
RE.25/13/14	19TH JULY 2013	30,000,000	-
RE.53/13/14	30TH JULY 2013	25,000,000	-
RE.132/13/14	26TH AUG 2013	25,000,000	-
RE.331/13/14	20TH NOV 2013	70,000,000	-
RE.415/13/14	23RD DEC 2013	10,000,000	-
RE.487/13/14	29TH JAN 2014	5,000,000	-
RE.510/13/14	06TH FEB 2014	5,000,000	-
RE.515/13/14	06TH FEB 2014	20,000,000	-
RE.552/13/14	26TH FEB 2014	20,000,000	-
RE.583/13/14	10TH MAR 2014	15,000,000	-
RE.614/13/14	25TH MAR 2014	40,000,000	-
RE.663/13/14	10TH APR 2014	2,000,000	-
RE.693/13/14	24TH APR 2014	10,000,000	-
RE.709/13/14	28TH APR 2014	30,000,000	-
RE.737/13/14	13TH MAY 2014	50,000,000	-
RE.795/13/14	03RD JUNE 2014	25,000,000	-
RE.834/13/14	20TH JUNE 2014	20,000,000	-
RE.861/13/14	25TH JUNE 2014	50,000,000	-
Subtotal (a)		452,000,000	-
DEVELOPMENT			
Reference	Date	2013-2014 Kshs	2012-2013 Kshs
DE:38/13/14	05TH SEP 2013	5,000,000	-
DE:78/13/14	23RD SEP 2013	1,000,000	-
DE:82/13/14	26TH SEP 2013	10,000,000	-
DE:149/13/14	07TH NOV 2013	20,000,000	-
DE:166/13/14	20TH NOV 2013	5,000,000	-
DE:174/13/14	27TH NOV 2013	49,150,000	-
DE:211/13/14	23RD DEC 2013	30,000,000	-
DE:226/13/14	13TH JAN 2014	20,000,000	-
DE:269/13/14	13TH FEB 2014	50,000,000	-
DE:291/13/14	03RD MAR 2014	3,000,000	-
DE:295/13/14	07TH MAR 2014	50,000,000	-
DE:335/13/14	03RD APR 2014	30,000,000	-
DE:399/13/14	19TH MAY 2014	32,000,000	-
DE:421/13/14	29TH MAY 2014	8,000,000	-
DE:453/13/14	24TH JUNE 2014	50,000,000	-
DE:464/13/14	30TH JUNE 2014	180,000,000	-
Subtotal (b)		543,150,000	-

TOTAL (a)+(b)	995,150,000	-
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XIII. EXPLANATORY NOTES (Continued)

2. DOMESTIC CURRENCY AND DOMESTIC DEPOSITS

	2013 - 2014 Kshs	2012 - 2013 Kshs
10% Retention amount in relation to Lab Construction	1,500,000	-
10% Retention amount in relation to Lab Construction	1,966,224	-
10% Retention amount in relation to Lab Construction	2,700,000	-
10% Retention amount in relation to Lab Construction	1,776,048	-
Deposits held in trust: Kwale County	4,689,260	-
Mombasa County	18,450,160	-
Total	31,081,693	-

The amount held as retention and deposits has been disclosed under Annex 1

3. OTHER REVENUES

	2013 - 2014 Kshs	2012 - 2013 Kshs
Receipts from Administrative Fees and Charges - Collected as AIA Revenue	12,577,917	-
	80,311,520	-
Total	92,889,437	-

4. COMPENSATION OF EMPLOYEES

	2013 - 2014 Kshs	2012 - 2013 Kshs
Basic salaries of permanent employees	149,911,078	-
Basic wages of temporary employees	8,886,301	-
Personal allowances paid as part of salary	32,573,831	-
Total	191,371,210	-

XIII. EXPLANATORY NOTES (continued)

5. USE OF GOODS AND SERVICES

	2013 - 2014	2012 - 2013
	Kshs	Kshs
Utilities, supplies and services	9,271,947	-
Communication, supplies and services	7,815,633	-
Domestic travel and subsistence	22,791,986	-
Foreign travel and subsistence	11,258,635	-
Printing, advertising and information supplies & services	10,463,924	-
Rentals of produced assets	1,700,000	-
Training expenses	6,319,691	-
Hospitality supplies and services	26,297,041	-
Fuel Oil and Lubricants	41,494,311	-
Insurance costs	20,462,000	-
Specialised materials and services	12,339,687	-
Office and general supplies and services	12,139,386	-
Other operating expenses	13,239,471	-
Routine maintenance – vehicles and other transport equipment	15,261,975	-
Routine maintenance – other assets	4,718,207	-
Total	215,573,894	-

6. ACQUISITION OF ASSETS

	2013 - 2014	2012 - 2013
	Kshs	Kshs
<u>Non-Financial Assets</u>		
Construction of Buildings	52,799,142	-
Refurbishment of Buildings	13,158,339	-
Purchase of Vehicles and Other Transport Equipment	18,550,221	-
Overhaul of Vehicles and Other Transport Equipment	30,666,845	-
Purchase of Office Furniture and General Equipment	23,959,594	-
Purchase of Specialised Plant, Equipment and Machinery	335,154,635	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	326,780	-
Research, Studies, Project Preparation, Design & Supervision	95,772,768	-
Total	570,388,324	-

XIII. EXPLANATORY NOTES (continued)

7. OTHER EXPENSES

	2013 - 2014 Kshs	2012 - 2013 Kshs
Membership Fees and Dues and Subscriptions to International Organizations Total	5,407,309	-
Membership Fees and Dues, and Subscriptions to Intl. Orgns Total	11,300,000	-
Total	16,707,309	-

8A. BANK ACCOUNTS

Name of Bank, Account No. & currency	Amount in bank account currency	Exc rate	2013 - 2014 Kshs	2012 - 2013 Kshs
Central Bank of Kenya,A/C NO.1000181877(Recurrent)	Ksh.	-	11,398,859	-
Central Bank of Kenya,A/C NO.1000182008(Development)	Ksh.	-	1,261,032	-
Central Bank of Kenya,A/C NO.1000182326(Deposit)	Ksh.	-	111,393,213	-
Total			124,053,104	-

8B: CASH IN HAND

	2013 - 2014 Kshs	2012 - 2013 Kshs
Headquarters(Development)	763,933	-
Headquarters(Recurrent)	2,951	-
Total	766,884	-

XIII. EXPLANATORY NOTES (continued)

8C: OUTSTANDING IMPRESTS

Name of Officer or Institution	Date Imprest Taken	Amount Taken	Amount Surrendered	Balance
		Kshs	Kshs	Kshs
Robert K A Chepkwony	28 th Jan. 14	358,475	98,069	260,406
Total				260,406

Note: The imprest has already been recovered in full as at 30th Sep 2014.

9. OTHER IMPORTANT DISCLOSURES

9.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2013 - 2014	2012 - 2013
	Kshs	Kshs
Construction of buildings	15,984,438	-
Supply of goods	36,185,092	-
Supply of services	5,176,368	-
Total	57,345,898	-

9.2: OTHER PENDING PAYABLES (See Annex 2)

	2013 - 2014	2012 - 2013
	Kshs	Kshs
Amounts due to County Government entities	23,139,420	-
Total	23,139,420	-

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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Date Contracted	Amount Paid To-Date	Outstanding Balance	Outstanding Balance	Comments
			2013	2012	
	Kshs	Kshs	Kshs	Kshs	
	b	c	d=a-c		
Construction of buildings					
CHARWINS LTD	CQS/D02/37/2012-2013		15,984,438	-	
Sub-Total			15,984,438	-	
Supply of goods				-	
DENALIS MERCHANTS		-	757,500	-	
LEXXY TECHNOLOGIES		-	1,120,000	-	
BEVLINK GENERAL SUPPLIES		-	1,265,000	-	
ONTECH COMMUNICATIONS		-	889,200	-	
JARAKI GENERAL SUPPLIES		-	605,650	-	
MEROL AGENCIES		-	5,900,000	-	
MINTLAND INVESTMENTS		-	2,925,000	-	
RENTA ENTERPRISES		-	1,340,000	-	
JOGAT SUPPLIES		-	4,725,000	-	
ADKINS EQUIPMENTS		-	862,200	-	
BOC KENYA		-	8,178	-	
DESKTOP TECHNOLOGIES		-	1,300,000	-	
DIPAKA AGENCIES		-	1,052,044	-	
EMPEROE MERCHANTS		-	879,000	-	
GIOS INVESTMENTS		-	2,480,000	-	
HILLROY MERCHANTS		-	636,020	-	
INTERNET TRADERS		-	938,500	-	
LANEL KENYA LTD		-	312,500	-	
LEXXY TECHNOLOGIES		-	1,645,000	-	
MACMAIN(E.A) LTD		-	156,480	-	
MARABS AGENCIES		-	767,900	-	
MERCURY HARDWARES		-	1,172,890	-	
MUFLOWA ENTERPRISES		-	118,500	-	
MUGACHA ENTERPRISES		-	249,090	-	
OAKRATE OFFICE SUPPLIES		-	1,585,100	-	
PENGRAM ENTERPRISES		-	1,294,500	-	
SUEL AND NICK INTERNATIONAL		-	155,000	-	
WHIZZY BUSINESS SOLUTIONS		-	199,840	-	
WORLD ELECTRONICS		-	845,000	-	
Sub-Total		-	36,185,092	-	

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Supplier of Goods or Services	Date Contracted	Amount Paid To-Date	Outstanding Balance	Outstanding Balance	Comments
			2013	2012	
	Kshs	Kshs	Kshs	Kshs	
Supply of services					
AFRICAN TOUCH SAFARIS		-	1,048,554	-	
BROADLINK GENERAL MERACHANTS		-	996,788	-	
ELECTRICAL AND GENERAL APPLIANCES		-	1,220,320	-	
ONIWAL AGENCY		-	529,000	-	
SARAWET AGENCIES		-	982,810	-	
STANDARD MEDIA GROUP		-	150,336	-	
TWINKLE TRAVEL LTD		-	248,560	-	
				-	
Sub-Total			5,176,368	-	
Grand Total			57,345,898	-	

Note: All the pending bills have been paid as first charge in the Financial Year 2014/2015

ANNEX 2 - ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2013	Outstanding Balance 2012	Comments
		a	b	c	d=a-c		
Amounts due to County Govt Entities							
1. Kwale County	Deposits from Kwale County			-	4,689,260	-	To facilitate digital land based resource mapping
2. Mombasa County	Deposits from Mombasa County			-	18,450,160	-	To facilitate digital land based resource mapping
	Sub-Total				23,139,420	-	
	Grand Total				23,139,420	-	

ANNEX 3 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost	Historical Cost
	Kshs	Kshs
	2013/14	2012/13
Buildings and structures	92,563,593	-
Vehicles and Transport equipment	18,550,221	-
Office equipment, furniture and fittings	23,959,594	-
Other Machinery and Equipment	335,154,635	-
Total	470,228,043	-