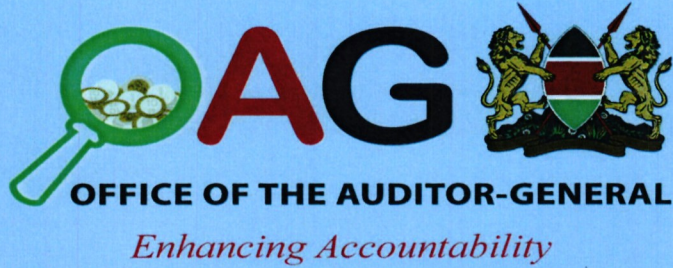


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ON

**KENYA PETROLEUM TECHNICAL
ASSISTANCE PROJECT
(IDA CREDIT NO.5526-KE AND
GRANT NO. TFOA 3418)**

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

STATE DEPARTMENT FOR PETROLEUM



1992



PROJECT NAME:
KENYA PETROLEUM TECHNICAL ASSISTANCE PROJECT

IMPLEMENTING ENTITY:
MINISTRY OF PETROLEUM AND MINING
STATE DEPARTMENT FOR PETROLEUM

Credit Number
PROJECT CREDIT NUMBER: 5526-KE AND GRANT NO. TFOA3418

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)**

TABLE OF CONTENTS	PAGE
1. PROJECT INFORMATION AND OVERALL PERFORMANCE	ii
2. STATEMENT OF PERFORMANCE AGAINST PROJECT'S PREDETRMINED OBJECTIVES	xix
3. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING	xxiv
4. STATEMENT OF PROJECT MANAGEMENT RESPONSIBILITIES.....	xxvii
5. REPORT OF THE INDEPENDENT AUDITORS ON THE KEPTAP PROJECT.....	xxviii
6. STATEMENT OF RECEIPTS & PAYMENTS FOR THE YEAR ENDED 30th JUNE 2021	1
7. STATEMENT OF FINANCIAL ASSETS AS AT 30TH JUNE 2021.....	2
8. STATEMENT OF CASHFLOW FOR THE PERIOD 30TH JUNE 2021	3
9. STATEMENT OF COMPARATIVE BUDGET AND ACTUAL AMOUNTS.....	4
10. SIGNIFICANT ACCOUNTING POLICIES	5
11. NOTES TO THE FINANCIAL STATEMENTS.....	14
12. OTHER IMPORTANT DISCLOSURES.....	20
13. PROGRESS ON FOLLOW UP OF PRIOR YEAR AUDITOR'S RECOMMENDATIONS.....	22
14. ANNEXS	23
ANNEX 1 - VARIANCE EXPLANATIONS - COMPARATIVE BUDGET AND ACTUAL AMOUNTS	23
ANNEX 2: RECONCILIATION OF INTER-ENTITY TRANSFERS	24
ANNEX 3 – ANALYSIS OF PENDING BILLS	25
ANNEX 4 – SUMMARY OF FIXED ASSETS REGISTER.....	26
ANNEX 5– LOAN SPECIAL DEPOSIT ACCOUNT RECONCILIATION AS AT 30TH JUNE 2021	27
ANNEX 6– GRANT SPECIAL DEPOSIT ACCOUNT RECONCILIATION AS AT 30TH JUNE 2021	28
ANNEX 7- RECONCILIATION OF CUMULATIVE FIGURES.....	30
APPENDICES	31

**Kenya Petroleum Technical Assistance Project
Reports and Financial Statements
For the financial period ended June 30, 2021**

1. PROJECT INFORMATION AND OVERALL PERFORMANCE

1.1 Name and registered office

Name: The project's official name is Kenya Petroleum Technical Assistance Project

Objective: The key objective of the project is to strengthen the capacity of the Government of Kenya to manage its petroleum sector and wealth for sustainable development impacts. Kenya Petroleum Technical Project (KEPTAP) was necessitated by the then recent oil discoveries in Kenya.

Address: The project headquarters offices are Nairobi (city), Nairobi County, Kenya.

The address of its registered office is:
Kenya Petroleum Technical Assistance Project
Ministry of Petroleum and Mining, State Department for Petroleum
Nyayo House
P.O Box 30582-00100 Nairobi

Contacts: The following are the project contacts

Telephone: (254) 203310112

E-mail: ps@petroleum.go.ke

1.2 Project Information

Project Start Date:	The project start date was 2 nd October 2014 for the Loan
Project End Date:	The project end date is 28 th February 2021 for the Loan
Project Manager:	The project Manager is Mr David K. Wainaina
Project Sponsor:	The project sponsor is The Government of Kenya, Ministry of Petroleum and Mining, State Department for Petroleum and is funded by International Development Association (IDA).

1.3 Project Overview

Line Ministry/State Department of the project	The project is under the supervision of the Ministry of Petroleum and Mining, State Department for Petroleum.
Project number	LOAN CR-5526-KE and GRANT NO. TFOA 3418KE

*Kenya Petroleum Technical Assistance Project
 Reports and Financial Statements
 For the financial period ended June 30, 2021*

<p>Strategic goals of the project</p>	<p>The strategic goals of the project are as follows:</p> <ul style="list-style-type: none"> (i) Strengthen the capacity of the Government of Kenya to manage its petroleum sector. The Government will be able to manage its petroleum resources through sound governance and Petroleum management policies. (ii) Reduce Poverty – Improve the Government’s capacity in oil revenue administration and develop saving instruments therefore improved economic growth. (iii) The government institutions and the staff involved in managing the petroleum sector will benefit from capacity building. (iv) Men and Women in the potentially affected communities will benefit from the well- regulated petroleum developments, including their environmental and social performance.
<p>Achievement strategic goals of</p>	<p>The project management aims to achieve the goals through the following means:</p> <ul style="list-style-type: none"> (i) To Provide support for the implementation of a clear and workable legal and regulatory framework for the development of Kenya’s petroleum resources which will be in force by relevant sector ministries.(Example: Petroleum Bill, National Energy Policy, Regulation in Occupational , Health and Safety aspect within the petroleum sector). (ii) The Project will provide training for a number of Project beneficiaries. The staff will be trained to regulate, manage and monitor compliance in the Petroleum sector. (iii) Carry out Gender Assessment to identify potential gender- specific impacts and opportunities of the sector including how men and women may differently experience risks and benefits of the sector. (iv) Undertake Strategic Environmental and Social Assessment (SESA) which will provide a comprehensive diagnosis of the broader environmental and social issues associated with petroleum sector development, including land acquisition leading to resettlement. It will also provide

*Kenya Petroleum Technical Assistance Project
Reports and Financial Statements
For the financial period ended June 30, 2021*

<p>Other important background information of the project</p>	<p>The project went through a restructuring process where it's now being implemented by one implementing Agency, Ministry of Petroleum and Mining, State Department for Petroleum with 21 beneficiaries. The Project aim at strengthening the capacity of the following Government Institutions.</p> <ol style="list-style-type: none"> 1. Ministry of Petroleum and Mining (MoPM) 2. National Oil Corporation of Kenya(NOCK) 3. Office of Attorney General & General Department of Justice(OAGDJ) 4. Directorate of Safety and Health Services(DOSHS) one implementing Agency, M 5. National Environment Management Authority(NEMA) 6. Ministry of Health(MOH) 7. National Disaster Operation Centre(NDOC) 8. Energy Regulatory Commission(ERC) 9. Kenya Maritime Authority(KMA) 10. Civil Society Organizations(CSO) 11. Presidential Delivery Unit(PDU) 12. Kenya Pipeline Company(KPC) 13. Ministry of Industrialization (MOITC) 14. Kenya Bureau of Standard of Standards(KEBS) 15. Ministry of Devolution and Planning 16. Ministry of Education 17. Commission of Revenue Allocation 18. The National Treasury 19. Central Bank of Kenya 20. Kenya Revenue Authority 21. Office of the Auditor General
<p>Current situation that the project was formed to intervene</p>	<p>The project was formed to intervene in the following areas: The overall project was formed to intervene in the following areas: The project has four components</p> <p>Project Components: Component A: Petroleum Sector - Reforms and Capacity Building –</p> <ol style="list-style-type: none"> a) Sub-component A.1 - Petroleum Resource Deals- <ol style="list-style-type: none"> i. This is by strengthening the Government's negotiating capacity in the extractive industries sector, including transaction support. b) Sub-component A.2 - Petroleum Vision , Policy and Communication <ol style="list-style-type: none"> i. This is through development of national communication strategy and Public information awareness. c) Sub-component A.3 - Legal , Regulatory and Institutional Reforms <ol style="list-style-type: none"> i. This is by designing a legal and regulatory framework of for the development petroleum resources.

*Kenya Petroleum Technical Assistance Project
 Reports and Financial Statements
 For the financial period ended June 30, 2021*

	<p>d) Sub-component A.4 - Managing the impacts</p> <ol style="list-style-type: none"> i. This is by developing occupational safety and health regulation including the implementation of a capacity building program for DOSH. ii. Design and implementation of sector specific environmental and social regulations, standards, frameworks and baselines for petroleum sector. iii. Carrying out of a gender assessment to identify potential gender-specific impacts of the sector, iv. Development of a framework for oil spill preparedness and response capacity, including the preparation of a national oil spill contingency plan. <p>e) Sub-component A.5 - Institutional reform and strengthening of NOCK and KPC</p> <ol style="list-style-type: none"> i. Restructuring of NOCK, including support for the design and implementation of a transformation plan, and subsequent capacity building and transaction advisory services. ii. Capacity building activities, including the establishment of a KPC Center of Excellence for oil and gas infrastructure. <p>Component B: Revenue and Investment Management - Reforms and Capacity Building.</p> <ol style="list-style-type: none"> i. Sub- Component B1 – Revenue Management ii. Sub – Component B2 – Transparency and Accountability- Strengthen transparency in oil contracts and revenues management and facilitate organizations engaged in transparency and community monitoring of environmental impacts. <p>Component C: Sustainable Impact of oil and Gas Industry - Reforms and Capacity Building.</p> <p>Component D: Project Management - This includes management and coordination of the project including capacity building.</p>
Project duration	<p>The project started on 2nd October 2014 and is expected to run until 28th February 2021. The Project Extended to 31 August 2021.</p>

**Kenya Petroleum Technical Assistance Project
Reports and Financial Statements
For the financial period ended June 30, 2021**

1.4 Bankers

The following are the bankers for the current year:

- (i) Designated Account (Loan) Central Bank of Kenya – Account Number- 1000215283
- (ii) Designated Account (Grant)-Central Bank of Kenya – Account Number -1000332433
- (iii) Project Account – Central Bank of Kenya- Account Number- 1000309555

1.5 Auditors

The project is audited by the Auditor General, Office of the Auditor General. (P.O Box 30084 University Way, Nairobi.)

1.6 Roles and Responsibilities

The project has the following Key staff:

Names	Title designation	Key qualification	Responsibilities
James Nganga 0727092444 mbuggus11@gmail.com	Acting Secretary Petroleum	MSC Petroleum Geologist	Focal Point KEPTAP MoPM, Coordinating the Ministry of Petroleum and mining Activities
David K. Wainaina 0722530540 david_wainaina@yahoo.com	Project Manager	Engineer/MBA	Managing of the day to day activities of the Project
Michael Maina Kinyua 0723470135 kinymichael@gmail.com	Petroleum Expert / Assistant Project Manager	Masters Petroleum Engineering /BSC Geology	Provide technical expertise on Petroleum
Jeremia Mwangi Wahome 0700310309 wahomej2002@yahoo.com	Environmental and Social Safeguards Expert	MSC, Environmental Legislation and Management	To provide Environmental and social advise
CPA Beatrice K. Musyoka 0722255855 bettyddy@yaho.com	Financial Management Specialist	MBA(Finance), BCOM(Finance), CPA(K), Financial Analyst(ICIFA)	To provide Financial Management in the implementation of the project
Tom Omondi Onyango tomnyango@gmail.com	Monitoring & Evaluation and Contract Management Specialist	MA(Development Studies), BA (Economics)	To provide Monotoring , Evaluation and Contract Management Expertise for the Project

1.7 Funding summary

***Kenya Petroleum Technical Assistance Project
Reports and Financial Statements
For the financial period ended June 30, 2021***

The Project was for duration of six years from 2014 to 2021. However, the project was granted 6-months extension from its original closure of February 2021. The Bank funded under IDA Credit of \$project was 45 million and grant from Global Affairs Canada (GAC) of \$6.7 Million making a total of \$51.7Million.

Restructuring

In July 2019, the project was restructured with new Fiduciary Implementation Arrangements implemented following agreements and recommendations made by the project team and the World Bank team. Under the new implementation arrangements effective 1st July 2019, the Project Implementation Teams (PITs) housed at the National Treasury (PIT-B) and the Ministry of Industrialization and Enterprise Development (PIT-C) would no longer have fiduciary (procurement and financial management) responsibility for activities implemented under Component B and Component C respectively. While the two teams maintained to fulfill their respective coordination and technical functions, all procurement, financial management, monitoring and evaluation, contract management (none technical) functions for the projects were now housed at the Project Management Unit (PMU) at the Ministry of Petroleum and Mining.

Project Closure

Additionally, the Closing Date of the project for the IDA Loan was extended for 6 months from 28 February 2021 to 31 August 2021. The extended period would allow for the project to duly execute all the planned activities that had significantly been affected by the protracted project restructuring process which involved the freezing of the project account resulting in delayed payments for completed milestones; the long-drawn formal transfer of project activities previously under Components “B” and “C” to the Ministry of Petroleum and Mining; the Covid-19 pandemic travel restrictions and ban on public forums which had affected project activities that required face-to-face interactions and travel for international consultants.

Revised Funding Allocation

The funding allocation was also revised as follows:

Loan -Under Loan KEPTAP-MoPM allocation is 94%, National Treasury is 5% ministry of Investment, Trade and Cooperatives 1% as per the revised financing Agreement. National Treasury 12% and respectively as highlighted in figure 1 below:

Loan – The total Project Allocation under Loan is USD 50Million revised to 45Million - KEPTAP-MoPM allocation is 94%, National Treasury is 5% ministry of Investment, Trade and Cooperatives 1% as per the revised financing Agreement.

Grant- The total Project Allocation under Grant is USD 6.7 Million -Ministry of Petroleum and Mining (MoPM) allocation 75% and Ministry of Industrialisation, Trade and Investments with 25% allocation as per the Amended Grant Agreement.

Below is the funding summary:

A. Source of Funds

Kenya Petroleum Technical Assistance Project
Reports and Financial Statements
For the financial period ended June 30, 2021

Source of funds	Donor Commitment-		Amount received to date (30th June , 2021)		Undrawn balance to date (30th June , 2021)	
	Donor currency USD	KShs	Donor currency (USD)	KShs	Donor currency (USD)	KShs
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
(i) Grant						
IDA Grant	6,000,000	600,000,000	5,666,328	566,632,764	333,672	33,367,236
Total Grant	6,000,000	600,000,000	5,666,328	566,632,764	333,672	33,367,236
(ii) Loan						
IDA Loan	45,000,000	4,500,000,000	35,431,675	3,543,167,481	9,568,325	956,832,519
Total Loans	45,000,000	4,500,000,000	35,431,675	3,543,167,481	9,568,325	956,832,519
(iii) Counterpart funds						
Government of Kenya						
Miscellaneous			22,113	2,211,313		
Total Counterpart funds			10,250	1,025,000		
			32,363	3,236,313.00		
Total Funding Summary	51,000,000	5,100,000,000	41,130,366	4,113,036,558	9,901,998	990,199,755

B. Application of Funds

Application of funds	Amount received to date (30th June 2021)		Cummulative Amount paid to date - (30th June 2021)	Unutilised balance to date (30th June 2021)	
	Donor currency	Kshs	Kshs	Donor currency	Kshs
	(A)	(A')	(B')	(A)-(B)	(A')-(B')
(i) Grant					
IDA Grant TF	5,666,327.64	566,632,764.45	566,632,764.49		0
(i) Loan					0
IDA Loan	35,431,674.81	3,543,167,481.00	3,541,559,448.41	16,080.33	1,608,032.59
(ii) Counterpart funds					0
Government of Kenya	22,113.13	2,211,313.00	2,211,313.00		0
Miscellaneous	10,250.00	1,025,000.00	1,025,000.00	-	0
Total	41,130,365.58	4,113,036,558.45	4,111,428,525.90	16,080.33	1,608,032.55

Figure: 1 Cumulative Funds disbursed – Loan and Grant

Kenya Petroleum Technical Assistance Project
Reports and Financial Statements
For the financial period ended June 30, 2021

Total Cumulative	3,543,167,382.21	Total...	566,632,764.60
2020/2021	1,040,859,353	2020/2021	177,224,996
2019/2020	810,702,881	2019/2020	172,554,725
2018/2019	382,061,617	2018/2019	91,106,435
2017/2018	631,737,960	2017/2018	125,746,609
2016/2017	320,000,000	2016/2017	-
2015/2016	307,805,571	2015/2016	-
2014/2015	50,000,000	2014/2015	-

The total amount disbursed to the project by the donor cumulative is Kshs 4.1 Billion. Out of which and (Kshs 3.5 Billion) is loan and (Kshs 566 Million) is grant. In 2020/ 2021, Ksh 1 Billion was received under loan both through exchequer and direct payment) and Ksh 177 Million under grant both through exchequer and direct payments.

1.8 Summary of Overall Project Performance:

The table and figure 2 and 3 below show the budget performance against actual amounts for current period and for cumulative to- date. Over the years there has been an increasing trend on the budget performance.

Table 1: Budget performance against actual amounts for current year and for cumulative to-date

Financial Year	Budget Comparison						
	2020/2021	2019/2020	2018/2019	2017/2018	2016/2017	2015/2016	2014/2015
Budget (Million)	1,327.00	944	449	1,060	322	295	251
Expenditure (Million)	1,217.00	992	584	782	321	179	12
% Utilisation	92%	105%	130%	74%	100%	61%	5%

Figure 2: Cumulative budget performance

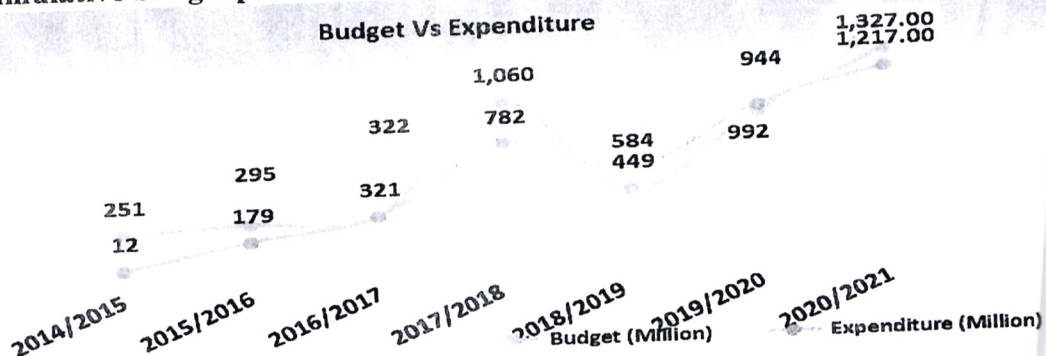
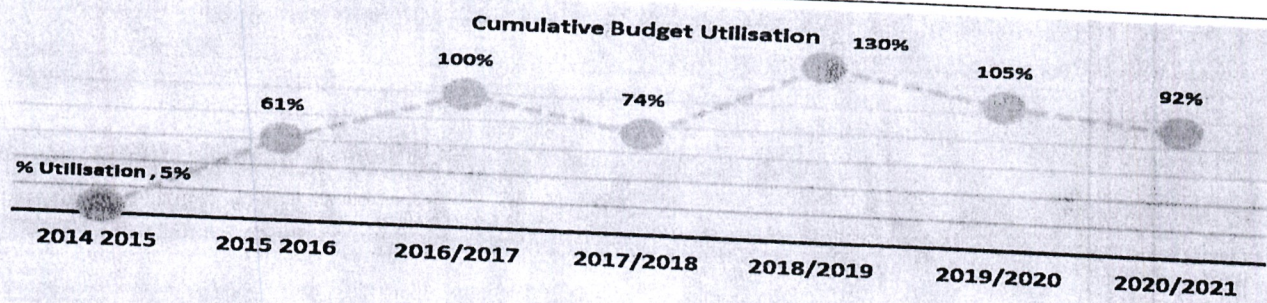


Figure 3 Cumulative Budget utilisation

Kenya Petroleum Technical Assistance Project
Reports and Financial Statements
For the financial period ended June 30, 2021



The budget utilisation has been showing an upward trend over the years with 92% in 2020/2021.

Actual Performance against budget for year to 30th June 2021

Financial Performance	Budget	Actual	Variance	% change
Total Receipts	1,327,510,000	1,218,084,348	109,425,652	8%
Total Payments	1,327,510,000	1,216,664,638	110,845,362	8%
Surplus for the year		1,419,711	- 1,419,711	

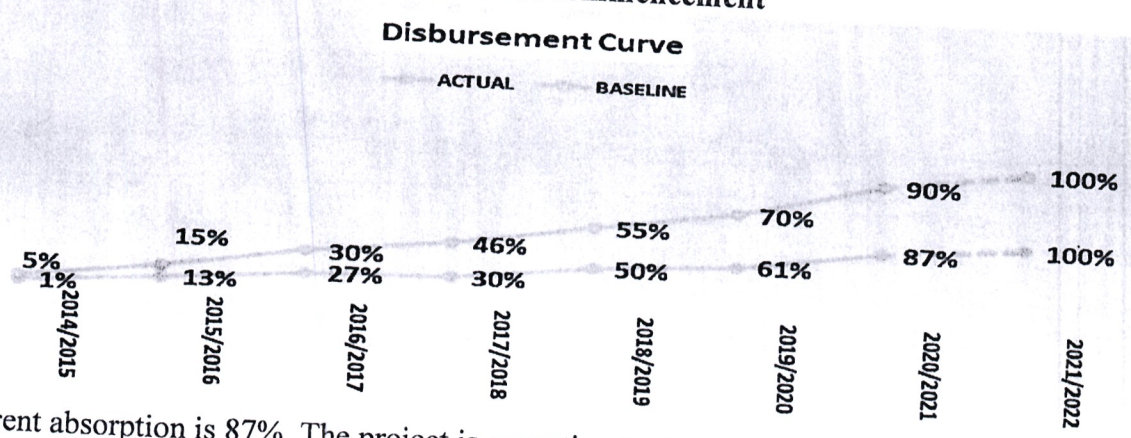
In 2020/2021 the budget was Ksh 1,327,510,000. Actual receipts and payments stood at 8%. The variance represents direct payments which were still under implementation.

Current year Performance against Prior year

Financial Performance	Year to 30th June 2021	Year to 30th June 2020	Change	% change
Total Receipts	1,218,084,348	983,582,606	234,501,742	19%
Total Payments	1,216,664,638	992,162,797	224,501,841	18%
Surplus/deficit for the year	1,419,711	- 8,580,191	9,999,902	

Total receipts increased by 19% and total payments by 18% compared to the previous year.

Figure 4: Absorption rate for each year since commencement



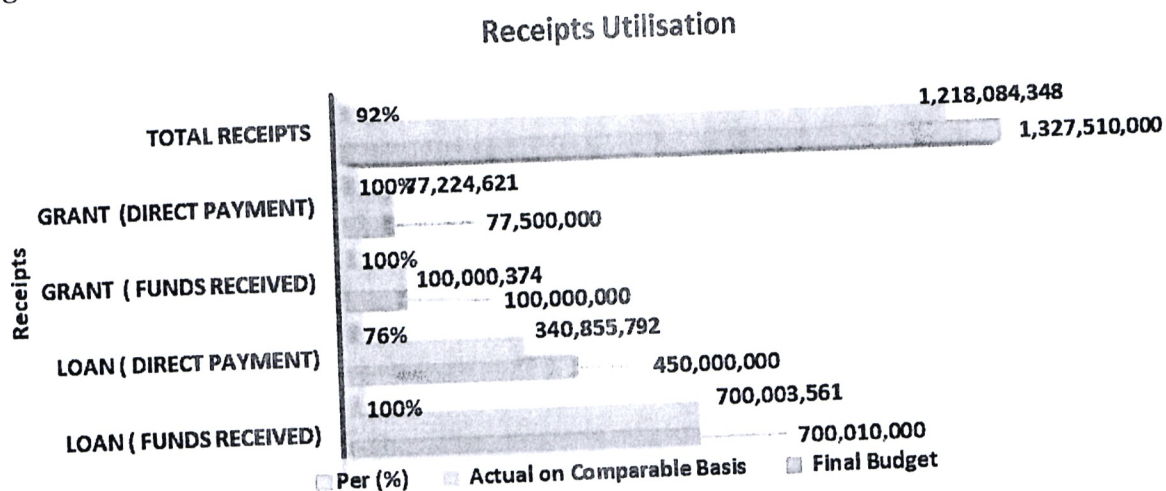
The current absorption is 87%. The project is expecting to absorb 100% during closure.

1.8.1 Receipt Utilisation

Kenya Petroleum Technical Assistance Project
Reports and Financial Statements
For the financial period ended June 30, 2021

The Project received total receipts amounting to Kshs 1,218,084,348 against budget of Kshs 1,327,510,000 this represents utilisation of 92%.
 Loan direct payment - Loan received under direct payment is Kshs 340,855,792 against budget of Kshs 450,000,000 representing 76%.
 Loan revenue-Loan received through exchequer is Ksh 700,003,561 against budget of Kshs 700,000,000 representing 100%.
 Grant direct payment - Grant received under direct payment is Kshs 77,224,621 against budget of Kshs 77,500,000 representing 77%.
 Grant revenue - Kshs 100,000,374 was received against budget of Kshs 100,000,000 representing 100%.

Figure 5: Receipt Utilisation



Receipts breakdown

The total receipts for FY 2020/2021 stood at Kshs 1,218,084,348, representing a 19% increase from Kshs 983,582,606 for FY 2019/2020.
 The increase in total receipts in 2020/2021 was attributed to payment most milestones under loan revenue paid in 2020/2021.

Receipts	Year to 30th June 2021	Year to 30th June 2020	Change	% change
Receipt for government	-	-	-	0%
Loan (Funds received)	700,003,561	316,109,242	383,894,319	55%
Loan (Direct payment)	340,855,792	494,593,639	- 153,737,847	-45%
Grant (Funds received)	100,000,374	98,252,876	1,747,498	2%
Grant (Direct payment)	77,224,621	74,301,849	2,922,772	4%
Miscellaneous Receipts	-	325,000	- 325,000	
Total Receipts	1,218,084,348	983,582,606	234,501,742	19%

Figure 6: Total Receipts categories

**Kenya Petroleum Technical Assistance Project
Reports and Financial Statements
For the financial period ended June 30, 2021**

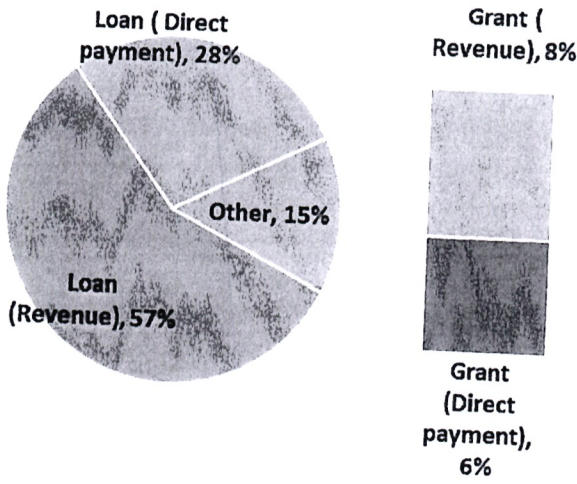


Figure 6, depicts the share of major categories of receipts.

Loan revenue received through exchequer was highest with 57%, and Loan direct payments were 28%.

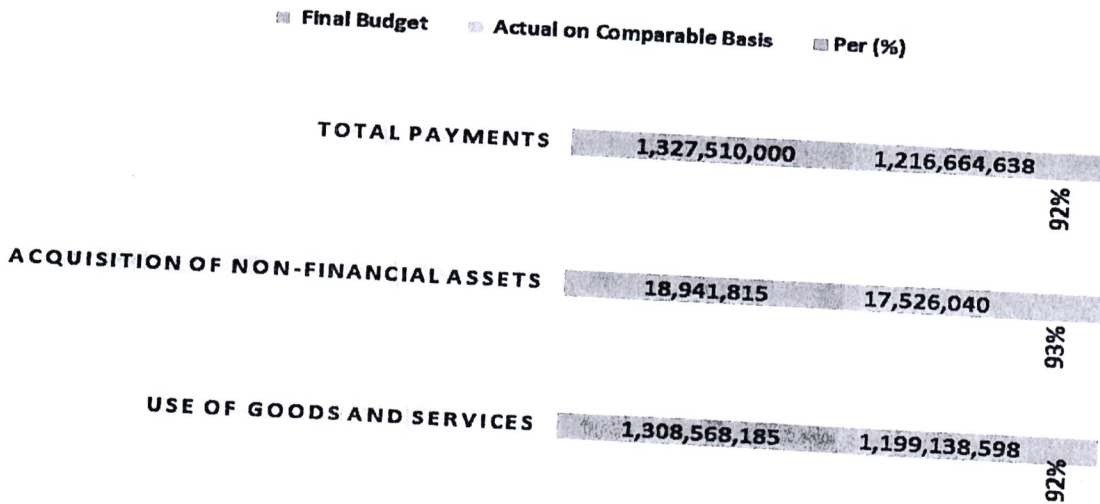
Total Grant was 15% out of which Grant revenue received through exchequers was 8% and grant direct payment was 6% respectively.

The total cumulative receipt by third parties is Ksh 418,080,413. Loan direct payment was Ksh 340,855,792 and Grant was Kshs 77,224,621 respectively

1.8.2 Payment Utilisation

Total payments is Kshs 1,216,664,638 against a final budget of Kshs 1,327,510,000 this represents utilisation of 92%. As reflected in figure 7 below.

Figure 7: Payment utilisation



The total direct payment is Ksh 418,080,413. Loan direct payment is Ksh 340,855,792 and Grant Kshs 77,224,621 respectively.

Project Achievements

Component A: Petroleum Sector - Reforms and Capacity Building

Output A1.3. Negotiation Capability – How we achieved this

The Legal Counsel Advisory facility supported by KEPTAP delivered training, peer-to-peer learning and legal advice to the Ministry of Petroleum and Mining in the organization of license rounds. An experienced resident consultant has been working quite closely with the Government of Kenya negotiating team under this legal advisory endeavor. As a result of this support, the country is now ready and geared towards its first comprehensive licensing bid round.

Output A2.1. Petroleum Policy- How we achieved this

Under the project, a comprehensive and stand-alone Petroleum Policy that covers both upstream and downstream aspects was developed and approved by the Ministry of Petroleum and Mining. The Petroleum Policy provides an overarching strategic framework that will guide the development and administration of the petroleum sector in Kenya.

Output A2.2. Coordination of Petroleum Development in Kenya. –How we achieved this

The Petroleum Act (2019) whose development benefitted from KEPTAP's support, formally established the National Upstream Petroleum Advisory Committee. The Advisory Committee is projected to coordinate developments in the petroleum sector across different government agencies and ensure there is policy coherence. The Advisory Committee brings together membership from Ministry of petroleum and Mining, NOCK, EPRA, AG's Office, National Treasury, KRA, NEMA and the Council of Governors.

Output A2.3. Petroleum Master Planning and Vision.- How we achieved this

At the close of KEPTAP, the Petroleum Master Plan is now fully developed and approved by the activity Technical Committee led by the Ministry of Petroleum and Mining technical team. The KNPMP identifies strategic options to maximize the monetary, social and environmental value of petroleum development in Kenya and consider decision hierarchies for policies and investments on a sound economic basis. The consultancy also embedded a capacity building component for the GoK team involved in the exercise thereby significantly improving their understanding and skills in the development of master plans.

Output A2.4. Communication: How we achieved this

The development of civic knowledge on petroleum development was essential to manage expectations in Kenyan society about the extent and the timing of what this development might bring in terms of community benefits as well as downsides to be managed. The project supported the development and implementation of a National Communications Strategy for the Petroleum Sector. Through the deployment of a Communications Advisor at the MoPM and 7 Community Liaison Officer at the Turkana County levels, the expectations and misinformation about oil and gas impacts, was effectively managed. The adverse media publicity that KEPTAP and Project Oil Kenya more broadly received at the early stages of the projects, significantly fizzled out as clear messaging and correct information dissemination took centre stage with the relevant teams and stakeholders.

Output A3.1. Implementation of Legal and Regulatory Reforms:- How we have achieved this

**Kenya Petroleum Technical Assistance Project
Reports and Financial Statements
For the financial period ended June 30, 2021**

Upstream, Midstream and Downstream Petroleum Regulations have also been developed for the country under KEPTAP's support. These regulations will be instrumental in the administration of the country's petroleum sector across all the streams. The regulations have been approved by the technical committees led by MoPM (Upstream) and EPRA (Mid and Downstream). These are also only awaiting the formal Parliamentary Committee approvals to be fully in force. These activities embedded a capacity building component for the staff of the beneficiary agencies. This allowed them to develop the requisite capacities to be technically review the resultant legal and regulatory documents but subsequently in championing the delivery of their respective institutional mandates.

Output A3.2. Implementation of Institutional Reforms. How we achieved this

The project supported consultancy on the institutional development of Upstream Petroleum Regulatory Authority (UPRA). The Petroleum Act (2019) did not provide for the establishment of UPRA as had been hugely anticipated from the various advanced drafts of the Bill that had it included. Plans are now on course to have the UPRA included as a full-fledged department of EPRA taking into account the insights from the consultancy report.

The technical assistance through trainings and benchmarking visits resulted in the setting up and resourcing of Petroleum Units at NEMA, Office of the Auditor General (OAG), Attorney General's Office and Kenya Revenue Authority. These units having been duly trained under KEPTAP, have definitely changed the way the respective institutions value the oil and gas sector. Some of the agencies such as OAG and AG's Office have gone ahead to seek their own institutional funding to resource these units with oil and gas technical personnel. The Institutional Review consultancy was a major piece of work under KEPTAP that significantly influenced the subsequent restructuring or capacity development initiatives for a number of Government of Kenya agencies with mandates in the petroleum sector such as NOCK, NEMA, EPRA, and KPC among others. For instance, the NOCK Transformation Plan and implementation support has been critical in reshaping the institution's approach to executing its adjusted mandates in the oil and gas sector.

For EPRA, support in the development of Strategic Plan shaped the direction for the organization as it changed from Energy Regulation Commission (ERC) to its current status. The training of EPRA's legal experts allowed them to technically contribute in the review of both Energy and Petroleum Acts (2019).

Output A3.3. Institutional Capacity Building. – How we have achieved this

535 staff from MOPM (302), NOCK (48), EPRA (65), KPC (92) and OAGDJ (28) completed sector-relevant training in 40 different programmes funded through the KEPTAP project. Some of the project sponsored training included petroleum project economics & risk analysis, introduction to petroleum exploration and production, international petroleum law, fire safety in oil and gas terminals, oil pipeline welding, and production sharing agreements among others.

These trainings enhanced the skills of staff of the respective institutions in discharging their respective mandates.

***Kenya Petroleum Technical Assistance Project
Reports and Financial Statements
For the financial period ended June 30, 2021***

EPRA's Directorate of petroleum and gas staff jointly with Kenya Bureau of Standards, were trained on technical regulations. This allowed them to actively and effectively participate in the review of the mid and downstream petroleum regulations. For MOPM, the institutional based trainings as well as on the job-trainings with various consultants, improved the respective staff understanding of Field Development Plan (FDP) models and reviews hence proper scrutiny of submitted FDPs. Their capacity was also enhanced in the development and review of Petroleum Master Plan. The MOPM technical team is now equally confident on matters of petroleum recoverable cost audit and negotiating petroleum deals with the oil operators as well as deploying proper scrutiny of work program and budgets submitted by the IOCs.

NOCK's geoscientists are now able to quantify the oil resources in the country and have a better understanding of the upstream legal petroleum framework. In addition, the upstream team is now able to utilize the resources availed to them in terms of tools and technological know-how. Further, NOCK's petroleum engineers can now undertake resource analysis on their own and the legal team is in a better position to analyze and develop contracts related to Upstream Petroleum. With the raft of capacity building initiatives under KEPTAP, NOCK is now upbeat about their ability to advise the government on oil and gas issues in the country as well as to execute better the operations in Block 14T (NOCK Block).

For KPC, the knowledge and competencies gained enabled the functional units to drive and achieve the corporate strategies effectively (i.e. the Business Leadership, Geographic Expansion, People pillar, Systems and Processes and Communication aspects) by reducing turnaround time in doing business, equipment downtime, reduction of wastages, safe handling of petroleum product and environment as well as engaging KPC stakeholders and improving relationships.

For OADJ, the trainings enhanced their staff capacity to meaningfully review the Petroleum Bill and Local Content Bill. It also allowed for the setting up and resourcing the specialized Oil and Gas Unit within the institution. The staff have now built confidence in oil and gas to engage with expert players in the sector. By and large, the OADJ is now better placed to effectively play their role in the oil and gas space.

Sub-component A.4 managing the impacts

Output A4.1. Implementation of Health and Safety Reforms- How we have achieved this.

Through the support of the project, the first Occupational Safety and Health (OSH) Regulations for the petroleum sector were developed and approved by the Technical Committee led by DOSHS technical team. The regulations are now legally in force. In addition to this, 379 staff from DOSHS (26) and other lead agencies responsible for enforcement of environment, safety and health regulation in the sector (EPRA=65, MOH=73, NEMA=164, NDOC=8, CSOs=40) completed sector-relevant training in 22 different programmes. Some of the training programmes included international technical certificate in oil & gas operational safety; environmental and social risk management; occupational health & hygiene in the oil & gas sector; oil & chemical spill management offshore and onshore.

Others include: environmental management and pollution control in the oil sector; environmental auditing; and basics of non-destructive testing. DOSHS also benefited from the procurement of 3 project vehicles to bolster their operations and monitoring of compliance.

***Kenya Petroleum Technical Assistance Project
Reports and Financial Statements
For the financial period ended June 30, 2021***

Through the support of KEPTAP, EPRA was able to bring a lot of changes in the transportation of petroleum in terms of safety aspects as well as regulations and policies guiding the transportation of petroleum products. In the Petroleum Transportation Task, EPRA worked closely with other agencies including the National Transport and Safety Authority (NTSA). EPRA also two LPG testing equipment supplied to them but hosted at KEBS (Mombasa and Nairobi) because of their laboratory facility. The LPG testing equipment are aimed at checking the quality and safety of gas entering into the domestic market.

Overall, the trainings coupled with requisite equipment donations, improved relevant GoK agencies capacity to implement and monitor compliance with newly developed health and safety regulations.

Output A4.2. Implementation of Environmental and Social Reforms. How we have achieved this

A Strategic Environmental and Social Assessment (SESA) was carried out under the project working closely with NEMA. The SESA identified gaps in the legal and management framework for the environmental and social aspects of the petroleum sector. The SESA outlined 60 recommendations¹ out of which 25 were prioritized and implemented with support of KEPTAP.

Under this output area, EPRA working closely with NOCK, successfully installed CCTV cameras at the LPG filling stations to control and curb the illegal refilling of gas cylinders. They also completed the GIS mapping of all the petrol stations in the country to control the mushrooming of petrol stations in terms of both safety aspect and healthy competition. The road hazard mapping was also conducted to look at the transport corridors for transportation of petroleum product. This enhanced the road safety of the trucks transporting petroleum products.

MOPM in conjunction with the National Lands Commission and NEMA have worked to develop Land Access and Acquisition Framework which is going to be critical in the execution of the crude oil pipeline from South Lokichar to Lamu Port. The comprehensive stakeholder engagement deployed in this assignment has been critical in getting valuable and constructive insights form communities and groups along this crude pipeline corridor. Overall, there has been increased efficiency in licensing due to informed decision making. This is mainly related to ESIA reports approval where NEMA and Lead Agencies (MOH, DOSHS, and KMA) gained important knowledge that is helping in review of upstream activities ESIA reports.

Output A4.3. Gender Assessment. - How we have achieved this

A dedicated gender assessment was conducted identifying potential gender-specific impacts and opportunities of the sector – including how men and women may differently experience risks and benefits of the sector. The first study conducted at the early stages pf KEPTAP was however not of the right quality. A subsequent gender assessment study was commissioned at the tail end of the project that successfully upgraded the initial one.

The resultant report had a dedicated chapter on Gender Based Violence (GBV) in the Oil and Gas sector. This study having been fully endorsed by the Ministry of Petroleum and Mining is projected steer how GoK is going to ensure gender issues are mainstreamed in the petroleum sector.

Output A4.4. Framework for Oil Spill Preparedness and Response Capacity. How we have achieved this

Through a number of trainings under the project, the relevant GoK agencies have improved their oil spill preparedness and response capacity. For instance, KMA, KPC and NDOC applied knowledge gained from the trainings e.g. conducting inspections for vessels, Oil spill response and maritime safety and security awareness to respond to oil spills at Mbaraki, Mombasa and Kiboko in Makueni County. Their oil spill response capacity has been effectively developed. The Hydrocarbon escape and response plan has also been successfully developed and related knowledge transfer conducted for the relevant GoK agencies. The trainings have equipped the agencies staff with skills and confidence to carry out monitoring, coordination and response in the oil and gas industry.

Sub-component A.5 Institutional Reform and Strengthening of NOCK and KPC

Output A5.1 Institutional Reform and Strengthening of NOCK. –How we achieved this

The Institutional Review assignment outlined NOCK's institutional capacity issues that needed to be reformed and strengthened. KEPTAP thus supported a raft of activities geared towards restructuring and positioning NOCK to effectively execute its mandate in the development and management of oil and gas sector in Kenya.

The National Oil Corporation of Kenya (NOCK) Transformation Plan has been developed with related implementation support mechanism embedded. A comprehensive implementation roadmap for the transformation was developed, detailing fourteen strands to the transformation plan, together with the detailed process for a fast and effective reorganization of NOCK. The organization through the new leadership has embraced this Transformation Plan and has already embarked on its implementation.

NOCK also received support from the project to re-establish its core storage facilities and geochemical laboratory; development of LPG Communication and Distribution Plans which greatly influenced the restructuring of the *Mwananchi* Domestic gas project; and project based learning and review of the field development plan in Kenya (NOCK FDP). These activities were complimented by a series of relevant sector trainings which have improved the technical operations of the institution in the petroleum sector.

Output A5.2 Institutional Reform and Strengthening of KPC: - How we achieved this

KEPTAP sponsored training of twelve Pipeline Welders some of whom qualified and achieved the highest level of welding standards. Before this, there were only three qualified Pipeline Welders and the country relied on expatriates to supplement. The new welders are now carrying out assignments that were previously done by expatriates thus saving the company millions of shillings.

Challenges and the way forward

The budget utilisation is 92%. The 8% represents Consultancies that were still under implementation and could not be paid. All the pending bills for 2019/2020 were paid.

**Kenya Petroleum Technical Assistance Project
Reports and Financial Statements
For the financial period ended June 30, 2021**

Value for money achievements- The project ensures the resources are acquired and utilised efficiently, effectively and economically as planned in order to reduce wastage, extravagance and inefficiencies.

1.9 Summary of Project Compliance:

- (i) **Legal Frameworks:** The project adheres to the procedures as per the Public Financial Management Act (2012), Treasury Circulars, Project Appraisal Document, Financing Agreement, Disbursement Letter and government of Kenya financial regulations for fiduciary framework and accountability in case of inconsistency between the GOK Regulations and those of the donor, the latter have been applied.
- (ii) **Compliance On eligible Expenditures:** The World Bank Disbursement Guidelines for Projects May 2006 requires funds withdrawn from the loan to finance eligible expenditures only as per the Financing Agreement. In case a payment is made on expenditures which are not eligible (like exchange rate differences and penalties for cancellation of air tickets) then the borrower will be required to refund an equivalent amount of the cost incurred on this expenditures either to the bank or to the project.
- (iii) **Procurement:** The project is guided by the Public Procurement and Asset Disposal Act 2015, Public procurement and Disposal Regulations 2006 and guidelines for selection and Employment of Consultants under IDA Loans.

1.11. Governance Report

2. The Project Steering Committee (PSC)

Given the cross-sectorial nature of the project the Project Steering Committee (PSC) will be chaired by Ministry of Petroleum and Mining of the Beneficiaries, and shall be responsible for coordinating policy decisions across the various sectors to develop the petroleum sector and overseeing Project Implementation and providing oversight and strategic guidelines. The PSC meets quarterly.

3. World Bank – International Development Association (IDA)

These are the donors of the project. They are responsible for approving Annual work plans (Training Plans, Procurement plans).

Undertaking implementation support mission findings and issue Aide-Memoires and Actionable points, issue No Objections, approving withdrawal applications and replenish funds, undertake mid-term reviews, attend other Project Management meetings, monitor the progress of the project.

4. The Parent Ministry

The State Department of petroleum under the Ministry of Petroleum and Mining (MoPM) ensures that the project budget is captured in its development budget in the printed estimate. The parent ministry also oversees the execution of the project coordinating team.

5. The Auditor

The supreme Audit Institution in Kenya that is the Office of the Auditor General is mandated by the Constitution of Kenya Chapter 12. Part 6, Article 229 which establishes the office of the Auditor General, Chapter 15, Article 248, Section and Article 249, Section 2(a) and (b) and section 10 of the Public Audit Act, 2015 provide for the independence of the Office of the Auditor General.

**Kenya Petroleum Technical Assistance Project
Reports and Financial Statements
For the financial period ended June 30, 2021**

The Auditor General is mandated to audit all national government entities, which included government development projects and present these statutory financial statements to the parliament. This facilitates the submission of the audited report to the project's sponsors by 31st December each year.

6. Project Management Unit(PMU)

The team is based in Nairobi and is responsible for the day-to-day project management, including coordinating with Project Implementing units (PITS) and beneficiaries, overseeing and monitoring the overall project execution, reporting to the Project Steering Committee as well procurement, financial management and reporting, contract monitoring and other project implementation modalities of activities that they manage on their own behalf and on behalf of a group of beneficiaries.

7. Project Implementation Teams(PIT)

The responsibility for the overall coordination and management of the Project is in the MoPM. The Project Management unit (PMU) carries out the day-to-day activities and fiduciary aspects under the project, including procurement and financial management and coordination with the 21 beneficiaries

8. Project Beneficiaries

They benefit from the KEPTAP funding and execute activities that contribute to the Project Development Objectives. They are responsible for identifying eligible activities for procurement plan, consultants and managing of contacts to obtain quality outputs. The beneficiaries are 21 in total.

9. Important Project Dates and the Revision as per the Financing Agreements

Critical Project dates	
Project effectiveness	October 24th, 2014
Original End of Project	Loan -February 28 th , 2021 Grant -June 30 th , 2021
Revised End of Project	Loan -August 31 st , 2021 Grant -June 30 th , 2021
Application Deadline Date (Original)	Loan -30 th June, 2021 Grant -31 st October, 2021
Application Deadline Date (Revised)	Loan -December 31 st , 2021 Grant -October, 2021

2. STATEMENT OF PERFORMANCE AGAINST PROJECT'S PREDETRMINED OBJECTIVES

Introduction

Kenya Petroleum Technical Assistance Project
Reports and Financial Statements
For the financial period ended June 30, 2021

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 entity in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the national government entity's performance against predetermined objectives

The objective of the Project is to strengthen the capacity of the recipient to manage its petroleum sector and for sustainable development impacts. The project was formed to intervene in the following component areas:

Component A: Petroleum Sector - Reforms and Capacity Building –

- f) Sub-component A.1 - Petroleum Resource Deals-
 - ii. This is by strengthening the Government's negotiating capacity in the extractive industries sector, including transaction support.
- g) Sub-component A.2 - Petroleum Vision , Policy and Communication
 - ii. This is through development of national communication strategy and Public information awareness.
- h) Sub-component A.3 - Legal , Regulatory and Institutional Reforms
 - ii. This is by designing a legal and regulatory framework of for the development petroleum resources.
- i) Sub-component A.4 - Managing the impacts
 - v. This is by developing occupational safety and health regulation including the implementation of a capacity building program for DOSH.
 - vi. Design and implementation of sector specific environmental and social regulations, standards, frameworks and baselines for petroleum sector.
 - vii. Carrying out of a gender assessment to identify potential gender –specific impacts of the sector,
 - viii. Development of a framework for oil spill preparedness and response capacity, including the preparation of a national oil spill contingency plan.
- j) Sub-component A.5 - Institutional reform and strengthening of NOCK and KPC

Component B: Revenue and Investment Management - Reforms and Capacity Building.

Sub- Component B1 – Revenue Management

Sub – Component B2 – Transparency and Accountability- Strengthen transparency in oil contracts and revenues management and facilitate organizations engaged in transparency and community monitoring of environmental impacts.

Component C: Strengthening upwards and Downwards Linkages - Reforms and Capacity Building.

Component D: Project Management: Coordinating in the implementation of the project.

Progress on attainment of Strategic development 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

**Kenya Petroleum Technical Assistance Project
Reports and Financial Statements
For the financial period ended June 30, 2021**

reasons of tracking progress and performance measurement: Below we provide the progress on attaining the stated objectives:

Project	Project Development Objective	Project Development Objective Indicators	Performance
Kenya Petroleum Technical Assistance Project (KEPTAP) under the Ministry of Petroleum and Mining	To strengthen the capacity of the Government of Kenya (GoK) to manage its petroleum sector and wealth for sustainable Development impacts.	Policy, legal and regulatory documents, prepared under the project, approved and in force (legally effective) by relevant sector ministries	<ul style="list-style-type: none"> • The first Occupational Safety and Health (OSH) Regulation for the sector completed • Development of the Resettlement Policy Framework for petroleum sector in Kenya completed • A procedure manual for Petroleum Tax Administration Office for Kenya Revenue Administration is completed • Development of Upstream petroleum regulations on-going implementation • Review of mid and downstream petroleum on-going.
		Staff of petroleum sector management institutions trained to <i>regulate, manage</i> and <i>monitor compliance</i> in the sector	As a whole, a total of 742 staff (ERC=65, MOPM=302, NEMA=164, DOSHS=26, OAG=42, KRA=98, KEBS=10, KMA=35) agencies of the government of Kenya have received training support in different fields related to oil and gas among others beneficiaries.
		Percentage of petroleum production and transmission projects per year subject to formal environmental and safety inspections following good international practices set under the project	<ul style="list-style-type: none"> i. Water Supply system ii. Early Oil Pilot Scheme (EOPS) completed iii. Crude pipeline iv. Early production Facility (EPF) v. Flow lines vi. Development Wells (Sources of verification are E&S inspection reports from NEMA)
		Report published, and made publicly available, in accordance with internationally recognized transparency standards	A transparency and accountability (TA) framework in the oil and gas sector, the first in any economic sector in Kenya, has been developed.

Other Outcomes on Beneficiaries

Consultancy Services	Objective	Beneficiary	Outcomes
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Kenya Petroleum Technical Assistance Project
Reports and Financial Statements
For the financial period ended June 30, 2021

Consultancy Services to review the South Lokichar Field Development Plan and enhance Ministry's capacity to review and approve field development plans	Review and ascertain the credibility of the South Lokichar Field Development Plan (FDP) and to enhance the Ministry's internal capacity to review of subsequent FDP's.	Ministry of Petroleum and Mining	<ol style="list-style-type: none"> 1. Through the Knowledge Transfer Program the Ministry's technical team is able to undertake subsurface review of field development plans 2. The Ministry team now has a better understanding of a field development plan and is able to form a Government position during technical engagements with Tullow/KJV 3. Based on the knowledge gained and experience, the technical team is able provide technical input into various technical and commercial agreements that support the development of South Lokichar Fields
Cost of Service Study in the Supply of Petroleum Products in Kenya		EPRA	<ol style="list-style-type: none"> 1. Established distinct petroleum supply node structures and associated costs; 2. Unbundled petroleum supply chain costs: jetties, primary storage, secondary storage, transport (pipeline and road) and retail; 3. Overlap of margins and costs in retail and storage removed:
Purchase, Installation and Commissioning of LPG Testing Equipment		EPRA	EPRA and KEBS have been able to check the quality of LPG imported into the country and assure consumers.
Enhancement of the Regulatory Management Information System (RMIS)		EPRA	<ol style="list-style-type: none"> 1. Improved access to information for planning and decision-making; 2. Enhanced online accident and incident reporting for the petroleum sector; 3. Reduced malpractices through mandatory installation of LPG monitoring CCTV at filling plants; 4. Enhanced pump price monitoring through online reporting; 5. Adequacy of EPRA's ICT infrastructure was assessed and recommendations for enhancement. 6. Installation of Power Business Intelligence to enhance collection, collation, analysis and dissemination of petroleum data.
GIS Mapping of Petroleum Retail			<ol style="list-style-type: none"> 1. 4,500 retail stations mapped by GIS coordinates.

The capacity building supported by KEPTAP is meant to promote best petroleum industry practices which are aimed at ensuring that petroleum development in Kenya is carried out in a manner that promotes operational safety and prevention of accidents and protection of environment by minimizing the impacts of upstream petroleum operations.

2. Environmental performance

KEPTAP is a technical assistance whose objective is to build capacity of government of Kenya for sustainable petroleum development impact. In this regard, KEPTAP has supported development of Petroleum policy which will guide petroleum development in the future. On efforts to manage biodiversity, KEPTAP has supported development of the Oiled Wildlife management plan which should be applied by Kenya Wildlife service, Kenya Maritime Authority and NEMA on protection and rescue of wild life in case on an oil spill. KEPTAP has also supported development of waste management plan for the petroleum sector. On reduction of environmental impacts, KEPTAP has supported NEMA in development of Environmental and Social Impact Assessment guidelines for the petroleum sector. These guidelines outlines sources of impacts in the petroleum sector especially on upstream operations and measures on how to manage such impacts.

3. Employee welfare

The hiring process is guided by the Project Appraisal Report and the recommendations in the Aide-Memoires (Project reviews by World Bank) that are undertaken during the project implementation. The Procurement of staff under the project is undertaken through World Bank Procurement guidelines in addition to adhering to the principles of the Public Procurement and Disposal Act 2015 and Regulations.

The hiring process takes into account the gender ratio with 44% women and 56% men. Staff Appraisals are carried out annual. Skills are improved through trainings, team buildings and meetings.

On Occupational Safety and Health Act, KEPTAP is housed within the State Department of Petroleum hence no OSH policy separate from the one for the state department. However, KEPTAP Secretariat ensures a safe and clean working environment for the few members of staff with provision of relevant equipment. During this period where there is Covid-19, the secretariat ensures all prescribed safety measures are adhered to.

4. Market place practices-

1. KEPTAP undertakes its procurement activities through a Procurement plan and budget approved by the World Bank and the Ministry of Petroleum and Mining –State Department of Petroleum.
2. Procurement under the project is undertaken through World Bank Procurement guidelines in addition to adhering to the principles of the Public Procurement and Disposal Act 2015 and Regulations.
3. The project undertakes its procurement aimed at :
 - a. Maximisation of value for money normally through competition throughout the procurement process;
 - b. Promotion of local industry whereby some goods and services have been specific and limited to local suppliers. These are advertised through Specific Notice for National Bidding;

***Kenya Petroleum Technical Assistance Project
Reports and Financial Statements
For the financial period ended June 30, 2021***

- c. Fairness and transparency in the procurement process through disclosure of all the selection, evaluation and award criteria in the bidding documents and debrief sessions;
4. All procurements are advertised broadly through Open Tender in the Local Dailies, the Ministry of Petroleum and Mining website, UNDB Online and the World Bank's internal website. This is done to enhance transparency, participation and competitiveness of the procurement process.
5. The suppliers under KEPTAP commit to observe all laws governing Fraud and Corruption through the contracts signed under the project.
6. The project actively engages with suppliers and/or consultants, through a Grievance Redress Mechanism (GRM) to promptly address any complaints arising out of the procurement process.
7. The procurement activities in the project have continuously been monitored through the
 - a. World Bank system -Systematic Tracking of Exchanges in Procurement (STEP)
 - b. Post Procurement Review sessions conducted annually by the World Bank to ascertain the Quality Assurance and Monitoring Mechanisms for the project procurement process.
 - c. Annual Financial audits
8. The project is also guided by an internal Service Level Agreement aimed at timely expediting of the supplier payments.
9. Payment of goods and services supplied under the project has been through the signed contract milestones and the agreed deliverables.

5. Community Engagements-

KEPTAP organized two (2) capacity building workshops on petroleum development and management of associated environmental and social issues for Community Based Organizations in Turkana County and Turkana Grievance management committee. The project has at the same time started developing petroleum development training handbook for Civil Society Organizations and a community environmental and social risk monitoring tool kit for petroleum sector. The main objective of these initiatives is to build capacity for local communities to enable their participation in the petroleum sector development initiatives. The project has also carried out community engagement initiatives in Turkana County on main subject areas like Environmental and Social Impact Assessment, Land acquisition.

4. STATEMENT OF PROJECT MANAGEMENT RESPONSIBILITIES

The *Principal Secretary* for the Ministry of Petroleum and Mining, State Department for Petroleum and the Project Manager for Kenya Petroleum Technical Assistance Project are responsible for the preparation and presentation of the Project's financial statements, which give a true and fair view of the state of affairs of the Project for and as at the end of the financial year ended on June 30, 2021

This responsibility includes: (i) maintaining adequate financial management arrangement 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 Project; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statement, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Project; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.


The *Principal Secretary* for the State Department for Petroleum and the Project Manager for Kenya Petroleum Technical Assistance Project accept responsibility for the Project'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.

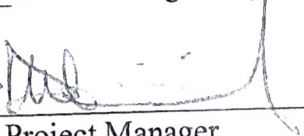
The *Principal Secretary* for the State Department for Petroleum and the Project Manager for Kenya Petroleum Technical Assistance Project are of the opinion that the Project's financial statements give a true and fair view of the state of Project's transactions during the financial year ended June 30, 2021, and of the Project's financial position as at that date. The *Principal Secretary* for State Department for Petroleum and the Project Manager for Kenya Petroleum and Technical Assistance project further confirm the completeness of the accounting records maintained for the Project, which have been relied upon in the preparation of the Project financial statements as well as the adequacy of the systems of internal financial control.


The *Principal Secretary* for the State Department for Petroleum and the Project Manager for Kenya Petroleum Technical Assistance Project confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants, and that Project funds received during the financial year under audit were used for the eligible purposes for which they were intended and were properly accounted for.

Approval of the Project financial statements

The Project financial statements were approved by the *Principal Secretary* for the State Department for Petroleum and the Project Manager for Kenya Petroleum Technical Assistance Project on 15/12/2021 2021 and signed by them.

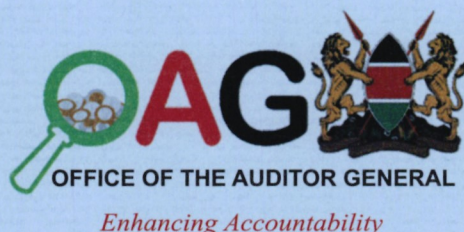

Principal Secretary
Name: Andrew Kamau


Project Manager
Name: David W. Kinyanjui


Project Accountant:
Name: CPA Beatrice K. Musyoka
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REPUBLIC OF KENYA

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REPORT OF THE AUDITOR-GENERAL ON KENYA PETROLEUM TECHNICAL ASSISTANCE PROJECT (IDA CREDIT NO.5526-KE AND GRANT NO. TFOA 3418) FOR THE YEAR ENDED 30 JUNE, 2021 – STATE DEPARTMENT FOR PETROLEUM

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, gazette 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, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report, when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Kenya Petroleum Technical Assistance Project (IDA Credit No.5526-KE and Grant No.TFOA 3418) set out on pages 1 to 22, which comprise the statement of financial assets as at 30 June, 2021, and the

Report of the Auditor-General on Kenya Petroleum Technical Assistance Project (IDA Credit No.5526-KE and Grant No. TFOA 3418) for the year ended 30 June, 2021 – State Department for Petroleum

statement of receipts and payments, 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 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Kenya Petroleum Technical Assistance Project 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 and the Financing Agreement No.5526-KE dated 14 August, 2014 and amended Grant Agreement No.TFOA 3418 dated 20 November, 2017 between the International Development Association (IDA) and the Republic of Kenya.

In addition, the special accounts statement presents fairly the special accounts transactions and the closing balance has been reconciled with the book balances.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Kenya Petroleum Technical Assistance Project 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 opinion.

Key Audit Matters

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

Other Matter

1. Budgetary Control and Performance

The statement of comparative budget and actual amounts for the year under review reflects final budget and actual payments on comparable basis of Kshs.1,327,510,000 and Kshs.1,216,664,638 respectively, resulting in an under-expenditure of Kshs.110,845,362 or 8% indicating that some of the planned activities were not undertaken and therefore the Project may not have achieved some of the desired objectives.

2. Project Implementation and Performance

The project information and funding summary statement indicates that the donor had made a funding commitment of US\$.51,000,000 (Kshs.5,100,000,000) comprising

Kshs.600,000,000 and Kshs.4,500,000,000 in IDA Grant and IDA Loan respectively. However, as at 30 June, 2021, the Project had utilized a total of Kshs.4,111,428,526 or 81% with only two months to Project closure in August, 2021 after a 6 month extension was granted on the initial closure date of February, 2021.

In the circumstance, the Project may not be able to fully utilize the remaining amount of Kshs.988,571,474 in the remaining project implementation period which will negatively impact on service delivery to citizens.

Other Information

The Principal Secretary, Ministry of Petroleum and Mining and the Project Implementation Team are responsible for the other information, which comprise the Project Information and Overall Performance, and the Corporate Social Responsibility Statement as required by the Public Financial Management (PFM) Act, 2012. The other information does not include the financial statements and our auditor's report thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Irregular Procurement and Payment of Conference Services

Purchase of goods and services in the statement of receipts and payments for the year ended 30 June, 2021 amounted to Kshs.1,199,138,598. As disclosed in Note 5 to the financial statements, this item includes hospitality, supplies, and services of Kshs.8,380,676 out of which Kshs.2,357,000 was paid to a hotel in Naivasha for provision of conference facilities and services for three (3) workshops in respect of services rendered in February, March and May, 2019 as per the workshop attendance register and local service orders. The procurement requisitions and authorization for the services were, however, dated 21 October, 2020 which was more than a year since the services were rendered. Regulation 22 (1) of The Public Procurement and Asset Disposal Regulations 2006 (revised 2020) provides that "every procurement shall be initiated using a purchase requisition which shall include all necessary information pertaining to the procurement" and therefore there was noncompliance with the law as well as creating doubt on the occurrence of the event.

In the circumstance, it is not possible to confirm whether the Project received the services, value for money or that the services were procured in compliance with the Public

Procurement and Asset Disposal Act, 2015 and Public Procurement And Asset Disposal Regulations, 2020.

2. Breach of Contract Terms

2.1 Consultancy Services for Development of a National Petroleum Master Plan

The statement of receipts and payments for the year ended 30 June, 2021 reflects payments totalling Kshs.1,199,138,598 in respect of purchase of goods and services. Included in the amount is Kshs.1,099,784,078 incurred on consultancy services as disclosed in Note 5 to the financial statements. The consultancy services expenditure includes Kshs.17,278,395 paid to a consultancy firm being the third instalment of 15% on production of a draft final report on National Petroleum Master Plan. According to the contract, the consultant was to be paid upon submission of reports reviewed by a technical committee drawn from Ministry of Petroleum and Mining, National Oil Corporation, The National Treasury, Kenya Revenue Authority, Ministry of Industry, Trade and Cooperative, Office of the Attorney General, Presidential Delivery Unit, Kenya Pipeline Company, Kenya Electricity Generating Company and Energy Regulation Commission.

However, the technical committee formed to review and approve consultancy deliverables as well as ensure quality delivery by the consultant was constituted only from three (3) organizations including Kenya Pipeline Company, National Oil Corporation and representatives from State Department of Petroleum as opposed to ten (10) organizations indicated in the contract's terms of reference. Consequently, the technical committee that approved the contractual outputs by the Consultant was not properly constituted in line with the contract and, the approvals therefrom, were not binding to the Project Management thereby making the payment irregular.

2.2 Consultancy Services for Formulation of Upstream Petroleum Regulations

Further, the payment for consultancy services of Kshs.1,099,784,078 includes Kshs.31,011,521 paid to a consultancy firm in respect of an inception report on formulation of Upstream Petroleum Regulations. According to contract terms of reference, deliverables and reports of the consultant's work were to be reviewed and approved by a technical committee drawn from Ministry of Petroleum and Mining, Office of the Attorney General, National Oil Corporation, Energy Regulation Commission, The National Treasury, National Environmental Management Authority and Kenya Revenue Authority.

However, review of the payments made to the consultant indicated that deliverables were reviewed and approved by a committee drawn from three (3) organizations against the seven (7) envisaged in the contract. Consequently, the technical committee that approved the contractual outputs by the Consultant was not properly constituted in line with the contract and the approvals therefrom were not binding to the Project Management thereby making the payment irregular. Further, there was no evidence in form of letters for the appointment of members to the technical committee from the other entities.

Under the circumstances, the payments made in respect of the above consultancy contracts were therefore irregular as the works may not have been evaluated objectively as envisaged in the contract agreement.

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 comply, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by International Development Association (IDA), I report based on my audit, that:

- i. 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;
- ii. In my opinion, adequate accounting records have been kept by the Project, so far as appears from the examination of those records; and,
- iii. The Project's financial statements are in agreement with the accounting records and returns.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

The audit was conducted in accordance with 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 overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (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 internal control, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the Project's ability to continue to sustain 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 terminate the Project or to cease operations.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

In addition to the responsibility for preparing and presenting the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements comply with the authorities which govern them, and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the financial reporting process, reviewing the effectiveness of how the Project monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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 that 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 audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements comply with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) 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 that 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 that 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 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 that 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 the 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 that may cast significant doubt on the Project's ability to continue to sustain 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 Project 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 that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Project to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that 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 that may reasonably be thought to bear on my independence, and where applicable, related safeguards.


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi


17 December, 2021


Kenya Petroleum Technical Assistance Project
Reports and Financial Statements
For the financial period ended June 30, 2021


6. STATEMENT OF RECEIPTS & PAYMENTS FOR THE YEAR ENDED 30th JUNE 2021

	Note	FY 2020/21		FY 2020/21 Total Receipts and Payments	FY 2019/20		FY 2019/20 Total Receipts and Payments	Cumulative to Date(From inception)
		Receipts and payments controlled by the entity	Receipts and Payments made by third parties		Receipts and payments controlled by the entity	Payments made by third parties		
		Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
RECEIPTS								
Transfer from Government entities	1	-	-	-	-	-	-	2,211,313
Proceeds from domestic and foreign grants	2	100,000,374	77,224,621	177,224,995	98,252,876	74,301,849	172,554,725	566,632,764
Loan from External Development Partners	3	700,003,561	340,855,792	1,040,859,353	316,109,242	494,593,639	810,702,881	3,543,167,481
Miscellaneous Receipts	4	-	-	-	325,000	-	325,000	1,025,000
TOTAL REVENUES		800,003,935	418,080,413	1,218,084,348	414,687,118	568,895,488	983,582,606	4,113,036,558
PAYMENTS								
Purchase of goods and services	5	787,175,857	411,962,741	1,199,138,598	421,658,454	568,895,488	990,553,942	3,890,071,592
Acquisition of Non-financial Assets	6	11,408,368	6,117,672	17,526,040	787,220	-	787,220	215,351,265
Other grants and Transfers and Payments	7	-	-	-	821,635	-	821,635	6,005,669
TOTAL PAYMENTS		798,584,225	418,080,413	1,216,664,638	423,267,309	568,895,488	992,162,797	4,111,428,526
SURPLUS/DEFICIT		1,419,710	0	1,419,711	- 8,580,191	-	- 8,580,191	1,608,032

The accounting policies and explanatory notes to these financial statements are an integral part of the financial statements.


Principal Secretary
Name: Andrew Kamau


Project Manager
Name: David W. Kinyanjui



Project Accountant:
Name: CPA Beatrice K. Musyoka
ICPAK Member No: 6193


Kenya Petroleum Technical Assistance Project
Reports and Financial Statements
For the financial period ended June 30, 2021

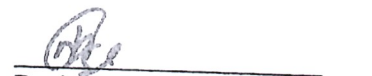
7. STATEMENT OF FINANCIAL ASSETS AS AT 30TH JUNE 2021

	Note	FY 2020/21	FY 2019/20
		Kshs	Kshs
Cash and Cash Equivalents			
Bank Balances	8. A	1,608,032	188,322
Cash Balances (deposits)	8. B 8. C	- -	- -
Total Cash and Cash equivalents		1,608,032	188,322
Accounts receivable- Imprests & Advances	9	-	-
TOTAL FINANCIAL ASSETS		1,608,032	188,322
Fund balance b/fwd	10	188,322	8,718,913
Prior Year Adjustment	11	-	49,600
Surplus / (deficit) for the year		1,419,710 -	8,580,191
NET FINANCIAL POSITION		1,608,032	188,322

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 15/12/2021 2021 and signed by:


Principal Secretary
Andrew Kamau


Project Manager
David W. Kinyanjui



Project Accountant
CPA Beatrice K. Musyoka
ICPAK Member No: 6193


**Kenya Petroleum Technical Assistance Project
Reports and Financial Statements
For the financial period ended June 30, 2021**

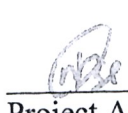
9. STATEMENT OF CASHFLOW FOR THE PERIOD 30TH JUNE 2021

	Note	2020- 2021	2019- 2020
		Kshs	Kshs
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts for operating income			
Transfer from Government entities	1	-	-
Proceeds from domestic and foreign grants	2	100,000,374	98,252,876
Miscellaneous Receipts	4	-	325,000
		100,000,374	98,577,876
Payments for operating expenses			
Purchase of goods and services	5	- 787,175,857	421,658,454
Other grants and transfers	7	- -	821,635
		- 787,175,857	- 422,480,089
Adjustments during the year			
Decrease/(Increase) in Accounts Receivables	12	-	-
Prior year Adjustments	11	-	49,600
Net cashflow from operating activities		- 687,175,483	- 323,852,613
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Non-financial Assets	6	- 11,408,368	787,220
Net cash flows from Investing Activities		(11,408,368)	(787,220)
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from Foreign Borrowing	3	700,003,561	316,109,242
Net cash flow from financing activities		700,003,561	316,109,242
NET INCREASE IN CASH AND CASH EQUIVALENT		1,419,710	8,530,591
Cash and cash equivalent at BEGINNING of the year	10	188,322	8,718,913
Cash and cash equivalent at END of the year		1,608,032	188,322

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 _____ 2021 and signed by:


Principal Secretary
Andrew Kamau


Project Manager
David W. Kinyanjui



Project Accountant
CPA Beatrice. Musyoka
ICPAK Member No. 6193


Kenya Petroleum Technical Assistance Project
Reports and Financial Statements
For the financial period ended June 30, 2021


9. STATEMENT OF COMPARATIVE BUDGET AND ACTUAL AMOUNTS

Receipts/Payments Item	Original Budget	First adjustment	Final Budget	Actual on Comparable Basis	Utilisation Variance	% of Utilisation
	a	b	c= a+b	d	e=c-d	f=d/c %
Receipts						
Transfer from Government entities	-	-	-	-	-	
Proceeds from domestic and foreign grants Grant Funds	100,000,000	-	100,000,000	100,000,374	374	100%
Proceeds from domestic and foreign grants Grant direct receipts	100,000,000	22,500,000	77,500,000	77,224,621	275,379	100%
Proceeds form Loan borrowings- Loan Funds	300,000,000	400,010,000	700,010,000	700,003,561	6,439	100%
Proceeds form Loan borrowings- Loan direct receipts	1,000,000,000	550,000,000	450,000,000	340,855,792	109,144,208	76%
Miscellaneous receipts	-	-	-	-	-	
Total Receipts	1,500,000,000	- 172,490,000	1,327,510,000	1,218,084,348	109,425,652	92%
Payments						
Use of goods and services	1,491,600,000	-	1,308,568,185	1,199,138,598	109,429,587	92%
Acquisition of Non-financial Assets	8,400,000	-	18,941,815	17,526,040	1,415,775	93%
Total Payments	1,500,000,000	-	1,327,510,000	1,216,664,638	110,845,362	92%

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


Principal Secretary
Andrew Kamau


Project Manager
David W. Kinyanjui


Project Accountant
CPA Beatrice K. Musyoka
ICPAK Member No. 6193

10. SIGNIFICANT ACCOUNTING POLICIES

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

10.1 Basis of Preparation

10.2 Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with Cash-basis IPSAS financial reporting under the cash basis of accounting, as prescribed by the 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.

10.3 Reporting entity

The financial statements are for the Kenya Petroleum Technical Assistance Project under National Government of Kenya. The financial statements encompass the reporting entity as specified in the relevant legislation PFM Act 2012 .

10.3.1 Reporting currency

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

10.4 Significant Accounting Policies

a) Recognition of receipts

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

***Kenya Petroleum Technical Assistance Project
Reports and Financial Statements
For the financial period ended June 30, 2021***

i) Transfers from the Exchequer

Transfer from Exchequer is be 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 entity.

ii) External Assistance

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

iii) 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 recognized in the financial statements the time associated cash is received.

b) Donations and grants

Grants and donations 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 entity or by the beneficiary. In case of grant/donation 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.

c) Proceeds from borrowing

***Kenya Petroleum Technical Assistance Project
Reports and Financial Statements
For the financial period ended June 30, 2021***

Borrowing includes Treasury bill, treasury bonds, corporate bonds, sovereign bonds and external loans acquired by the Project or any other debt the Project may take on will be treated on cash basis and recognized as a receipt during the year they were received.

d) Undrawn external assistance

These are loans and grants at reporting date as specified in a binding agreement and relate to funding for the Project currently under development where conditions have been satisfied or their ongoing satisfaction is highly likely and the project is anticipated to continue to completion. An analysis of the Project's undrawn external assistance is shown in the funding summary

e) Recognition of payments

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

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 consumed and paid for. If not paid for during the period where goods/services are consumed, they 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 incurred and paid for.

*Kenya Petroleum Technical Assistance Project
Reports and Financial Statements
For the financial period ended June 30, 2021*

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. The stock of debt is disclosed as an annexure to the consolidated financial statements.

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.

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

a) In-kind donations

In-kind contributions are donations that are made to the Project 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 Project 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.

Significant Accounting Policies (Continued)

b) 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

***Kenya Petroleum Technical Assistance Project
Reports and Financial Statements
For the financial period ended June 30, 2021***

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.

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 part deposits.

c) 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 is 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.

Significant Accounting Policies (Continued)

d) Contingent Liabilities

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 entity; 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.

Some of contingent liabilities may arise from: litigation in progress, guarantees, indemnities. Letters of comfort/ support, insurance, Public Private Partnerships, The Entity does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote. **Annex 5** of this financial statement is a register of the contingent liabilities in the year.

Section 89 (2) (i) of the PFM Act requires the National Government to report on the payments made, or losses incurred, by the county government to meet contingent liabilities as a result of loans during the financial year, including payments made in respect of loan write-offs or waiver of interest on loans

e) Contingent Assets

The Entity does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements.

***Kenya Petroleum Technical Assistance Project
Reports and Financial Statements
For the financial period ended June 30, 2021***

If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

f) 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 Project 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.

g) Budget

The budget is developed on a comparable accounting basis (cash basis), the same accounts classification basis (except for accounts receivable - outstanding imprest and clearance accounts and accounts payable - deposits, which are accounted for on an accrual basis), and for the same period as the financial statements. The Project's budget was approved as required by Law and National Treasury Regulations, as well as by the participating development partners, as detailed in the Government of Kenya Budget Printed Estimates for the year. The 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-entity transfers and are eliminated upon consolidation.

A high-level assessment of the Project's actual performance against the comparable budget for the financial year/period under review has been included in an annex to these financial statements.

h) Third party payments

***Kenya Petroleum Technical Assistance Project
Reports and Financial Statements
For the financial period ended June 30, 2021***

Included in the receipts and payments, are payments made on its behalf by 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 column in the statement of receipts and payments.

During the year Kshs 418million being loan and grant disbursements were received in form of direct payments from third parties.

Significant Accounting Policies (Continued)

i) Exchange rate differences

The accounting records are maintained in the functional currency of the primary economic environment in which the Project operates, Kenya Shillings. Transactions in foreign currencies during the year/period are converted into the functional currency using the exchange rates prevailing at the dates of the transactions. Any foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statements of receipts and payments.

j) Comparative figures

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

k) Subsequent events

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

International Development Assistance(IDA)	As per the Schedule 3.A	6,426,814	700,003,561	340,855,792	1,040,859,353	810,702,881
Total		6,426,814	700,003,561	340,855,792	1,040,859,353	810,702,881

Loan received in cash through exchequers is Kshs 700,003,561(USD 6,426,814) as per note 3.A and Loan received as direct payment is Kshs 340,855,792.

3.A Total Exchequers Received under Loan

Analysis of Loan Exchequers Received

No	Exchequer Date	PA No	Amount (Ksh)	Amount (USD)
1	DE: 022/07/20/21 dated 29th September 2020	PA 124942	299,477,150	2,765,000
2	Dated 19th February 2021	PA 125579	215,662,181.10	1,970,417.37
3	Dated 9th March 2021	PA 125590	166,324,832.75	1,518,393.58
4	Dated 24th May 2021	PA 125922	15,274,605.70	142,806.71
5	Dated 30th June 2021	PA126103	3,264,791.50	30,196.00
Total			700,003,561	6,426,814

4. MISCELLANEOUS RECEIPTS

	FY 2020/21			FY 2019/20	Cumulative to-date
	Receipts controlled by the entity in Cash	Receipts controlled by third parties	Total Receipts		
	KShs	KShs	KShs	KShs	KShs
Performance bond of 10% for Kentex Solution Ltd failed to supply Geophysical data interpretation mobile work station as per the Contact amounting Ksh 3,250,000 .	-	-	-	325,000	1,025,000
	-	-	-	325,000	1,025,000

5. PURCHASE OF GOODS AND SERVICES

Kenya Petroleum Technical Assistance Project
Reports and Financial Statements
For the financial period ended June 30, 2021

	FY 2020/21		FY 2020/21	FY 2019/20	Cumulative to-date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments	Total Payments	
	KShs	KShs	KShs	KShs	KShs
Utilities, supplies and services				-	55,000
Communication, supplies and services				-	1,547,000
Domestic travel and subsistence	5,682,925		5,682,925	3,207,000	29,275,175
Printing, advertising and information supplies & services	1,025,208		1,025,208	1,303,608	26,481,218
Training expenses	76,965,322		76,965,322	182,184,012	1,077,370,552
Hospitality supplies and services	8,380,676		8,380,676	6,183,085	27,335,038
Other operating expenses	7,300,390		7,300,390	4,845,424	69,820,362
Consultancy services: – Technical and professional services	687,821,337	411,962,741	1,099,784,078	792,830,812	2,667,979,014
Foreign Exchange Loss					1,537,656
Adjustment on Cumulative					16,355,781
Total	787,175,857	411,962,741	1,199,138,598	990,553,942	3,890,071,592

Payments made by entity was Kshs 787,175,857 and by direct payments Ksh 411,962,741

6. ACQUISITION OF NON-FINANCIAL ASSETS

	FY 2020/21		FY 2020/21	FY 2019/20	Cumulative to-date
	Payments made by the Entity in	Payments made by third parties	Total Payments	Total Payments	
	KShs	KShs	KShs	KShs	KShs
Purchase of office furniture & general equipment	2,066,040	-	2,066,040	787,220	7,953,819
Purchase of specialised plant, equipment and machinery	107,328	6,117,672	6,225,000		163,059,516
Acquisition of other intangible assets	9,235,000		9,235,000		9,235,000
Total	11,408,368	6,117,672	17,526,040	787,220	215,351,265

Payments made by the entity Kshs 11,408,368 and direct payments Kshs 6,117,672.

7. OTHER GRANTS AND TRANSFERES AND PAYMENTS

	Payments made by the Entity in Cash	Payments made by third parties	Total Payments		Cumulative to-date
			FY 2020/21	FY 2019/20	
	KShs	KShs	KShs	KShs	KShs
IDA World Bank					
Miscellaneous payments				821,635	821,635
Other Payments					
Total				821,635	6,005,669

8. CASH AND CASH EQUIVALENTS CARRIED FORWARD

Kenya Petroleum Technical Assistance Project
Reports and Financial Statements
For the financial period ended June 30, 2021

	FY 2020/21	FY 2019/20
	KShs	KShs
Bank accounts (Note 8.A)	1,608,032	188,322
Cash in hand (Note 8.B)	-	-
Cash equivalents (short-term deposits) (Note 8.C)	-	-
Total	<u>1,608,032</u>	<u>188,322</u>

The project has one project account spread within the project implementation area and and two foreign currency designated account all at Central Bank of Kenya and managed by the National Treasury as listed below:

8.A Bank Accounts

	FY 2020/21	FY 2019/20
8. A Bank Accounts	KShs	KShs
<u>Foreign Currency Accounts</u>		
Central Bank of Kenya LOAN [A/c NO: 1000215283]		
Central Bank of Kenya GRANT [A/c NO: 1000332433]		
Total Foreign Currency balances	<u>-</u>	<u>-</u>
	<u>FY 2020/21</u>	<u>FY 2019/20</u>
	KShs	KShs
<u>8. A Local Currency Accounts</u>		
Central Bank of Kenya [A/c No 1000309555]	1,608,032	188,322
Total Adjusted local currency balances	<u>1,608,032</u>	<u>188,322</u>
Total bank account balances	<u>1,608,032</u>	<u>188,322</u>

Special Deposit Accounts

The balances in the Project's Special Deposit Account(s) as at 30th June 2021 are not included in the Statement of Financial Assets since they are below the line items and are yet to be drawn into the Exchequer Account as a voted provision.

Below is the Special Deposit Account (SDA) movement schedule which shows the flow of funds that were voted in the year. These funds have been reported as loans and grants received in the year under the Statement of Receipts and Payments.

Special Deposit Accounts Movement Schedule (Loan)

**Kenya Petroleum Technical Assistance Project
Reports and Financial Statements
For the financial period ended June 30, 2021**

	2020/2021	2019/20	2020/2021	2019/20
(i) Account Name Central Bank of Kenya [A/c No. 1000215283] LOAN	KShs	KShs	USD	USD
Opening balance as at 1st July 2020 as per SDA reconciliation	-	168,947,137	-	1,678,296
Total amount deposited in the account	805,049,396	147,180,714	7,391,199	1,407,478
Total amount withdrawn (as per Statement of Receipts & Payments)	700,003,561	316,109,242	6,426,814	3,085,595
Funds transferred to World Bank IDA Account (PA 124446)	-	18,610	-	179
Closing balance as at 30th June 2021 (as per SDA bank account reconciliation attached)	<u>105,045,835</u>	<u>1</u>	<u>964,385</u>	<u>0</u>

Special Deposit Accounts Movement Schedule (Grant)

	2020/2021	2019/20	2020/2021	2019/20
(ii) Account Name Central Bank of Kenya [A/c No. 1000332433] GRANT	KShs	KShs	USD	USD
Opening balance (as per the SDA reconciliation)	-	27,794,894	-	275,362
Total amount deposited in the account	181,948,426	70,464,194	1,679,901	685,669
Total amount withdrawn (as per Statement of Receipts & Payments)	100,000,374	98,252,876	923,285	960,970
Funds transferred to World Bank IDA Account (PA 124446)	-	6,212	-	60
Closing balance as at 30th June 2021 (as per SDA bank account reconciliation attached)	<u>81,948,052</u>	<u>0</u>	<u>756,616</u>	<u>0</u>

The Special Deposit Account reconciliation statement has been attached as an Appendix to support these closing balances.

8. B Cash in Hand

There was no cash in hand as at 30th June 2021 as per the Board of Survey report.

8. C Cash equivalents (short-term deposits)

There were no short-term deposits as at 30th June 2021

9. ACCOUNTS RECEIVABLES

1. Imprest: There were no outstanding imprests in 2020/2021 financial year.

9B : BREAKDOWN OF IMPRESTS AND ADVANCES

Kenya Petroleum Technical Assistance Project
Reports and Financial Statements
For the financial period ended June 30, 2021

Name of Officer or Institution	Amount Taken	Due Date of Surrender	Amount Surrendered	Balance 2021	Balance 2020
	Kshs		Kshs	Kshs	Kshs
	a		b	c=a-b	
ESTHER KIMANI	40,000.00	30/6/2021	40,000.00	-	0
ESTHER KIMANI	1,750,800.00	30/6/2021	1,750,800.00	-	
SELINA ELMAE	1,637,400.00	30/6/2021	1,637,400.00	-	
PHARIS KINYANJUI	2,070,600.00	30/6/2021	2,070,600.00	-	
VIOLIN ONSOMU	1,600,200.00	30/6/2021	1,600,200.00	-	
ESTHER KIMANI	1,701,000.00	30/6/2021	1,701,000.00	-	
ESTHER KIMANI	70,000.00	30/6/2021	70,000.00	-	
TOTAL	8,870,000.00	-	8,870,000.00	-	-

There was no Accounts payable during the year.

10. FUND BALANCE BROUGHT FORWARD

	2020/21	2019/20
	KShs	KShs
Bank accounts	188,322	8,718,913
Outstanding imprests and advances	-	-
Total	188,322	8,718,913

11. PRIOR YEAR ADJUSTMENT

Description of the error	2019/2020 as per Financial Statements	Adjustments	Adjusted Balance b/f FY 2019/2020
Other: Refund :Ksh 49,600 was erroneously paid to the driver in 2018/2019 . This was an ineligible expenditure .The funds were refunded back to the project Bank Account in 2019/2020	8,718,913.00	49,600.00	8,768,513.00

11. B ADJUSTMENTS ON CUMULATIVE FIGURES (See Annex 7)

	Amount (Kshs)
Miscellaneous	4,395,209
Cumulative Balance 2019/2020	3,370,209
Error: In 2015/2016 (See Audited Financial Statement Note 8.3,& 8.3A)	-
Adjusted Cummulative Balance 2020/2021	1,025,000

Note: Ksh 3,370,209 was expenditure refunds in 2015/2016 but was captured as miscellaneous receipts

ADJUSTMENTS ON CUMULATIVE FIGURES

Kenya Petroleum Technical Assistance Project
Reports and Financial Statements
For the financial period ended June 30, 2021

Expenditure Adjustments	Amount (Kshs)
Audited Financial 2016/2017	7,067,647
Audited Financial 2017/2018	70,879
Audited Financial 2018/2019	771,086
Audited Financial 2019/2020	49,600
Total	7,959,212

Expenditure on Purchase of goods & services	Amount (Kshs)
Adjusted expenditure 2019/2020	2,698,892,206
Less Adjustments	-
Adjusted cumulative expenditure 2019//2020	2,690,932,994
Add Actual Expenditure 2020/2021	1,199,138,598
Adjusted cumulative expenditure 2020//2021	3,890,071,592

12. CHANGES IN RECEIVABLES

Description of the error	2020-2021	2019-2020
Outstanding Imprest as at 1st July 2020(A)	-	-
Imprest Issued during the year (B)	8,870,000.00	8,759,650.50
Imprest Surrendered during the year (C)	8,870,000.00	8,759,650.50
Net changes in account receivables D=A+B-C	-	-

13. CHANGES IN ACCOUNTS PAYABLES

No change in Accounts Payables

12. OTHER IMPORTANT DISCLOSURES

Kenya Petroleum Technical Assistance Project
Reports and Financial Statements
For the financial period ended June 30, 2021

1. PENDING ACCOUNTS PAYABLE

	Balance b/f FY 2019/2020	Additions for the period	Paid during the year	Balance c/f FY 2020/2021
Description	Kshs	Kshs	Kshs	Kshs
Supply of goods	1,697,040	354,000	1,697,040	354,000
Supply of services	428,418,735	105,112,766	428,418,735	105,112,766
Total	430,115,775	105,466,766	430,115,775	105,466,766

2. EXTERNAL ASSISTANCE

	FY 2020/2021	FY 2019/2020
Description	Kshs	Kshs
External Assistance received as grants	100,000,374	98,252,876
External Assistance received as Loans	700,003,561	316,109,242
External Assistance received in kind - as payment by third parties(Direct payments)	418,080,413	568,895,488
Total	1,218,084,348.00	983,257,606.00

a) External assistance relating loans and grants

	FY 2020/2021	FY 2019/2020
Description	Kshs	Kshs
External Assistance received as loans	700,003,561	316,109,242
External Assistance received as grants	100,000,374	98,252,876
Total	800,003,935.00	414,362,118.00

b) Undrawn external assistance

	Purpose for which the undrawn external assistance may be used	FY 2020/2021	FY 2019/2020
Description		Kshs	Kshs
Undrawn External assistance - Loan	The funds will be utilised to implement various activities as per the Annual Work Plans and Budget and inline with the Project Appraisal Documents.	33,367,235	1,721,891,679
Undrawn External assistance - Grant		956,832,618	112,592,331
Total		990,199,853	1,834,484,010

The undrawn balance in 2019/2020 increased due to the restructuring leading to an Amended Financing Agreement as at 9th January 2020.

c) Classes of providers of external assistance

**Kenya Petroleum Technical Assistance Project
Reports and Financial Statements
For the financial period ended June 30, 2021**

Description	FY 2020/2021	FY 2019/2020
	Kshs	Kshs
Multilateral donor	1,218,084,348	983,257,605
Total	1,218,084,348.00	983,257,605.30

The external assistance is for economic development by strengthening the capacity of the Government of Kenya to manage its petroleum sector. The Government will be able to manage its petroleum resources through sound governance and Petroleum management policies. Reduce Poverty by Improve the Government's capacity in oil revenue administration and develop saving instruments therefore improved economic growth.

- d) Non – monetary external assistance
The project did not receive non-monetary assistance

e) Purpose and use of external assistance

PAYMENTS MADE BY THIRD	FY 2020/2021	FY 2019/2020
	Kshs	Kshs
Use of goods and services	411,962,741	568,895,488
Acquisition of Assets	6,117,672	-
Other Payments		
Total	418,080,413.01	568,895,488.00

f) External Assistance paid by Third Parties on behalf of the Entity by Source

This relates external assistance paid directly by third parties to settle obligations on behalf of the entity.

Description	FY 2020/2021	FY 2019/2020
	Kshs	Kshs
National government	-	
Bank ,International Development Assistance(IDA)	418,080,413	568,895,488
Total	418,080,413.01	568,895,488.00

13. PROGRESS ON FOLLOW UP OF PRIOR YEAR AUDITOR'S RECOMMENDATIONS


**Kenya Petroleum Technical Assistance Project
Reports and Financial Statements
For the financial period ended June 30, 2021**

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

Reference No. on the external audit Report	Issue/ Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Issues raised in the External Audit Report of 2019/2020	All the issues were resolved		All the issues raised in the management letter were resolved	N/A

Guidance Notes:

- (i) Use the same reference numbers as contained in the external audit report;
- (ii) Obtain the "Issue/Observation" and "management comments", required above, from final external audit report that is signed by Management;
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for implementation of each issue;
- (iv) Indicate the status of "Resolved" or "Not Resolved" by the date of submitting this report to National Treasury.


Principal Secretary


Project Manager

15/12/2021
Date

15/12/2021
Date

14. ANNEXS

ANNEX 1 - VARIANCE EXPLANATIONS - COMPARATIVE BUDGET AND ACTUAL AMOUNTS

Kenya Petroleum Technical Assistance Project
Reports and Financial Statements
For the financial period ended June 30, 2021

	Final Budget	Actual on Comparative Basis	Budget utilisation difference	% of Utilisation difference	Comments on Variance below 90% and above 100%
	a	b	c=a-b	d=c/a %	
RECEIPTS DURING THE PERIOD					
Receipts from Government of Kenya	-	-	-		
Proceeds from borrowing -Grant receipts	100,000,000	100,000,374	- 374	0%	
Proceeds from borrowing-Grant Direct payment	77,500,000	77,224,621	275,379	0%	
Proceeds from borrowings-Loan receipts	700,010,000	700,003,561	6,439	0%	
Proceeds from borrowings-Loan direct payments	450,000,000	340,855,792	109,144,208	24%	(i)
Miscellaneous receipts	-	-	-		
Total receipts	1,327,510,000	1,218,084,348	109,425,652	8%	
PAYMENTS DURING THE PERIOD					
Purchase of goods and services	1,308,568,185	1,199,138,598	109,429,587	8%	
Acquisition of non-financial assets	18,941,815	17,526,040	1,415,775	7%	
Total payments	1,327,510,000	1,216,664,638	110,845,362	8%	

Explain all variance below 90% and above 100%

- i. The under receipts (24%): - The under receipts under loan, represent direct payments commitments that were still under implementation and could not be paid during the year.

ANNEX 2: RECONCILIATION OF INTER-ENTITY TRANSFERS

**Kenya Petroleum Technical Assistance Project
Reports and Financial Statements
For the financial period ended June 30, 2021**

PROJECT NAME:		Kenya Petroleum Technical Assistance Project (KEPTAP)		
Break down of Transfers from the State Department of Petroleum				
a.	Government Counterpart Funding			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
	No Government counterpart funding		0	
	Total		0	
b.	Others			
	IDA Donor Funds	<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
1	Loan IDA Funds	07/10/2020	299,477,150.00	2020/2021
2	Grant Trust Funds	07/10/2020	99,645,200.00	2020/2021
3	Loan IDA Funds	03/03/2021	215,662,181.10	2020/2021
4	Loan IDA Funds	22/4/2021	166,324,832.75	2020/2021
5	Loan IDA Funds	24/5/2021	15,274,605.70	2020/2021
6	Loan IDA Funds	03/07/2021	3,264,791.50	2020/2021
7	Grant Trust Funds	03/07/2021	355,174.20	2020/2021
	Total		800,003,935.25	
	TOTAL(a+b+c)		800,003,935.25	

The above amounts have been communicated to and reconciled with the parent Ministry, State Department for Petroleum

Project Coordinator
KEPTAP

Sign.....

Head of Accounting Unit
State Department for Petroleum

Sign.....


ANNEX 3 – ANALYSIS OF PENDING BILLS

**Kenya Petroleum Technical Assistance Project
Reports and Financial Statements
For the financial period ended June 30, 2021**

No.	Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance	Outstanding Balance	Comments
					2020/2021	2019/2020	
		a		b c	d=a-c		
	Supply of goods						
1	TIRAZ INTERIORS & RENOVATIONS	354,000.00	16/06/2017	-	354,000.00		Wrong Banking details provided by the supplier
	Sub-Total	354,000			354,000	-	
	Supply of services						
No.	Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2020/2021	Outstanding Balance 2019/2020	Comments
1	IHSMARKIT	21,353,767.62	30/4/2021	0	21,353,767.62	0	delayed supporting documents
2	AUSTRALIA AFRICA ENERGY & MINERAL INSTITUTE	7,024,954.20	24/6/2021	0	7,024,954.20	0	delayed supporting documents
3	HSE INTERNATIONAL	7,982,902.50	05/6/2021	0	7,982,902.50	0	delayed supporting documents
4	HSE INTERNATIONAL	6,261,100.00	06/10/2021	0	6,261,100.00	0	delayed supporting documents
5	SMARTKONCEPT INC	7,982,902.50	09/03/2021	0	7,982,902.50	0	delayed supporting documents
6	CLYDE AND CO LLP	7,844,860.36	08/04/2021	0	7,844,860.36	0	delayed supporting documents
7	MOTT MACDONALD	26,433,349.25	01/06/2021	0	26,433,349.25	0	delayed Bank details
8	RSK ENVIRONMENT LTD	8,519,845.80	15/06/2021	0	8,519,845.80	0	delayed supporting documents
9	KURRENT TECHNOLOGIES	4,165,577.22	31/03/2021	0	4,165,577.22	0	delayed supporting documents
10	POLARIS APPLIED SCIENCES INC	1,806,546.24	14/04/2021	0	1,806,546.24	0	delayed supporting documents
11	SCHLUMBERGER OFFSHORE SERVICES	5,736,960.00	18/04/2018	0	5,736,960.00	0	delayed supporting documents
	Sub-Total	105,112,766			105,112,766	-	
	Grand Total	105,466,766			105,466,766		

ANNEX 4 – SUMMARY OF FIXED ASSETS REGISTER

The fixed asset summary is extracted from the asset registers maintained by the Project

Kenya Petroleum Technical Assistance Project
Reports and Financial Statements
For the financial period ended June 30, 2021

Asset class	Opening Cost	Donations in	Purchases/Ac-	**Disposals	Transfers in	Closing Cost
	(KShs)	form of assets	quisitions in the	in the Year	/(out)	
	2019/2020	(KShs)	Year	(KShs)	(KShs)	
	(a)	2020/21	2020/21	2020/21	2020/21	2019/20
	(a)	(b)	(c)	(d)	(d)	(e)= (a)+ (b)+(c) +(d)-d
Vehicles and other Transport equipment	35,102,930		-	-	18,735,084	35,102,930
Office equipment, furniture and fittings	5,159,779		2,066,040	-	-	7,225,819
ICT Equipment, Software and Other ICT Assets	728,000		-	-	-	728,000
Specialised Machinery and Equipment	156,834,515		6,225,000	-	156,834,515	163,059,515
Intangible assets	-		9,235,000	-	-	9,235,000
Total	197,825,224		17,526,040	-	175,569,599	215,351,264

Notes: Non- Financial Assets totalling to Kshs 175,569,599 were allocated to three Project beneficiaries as follows:-

- 1. Directorate of occupational safety & Health services (DOSHS)**
Three motor vehicles amounting to Kshs 18,735,083.95 procured in 2017/2018 were allocated to KEPTAP beneficiary Directorate of occupational safety & Health services (DOSHS). Full detail reflected in the Master Project Asset Register.
- 2. Energy Regulatory Authority (ERC), currently Energy and Petroleum Regulatory Authority (EPRA)**
Gas Testing Equipment amounting to Kshs 21,915,000 procured in 2017/2018 was allocated to KEPTAP beneficiary Energy and Petroleum Regulatory Authority (EPRA). Full detail reflected in the Master Project Asset Register
- 3. National Environmental Management Authority (NEMA)**
Specialized Equipment – Lot 1 &2, Kshs 40,185,000 procured in 2017/2018. Lot 3 procured in 2018/2019 of 67,685,539 and Lot 4 , 80% procured in 2017/2018 Ksh 19,420,866.55 and 20%, Kshs 7, 628,110.35 procured in 2018/2019 and allocated to KEPTAP beneficiary National Environmental Management Authority (NEMA). Full details are reflected in the Master Project Asset Register.

CONTINGENT LIABILITIES REGISTER

There was no contingent Liabilities and Contingent Assets in the prior years and during the year.

ANNEX 5– LOAN SPECIAL DEPOSIT ACCOUNT RECONCILIATION AS AT 30TH JUNE 2021

**Kenya Petroleum Technical Assistance Project
Reports and Financial Statements
For the financial period ended June 30, 2021**

SPECIAL ACCOUNT RECONCILIATION(LOAN)				
				Amount(USD)
Opening balance 1st July 2020				-
Add: Amount Deposited by World Bank in the Designated Account				
Account :	1000215283			
Date	Amount (USD)	Remarks		
18/09/2020	2,999,970.00	W/A 126(Initial Advance		
18/11/2021	1,026,581.11	W/A 131		
21/12/2021	708,866.26	W/A 133		
03/01/2021	1,518,393.58	W/A 134		
31/3/2021	142,806.71	W/A 137		
22/04/2021	325,292.06	W/A 138		
05/12/2021	272,441.33	W/A 143	50% Total WA 544,882.65	
06/02/2021	396,847.96	W/A 144	50% Total WA 793,695.92	
TOTAL	7,391,199.01			7,391,199.01
TOTAL CREDIT				7,391,199.01
Less : Amount Transferred to Project Account (DEBITS)				
Date	Amount (USD)	Remarks	PA NO.	
24/9/2020	2,765,000.00	W/A 126 Initial Advance	PA 124942	
02/09/2021	1,970,417.37	W/A 131/133 , Balance	PA 125579	
03/09/2021	1,518,393.58	W/A 134	PA 125590	
16/04/2021	142,806.71	W/A 137	PA 125922	
24/05/2021	30,196.00	W/A 138 Bal	PA126103	
Sub Total	6,426,813.66			
TOTAL	6,426,813.66	TOTAL DEBITS		6,426,813.66
Balance as at 30TH JUNE 2021 as per the Designated Account Bank Statement				964,385.35

Analysis of Loan Exchequers Received				
No	Exchequer Date	PA No	Amount (Ksh)	Amount (USD)
1	DE: 022/07/20/21 dated 29th September 2020	PA 124942	299,477,150	2,765,000
2	Dated 19th February 2021	PA 125579	215,662,181.10	1,970,417.37
3	Dated 9th March 2021	PA 125590	166,324,832.75	1,518,393.58
4	Dated 24th May 2021	PA 125922	15,274,605.70	142,806.71
5	Dated 30th June 2021	PA126103	3,264,791.50	30,196.00
Total			700,003,561	6,426,814

ANNEX 6- GRANT SPECIAL DEPOSIT ACCOUNT RECONCILIATION AS AT 30TH JUNE 2021

Kenya Petroleum Technical Assistance Project
Reports and Financial Statements
For the financial period ended June 30, 2021

SPECIAL ACCOUNT RECONCILIATION(GRANT)			
			Amoun(USD)
Opening balance 1st July 2020			-
Add: Amount Deposited by World Bank in the Designated Account			
Account :	1000332433		
Date	Amount (USD)	Remarks	
22/09/2020	999,970.00	Initial Advance	
02/11/2021	104,990.76	W/A 31	
03/01/2021	289,217.82	W/A 32	
29/3/2021	27,201.28	W/A 37	
22/4/2021	152,512.18	W/A 38	
05/12/2021	51,893.59	W/A 43	50% Total WA 103,787.17
31/5/2021	54,115.63	W/A 44	50% Total WA 108,231.26
TOTAL	1,679,901.26		1,679,901.26
TOTAL CREDIT			1,679,901.26
Less : Amount Transferred to Project Account (DEBITS)			
Date	Amount (USD)	Remarks	PA NO.
24/09/2020	920,000.00	Initial Advance	PA 124943
24/5/2021	3,285.00	Initial Advance balance	PA 126104
Sub Total	923,285.00	Transferred to Project Account	
TOTAL	923,285.00	TOTAL DEBITS	923,285.00
Balance as at 30TH JUNE 2021 as per the Designated Account Bank Statement			756,616.26

Analysis of Grant Exchequers Received				
1	DE: 022/07/20/21 dated 29th September 2020	PA 124943	99,645,200.00	920,000
2	Dated 30th June 2021	PA 126104	355,174.20	3,285.00
Total			100,000,374	923,285

Kenya Petroleum Technical Assistance Project
Reports and Financial Statements
For the financial period ended June 30, 2021

ANNEX 7- RECONCILIATION OF CUMULATIVE FIGURES

RECONCILIATION OF CUMULATIVE TO DATE														
	Financial Year	Cumulative to Date(From inception)	Financial Year	Cumulative to Date(From inception)	Financial Year	Cumulative to Date(From inception)	Financial Year	Cumulative to Date(From inception)	Financial Year	Cumulative to Date(From inception)	Financial Year	Cumulative to Date(From inception)	Financial Year	Cumulative to Date(From inception)
	2014/2015	2014/ 2015	2015 2016	2015/2016	2016/2017	2016/2017	2017/2018	2017/2018	2018/2019	2018/2019	2019/2020	2019/2020	2020/2021	2020/2021
RECEIPTS														
Transfer from Government entities					2,211,313.00	2,211,313.00		2,211,313.00		2,211,313.00		2,211,313.00		2,211,313.00
Proceeds from domestic and foreign grants							125,746,609.00	125,746,609.00	91,106,435.00	216,853,044.00	172,554,725.00	389,407,769.00	177,224,995.40	566,632,764.40
Loan from External Development Partners	50,000,000.00	50,000,000.00	307,805,571.00	357,805,571.00	320,000,000.00	677,805,571.00	631,738,059.00	1,309,543,630.00	382,061,617.00	1,691,605,247.00	810,702,881.00	2,502,308,128.00	1,040,859,353.00	3,543,167,481.00
Miscellaneous Receipts							700,000.00	700,000.00		700,000.00	315,000.00	1,015,000.00		1,025,000.00
TOTAL REVENUES	50,000,000.00	50,000,000.00	307,805,571.00	357,805,571.00	322,211,313.00	680,016,884.00	758,184,668.00	1,438,201,552.00	473,168,052.00	1,911,369,604.00	983,582,606.00	2,894,952,210.00	1,218,084,348.40	4,113,036,558.40
PAYMENTS														
Purchase of goods and services	12,098,840.00	12,098,840.00	176,506,875.00	188,605,715.00	349,487,635.00	538,093,350.00	661,663,371.00	1,199,756,721.00	508,581,543.00	1,708,338,264.00	990,553,942.00	2,698,892,206.00	1,199,138,598.21	3,898,030,804.21
*Adjustment					7,067,647.00	7,067,647.00	70,872.00	7,138,516.00	771,000.00	7,909,612.00	40,000.00	7,959,212.00		7,959,212.00
Acquisition of Non-financial Assets	600,000.00	600,000.00		600,000.00		600,000.00	121,124,355.00	121,724,355.00	75,313,650.00	197,038,005.00	787,220.00	197,825,225.00	17,526,039.60	215,351,264.60
Other payments(KEMP)			5,184,034.00	5,184,034.00		5,184,034.00		5,184,034.00		5,184,034.00		5,184,034.00		5,184,034.00
Other grants and Transfers and Payments											821,635.00	821,635.00		821,635.00
TOTAL PAYMENTS	12,698,840.00	12,698,840.00	181,690,909.00	194,389,749.00	342,419,988.00	536,809,737.00	782,716,847.00	1,319,526,584.00	583,124,107.00	1,902,650,891.00	992,113,197.00	2,894,763,888.00	1,216,664,637.81	4,111,428,525.81
SURPLUS/DEFICIT	37,301,160.00	37,301,160.00	126,114,662.00	163,415,822.00	20,208,675.00	143,207,147.00	24,532,179.00	118,674,968.00	109,956,055.00	8,718,913.00	8,530,591.00	188,322.00	1,419,710.59	1,608,032.59

APPENDICES

- i. Signed confirmations from beneficiaries in Transfers to Other Government Entities
- ii. Bank Reconciliations Statement as at 30th June 2021
- iii. Board of Survey Report
- iv. Special Deposit Account(s) reconciliation statement(s)
- v. GOK IFMIS comparison Trial Balance

KENYA PETROLEUM TECHNICAL ASSISTANCE PROJECT
MINISTRY OF PETROLEUM AND MINING

Confirmation of amounts disbursed to KEPTAP Project as at 30 June 2021

Amount Disbursed to the Project as at 30th June 2021

Exchequer Reference Number and date	Date Disbursed by State Department of Petroleum	Development (KShs)	Total (KShs)	Amount Received by the Project as at 30 June 2021 (KShs)	Difference (KShs)
		(A)	(B)	(C)	(D)=(B-C)
DE: 022/07/20/21 dated 29th September 2020 - Loan				299,477,150.00	
DE: 022/07/20/21 dated 29th September 2020 - Grant				99,645,200.00	
Sub Total (Posted in c/b 7/10/2020)			399,122,350.00	399,122,350.00	
DE: 080/07/20/21 dated 23rd February 2021 - Loan				215,662,181.10	
Sub Total (Posted in c/b 11/3/2021)			215,662,181.10	215,662,181.10	
Dated 22nd April 2021- Loan				166,324,832.75	
Sub Total (Posted in c/b 23/4/2021)			166,324,832.75	166,324,832.75	
Dated 24th May 2021- Loan				15,274,605.70	
Sub Total (Posted in c/b 30/05/2021)			15,274,605.70	15,274,605.70	
Dated 21/5/2021-Loan				3,264,791.50	
Dated 21/5/2021-Grant				355,174.20	
Sub Total (Posted in c/b 30/06/2021)			3,619,965.70	3,619,965.70	
Total			800,003,935.25	800,003,935.25	

Summary	
Total Loan	700,003,561.05
Total Grant	100,000,374.20
Total	800,003,935.25

I confirm that the amounts shown above are correct as of the date indicated.

Head of Accounts Department

Name Richard S. Shikanyo Signature [Signature]

Date 30/6/2021

MINISTRY OF PETROLEUM AND MINING
KENYA PETROLEUM TECHNICAL ASSISTANCE PROJECT

F.O 30

2020/2021

BANK RECONCILIATION STATEMENT AS AT 30/6/2021(JUNE)

	KSHS.	Kshs.	Kshs.
Balance as per bank Statement /certificate			25,821,841.80
Less			
1. Payments in cashbook not yet recorded in bank statement (Unpresented Cheques)	28,061,319.70	28,061,319.70	
2. Receipts in bank statement not yet recorded in cashbook			
Add			
3. Payments in bank statement not yet recorded in casbook	227,544.30		
4. Receipts in cashbook not yet recorded in bank statement.	3,619,965.70	3,847,510.00	
Balance as per the cashbook as at 30TH JUNE 2021			1,608,032.10

I certify that I have verified the bank balance in the cashbook with the bank statement and that the above reconciliation is correct.

Prepared By: FMS KEPTAP

Name.....
 Signature.....
 Date.....

Authorized by Head of Accounting Unit SDP

Name
 Signature
 Date.....

(All schedules are attached herewith)

REPUBLIC OF KENYA
KENYA PETROLEUM TECHNICAL ASSISTANCE PROJECT
2020/2021

BANK RECONCILIATION STATEMENT AS AT 30/6/2021(JUNE)

PAYMENTS IN CASH BOOK NOT IN BANK

C B DATE	CHQ.No	PAYEE NAME	AMOUNT (Kshs.)	REMARKS
22/6/2021		COMMISSIONER TAX BEATRICE P.A.Y.E C/B 189	208,383.35	PAID IN JULY
22/6/2021		COMMISSIONER TAX HENRY P.A.Y.E C/B 189	232,383.35	PAID IN JULY
22/6/2021		COMMISSIONER TAX MUNGAI P.A.Y.E C/B 189	223,983.35	PAID IN JULY
30/06/2021	2157	PS STATEMENT DEPT OF PETROLEUM C/B 209	2,161,600.00	PAID IN JULY
30/06/2021	2154	TOM ONYANGO C/B 210	110,500.00	PAID IN JULY
30/06/2021	2132	PAGO AIRWAYS C/B 211	25,925.00	PAID IN JULY
30/06/2021	2131	PAGO AIRWAYS C/B 212	81,090.00	PAID IN JULY
30/06/2021	2137	PS SDP-PETROLEUM LEVY C/B 213	1,575,000.00	PAID IN JULY
30/06/2021	2128	ELVIN MUTUMA C/B 214	1,187,500.00	PAID IN JULY
30/06/2021	1928	WITHOLDING TAX C/B 214	62,500.00	PAID IN JULY
30/06/2021	2127	MAGDALENE KOECH C/B 215	291,116.65	PAID IN JULY
30/06/2021	2126	COMMISSIONER TAX PAYE C/B 215	113,883.35	PAID IN JULY
30/06/2021	2162	COMMISSIONER OF INCOME TAX C/B 216	1,245,018.60	PAID IN JULY
30/06/2021	2125	YOUNGFARE ENTERPRISES C/B 217	146,676.70	PAID IN JULY
30/06/2021	2135	COMMISSIONER TAX VAT C/B 217	2,573.30	PAID IN JULY
30/06/2021	2146	ASTORIAN HOTELS C/B 218	288,931.05	PAID IN JULY
30/06/2021	2147	COMMISSIONER TAX VAT C/B 218	5,068.95	PAID IN JULY
30/06/2021	2150	FLOOD GATES ENTERPRISES C/B 219	709,473.10	PAID IN JULY
30/06/2021	2144	COMMISSIONER TAX VAT C/B 219	12,446.90	PAID IN JULY
30/06/2021	2145	MAURICE CHICHI C/B 220	2,533,300.00	PAID IN JULY
30/06/2021	2152	PRUDENTIAL SOURCING LIMITED C/B 221	511,034.50	PAID IN JULY
30/06/2021	2143	COMMISSIONER TAX VAT C/B 221	8,965.50	PAID IN JULY
30/06/2021	2155	IMPACT CLOUD QUOTA C/B 222	177,289.65	PAID IN JULY
30/06/2021	2142	COMMISSIONER TAX VAT C/B 222	3,110.35	PAID IN JULY
30/06/2021	2153	EUNESTAR AGENCIES C/B 223	481,551.70	PAID IN JULY
30/06/2021	2149	COMMISSIONER TAX VAT C/B 223	8,448.30	PAID IN JULY
30/06/2021	2161	MFI DOCUMENT SOLUTIONS C/B 224	665,373.10	PAID IN JULY
30/06/2021	2159	COMMISSIONER TAX VAT C/B 224	11,673.20	PAID IN JULY
30/06/2021	2158	ALEGRIA ENTERPRISES C/B 225	206,379.30	PAID IN JULY
30/06/2021	2160	COMMISSIONER TAX VAT C/B 225	3,620.70	PAID IN JULY
30/06/2021	2166	MAXPABLO ENTERPRISES C/B 226	289,913.80	PAID IN JULY
30/06/2021	2163	COMMISSIONER TAX VAT C/B 226	5,086.20	PAID IN JULY
30/06/2021	2176	LAKE NAIVASHA RESORT C/B 227	644,296.55	PAID IN JULY
30/06/2021	2175	COMMISSIONER TAX VAT C/B 227	11,303.45	PAID IN JULY

30/06/2021	2124	BEJAD INVESTMENT C/B 228	306,620.70	PAID IN JULY
30/06/2021	2134	COMMISSIONER TAX VAT C/B 228	5,379.30	PAID IN JULY
30/06/2021	2172	TRIPPLE TWO TECHNOLOGY C/B 229	45,521.40	PAID IN JULY
30/06/2021	2168	COMMISSIONER TAX VAT C/B 229	798.60	PAID IN JULY
30/06/2021	2138	COMMISSIONER OF INCOME TAX C/B 230	674,541.70	PAID IN JULY
30/06/2021	170/216	MS MEJORK ENTERPRISE C/B 231	290,720.00	PAID IN JULY
30/06/2021	177/213	KAPS PARKING LTD C/B 232	1,287,600.00	PAID IN JULY
30/06/2021	2136	MFI DOCUMENT SOLUTIONS C/B 233	63,042.05	PAID IN JULY
30/06/2021	2133	COMMISSIONER TAX C/B 233	1,106.00	PAID IN JULY
30/06/2021	2151	SPECICOM TECHNOLOGIES C/B 234	303,868.95	PAID IN JULY
30/06/2021	2141	COMMISSIONER TAX /B 234	5,331.05	PAID IN JULY
30/06/2021	165/216	M/S LAKE NAIVASHA SIMBA LODGE C/B 235	432,900.00	PAID IN JULY
30/06/2021	2171	MS MEJORK ENTERPRISE C/B 236	107,140.35	PAID IN JULY
30/06/2021		COMMISSIONER TAX C/B 236	1,879.65	PAID IN JULY
30/06/2021	2140	ENASHIPA! RESORT C/B 237	679,086.20	PAID IN JULY
30/06/2021		COMMISSIONER TAX C/B 237	11,913.80	PAID IN JULY
30/06/2021	2130	PS MINISTRY OF PETROLEUM C/B 238	70,000.00	PAID IN JULY
30/06/2021		ROSRICO C/B 246	159,000.00	PAID IN JULY
30/06/2021		SEROMAX C/B 247	134,470.00	PAID IN JULY
30/06/2021		NEEMA COSTAL C/B 248	9,235,000.00	PAID IN JULY
		GRAND TOTAL	28,061,319.70	

REPUBLIC OF KENYA				
KENYA PETROLEUM TECHNICAL ASSISTANCE PROJECT				
2020/2021				
BANK RECONCILIATION STATEMENT AS AT 30/6/2021(JUNE)				
PAYMENTS IN BANK NOT IN CASH BOOK				
C B DATE	CHQ.No.	PAYEE NAME	AMOUNT (Kshs.)	REMARKS
6/11/2020	1691	COMM TAX TELKOM KENYA	239.45	REFUNDED IN JULY
9/11/2020		TELKOM KENYA	13,648.55	REFUNDED IN JULY
25/5/2021	865	COMMISSIONER TAX	208,656.30	
23/6/2021	2103	OVERPAYMENT FAITH KIBOSC/B 191	5,000.00	REFUNDED IN JULY
		GRAND TOTALS	227,544.30	

REPUBLIC OF KENYA				
KENYA PETROLEUM TECHNICAL ASSISTANCE PROJECT				
2020/2021				
BANK RECONCILIATION STATEMENT AS AT 30/6/2021(JUNE)				
RECEIPTS IN CASH BOOK NOT IN BANK				
C B DATE	CHQ.No.	PAYEE NAME	AMOUNT (Kshs.)	REMARKS
30/6/2021		Exchequer Loan	355,174.20	
30/6/2021		Exchequer Grant	3,264,791.50	
		GRAND TOTALS	3,619,965.70	


CENTRAL BANK OF KENYA
BANKI KUU YA KENYA

STATEMENT OF ACCOUNT
 CENTRAL BANK OF KENYA

BANKI KUU YA KENYA

P.O.BOX 60000 - 0200

NAIROBI

STATEMENT PERIOD: FROM 01/06/2021 TO 30/06/2021

Run Date : 02/07/2021

Runtime : 14:34:44

Customer Number : 138676

Account Number : 1000390816

Account Name : KENYA PETROLEUM TECHNICAL ASSI. PRJ(KFS)

Opening Balance : 110483681.95

Sl. No.	Date	Particulars	Dr. Amt	Cr. Amt	Balance
1	02/06/2021	FT21153Q2ZPM Payment Authority	450.00	0.00	110,484,581.95
2	02/06/2021	FT21153MYD9G Payment Authority	450.00	0.00	110,484,131.95
3	02/06/2021	FT21153BL191 Payment Authority	450.00	0.00	110,483,681.95

			PA125647		
			Totals	84,759,790.15	96,600.00
			Closing Balance		25,821,841.80



July 12, 2021

CERTIFICATE OF BALANCES

Customer: - 138676 STATE DEPARTMENT FOR PETROLEUM

Balance Date: 30-Jun-21

Account No	Account Name	Currency	Balance
1000384603	REC-STATE DEPARTMENT FOR PETROLE	KES	13,683,623.30
1000384611	DEV-STATE DEPARTMENT FOR PETROLE	KES	238,110.60
1000384627	DEP-STATE DEPARTMENT FOR PETROLE	KES	11,351,720.20
1000384638	CBK165-STATE DEPARTMENT FOR PETR	KES	0.00
1000390808	PETROLEUM DEVELOPMENT LEVY ACCOUNT	KES	637,251,437.60
1000390816	KENYA PETROLEUM TECHNICAL ASSI. PRJ	KES	25,821,841.80


Lawrence Rweria
AUTHORISED SIGNATORY
BANKING SERVICES DIVISION


Joyce Nasieku
AUTHORISED SIGNATORY
BANKING SERVICES DIVISION

Run Date: 02/07/2021 Run Time: 12:43:20

CENTRAL BANK OF KENYA
 BANKI KIU YA KENYA
 P.O. BOX 60000-0200
 NAIROBI

STATEMENT OF ACCOUNT

PAGE NO : 1

ACCOUNT NUMBER : 1000332433

STATEMENT PERIOD: From 01/07/2020 To

ACCOUNT TITLE : KEPTAP GRANT NO. TFOA 3410 KE
 30/06/2021

NO.	DATE	REFERENCE NO	DETAILS	DEBIT	CREDIT BALANCE
OPENING BAL :					
			0.00		
1	27/09/2020	FT20266CLOEB	KEPTAP GRA FUND	0.00	999,970.00
2	24/09/2020	FT25260012NE	PA 124943	-920,100.00	0.00
3	11/02/2021	FT2104270N135	KEPTAP GRA FUND	0.00	104,990.76
4	01/03/2021	FT2106046CC8	FUNDING	0.00	289,217.52
5	29/03/2021	FT2108233421	FUNDING	0.00	27,201.28
6	22/04/2021	FT21112036RC	FUNDING	0.00	152,512.18
7	12/05/2021	FT211322L5C6	FUNDING	0.00	51,893.59
8	24/05/2021	FT2114198R2H	PA126104	-3,285.00	0.00
9	31/05/2021	FT2115192R7N	FUNDING	0.00	54,115.63
END OF ACCOUNT STATEMENT				CLOSING BALANCE : 756616.26	

Favourites

TAM.E.STMT.OF.ACCT.EPRM

Account equals More Options
 Clear Selection Find

Statement From equals

Statement To equals

TAM.E.STMT.OF.ACCT.EPRM

STATEMENT PERIOD: From 01/07/2020 To 30/06/2021
 CENTRAL BANK OF KENYA
 BANKI KGU YA KENYA
 P.O. BOX 60000-0200
 NAIROBI

NO.	DATE	REFERENCE NO	DETAILS	DEBIT	CREDIT	DEBIT	CREDIT BALANCE
1			OPENING BAL :		0.00		
2	18/09/2020	FT20202YUUAJ	FUNDING		0.00	2,979,970.00	2999970
3	24/09/2020	FT20202BTGF2N	PA124942	-2,765,000.00	0.00		234970
4	16/11/2020	FT20202SSL2PS	(H) PET. T FOND	0.00	1,026,501.11		1261851.11
5	21/12/2020	FT2020543064W	FUNDING	0.00	708,866.26		1970717.37
6	19/02/2021	FT210204R686	PA125870	-1,970,417.37	0.00		0
7	01/03/2021	FT2103002R8P	FUNDING	0.00	1,518,393.56		1518393.56
8	02/03/2021	FT210303002R8I	PA125590	-1,518,393.56	0.00		0
9	31/03/2021	FT210300FNGC1	FUNDING	0.00	142,806.71		142806.71
10	16/04/2021	FT2110327NWH	PA125922	-142,806.71	0.00		0
11	22/04/2021	FT21122206L	FUNDING	0.00	325,292.06		325292.06
12	12/05/2021	FT21132TRW0J	FUNDING	0.00	272,441.33		597733.39
13	24/05/2021	FT2114151R64	PA126103	-30,196.00	0.00		567537.39
	02/06/2021	FT21153TR36J	FUNDING	0.00	396,047.96		964085.35

END OF ACCOUNT STATEMENT
 CLOSING BALANCE : 964085.35

TABLE: STAT.OF.ACCT.EPRM
 Account equals 1000215283
 Statement From equals 20200701
 Statement To equals 20210630
 TABLE: STAT.OF.ACCT.EPRM

**KENYA PETROLEUM TECHNICAL ASSISTANCE PROJECT (MOEP)
STATEMENT OF SPECIAL (DESIGNATED) ACCOUNT RECONCILIATION
FOR THE YEAR ENDED 30 JUNE 2021**

Credit No.: IDA GRANT NO.TF A3418-KE (DA-E)
Bank Account No.: 1000332433 Held with CENTRAL BANK OF KENYA

	NOTES	AMOUNT USD	AMOUNT USD
1	Amount advanced by IDA		
	Less:		
2	Total amount documented		4,661,792.84
3	Outstanding amount to be documented		3,767,802.05
	Represented by:		893,990.79
4	Ending Special account Balance as as 30 June 2021		
5	Amounts claimed but not credited as at 30 June 2021		
6	Amounts withdrawn and not claimed		756,616.26
7	Service Charges (if not included in lines 5 and 6 above)		-
8	Interest earned (if included in Special Account)		137,374.53
9	Total advance to Special Account Year ended 30 June 2021		-
			-
	Discrepancy between total appearing on line 3 and 9		893,990.79

Notes:

- 1 Explain the discrepancy between totals appearing on lines 3 and 9 above (e.g amount due to be refunded to cover ineligible expenditures paid from the Special/Designated Account)
- 2 Indicate if amount appearing on line 6 is eligible for financing by IDA and provide reasons for not claiming the expenditures

The amount appearing on line 6 is eligible for financing by World Bank and shall be documented in subsequent IFRs

[Signature]
AUTHORISED REPRESENTATIVE
RESOURCE MOBILISATION DEPARTMENT
THE NATIONAL TREASURY

DATE: 12/06/2021

SPECIAL ACCOUNT STATEMENT

For period ending **30th JUNE, 2021** ✓
 Account No. **1000332433**
 Depository Bank **CENTRAL BANK OF KENYA.**
 Address **CENTRAL BANK OF KENYA.**
 Related Loan **KEPTAP GRANT NO. TFOA 3418 KE** ✓
 Credit Agreement
 Currency **USD**

Part A - Account Activity

Beginning balance of 1st July, 2020 - as per C.B.K. Ledger Account	0.00
Add:	
Total Amount deposited by World Bank	1,679,901.26
Total Interest earnings if deposited in account	
Total amount refunded to cover ineligible expenditure	
Deduct:	
Total amount withdrawn	923,285.00
Total service charges if not included above in amount withdrawn	
Ending balance on 30th June, 2021 ✓	756,616.26

AUTHORISED REPRESENTATIVE
CENTRAL BANK OF KENYA

SIGNATURE: 

DATE

22.07.2021

AUTHORISED REPRESENTATIVE
EXTERNAL RESOURCES
DEPARTMENT-TREASURY

SIGNATURE: 

DATE

30/06/2021

NOTE: The ending balance as per Central Bank of Kenya Ledger Account and the off-shore
 Special Account as at 30th June, 2021 have been reconciled and a copy of the supporting
 Reconciliation Statement is attached.

TAM.E.STMT.OF.ACCT.EPRM

Results 1 - 9 of 9

Run Date: 13/07/2021 Run Time: 10:41:25
 CENTRAL BANK OF KENYA
 BANKI KUU YA KENYA
 P.O.BOX 60800-0200
 NAIROBI

STATEMENT OF ACCOUNT

PAGE NO: 1

ACCOUNT NUMBER : 1000332433

ACCOUNT TITLE : KEPTAP GRANT NO. TFOA 3010 KE
 30/05/2021

STATEMENT PERIOD: From 01/07/2020 To

NO.	DATE	REFERENCE NO	DETAILS	DEBIT	CREDIT BALANCE
	OPENING BAL :			0.00	
1	Value Date	Reference.No	Details	Debit	Credit
2	22/09/2020	FT20266CLGBB	KEPTAP GRA FUND	0 00	999,970 00
3	24/09/2020	FT20268DJ2NB	PA 124943	-920,000 00	0 00
4	11/02/2021	FT210427KM35	KEPTAP GRA FUND	0 00	104,990 76
5	01/03/2021	FT2106048CC8	FUNDING	0 00	289,217 82
6	29/03/2021	FT2108833421	FUNDING	0 00	27,201 23
7	22/04/2021	FT21112C06RC	FUNDING	0 00	152,512 18
8	12/05/2021	FT211322L5C6	FUNDING	0 00	51,893 59
9	24/05/2021	FT211419SR3H	PA126104	-3,285 00	0 00
	31/05/2021	FT2115132R7N	FUNDING	0 00	54,115 63
END OF ACCOUNT STATEMENT					
				CLOSING BALANCE :	756616.26

Favourites

TAM E STMT OF ACCT EPRM

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Account 1000332433
 Statement From 20200701
 Statement To 20210630
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**KENYA PETROLEUM TECHNICAL ASSISTANCE PROJECT (MOEP)
STATEMENT OF SPECIAL (DESIGNATED) ACCOUNT RECONCILIATION
FOR THE YEAR ENDED 30 JUNE 2021**

Credit No.: IDA LOAN CREDIT NO.55260-KE (DA-B)
Bank Account No.: 1000215283 Held with CENTRAL BANK OF KENYA

	NOTES	AMOUNT USD	AMOUNT USD
1	Amount advanced by IDA		22,233,672.19
	Less:		
2	Total amount documented		19,902,961.47
3	Outstanding amount to be documented		2,330,710.72
	Represented by:		
4	Ending Special account Balance as at 30 June 2021		
5	Amounts claimed but not credited as at 30 June 2021		964,385.35
6	Amounts withdrawn and not claimed		-
7	Service Charges (if not included in lines 5 and 6 above)		1,366,325.37
8	Interest earned (if included in Special Account)		-
9	Total advance to Special Account Year ended 30 June 2020		2,330,710.72
	Discrepancy between total appearing on line 3 and 9		-



Notes:

- 1 Explain the discrepancy between totals appearing on lines 3 and 9 above (e.g amount due to be refunded to cover ineligible expenditures paid from the Special/Designated Account)
- 2 Indicate if amount appearing on line 6 is eligible for financing by IDA and provide reasons for not claiming the expenditures

The amount appearing on line 6 is eligible for financing by World Bank and shall be documented in subsequent IFRs

[Signature]
AUTHORISED REPRESENTATIVE
RESOURCE MOBILISATION DEPARTMENT
THE NATIONAL TREASURY

DATE: 22/06/2021

Total amount refunded to cover ineligible expenditure	
Deduct:	
Total amount withdrawn	
Total service charges if not included above in amount withdrawn	6,426,813.66
Ending balance on 30th June, 2021	964,385.35
AUTHORISED REPRESENTATIVE CENTRAL BANK OF KENYA	SIGNATURE: 
AUTHORISED REPRESENTATIVE EXTERNAL RESOURCES DEPARTMENT-TREASURY	DATE: 22.07.2021
	SIGNATURE: 
	DATE: 20.07.2021

NOTE: The ending balance as per Central Bank of Kenya Ledger Account and the off-shore Special Account as at 30th June, 2021 have been reconciled and a copy of the supporting Reconciliation Statement is attached.

[Faint, illegible handwritten text, possibly bleed-through from the reverse side of the page.]

