

REPUBLIC OF KENYA



OAG



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

THE NATIONAL ASSEMBLY PADOOT AID	
DATE: 19 APR 2023	DAY: Wednesday
TABLED BY: Hon. Owen Baya, Deputy leader of the Majority Party	
CLERK-AT-THE-TABLE: Mado	

REPORT

OF

THE AUDITOR-GENERAL

ON

PETROLEUM DEVELOPMENT FUND

**FOR THE YEAR ENDED
30 JUNE, 2022**

MINISTRY OF ENERGY



PETROLEUM DEVELOPMENT FUND
MINISTRY OF ENERGY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2022

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

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1. Key Petroleum Development Fund Information and Management

(a) Background information

The Petroleum Development Fund under the State Department for Energy (PDF-SDE) was formed on 27th October 2006. PDF-SDE is managed by the Principal Secretary for Energy, who was appointed as the officer administering the Fund by the Principal Secretary for National Treasury in accordance with section 4(2) of Petroleum Development Levy Act No.4 of 1991 (Revised 2012). The Fund is wholly owned by the Government of Kenya and is domiciled in Kenya.

The Fund's principal activity is to supplement the Development budget of the State Department for Energy as Appropriation in Aid (AIA)

(b) Key Management

The key management personnel who held office during the financial year ended 30th June 2022 and who had direct fiduciary responsibility were:

No.	Designation	Name
1	Accounting Officer	Maj.Gen(Rtd) Dr. Gordon O. Kihalangwa, CBS
2	Head of Accounting Unit	Moses Gitari
3	Assistant Director Supply Chain	Charles Mulandi
4	Chief Finance Officer	Stephen Alexius Njue

Name	Details of qualifications and experience
<div data-bbox="240 320 687 734" data-label="Image"> </div> <div data-bbox="233 786 625 904" data-label="Caption"> <p>Maj. Gen (Rtd) Dr. Gordon Kihalangwa, CBS Principal Secretary</p> </div>	<p>Maj. Gen (Rtd) Dr. Gordon .O. Kihalangwa, CBS joins the Ministry of Energy as the Principal Secretary from the State Department for Public Works. Before his posting in the Ministry of Energy, he served as the Director for Immigration services from 2014 until March 2018 when he was appointed as the Principal Secretary, State Department for Immigration and Citizen Services, in the Ministry of Interior and Coordination of National Government. He also had a short stint as Principal Secretary, Ministry of Defence in August 2019, he was reassigned in the same capacity to the State Department for Public Works in the Ministry of Transport, Infrastructure, Housing, Urban Development and Public Works in 2019.</p> <p>Prior to joining the Civil Service, he worked in the Military which he joined as a Cadet Officer close to 40 years ago. He diligently served and worked his way through the ranks in the military and rose to the rank of Major General and was appointed to the position of Assistant Chief of General Staff in-charge of Personnel and Logistics. He retired as a Major General in 2014 after close to 33 years of Service.</p> <p>During his time in the Military, Maj. Gen (Rtd) Dr. Kihalangwa underwent various military courses and Strategic Leadership training, locally and internationally. He is an Alumni of the National Defence College (K), National Defence College ‘ensp’ (RSA) and Defence Staff College (K). He holds a PhD and a Master’s degree in International Studies and Diplomacy from Washington International University (WIU) in the United States of America. He further holds a Diploma in Strategic Studies and a Diploma in International Studies both from the University of Nairobi (UoN).</p>

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	<p>CPA Moses Gitari is the Head of Accounting Unit, Ministry of Energy. He holds an MBA in Strategic Management from The University of Nairobi and BBA in Accounting and Finance from KEMU.</p> <p>Mr Gitari is a practicing Accountant and a member of Institute of Certified Public Accountants of Kenya (ICPAK). He has vast experience in Accounting Systems Implementation and Business process re-engineering.</p> <p>He has previously worked in the Ministry of Health as an Accountant and at the National Treasury IFMIS Department as the Head of business process re-engineering</p>
<p>CPA. Moses Gitari Senior Deputy Accountant General</p>	<p>Mr. Stephen Alexius Njue is currently Head of Finance in the Ministry of Energy at the grade of Senior Chief Finance Officer.</p> <p>He has served in the Civil Service for 28 years and in particular as Head of Finance for 19 years across various government Ministries, Departments and agencies. These includes; National Treasury, Ministry of Roads and Public Works, Housing, Regional Development, Water, Labour and Social Protection, Energy as well as various local authorities and County Governments.</p> <p>Currently he is an Alternate Director at Kenya Generating Electricity Company (KENGEN).</p> <p>Mr. Njue holds an MBA in Finance and a Bachelor’s degree in Business Studies and Economics both from Kenyatta University. He also holds a National Diploma in Financial Management from Kenya Institute of Management.</p> <p>He is a member of Institute of Internal Auditors and Institute of Human Resource Management of Kenya</p>
	
<p>Mr Stephen Alexius Njue Senior Deputy Director of Budget</p>	



Mr. Charles Mulandi
Assistant Director Supply Chain & Management

Mr. Charles M. Mulandi is the Head of Supply Chain Management Unit. He holds an MSC (Procurement and Contract Management) from JKUAT, MBA (Finance) and Bachelor of Laws (LLB) both from the University of Nairobi and Bachelor of Business Management (Finance) from Moi University. Mr. Mulandi also holds a Post Graduate Diploma in Procurement and Supply from the Chartered Institute of Purchasing and Supply (CIPS,UK), a Postgraduate diploma in Law from the Kenya School of Law and is Certified Public Accountant of Kenya(CPA) Finalist.

Mr. Mulandi is a member in good standing of KISM, CIPS and the Law Society of Kenya being an advocate of the High Court of Kenya. He has a wealth of experience in Public Procurement having served in different capacities within the Supply Chain Management Services cadre in the Public service for over 17 years.

(c) Fiduciary Oversight Arrangements

- a) Budget Implementation Committee
- b) Parliamentary committee
- c) Internal Audit Committee

(d) Petroleum Development Fund Headquarters

P.O. Box 30582-00100
Kawi Complex
Off Red Cross Rd
NAIROBI, KENYA

Petroleum Development Fund Contacts

Telephone: (254) (020) 4841000
E-mail: psenergy@energy.go.ke
Website: www.energy.go.ke

(e) Petroleum Development Fund Bankers

1. Kenya Commercial Bank
Kipande House Branch
NAIROBI, KENYA
2. Credit Bank PLC
Westlands Branch
NAIROBI, KENYA

(f) Independent Auditors

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

(g) Principal Legal Adviser

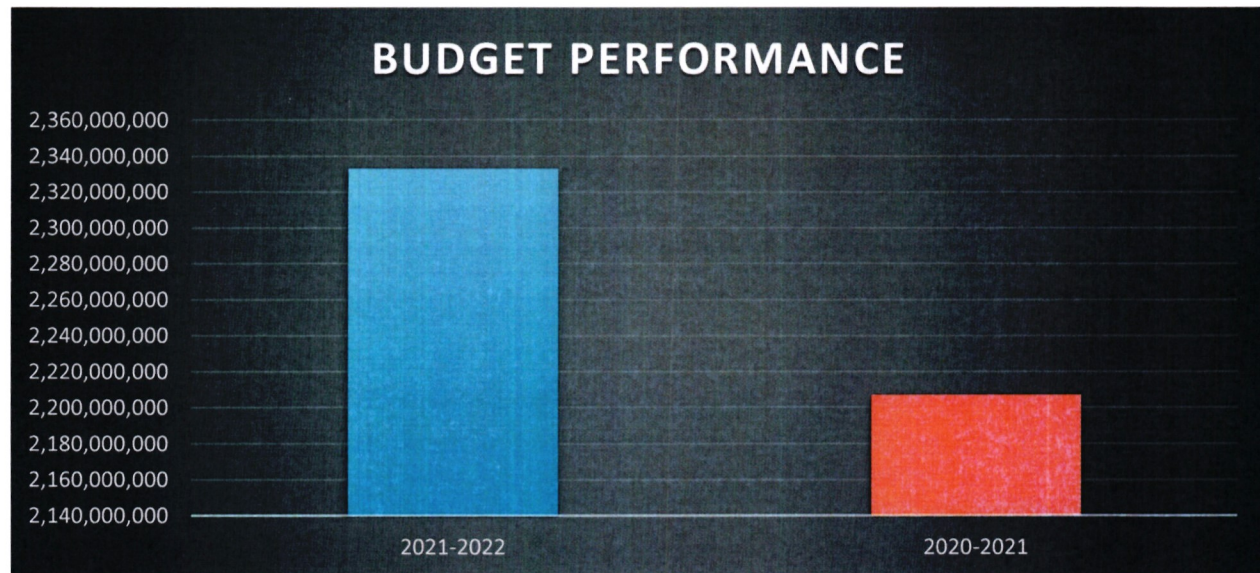
The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

2. Forward by The Fund Administrator

1. Budget Performance Against Actual Amounts for 2021/2022

The Budget for the financial year 2021-2022 from appropriations in aid was Kshs. 2,333,000,000. The actual amount collected for the same was Kshs. 2,333,000,000.

This was an increase in budget performance from the previous year 2020-2021 of Kshs 2,207,000,000.

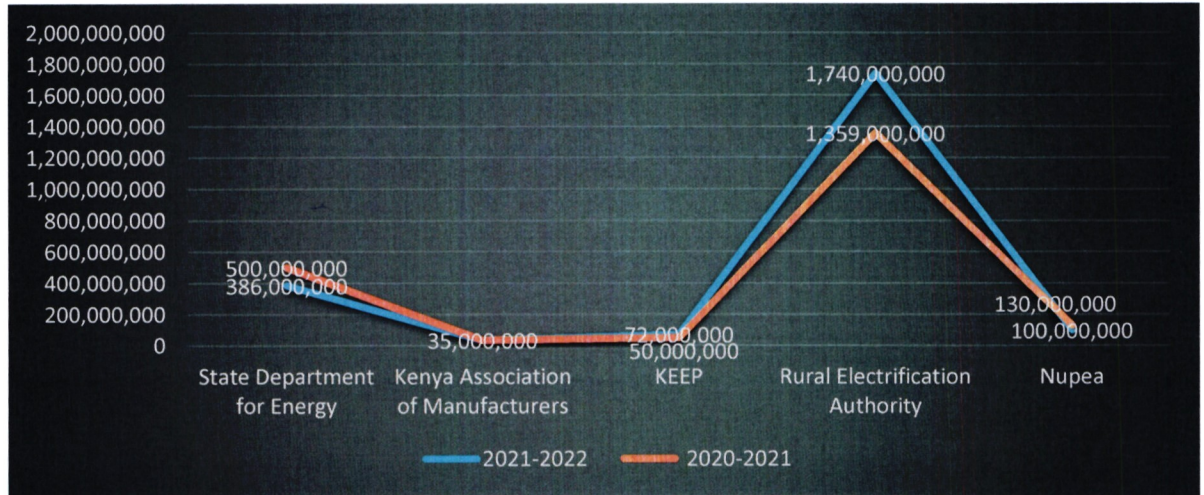


2. Key Achievements of the Petroleum Development Fund

The Fund collected Kshs. 2,333,000,000 in appropriations in Aid and utilized the amount by transfer to other government entities of Kshs 2,333,000,000 and other general expenses for Kshs 2,647,077

The transfer to other government entities was to Ministry of Energy for Kshs 386,000,000, Rural Electrification Authority (REA) Kshs 1,740,000,000, Nuclear Power Kshs 100,000,000 and Kenya Association of Manufacturers (KAM) Kshs 35,000,000. Kenya Energy-Sector Environment and Social Responsibility Programme Fund Kshs 72,000,000. A Kshs 2,333,000,000 in transfers to other Government entities was recorded in the financial year 2021-2022 compared to the prior financial year 2020-2021.

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3. Emerging issues Related to the Petroleum Development Levy Fund

The appropriation in aid in the financial 2021-2022 increased by 6%. The A & A collected in the financial year 2020-2021 was Kshs 2,207,000,000 while the collection in the financial year 2021-2022 was Kshs 2,333,000,000. An Increase of Kshs 126,000,000 was noted.

4. Implementation Challenges

The Fund faced challenge of delay in implementation as the Funds from The National Treasury were disbursed in Quarter 2 of the financial Year. However, no further challenges were noted

5. Way Forward

Financial Year 2021/2022 was a good year. Good progress was made and the momentum has been created to enable Petroleum Development Fund continue on a trajectory into prosperity. We have identified gaps and areas to improve in the subsequent years.

I take this opportunity to thank the management team for their support. I would also want to thank all staff who have worked tirelessly to ensure that Petroleum Development Fund achieves its mission


 Fund Administrator
Maj.Gen (Rtd) Gordon Kihalangwa (CBS)

2. Statement of Performance Against Predetermined Objectives Fy2021/22

Guidance

State all the objectives of the MDA as per the Programme and Strategic Plans.

Introduction

Section 81 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting officer when preparing financial statements of each National Government 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 key development objectives of the fund are to supplement the Development budget of the Ministry of Energy as Appropriation in Aid (AIA) in the following areas:

1. General Administration Planning and Support Services

- a) Financial Services and Energy Audits
- b) Power Generation
- c) Development of Nuclear Energy

2. Power Transmission and Distribution

-Rural Electrification

3. Alternative Energy Technologies

-Alternative Energy Technologies

Progress on the attainment of Strategic Objectives through Performance Contracting

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

SNO	Program	Strategic Objective	Outcome	Indicator	Performance
1.	Power Generation	To increase power supply	Adequate power supply	MW of power generated and added to the grid	83.3MW (Olkaria I Unit 6),40MW Cedate solar, and 40MW Malindi

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SNO	Program	Strategic Objective	Outcome	Indicator	Performance
		through power generation			solar new capacity were added to the grid.
2.	Power Transmission and Distribution	To increase electricity access to more customers	Increased access to electricity	Km of transmission lines constructed	176.5Km
				Number of distribution sub-station constructed and upgraded	9
				Km of distribution lines constructed	370.74km
				Number of new customers connected to electricity	714,510
				Number of street lighting points installed	20,121
				Number of constituency transformers installed	546
				No. of Public Facilities Connected with Electricity	638
				Number of domestic biogas plants constructed	110

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SNO	Program	Strategic Objective	Outcome	Indicator	Performance
				Ha. of land planted with trees and maintained	500
				No. of Woodlots established	55
				No. of efficient and sustainable charcoal kilns for training & Demonstration installed	6
				No. of investment Grade Audits undertaken and implemented to reduce Energy consumption by 10-30%.	34
				Percentage (%) Maintenance of wind masts and data loggers maintained	96
				No. of standalone solar home systems installed	32277
				No. of clean cooking units disseminated	3,656

SNO	Program	Strategic Objective	Outcome	Indicator	Performance
3.	General Administration Planning and Support Services	To enhance service delivery to the customers	Efficient service delivery	Number of policies, strategies and regulations developed	The Ministry has developed 30 Draft Regulations to guide implementation of Energy Act, 2019.

3. Statement of Management Responsibilities

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

The Accounting Officer in charge of the Petroleum Development Fund is responsible for the preparation and presentation of the Petroleum Development Fund's financial statements, which give a true and fair view of the state of affairs of the Petroleum Development Fund for and as at the end of the financial year (period) ended on June 30, 2022. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the Petroleum Development Fund; (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the Petroleum Development Fund accepts responsibility for the Petroleum Development Fund's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the Petroleum Development Fund's financial statements give a true and fair view of the state of Petroleum Development Fund's transactions during the financial year ended June 30, 2022, and of the Petroleum Development Fund's financial position as at that date. The Accounting Officer in charge of the Petroleum Development Fund further confirms the completeness of the accounting records maintained for the Petroleum Development Fund, which have been relied upon in the preparation of the Petroleum Development Fund's financial statements as well as the adequacy of the systems of internal financial control.

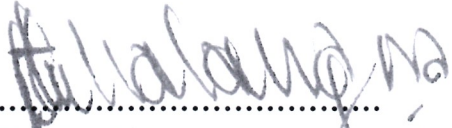
The Accounting Officer in charge of the Petroleum Development Fund confirms that the Petroleum Development Fund has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the Petroleum Development Fund's received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the Petroleum

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Development Fund's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The Petroleum Development Fund's financial statements were approved and signed by the Accounting Officer on 12-9-2022.



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Fund Administrator

Maj.Gen (Rtd) Dr. Gordon Kihlangwa, CBS

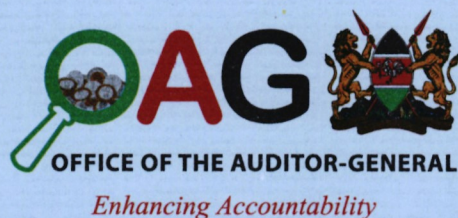


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Fund Accountant

Moses Peterson Gitari Muriuki
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REPUBLIC OF KENYA

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HEADQUARTERS
Anniversary Towers
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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON PETROLEUM DEVELOPMENT FUND FOR THE YEAR ENDED 30 JUNE, 2022 - MINISTRY OF ENERGY

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 Petroleum Development Fund - Ministry of Energy set out on pages 1 to 13, which comprise of the statement of assets and liabilities as at 30 June, 2022, statement of receipts and payments, statement of cash flows and the summary statement of appropriation 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 Petroleum Development Fund as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Petroleum Development Levy Fund Act No.4 of 1991 (Revised 2012) and the Public Finance Management Act, 2012.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Petroleum Development Fund 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 the financial statements. There were no key audit matters to report in the year under review.

Other Matter

Budgetary Performance and Control

The summary statement of comparison of budget and actual amounts reflects receipts budget and actual amounts on comparable basis of Kshs.2,333,000,000 and Kshs.2,346,184,703 respectively resulting to an over collection by Kshs.13,184,703 or 0.6% of the budget. Similarly, the Project spent an amount of Kshs.2,335,647,077 against the approved budget of Kshs.2,333,000,000 resulting to an over-expenditure of Kshs.2,647,077 or 0.1 % above the approved budget.

The over collection of revenue and over -expenditure was as a result of interest income and general expenses which were not budgeted for and Management has not explained the failure to budget for the income and expenditure.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that, 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

Irregular Utilization of the Fund Resources

As disclosed in Note 3 to the financial statements, the statement of receipts and payments reflects transfers to other Government Entities of Kshs.2,333,000,000. The Fund Management transferred the funds to various Government entities and one private entity all of which have no responsibility in the oil and petroleum industry, contrary to Section 4(4) of the Petroleum Development Fund Act No.4 of 1991(Revised 2012), which provides

that there shall be paid out of the Petroleum Development Funds such monies as are necessary for the development of common facilities for distribution or testing of oil products and matters relating to the development of the oil industry.

Further, Management did not provide explanations to support how the funds were utilized upon being transferred to the entities listed below;

No.	Payee	Amount (Kshs.)
1.	Ministry of Energy	386,000,000
2.	Kenya Association of Manufacturers	35,000,000
3	Kenya Energy Sector - Environment and Social Responsibility Programme	72,000,000
4.	Rural Electrification and Renewal Energy Corporation	1,740,000,000
5.	Nuclear Power and Agency	100,000,000
	Total	2,333,000,000

In the circumstances, Management was in breach of the law.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit 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 controls, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Fund'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 intention to terminate the Fund 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 the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the financial reporting process, reviewing the effectiveness of how the Fund 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 overall 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 are in compliance 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, and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness of internal controls, risk management and overall 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 controls would not necessarily disclose all matters in the internal controls 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 controls 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 controls 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 controls.
- 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 Fund'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 Fund 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 Fund 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 controls that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence, and to 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

09 January, 2023

5. Statement of Receipts and Payments for the Year Ended 30th June 2022

Description	Note	2021-2022	2020-2021
		Kshs	Kshs
Revenue from non-exchange transactions			
Fines, Penalties and Levies	1	2,333,000,000	2,207,000,000
Revenue from exchange transactions		2,333,000,000	2,207,000,000
Interest Income	2	13,184,703	17,092,235
Total Revenue		2,346,184,703	2,224,092,235
Expenses			
Transfer to other Government Entities	3	2,333,000,000	2,074,000,000
General Expenses	4	2,647,077	3,142,080
Total Expenses		2,335,647,077	2,077,142,080
Surplus for the year		10,537,626	146,950,155

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 12-9-2022 and signed by:



Fund Administrator

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



Fund Accountant

Moses Peterson Gitari Muriuki

ICPAK M/No 4204

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Annual Report and Financial Statements for the year ended 30th June 2022

6. Statement of Assets and Liabilities as at 30th June 2022

Description	Note	2021-2022	2020-2021
		Kshs	Kshs
Financial assets			
Cash and cash equivalents			
Bank balances		10,537,626	146,950,155
Total cash and cash equivalent		10,537,626	146,950,155
Represented by			
Fund balance b/fwd.	6	146,950,155	249,480,453
Prior Year Adjustment		(146,950,155)	(249,480,453)
Surplus/Deficit for the year		10,537,626	146,950,155
Net financial position		10,537,626	146,950,155

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 12-9- 2022 and signed by:



Fund Administrator

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



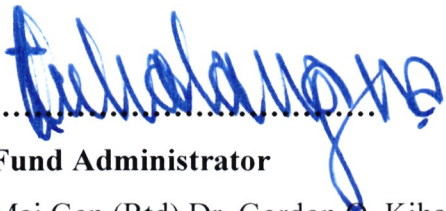
Fund Accountant

Moses Peterson Gitari Muriuki
 ICPAK M/No 4204

7. Statement of Cash Flows for the Year Ended 30th June 2022

Description	Notes	2021-2022	2020 -2021
		Kshs	Kshs
Receipts for Operating Income			
Fines, Penalties and Levies	1	2,333,000,000	2,207,000,000
Interest Income	2	13,184,703	17,092,235
Payments For Operating Expenses			
Transfers to other government units	3	2,333,000,000	2,074,000,000
General Expenses	4	2,647,077	3,142,080
Net Cash Flow from Operating Activities		10,537,626	146,950,155
Prior Year Adjustment		-146,950,155	-249,480,453
NET INCREASE IN CASH AND CASH EQUIVALENT		(136,412,529)	(102,530,298)
Cash & Cash Equivalent at Start of The Year		146,950,155	249,480,453
Cash & Cash Equivalent at End of The Year		10,537,626	146,950,155

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 12-9- 2022 and signed by:



.....
Fund Administrator

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



.....
Fund Accountant

Moses Peterson Gitari Muriuki

ICPAK M/No 4204

**Petroleum Development Fund – Ministry of Energy
Annual Report and Financial Statements for the year ended 30th June 2022**

11 (a) Summary Statement of Comparison of Budget and Actual Amounts for the year 2021/2022

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d	% of Utilization f=d/c %
RECEIPTS						
Fines, Penalties and Levies	2,333,000,000		2,333,000,000	2,333,000,000	0	100%
Interest Income			0	13,184,703	(13,184,703)	
TOTAL RECEIPTS	2,333,000,000		2,333,000,000	2,346,184,703	(13,184,703)	
PAYMENTS						
Transfer to Other Government Units			2,333,000,000	2,333,000,000	0	100%
General expenses			0	2,647,077	(2,647,077)	
TOTAL PAYMENTS			2,333,000,000	2,335,647,077	(2,647,077)	
Surplus/Deficit			0	10,537,626		

The entity financial statements were approved on 12-9- 2022 and signed by:


.....

Fund Administrator

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


.....

Fund Accountant

Moses Peterson Gitari Muriuki

ICPAK M/No 4204

Petroleum Development Fund – Ministry of Energy
Annual Report and Financial Statements for the year ended 30th June 2022

11 (c) Budget Execution by Programmes and Sub-Programmes fy2021/22

Programme/Sub-programme	Original Budget a Kshs	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d Kshs	% of Utilization f=d/c% Kshs
General Administration Planning and Support Services						
Financial Services and Energy Audits	80,000,000		80,000,000	80,000,000		100%
Administration Services	30,000,000		30,000,000			
Development of Nuclear Energy	115,000,000		115,000,000	115,000,000		100%
Power Transmission and Distribution						
Rural Electrification	1,740,000,000		1,740,000,000	1,740,000,000		100%
Coal Exploration	74,000,000		74,000,000			
Alternative Energy Technologies						
Alternative Energy Technologies	284,000,000		284,000,000	284,000,000		100%
National Grid System	10,000,000		10,000,000	10,000,000		100%
Total	2,333,000,000		2,333,000,000	2,333,000,000		

8. Notes to the Financial Statement

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Petroleum Development Fund

The financial statements are for the Petroleum Development Fund under the National Government of Kenya . The financial statements encompass the reporting Petroleum Development Fund as specified under Section 81 of the PFM Act 2012.

3. Reporting Currency

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

Significant Accounting Policies (Continued)

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

(i) Tax Receipts

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

(ii) Transfers from the Exchequer

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

(iii) External Assistance

External assistance is received through grants and loans from multilateral and bilateral development partners. Grants and loans shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the recipient entity or by the beneficiary. In case of grant/loan in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice. A similar recognition criteria is applied for loans received in the form of a direct payment.

During the year ended 30th June 2022, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

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 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.

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.

c) Imprests and advances

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

d) Third party deposits and retention

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

Other liabilities including pending bills are disclosed in the financial statements.

e) 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. 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.

f) Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits and retentions, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament in June 2021 for the period 1st July 2021 to 30th June 2022 as required by Law and there were 2 number of supplementary adjustments to the original budget during the year.

A comparison of the actual performance against the comparable budget for the financial year under review has been included in the financial statements. Government Development Projects are budgeted for under the MDAs but receive budgeted funds as transfers and account for them separately. These transfers are recognised as inter-Petroleum Development Fund transfers.

g) Comparative Figures

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

h) Subsequent Events

There have been no events after the financial year end with a significant impact on the financial statements for the year ended 30th June 2022.

Petroleum Development Fund – Ministry of Energy
Annual Report and Financial Statements for the year ended 30th June 2022

Notes to The Financial Statements (Continued)

1. Fines, Penalties and Levies

Explanation	2021-2022	2020-2021
	Kshs	Kshs
Fines Penalties and Levies	2,333,000,000	2,207,000,000
Total	2,333,000,000	2,207,000,000

2. Interest Income

Explanation	2021-2022	2020-2021
	Kshs	Kshs
Interest Income	13,184,703	17,092,235
Total	13,184,703	17,092,235

3. Transfers to Government Entities

Description	2021-2022	2020-2021
	Kshs	Kshs
State Department for Energy	386,000,000	500,000,000
Kenya Association of Manufacturers	35,000,000	35,000,000
KEEP	72,000,000	50,000,000
Rural Electrification Authority	1,740,000,000	1,359,000,000
Nupea	100,000,000	130,000,000
Total	2,333,000,000	2,074,000,000

4. General Expenses

Explanation	2021-2022	2020-2021
	Kshs	Kshs
Bank Charges and withholding tax paid	2,647,077	3,142,080
TOTAL	2,647,077	3,142,080

Notes to The Financial Statements (Continued)

5: Bank Accounts

Name of Bank, Account No. & currency	Indicate whether recurrent, Development, deposit etc.	2021-2022	2020-2021
		Kshs	Kshs
KCB Current Account	Fund	112,437	4,956,822
Credit Bank	Fund	10,425,189	141,993,333
Total		10,537,626	146,950,155

6: Fund Brought Forward

Explanation	2021-2022	2020-2021
	Kshs	Kshs
Bank Balances	146,950,155	249,480,453
Total	146,950,155	249,480,453

Petroleum Development Fund – Ministry of Energy
Annual Report and Financial Statements for the year ended 30th June 2022

7. Related Party Disclosures

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

The following comprise of related parties to the Petroleum Development Fund.

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

Related party transactions:

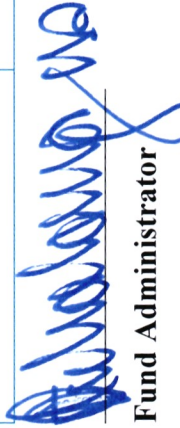
Description	2021-2022	2020-2021
	Kshs	Kshs
State Department for Energy	386,000,000	500,000,000
Rural Electrification Authority	1,740,000,000	1,359,000,000
Nuclear Power	100,000,000	130,000,000
Kenya Association of Manufacturers (KAM)	35,000,000	35,000,000
Kenya Electrification Expansion Program (KEEP)	72,000,000	50,000,000
Total	2,333,000,000	2,074,000,000

**Petroleum Development Fund – Ministry of Energy
Annual Report and Financial Statements for the year ended 30th June 2022**

8 Progress on follow up of Prior Years Auditor-General's recommendations

The following is the summary of issues raised by the Auditor-General during the prior year and management comments that were provided.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
1.0	Bank Balances	The Management stated that the Bank balances were updated in cash book to reflect true position as per IPSAS cash basis.	Resolved	
	Inaccuracies of Financial Statements	The management noted the error and the error was corrected in the financial statements	Resolved	
	Budgetary Performance and Control	The Management stated that some budget lines were not fully funded due to budget cuts during the Financial year	Resolved	
	Irregular utilization of Funds resources	The Management stated that the transfers to the various entities were budgeted for and approved by the National Assembly as required by Law	Resolved	


Fund Administrator



Fund Accountant

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

Moses Peterson Gitari Muriuki

ICPAK Member Number 4204

MINISTRY OF ENERGY REPUBLIC OF KENYA
 BANK RECONCILIATION

PDL


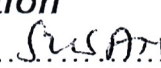
F/Y 2020/2021

Station NAIROBI

as at 30TH JUNE 2022

	Sh.
Balance as per Bank Certificate	10,425,188.80
Less -----	
1. Payments in Cash Book not yet recorded in Bank Statement (Unpresented Cheques)	0.00
2. Receipts in Bank Statement not yet recorded in Cash book	0.00
Sub - Total	10,425,188.80
Add -----	
3. Payment in Bank Statement not yet recorded in Cash Book	0.00
4 Receipts in Cash Book not yet Recorded in Bank Statement	0.00
	0.00
Balance as per cash Book	10,425,188.80

I certify that I have verified the Bank balance in the cash Book with the bank Statement and that the above reconciliation is correct

.....  PA 30.6.2022
Signature **Designation** **Date**
 Prepared by 

MINISTRY OF ENERGY REPUBLIC OF KENYA
BANK RECONCILIATION

PDL

F/Y 2020/2021

Station NAIROBI

as at 30TH JUNE 2022

	Sh.
Balance as per Bank Certificate	112,436.99
Less -----	
1. Payments in Cash Book not yet recorded in Bank Statement (Unpresented Cheques)	0.00
2. Receipts in Bank Statement not yet recorded in Cash book	0.00
Sub - Total	112,436.99
Add -----	
3. Payment in Bank Statement not yet recorded in Cash Book	0.00
4 Receipts in Cash Book not yet Recorded in Bank Statement	0.00
	0.00
Balance as per cash Book	112,436.99

I certify that I have verified the Bank balance in the cash Book with the bank Statement and that the above reconciliation is correct

.....
Signature **PA**
Designation **Date** 30.6.2022
Prepared by
.....

PDL- CREDIT A/C NO. 1000097534

REPUBLIC OF KENYA

Date: 05/08/2022

Report of the Board of Survey on the Cash and Bank Balances of State Department for Energy at the close of Business on 30th June, 2022

The Board, consisting of – (Names and official titles)

JONES KIPLIMO CHERUIYOT	-	CHAIRMAN
JUDITH OKUMU	-	MEMBER
JOHN M. NGUNDO	-	SECRETARY

Assembled at the office of Cash office at 4.00 P.M. (Time) on the 05th August, 2022 and the following cash was produced:-

Notes	...	..	..	..	..	..	Sh. Nil
Silver	...	..	..	..	..	..	Sh. Nil
Cooper	...	..	..	..	..	..	Sh .Nil

It was observed that cheques amounting to Sh - Cts - had been on hand for more than 14 days prior to the date of the survey.


The cash consists of East African currency and does not contain any demonetized coin or notes.

The Cash Book reflected the following balances as at the close of business on the 30th June, 2022.

Cash on hand	..	..	..	..	..	KShs.	Nil
Bank Balance	..	..	..	..	..	<u>KShs.</u>	<u>10,425,188.80</u>
						<u>Kshs</u>	<u>10,425,188.80</u>


The Bank Certificate of Balance showed a sum of KShs. 10,425,188.80 to the credit of the account on 30th June, 2022.

The difference between this figure and the Bank Balance as at and the Bank Balance as shown by the Cash Book is accounted for in the Bank Reconciliation Statement (F.O. 30) attached.


Chairman

Date JONES CHERUIYOT Members of the Board

JUDITH OKUMU



SECRETARY - JOHN M - NGUNDO



LIST OF CHEQUES INCLUDED AS PART OF CASH ON HAND

Cheque No.	Drawer	Date of Cheque	Date Received	Amounts

Our ref: CB/1000097534/2022

3RD August 2022

To
The Permanent Secretary,
Ministry of Energy,
P.O. BOX 30582,
Nairobi

Dear Maj. Gen (Rtd) Dr. Gordon .O. Kihlangwa,

RE: BALANCE CONFIRMATION PETROLEUM DEVELOPMENT LEVY FUND AS AT 30 June 2022

Kindly find below details relating to your account held with us.


i. Current account balance as at 30.06.2022

Account No. 0021007000785 Kes. 10,425,188.80 Cr

Kindly do not hesitate to contact us should you require any further clarification.

Yours faithfully,

For: Credit Bank Ltd


AUTHORISED SIGNATORY




AUTHORISED SIGNATORY

Our ref: CB/1000097534/2022

3RD August 2022

To
The Permanent Secretary,
Ministry of Energy,
P.O. BOX 30582,
Nairobi

Dear Maj. Gen (Rtd) Dr. Gordon .O. Kihalangwa,

RE: BALANCE CONFIRMATION PETROLEUM DEVELOPMENT LEVY FUND AS AT 30 June 2022


Kindly find below details relating to your account held with us.

i. Current account balance as at 30.06.2022

Account No. 0021007000785 Kes. 10,425,188.80 Cr

Kindly do not hesitate to contact us should you require any further clarification.

Yours faithfully,
For: Credit Bank Ltd


AUTHORISED SIGNATORY




AUTHORISED SIGNATORY

Date: 05/08/2022

Report of the Board of Survey on the Cash and Bank Balances of State Department for Energy at the close of Business on 30th June, 2022

The Board, consisting of – (Names and official titles)

JONES KIPLIMO CHERUIYOT	-	CHAIRMAN
JUDITH OKUMU	-	MEMBER
JOHN M. NGUNDO	-	SECRETARY

Assembled at the office of Cash office at 4.00 P.M. (Time) on the 05th August, 2022 and the following cash was produced:-

Notes	...	..	..	..	..	..	Sh. Nil
Silver	...	..	..	..	..	..	Sh. Nil
Cooper	...	..	..	..	..	..	Sh .Nil

It was observed that cheques amounting to Sh - Cts - had been on hand for more than 14 days prior to the date of the survey

The cash consists of East African currency and does not contain any demonetized coin or notes.

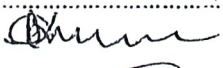
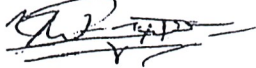
The Cash Book reflected the following balances as at the close of business on the 30th June, 2022.

Cash on hand	..	..	..	..	..	KShs.	Nil
Bank Balance	..	..	..	..	..	<u>KShs.</u>	<u>112,436.99</u>
						<u>Kshs</u>	<u>112,436.99</u>

The Bank Certificate of Balance showed a sum of KShs. 112,436.99 to the credit of the account on 30th June, 2022.

The difference between this figure and the Bank Balance as at and the Bank Balance as shown by the Cash Book is accounted for in the Bank Reconciliation Statement (F.O. 30) attached.


Chairman

Date JONES CHERUIYOT Members of the Board
JUDITH OKUMU
JOHN MURUTHI NGUNDO - SECRETARY 


LIST OF CHEQUES INCLUDED AS PART OF CASH ON HAND

Cheque No.	Drawer	Date of Cheque	Date Received	Amounts



Kipande House Branch
 P.O. Box ...30012...-00100
 NAIROBI
 Telephone: 254-2-340161
 Fax: 254-2-318911
 Email:
 kipandehouse@kcb.co.ke
 Website:
<http://www.kcbbankgroup.com>

CERTIFICATE OF BALANCE
KCB Bank Limited
(Incorporated in Kenya)

Certificate Reference: CERT2218892854

Account Number : 1104169282

Account Name : MINISTRY OF ENERGY PETROLEUM DVT L

Certified that the balance at close of Business of 30 JUN 2022 was CREDIT KES
 112,436.99

Amount in words: CREDIT KES ONE HUNDRED AND TWELVE THOUSAND FOUR HUNDRED
 AND THIRTY SIX= CENTS NINETY NINE ONLY

Examined By

FORT KCB BANK KENYA LTD.

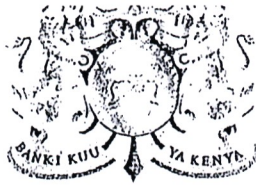
[Signature] P. Manager
 KIPANDE HOUSE, NAIROBI
 Manager Service Quality & Compliance

FORT KCB BANK KENYA LTD.

[Signature] P. Manager
 KIPANDE HOUSE, NAIROBI

Branch Manager

BANKI
KUU YA
KENYA



CENTRAL
BANK OF
KENYA

Haile Selassie Avenue
P.O. Box 60000 - 00200 Nairobi, Kenya
Telephone: 2860000, Fax: 340192

5th August, 2022

CERTIFICATE OF BALANCES

Customer : 138668
Balance
Date : 30-Jun-22

STATE DEPARTMENT
FOR ENERGY

Account No	Account Name	Currency	Balance
1000383992	REC-STATE DEPT FOR ENERGY	KES	131,887,382.40
1000384007	DEV-STATE DEPT FOR ENERGY	KES	675,963,037.30
1000384018	DEP-STATE DEPT FOR ENERGY	KES	120,369,270.30
1000384026	CBK 165-STATE DEPT FOR ENERGY	KES	0.00
1000390824	KEN. OFF GRID SOL. ACC. PRJ. CR.61	KES	47,232,586.45
1000390875	KEN. ELEC. MODERN. PRJ 55870KE	KES	29,961,958.40
1000410302	STATE DEPT. FOR ENER. EQUA FUND OPE	KES	98,297,334.20
1000566736	GCF PROMO OF CLIMATE FRIENDLY COOKI	KES	0.00

Lawrence Rweria
AUTHORISED SIGNATORY
BANKING SERVICES DIVISION

Joyce Nasieku (Ms)
AUTHORISED SIGNATORY
BANKING SERVICES DIVISION

MINISTRY OF ENERGY REPUBLIC OF KENYA
BANK RECONCILIATION

PDL


F/Y 2020/2021

Station NAIROBI

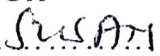
as at 30TH JUNE 2022

	Sh.
Balance as per Bank Certificate	10,425,188.80
Less -----	
1. Payments in Cash Book not yet recorded in Bank Statement (Unpresented Cheques)	0.00
2. Receipts in Bank Statement not yet recorded in Cash book	0.00
Sub - Total	10,425,188.80
Add -----	
3. Payment in Bank Statement not yet recorded in Cash Book	0.00
4 Receipts in Cash Book not yet Recorded in Bank Statement	0.00
	0.00
Balance as per cash Book	10,425,188.80

I certify that I have verified the Bank balance in the cash Book with the bank Statement and that the above reconciliation is correct

.....  PA 30.6.2022

Signature **Designation** **Date**

Prepared by 

MINISTRY OF ENERGY REPUBLIC OF KENYA
BANK RECONCILIATION

PDL

F/Y 2020/2021

Station NAIROBI

as at 30TH JUNE 2022

	Sh.
Balance as per Bank Certificate	112,436.99
Less -----	
1. Payments in Cash Book not yet recorded in Bank Statement (Unpresented Cheques)	0.00
2. Receipts in Bank Statement not yet recorded in Cash book	0.00
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4 Receipts in Cash Book not yet Recorded in Bank Statement	0.00
	0.00
Balance as per cash Book	112,436.99

I certify that I have verified the Bank balance in the cash Book with the bank Statement and that the above reconciliation is correct

.....
Signature **PA**
Designation **Date** 30.6.2022

Prepared by

PDL- CREDIT A/C NO. 1000097534

REPUBLIC OF KENYA

Date: 05/08/2022

Report of the Board of Survey on the Cash and Bank Balances of State Department for Energy at the close of Business on 30th June, 2022

The Board, consisting of – (Names and official titles)

JONES KIPLIMO CHERUIYOT	-	CHAIRMAN
JUDITH OKUMU	-	MEMBER
JOHN M. NGUNDO	-	SECRETARY

Assembled at the office of Cash office at 4.00 P.M. (Time) on the 05th August, 2022 and the following cash was produced:-

Notes	...	..	..	..	..	..	Sh. Nil
Silver	...	..	..	..	..	..	Sh. Nil
Cooper	...	..	..	..	..	..	Sh .Nil

It was observed that cheques amounting to Sh - Cts - had been on hand for more than 14 days prior to the date of the survey.


The cash consists of East African currency and does not contain any demonetized coin or notes.

The Cash Book reflected the following balances as at the close of business on the 30th June, 2022.

Cash on hand	..	..	..	..	..	KShs.	Nil
Bank Balance	..	..	..	..	..	<u>KShs.</u>	<u>10,425,188.80</u>
						<u>Kshs</u>	<u>10,425,188.80</u>

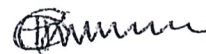
The Bank Certificate of Balance showed a sum of KShs. 10,425,188.80 to the credit of the account on 30th June, 2022.

The difference between this figure and the Bank Balance as at and the Bank Balance as shown by the Cash Book is accounted for in the Bank Reconciliation Statement (F.O. 30) attached.


Chairman

Date JONES CHERUIYOT Members of the Board

JUDITH OKUMU



SECRETARY - JOHN M - NGUNDO



LIST OF CHEQUES INCLUDED AS PART OF CASH ON HAND

Cheque No.	Drawer	Date of Cheque	Date Received	Amounts

Our ref: CB/1000097534/2022

3RD August 2022

To
The Permanent Secretary,
Ministry of Energy,
P.O. BOX 30582,
Nairobi

Dear Maj. Gen (Rtd) Dr. Gordon .O. Kihalangwa,

RE: BALANCE CONFIRMATION PETROLEUM DEVELOPMENT LEVY FUND AS AT 30 June 2022

Kindly find below details relating to your account held with us.

i. Current account balance as at 30.06.2022

Account No. 0021007000785 Kes. 10,425,188.80 Cr

Kindly do not hesitate to contact us should you require any further clarification.

Yours faithfully,

For: Credit Bank Ltd


AUTHORISED SIGNATORY




AUTHORISED SIGNATORY

Our ref: CB/1000097534/2022

3RD August 2022

To
The Permanent Secretary,
Ministry of Energy,
P.O. BOX 30582,
Nairobi

Dear Maj. Gen (Rtd) Dr. Gordon .O. Kihalangwa,

RE: BALANCE CONFIRMATION PETROLEUM DEVELOPMENT LEVY FUND AS AT 30 June 2022

Kindly find below details relating to your account held with us.

i. Current account balance as at 30.06.2022

Account No. 0021007000785 Kes. 10,425,188.80 Cr

Kindly do not hesitate to contact us should you require any further clarification.

Yours faithfully,
For: Credit Bank Ltd


AUTHORISED SIGNATORY




AUTHORISED SIGNATORY

Date: 05/08/2022

Report of the Board of Survey on the Cash and Bank Balances of State Department for Energy at the close of Business on 30th June, 2022

The Board, consisting of – (Names and official titles)

JONES KIPLIMO CHERUIYOT	-	CHAIRMAN
JUDITH OKUMU	-	MEMBER
JOHN M. NGUNDO	-	SECRETARY

Assembled at the office of Cash office at 4.00 P.M. (Time) on the 05th August, 2022 and the following cash was produced:-

Notes	...	..	..	..	..	..	Sh. Nil
Silver	...	..	..	..	..	..	Sh. Nil
Cooper	...	..	..	..	..	..	Sh .Nil

It was observed that cheques amounting to Sh - Cts - had been on hand for more than 14 days prior to the date of the survey

The cash consists of East African currency and does not contain any demonetized coin or notes.

The Cash Book reflected the following balances as at the close of business on the 30th June, 2022.

Cash on hand	..	..	..	..	..	KShs.	Nil
Bank Balance	..	..	..	..	..	<u>KShs.</u>	<u>112,436.99</u>
						<u>Kshs</u>	<u>112,436.99</u>

The Bank Certificate of Balance showed a sum of KShs. 112,436.99 to the credit of the account on 30th June, 2022.

The difference between this figure and the Bank Balance as at and the Bank Balance as shown by the Cash Book is accounted for in the Bank Reconciliation Statement (F.O. 30) attached.


Chairman

Date JONES CHERUIYOT Members of the Board
JUDITH OKUMU
JOHN MURUTHI NGUNDO - SECRETARY

LIST OF CHEQUES INCLUDED AS PART OF CASH ON HAND

Cheque No.	Drawer	Date of Cheque	Date Received	Amounts



Kipande House Branch
P.O. Box ...30012...-00100
NAIROBI
Telephone: 254-2-340161
Fax: 254-2-318911
Email:
kipandehouse@kcb.co.ke
Website:
<http://www.kcbbankgroup.com>

CERTIFICATE OF BALANCE
KCB Bank Limited
(Incorporated in Kenya)

:
Certificate Reference: CERT2218892854

Account Number : 1104169282

Account Name : MINISTRY OF ENERGY PETROLEUM DVT L

:
Certified that the balance at close of Business of 30 JUN 2022 was CREDIT KES
112,436.99

:
Amount in words: CREDIT KES ONE HUNDRED AND TWELVE THOUSAND FOUR HUNDRED
AND THIRTY SIX= CENTS NINETY NINE ONLY

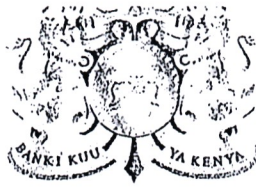
:
Examined By

:
: P. Manager
: KIPANDE HOUSE, NAIROBI
: Manager Service Quality & Compliance

:
: P. Manager
: KIPANDE HOUSE, NAIROBI

Branch Manager

BANKI
KUU YA
KENYA



CENTRAL
BANK OF
KENYA

Haile Selassie Avenue
P.O. Box 60000 - 00200 Nairobi, Kenya
Telephone: 2860000, Fax: 340192

5th August, 2022

CERTIFICATE OF BALANCES

Customer : 138668
Balance
Date: 30-Jun-22

STATE DEPARTMENT
FOR ENERGY

Account No	Account Name	Currency	Balance
1000383992	REC-STATE DEPT FOR ENERGY	KES	131,887,382.40
1000384007	DEV-STATE DEPT FOR ENERGY	KES	675,963,037.30
1000384018	DEP-STATE DEPT FOR ENERGY	KES	120,369,270.30
1000384026	CBK 165-STATE DEPT FOR ENERGY	KES	0.00
1000390824	KEN. OFF GRID SOL. ACC. PRJ. CR.61	KES	47,232,586.45
1000390875	KEN. ELEC. MODERN. PRJ 55870KE	KES	29,961,958.40
1000410302	STATE DEPT. FOR ENER. EQUA FUND OPE	KES	98,297,334.20
1000566736	GCF PROMO OF CLIMATE FRIENDLY COOKI	KES	0.00

Lawrence Rweria
AUTHORISED SIGNATORY
BANKING SERVICES DIVISION

Joyce Nasieku (Ms)
AUTHORISED SIGNATORY
BANKING SERVICES DIVISION

growth-enhancing programmes by gradually reducing the overall fiscal deficit and the pace of debt accumulation. The fiscal consolidation policy will be supported by enhanced revenue mobilization, sustained rationalization of non-priority recurrent expenditure and redirecting resources to finance priority growth-supporting capital projects with high return on investment.

81. In addition, the government is committed to pursuing an all-inclusive growth model using the bottom-up approach. The bottom-up approach will involve initiation of government interventions that benefit lower income people through schemes that ensure benefits of growth are distributed and shared fairly across all clusters of the society by creating opportunities for all.