

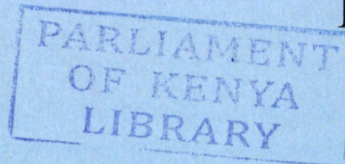
REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

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by Lem  
Wednesday  
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**REPORT**



**OF**

**THE AUDITOR-GENERAL**

**ON**

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

**FOR THE YEAR ENDED  
30 JUNE 2016**



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**REPORTS AND FINANCIAL STATEMENTS**

**FOR FINANCIAL YEAR ENDED 30<sup>TH</sup> JUNE 2016**

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

**MINISTRY OF MINING**  
**Reports and Financial Statements**  
**For the year ended June 30, 2016**

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**TABLE OF CONTENTS**

<b>Part</b>	<b>Report/Financial Statement</b>	<b>Page</b>
I	KEY MINISTRY OF MINING INFORMATION AND MANAGEMEN.....	2
II	FORWARD BY THE CABINET SECRETARY.....	5
III	STATEMENT OF MINISTRY OF MINING MANAGEMENT RESPONSIBILITIES.....	7
IV	REPORT OF THE AUDITOR-GENERAL ON THE MINISTRY OF MINING.....	8
V	STATEMENT OF RECEIPTS AND PAYMENTS.....	9
VI	STATEMENT OF ASSETS.....	10
VII	STATEMENT OF CASHFLOW.....	11
VIII	SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED..	12
IX	SUMMARY STATEMENT OF APPROPRIATION: RECURRENT.....	13
X	SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT.....	14
XI	SUMMARY STATEMENT OF PROVISIONING.....	15
XII	SIGNIFICANT ACCOUNTING POLICIE.....	16
XIII	NOTES TO THE FINANCIAL STATEMENTS.....	18

**MINISTRY OF MINING**  
**Reports and Financial Statements**  
**For the year ended June 30, 2016**

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**I. KEY MINISTRY OF MINING INFORMATION AND MANAGEMENT**

**(a) Background information**

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

**(b) Key Management**

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

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

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2016 and who had direct fiduciary responsibility were:

<b><u>NO.</u></b>	<b><u>NAME</u></b>	<b><u>DESIGNATION</u></b>
1.	Dr. Ibrahim Mohamed	Principal Secretary
2.	Mr. Andrew Rukaria	Director of Administration
3.	Mr. Shadrack Kimomo	Director of Mines and Geology
4.	Mr. Patrick W.Wako	Director of Resource Survey and Remote Sensing
5.	Mr. Julius Mwangi	Senior Chief Finance Officer
6.	Mrs. Catherine Shiroko	Head of Accounting Unit
7.	Mr. Zedekiah Ogendi	Head of Supply Chain and Management Services
8.	Mrs. Caroline Mugwe	Head of Human Resource Management
9.	Mr. Fred Wandera	Head of Internal Audit
10.	Mrs. Lynne Nyongesa	Head ICT

**MINISTRY OF MINING**  
**Reports and Financial Statements**  
**For the year ended June 30, 2016**

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**(c) Fiduciary Management**

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

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

**(d) Fiduciary Oversight Arrangements**

Audit and Finance Committee Activities

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

Finance Committee Activities

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

Parliamentary Committee Activities

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

**MINISTRY OF MINING**  
**Reports and Financial Statements**  
**For the year ended June 30, 2016**

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**(e) Entity Headquarters**

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

**(f) Entity Contacts**

Telephone: (254) 020-2723101  
E-mail: [ps@mining.go.ke](mailto:ps@mining.go.ke)  
Website: [www.mining.go.ke](http://www.mining.go.ke)

**(g) Entity Bankers**

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

**(h) Independent Auditors**

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

**(i) Principal Legal Adviser**

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

**MINISTRY OF MINING**  
**Reports and Financial Statements**  
**For the year ended June 30, 2016**

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## **II. FORWARD BY THE CABINET SECRETARY**

The third report and financial statement for the period ending 30<sup>th</sup> June, 2016 highlights the expenditure status as at the close of the Financial Year 2015/2016. In the period under review, the Ministry was allocated a budget of KShs.1,351,131,429 out of which KShs.1,017,042,051 was spent, giving a 75% utilization level of budgeted funds. The funds were used in various flagship projects and personal emoluments among other activities.

In the FY 2015/16, the Ministry made major achievements key among them were the approval of the Minerals and Mining Policy in April, 2016 and the enactment of the Mining Act 2016 in May 2016. These were major milestones in the mining sector as the policy and legal reforms bring in predictability, stability, accountability and transparency in the sector. The Mining Act 2016 formalizes the artisanal mining, provides mechanism for sharing benefits accruing from mining, and provides provisions on local content that will promote employment and procurement of locally available goods and services thus encouraging local community participation. In readiness to operationalize the Mining Act 2016, the Ministry has prepared 16 sets of regulations and is currently validating them by stakeholders.

The Ministry also realized achievements in implementing its flagship projects notably constructing the Gemstone Value Addition Centre in Taita-Taveta County to 80%, developing a framework for a world class Geological Data Bank, developing a framework for Mineral Audit Unit and procuring state of the art equipment for the world class Mineral Certification Laboratory and two centres of excellence of Directorate of Resource Surveys and Remote Sensing (DRSRS) and Geological Data Bank. The achievements made by the Ministry has seen revenue collection enhanced from KShs.21 million in 2013/14 to KShs.1.35 billion in 2015/16. Also, the sector was the second highest growth sector at 14.7% and cumulative output from Mining and Quarrying at KShs.24 billion up from KShs.21 billion in 2014. In addition, the sector has attracted major local and international investors due to increased investor confidence that has also seen increased private sector involvement in exploration currently estimated at KShs.1.5 billion.

During the course of implementation of the financial year 2015/16 budget, the Ministry faced a number of challenges and emerging issues. Key among them were delayed enacted of the Mining Act 2016 which resulted in non-implementation of strategic institutions in the Mining Act 2016 i.e. National Mining Corporation, National Mining Institute and Mineral Rights Board. As a result, there was serious budget cuts in the allocations to these institutions which could not be implemented due to lack of legal backing. In addition, the acute shortage of technical staff in the three technical directorates, inadequate transport and slow procurement process of equipment seriously affected implementation of projects and utilization of the budget.

The emerging issue in the mining sector is the increasing demand for geological data and information needed for investment decision-making.

In order to address the challenges and emerging issues, the Ministry intends to start procurement process early July and finish by December 2016, lobby Public Service of Kenya to recruit more technical staff, dispose of idle assets including vehicles and two aircrafts and seek the National Treasury's approval to use the proceeds to buy new vehicles.

**MINISTRY OF MINING**  
**Reports and Financial Statements**  
**For the year ended June 30, 2016**

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With regard to lack of geological data and information, the Ministry lobbied the National Treasury and was allocated 2.92 billion to conduct phase 1 of the nationwide airborne geo-physical survey to show areas of potential mineralization.

Going forward, the Ministry has put in place a team that will ensure timely implementation of the projects and effective utilization of the budget to leapfrog the mining sector from potential to wealth creation.

HON. DAN KAZUNGU  
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CABINET SECRETARY

  
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SIGNATURE

24-05-2017  
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DATE

**MINISTRY OF MINING**  
**Reports and Financial Statements**  
**For the year ended June 30, 2016**

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**III. STATEMENT OF MINISTRY OF MINING MANAGEMENT RESPONSIBILITIES**

Section 81 (1) of the Public Finance Management Act, 2013 requires that, at the end of each financial year, the accounting officer for a National Government Entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

The Accounting Officer in charge of the ministry of mining is responsible for the preparation and presentation of the ministry of mining financial statements, which give a true and fair view of the state of affairs as at the end of the financial year (period) ended on June 30, 2016. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the ministry of mining (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the ministry of mining accepts responsibility for the ministry of mining financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the ministry of mining financial statements give a true and fair view of the state of ministry of mining transactions during the financial year ended June 30, 2016, and of the ministry of mining financial position as at that date. The Accounting Officer charge of the ministry of mining further confirms the completeness of the accounting records maintained for the ministry of mining which have been relied upon in the preparation of the ministry of mining financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the ministry of mining confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the ministry of mining financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

**Approval of the financial statements**

The ministry of mining financial statements were approved and signed by the Accounting Officer on

24-05-2017



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**PRINCIPAL SECRETARY**



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**PRINCIPAL ACCOUNTS CONTROLLER**

# REPUBLIC OF KENYA

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P.O. Box 30084-00100  
NAIROBI

## OFFICE OF THE AUDITOR-GENERAL

### REPORT OF THE AUDITOR-GENERAL ON THE MINISTRY OF MINING FOR THE YEAR ENDED 30 JUNE 2016

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#### REPORT ON FINANCIAL STATEMENTS

I have audited the accompanying financial statements of the Ministry of Mining set out at pages 9 to 23, which comprise the statement of assets as at 30 June 2016, and the statement of receipts and payments, statement of cash flows, summary statements of appropriation recurrent and development combined, summary statement of provisioning 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.

#### **Management's Responsibility for the Financial Statements**

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

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

#### **Auditor-General's Responsibility**

My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. The audit was conducted in accordance with International Standards of Supreme Audit Institutions. Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of

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*Report of the Auditor-General on the Financial Statements of Ministry of Mining for the year ended 30 June 2016*

the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Ministry's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

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

### **Basis for Qualified Opinion**

#### **1. Unsupported Donor Funded Expenditure**

The statement of receipts and payments reflects proceeds from domestic and foreign grants amounting to Kshs.43,673,907, as disclosed under Note 3 to the financial statements. This amount is in respect of United Nations Development Programme (UNDP) funded project pass-through income for expenditure incurred and settled directly by the donor on behalf of the Ministry. However, the expenditure was not supported by the requisite documents namely payment vouchers, expenditure returns as well as schedules with respective reporting currency conversion rates. In the absence of documentary evidence in support of the expenditure, it has not been possible to confirm the purpose and validity of the grants totaling Kshs.43,673,907 for the year ended 30 June 2016.

#### **2. Compensation of Employees**

The statement of receipts and payments reflect payments amounting to Kshs.370,792,733 on account of compensation of employees, as further disclosed under Note 5 to the financial statements. Included in this figure is Kshs19,451,168 that is unsupported and not traceable to both the Integrated Payroll and Personnel Database (IPPD) and payment vouchers for temporary and casual employees. Under the circumstances, it has not been possible to confirm the propriety of employees costs of Kshs.19,451,168 for the year under review.

#### **3. Completeness of Mining Revenue**

The financial statements of the Ministry reflect other receipts amounting to Kshs.1,139,124,444 for the year ended 30 June 2016 as disclosed in Note 4 to the financial statements, (2014/15 Kshs.1,319,889,112) reflecting a 13.7% decline from the previous year. The following anomalies were noted over mining revenue collections:

### **3.1. Levy on Cement Minerals**

Included in other receipts figure of Kshs.1,139,124,444 is Kshs.613,312,355 on account of cement levy. Records in support of the levy receipts indicate no evidence of the Ministry having verified the reported production by the various cement companies. Consequently, the Ministry relied solely on the self-declared production figures of the individual cement companies.

Although, according to management, the Ministry has entered into a Memorandum of Understanding (MOU) with Kenya Revenue Authority (KRA) to collect the levy on its behalf, the memorandum is yet to be actualized. Under the circumstances, it has not been possible to confirm the accuracy and completeness of the reported cement levy of Kshs 613,312,355 for the year ended 30 June 2016.

### **3.2. Magadi Soda Royalties**

Included in the other receipts figure of Kshs.1,139,124,444 are royalty receipts from Magadi Soda products amounting to Kshs.86,764,751. Records in support of the royalty receipts indicate no evidence of the Ministry having verified the production quantities reported by the Company. Consequently, the Ministry relied solely on the Company self-declared production quantities. Under the circumstance, it has not been possible to confirm the accuracy and completeness of the royalty receipts of Kshs.86,764,751 for the year ended 30 June 2016.

### **3.3. Royalties from Base Titanium Limited**

Included in other receipts figure of Kshs.1,139,124,444 are royalties from Base Titanium Limited amounting to Kshs.294,694,680 on account of titanium exports. Records in support of the royalty receipts indicate no evidence of the Ministry having verified the production quantities and prices reported by the Company. Consequently, the Ministry relied solely on the Company's self-declared production quantities and self-determined prices. Under the circumstances, it has not been possible to confirm the accuracy and completeness of the royalty receipts of Kshs.294,694,680 for the year ended 30 June 2016.

## **4. Verification and Ownership of Motor Vehicles**

Included in the non-current assets figure of Kshs.355,047,038 reflected in the summary of fixed asset register, under Annex 1 to the financial statements, is the historical cost of transport equipment of Kshs.5,245,495. Included in the transport equipment list is a motor vehicle, registration number GKB 433D, whose physical existence could not be verified as it was not in use at the Ministry. Also included are the values of one vehicle registration numbers GKB 743J and a drilling rig, whose ownership could not be confirmed for lack of log books. Consequently, it was not possible to confirm whether fixed assets balance of Kshs.355,047,038 is fairly stated as at 30 June 2016.

## 5. Outstanding Temporary Imprests

The statement of assets as at 30 June 2016 reflects accounts receivable balance of Kshs.8,255,258 which includes outstanding temporary imprests of Kshs.3,861,134 as disclosed in Note 12 to the financial statements. These imprests ought to have been surrendered or accounted for on or before 30 June 2016. Review of the position as at 31 March 2017 revealed that out of the figure of Kshs.3,861,134, imprests totalling Kshs.2,685,662 had been surrendered or accounted for, leaving a balance of Kshs.1,175,472 outstanding. Consequently, the propriety of imprests totalling Kshs.1,175,472 as at 30 June 2016 could not be confirmed.

## 6. Bank Reconciliation Statement for Development Cashbook

The statement of assets as at 30 June 2016 reflects cash and cash equivalent balance of Kshs.24,629,617. However, review of the bank reconciliation statement for the development vote as at 30 June 2016 revealed that the following reconciling items had not been cleared from the bank reconciliation statement as at 31 December 2016:

Reconciling Item	Balance Outstanding as at 30/06/2016	Balance Outstanding as at 31/12/2016
	Kshs	Kshs
Payments in cashbook not in bank statement	85,052,731	5,970,438
Payments in bank statement not in cashbook	805,450	805,450
Receipts in cashbook not in bank statement	52,142,800	52,142,800

Consequently, the validity and accuracy of the cash and cash equivalent balance of Kshs.24,629,617 as at 30 June 2016 could not be confirmed.

## 7. Unresolved Prior Year Audit Matters

Included in Part XIII under Note 15 to the financial statements is a progress report on follow-up of prior year audit recommendations. The report indicates that out of the nine (9) observations, only one had been resolved as at 30 June 2016. The unresolved audit matters are listed below:

### 7.1. Un-authorized Expenditure on Surplus Appropriation-in-Aid (A.I.A)

The statement of receipts and payment for the year ended 30 June 2015 reflected other receipts totaling Kshs.1,319,889,112, which under Note 3 to the then financial statements under Appropriations-in-Aid (A.I.A) reflected a balance of Kshs.34,916,416.45 against an approved budget of Kshs.14,000,000 resulting in an excess / surplus in A.I.A of Kshs.20,916,416.45 which procedurally, the Ministry should have surrendered to the exchequer account. However, the surplus A.I.A had

been expended during the year ended 30 June 2015 and remained un-surrendered as at 30 June 2016.

## **7.2. Revenue**

### **7.2.1. Royalties received from Carbacid Company Ltd – Carbon Dioxide**

Other receipts balance of Kshs.1,319,889,112 included royalties of Kshs.1,008,093 received from Carbacid Company Limited on carbon dioxide. Clause 10 of the mining license requires the company to file progress reports and sales return which forms the basis for royalty payments. However, the company has to the date of this report not complied with the provision. In the circumstances, it has not been possible to confirm the accuracy and completeness of the royalties received from Carbacid Company Ltd.

### **7.2.2. Royalties Received from Base Titanium Limited**

Other receipts include royalties received from Base Titanium Limited amounting to Kshs.260,706,550 on account of titanium exports. These royalties are based on self-declared export quantities for which the Commissioner of Mines and Geology has issued export permits. As reported in the report, there was no evidence of subsequent verification of the actual exports vis-à-vis declared quantities to validate their accuracy. Although, according to the Management, verification was done at the point of loading the ship in Mombasa, analysis of quarterly returns revealed discrepancies arising from price adjustments. Under the circumstances it was not possible to confirm the validity and completeness of the royalties totaling Kshs.260,706,550 received for the year ended 30 June 2015.

## **7.3. Irregular Export Permits**

Information available indicates that export permits with a value of US\$ 18,619,645 (approximately Kshs.1.9 billion) were issued during the year by unauthorized officer whose employment contract expired on 19 April 2014. This was contrary to the then Mining Act which stipulated that, export permits were to be signed off by the Commissioner of Mines or an authorized officer whose authority has been delegated in writing.

Consequently, the validity of revenue collections on the export permits issued by the unauthorized officer cannot be confirmed.

## **7.4. Pending Bills**

As was disclosed under Annex 1 to the prior year's financial statements, the Ministry had pending bills totaling Kshs.9,060,804 as at 30 June 2015 relating to 2014/2015 financial year carried forward to 2015/2016 financial year. Therefore, the reported operating expenses have been understated by same amount.

## Qualified Opinion

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Ministry of Mining as at 30 June 2016, 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.

## Other Matter

### 1. Budget Control and Performance

#### 1.1. Budgetary Absorption

The summary statement of appropriation-recurrent and development combined for the year ended 30 June 2016 reflects total approved final budget of the Ministry of Mining of Kshs.1,351,131,429. Out of this amount, Kshs.737,070,000 (55%) and Kshs.614,061,429 (45%) were allocated to recurrent and development expenditure respectively, all totalling Kshs.1,351,131,429 but only Kshs.1,017,042,051 (75%) was absorbed. As a result there was an excess expenditure of Kshs.1,537,915 on compensation of employees and under absorption totalling Kshs.335,627,293 on four expenditure items as summarized below:

Expense Item	Approved Final Budget	Actual Expenditure	Over Absorption	Under Absorption	% of Utilization
	Kshs	Kshs	Kshs	Kshs	%
Compensation of Employees	369,254,818	370,792,733	1,537,915	-	100
Use of goods and services	370,149,619	267,844,084	-	102,305,535	72
Other grants and transfers	18,000,000	16,830,000	-	1,170,000	94
Social Security Benefits	15,623,286	6,528,196	-	9,095,090	42
Acquisition of Assets	578,103,706	355,047,038	-	223,056,668	61
<b>Grand Totals</b>	<b>1,351,131,429</b>	<b>1,017,042,051</b>	<b>1,537,915</b>	<b>335,627,293</b>	<b>75</b>

The under absorption of approved budget indicates that some activities and projects in the annual work-plan were not implemented by the Ministry which is likely to have negatively impacted on delivery of services to the public. Further, no evidence has been provided to show that the excess expenditure of Kshs.1,537,915 on compensation of employees was authorized as required by the Public Finance Management Act 2012.

## 1.2. Development Budget

According to the summary statement of appropriation-development for the year ended 30 June 2016, the Ministry of Mining had a budgetary allocation of Kshs.614,061,430 for development projects but only expended Kshs.370,155,891 (60%), resulting in under-expenditure of Kshs.243,905,539 or 40% of budget. The under-expenditure was on the following items:

Expense Item	Approved Final Budget	Actual Expenditure	Budget Utilization Difference	% of Utilization
	Kshs	Kshs	Kshs	%
Use of goods and services	66,740,000	35,509,474	31,230,526	53
Acquisition of Assets	547,321,429	334,646,417	212,675,012	61
<b>TOTALS</b>	<b>614,061,429</b>	<b>370,155,891</b>	<b>243,905,538</b>	<b>60</b>

The under-expenditure of Kshs.243,905,538 implies that the Ministry of Mining did not implement or complete some of the planned projects and hence their intended objectives were not achieved in the year under review.

## 1.3. Recurrent Budget

Similarly, the summary statement of appropriation-recurrent for the year under review shows that the Ministry of Mining had a recurrent budget of Kshs.737,070,000, while the actual expenditure was Kshs.646,886,160 (88%), resulting in under expenditure of Kshs.90,183,840 or 12% of the budget. The under expenditure was on the following items:

Receipt/Expense Item	Final Budget (Kshs)	Actual Expenditure (Kshs)	Budget Utilization Difference (Kshs)	% of Utilization
Compensation of Employees	369,254,818	370,792,733	(1,537,915)	100
Use of goods and services	303,409,619	232,334,610	71,075,009	77
Other grants and transfers	18,000,000	16,830,000	1,170,000	94
Social Security Benefits	15,623,286	6,528,196	9,095,090	42
Acquisition of Assets	30,782,277	20,400,621	10,381,656	66
<b>TOTALS</b>	<b>737,070,000</b>	<b>646,886,160</b>	<b>90,183,840</b>	<b>88</b>

Under utilization of the budgeted expenditure results in non-provision of planned goods and services, which in turn affects service delivery to the public negatively.

## **2. Delays in Commissioning of Ministry Laboratory**

As reported in my 2014/2015 report, the Ministry, during that financial year, completed the construction of its new laboratory complex at Industrial Area at a cost of Kshs.102,848,436. However, the laboratory is yet to be commissioned and thus remains idle. Site visit to the laboratory building in April 2017 revealed that the floor tiles on the 1<sup>st</sup> floor of the building were defective, having developed cracks and peeled off with some electric light fittings hanging out loosely. This is indicative of poor workmanship or low quality of the materials used. The Ministry may have to incur repair costs in order to restore the laboratory before it is commissioned for use. Under the circumstances, it has not been possible to confirm whether the Ministry obtained value-for-money on the expenditure totaling Kshs.102,848,436 incurred in putting up the laboratory.



**FCPA Edward R. O. Ouko, CBS**  
**AUDITOR-GENERAL**

**Nairobi**

**28 June 2017**

**MINISTRY OF MINING**  
**Reports and Financial Statements**  
**For the year ended June 30, 2016**

**V. STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	2015-2016 Kshs	2014-2015 Kshs
<b>RECEIPTS</b>			
Proceeds from Domestic and Foreign Grants	1	43,673,907	42,500,000
Exchequer Releases	2	952,600,000	1,555,585,000
Proceeds from Sale of Assets	3	17,000	
Other Receipts	4	1,139,124,444	1,319,889,112
<b>TOTAL RECEIPTS</b>		<b>2,135,415,351</b>	<b>2,917,974,112</b>
<b>PAYMENTS</b>			
Compensation of Employees	5	370,792,733	322,483,217
Use of Goods and Services	6	267,844,084	306,236,086
Grants and Transfers to Other Government Units	7	1,335,340,834	1,142,657,398
Social Security Benefits	8	6,528,196	19,573,998
Acquisition of Assets	9	355,047,038	962,179,992
Other Grants and Transfers	10	16,830,000	17,080,875
<b>TOTAL PAYMENTS</b>		<b>2,352,382,855</b>	<b>2,770,211,566</b>
<b>SURPLUS/DEFICIT</b>		<b>(216,967,534)</b>	<b>147,762,546</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Ministry's revised financial statements were approved on 24-05-2017 and signed by:

  
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**PRINCIPAL SECRETARY**

  
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**PRINCIPAL ACCOUNTS CONTROLLER**

**MINISTRY OF MINING**  
**Reports and Financial Statements**  
**For the year ended June 30, 2016**

**VI. STATEMENT OF ASSETS**

	Note	2015-2016 Kshs	2014-2015 Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances	11	24,629,617	245,811,396
<b>Total Cash and Cash Equivalent</b>		<b>24,629,617</b>	<b>245,811,396</b>
Accounts Receivables	12	8,255,258	-
<b>TOTAL FINANCIAL ASSETS</b>		<b>32,884,875</b>	<b>245,811,396</b>
<b>LESS: FINANCIAL LIABILITIES</b>			
Accounts Payables –Deposits	13	(4,041,013)	-
<b>NET FINACIAL ASSETS</b>		<b>28,843,862</b>	<b>245,811,396</b>
<b>REPRESENTED BY</b>			
<b>Fund Balance B/Fwd</b>	14	245,811,396	125,080,394
<b>Surplus/Deficit for the Year</b>		(216,967,534)	147,762,546
<b>Prior Year Adjustments</b>		-	(27,031,544)
<b>NET FINANCIAL POSITION</b>		<b>28,843,862</b>	<b>245,811,396</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Ministry's revised financial statements were approved on 24-05-2017 and signed by:

  
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**PRINCIPAL ACCOUNTS CONTROLLER**



**MINISTRY OF MINING**  
**Reports and Financial Statements**  
**For the year ended June 30, 2016**

**VII. STATEMENT OF CASHFLOW**

	Note	2015-2016 Kshs	2014-2015 Kshs
<b>CASHFLOW FROM OPERATING ACTIVITIES</b>			
<b>Receipts for Operating Income</b>			
Proceeds from Domestic and Foreign Grants	1	43,673,906	42,500,000
Exchequer Releases	2	952,600,000	1,555,585,000
Other Receipts	3	1,139,124,444	1,319,889,112
		<u>2,135,398,350</u>	<u>2,917,974,112</u>
<b>Payments for Operating Expenses</b>			
Compensation of Employees	4	(370,792,733)	(322,483,217)
Use of goods and services	5	(267,844,084)	(306,236,086)
Transfers to Other Government Units	6	(1,335,340,834)	(1,142,657,398)
Social Security Benefits	7	(6,528,196)	(19,573,998)
Other Grants and Transfers	8	(16,830,000)	(17,080,875)
<b>Adjusted for:</b>			
Changes in Receivables		(8,255,258)	-
Changes in Payables		4,041,013	-
Prior Year Adjustments			(27,031,544)
<b>Net Cash Flow from Operating Activities</b>		<u>133,848,258</u>	<u>1,082,910,994</u>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	9	17,000	-
Acquisition of Assets	10	(355,047,038)	(962,179,992)
<b>Net Cash Flows from Investing Activities</b>		<u>(355,030,038)</u>	<u>(962,179,992)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>(221,181,780)</b>	<b>120,731,002</b>
<b>Cash and cash equivalent at BEGINNING of the ye</b>	<b>11</b>	<u>245,811,396</u>	<u>125,080,394</u>
<b>Cash and cash equivalent at END of the year</b>	<b>12</b>	<u>24,629,616</u>	<u>245,811,396</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Ministry's revised financial statements were approved on 24-05-2017 and signed by:

  
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**PRINCIPAL SECRETARY**

  
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**PRINCIPAL ACCOUNTS CONTROLLER**



**MINISTRY OF MINING**  
**Reports and Financial Statements**  
**For the year ended June 30, 2016**

**VIII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED.**

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	%
<b>RECEIPTS</b>						
Proceeds from Domestic and Foreign Grants	22,321,429	23,740,000	46,061,429	43,673,906	2,387,523	95
Exchequer Releases	2,237,393,519	886,262,090	1,351,131,429	952,600,000	398,531,429	71
Proceeds from Sale of Assets	2,000,000	-	2,000,000	17,000	1,983,000	1
Other Receipts (AIA)	12,000,000	-	12,000,000	1,139,124,444	1,127,124,444	9,493
<b>TOTAL RECEIPTS</b>	<b>2,273,714,948</b>	<b>862,522,090</b>	<b>1,411,192,858</b>	<b>2,135,415,350</b>	<b>1,530,026,396</b>	<b>151</b>
<b>PAYMENTS</b>						
Compensation of Employees	315,400,000	53,854,818	369,254,818	370,792,733	1,537,915	100
Use of Goods and Services	353,397,435	16,752,184	370,149,619	267,844,084	102,305,535	72
Grants and Transfers to Other Government Units	-	-	-	1,335,340,834	1,335,340,834	
Other Grants and Transfers	18,000,000	-	18,000,000	16,830,000	1,170,000	94
Social Security Benefits	15,623,286	-	15,623,286	6,528,196	9,095,090	42
Acquisition of Assets	1,534,972,798	956,869,092	578,103,706	355,047,038	223,056,668	61
<b>TOTAL PAYMENTS</b>	<b>2,237,393,519</b>	<b>886,262,090</b>	<b>1,351,131,429</b>	<b>2,352,382,885</b>	<b>1,001,251,456</b>	<b>174</b>

The Ministry's revised financial statements were approved on 24-05-2017 and signed by:



**PRINCIPAL SECRETARY**



**PRINCIPAL ACCOUNTS CONTROLLER**



**MINISTRY OF MINING**  
**Reports and Financial Statements**  
**For the year ended June 30, 2016**

**IX. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT**

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	%
<b>RECEIPTS</b>						
Proceeds from Domestic and Foreign Grants	-	-	-	-	-	
Exchequer releases	728,072,090	8,997,910	737,070,000	628,600,000	108,470,000	85
Proceeds from Sale of Assets	2,000,000	-	2,000,000	17,000	1,983,000	1
Other Receipts	12,000,000	-	12,000,000	1,139,124,444	1,127,124,444	
<b>TOTAL RECEIPTS</b>	<b>742,072,090</b>	<b>8,997,910</b>	<b>751,070,000</b>	<b>1,767,741,444</b>	<b>1,237,577,444</b>	<b>235</b>
<b>PAYMENTS</b>						
Compensation of Employees	315,400,000	53,854,818	369,254,818	370,792,733	1,537,915	100
Use of goods and services	340,397,435	36,987,816	303,409,619	232,334,610	71,075,009	77
Grants and Transfers to Other Government Units	-	-	-	-	1,335,340,834	
Other Grants and Transfers	18,000,000	-	18,000,000	16,830,000	1,170,000	94
Social Security Benefits	15,623,286	-	15,623,286	6,528,196	9,095,090	42
Acquisition of Assets	38,651,369	7,869,092	30,782,277	20,400,621	10,381,656	66
<b>TOTAL PAYMENTS</b>	<b>728,072,090</b>	<b>8,997,910</b>	<b>737,070,000</b>	<b>1,982,226,994</b>	<b>90,183,840</b>	<b>269</b>

The Ministry's revised financial statements were approved on 24-05-2017 and signed by:

**PRINCIPAL SECRETARY**

**PRINCIPAL ACCOUNTS CONTROLLER**



**MINISTRY OF MINING**  
**Reports and Financial Statements**  
**For the year ended June 30, 2016**

**X. SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT**

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	%
<b>RECEIPTS</b>						
Proceeds from Domestic and Foreign Grants	22,321,429	23,740	46,061,429	43,673,906	2,387,523	95
Exchequer releases	1,509,321,429	845,260,000	614,061,429	324,000,000	290,061,429	53
Proceeds from Sale of Assets	-	-	-	-	-	-
Other Receipts	-	-	-	-	-	-
<b>TOTAL RECEIPTS</b>	<b>1,531,642,858</b>	<b>871,520,000</b>	<b>660,122,858</b>	<b>367,373,906</b>	<b>292,448,952</b>	<b>56</b>
<b>PAYMENTS</b>						
Compensation of Employees	-	-	-	-	-	-
Use of goods and services	13,000,000	53,740,000	66,740,000	35,509,474	31,230,526	53
Grants and Transfers to Other Government Units	-	-	-	-	-	-
Other Grants and Transfers	-	-	-	-	-	-
Acquisition of Assets	1,496,321,429	949,000,000	547,321,429	334,646,417	212,675,012	61
<b>TOTAL RECEIPTS</b>	<b>1,509,321,429</b>	<b>895,260,000</b>	<b>614,061,429</b>	<b>370,155,891</b>	<b>243,905,539</b>	<b>60</b>

The Ministry's revised financial statements were approved on 24-05-2017 and signed by:



**PRINCIPAL SECRETARY**



**PRINCIPAL ACCOUNTS CONTROLLER**



**MINISTRY OF MINING**  
**Reports and Financial Statements**  
**For the year ended June 30, 2016**

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**XI. SUMMARY STATEMENT OF PROVISIONINGS**

- Details of General Accounts On Vote

	<b>2015-2016</b>	<b>2014-2015</b>
	<b>Kshs</b>	<b>Kshs</b>
GAV Provisioning Account Balance	322,670,372	332,656,992
<b>TOTAL</b>	<u><b>322,670,372</b></u>	<u><b>332,656,992</b></u>

- Details of Exchequer Provisioning

	<b>2015-2016</b>	<b>2014-2015</b>
	<b>Kshs</b>	<b>Kshs</b>
Exchequer Provisioning Balance	302,148,571	348,126,140
<b>TOTAL</b>	<u><b>302,148,571</b></u>	<u><b>348,126,140</b></u>

  
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**MINISTRY OF MINING**  
**Reports and Financial Statements**  
**For the year ended June 30, 2016**

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**XII. SIGNIFICANT ACCOUNTING POLICIES**

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

**1. Statement of Compliance and Basis of Preparation**

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

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

The financial statements have been prepared on the cash basis following the Government's standard chart of accounts.

**2. Recognition of Revenue and Expenses**

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

**3. In-kind Contributions**

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

**4. Cash and Cash Equivalents**

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



**MINISTRY OF MINING**  
**Reports and Financial Statements**  
**For the year ended June 30, 2016**

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**5. 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 expenditure when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy.

**6. Accounts Payable**

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

**7. Non-current Assets**

Non-current assets are expensed at the time of acquisition while disposal proceeds are recognized as receipts at the time of disposal. However, the acquisitions and disposals are reflected in the Ministry's fixed asset register a summary of which is provided as a memorandum to these financial statements.

**8. 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 are recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the Ministry of Mining at the end of the year. Pending bill form a first charge to the subsequent year budget and when they are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

**9. Budget**

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

**10. Comparative Figures**

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

**11. Subsequent Events**

Events subsequent to submission of the financial year end financial statements to the National Treasury and other stakeholders with a significant impact on the financial statements may be adjusted with the concurrence of National Treasury.

**MINISTRY OF MINING**  
**Reports and Financial Statements**  
**For the year ended June 30, 2016**

**XIII. NOTES TO THE FINANCIAL STATEMENTS**

**1 PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS**

Name of Donor	Date received	Amount in foreign currency	2015-2016	2014-2015
			Kshs	Kshs
<b>Grants Received from Multilateral Donors (International Organizations)</b>				
UNDP			43,673,907	42,500,000
<b>Total</b>			<b>43,673,907</b>	<b>42,500,000</b>

**2 EXCHEQUER RELEASES**

	2015-2016 Kshs	2014-2015 Kshs
Total Exchequer Releases for quarter 1	111,100,000	185,265,000
Total Exchequer Releases for quarter 2	214,200,000	398,000,000
Total Exchequer Releases for quarter 3	144,100,000	258,500,000
Total Exchequer Releases for quarter 4	483,200,000	713,820,000
<b>Total</b>	<b><u>952,600,000</u></b>	<b><u>1,555,585,000</u></b>

**3 PROCEEDS FROM SALE OF ASSETS**

	2015-2016 Kshs	2014-2015 Kshs
Receipts from the Sale of Inventories, Stocks and Commodities	17,000	
<b>Total</b>	<b><u>17,000</u></b>	<u>                    </u>



**MINISTRY OF MINING**  
**Reports and Financial Statements**  
**For the year ended June 30, 2016**

**4 OTHER RECEIPTS**

	<b>2015-2016</b>	<b>2014-2015</b>
	<b>Kshs</b>	<b>Kshs</b>
Receipts from Administrative Fees and Charges-Collected as AIA	19,042,001	34,916,416
Levy on Cement Minerals	613,312,555	800,687,378
Royalty on Exports and Extraction of Minerals	118,364,643	104,496,814
Royalty on Tata Chemicals Magadi soda	86,764,751	114,644,268
Mineral dealers License/Export Permit Fee	6,945,814	4,437,686
Base Titanium	294,694,680	260,706,550
<b>Total</b>	<b><u>1,139,124,444</u></b>	<b><u>1,319,889,112</u></b>

**5 COMPENSATION OF EMPLOYEES**

	<b>2015-2016</b>	<b>2014-2015</b>
	<b>Kshs</b>	<b>Kshs</b>
Basic salaries of permanent employees	218,713,943	205,405,245
Basic wages of temporary employees	10,933,571	8,582,110
Personal allowances paid as part of salary	141,145,219	108,495,862
<b>Total</b>	<b><u>370,792,733</u></b>	<b><u>322,483,217</u></b>

**6 USE OF GOODS AND SERVICES**

	<b>2015-2016</b>	<b>2014-2015</b>
	<b>Kshs</b>	<b>Kshs</b>
Utilities, supplies and services	12,439,275	11,918,831
Communication, supplies and services	10,681,656	9,935,024
Domestic travel and subsistence	39,187,130	33,510,054
Foreign travel and subsistence	15,305,578	11,540,368
Printing, advertising and information supplies	5,713,305	5,275,521
Rentals of produced assets	4,085,500	1,740,595
Training expenses	39,523,481	4,095,549
Hospitality supplies and services	16,253,504	13,524,367
Fuel Oil and Lubricants	24,261,711	54,942,198
Insurance costs	21,951,320	20,441,822
Specialized materials and services	8,617,084	18,997,992
Office and general supplies and services	22,142,695	21,349,216
Other operating expenses	30,812,840	65,448,843
Routine maintenance – vehicles and other	11,597,143	26,652,720
Routine maintenance – other assets	5,271,863	6,862,986
<b>Total</b>	<b><u>267,844,084</u></b>	<b><u>306,236,086</u></b>



**MINISTRY OF MINING**  
**Reports and Financial Statements**  
**For the year ended June 30, 2016**

**7 GRANTS AND TRANSFERS TO OTHER GOVERNMENT ENTITIES**

<b>Description</b>	<b>2015-2016</b> <b>Kshs</b>	<b>2014-2015</b> <b>Kshs</b>
Transfers to National Government Entities To exchequer	1,329,380,334	1,142,657,398
Transfers to Other Levels of Government – Counties		
Nyamira County	3,016,000	
Wajir County	2,944,500	
<b>TOTAL</b>	<b>1,335,340,834</b>	<b>1,142,657,398</b>

**8 SOCIAL SECURITY BENEFITS**

	<b>2015 - 2016</b> <b>Kshs</b>	<b>2015 - 2016</b> <b>Kshs</b>
Government pension and retirement benefits	6,528,196	19,573,998
<b>Total</b>	<b>6,528,196</b>	<b>19,573,998</b>

**9 ACQUISITION OF ASSETS**

<b><u>Non Financial Assets</u></b>	<b>2015-2016</b> <b>Kshs</b>	<b>2014-2015</b> <b>Kshs</b>
Construction of Buildings	29,443,973	26,620,665
Refurbishment of Buildings	3,189,788	8,682,932
Purchase of Vehicles and Other Transport Equipment	-	22,500
Overhaul of Vehicles and Other Transport Equipment	5,245,495	53,745,578
Purchase of Office Furniture and General Equipment	4,951,142	7,256,457
Purchase of ICT Equipment, Software and Other ICT Assets	114,709,908	510,179,642
Rehabilitation and renovation of plant and machinery equip,	229,436	
Research, Studies, Project Preparation, Design & Supervision	197,277,296	355,672,218
<b>Total</b>	<b>355,047,038</b>	<b>962,179,992</b>

**MINISTRY OF MINING**  
**Reports and Financial Statements**  
**For the year ended June 30, 2016**

**10 OTHER GRANTS AND TRANSFERS**

	<b>2015-2016</b> <b>Kshs</b>	<b>2014-2015</b> <b>Kshs</b>
Membership fees and dues and subscriptions to international organizations	11,300,000.00	5,780,875
Membership dues and subscription to international organizations	5,530,000.00	
<b>Total</b>	<b>16,830,000.00</b>	<b>17,080,875</b>

**11 Bank Accounts**

<b>Name of Bank, Account No. &amp; currency</b>	<b>Amount in bank account currency</b>	<b>Indicate whether recurrent, Development, deposit etc.</b>	<b>Exc rate (if in foreign currency)</b>	<b>2015-2016</b>	<b>2014-2015</b>
				<b>Kshs</b>	<b>Kshs</b>
Recurrent bank, Account No.1000181877 CBK				1,225,602	178,117
Development bank, Account No. 1000182008 CBK				72,267	21,707,698
Deposit, Account No.1000182326 CBK				23,331,748	223,925,581
<b>Total</b>				<b>24,629,617</b>	<b>245,811,396</b>

**12 ACCOUNTS RECEIVABLE**

<b>Description</b>	<b>2015-2016</b> <b>Kshs</b>	<b>2014-2015</b> <b>Kshs</b>
Temporary Imprests	3,861,134	
Salary Advances	232,455	
District Suspense Account	4,161,669	
<b>Totals</b>	<b>8,255,258</b>	



**MINISTRY OF MINING**  
**Reports and Financial Statements**  
**For the year ended June 30, 2016**

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**13 ACCOUNTS PAYABLE**

	<b>2015-2016</b>	<b>2014-2015</b>
	<b>Kshs</b>	<b>Kshs</b>
Deposits	4,041,013	
<b>Total</b>	<u><u>4,041,013</u></u>	

**14. FUND BALANCE BROUGHT FORWARD**

	<b>2015-2016</b>	<b>2014-2015</b>
	<b>Kshs</b>	<b>Kshs</b>
Bank accounts	245,811,396	
<b>Total</b>	<u><u>245,811,396</u></u>	



**MINISTRY OF MINING**  
**Reports and Financial Statements**  
**For the year ended June 30, 2016**

**15. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

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.

Referen ce No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	Un-authorized expenditure on surplus appropriation in Aid (A.I.A)	Response made to Auditor-General	Chief Finance Officer	Not-resolved	
2	Revenue		Director Mining		
	a) Royalties received from Carbacid Ltd	Response made to Auditor-General	Director Mining	Not-resolved	
	b) Royalties received from Tase Titanium	Response made to Auditor-General	Director Mining	Not-resolved	
3.	Uncollected revenue on dealers licences	Response made to Auditor-General	Director Mining	Not-resolved	
4	Irregular export permits	Response made to Auditor-General	Director Mining	Not-resolved	
5	Pending bills	Response made to Auditor-General	Chief Finance Officer	Director Mining	
6	i) Appointment as receiver /collector of revenue	Response made to Auditor-General	Head of Internal Audit	Resolved	
	ii) Irregular meetings of Audit committee	Response made to Auditor-General	Head of Internal Audit	Not-resolved	
	iii) Delay in commissioning of ministry's laboratory	Response made to Auditor-General	Director Mining	Not-resolved	

  
 PRINCIPAL SECRETARY

  
 PRINCIPAL ACCOUNTS CONTROLLER



MINISTRY OF MINING  
 Reports and Financial Statements  
 For the year ended June 30, 2016

**ANNEX 1–SUMMARY OF FIXED ASSET REGISTER**

Asset class	Historical Cost (Kshs) 2016/15	Historical Cost (Kshs) 2014/15
Land		
Buildings and structures	32,633,761	35,303,597
Transport equipment	5,245,495	53,768,078
Office equipment, furniture and fittings	4,951,142	7,256,457
ICT Equipment, Software and Other ICT Assets		
Other Machinery and Equipment	114,939,344	510,179,642
Heritage and cultural assets		
Intangible assets	197,277,296	355,672,218
<b>Total</b>	<b>355,047,038</b>	<b>962,179,992</b>



**MINISTRY OF MINING**  
**Reports and Financial Statements**  
**For the year ended June 30, 2016**

**ANNEX 2 -OUTSTANDING IMPRESTS**

OUTSTANDING TEMPORARY IMPRESTS AS AT 30TH JUNE 2016					
NAME	PF/NO	I/W/NO	DATE ISSUED	DATE DUE	KSHS.
Albert Omondi	2005028448	2327417	21.09.2015	30.06.2016	30,000.00
Albert Omondi	2005028448	2617020	13.06.2016	30.006.2016	44,800.00
Anthony Maina		2394829	20.01.2016	30.01.2016	120,000.00
Befry Musimbi	1987106429	2617061	14.06.2016	30.06.2016	850,000.00
Benson Kimani	1987090759	2327495	1.10.2015	15.10.2015	300.00
Collins Ngigi	1998009836	2327428	08.09.2015	15.09.2015	22,400.00
Collins Omitto		2394870		30.12.2015	14,000.00
Dennis Onchoke	2007131747	2303975	10.08.2015	30.09.2015	176,400.00
Ismael Muhamudi		2394867	17.12.2015	30.12.2015	50,400.00
Elizabeth Abongo	1988085694	2327466	24.09.2015	30.09.2015	100,000.00
Emmanuel Wanje		26117043	15.06.2015	24.06.2015	136,680.00
Emmanuel Wanje		2471534	10.02.2016	29.02.2016	7,264.00
Evans Masachi		2388193	3.6.2016	30.06.2016	126,607.50
Hellen Muraa N	1985098915	2311246	21.08.2015	31.08.2015	56,000.00
Dancan Muthee		2538586	18.4.16	30.4.2016	88,000.00
Jackline Atieno		2327474	6.10.2015	30.06.2016	20,000.00
James Mwangi	2008035656	2368718	26.10.2015	30.10.2015	138,600.00
James Karanja Muthee	2008142474	2327280	27.08.2015	30.09.2015	176,400.00
Lawrence Marube	1985090763	2617028		24.06.2016	210,850.00
Margaret Mumbi	2006041884	2311168	05.09.2015	18.08.2015	112,000.00
Paul Mirie		2471676		29.02.2016	42,000.00
Peter Karino	2009048021	2509919	22.03.2016	30.30.2016	59,500.00
Peter Karino	1992007886	2471680	20.01.2016	30.01.2016	38,900.00



**MINISTRY OF MINING**  
**Reports and Financial Statements**  
**For the year ended June 30, 2016**

Peter Odour Ojijo	2006001054	2471679	19.1.16	30.01.16	38,900.00
Peter Odour Ojijo	2006001054	2617017	3.6.206	30.06.2016	18,400.00
Rose Marlin		2509924		24.06.2016	33,632.50
Ruth Jerusia	SECRETARY	2509878	26.02.2016	29.02.2016	28,000.00
Samuel Ojuanga	2006041907	2561825	30.05.2016	20.06.2016	196,000.00
Sarah W Njeru	2006041892	2561826	30.05.2016	20.06.2016	196,000.00
Thomas Mutwiwa	1998009585	2327414	31.08.2015	15.09.2015	800.00
Thomas Mutwiwa	1998009585	2327467	24.09.2015	30.09.2015	30,400.00
William Kangondu		2394834		24.02.2016	50,000.00
Wilson Barsoget	1983089782	2327181	27.08.2015	30.09.2015	176,400.00
Zakayo Muriuki M	1983089782	2311235	26.08.2015	15.09.2015	104,000.00
Zakayo Muriuki M	1983089782	2388141	10.11.2015	30.11.2015	98,000.00
Zakayo Muriuki M	1983089782	2327486	02.10.2015	30.10.2015	269,500.00
<b>TOTAL</b>					<b>3,861,134.00</b>

