
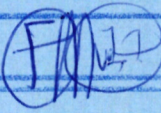


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL



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REPORT

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ON

THE FINANCIAL STATEMENTS OF
STATE DEPARTMENT FOR PETROLEUM

FOR THE YEAR ENDED
30 JUNE 2018





**MINISTRY OF PETROLEUM AND MINING
STATE DEPARTMENT FOR PETROLEUM
REPORTS AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2018**

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

STATE DEPARTMENT OF PETROLEUM
Reports and Financial Statements
For the year ended June 30, 2018

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I. STATE DEPARTMENT FOR PETROLEUM INFORMATION AND MANAGEMENT

(a) Background Information

The Ministry of Petroleum and Mining was created in 2018 through Executive Order No. 1 of June, 2018. Prior to this, the State Department for Petroleum fell under the Ministry of Energy and Petroleum. Before then, petroleum pricing was under the then Ministry of Finance which represented the Government interests in the Kenya Petroleum Refineries Limited.

Under the Executive Order No. 1 of June, 2018 on the Organization of the Government of the Republic of Kenya, the Ministry was split into two State Departments with each drawing its mandate from the Executive Order. At the Cabinet level, the Ministry is headed by the Cabinet Secretary, Mr. John Munyes, EGH, who is responsible for general policy and strategic direction of the Ministry.

The State Departments under the Ministry are:

- i. The State Department for Petroleum administered by Andrew Kamau, CBS, and
- ii. The State Department for Mining administered by Mr. John Omenge, CBS

The State Department for Petroleum is a Public Institution whose responsibility is to ensure adequate, quality, cost effective and affordable development of the extractives Sector to meet national development needs while protecting and conserving the environment

The Vision, Mission, Core Values, Strategic Objectives and core functions of the State Department for Petroleum under Ministry of Petroleum and Mining are:

Vision

Promote sustainable development of the extractives sector.

Mission

Enhance commercialization of discoveries, develop the requisite skills and infrastructure for production in the oil, gas and improve access to competitive, reliable and secure supply of petroleum products

Core Functions

- Formulation of policy, review of fiscal, legal and regulatory framework for oil and gas exploration, development and production.
- Acquisition, interpretation and modeling of primary data, primary geotechnical data for geophysical (gravity, magnetic), geological and geochemical surveys in unlicensed or open petroleum exploration blocks. The purpose is to upgrade exploration data base and to accelerate or bring forward, seismic acquisition programmes by oil and gas companies that will be licensed to operate in those blocks.
- Monitoring operations and compliance of oil and gas exploration, in the implementation of their minimum geological, geophysical, geochemical and drilling obligations in licensed blocks.
- Evaluation of results and reports submitted by licensed oil and gas companies, operationalise Production Sharing Contracts in the country's exploration blocks.

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- Carrying out continuous review, subdivision and reduction of petroleum exploration block sizes on basis of additional data and to increase commitment to implementation of minimum work in smaller blocks by licensed oil and gas companies.
- Carrying out evaluation and negotiation of Production Sharing Contracts terms submitted by oil and gas companies which express interest in the country's exploration blocks.
- Exploratory drilling operations in prospective areas;
- Promotion and licensing of acreage:
- Facilitating exemption of Duty, VAT and Income Declaration Forms (IDF) by the National Treasury and Planning, in respect of goods and equipment imported into the country by licensed oil companies specific to oil and gas operations.
- Promotion of regional and international programmes on data exchange and technology transfer between the State Department for Petroleum and relevant oil and gas – based organizations.
- Formulation of policies on oil and gas operations with upstream segment of the oil industry.
- Continuous monitoring and coordination of Distribution, Supply and Market situations of finished petroleum products in the country.
- Ensure Security and supply of Petroleum products.
- Promote investment in petroleum infrastructure.

Strategic Objectives

- Enabling regulatory framework for the Petroleum Sector;
- Affordable, reliable and safe supply of petroleum to Kenyans;
- Sustainable petroleum self-sufficiency;
- Efficient utilization and conservation of petroleum;
- Development of new petroleum resources and;
- Optimal utilization of both human and financial resources.

Core Values

- (i) Professional integrity and excellence
- (ii) Commitment to work
- (iii) Commitment to customer service
- (iv) Efficiency, transparency and accountability
- (v) Zero tolerance to corruption
- (vi) Non-partisan

Our Stakeholders

The stakeholders that the State Department for Petroleum targets in order to encourage cleaner petroleum consumption and conservation includes:-

- Kenya Petroleum Refineries Limited (KPRL)
- National Oil Corporation of Kenya (NOCK)
- Kenya Pipeline Company (KPC)



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- Ministries, Departments and Agencies
- Oil Marketing Companies

(b) Key Management

The State Department for Petroleum derives its mandate from Executive order No.1 of 2018 and other Acts of Parliament relevant to Petroleum. To effectively provide services per our mandate, the Department has two divisions namely Petroleum and the Administration and Support Services. It has ten units namely:

- HRM&D
- Public Communications
- Central Project Planning
- Supply Chain Management Services
- Information Communication Technology (ICT)
- Finance
- Accounts
- Legal
- Audit
- Gender

(c) Fiduciary Management

The key management personnel who held office in the State Department for Petroleum during the financial year ended 30th June, 2018 and who had direct fiduciary responsibility were:

Designation	Name
Cabinet Secretary	Hon. John Munyes, EGH
Principal Secretary	Mr. Andrew N. Kamau CBS
Secretary, Petroleum	Mr. Martin M Heya OGW
Secretary, Administration	Mr. Chege Mwangi
Senior Chief Finance Officer	Ms Melisa M Musoma
DD/HRM&D	Ms Agnes Muthuo
Deputy Chief Economist	Ms Electine M Nanzala
Ag Head, Accounting Unit	CPA Prisca Musau
Ag. Head, SCMS	Mr. Evans Nyakundi

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Hon. John K. Munyes, EGH
Cabinet Secretary
Ministry of Petroleum and Mining

Hon. John K Munyes, EGH was appointed Cabinet Secretary for Ministry of Petroleum and Mining by President Uhuru Kenyatta in January 2018. Prior to his appointment as Cabinet Secretary, Hon. John K Munyes served as the Senator for the oil-rich Turkana County for 5 years beginning 2013 and ending 2017.

Hon. John K Munyes has also previously served in various capacities as Minister of State for Special programmes (2005), Minister for Water and Irrigation (2003) as well as Minister for Labour & Social Services. He also served as the Member of Parliament (MP) for Turkana North Constituency for 15 years, beginning 1997.

Prior to joining politics, Hon. John K Munyes worked as UNESCO Project Assistant and later became a Programme Coordinator of the Intermediate Technology Development Group (ITDG) where he coordinated food security programmes in Turkana District including livestock projects, women empowerment and capacity building. He is awarded the Elder of the Order of the Golden Heart of Kenya (EGH) for his valuable service rendered to the nation.



Mr. Andrew N. Kamau, CBS
Principal Secretary

Mr. Andrew Ng'ang'a Kamau has wide experience in Petroleum energy gained from several years in leadership positions in the private sector. Prior to his appointment as Principal Secretary for Petroleum, he was the Chief Executive Officer of Bracewell Energy which has interests in mining, energy and natural resources. As PS, he steers the Petroleum docket at the Ministry where he will oversee implementation of Petroleum projects. He holds a Bachelor of Science degree in Chemistry from the University of Nairobi.







Mr. Martin M. Heya, OGW,
Secretary, Petroleum

Mr. Martin Heya was appointed Secretary, Petroleum in June 2017 having served as Commissioner for Petroleum in from 2009. Among others, Mr. Heya has been instrumental in oil and gas exploration in the country leading to the first oil discovery in Kenya in March, 2012; implementation of the early oil project as well as the review of the Petroleum policy, legal, regulatory and contractual framework for oil and gas. He holds an MSc in Petroleum Geoscience from the University of Adelaide, Australia.

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 <p>Mr. Chege Mwangi Secretary Administration</p>	<p>Mr. Mwangi has been the Secretary, Administration in the State Department for Petroleum from May 2018. He joined the Public Service in 1985 as an Assistant Secretary/District Officer, rising through the ranks to Senior Deputy Secretary/Senior District Commissioner in 2008. In 2011, he was appointed County Commissioner and was redeployed in 2016 as Secretary, Administration. He holds a Bachelor of Arts and a Master of Arts in Project Planning and Management from the University of Nairobi</p>
 <p>Ms. Melisa Musoma Senior Chief Finance Officer</p>	<p>Ms. Melisa Musoma has served in the Civil Service for over 30 years and as a Senior Chief Finance Officer for more than seven years. She joined the State Department for Petroleum in August 2016 where she is responsible for all Budget matters. Ms. Musoma holds a Bachelor's Degree in Economics from the University of Nairobi.</p>
 <p>Ms. Electine M. Nanzala Deputy Chief Economist</p>	<p>Ms. Electine M. Nanzala assumed the position of the Head of CPPMU in May, 2016. She is in charge of Economic planning function which involves planning and analysis of economic policy; undertaking economic analysis, evaluation and monitoring of development projects and programmes; co-ordination of strategic planning and performance contracting; and performance review of economic activities to inform policy and budgetary processes. She holds a Masters in Economics and a Bachelor of Arts Degree from Kenyatta University.</p>
 <p>Ms. Agnes Muthuo, Deputy Director/HRM&D</p>	<p>Ms. Agnes Muthuo assumed the position of Head, Human Resource Management and Development in January, 2017. She is in charge of managing the HR function in the Department including Training and Development for effective service delivery. She holds a Master of Science degree in Human Resource Development from the Jomo Kenyatta University of Science and Technology and a Bachelor of Arts degree in Anthropology from the University of Nairobi. She is a Member of IHRM.</p>

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	<p>CPA Prisca Musau assumed the position of Acting Head of Accounting Unit in June up to date. She is in charge of Accounting and Financial Reporting as well as designing, implementing and monitoring internal controls relevant to the preparation and for presentation of financial reports in line with the relevant International Public Sector Accounting Standards (IPSAS). She holds an MBA (Strategic Management Option) from The Catholic University of Eastern Africa and Bachelor of Commerce (Accounting) from Guru Nanak Dev University. She is a CPA (K), and also a member of the ICPAK.</p>
<p>Ms. Prisca M. Musau Ag. Assistant Accountant General</p>	
	<p>Mr. Evans S. Nyakundi assumed the position of acting Head of Supply Chain Management Unit in June, 2018. He is in-charge of Procurement of goods and services and Overseeing implementation of the Department's Procurement Plan. He holds a Masters Degree and Bachelor's Degree in Commerce from Mysore University. He is also a member of KISM.</p>
<p>Mr. Evans Nyakundi Ag. Head of Supply Chain Management</p>	

i) Ministerial Human Resource Advisory Committee

This committee comprises the following members drawn from various departments:

No	Name	Designation
1	Mr. Andrew Kamau, CBS	Principal Secretary- Petroleum (Chairman)
2	Mr. Francis Ongaki	Senior Deputy Secretary
3	Mr. Martin Heya	Secretary, Petroleum
4	Ms. Agnes Muthuo	Deputy Director/HRM&D – Secretary
5	CPA. Mary Wanyonyi	Assistant Accountant General
6	Ms. Electine Nanzala	Deputy Chief Economist
7	Mr. Samuel Mativo	Principal SCMO

This is the committee charged with the responsibilities of human resource needs. Its duties include but are not limited to:

- Promotion of officers in Job Groups A-P
- Confirmation in appointment
- Disciplinary matters
- Review of re-designation of officers from one cadre to another and
- Confirmation of surcharge of officers found to have misused government resources.

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The following table shows the number of human resource management advisory committee meetings held during the year and the attendance of individual members.

	Committee attendance for the year ended 30th June, 2018	Human Resource Management Advisory Committee Meetings												Total Attendance
		26.7.17	29.8.17	27.9.17	24.10.17	6.12.17	7.12.17	8.1.18	1.2.18	1.3.18	9.4.18	2.5.18	4.6.18	
1	Andrew Kamau, CBS	✓	✓	✓	✓	✓	✓	X	X	X	X	X	X	6
2	Francis Ongaki	✓	✓	✓	✓	✓	✓	X	X	X	X	X	X	6
3	Martin Heya	✓	✓	✓	✓	✓	✓	X	X	X	X	X	X	6
4	Agnes Muthuo	✓	✓	✓	✓	✓	✓	X	X	X	X	X	X	6
5	Mary Wanyonyi	✓	✓	✓	✓	✓	✓	X	X	X	X	X	X	6
6	Electine Nanzala	✓	✓	✓	✓	✓	✓	X	X	X	X	X	X	6
7	Samuel Mativo	✓	✓	✓	✓	✓	✓	X	X	X	X	X	X	6

✓ Attended

X - Absent with apology

NB

Due to reorganization of Government, there were no Human Resource Management Advisory Committee (MHRMAC) Meetings held from January to June 2018

ii) Training Committee

This committee comprises the following members drawn from various departments:

No	Names	Designation
1.	Mr. Andrew Kamau, CBS	PS Petroleum – Chairman
2.	Mr. Francis Ongaki	Senior Deputy Secretary
3.	Mr. Martin Heya	Secretary, Petroleum
4.	Ms. Agnes Muthuo	Deputy Director/HRM&D – Secretary
5.	CPA. Mary Wanyonyi	Assistant Accountant General
6.	Ms. Electine Nanzala	Deputy Chief Economist
7.	Mr. Samuel Mativo	Principal SCMO

This is the committee charged with the responsibility of training and human resource development (capacity building). Its duties include but are not limited to:

- Overall co-ordination of the training function in the State Department;
- Review and implementation of the State Department's training plan based on Training Needs Assessment (TNA) and approved Training Projections;
- Induction of newly appointed/promoted and transferred officers; and
- Long/short term courses.

N.B: During the year under review, Training Committee Activities were performed by the Ministerial Human Resource Management Advisory Committee as described in (i) above.

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(a) State Department for Petroleum's Headquarters

P.O. Box 30582 – 00100
Nyayo House Building
Kenyatta Avenue
Nairobi, Kenya

(b) State Department for Petroleum's Contacts

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

(c) State Department for Petroleum Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P. O. Box 60000
City Square 00200
Nairobi, Kenya
2. Kenya Commercial Bank
Kipande House Branch
Nairobi, Kenya

(d) Independent Auditors

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

(e) Principal Legal Adviser

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

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FOREWORD BY THE CABINET SECRETARY MINISTRY OF PETROLEUM AND MINING

The mandate of the Ministry of Petroleum and Mining is to provide leadership in the management of the extractive sector. This includes development of Petroleum and Mining policies, creating a favourable legal and regulatory environment for investments and building capacity for effective management of programs and projects. The petroleum sub sector supports the Big Four Agenda of the Jubilee Government and is an important economic enabler for the achievement of Vision 2030, the country's long term national development blueprint that seeks to transform Kenya into a newly-industrializing, middle income country providing a high quality of life to all citizens in a clean and secure environment.

It is my responsibility to provide the required leadership in designing suitable plans and strategies that will contribute to high and sustainable socio- economic development.

During the Financial Year 2017/2018, the Ministry through the State Department for Petroleum implemented critical petroleum policy and large scale oil and gas projects/programmes in the upstream, midstream and downstream petroleum value chain. These projects have enhanced throughput of refined petroleum products transported by pipeline; created more storage capacity for petroleum products; improved on quality of petroleum products marketed both nationally and regionally and placed the country on the path to successfully produce and export oil.

In that regard, I am pleased to submit the Financial Year 17/18 Financial Statements of the State Department for Petroleum as per Section 81 of the Public Finance and Management Act, 2012.

A. KEY ACHIEVEMENTS OF THE STATE DEPARTMENT FOR PETROLEUM IN THE FY 2017/18

In implementing its stated functions and together with partnership with the private sector, The State Department accomplished the following during FY 2017/18:

(a) Construction of Mombasa – Nairobi Oil Pipeline (Line 5)

In FY 2017/18, the Department oversaw completion of construction of a 20-inch pipeline running from Mombasa to Nairobi with an installed flow rate capacity of 1,100M3/hr. The pipeline is designed to achieve a flow rate of 1800 m3/hr through the installation of further four additional pumping stations. This new pipeline will reduce pipeline maintenance costs, ensure security of supply of petroleum products for the country and the region and enhance safety and environment.



Engineers working on Line 5

(b) Early Oil Pilot Scheme Project (EOPS)

During the period under review, the Department oversaw the following activities:

- The rehabilitation of three fixed-roof tanks for storage of crude oil at KPRL Mombasa;
- Construction of truck off loading facilities;
- Maintenance of the crude oil jetty at the Kipevu Oil Terminal;
- Installation of low utility boiler to allow heating of crude during receipt process on interim basis; and
- Installation of low capacity export pump for pumping of export crude.

Trucking of crude oil from the South Lokichar oil field to KPRL storage facilities in Mombasa under EOPS was launched by H.E. the President on 3rd June 2018. At the end of the FY 2017/18, 4,217 barrels of crude had been transported and delivered at KPRL storage terminal.



H.E. the President launching the EOPS Project at Lokichar Turkana County

(c) Preparatory Activities for Lokichar – Lamu Crude Oil Pipeline

The Joint Development Agreement (JDA) for the pipeline was signed between GOK and the Kenya Joint Venture (KJV) partners on 24th October 2017. The JDA provides the framework for financing and development of the crude oil pipeline. Upon signing the department established and operationalized the Pipeline Steering Board (PSB) and the Pipeline Project Management Team (PPMT).

The terms of reference and issuance of tenders for Environmental and Social Impact Assessment (ESIA) and Front End Engineering Design (FEED) studies were also finalized.

(d) Petroleum Exploration in Block 14T

The department ensured the acquisition and processing of 215 line Km of 2D Seismic Data by the National Oil Corporation of Kenya (NOCK) in block 14T in the Tertiary Rift Basin. The objective is to identify potential drillable prospects to enhance discovery of more oil reserves within the Basin.



Drilling of shot hole during 2D seismic data acquisition in Block 14T

(e) Drilling of Oil and Gas Exploratory Wells

In the FY 2017/18, the Department supervised drilling of one exploratory well in Block L3 within the Lamu Basin.

Pate-2 well was spud on 26th April 2018. As at 30th June 2018 the drilling programme was ongoing. The objective of drilling the well is to ascertain presence of hydrocarbons in two primary targets. Completion of this well is envisaged to be in the first quarter of FY 2018/19.



(f) Drilling of Appraisal Wells and Extended Well Testing for Field Development Studies

During the FY 2017/18 three appraisal wells were drilled by Tullow Oil i.e. Ekales-3 well in Block 13T, Ngamia-11 and Amosing-12 both in block 10BB. The objective of drilling the wells was to ascertain the crude oil reserve volumes within the reservoirs. Water injection trials (water flooding) were conducted in Ngamia-11 well in-order to determine the viability of usage of water for pressure maintenance and optimal sweep efficiency with the view of maximizing oil recovery. The Ngamia Water-flood Pilot tests were undertaken as part of field development studies.

(g) Enhance Primary Data Acquisition and Interpretation in Open Blocks

During the FY 2017/18, the Department undertook phase I of geological and geophysical surveys in Block L19A (gravity data acquisition and processing) and produce preliminary geological and geophysical report(s). Phase II is to be conducted in the FY 2018/19. In addition, the Department commissioned use of Transient Electro-Magnetic (TEM) and Magneto-Telluric (MT) equipment in geophysical data acquisition. The key objective of the project is to acquire primary technical data to determine the prospectivity of the block.



Geoscientists commissioning TEM geophysical equipment in Block L19A

(h) Liquefied Petroleum Gas (LPG) Infrastructure and Distribution

During the period under review, 154,782 6kg cylinders fitted with unified valves and grills were delivered. In addition, the Department procured 258 40 feet storage containers for use in the distribution of the cylinders to the low income households across twenty counties. The long-term objective is to promote usage of LPG thus easing the use of biomass and kerosene. The project will also enhance environmental conservation and improved health standards.

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(i) Security of Supply of petroleum products

Construction of four additional tanks with a capacity of 133,000M³ was completed on 30th April, 2018. The tanks were commissioned in Nairobi, ready to receive product delivered through line 5. The tanks will provide sufficient capacity for receipt of higher volumes of products expected from the new Mombasa – Nairobi pipeline; increase storage capacity for ground fuels in Nairobi from the current 100,580M³ to 233,580M³; provide capacity to build stocks in Nairobi for hinterland demand from 7 days to 17 days; enhance operational flexibility and evacuation of products at Kipevu Oil Storage Facility (KOSF) thereby create more ullage at KOSF and reduce demurrage charges.



Additional 132 million litres storage capacity at KPC Nairobi facility (4 tanks)

In addition, the following activities were also undertaken to ensure continued security of supply of petroleum products:

i. Adjudication of Petroleum Tenders and Enforcement of Open Tender System (OTS) Terms and Conditions.

Projection of the petroleum product demand was done and tenders were invited, opened and awarded to winners within timelines. Further, the Ministry ensured compliance to the open tender system terms and conditions by referring defaulters in the OTS to ERC.

ii. Vessel Scheduling Committee Meetings (VSM)

Forty-eight (48) vessel scheduling meetings were held in which vessels were scheduled in line with the demand for petroleum products. The State Department also ensured that all vessels for both Shimanzi Oil Terminal (SOT) and Kipevu Oil Terminal (KOT) berthed on time to ensure security of supply of petroleum products as well as minimizing demurrage costs.

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iii. Monitoring Petroleum Stocks

The State Department monitored stocks position at the various KPC depots on a daily basis to ensure there are no stock outs in the country for efficiency of supply of petroleum products.

(j) Eradication of Fuel Adulteration, Dumping and illegal LPG Refilling

The project aims to effectively monitor and enforce quality assurance standards to alleviate dumping and adulteration of petroleum products to ensure that quality and secure petroleum products are marketed nationally and regionally.

During the period under review, a total of 10,560 sample tests were carried out in 1,833 petroleum outlets across the country and tests from 40 outlets were non-compliant. All offending outlets were duly fined and their names published on a quarterly basis in two newspapers for wide circulation.

B. EMERGING ISSUES

- Realignment of key strategic partners affecting projects leading to delays in implementation.
- Global price volatility of crude oil has resulted in reduced investment in oil and gas exploration by international oil companies.
- Regional re-alignment which has led to oil and gas importation and transportation through the Central Corridor.
- Closure of the refinery and integration of KPC and KPRL to enhance utilization of the latter's facilities.
- Need to develop a national oil and chemical spill contingency plan for the exploration/exploitation activities.
- Develop and review regulations to manage chemicals and hazardous waste from oil processes. Recommend and develop appropriate technology for the management of these wastes.
- Adherence to the requirements of climate change Act 2016 on compliance on levels of Green House Gases (GHGs) emission reduction.

C. CHALLENGE FACED DURING PROGRAMMES AND PROJECTS IMPLEMENTATION

- Loss of transit market share of petroleum products exported to neighbouring countries
- High community expectations in the oil, gas and mining exploration and development which slow down the pace of project implementation.
- Inadequate skilled local professionals in the sector.
- Inadequate legal and regulatory framework (delay in enacting of the Petroleum Bill negatively affected EOPS).

- Gender mainstreaming in oil and gas projects.

D. RECOMMENDED WAY FORWARD

- Need for strategic partnership for project financing, execution and skills transfer.
- Need to develop strategies and respective legislation for management of community expectations.
- Need to strengthen national and county governments' collaboration and other stakeholders engagement at all stages of programme/project development.
- Need to improve competitiveness in the region.
- Linkages with other sectors with a coordinated approach in the implementation of the various flagship projects. The collaboration will entail capacity building with various technical institutions, environmental matters, occupational safety and health services concerns amongst others.
- There is need to strengthen the Involvement of relevant local professionals in all phases of project implementation, including conceptualization, design, construction and commissioning to ensure capacity building and knowledge transfer.
- Need to come up with strategies to mitigate negative impacts on fluctuating global commodity prices and marketing trends which affect returns on investment.
- Enhancing capacity building in the counties in the oil and gas sector through partnerships with the national government, TVET training institutions, Universities and investors.



Hon. John K. Munyes, EGH
Cabinet Secretary
Ministry of Petroleum and Mining

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Financial Performance	Printed Estimates	Actual	Variance	%
	Kshs	Kshs	Kshs	Utilisation Variance
Total Receipts	4,145,007,740	3,172,841,904	972,165,836	78%
Total Payments	4,145,007,740	3,034,472,729	1,012,846,512	71%
Surplus		138,369,175	(138,369,175)	

E. BUDGET ALLOCATION AND PERFORMANCE AGAINST ACTUAL AMOUNTS

a) Budget Allocation

In the financial year 2017/18 the State Department for Petroleum had a gross budget of Kshs 4,145,007,740 which was made up of Ksh 209,309,740 for recurrent vote and Kshs. 3,935,698,000 for development vote. These allocations are depicted in the pie chart below:

The recurrent budget for the year was 91% utilised while the development budget was 63% utilised bringing the total utilisation to 71% the poor absorption was mainly as a result of the budget not being fully funded for the financial year under review

Key Performance Highlights

Below is an overview of the financial performance for the year ended 30th June 2018 as reported in the detailed financial statements together with the commentary and comparative analysis against the budget for the key items in the financial statements.

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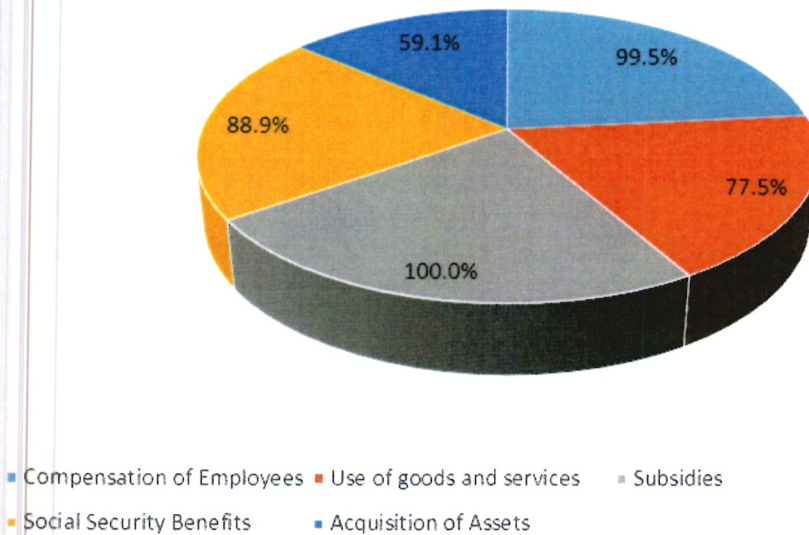
Budget Utilisation

The State Department spent KShs. 3,034,472,729 against an approved budget of KShs. 4,145,007,740 representing absorption of 72%. Utilisation of the budget was carried out through various activities (economic classifications) as shown in the chart below:

	Approved Budget Allocation	Actual Payments	Variance
Compensation of Employees	114,077,333	113,526,650	550,683
Use of goods and services	1,200,585,126	930,321,645	270,263,481
Subsidies	785,980,587	784,187,500	1,793,087
Social Security Benefits	5,000,000	4,444,209	555,791
Acquisition of Assets	2,039,364,694	1,201,992,725	839,683,470
Total Payments	4,042,338,140	3,034,472,729	1,007,865,411

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Budget Utilisation Per Economic Items



Current Year Performance Against Prior Year

Financial Performance	Year to 30th June 2018	Year to 30th June 2017	Change	%
	Kshs	Kshs	Kshs	Change
Total Receipts	3,172,841,904	1,647,457,334	1,523,073,070	93%
Total Payments	3,034,472,729	1,601,596,539	1,430,564,689	89%
Surplus For the Year	138,369,175	45,860,795	92,508,381	67%

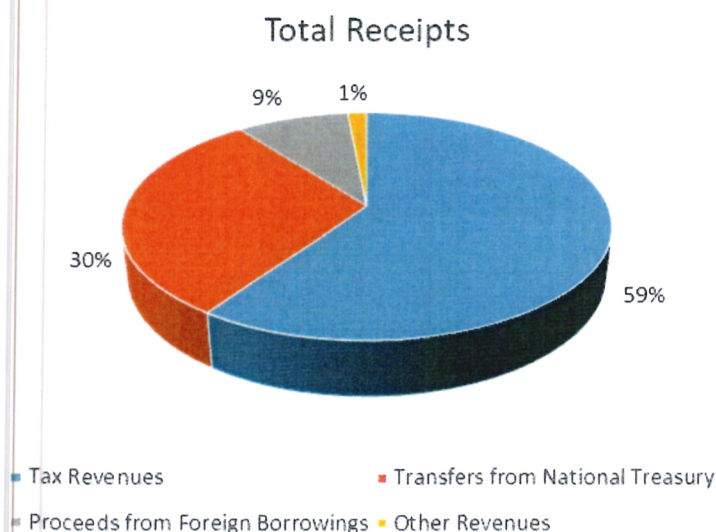
Receipts

The state department's total receipts summed up to 3,172,841,904 comprising mainly of Tax revenues, Exchequer releases, grants & borrowings, and AIA the total receipts increased by 93% due to the increased budgetary provision in the year

STATE DEPARTMENT OF PETROLEUM
Reports and Financial Statements
For the year ended June 30, 2018

Total Receipts Breakdown

	Year to 30th June 2018	Year to 30th June 2017	Change	%
	Kshs	Kshs	Kshs	Change
Tax Revenues	1,886,704,502	855,000,000	1,029,393,002	121%
Transfers from National Treasury	956,568,018	745,092,640	211,475,378	22%
Proceeds from Foreign Borrowings	282,204,690	-	282,204,690	100%
Other Revenues	47,364,694	47,364,694	-	0%



The diagram above depicts the share of major categories of receipts for the fiscal year ended 30th June 2018. The major source of funding for the State Department for Petroleum is Tax Receipts that account for 59% of the total receipts

Payments

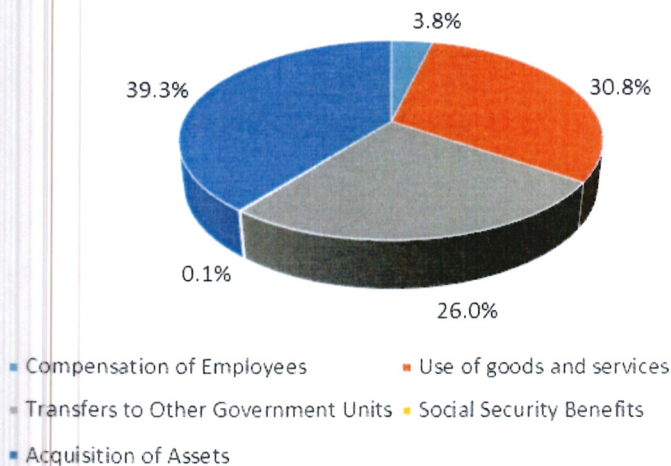
The State Department's payments mainly comprise of Transfers to Other Government entities i.e. National Oil Corporation Kenya, Energy Regulatory Commission and KEPTAP project

STATE DEPARTMENT OF PETROLEUM
Reports and Financial Statements
For the year ended June 30, 2018

Total Payments breakdown

	Year to 30th June 2018	Year to 30th June 2017	Change	%
	Kshs	Kshs	Kshs	Change
Compensation of Employees	113,526,650	66,971,814	46,554,836	41%
Use of goods and services	930,321,645	482,981,293	447,340,352	48%
Transfers to Other Government Units	784,187,500	300,250,000	483,937,500	62%
Social Security Benefits	4,444,209	-	4,444,209	100%
Acquisition of Assets	1,201,992,725	751,393,432	450,599,293	60%

Total Payments



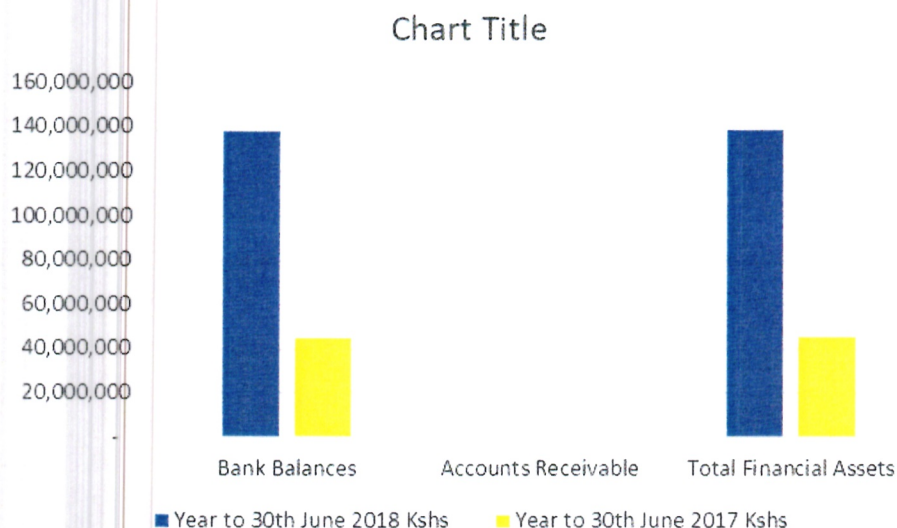
The diagram above depicts the share of major categories of payments for the fiscal year ended 30th June 2018.

Financial Assets Summary

Financial Assets	Year to 30th June 2018	Year to 30th June 2017	Change	%
	Kshs	Kshs	Kshs	Change
Bank Balances	138,453,176	45,236,158	93,217,018	67%
Accounts Receivable	184,338	624,637	440,299	(239%)
Total Financial Assets	138,637,514	45,860,795	93,657,317	68%

STATE DEPARTMENT OF PETROLEUM
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For the year ended June 30, 2018

Accounts receivable decreased by 239% this financial year compared to the previous year as a result of the state department's improvement in follow up and accounting for outstanding receivables from the previous period. In the current period the state department has only Ksh. 184,338 as pending accounts receivable.



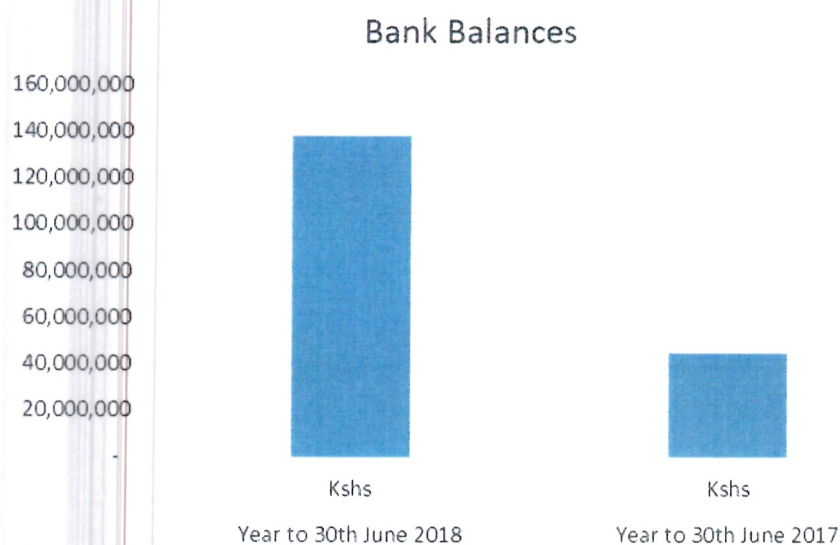
Cash flows And Cash Position

The cash and bank balances held by the State Department for Petroleum as at 30th June 2018 was KShs 138,453,176 compared to KShs 45,236,158 held as at 30th June 2017. The breakdown of the cash and bank balances is as summarized in the table below.

Cash and Bank Balances

Financial Assets	Year to 30th June 2018	Year to 30th June 2017	Change	%
	Kshs	Kshs	Kshs	Change
Bank Balances	138,453,176	45,236,158	93,217,018	67%
Total	138,453,176	45,236,158	93,217,018	67%

STATE DEPARTMENT OF PETROLEUM
Reports and Financial Statements
For the year ended June 30, 2018



Cash Flow Activities

	Year to 30th June 2018	Year to 30th June 2017	Change	Change
	Kshs	Kshs	Kshs	%
Net cash flow from operating activities	1,013,005,052	796,629,590	214,063,962	27%
Net cash flows from Investing Activities	(1,201,992,725)	751,393,432	450,599,293	60%
Net cash flow from financing activities	282,204,689.95	-	282,204,690	100%
Net Increase in Cash & Cash Equivalents	93,217,018	45,236,158	81,828,369	64%
Cash and cash equivalent at Beginning of the year	45,236,158.35	-	45,236,158	100%
Cash and cash equivalent at End of the year	138,453,176	45,236,158	127,064,528	74%

Net cash flows utilised in financing activities increased due to direct expenditures paid by the Donor
 Net cash flows generated in financing activities increased in the current year due to an increase of funds from Petroleum Development fund in the current year compared to prior year by KShs 16 Million.

STATE DEPARTMENT OF PETROLEUM
Reports and Financial Statements
For the year ended June 30, 2018

II. STATEMENT OF ENTITY 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 State Department for petroleum is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year ended on June 30, 2018. 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 entity; (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 State Department for Petroleum accepts responsibility for the entity'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 State Department's financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2018, and of the entity's financial position as at that date. The Accounting Officer charge of the State Department for Petroleum further confirms the completeness of the accounting records maintained for the State Department, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the State Department for Petroleum 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 entity'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 State Department's financial statements were approved and signed by the Accounting Officer on 30th September, 2018.



Principal Secretary
Andrew N. Kamau (CBS)



Principal Accounts Controller
Prisca M. Musau
ICPAK Member Number:21056

REPUBLIC OF KENYA

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NAIROBI



OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON STATE DEPARTMENT FOR PETROLEUM FOR THE YEAR ENDED 30 JUNE 2018

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of the State Department for Petroleum set out on pages 25 to 49, which comprise the statement of assets and liabilities as at 30 June 2018, statement of receipts and payments, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the State Department for Petroleum as at 30 June 2018, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (IPSAS) and comply with the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Difference Between Financial Statement and Cashbook Ledger Balance

The statement of assets and liabilities as at 30 June 2018 reflects an aggregate recurrent and development votes bank balance of Kshs.138,453,176 which however, differs by Kshs.17,542,677 with the aggregate balance of Kshs.155,995,853 recorded in the respective cashbooks as shown below:

Description	Amount as per General Ledger (Kshs)	Amount as Per Financial Statements (Kshs)	Variance (Kshs)
CBK 1000302682 (Recurrent)	5,750,972.	6,739,075	(988,103)
CBK 10000302704 (Development)	150,244,881	131,714,100	18,530,781
Total	155,995,853	138,453,175	17,542,678

Report of the Auditor-General on the Financial Statements of the State Department for Petroleum for the year ended 30 June 2018

In view of the anomaly, it is not possible to confirm that the aggregate cashbook balance of Kshs.138,453,175 shown in the financial statements as at 30 June 2018 is fairly stated

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the State Department for Petroleum in accordance with ISSAI 30 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in audit of financial statements. Except for the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Under-absorption of Budget

The Department's summary statement of appropriation: recurrent and development combined for the year under review, reflects an aggregate approved budget of Kshs.4,145,007,740. Out of this amount, Kshs.207,487,239 (5%) and Kshs.3,935,698,000 (95%) were allocated to recurrent and development votes respectively. However, aggregate actual expenditure for the year amounted to Kshs.3,032,161,228 equivalent to 73% of the budget and thus resulted in under-absorption of Kshs.1,112,846,511 representing 27% of the budget. The under-absorption mainly resulted from three items namely use of goods and services, social security benefits and acquisition of assets as shown below:

Item Description	Budget Amount Kshs.	Actual Amount Kshs.	Over/ (Under) Kshs.	Budget Absorption Rate
Compensation of Employees	114,077,333	113,526,650	550,683	99.99%
Use of Goods and Services	1,200,585,126	930,321,645	270,263,481	77%
Transfers to Other Government Units	785,980,587	784,187,500	1,793,087	100%
Social Security Benefits	5,000,000	4,444,209	555,791	89%
Acquisition of Assets	2,039,364,694	1,199,681,225	839,683,469	59%
Total	4,145,007,740	3,032,161,229	1,112,846,511	73%

Management have explained that the under-expenditure was caused by budget cuts instituted by the National Treasury during the year under review.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

Incomplete Implementation of Mwananchi Gas Project

The State Department is implementing the Mwananchi Liquefied Petroleum Gas (LPG) Project initiated by the defunct Ministry of Energy and Petroleum during the 2016/2017 financial year. The project is intended to promote use of modern cooking fuels among low income households. It entails supply and distribution of Liquefied Petroleum Gas (LPG) cylinders, grills and burners to households at subsidized prices, and erection of facilities to store the cylinders at local distribution points. The Department has engaged National Oil Corporation of Kenya to supply the gas to households. In May 2017, the Ministry contracted 10 firms to supply various components of the project at an aggregate cost of Kshs.999,975,230.

Available records indicate that as at the close of the year under review, fulfilment of the supplier contracts was as follows:

Item	Quantity Ordered	Quantity Supplied	Balance	Ratio Supplied
Gas Cylinders	357,355	150,768	206,587	42%
Grills	357,355	272,567	84,788	76%
Burners	357,355	357,355	0	100%
40Ft Containers	258	161	97	62%

Expenditures incurred amounted to Kshs.870,339,283 and aggregate payments Kshs.481,178,433 resulting in pending bills of Kshs.389,160,850 as at 30 June 2018 as shown below:

Item	Bills Invoiced (Kshs.)	Bills Paid (Kshs.)	Pending Bills (Kshs)
Gas Cylinders	339,889,779	136,588,089	203,301,690
Grills	60,749,335	43,416,535	17,332,800
Burners	132,912,755	132,912,755	-
Containers	261,668,114	135,129,478	126,538,636
Branding	75,119,300	33,131,576	41,987,724
Total	870,339,283	481,178,433	389,160,850

Further, out of the 150,668 cylinders supplied only 66,103 had been inspected and an undisclosed number distributed to consumers in two counties. An estimated 88,565 cylinders were held at National Oil Corporation stores in Nairobi pending inspection and certification for conformity with the supply requirements.

Further, one of the two suppliers contracted to supply 148,898 cylinders delivered 23,873 cylinders in July 2017 at a cost of Kshs.52,496,727 but 15,350 of the cylinders valued at Kshs.33,754,650, an equivalent to 64% of the number supplied, were found to be faulty. Attempts by the Department to enforce the performance bond amounting to Kshs.40,344,393 provided by the supplier were unsuccessful. According to the bond issuer, the performance bond was not of first-demand category and therefore did not cover liability for the faulty supplies. Apparently, the firm was awarded the contract in spite of having provided a performance bond issued by an insurance company even though the special and general conditions of the supply contract required the firm to provide performance security in form of a bank guarantee or an irrevocable letter of credit issued by a reputable bank acceptable to the Ministry. In the circumstance, the sum of Kshs.33,754,650 paid to the supplier for the faulty cylinders is at risk of loss as it was not secured.

Further evidence indicates that the contracts signed between the suppliers and the Ministry did not specify contract performance durations. Therefore, it is not clear whether the Department has proper recourse to enforce the contracts in the event the firms delay or fail to deliver the cylinders altogether.

These shortcomings indicate the project has not attained its purpose and further, value-for-money has not been obtained on expenditures totaling Kshs.870,339,283 incurred on the project as at 30 June 2018. In addition, the status of the project remains unclear as its implementation appears to have stalled. Further, budgetary allocations to the project were reduced by 50% from the initial two-billion to one-billion shillings in 2016/2017 financial year and for this reason, it is doubtful whether the Department will implement the project to the scale envisaged at inception, and whether the project's objective of enhancing use of modern cooking fuels by low-income households will be attained.

Management have acknowledged that gas cylinders delivered by one of the designated suppliers did not meet the desired standards and has cited suits filed in court by the Consumer's Federation of Kenya and investigations on the project initiated by the Directorate of Criminal investigations as the main reasons why implementation of the project has stalled.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the procedures performed, except for the matters described in the Basis for Qualified Opinion section of my report, 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 1315 and ISSAI 1330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and Those Charged with Governance

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

In preparing the financial statements, management is responsible for assessing State Department's ability to sustain its services, disclosing, as applicable, matters related to sustainability of services using the applicable basis of accounting unless the management is aware of the intention to dissolve the State Department or have its operations cease.

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

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

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

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions

of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements comply with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control system would not necessarily disclose all matters in internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

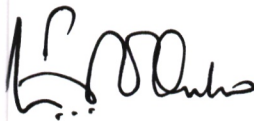
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's 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 ability of the State Department 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 State Department not 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 State Department to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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



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

Nairobi

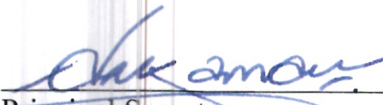
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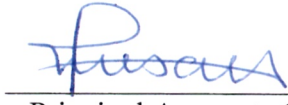
STATE DEPARTMENT OF PETROLEUM
Reports and Financial Statements
For the year ended June 30, 2018

IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2017-2018	2016-2017
		Kshs	Kshs
RECEIPTS			
Tax Receipts	1	1,886,704,502	855,000,000
Exchequer releases	2	956,568,018	745,092,640
Proceeds from Foreign Borrowings	3	282,204,690	-
Other Receipts	4	47,364,694	47,364,694
TOTAL RECEIPTS		3,172,841,904	1,647,457,334
PAYMENTS			
Compensation of Employees	5	113,526,650	66,971,814
Use of goods and services	6	930,321,645	482,981,293
Transfers to Other Government Units	7	784,187,500	300,250,000
Social Security Benefits	8	4,444,209	-
Acquisition of Assets	9	1,201,992,725	751,393,432
TOTAL PAYMENTS		3,034,472,729	1,601,596,539
SURPLUS/DEFICIT		138,369,175	45,860,795

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 30th, September, 2018 and signed by:


Principal Secretary
Andrew N Kamau (CBS)

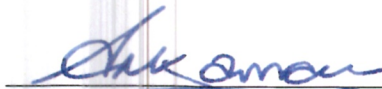

Principal Accounts Controller
Prisca M Musau
ICPAK Member Number: 21056

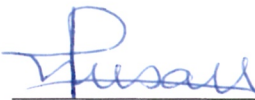
STATE DEPARTMENT OF PETROLEUM
Reports and Financial Statements
For the year ended June 30, 2018

V. STATEMENT OF ASSETS AND LIABILITIES

	Note	2017-2018	2016-2017
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	10A	138,453,175	45,236,158
Total Cash and cash equivalent		138,453,175	45,236,158
Accounts receivables – Outstanding Imprests	11	184,338	624,637
TOTAL FINANCIAL ASSETS		138,637,513	624,637
NET FINANCIAL ASSETS		138,637,513	45,860,795
REPRESENTED BY			
Fund balance b/fwd	13	45,860,795	-
Prior year adjustment	14	(45,592,457)	-
Surplus/Deficit for the year		138,369,175	45,860,795
NET FINANCIAL POSSITION		138,637,513	45,860,795

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 30th September, 2018 and signed by:


Principal Secretary
Andrew N Kamau (CBS)

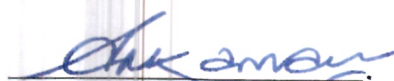

Principal Accounts Controller
Prisca M Musau
ICPAK Member Number: 21056


STATE DEPARTMENT OF PETROLEUM
Reports and Financial Statements
For the year ended June 30, 2018

VI. STATEMENT OF CASH FLOWS

		2017-2018	2016 -2017
		Kshs	Kshs
Receipts for operating income			
Tax Revenues	1	1,886,704,502	855,000,000
Exchequer Releases	2	956,568,018	745,092,640
Other Revenues	4	47,364,694	47,364,694
Payments for operating expenses			
Compensation of Employees	5	(113,526,649)	-66,971,814
Use of goods and services	6	(930,321,645)	-482,981,293
Transfers to Other Government Units	7	(784,187,500)	-300,250,000
Social Security Benefits	8	(4,444,209)	-
Adjusted for:			
Changes in receivables		440,299	-(24,637)
Adjustments during the year		(45,592,457)	-
Net cash flow from operating activities		1,013,005,053	796,629,590
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	9	(1,201,992,725)	-751,393,432
Net cash flows from Investing Activities		(1,201,992,725)	-751,393,432
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from Foreign Borrowings	3	282,204,690	-
Net cash flow from financing activities		282,204,690	-
NET INCREASE IN CASH AND CASH EQUIVALENT		93,217,018	45,236,158
Cash and cash equivalent at BEGINNING of the year		45,236,158	-
Cash and cash equivalent at END of the year	10	138,453,176	45,236,158

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 30th September, 2018 and signed by:

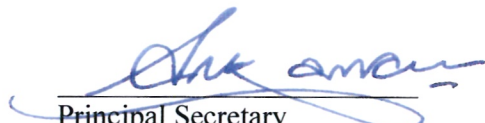

Principal Secretary
Andrew N. Kamau (CBS)

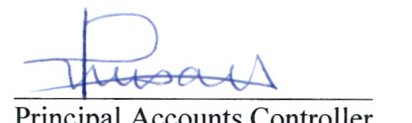

Principal Accounts Controller
Prisca M. Musau
ICPAK Member 21056

II. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Tax Receipts	1,106,500,000	1,106,500,000	2,213,000,000	1,886,704,502	326,295,498	85%
Exchequer releases	1,560,072,653.00	(205,429,607)	1,354,643,046	956,568,018	398,075,028	71%
Proceeds from Foreign Borrowings	-	530,000,000.00	530,000,000	282,204,690	247,795,310	53%
Other Receipts	23,682,347.00	23,682,347.00	47,364,694	47,364,694	-	100%
TOTAL RECEIPTS	2,690,255,000	1,454,752,740	4,145,007,740	3,172,841,904	972,165,836	77%
PAYMENTS						
Compensation of Employees	50,000,000	64,077,333	114,077,333	113,526,650	550,683	99.9%
Use of goods and services	362,419,993	838,165,134	1,200,585,126	930,321,645	270,263,481	78%
Transfers to Other Government Units	406,750,000	379,230,587	785,980,587	784,187,500	1,793,087	99%
Social Security Benefits	2,500,000	2,500,000	5,000,000	4,444,209	555,791	89%
Acquisition of Assets	1,868,585,008	170,779,687	2,039,364,694	1,201,992,725	837,371,969	60%
TOTAL PAYMENTS	2,690,255,000	1,454,752,741	4,145,007,740	3,034,472,729	1,110,535,012	73%

The entity financial statements were approved on 30th September, 2018 and signed by:


Principal Secretary
Andrew N. Kamau (CBS)

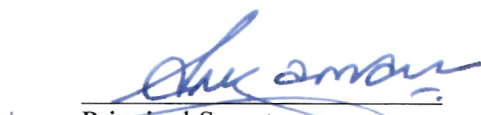

Principal Accounts Controller
Prisca M Musau
ICPAK Member Number: 21056


STATE DEPARTMENT OF PETROLEUM
Reports and Financial Statements
For the year ended June 30, 2018

I. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Exchequer releases	97,322,653	64,622,393	161,945,046	149,538,643	12,406,403	93%
Other Receipts	23,682,347	23,682,347	47,364,694	47,364,694	-	100%
TOTAL RECEIPTS	121,005,000	88,304,740	209,309,740	196,903,337	12,406,403	95%
PAYMENTS						
Compensation of Employees	50,000,000	64,077,333	114,077,333	113,526,650	550,683	99%
Use of goods and services	64,084,993	22,158,610	85,871,103	68,914,890	16,956,213	80%
Social Security Benefits	2,500,000	2,500,000	5,000,000	4,444,209	555,791	89%
Acquisition of Assets	4,420,008	(58,704)	4,361,304	1,191,706	3,169,598	27%
TOTAL PAYMENTS	121,005,000	88,677,239	209,309,740	188,077,455	21,232,285	90%

The entity financial statements were approved on 30th September, 2018 and signed by:


Principal Secretary
Andrew N Kamau (CBS)

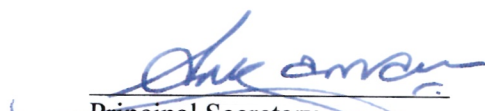

Principal Accounts Controller
Prisca M. Musau
ICPAK Member Number:21056

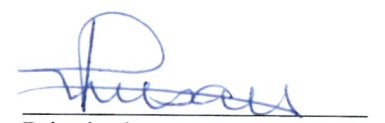
STATE DEPARTMENT OF PETROLEUM
Reports and Financial Statements
For the year ended June 30, 2018

SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Tax Receipts	1,106,500,000	1,106,500,000	2,213,000,000	1,886,704,502	328,606,998	85%
Exchequer releases	1,462,750,000	(270,052,000.00)	1,192,698,000.00	807,029,375	385,668,625	68%
Proceeds from Foreign Borrowings	-	530,000,000	530,000,000	282,204,690	247,795,310	53%
TOTAL RECEIPTS	2,569,250,000	1,366,448,000	3,935,698,000	2,975,938,567	962,070,933	76%
PAYMENTS						
Use of goods and services	298,335,000	816,379,023	1,114,714,023	861,406,755	253,307,268.00	77%
Transfers to Other Government Units	406,750,000	379,230,587	785,980,587	784,187,500	1,793,087.00	99%
Acquisition of Assets	1,864,165,000	170,838,390	2,035,003,390	1,200,801,019	834,202,371	59%
TOTAL PAYMENTS	2,569,250,000	1,366,448,000	3,935,698,000.00	2,846,395,274	1,089,302,726	72%

The entity financial statements were approved on 30TH September, 2018 and signed by:


Principal Secretary
Andrew N. Kamau (CBS)

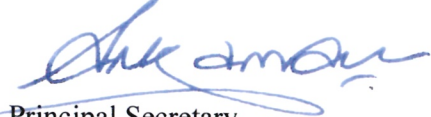

Principal Accounts Controller
Prisca M. Musau
ICPAK Member Number: 21056

STATE DEPARTMENT OF PETROLEUM
Reports and Financial Statements
For the year ended June 30, 2018

X. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget	Adjustments	Approved Budget 2018	Actual on comparable basis Date, 2018	Budget utilization difference
			Kshs	Kshs	Kshs
Program					
Oil & Gas Exploration	1,788,162,626.80	966,947,178.20	2,755,109,805	2,412,277,084	342,832,721
Distribution of Petroleum & Gas	848,638,005.73	458,900,165.27	1,307,538,171	546,348,038	761,190,133
Other	53,454,367.47	28,905,396.53	82,359,764	73,536,105	8,823,659
	2690,255,000	1,454,752,740	4,145,007,740	3,032,161,228	1,112,846,512

The entity Financial Statement was approved on 30th September and assigned by:



Principal Secretary
 Andrew N. Kamau (CBS)



Principal Accounts Controller
 Prisca M Musau
 ICPAK Member Number 21056

XI. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

The financial statements are for the State Department of Petroleum The financial statements encompass the reporting entity 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.

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

• 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.

STATE DEPARTMENT OF PETROLEUM
Reports and Financial Statements
For the year ended June 30, 2018

SIGNIFICANT ACCOUNTING POLICIES

- **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 entity.

 - **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 2018, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

 - **Other receipts**
These include Appropriation-in-Aid and relates to receipts such as proceeds from disposal of assets and sale of tender documents. These are recognized in the financial statements the time associated cash is received.
- b) Recognition of payments**
The Entity recognises all payments when the event occurs and the related cash has actually been paid out by the Entity.
- **Compensation of Employees**
Salaries and wages, allowances, statutory contribution for employees are recognized in the period when the compensation is paid.

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

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

STATE DEPARTMENT OF PETROLEUM
Reports and Financial Statements
For the year ended June 30, 2018

SIGNIFICANT ACCOUNTING POLICIES

- **Repayment of Borrowing (Principal Amount)**
The repayment of principal amount of borrowing is recognized as payment in the period in which the repayment is made.
- **Acquisition of Fixed Assets**
The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment.

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

5. In-kind contributions

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

6. Third Party Payments

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

7. Cash and Cash Equivalents

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

Restriction on Cash

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

Amounts maintained in deposit bank accounts are restricted for use in refunding third party deposits. There were no other restrictions on cash during the year.

STATE DEPARTMENT OF PETROLEUM
Reports and Financial Statements
For the year ended June 30, 2018

SIGNIFICANT ACCOUNTING POLICIES

8. Accounts Receivable

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

9. Accounts Payable

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized on an accrual basis (as accounts payables). This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted by National Government Ministries and Agencies. Other liabilities including pending bills are disclosed in the financial statements. For the period under review the state department did not have retention monies and third party funds outstanding.

10. Pending Bills

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

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 2018 for the period 1st July 2017 to 30th June 2018 as required by Law and there were two supplementary adjustments to the original budget during the year.

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

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

12. Comparative Figures

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

STATE DEPARTMENT OF PETROLEUM
Reports and Financial Statements
For the year ended June 30, 2018

SIGNIFICANT ACCOUNTING POLICIES

13. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2018.

14. Errors

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

During the year, errors that have been corrected are disclosed under note 26 explaining the nature and amounts.

15. Related Party Transactions

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

STATE DEPARTMENT OF PETROLEUM
 Reports and Financial Statements
 For the year ended June 30, 2018

XII. NOTES TO THE FINANCIAL STATEMENTS

1 TAX REVENUES

Description	2017-2018	2016 -2017
	Kshs	Kshs
Royalties on oil Exploration	120,000,000.00	30,000,000.00
Royalties on oil Exploration	236,034,249.45	255,000,000.00
Petroleum Development Levy	1,530,670,249.20	570,000,000.00
Total Tax Revenues	1,886,704,501.65	855,000,000.00

Funds from Petroleum Development levy to supplement Development Budget

2 EXCHEQUER RELEASES

Description	2017-2018	2016 -2017
	Kshs	Kshs
Total Exchequer Releases for The Year	956,568,018	745,092,640
Total	956,568,018	745,092,640

The exchequer was not funded fully due to constraint collection from KRA and other Revenue collectors

3 PROCEEDS FROM FOREIGN BORROWINGS

	2017-2018	2016 -2017
	Kshs	Kshs
Foreign Borrowing - Direct Payments	282,204,690	-
Total	282,204,690	-

4 OTHER REVENUES

Description	2017-2018	2016 -2017
	Kshs	Kshs
Sales by Market Establishments	47,364,694	47,364,694
Total	47,364,694	47,364,694

This revenue is a fund from Kenya Oil Storage Facilities (KOSF) Which supplements Recurrent Budget

5 COMPENSATION OF EMPLOYEES

	2017-2018	2016 -2017
	Kshs	Kshs
Basic salaries of permanent employees	74,089,128	42,183,513
Basic wages of temporary employees	2,999,990	-
Personal allowances paid as part of salary	36,437,532	24,788,301
Total	113,526,650	66,971,814

STATE DEPARTMENT OF PETROLEUM
Reports and Financial Statements
For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6 USE OF GOODS AND SERVICES

	2017-2018	2016 -2017
	Kshs	Kshs
Utilities, Supplies and Services	1,055,422	19,000
Communication, Supplies and Services	5,821,652	3,720,939
Domestic Travel and Subsistence, and Other Transportation Costs	19,680,654	20,530,075
Foreign Travel and Subsistence, and other transportation costs	3,709,220	7,036,897
Printing , Advertising and Information Supplies and Services	2,610,115	2,825,153
Rentals of Produced Assets	2,107,993	3,840,000
Training Expenses	131,916,464	168,601,883
Hospitality Supplies and Services	122,374,139	96,896,024
Specialised Materials and Supplies	1,525,200	94,600
Office and General Supplies and Services	8,264,338	7,892,043
Fuel Oil and Lubricants	6,264,181	4,585,180
Other Operating Expenses	619,819,032	163,093,721
Routine Maintenance - Vehicles	4,187,779	230,000
Routine Maintenance - Other Assets	985,457	3,615,778
Total	930,321,645	482,981,293

7 GRANTS AND TRANSFERS TO OTHER GOVERNMENT ENTITIES

Description	2017-2018	2016 -2017
	Kshs	Kshs
Transfers to National Government entities (SCOA Codes 2630100, 2630200)		
See attached list	784,187,500	300,250,000
TOTAL	784,187,500	300,250,000

STATE DEPARTMENT OF PETROLEUM
Reports and Financial Statements
For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

Description	Recurrent	Development	Total	2017-2018
	Kshs	Kshs	Kshs	Kshs
Transfers to SAGAs and SCs				
National Oil Corporation of Kenya	-	780,000,000	780,000,00	280,000,000
Energy Regulatory Commission	-	4,187,500	4,187,500	20,250,000
TOTAL	-	784,187,500	784,187,500	300,250,000

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

8 SOCIAL SECURITY BENEFITS

Explanation	2017-2018	2016 -2017
	Kshs	Kshs
Government pension and retirement benefits	4,444,209	-
Total	4,444,209	-

The amount was paid as gratuity to PS Mr. Andrew Ngang'a Kamau

9 ACQUISITION OF ASSETS

Non Financial Assets	2017-2018	2016 -2017
	Kshs	Kshs
Refurbishment of Buildings	-	30,767,783
Purchase of Vehicles and Other Transport Equipment	-	19,453,000
Overhaul of Vehicles and Other Transport Equipment	30,000	-
Purchase of Office Furniture and General Equipment	316,896	1,500,000
Purchase of Specialized Plant, Equipment and Machinery	363,708,859	120,651,730
Research, Studies, Project Preparation, Design & Supervision	617,073,107	572,480,907
Rehabilitation of Civil Works	220,863,863	6,540,012
Total	1,201,992,725	751,393,432

STATE DEPARTMENT OF PETROLEUM
Reports and Financial Statements
For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10: Bank Accounts

Name of Bank, Account No. & currency	Amount in bank account currency	Indicate whether recurrent, Developmen t, deposit e.t.c	2017-2018	2016 -2017
			Kshs	Kshs
Central bank of Kenya -	Ksh	Recurrent	6,739,075	14,442,297.00
Central bank of Kenya -	Ksh	Development	131,714,100	9,865,322
Central bank of Kenya -	Ksh	KEPTAP	-	20,928,539
Total			138,453,176	45,236,158

11: ACCOUNTS RECEIVABLE - OUTSTANDING IMPRESTS

Description	2017-2018	2016 -2017
	Kshs	Kshs
Standing Imprests	10,000	10,000
Temporary Imprests	84,000	614,637
Salary Advance	90,338	
Total	184,338	624,637

Name of Officer or Institution	Date Imprest Taken	Amount Taken	Amount Surrendered	Balance
		Kshs	Kshs	Kshs
Caroline Muthoni	04-7-2017	10,000		10,000
Samwel Kiplangat Mutai	27-10-2017	84000		84,000
		90,338		90,338
Total		184,338		184,338

12. FUND BALANCE BROUGHT FORWARD

Description	2017-2018	2016 -2017
	Kshs	Kshs
Bank accounts	45,236,158	-
Accounts Rece vables	624,637	-
Total	45,860,795	-

STATE DEPARTMENT OF PETROLEUM
Reports and Financial Statements
For the year ended June 30, 2018

13. PRIOR YEAR ADJUSTMENTS

Description	2017-2018	2016 -2017
	Kshs	Kshs
Adjustments on bank account balances	45,236,158	-
Adjustments on receivables	356,299	-
Total	(45,592,457)	-

(Adjustments relate to unspent balances in our recurrent and development bank accounts which were transferred back to the consolidated fund during the year under review thus no longer outstanding as brought forward balances and previous years outstanding receivables surrendered).

14. RELATED PARTY DISCLOSURES

Related party transactions:

Description of Transaction	2017-2018	2016 -2017
	Kshs	Kshs
NAME		
Key Management Compensation	1,236,648.00	-
		-
Total	1,236,648.00	-

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

Description	2017-2018	2016-2017	2016-2017
	Kshs	Kshs	Kshs
Supply of goods	215,932,075	1,832,606.00	1,832,606.00
Transfers to SAGA	1,793,087	-	
	217,725,162	1,832,606.00	


STATE DEPARTMENT OF PETROLEUM
Reports and Financial Statements
For the year ended June 30, 2018

16. 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.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Issues raised in the external Audit Report 2016/2017	All the issues were resolved		All the issues raised in the Management letters were resolved	N/A


Principal Secretary


Principal Accounts Controller

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLES

Supply of goods and services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2018	Comments
	A	B	C	d=a-c	
Supply of goods and services					
M/S Metal Mate Co. Ltd	11,496,320		0	11,496,320	No Exchequer
M/S Steadfast	17,332,800		0	17,332,800	No Exchequer
Timrose Investment	307,720		0	307,720	No approval in the system
PrideInn Hotel	567,000		0	567,000	Delay in Reconciliation on supplier details and the system
Toyota Kenya	10,800		0	10,800	Delay in payment for repairs was as result of late submission of invoice from the dealer
Toyota Kenya	435,540		0	435,540	Delay in payment for repairs was a result of late submission of invoices by the dealer
Toyota Kenya	113,619		0	113,619	Delay in payment for repairs was a result of late submission of invoices by the dealer.
Travellers Beach Hotel	239,600		0	239,600	Supplier Account details were not accepted in the system
Travellers Beach Hotel	281,350		0	281,350	Supplier Account details were not accepted in the system
Travellers Beach Hotel	1,503,450		0	1,503,450	Supplier Account details were not accepted in the system
Travellers Beach Hotel	1,066,500		0	1,066,500	Supplier Account details were not accepted in the system
Acutex International	5,808,000		0	5,808,000	Late Deliveries
Marsar Ventures	8,737,200		0	8,737,200	Late Deliveries

STATE DEPARTMENT OF PETROLEUM
Reports and Financial Statements
For the year ended June 30, 2018

Excello Energy Ltd	7,000,000		0	7,000,000	Late Deliveries
Kiomar (K) Ltd	3,060,000		0	3,060,000	Late Deliveries
Voxa Africa	1,537,000		0	1,537,000	Late Deliveries
Gerryborn	1,247,200		0	1,247,200	Late Deliveries
FARTUN ENTERPRISES	2,559,960		0	2,559,960	Late Deliveries
Triple N Capital Ventures	4,050,000		0	4,050,000	Late Deliveries
Davron	10,681,000		0	10,681,000	Late Deliveries
MOPM/SDP/OT/03/2017-2018(Allegria)	2,196,420		0	2,196,420	Late Deliveries
MOEP/SDP/OT/01/2016-2017	18,474,960		0	18,474,960	Late Deliveries
MOEP/SDP/OT/02/2017-2018(Voxa Africa Ltd)	6,720,000		0	6,720,000	Late Deliveries
MOEP/SDP/OT/02/2017-2018(Imani Holdings Ltd)	3,705,600		0	3,705,600	Late Deliveries
MOEP/SDP/OT/02/2017-2018(Imani Holdings Ltd)	9,319,800		0	9,319,800	Late Deliveries
MOEP/SDP/OT/02/2017-2018(Imani Holdings Ltd)	5,870,400		0	5,870,400	Late Deliveries
MOEP/SDP/OT/02/2017-2018(Imani Holdings Ltd)	4,502,000		0	4,502,000	Late Deliveries
MOEP/SDP/OT/02/2017-2018(Kiomar (K)Ltd)	6,080,000		0	6,080,000	Late Deliveries

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MOEP/SDP/OT/02/2017-2018(Copper Silicon)	4,600,000		0	4,600,000	Late Deliveries
MOEP/SDP/OT/02/2017-2018(Copper Silicon)	2,300,000		0	2,300,000	Late Deliveries
MOEP/SDP/OT/02/2017-2018(Oolynx Enterprises)	9,279,000		0	9,279,000	Late Deliveries
MOEP/SDP/OT/02/2017-2018(Spring Lock Enterprises)	9,990,000		0	9,990,000	Late Deliveries
MOEP/SDP/OT/02/2017-2018(Vecta Tools and Equipment)	5,988,000		0	5,988,000	Late Deliveries
MOPM/SDP/OT/03/2017-2018(Nesacom Investment)	2,187,524		0	2,187,524	Late Deliveries
MOPM/SDP/OT/03/2017-2018(Nesacom Investment)	1,587,660		0	1,587,660	Late Deliveries
MOPM/SDP/OT/03/2017-2018(Lowell Limited)	982,480		0	982,480	Late Deliveries
(Lowell Limited)	688,380		0	688,380	Late Deliveries
Chrisom Investment)	1,669,360		0	1,669,360	Late Deliveries
Sammir Ventures)	2,052,775		0	2,052,775	Late Deliveries
Sammir Ventures)	1,505,800		0	1,505,800	Late Deliveries
Anamic Ventures)	1,331,000		0	1,331,000	Late Deliveries
Floz Delights)	1,559,484		0	1,559,484	Late Deliveries
Haon Design and Supplies)	1,226,376		0	1,226,376	Late Deliveries
Springlock Enterprises)	1,392,292		0	1,392,292	Late Deliveries

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Vici Group Ltd)	2,571,228		0	2,571,228	Late Deliveries
Hupper Company Ltd)	3,235,000		0	3,235,000	Late Deliveries
Copper Silicon Ltd)	1,908,960		0	1,908,960	Late Deliveries
Ryne General Contractors)	2,556,141		0	2,556,141	Late Deliveries
Lead Energy)	2,138,840		0	2,138,840	Late Deliveries
Larama Investments)	1,515,200		0	1,515,200	Late Deliveries
Larama Investments)	2,260,800		0	2,260,800	Late Deliveries
(Larama Investments)	1,435,200		0	1,435,200	Late Deliveries
Dammim Enterprises)	983,164		0	983,164	Late Deliveries
(Dammim Enterprises)	1,277,552		0	1,277,552	Late Deliveries
Vecta Tools and Equipment)	2,095,620		0	2,095,620	Late Deliveries
Ceder Links)	10,710,000		0	10,710,000	Late Deliveries
Total				215,932,075	

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ANNEX 2 - ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2018	Outstanding Balance 2017	Comments
	Sub-Total						
	Amounts due to Third Parties	5,980,587		4,187,500	1,793,087	N/A	Did not cross to IB Flat form
	1. Energy Regulatory Commission						
	Sub-Total	5,980,587		4,187,500	1,793,087		

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ANNEX 3 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2017/2018	Additions during the year 2017-2018 (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 2016/2017
Land				
Transport equipment	19,453,000.00	30,000.00	-	19,453,000.00
Office equipment, furniture and fittings	1,500,000.00	316,896.00	-	1,816,896.00
Other Machinery and Equipment	126,539,982.00	-	-	-
Heritage and cultural assets	-	-	-	-
Intangible assets	572,480,907.00	617,073,107.00	-	787,506,398.00
Total	751,393,432.00	1,199,681,225.00	-	1,951,074,657.00

NB: The balance as at the end of the year is the cumulative cost of all assets bought and inherited by the Ministry, Department or Agency. Additions during the year should tie to note 18 on acquisition of assets during the year. Ensure this section is complete covering all the entities assets)

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ANNEX 4 – LIST OF PROJECTS IMPLEMENTED BY THE

Ref	Project Name	Principal activity of the project	Accounting Officer	Project consolidated in these financial statements(yes/no)
1	Kenya Petroleum Technical Assistance Project (KEPTAP)	To project is to executive capacity building and Training by equipment for various activities related to the Project	Andrew N Kamau (CBS)	Yes

ANNEX 5– LIST OF SCs, SAGAs AND PUBLIC FUNDS UNDER THE ENTITY

Ref	SC, SAGA or Public Fund's name	Principal activity of entity	Accounting Officer	Amount transferred during the year	Inter- entity reconciliations done?(yes/no)
1	National Oil Corporation of Kenya	Exploration Importation and sale of Petroleum products	Andrew N Kamau (CBS)	780,000,000	Yes
2	Energy Regulatory Commission (ERC)	Regulation of Energy and Petroleum Sector Agencies	Andrew N Kamau (CBS)	4,187,500	Yes
3	Kenya Pipeline Corporation (KPC)	To Provide effective means of Transporting Petroleum product from Mombasa to hinderland	Andrew N Kamau (CBS)	-	N/A
4	Kenya Petroleum Refineries(KPRL)	Processing of Crude Oil	Andrew N Kamau (CBS)		N/A

ANNEX 6- REPORTS GENERATED FROM IFMIS

The following financial Reports Generated from IFMIS should be generated and attached as appendices to these financial statements.

- i. GOK IFMIS Comparison Trial Balance
- ii. FO30 (Bank reconciliations) for all bank accounts
- iii. GOK IFMIS Receipts and Payments Statement
- iv. GOK IFMIS Statement of Financial Position
- v. GOK IFMIS Statement of Cash Flows
- vi. GOK IFMIS Notes to the Financial Statements
- vii. GOK IFMIS Statement of Budget Execution
- viii. GOK IFMIS Statement of Deposits
- ix. GOK IFMIS Budget Execution by Programme and Economic Classification
- x. GOK IFMIS Budget Execution by Heads and Programmes
- xi. GOK IFMIS Budget Execution by Programmes and Sub-programmes



Trial Balance

Entity: 1153-State Department Of Petroleum

Current Period: JUL-17 To JUN-18

Compare With: JUL-16 To ADJ2-17

Account No and Description	Current Period		Previous period	
	Debit Kshs	Credit Kshs	Debit Kshs	Credit Kshs
1140605 Royalties on oil exploration	0.00	120,000,000.00	0.00	30,000,000.00
1140606 Royalties on oil exploration training fees	0.00	236,034,249.45	0.00	255,000,000.00
1140600 Royalties	0.00	356,034,249.45	0.00	285,000,000.00
1140703 Petroleum Development Levy (PDL)	0.00	1,530,670,252.20	0.00	570,000,000.00
1140700 Taxes on Goods and Services Collected as AIA	0.00	1,530,670,252.20	0.00	570,000,000.00
1140000 Taxes on Goods and Services	0.00	1,886,704,501.65	0.00	855,000,000.00
1420501 KOSF Storage Charges	0.00	47,364,694.00	0.00	47,364,694.00
1420500 Incidental Sales by Non-Market Establishments Collected as AIA	0.00	47,364,694.00	0.00	47,364,694.00
1420000 Sales of Goods and Services	0.00	47,364,694.00	0.00	47,364,694.00
2110101 Basic Salaries - Civil Service	74,089,128.30	0.00	42,183,512.70	0.00
2110100 Basic Salaries - Permanent Employees	74,089,128.30	0.00	42,183,512.70	0.00
2110202 Casual Labour - Others	2,999,990.00	0.00	0.00	0.00
2110200 Basic Wages - Temporary Employees	2,999,990.00	0.00	0.00	0.00
2110301 House Allowance	25,619,879.55	0.00	16,374,957.55	0.00
2110309 Special Duty Allowance	0.00	0.00	52,500.00	0.00
2110312 Responsibility Allowance	299,999.55	0.00	244,300.00	0.00
2110314 Transport Allowance	9,574,845.65	0.00	2,866,543.80	0.00
2110320 Leave Allowance	942,806.75	0.00	250,000.00	0.00
2110336 Car Purchase Allowance	0.00	0.00	5,000,000.00	0.00
2110300 Personal Allowances paid as part of Salary	36,437,531.50	0.00	24,788,301.35	0.00
2110000 Wages and Salary Contributions	113,526,649.80	0.00	66,971,814.05	0.00
2210101 Electricity	1,055,421.80	0.00	0.00	0.00
2210102 Water and Sewerage Charges	0.00	0.00	19,000.00	0.00
2210100 Utilities, Supplies and Services	1,055,421.80	0.00	19,000.00	0.00
2210201 Telephone, Telex, Facsimile and Mobile Phone Services	5,321,652.35	0.00	2,751,939.40	0.00
2210202 Internet Connections	500,000.00	0.00	969,000.00	0.00
2210203 Courier & Postal Services	0.00	0.00	0.00	0.00
2210200 Communication, Supplies and Services	5,821,652.35	0.00	3,720,939.40	0.00
2210301 Travel Costs (airlines, bus, railway, mileage allowances, etc.)	8,060,500.00	0.00	7,368,720.00	0.00
2210302 Accommodation - Domestic Travel	4,568,120.00	0.00	6,148,555.00	0.00
2210303 Daily Subsistence Allowance	6,044,334.00	0.00	5,945,600.00	0.00
2210310 Field Operational Allowance	1,007,700.00	0.00	1,107,200.00	0.00
2210300 Domestic Travel and Subsistence, and Other Transportation Costs	19,680,654.00	0.00	20,570,075.00	0.00
2210401 Travel Costs (airlines, bus, railway, etc.)	1,867,823.10	0.00	3,037,986.20	0.00
2210402 Accommodation	1,203,617.60	0.00	2,635,108.00	0.00
2210403 Daily Subsistence Allowance	637,778.80	0.00	1,363,803.00	0.00
2210400 Foreign Travel and Subsistence, and other transportation costs	3,709,219.50	0.00	7,036,897.20	0.00
2210502 Publishing & Printing Services	1,763,612.00	0.00	1,078,214.00	0.00
2210503 Subscriptions to Newspapers, Magazines and Periodicals	846,502.80	0.00	1,746,939.00	0.00
2210500 Printing, Advertising and Information Supplies and Services	2,610,114.80	0.00	2,825,153.00	0.00
2210601 Rent of Vehicles	1,119,993.00	0.00	0.00	0.00
2210603 Rents and Rates - Non-Residential	988,000.00	0.00	3,840,000.00	0.00
2210600 Rentals of Produced Assets	2,107,993.00	0.00	3,840,000.00	0.00
2210701 Travel Allowance	60,640,920.00	0.00	62,199,066.80	0.00
2210702 Remuneration of Instructors and Contract Based Training Services	34,087,128.85	0.00	40,576,016.05	0.00
2210703 Production and Printing of Training Materials	34,990,587.00	0.00	55,310,271.00	0.00

Account No and Description	Current Period		Previous period	
	Debit	Credit	Debit	Credit
2210704 Hire of Training Facilities and Equipment	132,669.30	0.00	376,750.00	0.00
2210706 Book Allowance	225,890.00	0.00	744,800.00	0.00
2210710 Accommodation Allowance	981,580.55	0.00	5,925,497.00	0.00
2210711 Tuition Fees Allowance	857,688.00	0.00	3,469,482.00	0.00
2210700 Training Expenses	131,916,463.70	0.00	168,601,882.85	0.00
2210801 Catering Services (receptions), Accommodation, Gifts, Food and Drinks	5,594,871.00	0.00	9,411,036.00	0.00
2210802 Boards, Committees, Conferences and Seminars	116,779,268.30	0.00	87,514,987.60	0.00
2210808 Purchase of Coffins	0.00	0.00	0.00	0.00
2210800 Hospitality Supplies and Servi	122,374,139.30	0.00	96,926,023.60	0.00
2211004 Fungicides, Insecticides and Sprays	990,000.00	0.00	94,600.00	0.00
2211009 Education and Library Supplies	325,000.00	0.00	0.00	0.00
2211016 Purchase of Uniforms and Clothing - Staff	210,200.00	0.00	0.00	0.00
2211000 Specialised Materials and Supp	1,525,200.00	0.00	94,600.00	0.00
2211101 General Office Supplies (papers, pencils, forms, small office equipment etc)	5,676,884.35	0.00	5,804,851.55	0.00
2211102 Supplies and Accessories for Computers and Printers	2,587,453.90	0.00	2,087,191.40	0.00
2211103 Sanitary and Cleaning Materials, Supplies and Services	0.00	0.00	0.00	0.00
2211100 Office and General Supplies and Services	8,264,338.25	0.00	7,892,042.95	0.00
2211201 Refined Fuels and Lubricants for Transport	6,264,181.00	0.00	4,585,180.00	0.00
2211200 Fuel Oil and Lubricants	6,264,181.00	0.00	4,585,180.00	0.00
2211305 Contracted Guards and Cleaning Services	48,880.00	0.00	472,500.00	0.00
2211310 Contracted Professional Services	619,770,151.75	0.00	160,216,107.55	0.00
2211399 Other Operating Expenses - Oth	0.00	0.00	2,405,113.10	0.00
2211300 Other Operating Expenses	619,819,031.75	0.00	163,093,720.65	0.00
2210000 Goods and Services	925,148,409.45	0.00	479,205,514.65	0.00
2220101 Maintenance Expenses - Motor Vehicles	4,187,778.75	0.00	230,000.00	0.00
2220100 Routine Maintenance - Vehicles	4,187,778.75	0.00	230,000.00	0.00
2220201 Maintenance of Plant, Machinery and Equipment (including lifts)	369,700.00	0.00	1,434,418.00	0.00
2220202 Maintenance of Office Furniture and Equipment	119,070.00	0.00	1,039,670.00	0.00
2220205 Maintenance of Buildings and Stations -- Non-Residential	120,000.00	0.00	0.00	0.00
2220209 Minor Alterations to Buildings and Civil Works	120,000.00	0.00	60,000.00	0.00
2220210 Maintenance of Computers, Software, and Networks	256,686.50	0.00	1,081,690.00	0.00
2220200 Routine Maintenance - Other Assets	985,456.50	0.00	3,615,778.00	0.00
2220000 Routine Maintenance	5,173,235.25	0.00	3,845,778.00	0.00
2630201 Capital Grants to Semi-Autonomous Government Agencies	784,187,500.00	0.00	300,250,000.00	0.00
2630200 Capital Grants to Government Agencies and other Levels of Government	784,187,500.00	0.00	300,250,000.00	0.00
2630000 Grants & Transfer To Other Govt. Units	784,187,500.00	0.00	300,250,000.00	0.00
2710102 Gratuity - Civil Servants	4,444,208.75	0.00	0.00	0.00
2710100 Government Pension and Retirement Benefits	4,444,208.75	0.00	0.00	0.00
2710000 Social Security Benefits	4,444,208.75	0.00	0.00	0.00
3110202 Non-Residential Buildings (offices, schools, hospitals, etc.)	0.00	0.00	30,767,783.45	0.00
3110200 Construction of Building	0.00	0.00	30,767,783.45	0.00
3110701 Purchase of Motor Vehicles	0.00	0.00	19,453,000.00	0.00
3110700 Purchase of Vehicles and Other Transport Equipment	0.00	0.00	19,453,000.00	0.00
3110801 Overhaul of Vehicles	30,000.00	0.00	0.00	0.00
3110800 Overhaul of Vehicles and Other Transport Equipment	30,000.00	0.00	0.00	0.00
3111001 Purchase of Office Furniture and Fittings	239,310.00	0.00	0.00	0.00
3111002 Purchase of Computers, Printers and other IT Equipment	60,000.00	0.00	1,500,000.00	0.00

Account No and Description	Current Period		Previous period	
	Debit	Credit	Debit	Credit
3111005 Purchase of Photocopiers	17,586.20	0.00	0.00	0.00
3111000 Purchase of Office Furniture and General Equipment	316,896.20	0.00	1,500,000.00	0.00
3111104 Purchase of Instrumentation and Calibration Equipment	82,843,665.50	0.00	96,777,900.00	0.00
3111111 Purchase of ICT Networking and Communication Equipment	820,910.00	0.00	558,760.00	0.00
3111112 Purchase of Software	23,900.00	0.00	93,000.00	0.00
3111120 Purch. of Specialised Plant. -	280,020,384.00	0.00	23,222,070.00	0.00
3111100 Purchase of Specialised Plant, Equipment and Machinery	363,708,859.50	0.00	120,651,730.00	0.00
3111401 Pre-feasibility, Feasibility and Appraisal Studies	479,216,041.95	0.00	572,819,506.50	0.00
3111499 Research, Feasibility Studies	137,857,064.85	0.00	0.00	0.00
3111400 Research, Feasibility Studies, Project Preparation and Design, Project Supervision	617,073,106.80	0.00	572,819,506.50	0.00
3111504 Other Infrastructure and Civil Works	220,863,862.00	0.00	6,540,012.00	0.00
3111500 Rehabilitation of Civil Works	220,863,862.00	0.00	6,540,012.00	0.00
3110000 Acquisition of Fixed Capital Assets	1,201,992,724.50	0.00	751,732,031.95	0.00
5120202 Borrowing from International Organizations	0.00	282,204,689.95	0.00	0.00
5120200 Foreign Borrowing-Direct Payments	0.00	282,204,689.95	0.00	0.00
5120000 Currency and Deposits, Accounts Payable, Clearing Transfers and Other Liabilities	0.00	282,204,689.95	0.00	0.00
6520107 PETROLEUM DEVELOPMENT LEVY FUN	0.00	2,332,153,693.20	0.00	87,500,000.00
6520100 Treasury Bank Accounts	0.00	2,332,153,693.20	0.00	87,500,000.00
6520000 Treasury Bank Accounts (Exchequer and CRF Accounts)	0.00	2,332,153,693.20	0.00	87,500,000.00
6530101 Ministry HQ Recurrent Bank A/C	0.00	25,614,115.75	14,943,554.45	0.00
6530100 Recurrent Bank Accounts	0.00	25,614,115.75	14,943,554.45	0.00
6530000 Recurrent Bank Accounts	0.00	25,614,115.75	14,943,554.45	0.00
6540101 Ministry HQ Development Bank A	353,509,793.45	0.00	12,125,558.75	0.00
6540100 Development Bank Accounts	353,509,793.45	0.00	12,125,558.75	0.00
6541112 Kenya Petroleum Technical Assistance Project-No.CR5526-KE	280,302,873.65	0.00	20,928,539.00	0.00
6541114 Kenya Petroleum Technical Assistance Project	0.00	0.00	0.00	0.00
6541100	280,302,873.65	0.00	20,928,539.00	0.00
6540000 Development Bank Accounts	633,812,667.10	0.00	33,054,097.75	0.00
6550101 Ministry HQ Deposit Bank A/C	0.00	0.00	0.00	0.00
6550100 Deposit Bank Accounts	0.00	0.00	0.00	0.00
6550000 Deposit Bank Account	0.00	0.00	0.00	0.00
6580101 Cash	3,728,441,702.60	0.00	445,811,386.80	0.00
6580104 Cash in Transit	344,923,641.15	0.00	0.00	0.00
6580100 Cash in Hand	4,073,365,343.75	0.00	445,811,386.80	0.00
6580000 Cash in Hand	4,073,365,343.75	0.00	445,811,386.80	0.00
6710103 Salary advance	90,338.00	0.00	0.00	0.00
6710100 Debtors & Advances - Employees	90,338.00	0.00	0.00	0.00
6710000 Domestic Debtors & Advances	90,338.00	0.00	0.00	0.00
6740101 Prepayment	0.00	0.00	0.00	0.00
6740100 Other Debtors & Pre-payments	0.00	0.00	0.00	0.00
6740000 Other Debtors & Pre-payments	0.00	0.00	0.00	0.00
6760101 Standing Imprests	10,000.00	0.00	10,000.00	0.00
6760103 Temporary Imprests	80,037.00	0.00	206,037.00	0.00
6760100 Imprests	90,037.00	0.00	216,037.00	0.00
6760000 Government Imprests	90,037.00	0.00	216,037.00	0.00
6780101 General Suspense A/C	0.00	0.00	0.00	0.00
6780100 Suspense & Clearance Account	0.00	0.00	0.00	0.00
6780000 Suspense & Clearance Account	0.00	0.00	0.00	0.00
7310101 General Deposits	0.00	307,329,747.80	0.00	0.00
7310100 General Deposits Items	0.00	307,329,747.80	0.00	0.00
7310000 Deposits	0.00	307,329,747.80	0.00	0.00
7320101 PAYE	0.00	0.00	0.00	0.00
7320102 NHIF	0.00	0.00	0.00	0.00
7320103 House Rent	0.00	0.00	0.00	0.00
7320106 NSSF	0.00	0.00	0.00	0.00
7320107 Co-operatives	945.00	0.00	945.00	0.00
7320108 Insurances	6,659.60	0.00	6,659.60	0.00



Account No and Description	Current Period		Previous period	
	Debit	Credit	Debit	Credit
7320111 WCPS	0.00	0.00	0.00	0.00
7320112 Staff Welfare Associations	0.00	6,058.70	0.00	6,058.70
7320113 HELB Deductions	0.00	0.00	0.00	0.00
7320114 Union Dues	6,058.70	0.00	6,058.70	0.00
7320116 Mortgages / Bank Loans	760.00	0.00	760.00	0.00
7320117 Govt. Liability Attachments	0.00	4,179.80	0.00	4,179.80
7320120 Staff Contribution	0.00	0.00	0.00	0.00
7320121 Salary Overpayment Refunds	0.00	0.00	0.00	0.00
7320123 Civil Service Housing Fund	0.00	0.00	0.00	0.00
7320199 Salary Control Account	0.00	0.00	0.00	0.00
7320100 Salary Deductions	14,423.30	10,238.50	14,423.30	10,238.50
7320201 Contractors Retention Money	0.00	0.00	0.00	0.00
7320200 Other General Liabilities	0.00	0.00	0.00	0.00
7320402 Vat Withholding Tax	0.00	4,184.80	0.00	4,184.80
7320400 Withholding Taxes	0.00	4,184.80	0.00	4,184.80
7320000 Other Liabilities	14,423.30	14,423.30	14,423.30	14,423.30
7380101 General Withholding Tax	0.00	0.00	0.00	0.00
7380102 VAT Withholding	1,073,926.30	0.00	0.00	0.00
7380100	1,073,926.30	0.00	0.00	0.00
7380000 Withholding Taxes	1,073,926.30	0.00	0.00	0.00
7390103 AP Liabilities	11,441,744.85	0.00	0.00	0.00
7390100 System Required Liabilities	11,441,744.85	0.00	0.00	0.00
7399999 Cash Clearing A/c	0.00	1,870,955,129.05	0.00	361,072,880.65
7399900	0.00	1,870,955,129.05	0.00	361,072,880.65
7390000 System Required Liabilities A/cs	11,441,744.85	1,870,955,129.05	0.00	361,072,880.65
9910101 Provision for Encumbrance	0.00	0.00	0.00	0.00
9910100 General Provisions	0.00	0.00	0.00	0.00
9910201 Exchequer Releases/ Provisioning Account	0.00	1,701,660,658.00	0.00	745,092,640.00
9910200 Exchequer Provisions	0.00	1,701,660,658.00	0.00	745,092,640.00
9910000 Provisions	0.00	1,701,660,658.00	0.00	745,092,640.00
9999998 Vote Control Account	0.00	0.00	0.00	0.00
9999999 Consolidated Fund	699,640,444.65	0.00	0.00	0.00
9999900	699,640,444.65	0.00	0.00	0.00
9990000 Opening Balance Reserves	699,640,444.65	0.00	0.00	0.00
Total	8,454,001,652.70	8,454,001,652.70	2,096,044,637.95	2,096,044,637.95

The Statement has been prepared, reviewed and approved by the following:

Prepared By: _____

Date: _____

Reviewed By: _____

Date: _____

Approved By: _____

Date: _____

**STATEMENT OF RECEIPTS AND PAYMENTS**

Entity: 1153-State Department Of Petroleum

Current Period: JUL-17 To JUN-18

Compare With: JUL-16 To JUN-17

	Note	Current Period	Previous Period
RECEIPTS			
Tax Receipts	1	1,886,704,501.65	855,000,000.00
Social Security Contribution	2	0.00	0.00
Proceeds from Domestic and Foreign Grants	3	0.00	0.00
Exchequer releases	4	956,568,018.00	745,092,640.00
Transfers from Other Government Entities	5	0.00	0.00
Proceeds from Domestic Borrowings	6	0.00	0.00
Proceeds from Foreign Borrowings	7	282,204,689.95	0.00
Proceeds from Sales of Assets	8	0.00	0.00
Reimbursements and Refunds	9	0.00	0.00
Returns of Equity Holdings	10	0.00	0.00
Other Receipts	11	47,364,694.00	47,364,694.00
TOTAL RECEIPTS		3,172,841,903.60	1,647,457,334.00
PAYMENTS			
Compensation of Employees	12	113,526,649.80	66,971,814.05
Use of goods and Services	13	930,321,644.70	483,051,292.65
Subsidies	14	0.00	0.00
Transfers to Other Government Units	15	784,187,500.00	300,250,000.00
Other Grants and Transfers	16	0.00	0.00
Social Security Benefits	17	4,444,208.75	0.00
Acquisition of Assets	18	1,201,992,724.50	751,732,031.95
Finance Costs, including Loan Interest	19	0.00	0.00
Repayment of Principal on Domestic and Foreign Borrowing	20	0.00	0.00
Other payments	21	0.00	0.00
TOTAL PAYMENTS		3,034,472,727.75	1,602,005,138.65
SURPLUS/DEFICIT		138,369,175.85	45,452,195.35

The Statement has been prepared, reviewed and approved by the following:

Prepared By: _____

Date: _____

Reviewed By: _____

Date: _____

Approved By: _____

Date: _____



Statement of Financial Position

Entity: 1153-State Department Of Petroleum

Current Period: JUL-17 To JUN-18

Compare With: JUL-16 To JUN-17

	Note	Current Period	Previous Period
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	22A	(1,723,955,141.85)	(39,502,347.80)
Cash Balances	22B	4,073,365,343.75	445,811,386.80
Total Cash And Cash Equivalents		2,349,410,201.90	406,309,039.00
Accounts Receivables - Outstanding Imprest and Clearance Accounts	23	180,375.00	216,037.00
TOTAL FINANCIAL ASSETS		2,349,590,576.90	406,525,076.00
Financial Liabilities			
Accounts Payables - Deposits	24	2,165,769,205.70	361,072,880.65
NET FINANCIAL ASSETS		183,821,371.20	45,452,195.35
REPRESENTED BY			
Fund Balance b/fwd	25	45,452,195.35	0.00
Prior Year Adjustment	26	0.00	0.00
Surplus/Deficit for the Year		138,369,175.85	45,452,195.35
NET FINANCIAL POSITION		183,821,371.20	45,452,195.35

The Statement has been prepared, reviewed and approved by the following:

Prepared By: _____

Date: _____

Reviewed By: _____

Date: _____

Approved By: _____

Date: _____



STATEMENT OF CASH FLOW

Entity: 1153-State Department Of Petroleum

Current Period: JUL-17 To JUN-18

Compare With: JUL-16 To JUN-17

	Note	Current Period	Previous Period
		Kshs	Kshs
Receipts and operating income			
Tax Receipts	1	1,886,704,501.65	855,000,000.00
Social Security Contribution	2	0.00	0.00
Proceeds from Domestic and Foreign Grants	3	0.00	0.00
Exchequer releases	4	956,568,018.00	745,092,640.00
Transfers from Other Government Entities	5	0.00	0.00
Reimbursements and Refunds	9	0.00	0.00
Returns of Equity Holdings	10	0.00	0.00
Other Receipts	11	47,364,694.00	47,364,694.00
Payments for Operating Expenses			
Compensation of Employees	12	113,526,649.80	66,971,814.05
Use of goods and Services	13	930,321,644.70	483,051,292.65
Subsidies	14	0.00	0.00
Transfers to Other Government Units	15	784,187,500.00	300,250,000.00
Other Grants and Transfers	16	0.00	0.00
Social Security Benefits	17	4,444,208.75	0.00
Finance Costs, including Loan Interest	19	0.00	0.00
Other payments	21	0.00	0.00
Adjusted for :			
Adjustments during the year		1,804,731,987.05	360,856,843.65
Prior year adjustments		0.00	0.00
Net Cash From Operating Activities	A	2,862,889,197.45	1,158,041,070.95
Cash Flow From Investing Activities			
Proceeds from Sales of Assets	8	0.00	0.00
Acquisition of Assets	18	1,201,992,724.50	751,732,031.95
Net Cash Flow From Investing Activities	B	(1,201,992,724.50)	(751,732,031.95)
Cash Flow From Borrowing Activities			
Proceeds from Domestic Borrowings	6	0.00	0.00
Proceeds from Foreign Borrowings	7	282,204,689.95	0.00
Repayment of Principal on Domestic and Foreign Borrowing	20	0.00	0.00
Net Cash Flow From Financing Activities	C	282,204,689.95	0.00
NET INCREASE IN CASH AND CASH EQUIVALENT	A+B+C	1,943,101,162.90	406,309,039.00
Cash and Cash Equivalent at BEGINNING of The Year		406,309,039.00	0.00
Cash and Cash Equivalent at END of The Year	22A+22B	2,349,410,201.90	406,309,039.00

The Statement has been prepared, reviewed and approved by the following:

Prepared By: _____

Date: _____

Reviewed By: _____

Date: _____

Approved By: _____

Date: _____



NOTES TO THE FINANCIAL STATEMENTS

Entity: 1153-State Department Of Petroleum

Current Period: JUL-17 To JUN-18

Compare With: JUL-16 To JUN-17

1 Tax Receipts

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Taxes on Income, Profits and Capital Gains	1110000	0.00	0.00
Taxes on Payroll and Workforce	1120000	0.00	0.00
Taxes on Property	1130000	0.00	0.00
Taxes on Goods and Services	1140000	1,886,704,501.65	855,000,000.00
Taxes on International Trade and Transactions	1150000	0.00	0.00
Other Taxes (not elsewhere classified)	1160000	0.00	0.00
TOTAL		1,886,704,501.65	855,000,000.00

2 Social Security Contribution

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Health Insurance Contribution	1210100	0.00	0.00
NHIF Health Insurance Contributions	1210200	0.00	0.00
Contributions from Govt. Employees for Social & Welfare Schemes	1210300	0.00	0.00
TOTAL		0.00	0.00

3 Proceeds from Domestic and Foreign Grants

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Grants from Foreign Governments	1310000	0.00	0.00
Grants from International Organisations	1320000	0.00	0.00
TOTAL		0.00	0.00

4 Exchequer releases

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Exchequer Releases/ Provisioning Account	9910201	956,568,018.00	745,092,640.00
TOTAL		956,568,018.00	745,092,640.00

5 Transfers from Other Government Entities

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Grants received by Central Govt from General Govt units	1330100	0.00	0.00
Grants Received from General Govt units by Local Authorities	1330200	0.00	0.00
Grants to Fund Accounts from Central Govt Budget	1330300	0.00	0.00
Grants to other General Govt units from General Govt units	1330400	0.00	0.00
TOTAL		0.00	0.00

6 Proceeds from Domestic Borrowings

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Borrowing within General Government	5110100	0.00	0.00
Borrowing from Monetary Authorities (Central Bank)	5110200	0.00	0.00
Other Domestic Depository Corporations (Commercial Banks)	5110300	0.00	0.00
Borrowing from Other Domestic Financial Institutions	5110400	0.00	0.00
Borrowing from Other Domestic Creditors	5110500	0.00	0.00
TOTAL		0.00	0.00

7 Proceeds from Foreign Borrowings

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Foreign Borrowings - Drawdowns through Exchequer	5120100	0.00	0.00
Foreign Borrowing-Direct Payments	5120200	282,204,689.95	0.00
Foreign Currency and Foreign Deposits	5120300	0.00	0.00
Other Foreign Accounts Payable	5120400	0.00	0.00
TOTAL		282,204,689.95	0.00

8 Proceeds from Sales of Assets

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Receipts from the Sale of Buildings - Paid to Exchequer	3510100	0.00	0.00
Receipts from the Sale of Buildings	3510200	0.00	0.00
Receipts from sale of other st	3510300	0.00	0.00
Receipts from sale of other st	3510400	0.00	0.00
Receipts from the Sale of Vehicles and Transport Equipment - Paid to Exchequer	3510500	0.00	0.00
Receipts from the Sale of Vehicles and Transport Equipment	3510600	0.00	0.00
Receipts from the Sale of Plant Machinery and Equipment - Paid to Exchequer	3510700	0.00	0.00
Receipts from the Sale Plant Machinery and Equipment	3510800	0.00	0.00
Receipts from Sale of Certified Seeds and Breeding Stock - Paid to Exchequer	3510900	0.00	0.00
Receipts from Sale of Certified Seeds and Breeding Stock	3511000	0.00	0.00
Receipts from the Sale of Strategic Reserves Stocks	3520100	0.00	0.00
Receipts from the Sale of Other Inventories, Stocks, and Commodities	3520200	0.00	0.00
Receipts from the Sale of Inventories, Stocks and Commodities	3520300	0.00	0.00
Receipts from the Sale of Land	3540100	0.00	0.00
Receipts from the Sale of Other Naturally Occurring Non-Produced Assets	3540200	0.00	0.00
Receipts from the Sale of Intangible Non-Produced Assets	3540300	0.00	0.00
Receipts from the Sale of Non-Produced Assets Collected as AIA	3540400	0.00	0.00
Repayments from Loans to Government Agencies and Other Levels of Government	4510100	0.00	0.00
Loans to Non-Financial Public Enterprises	4510200	0.00	0.00
Loans to Financial Institutions	4510300	0.00	0.00
Repayments from Domestic Loans to Individuals and Households	4510400	0.00	0.00
Repayments from lending to Foreign Govts.	4520100	0.00	0.00
Repayments from lending to International Orgns.	4520200	0.00	0.00
Repayments from lending to Foreign Non - Financial Enterps. & Financial Instns.	4520300	0.00	0.00
Repayments from Other Foreign Lending	4520400	0.00	0.00
Sales and Disposals of Equity Holdings in Domestic Public Non - Financial Enterprises	4530100	0.00	0.00
Sales and Disposals of Equity Holdings in Domestic Public Financial Institutions	4530200	0.00	0.00
Sales and Disposals of Other Equity Holdings	4530300	0.00	0.00
Sales and Disposals of Equity Holdings in Foreign Financial Instns. and Domestic Financial Instns. operating abroad	4530400	0.00	0.00
Sales and Disposals of Equity Holdings in Foreign Enterps. Financial Instns. and Domestic Financial Instns. operating abroad	4530500	0.00	0.00
Redemption/ Disposal of Other Financial Assets	4530600	0.00	0.00
Refund of Bonds paid as Deposits for Guarantees	4530700	0.00	0.00
TOTAL		0.00	0.00

9 Reimbursements and Refunds

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Refund from World Food Programme (WFP)	4540101	0.00	0.00
Reimbursement of Audit Fees	4540102	0.00	0.00
Reimbursement on Messing Charges (UNICEF)	4540103	0.00	0.00
Reimbursement from World Bank - ECD	4540104	0.00	0.00
Reimbursement from Individuals and Private Organizations	4540105	0.00	0.00

Item Description	Item Code	Current Period	Previous Period
Reimbursement from Local Government Authorities	4540106	0.00	0.00
Reimbursement from Statutory Organizations	4540107	0.00	0.00
Reimbursement within Central Government	4540108	0.00	0.00
Reimbursement Using Bonds	4540109	0.00	0.00
Reimbursements and Refunds - Other (Budget)	4540199	0.00	0.00
TOTAL		0.00	0.00

10 Returns of Equity Holdings

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Returns of Equity Holdings	4550000	0.00	0.00
Returns of Equity Holdings	4610000	0.00	0.00
TOTAL		0.00	0.00

11 Other Receipts

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Interest Received	1410100	0.00	0.00
Profits and Dividends	1410200	0.00	0.00
Withdrawals from Income of Quasi-corporations	1410300	0.00	0.00
Rents on land, houses and buildings	1410400	0.00	0.00
Other Property Income collected as AIA	1410500	0.00	0.00
	1415000	0.00	0.00
Sales of Market Establishment	1420100	0.00	0.00
Administrative Fees and Charges	1420200	0.00	0.00
Administrative Fees and Charges collected as AIA	1420300	0.00	0.00
Incidental Sales by Non-Market Establishments	1420400	0.00	0.00
Incidental Sales by Non-Market Establishments Collected as AIA	1420500	47,364,694.00	47,364,694.00
Receipts from Sale of Incidental Goods	1420600	0.00	0.00
Fines, Penalties, Forfeitures and other Charges	1430100	0.00	0.00
Current Grants from International NGOs paid through Exchequer	1440100	0.00	0.00
Capital Grants from International NGOs paid through Exchequer	1440200	0.00	0.00
Current Grants from International NGOs collected as AIA	1440300	0.00	0.00
Capital Grants from International NGOs collected as AIA	1440400	0.00	0.00
Other Voluntary Transfers for Current purposes	1440500	0.00	0.00
Other Voluntary Transfers for Capital purposes	1440600	0.00	0.00
Paid to Exchequer	1450100	0.00	0.00
Receipts Not Classified Elsewhere	1450200	0.00	0.00
	1510200	0.00	0.00
	1510300	0.00	0.00
	1520100	0.00	0.00
Business Permits	1520200	0.00	0.00
Cesses	1520300	0.00	0.00
Poll Rates	1520400	0.00	0.00
Plot Rents	1520500	0.00	0.00
Other Local Levies	1520600	0.00	0.00
Administrative Services Fees	1530100	0.00	0.00
Various Fees	1530200	0.00	0.00
Council'S Natural Resources Exploitation	1530300	0.00	0.00
Sales Of Council Assets	1530400	0.00	0.00
Lease / Rental Of Council'S Infrastructure Assets	1530500	0.00	0.00
Other Miscellaneous Revenues	1530600	0.00	0.00
Other Miscellaneous Revenues	1540100	0.00	0.00
Insurance Claims Recovery	1540200	0.00	0.00
Medium Term Loans (1-3 Yr Repayment)	1540300	0.00	0.00
Long Term Loans (Over 3 Yr Rpayment)	1540400	0.00	0.00
Transfers From Reserve Funds	1540500	0.00	0.00
Donations	1540600	0.00	0.00
Fund Raising Events	1540700	0.00	0.00
Other Revenues From Financial Assets Loan	1540800	0.00	0.00
	1541000	0.00	0.00
Market/Trade Centre Fee	1550100	0.00	0.00
Vehicle Parking Fees	1550200	0.00	0.00
Housing	1560100	0.00	0.00
Social Premises Use Charges	1560200	0.00	0.00
School Fees	1570100	0.00	0.00
Other Education-Related Fees	1570200	0.00	0.00
Other Education Revenues	1570300	0.00	0.00
Public Health Services	1580100	0.00	0.00

Item Description	Item Code	Current Period	Previous Period
Public Health Facilities Operations	1580200	0.00	0.00
Environment & Conservancy Administration	1580300	0.00	0.00
Slaughter Houses Administration	1580400	0.00	0.00
Water Supply Administration	1580500	0.00	0.00
Sewerage Administration	1580600	0.00	0.00
Other Health & Sanitation Revenues	1580700	0.00	0.00
Technical Services Fees	1590100	0.00	0.00
External Services Fees	1590200	0.00	0.00
	1930100	0.00	0.00
System Required Revenue A/cs	1990100	0.00	0.00
TOTAL		47,364,694.00	47,364,694.00

12 Compensation of Employees

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Basic Salaries - Permanent Employees	2110100	74,089,128.30	42,183,512.70
Basic Wages - Temporary Employees	2110200	2,999,990.00	0.00
Personal Allowances paid as part of Salary	2110300	36,437,531.50	24,788,301.35
Personal Allowances paid as Reimbursements	2110400	0.00	0.00
Personal Allowances provided in Kind	2110500	0.00	0.00
Employer Contributions to Compulsory National Social Security Schemes	2120100	0.00	0.00
Employer Contributions to Compulsory Health Insurance Schemes	2120200	0.00	0.00
USE OF GOODS AND SERVICES	2120300	0.00	0.00
TOTAL		113,526,649.80	66,971,814.05

13 Use of goods and Services

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Utilities, Supplies and Services	2210100	1,055,421.80	19,000.00
Communication, Supplies and Services	2210200	5,821,652.35	3,720,939.40
Domestic Travel and Subsistence, and Other Transportation Costs	2210300	19,680,654.00	20,570,075.00
Foreign Travel and Subsistence, and other transportation costs	2210400	3,709,219.50	7,036,897.20
Printing, Advertising and Information Supplies and Services	2210500	2,610,114.80	2,825,153.00
Rentals of Produced Assets	2210600	2,107,993.00	3,840,000.00
Training Expenses	2210700	131,916,463.70	168,601,882.85
Hospitality Supplies and Servi	2210800	122,374,139.30	96,926,023.60
Insurance Costs	2210900	0.00	0.00
Specialised Materials and Supp	2211000	1,525,200.00	94,600.00
Office and General Supplies and Services	2211100	8,264,338.25	7,892,042.95
Fuel Oil and Lubricants	2211200	6,264,181.00	4,585,180.00
Other Operating Expenses	2211300	619,819,031.75	163,093,720.65
Routine Maintenance - Vehicles	2220100	4,187,778.75	230,000.00
Routine Maintenance - Other Assets	2220200	985,456.50	3,615,778.00
Exchange Rate Losses	2230100	0.00	0.00
TOTAL		930,321,644.70	483,051,292.65

14 Subsidies

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Subsidies to Public Corporations	2510000	0.00	0.00
Subsidies to Private Enterprises	2520000	0.00	0.00
TOTAL		0.00	0.00

15 Transfers to Other Government Units

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Current Grants to Government Agencies and other Levels of Government	2630100	0.00	0.00
Capital Grants to Government Agencies and other Levels of Government	2630200	784,187,500.00	300,250,000.00
Other Current Transfers, Grants and Subsidies	2640400	0.00	0.00
Other Capital Grants and Trans	2640500	0.00	0.00
TOTAL		784,187,500.00	300,250,000.00

16 Other Grants and Transfers

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Grants and Transfers to Foreign Governments	2610100	0.00	0.00
Membership Fees and Dues and Subscriptions to International Organizations	2620100	0.00	0.00
Membership Fees and Dues and Subscriptions to International Organizations (Continued)	2620200	0.00	0.00
Scholarships and other Educational Benefits	2640100	0.00	0.00
Emergency Relief and Refugee Assistance	2640200	0.00	0.00
Grants to Small Businesses, Cooperatives, and Self Employed	2640300	0.00	0.00
	2649900	0.00	0.00
TOTAL		0.00	0.00

17 Social Security Benefits

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Government Pension and Retirement Benefits	2710100	4,444,208.75	0.00
Social Security Benefits	2710200	0.00	0.00
Employer Social Benefits	2710300	0.00	0.00
Refund of Pension to UK Government	2720100	0.00	0.00
	2720200	0.00	0.00
TOTAL		4,444,208.75	0.00

18 Acquisition of Assets

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Purchase of Buildings	3110100	0.00	0.00
Construction of Building	3110200	0.00	30,767,783.45
Refurbishment of Buildings	3110300	0.00	0.00
Construction of Roads	3110400	0.00	0.00
Construction and Civil Works	3110500	0.00	0.00
Overhaul and Refurbishment of Construction and Civil Works	3110600	0.00	0.00
Purchase of Vehicles and Other Transport Equipment	3110700	0.00	19,453,000.00
Overhaul of Vehicles and Other Transport Equipment	3110800	30,000.00	0.00
Purchase of Household Furniture and Institutional Equipment	3110900	0.00	0.00
Purchase of Office Furniture and General Equipment	3111000	316,896.20	1,500,000.00
Purchase of Specialised Plant, Equipment and Machinery	3111100	363,708,859.50	120,651,730.00
Rehabilitation and Renovation of Plant, Machinery and Equipment	3111200	0.00	0.00
Purchase of Certified Seeds, Breeding Stock and Live Animals	3111300	0.00	0.00
Research, Feasibility Studies, Project Preparation and Design, Project Supervision	3111400	617,073,106.80	572,819,506.50
Rehabilitation of Civil Works	3111500	220,863,862.00	6,540,012.00
Purchase of Specialised Plant	3112200	0.00	0.00
Acquisition of Strategic Stocks	3120100	0.00	0.00
Acquisition of Other Inventori	3120200	0.00	0.00
Acquisition of Land	3130100	0.00	0.00
Acquisition of Other Intangible Assets	3130200	0.00	0.00
Domestic Lending and On-lending	4110000	0.00	0.00
Domestic Equity Participation	4120000	0.00	0.00
Other Domestic Accounts Receivable	4130000	0.00	0.00
Foreign Lending and On-Lending	4140000	0.00	0.00
Foreign Equity Participation	4150000	0.00	0.00
Other Foreign Accounts Receivable	4160000	0.00	0.00
TOTAL		1,201,992,724.50	751,732,031.95

19 Finance Costs, including Loan Interest

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Interest Payments on Foreign Borrowing	2410100	0.00	0.00
Interest Payments on Guaranteed Debt	2410200	0.00	0.00
Interest on Domestic Borrowing	2420000	0.00	0.00
Interest on Borrowing From Other Government Units	2430000	0.00	0.00
TOTAL		0.00	0.00

20 Repayment of Principal on Domestic and Foreign Borrowing

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Repayments on Borrowings from General Government	5510100	0.00	0.00
Repayments on Borrowings from Monetary Authorities (Central Bank)	5510200	0.00	0.00
Repayments on Borrowings from Other Domestic Depository Corporations (Commercial Banks)	5510300	0.00	0.00
Repayments on Borrowings from Other Domestic Financial Institutions	5510400	0.00	0.00
Repayments on Borrowings from Other Domestic Creditors	5510500	0.00	0.00
Principal Repayments on Foreign Borrowing	5510600	0.00	0.00
Principal Repayments on Guaranteed Debt Taken over by Government	5520000	0.00	0.00
Principal Repayments on Guaranteed Domestic Debt Taken over by Government	5520100	0.00	0.00
Principal Repayments on Guaranteed Foreign Debt Taken over by Government	5520200	0.00	0.00
Repayments on Borrowings from Other Domestic Creditors	5610000	0.00	0.00
Repayments on Borrowings from Other Domestic Creditors - Private Enterprises	5610500	0.00	0.00
	5620000	0.00	0.00
Repayments on Borrowings from Other Domestic Creditors - Public Enterprises	5620100	0.00	0.00
TOTAL		0.00	0.00

21 Other payments

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Budget Reserves	2810100	0.00	0.00
Civil Contingency Reserves	2810200	0.00	0.00
Capital Transfer to Non Financial Public Enterprises	2820100	0.00	0.00
Capital Transfer to Public Financial Institutions and Enterprises	2820200	0.00	0.00
Capital Transfer to Private Non-Financial Enterprises	2820300	0.00	0.00
System Required Expenses	2990100	0.00	0.00
	2999900	0.00	0.00
TOTAL		0.00	0.00

22A Bank Balances

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Special Accounts	6510000	0.00	0.00
Treasury Bank Accounts (Exchequer and CRF Accounts)	6520000	2,332,153,693.20	87,500,000.00
Recurrent Bank Accounts	6530000	25,614,115.75	14,943,554.45
Development Bank Accounts	6540000	633,812,667.10	33,054,097.75
Deposit Bank Account	6550000	0.00	0.00
Project Specific Bank Accounts	6570000	0.00	0.00
Foreign Currency and Foreign D	6590101	0.00	0.00
TOTAL		2,991,580,476.05	135,497,652.20

22B Cash Balances

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Cash in Hand	6580000	4,073,365,343.75	445,811,386.80
Foreign Currency and Foreign D	6590201	0.00	0.00
TOTAL		4,073,365,343.75	445,811,386.80

23 Accounts Receivables - Outstanding Imprest and Clearance Accounts

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Domestic Debtors & Advances	6710000	90,338.00	0.00
Debtors & Advances - Govt Owne	6720000	0.00	0.00
Foreign Debtors & Advances	6730000	0.00	0.00
Other Debtors & Pre-payments	6740000	0.00	0.00
Government Imprests	6760000	90,037.00	216,037.00
Agency Accounts	6770000	0.00	0.00
Suspense & Clearance Account	6780000	0.00	0.00
Other Current Assets (System r	6790000	0.00	0.00

Item Description	Item Code	Current Period	Previous Period
		180,375.00	216,037.00
TOTAL			

24. ACCOUNTS PAYABLE

Item Description	Item code	Current Period	Previous Period
		Kshs	Kshs
Other Liabilities	7320000	0.00	0.00
Deposits	7310000	307,329,747.80	0.00
Withholding Taxes	7380000	(1,073,926.30)	0.00
System Required Liabilities A/cs	7390000	1,859,513,384.20	361,072,880.65
TOTAL		2,165,769,205.70	361,072,880.65

25. FUND BALANCES BROUGHT FORWARD

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Opening Balance Bank	22A	(39,502,347.80)	0.00
Opening Balance Cash	22B	445,811,386.80	0.00
Opening Balance Receivables - Imprest and Clearance Accounts	23	216,037.00	0.00
Opening Balance - Deposits	24	(361,072,880.65)	0.00
TOTAL		45,452,195.35	0.00

26. PRIOR YEAR ADJUSTMENTS

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
County Transfers	9910300	0.00	0.00
Exchequer Provisions	9910200	0.00	0.00
TOTAL		0.00	0.00



Budget Execution By Programmes and Sub-Programmes

Entity: 1153-State Department Of Petroleum

Period: JUL-17 To JUN-18

Program	Sub Program	Description	Approved Budget	Actual Payments	Variance
0215000000			4,145,007,740.00	3,034,656,403.75	1,110,351,336.25
	0215010000	Oil and gas exploration	2,755,109,805.00	2,414,681,922.60	340,427,882.40
	0215020000	Distribution of petroleum and gas	1,307,538,171.00	546,348,037.75	761,190,133.25
	0215030000		82,359,764.00	73,626,443.40	8,733,320.60
		Grand Total	4,145,007,740.00	3,034,656,403.75	1,110,351,336.25

The Statement has been prepared, reviewed and approved by the following:

Prepared By: _____

Date: _____

Reviewed By: _____

Date: _____

Approved By: _____

Date: _____



Statement of Budget Execution

Entity: 1153-State Department Of Petroleum

Current Period: JUL-17 To JUN-18

	Note	Printed Estimate	Reallocation / Transfer	Supplementary Estimates	Final Approved Estimate (Net)	Actual	Budget Utilization Differences	% of Utilization
		a	b	c	D=a+b+c	e	f=d-e	g=e/d%
RECEIPTS								
Tax Receipts	1	1,106,500,000.00	0.00	1,106,500,000.00	2,213,000,000.00	1,886,704,501.65	326,295,498.35	85.26%
Social Security Contribution	2	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Proceeds from Domestic and Foreign Grants	3	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Exchequer releases	4	0.00	0.00	0.00	0.00	956,568,018.00	(956,568,018.00)	0.00%
Transfers from Other Government Entities	5	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Proceeds from Domestic Borrowings	6	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Proceeds from Foreign Borrowings	7	0.00	0.00	530,000,000.00	530,000,000.00	282,204,689.95	247,795,310.05	53.25%
Proceeds from Sales of Assets	8	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Reimbursements and Refunds	9	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Returns of Equity Holdings	10	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Other Receipts	11	23,682,347.00	0.00	23,682,347.00	47,364,694.00	47,364,694.00	0.00	0.00%
Total		1,130,182,347.00	0.00	1,660,182,347.00	2,790,364,694.00	3,172,841,903.60	(2,042,659,556.60)	280.74%
PAYMENTS								
Compensation of Employees	12	50,000,000.00	0.00	64,077,333.00	114,077,333.00	113,526,649.80	550,683.20	99.52%
Use of goods and Services	13	362,419,992.50	0.00	838,165,133.50	1,200,585,126.00	930,321,644.70	270,263,481.30	77.49%
Subsidies	14	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Transfers to Other Government Units	15	406,750,000.00	0.00	379,230,587.00	785,980,587.00	784,187,500.00	1,793,087.00	99.77%
Other Grants and Transfers	16	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Social Security Benefits	17	2,500,000.00	0.00	2,500,000.00	5,000,000.00	4,444,208.75	555,791.25	88.88%
Acquisition of Assets	18	1,868,585,007.50	0.00	170,779,686.50	2,039,364,694.00	1,201,992,724.50	837,371,969.50	58.94%
Finance Costs, including Loan Interest	19	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Repayment of Principal on Domestic and Foreign Borrowing	20	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Other payments	21	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Total		2,690,255,000.00	0.00	1,454,752,740.00	4,145,007,740.00	3,034,472,727.75	(344,217,727.75)	112.79%



Statement of Budget Execution

Entity: 1153-State Department Of Petroleum

Current Period: JUL-17 To JUN-18

The Statement has been prepared, reviewed and approved by the following:

Prepared By: _____

Date: _____

Reviewed By: _____

Date: _____

Approved By: _____

Date: _____



Budget Execution by Programme and Economic Classification

Entity: 1153-State Department Of Petroleum

Period: JUL-17 To JUN-18

Program	Item	Description	Approved Budget	Actual Payments	Variance
0215000000			4,145,007,740.00	3,034,656,403.75	1,110,351,336.25
	2110000	Wages and Salary Contributions	114,077,333.00	113,710,325.80	367,007.20
	2210000	Goods and Services	1,192,442,376.00	925,148,409.45	267,293,966.55
	2220000	Routine Maintenance	8,142,750.00	5,173,235.25	2,969,514.75
	2630000	Grants & Transfer To Other Govt. Units	785,980,587.00	784,187,500.00	1,793,087.00
	2710000	Social Security Benefits	5,000,000.00	4,444,208.75	555,791.25
	3110000	Acquisition of Fixed Capital Assets	2,039,364,694.00	1,201,992,724.50	837,371,969.50
		Grand Total	4,145,007,740.00	3,034,656,403.75	1,110,351,336.25

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Prepared By: _____

Date: _____

Reviewed By: _____

Date: _____

Approved By: _____

Date: _____





Budget Execution by Heads and Programmes

Entity: 1153-State Department Of Petroleum

Period: JUL-17 To JUN-18

Head	Program	Description	Approved Budget	Actual Payments	Variance
1153000100		Petroleum Exploration and Distribution	126,949,976.00	114,714,687.25	12,235,288.75
	0215000000		126,949,976.00	114,714,687.25	12,235,288.75
1153000200			49,195,960.00	42,583,189.00	6,612,771.00
	0215000000		49,195,960.00	42,583,189.00	6,612,771.00
1153000300			8,798,019.00	7,859,055.30	938,963.70
	0215000000		8,798,019.00	7,859,055.30	938,963.70
1153000400			24,365,785.00	23,184,199.10	1,181,585.90
	0215000000		24,365,785.00	23,184,199.10	1,181,585.90
1153100100		Kenya Petroleum Technical Assistance Project (KEPTAP)	1,060,714,023.00	755,745,215.90	304,968,807.10
	0215000000		1,060,714,023.00	755,745,215.90	304,968,807.10
1153100200		Petroleum Exploration in Block 14T	780,000,000.00	780,000,000.00	0.00
	0215000000		780,000,000.00	780,000,000.00	0.00
1153100300		Fuel Marking	5,980,587.00	4,187,500.00	1,793,087.00
	0215000000		5,980,587.00	4,187,500.00	1,793,087.00
1153100400		Exploration and Distribution of Oil and Gas	2,089,003,390.00	1,306,382,557.20	782,620,832.80
	0215000000		2,089,003,390.00	1,306,382,557.20	782,620,832.80
		Grand Total	4,145,007,740.00	3,034,656,403.75	1,110,351,336.25

The Statement has been prepared, reviewed and approved by the following:

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Date: _____

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Date: _____

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Date: _____

