

REPUBLIC OF KENYA



*Enhancing Accountability*

**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

**STATE DEPARTMENT FOR MINING**

**FOR THE YEAR ENDED**

**30 JUNE, 2024**

THE NATIONAL ASSEMBLY  
PAPERS LAID

DATE: 11<sup>th</sup> MAR 2025

DAY: *Thursday*

TABLED  
BY:

*Hon. Naomi Wageri MP  
Deputy Majority Party Whip*

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**STATE DEPARTMENT FOR MINING**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**

**JUNE 30, 2024**

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



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## **1. Acronyms and Glossary of Terms**

AIE	Authority to Incur Expenditure
CFO	Chief Finance Officer
HAU	Head of Accounting Unit
IPSAS	International Public Sector Accounting Standards
OCOB	Office of the Controller of Budget
OAG	Office of the Auditor General
PFM	Public Finance Management
DRSRS	Directorate of Resource Surveys and Remote Sensing
NAMICO	National Mining Corporation
MRB	Minerals Rights Board
ICT	Information and Communications Technology
NSN	National Seismological Network
GRB	Geologist Registration Board
MDA	Ministries Department and Agencies
MHRMAC	Ministerial Human Resource Management Advisory Committee
MPMC	Ministerial Performance Management Committee
NACADA	National Authority for the Campaign Against Alcohol and Drug Abuse
AIA	Appropriation in Aid
IPPD	Integrated Personnel and Payroll Database
KNSB	Kenya National Bureau of Statistics
BETA	Bottom-up Economic Transformation Agenda
ASM	Artisanal and Small-scale Mining
CAJ	Commission on Administrative justice
NCDS	Non-Communicable Diseases
UHC	Universal Health Coverage

## **2. Key Entity Information and Management for State Department for Mining**

### **a) Background information**

The Ministry of Mining was first established by the Executive Order No.2 of 2013 with four departments, namely; Resource Surveys and Remote Sensing (DRSRS), Mines, Geological Surveys and Shared Services. During re-organization of the Government through Executive Order No.1 of 2016, the Ministry's mandate was expanded to include Mining Capacity Development.

In the Executive Order No. 1 of 2018, The Ministry of Mining was merged with State Department for Petroleum to form the then Ministry of Mining and Petroleum. The Ministry comprised of two State Departments; the State Department for Petroleum and the State Department for Mining.

Following further re-organization of Government vide Executive Order No.1 of February 2021 the two State Departments were merged to constitute the Ministry of Petroleum and Mining under one Cabinet Secretary and Principal Secretary.

The Executive Order No. 1 of January 2023 re-organized the Ministry of Mining and Petroleum and created the State Department for Mining in the Ministry of Mining, Blue Economy and Maritime Affairs whereas the State Department for Petroleum domiciled in the Ministry of Energy and Petroleum.

The State Department is organized into six Directorates namely; Directorate of Licensing, Compliance and Enforcement; Directorate of Commercial Explosives; Directorate of Geological Surveys; Directorate of Mineral Exploration and Evaluation; Directorate of Environmental and Geotechnical Engineering and Directorate of Administration.

### **Vision and Mission**

#### **Vision**

“A vibrant mining sector contributing to broad-based growth for socio-economic transformation.”

#### **Mission**

“To maximize benefits accruing from mineral resources value chains for socio-economic development in a sustainable environment.”

#### **Mandate**

The State Department's mandate as outlined in Executive order 2 of November, 2023 as follows:

- a) Policy on Extractive Industry;

- b) Mineral Exploration and Mining Policy Management;
- c) Inventory and Mapping of Mineral Resources;
- d) Mining and Minerals Development Policy and Standards;
- e) Maintenance of Geological Data (Research, Collection, Collation, Analysis);
- f) Policies on the Management of Quarrying of Rocks and Industrial Minerals;
- g) Management of Health Conditions and Health and Safety in Mines; and
- h) Mining Capacity Development.

The State Department Superintends over one Semi-Autonomous Agency (SAGA), one (1) Advisory and one (1) Regulatory Board:

- i. National Mining Corporation (NAMICO) - SAGA;
- ii. Mineral Rights Board (MRB) - Advisory; and
- iii. Geologists Registration Board (GRB) - Regulatory.

### **Core Values**

The State Department is guided by and strives to uphold the following core values which are expressed in the catch phrase PETITE. The core values are: -

- 1) Professionalism;
- 2) Efficiency;
- 3) Teamwork;
- 4) Innovation and creativity;
- 5) Transparency, Integrity and Accountability; and
- 6) Effective governance practices.

### **Core Functions**

The State Department has interpreted its mandate to include performance of the following functions:

- (i) Develop and manage geological survey, geo-information management, mineral promotion and marketing policies;
- (ii) Undertake geological, geochemical, geophysical, seismological and structural mapping to define the character and distribution of the rocks and superficial deposits;
- (iii) Undertake mineral exploration and deposit valuation;
- (iv) Conduct Geo-hazards mapping, geotechnical investigations and geo-environmental studies;
- (v) Establish, operate and maintain a National Seismological Network (NSN) for monitoring seismic activity in Kenya and the region in liaison with other related agencies;
- (vi) Develop a national geosciences repository and database;

- (vii) Ensure maintenance of laboratories, drill core library, rock museum, library and records facilities;
- (viii) Promote and market Kenya as a mineral and mining investment destination;
- (ix) Coordinate international and regional laws, agreements and memoranda of understanding in the extractives sector;
- (x) Generate mineral resource data to spur investment in the mining sector in line with African Vision 2063, African Mining Vision and Kenya Vision 2030;
- (xi) Superintend over the National Mining Corporation;
- (xii) Superintend over the Geologists Registration Board;
- (xiii) Facilitate relationships and links with other Ministries, State Departments and Governmental Agencies with roles in mining and minerals development;
- (xiv) Facilitate relationships and links with civil society organizations, community-based organizations and other stakeholders with roles in mining and minerals development;
- (xv) Facilitate relationships between mineral right holders, County Governments and mining communities;
- (xvi) Educate the communities on the mining operations taking place at their locality and interpreting for the community the various aspects of the project;
- (xvii) Assist communities while negotiating for compensation and resettlements;
- (xviii) Monitor Corporate Social Responsibility and social economic impacts by Mineral Right holders;
- (xix) Assist communities during formation of Community Development Agreements Committee; and
- (xx) Arbitration of disputes arising from mining operations.

### **Key management**

The entity's day to day management is under the following key organs

- a. Mineral Rights Board
- b. National Mining Corporation
- c. Geologist Registration Board and
- d. Kenya National Mining Institute

**(b) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2024 and who had direct fiduciary responsibility were:

No.	Designation	Name
1	Cabinet Secretary	Hon. Hassan Ali Joho, E.G.H
2	Accounting Officer	Elijah Mwangi, CBS
3	Ag. Secretary Administration	David Onyancha, O.G.W
4	Secretary Mining	Thomas Muthwiwa
5	Ag. Director of Mines	Gregory Kituku
6	Ag. Director Geological Survey	Enoch Kipseba
7	Senior Deputy Director- Supply Chain Management System	Godfrey Oyaro
8	Director- Human Resource Management and Development	Francis Mutisya
9	Director- Central Planning and Project Monitoring Department	Paul Mirie
10	Chief Finance Officer	Samuel Waithaka
11	Senior Deputy Accountant General	Kipyegon Siele
12	Director Public Communications	Kazungu Chai
13	Senior State Counsel	Patricia Mabil
14	Head of ICT	James Njiru

**b) Fiduciary Oversight Arrangements**

Key fiduciary oversight arrangements in the financial year:

- a) Budget Implementation Committee
- b) Senior Management Committees
- c) Internal audit unit
- d) Public Finance Management Standing Committee

**(c) Entity Headquarters**

P.O BOX 30009-00100  
Works Building  
Ngong Road  
**NAIROBI, KENYA**

**f) Entity Contacts**

Telephone: **02-2721074**  
E-mail: ps@Mining.go.ke  
Website: Website:mibema.go.ke

**g) Entity Banker**

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

**h) Independent Auditors**

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

**i) Principal Legal Adviser**

The Attorney-General  
Office of the Attorney-General & Department for Justice  
State Law Office  
Harambee Avenue  
P.O. Box 40112 City Square 00200

### 3. Statement of Governance

The State Department for Mining is domiciled in the ministry of mining, blue economy and maritime affairs, with Hon. Hassan Ali Joho, E.G.H as Cabinet Secretary and Mr. Elijah Mwangi as the Principal Secretary



**Hon. Hassan Ali Joho, E.G.H**

**Cabinet Secretary**

**Ministry of Mining, Blue Economy and  
Maritime Affairs**

H.E Hassan Ali Joho, E.G.H is the Cabinet Secretary for Mining, Blue Economy and Maritime Affairs in the Government of Kenya.

Hon. Hassan Ali Joho has dedicated his life to Public Service and Community Development. Born on February 26, 1973, in Kisauni, Mombasa, he hails from a close-knit, hardworking family that instilled in him the values of integrity and diligence.

He holds a Bachelor of Business Administration from Kampala University and a Bachelor of Commerce from Greta University. He is also a holder of various diplomas in Business, Shipping, Logistics, and ICT.

Given the sector's potential, the Ministry of Mining, Blue Economy and Maritime Affairs is at the forefront of strengthening regulation and coordination of the sector. Among the policy interventions meant to improve the sector's contribution is the envisioned Mineral Value Addition and Beneficiation Policy that is under development. This policy aims at among others encouraging in-country mineral processing and reverse the current situation with regard to the export of raw ore.

To support policy, regulatory and administrative reforms envisioned in support of this emerging sector, my Ministry is committed to managing resources advanced to it prudently. Further, the ministry commits to ensuring that Kenya's mineral wealth is safeguarded and exploited sustainably, taking into account the need to capture full value in the form of mineral royalties, fair compensation of artisanal and small-scale miners. The ministry recognises that artisanal miners represent the sector's most vulnerable stakeholders and is doing all its best to formalize their operations and capacity-build them.



**Elijah Mwangi, C.B.S**

**Principal Secretary State Department for Mining**

Elijah Mwangi C.B.S is the Principal Secretary, State Department for Mining in the Ministry of Mining, Blue Economy and Maritime Affairs.

Prior to the appointment, Mr. Elijah served as a Managing Director at Strategic Synergy Consultants, an international finance, research and strategy firm. He was responsible for business development spanning financial and strategic management, risk and leadership effectiveness. He has also worked at different capacities in local and international engagements as, Managing partner of an Auditing firm, principal consultant and change management head.

Mr. Elijah is an effective business leader, with heightened management experience spanning over 20 years in finance, strategy and research.

Elijah holds a Masters of Business Administration degree in Strategic Management and a Bachelor of Commerce degree in Accounts, both from The University of Nairobi. He is also a Certified Public Accountant and a member of the Institute of Certified Public Accountants of Kenya in good standing.

As the Principal Secretary, Mr Elijah has developed a strong passion in the Mining sector. He's keen to leverage on technology, processes, collaborations and partnerships to provide solutions that will provide immense benefits to the stakeholders in the extractive value chain.

Currently the State Department is organized into the following functional areas listed below:

- (i) Directorate of Geological Surveys
- (ii) Directorate of Mines
- (iii) Administration
- (iv) Human Resource Management
- (v) Finance
- (vi) Accounts
- (vii) Legal

- (viii) Supply Chain Management
- (ix) Public Communication
- (x) Central Planning and Project Monitoring
- (xi) Information and Communication Technology.

### **Management Committees Established and their Roles**

#### **Project Committee**

functions of the Committee are:

- i. Review project concept notes and make recommendations to the accounting officer for decision making within thirty days;
- ii. Review project pre-feasibility and feasibility studies and make recommendations to the accounting officer for decision making;
- iii. Identify the potential project risks and mitigating measures not covered in the project concept note, pre-feasibility or feasibility studies;
- iv. Prioritize projects based on the National Government Ministries, Departments and Agencies Strategic Plan, Medium Term Plan, and National and County Development Plans;
- v. Recommend mode of project financing; and
- vi. Provide guidance on any changes in the project design.

#### **Budget Implementation Committee**

function of the Committee is to:

- i. Review and consider the cash plans. This involves a regular review of the Departmental cash plan and approval of any changes to the initial cash flow plan to be communicated to the national Treasury.
- ii. Review the utilization of cash limits and consider any Changes as may be required.
- iii. Review the utilization of donor funds voted for the MDA
- iv. Advice the accounting officer on any challenges related to the Budget implementation
- v. Review and recommend reallocation of expenditure

- vi. Review and approve the submission of the expenditure returns, non-financial reports, IPPD, pending bills, and A.I.A returns for the MDAs and recommend action to be taken.
- vii. Participate in the Sector Working Groups
- viii. Prepare the budgets for the MDAs in consultation with Heads of Departments

### **Audit Committee**

The functions of the Committee are to provide oversight role and to advise the Accounting Officer and senior Management on the following areas:

- a) Internal Control Systems
- b) Governance Structure
- c) Risk management Systems
- d) Financial Reporting process
- e) Compliance with the laws and regulations /requirements

### **Ministerial Human Resource Management Advisory Committee**

The Functions of the committee entail making recommendations to the Authorized Officer regarding;

- i. Recruitment, Selection and Appointment;
- ii. Performance Management;
- iii. Promotions;
- iv. Confirmation in Appointment;
- v. Training and Development;
- vi. Training Impact Assessment;
- vii. Management of Skills Inventory;
- viii. Establishment and Complement Control;
- ix. Payroll Management;
- x. Deployment;
- xi. Promotion of Values and Principles of Public Service;
- xii. Recommendation for Secondments and Unpaid Leave;
- xiii. Recommendation for Retirement Under 50 Years Rule;

- xiv. Recommendation for Retirement on Medical Grounds;
- xv. Recommendation for Re-Designation;
- xvi. Recommendation for Renewal of Contract;
- xvii. Discipline;
- xviii. Pension Administration.

### **Ministerial Performance Management Committee**

#### **The Functions of the committee is to;**

- i. Undertake quarterly review of implementation of strategic plans and performance contracts;
- ii. Ensure linkage between institutional performance contract and performance appraisal system;
- iii. Ensure that the overall assessment of employee performance is within the context of institutional performance as evaluated through staff performance appraisal system;
- iv. Ensure that the performance of all officers is evaluated and feedback on performance is relayed in writing at the end of the year;
- v. Hold quarterly performance review meetings;
- vi. Consider performance reports from various departments within the ministry and make recommendations for improvement;
- vii. Review cases of appeals on appraisal ratings between supervisors and appraisees;
- viii. Make recommendations to the authorized officer on the application of rewards or sanctions;
- ix. Develop and implement the internal monitoring and evaluation and reporting system;  
and
- x. Ensure that the integrity and credibility of the overall process of rewards and sanction system is safeguarded and maintained at all times.

### **Asset Management Committee**

- i. **Inventory management** – Maintain and update Assets Registers using the prescribed reporting templates issued by The National Treasury
- ii. **Disposal of idle assets** – ensure disposal of unserviceable, obsolete, and surplus assets by way of sale, transfer to other public institutions, destruction, donation or other authorized

methods of disposal and in all cases in full conformity to the existing legal requirements

**Public Finance Management Standing committee- Chaired by the Principal Secretary**

- i. Ensuring that there is prioritization on resources allocated to a National Government entity for the smooth implementation of the entities mission, strategy, goals, risk policy plans and objectives;
- ii. To review, monitor regularly budget implementation and advice on the entities accounts, major capital expenditures and reviewing performance and strategies at least on a quarterly basis;
- iii. To identify risks and implementation of appropriate measures to manage such risks or anticipated changes impacting on the entity;
- iv. To review on a regular basis the adequacy and integrity of the entity's internal control, acquisition and divestitures and management information systems including compliance with applicable laws, regulations, rules and guidelines;
- v. Establishing and implementing a system that provides necessary information to the stakeholders including stakeholder communication policy for the entity in line with Article 35 of the Constitution;
- vi. Monitoring the effectiveness of the corporate governance practices under which the entity operates and propose revisions as may be required, from time to time;
- vii. Monitoring timely resolution of audit issues; and
- viii. Any other matter referred to it from time to time by the responsible Cabinet Secretary.

**National Values and Principles of Governance**

1. Implement at least five (5) commitments and submit in the prescribed format an Annual Progress Report on the implementation of the commitments and way forward captured in the 2023 Annual President's Report on National Values and Principles of Governance to the Directorate of National Cohesion and Values

The following are the commitments and way forward in the 2023 President's Annual Report on measures taken and progress achieved:

- i. Fast track implementation of programmes, projects and activities for the realization of the "BETA" Agenda;

- ii. Leverage on and enhance use of Information and Communications Technology (ICT) and other innovations in service delivery;
  - iii. Continue to enhance the fight against corruption, dispensation of justice and observance of the rule of law;
  - iv. Enhance the capacity of public institutions and the public to adhere to the provisions of Article 10 of the Constitution through civic education, training and sensitization on national values and principles of governance;
  - v. Continue enhancing the collaboration between the two levels of government to entrench sharing and devolution of power;
  - vi. Continue to implement measures to protect the environment, mitigate climate change, and improve the national forest cover; and
  - vii. Implement measures to promote inclusivity and representation of Kenya's diverse communities in the public service.
2. Submit in the prescribed format the Annual Report on measures taken and progress achieved in the realization of National Values and Principles of Governance

**Road Safety Mainstreaming committee**

- a) Develop a Workplace Road Safety Policy anchored on the NTSA policy guidelines
- b) Develop an Annual Road Safety Implementation Plan based on the approved road safety policy with the following key components included.
  - i. Four (4) road safety activities stipulated in the Work Place Road Safety Policy,
  - ii. Undertaking Annual Motor vehicle inspections of all the vehicles,
  - iii. Training of Drivers on defensive driving,
  - iv. Reporting on quarterly basis using the prescribed Reporting Template on the non-compliance on road safety at the workplace.
- c) Implement the Annual Road Safety Implementation Plan and
- d) Submit quarterly reports to NTSA in the prescribed format.

**Corruption Prevention committee**

- i. Setting priorities in the prevention of corruption within the Ministry,
- ii. Planning and coordinating corruption prevention strategies,
- iii. Integrating all corruption prevention initiatives in the Ministry,
- iv. Receiving and reviewing reports on corruption prevention initiatives and recommending appropriate action,
- v. Receiving and taking action on corruption reports made by staff and other stakeholders,
- vi. Spearheading anti-corruption campaigns within the Ministry,
- vii. Monitoring and evaluating the impact of corruption prevention initiatives,
- viii. Preparing and submitting quarterly progress reports to the Ethics and Anti-Corruption Commission.

**Safety and Security committee**

- i. Setting Policies and procedures for systematically managing sensitive data in the Ministry.
- ii. Planning and coordination risk presentation strategies.
- iii. Advise management on controls needed to enhance protection of sensitive data.
- iv. Integrating the ISMS in the Ministry
- v. Spearheading information security sensitization within the Ministry.
- vi. Monitoring and evaluating the impact of risk mitigation strategies.
- vii. Preparing and submitting quarterly progress reports

**Citizen Service Charter committee**

- i. Developing and displaying the Citizen Service Charter as prescribed.
- ii. Monitoring and evaluating the service commitment levels
- iii. Preparing and submitting quarterly progress reports

**Digitalization committee**

- i. Review of core services
- ii. Re-engineering end-to-end of core services
- iii. Digitalization of re-engineered service processes

- iv. On boarding of all digitalized customer facing services to e-citizen platform

**Complaints and Access to Information committee**

- i. Receive, process, and oversee the resolution of complaints,
- ii. Receive, process and request access to information,
- iii. Promote the sensitization of staff and other stakeholders on complaints handling and access to information,
- iv. Advise management on complaints handling, proactive and reactive disclosure of information,
- v. Monitor the trends of complaints and recommend remedial action,
- vi. Prepare regular reports to management on complaints handling and requests for access of information,
- vii. Coordinate complaints handling and access to information activities in the Ministry,
- viii. Ensure the integration of complaints handling in the Ministry,
- ix. Ensure compliance with the guidelines of the Commission on resolution of public complaints, and access to information as may be issued from time to time,
- x. Monitor, evaluate and review complaints handling and access to information activities in the Ministry,
- xi. Where appropriate refer complaints and or access to information to the appropriate authorities including the CAJ.

## STATE DEPARTMENT FOR MINING

Annual Report and Financial Statements for the year ended 30th June 2024

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### 4. Foreword by the Cabinet Secretary

The Kenyan Mining sector is richly endowed with immense mineral potential which constitutes of industrial minerals such as soda ash (Trona), fluorspar, titanium and zirconium; fuel minerals such as coal. The Cabinet sitting on 3<sup>rd</sup> October, 2023 declared 14 minerals as strategic. Any activity touching on strategic minerals including prospecting, mining, trading, dealing or processing is to be undertaken by or in partnership with NAMICO. Consequently, the CS Mining gazetted the 14 strategic minerals in the Gazette notice no. 14732 of 25<sup>th</sup> October, 2023 and published on 3<sup>rd</sup> November, 2023. These strategic include 1. Radioactive minerals

1. Uranium 2. Thorium, 3. Tantalum 4. Lithium 5. Coltan 6. Copper 7. Nickel 8. Graphite 9. Tin 10. Tsavorite 11. Chromite 12. Rare earths 13. Niobium 14. Cobalt. Other minerals include Zinc, Gold, Silver, Manganese, Gypsum, Diatomite and gemstones such as rubies, tourmaline and sapphires.

The country's mining sector remains bright as known mineral resources that include rare earth minerals, ornamental stones, carbon dioxide, fluorspar, limestone, iron ore, gold, gypsum and other minerals remain largely underexplored and under-exploited. However, in the past years, economic policies have favoured other sectors giving little attention to the mining sector leading to low contribution to the gross domestic product (GDP). The sector's contribution to GDP currently stands at less than 1% (KNBS Economic Survey, 2023). The contribution of the sector to GDP is expected to grow exponentially with full implementation of reforms envisaged in this report.

The mining sector is regulated under the Mining Act 2016 and subsequent regulations and other guidelines that have been put in place to facilitate implementation of the Act for sustainable management mining operations. Despite having one of the best and most progressive mining regulatory frameworks in the continent, Kenya has not actualized her full mineral potential.

Currently, the Online Mining Cadastre register contains 427 active mineral rights (prospecting and mining), 349 active and new applications of mineral dealings and 581 applications for mineral rights awaiting processing.



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Hon. Hassan Ali Joho, E.G.H  
Cabinet Secretary  
Ministry of Mining, Blue Economy and Maritime Affairs

## STATE DEPARTMENT FOR MINING

Annual Report and Financial Statements for the year ended 30th June 2024

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### 5. Statement by the Principal Secretary / Accounting Officer

The State Department draws its legal mandate from: -

(i) Constitution of Kenya, 2010; (ii)

Mining Act 2016;

(iii) The Energy Act, Cap. 314;

(iv) Explosives Act No. 10;

(v) Geologists Registration Act of 1933, Cap 535;

(vi) Minerals and Mining Policy, 2018;

(vii) Regional and international treaties, conventions, agreements and memoranda of understanding with other states and international organizations; and

(viii) Published Regulations.

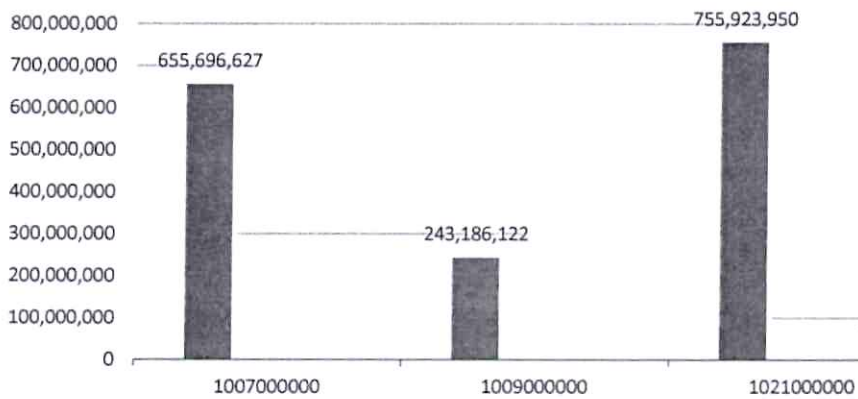
In cognisance with the Government transformative agenda The State Department intends to deliver the Government's Bottom-Up Economic Transformation Agenda (BETA) where one of its key objectives is enhancing grassroots development by empowering communities and ensuring that resources are sustainably exploited to uplift the lives of ordinary citizens. This will be achieved through formalisation and supporting artisanal mining. This mining operation involves an individual, communities or groups of miners who use simple equipment or rudimentary tools; it is associated with labour intensive, child labour, and adverse environmental impacts. They are the major stakeholders in the sector as most citizens have opted to mining as the main source of income.

Artisanal Mining supports over 800,000 people in Kenya and therefore is a key source of livelihoods in rural mineral rich areas. The sector however, is unable to sustainably grow due to some constraints such as its informal nature, financial illiteracy, limited technical skills of the miners, poor health and safety standards, inaccessibility of geo-data and mismanagement of environment. In this regard, the State Department should focus on regulation of artisanal mining sector to ensure its sustainability.

The State Department utilized 74% per cent of the recurrent budget and 23% of development budget funded by the exchequer in the financial year ended 30<sup>th</sup> June 2024 to carry out its mandate. The combined absorption stood at 58%.

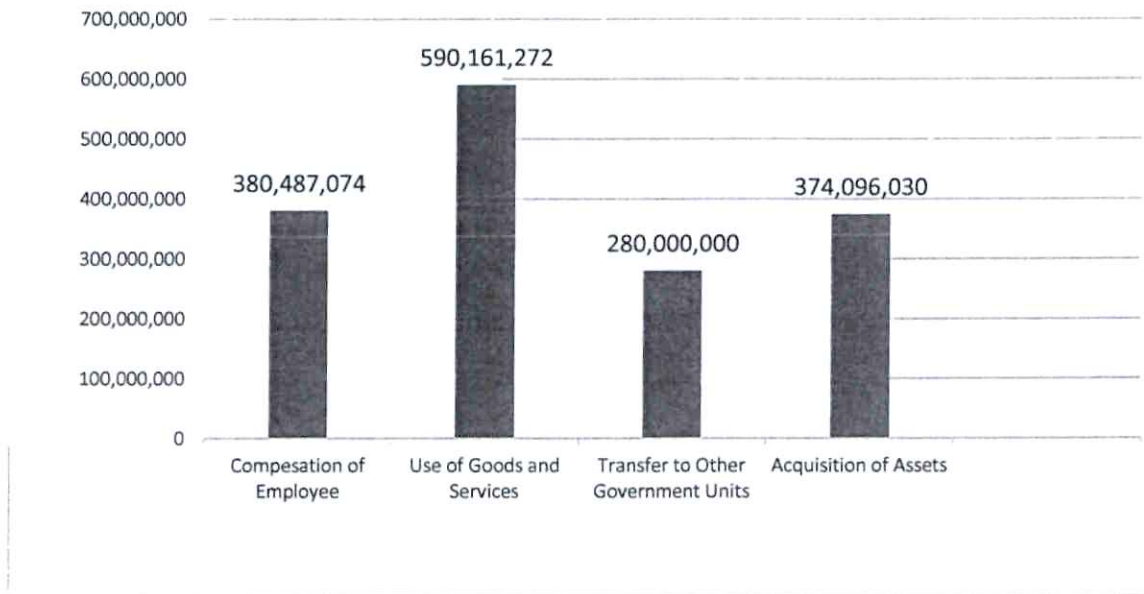
The 42% under expenditure, was majorly occasioned by development vote where the State Department planned to procure geological survey and laboratory equipment whose manufacture is on order due to the high specialisation of the equipment. Further, the budget was availed during Supplementary 1 in February 2024 limiting the procurement finalization timeliness as stipulated in the Public Procurement and Asset Disposal Act.

**Budget Allocation by Programmes**



Programme Code	Programme Description	Amount
1007000000	General Administration Planning and Support Services	Kshs.655,696,627
1009000000	Mineral Resources Management	Kshs.243,186,122
1021000000	Geo Technical Services	Kshs.755,923,950

**Budget Utilization as Per Economic Items**



The State Department for Mining utilized **Kshs.380,487,074** on compensation of employees, **Kshs.590,161,272** on use of goods and services, **Kshs.280,000,000** on transfer to other government entities that is National Mining Corporation and **Kshs.374,096,030** on acquisition of assets.

Key achievements for the State Department for Mining



*Handing over of Flouspar Factory in Kimwarer for revival*



*Land reclamation exercise taking place in Tana river and Lamu Counties*

**Emerging issues**

- Geopolitics impact on the investment and project implementation
- Overlapping mandates between the State Department and County Governments
- Use of technologies such as robotics, artificial intelligence in the mineral sector where it affects implementation of National policies on employment and local content

**Key risk management strategies**

<b>Risk</b>	<b>Category</b>	<b>Mitigation Measure</b>
<b>Strategic Risks</b>		
Low revenue due to sale of unprocessed minerals	High	<ul style="list-style-type: none"> <li>● Complete and operationalized value addition centres</li> <li>● Encourage value addition of minerals</li> </ul>
Low mineral market awareness	Medium	<ul style="list-style-type: none"> <li>● Formation of minerals/ mineral products cooperatives</li> <li>● Sensitization of the ASM on marketing of minerals/ mineral products</li> </ul>
Low staff morale, high staff turnover leading to poor service delivery	High	Staff training and development, improve work environment and rewarding
Misconceptions due to inadequate access of information or ignorance of the State Department's mandate	Medium	Timely and effective information-sharing and dissemination
Stakeholder/community resistance to programmes/projects	High	Effective stakeholder/community engagement
<b>Policy/ legal changes</b>		
Slow implementation of the Mining Act 2016	High	Review and development of Mineral Royalty Collection Regulations which have been subjected to public participation.
<b>Environmental Risks</b>		
Use of harmful chemicals in mineral processing	High	<ul style="list-style-type: none"> <li>● Promote use of alternative environmental friendly mining methods and safe technologies since Kenya is a signatory to Minamata Convention.</li> </ul>
Environmental pollution and degradation in project areas	High	<ul style="list-style-type: none"> <li>● Compliance with relevant laws (EMCA, Mine Health and Safety Regulation and other relevant Legislations)</li> <li>● Effective Environmental and Social Impact Assessments (ESIA)</li> <li>● Compliance with the de-commissioning and restoration plans</li> </ul>

Risk	Category	Mitigation Measure
		<ul style="list-style-type: none"> <li>● Effective disaster preparedness and management</li> <li>● Rehabilitation of disused and abandoned mines</li> </ul>
<b>Political</b>		
Lack of political goodwill	Medium	Effective engagement with political leaders
Changes in Government organizational structure	Medium	Effective engagement within the Executive
<b>Financial Risks</b>		
Delays in the budget making and approval	High	<ul style="list-style-type: none"> <li>▪ Effective engagement with the Legislature</li> </ul>
<b>Technological Risks</b>		
Inability to cope with rapid technological advancements in hardware and software infrastructure	High	Investment in technological advancement
Inadequate disaster recovery planning for data	High	<ul style="list-style-type: none"> <li>● Development and implementation of a disaster recovery plan</li> </ul>
Cyber crime	High	<ul style="list-style-type: none"> <li>● Development of user-rights for confidential data</li> <li>● Firewalls to prevent intrusions</li> <li>● Anti-phishing software</li> <li>● Ethical hacking</li> </ul>
<b>Information Management</b>		
Inadequate geological and mineral occurrence data	Medium	Continuous acquisition and updating of geological data

### Implementation challenges and recommended way forward

#### Challenges:

- i. Competing local, national and regional interests
- ii. Low level of funding from the exchequer, leading to projects taking too long to complete and being too thinly spread on the ground.
- iii. High community expectations and interruptions slowing project implementation

- iv. Resource mobilization: mining projects are high risk and capital-intensive inhibiting mobilization of funding before their bankability is determined
- v. Existence of conflicts within the two levels of government leading to disharmony in project implementation rather than synergy.
- vi. Inadequate technical skills for local professionals such as drillers, Gem-cutters and mineral economists; Gemmologists, Metallurgists, Laboratory Technologists and equipment operators;
- vii. Rapidly changing technology in the mining sector;
- viii. Inadequate funding for acquisition of geological mineral data, research and development;
- ix. Limited mineral audit capacity and litigations leading to uncollected revenues (royalties and fees).
- x. Inadequate office space

**Recommendations:**

- xi. There is need to adequately fund mining projects
- xii. Creation of an enabling environment to improve competitiveness and attraction of investments;
- xiii. Development and implementation of strategies to mitigate negative impacts on fluctuating global commodity prices and marketing trends that affect returns on investment;
- xiv. Integration of monitoring and evaluation in project implementation;
- xv. Enhancement of knowledge management, data analysis and information sharing for decision-making
- xvi. Need to review and upgrade of ICT infrastructure to keep pace with the technological advancements in the extractives sector;
- xvii. Development and implementation of a revenue sharing framework between the national and county governments to foster community acceptance and cooperation; and
- xviii. Need for modern technology trainings to familiarize with the rapidly changing technology in the mining sector.

**Way Forward:**

- i. There is need to formulate and implement policies and strategies for management of stakeholder expectations;
- ii. Explore alternative funding options through innovative resource mobilization strategies in order to successfully implement the strategic development objectives.
- iii. Fast tracking Miscellaneous amendments of Mining Act, 2016
- iv. Fast track Royalty sharing regulations

.....  
  
**Elijah Mwangi, C.B.S**  
**Principal Secretary / Accounting Officer**  
**State Department for Mining**

## **6. Statement of Performance Against Predetermined Objectives for the FY2023/2024**

### **Introduction**

The key strategic objectives of the State Department for Mining

- i) Develop and manage geological survey, geo-information management, mineral promotion and marketing policies;
- ii) Undertake geological, geochemical, geophysical, seismological and structural mapping to define the character and distribution of the rocks and superficial deposits;
- iii) Undertake mineral exploration and deposit valuation;
- iv) Conduct Geo-hazards mapping, geotechnical investigations and geo-environmental studies;
- v) Establish, operate and maintain a National Seismological Network (NSN) for monitoring seismic activity in Kenya and the region in liaison with other related agencies;
- vi) Develop a national geosciences repository and database;
- vii) Ensure maintenance of laboratories, drill core library, rock museum, library and records facilities;
- viii) Promote and market Kenya as a mineral and mining investment destination;
- ix) Coordinate international and regional laws, agreements and memoranda of understanding in the extractives sector;
- x) Generate mineral resource data to spur investment in the mining sector in line with African Vision 2063, African Mining Vision and Kenya Vision 2030;
- xi) Superintend over the National Mining Corporation;
- xii) Superintend over the Geologists Registration Board;
- xiii) Facilitate relationships and links with other ministries, state departments and governmental agencies with roles in mining and minerals development;
- xiv) Facilitate relationships and links with civil society organizations, community-based organizations and other stakeholders with roles in mining and minerals development;
- xv) Facilitate relationships between mineral right holders, County Governments and mining communities;
- xvi) Educate the communities on the mining operations taking place at their locality and interpreting for the community the various aspects of the project;
- xvii) Assist communities while negotiating for compensation and resettlements;

- xviii) Monitor Corporate Social Responsibility and social economic impacts by Mineral Right holders;
- xix) Assist communities during formation of Community Development Agreements Committee; and
- xx) Arbitration of disputes arising from mining operations.

**Progress on the attainment of Strategic Objectives through Performance Contracting**

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

<b>Programme</b>	<b>Delivery Unit</b>	<b>Key Output</b>	<b>Key Performance Indicator</b>	<b>Annual Target 2023/24</b>	<b>Actual as at 30th June 2024</b>	<b>Variance</b>	<b>Remarks</b>
<b>Geological Surveys</b>	Directorate of Geological Survey	Minerals Mapping	No. of Counties mapped for industrial Minerals	4	10	6	Overachievement of the target record due to extra effort applied by the regional officers towards the industrial minerals mapping exercise.
		National Assessment of Rare Earth and Metallic Minerals	No. of rare Earth Mineral occurrences assessed	2	2	0	Target Achieved

			No. of Specialized Laboratory Equipment Acquired and Installed	3	5	2	Target achieved. Atomic Absorption Spectrometer (AAS), Moisture Analyzer, and Energy Dispersive X-Ray Fluorescence Spectrometer (EDX=7200), XRF Benchtop and Gemological Microscope were Installed and Officers trained to operate
			No. of Officers Trained on Mineral Quality Assurance	10	6	-4	Further training to be done in the financial year 2024-2025
			% Completion of Installation of the Laboratory Integrated Management Information System	100	90	-10	Development of the Laboratory Integrated Management Information System completed. Awaiting training and commissioning in FY2024-25
<b>Geo-Information Management</b>	Directorate of Geological Survey	National Geological Data Centre	% Completion of Geological Data Centre	100	75	-25	Target not met due to Budget Rationalization. All Geological Maps and reports have been digitized and vectorized.
			% Completion of a Geological Lexicon	60	20	-40	Target not met due to Budget rationalization. To be completed in the FY 2024-2025 upon undertaking field activities

						composing of the development of the basic document for geological lexicon.	
			% Completion of Exploratory Drill Core Respiratory Upgrade	50	0	-50	Target not met due to Budget rationalization.
			No. of Officers Trained on Geo-Data Management	40	20	-20	Target not met due to Budget rationalization. Further training planned to be undertaken in the FY 2024-2025
			% Completion of National Geo-Data Public Portal	100	75	-25	Target not met due to Budget rationalization. 225 Geological Maps and reports have been digitized and vectorized IT infrastructure - installation of LAN, 3 servers, several computer terminals, Wi-Fi, security cameras Scanning, cataloguing and archiving of 83% of bulletins of Kenya geological survey 95% of geological map descriptions reports 83% of geological memoirs An increasing range of papers and reports from the

							Kenyan Directorate of Geological surveys
		Minerals occurrence map of Kenya updated	Update Geological Map of Kenya	1	0	-1	Target not met due to Budget rationalization.
			Minerals occurrence map of Kenya updated	1	1	0	Target achieved
			% of Geo-Scientific Reports Digitized in Regional Mining Offices	20	0	-20	Target not met due to Budget rationalization. To be undertaken in the FY 2024-2025
<b>Mineral Exploration</b>	Directorate of Mines	Mineral Rights and Mineral Dealings	No. of Exploration Operations Inspected	70	76	6	Annual target achieved
			No. of Mining Operations Inspected	70	87	17	Annual target achieved
			No. of Minerals Dealings Premises Inspected	25	37	12	Annual target achieved

		Reports on Monitoring and Compliance and Enforcement	4	4	0	Annual target achieved
		Revenue Collection (in Kshs. Millions)	2,838.6	3,281.2	442.7	Annual target overachieved
		% Completion of Royalty Management System (RMS) Installation	80	50	-30	Tender valuation for the bidders done but there was a delay in awarding of the tender.
	Safe, Appropriate Mining and Mineral Processing Technologies by Artisanal Miners	No. of Artisanal Mining Permits Granted	18	0	-18	The formation and gazettment of committees already done but there was a delay in conducting induction for the committees.
		No. of Artisanal and small -scale Miners trained on appropriate technologies	100	110	10	The annual target achieved.
		No. of Artisanal Mining Committees operationalized	9	18	9	18 existing AMCs and induction of the committees is ongoing.

	Online Transactional Mining Cadastre Portal (OTMCP)	No. of Regional Mining Offices with operational OMTCP	6	19	13	All regional mining offices operational
	Commercial Explosives Regulated	No. of inspection reports of Commercial Explosive use	120	455	335	Inspections conducted by Regional Mining Officers and the Headquarter Team
	Capacity Development of Mining Inspectorate	No. of Officers Trained	75	25	-50	The remaining officers to be trained in the FY
	Disused and Abandoned Mines Rehabilitated	No. of Baseline studies carried out on Abandoned Mines and Quarries	4	0	-4	Target not achieved. The activity will be undertaken in the FY 2024-2025

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<b>Mineral Resource Development</b>	Directorate of Mines	Mining Regulations	No. of Regulations Developed	1	6	5	Draft Mining (Gemstone Identification and Value Addition Fees) -Regulations,2023; Draft Mining License and Permits Amendment -Regulations,2023; Draft Mining Dealings in Minerals Amendment -Regulations,2023; Draft Mining Mine Support Services Amendment -Regulations,2023; Draft Mining Royalty Collection and Management -Regulations,2023; and Draft Mining Mineral Royalty Sharing -Regulations,2023 all have been subjected to Public and Stakeholders engagement and participation.
			No. of County Governments Sensitized on Regulations	47	47	0	All the 47 Counties were Sensitized on the Draft Mining Regulations, Pursuant to the Statutory Instruments Act, 2013.
		National Mining Strategy	% Completion of National Mining Strategy/Vision	100	40	-60	The process has been handed over to a consultant.

	Mineral Rights Board	Advisory on Mineral Rights Management	No. of Mineral Rights Board Advisory Briefs submitted	120	550	430	The annual target achieved.
		Mining Policy Advisory	A policy report on Strategic and Critical Minerals	1	1	0	Cabinet approved a policy on strategic minerals
			A policy report on delineation of Mining Areas	1	0	-1	Target not achieved. The activity will be undertaken in the FY 2024-2025
	National Mining Corporation	Increase investments in exploration and mining	No. of Licenses Acquired, Joint Ventures, Concessions or Agreements	3	2	-3	National Mining Corporation is in the process of acquiring Licenses for exploration of Gold in 5 areas: Rongo, Pala, Odundu, Ayora and Nyabera.
		Increase investment in Value Addition of Mineral Ores and Products	No. of Licenses acquired, joint ventures, agreements or acquisition with value addition centres	1	0	-1	National Mining Corporation is in the final process of entering into joint ventures with the companies interested in exploitation of strategic minerals

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		Increase Access to Professional Services (Consultancy in the Mining Sector)	No. of Consultancy Reports Produced	4	2	-2	National Mining Corporation has drafted Business Plan 2024-2027 and revised Strategic Plan 2022-2027 to include current issues.
<b>Administratio n and Support Services</b>	Planning	Strategic Planning	State Department for Mining Strategic Plan 2023-2027	1	1	0	Strategic Plan for the State Department is in place and already subjected for External Stakeholders validation awaiting approval and launching.
			Mid-term Review of Strategic Plan	0	0	0	Mid-term Review of the developed SP 2023-2027 is to be done in FY 2025/2026
		Monitoring and Evaluation (M&E)	No. of M&E Reports	4	4	0	M&E reports in place.
		Performance Management	% implementation of Cabinet Secretary's Performance Contract FY 2023/2024	100	100	0	The Ministerial Performance Contract FY 2023/24 has been fully implemented with Quarterly target achievements submitted on time as required by Performance Contracting Management Directorate.
	HRM&D	Capacity Building and Skills Enhancement	No. of Officers Trained on Mandatory Courses	120	49	-71	Target not achieved due to Budget rationalization.

	Administration	Mainstreaming Cross-Cutting Issues	No. of Cross-cutting issues mainstreamed	5	5	0	All the Cross-Cutting Issues; Assets Management, Youth Internship/Industrial Attachment, Competence Development, National Values and Principles of Governance and Road Safety Mainstreaming are all in the implementation stages.
	ICT	Internet Connectivity	No. of Regional Offices Connected	6	19	13	All Regional Offices have Internet Connectivity
		Maintained ICT Infrastructure	% of ICT Infrastructure Maintained	30	30	0	All ICT gadgets procured and installed
	Public Communication	Communication Strategy Developed	Communication Strategy	1	0	-1	Public Communication Unit is in the process of developing a draft Communication Strategy.

## **7. Management Discussion and Analysis**

The State Department for Mining is new having been formed through the Executive Order No. 1 of 2023 on organisation of Government in January, 2023

### **Key projects or investments**

The State Department is implementing the following key Projects

**Artisanal Mining Formalization** – The project is in response to the Bottom-Up Economic Transformation Agenda Value on Minerals, Land and Natural resources. It aims at ensuring that Artisanal and Small-Scale miners are mainstreamed through issuance of necessary permits and licenses as envisaged under **Section 94** of the Mining Act, 2016. The project involves formation of marketing Cooperatives, capacity building initiatives on financial literacy, Book keeping, records management and training on sustainable mining practices, appropriate mineral processing technologies and marketing techniques.

The project is being funded by the National Government but plans are underway to loop in development partners to ensure continuity and sustained campaign targeting formalization of ASMs.

**Ground Truthing and Mineral Exploration** – Pursuant to the State Department's mandate of conducting mineral exploration and in support and to complement the recently conducted Nationwide Airborne Geophysical Survey, the State Department is undertaking a comprehensive and targeted ground truthing project. This seminal project is aimed at identifying and confirming anomalies identified vide the conclusion of the Airborne Survey. Further, the project will lead to de-risking of mining investments and ultimately attraction of world class exploration and mining companies. So far 10 counties have been mapped for industrial minerals and 2 rare earth mineral occurrences assessed.

The project is funded through Exchequer Releases and has been identified as a key response of the mining sector to the BETA plan's aspiration of expanding the tax base, improving forex reserves and generating jobs.

**Mineral Testing and Analysis Laboratory modernization and decentralization** – Mineral Testing and analysis provides a baseline for charging mineral royalties and also reduce the cost of mining business by eliminating the need to export samples for testing.

The State Department is therefore implementing a massive laboratory modernization project aimed at revamping the main laboratory in Nairobi as well as upgrade and install satellite labs in at least eight regional offices. So far two regional laboratories have been established in Kakamega, Nakuru, Kisumu, Eldoret, Mombasa, Garissa, Nyeri and Embu, and more will be established in the other regions subject to funding.

<b>Sector: Environment Protection, Water and Natural Resources</b>						
<b>Vote 1192: State Department for Mining</b>						
<b>Economic Classification</b>	<b>Approved Budget Allocation</b>			<b>Actual Expenditure</b>		
	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>
<b>Gross</b>	<b>0.0</b>	<b>237.7</b>	<b>2,507.2</b>	<b>0.0</b>	<b>227.3</b>	<b>1,624.5</b>
AIA	0.0	25.0	100	0.0	14.6	44.3
<b>NET</b>	<b>0.0</b>	<b>212.7</b>	<b>2,407.2</b>	<b>0.0</b>	<b>212.7</b>	<b>1,580.2</b>
Compensation to Employees	0.0	0.0	403.7	0.0	0.0	380.5
Transfers	0.0	6.7	336	0.0	7.0	280
Other Recurrent	0.0	230.7	1,667.5	0.0	220.3	0.0
<b>Of which</b>						
Utilities	0.0	4.8	13	0.0	4.7	6.4
Rent	0.0	0.0	5	0.0	0.0	3.6
Contracted Guards and Cleaners Services	0.0	0.0	0	0.0	0.0	0.0
Others	0.0	225.9	1,649	0.0	215.6	909.7

The State Department for Mining projects are classified under four Sub-programmes namely; Mineral Resources Development, Geological Survey, Mineral Exploration, and Geo-Information Management with their performance outlined as below.

**a) Mineral Resources Development**

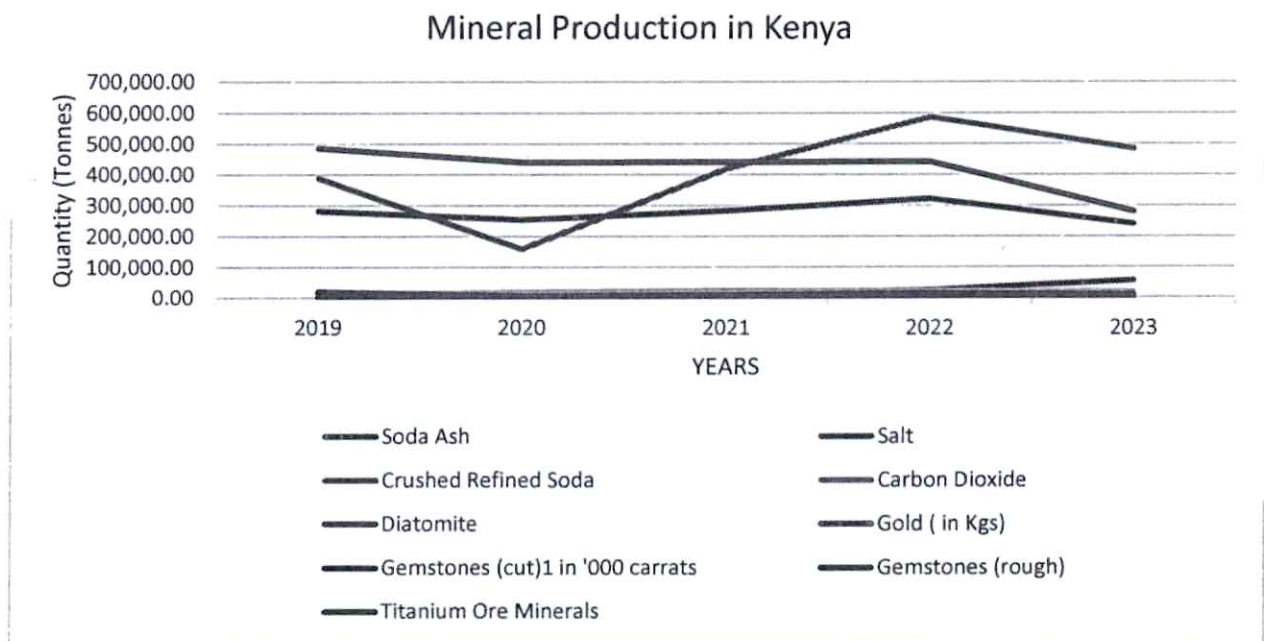
Mineral Beneficiation and in-country mineral processing and Value Addition is being accorded great consideration. In this view, Clinkerization (West Pokot, Kilifi, Kajiado etc), Cement production and Steel-making have been given consideration.

During the period under review, the Department commissioned Gold Processing Plant in Kakamega, Granite cutting and Polishing in Vihiga and Flourspar Mining in Elgeyo Marakwet as well as finalized and commissioned Gemstone Cutting and Polishing Centre in Taita Taveta (VOI) To support the import substitution, manufacturing, job creation and foreign exchange earnings priorities, the Ministry is focused on promoting in-country mineral processing and value addition. Towards this end, the cabinet has approved and sanctioned the development of a Mineral Processing and Value Addition Policy.

The Department is committed to supporting local mineral-based manufacture of day-to-day products such as cement from limestone, steel from iron ore, tiles and ceramics from clays and granite and fertilizers from agro-minerals such as lime and phosphates.

These initiatives will lead to job creation, significant reduction of importation and consequently preservation of foreign exchange and spur economic growth.

**The figure below shows the value of minerals, 2019 – 2023;**



Besides the foreign earnings from the mineral exports, the sector contributes to job creation through provision of industrial and construction raw materials (e.g., sand, ballast, limestone, iron ore, gypsum etc.) for local use.

In particular, the mineral exports in the FY 2023/2024 are as shown in the table below:

#### **Kenya's Mineral Export in Year 2023/2024**

<b>Mineral</b>	<b>Grade</b>	<b>Unit</b>	<b>Quantity</b>	<b>Value (US Dollar)</b>	<b>Royalty in KShs</b>	<b>Rate/fee</b>
Gemstone (Cut)		kgs	10,223	1,015,764	1,471,312	1%
Soda Ash	Cut	Kgs	247,592,254	60,370,518.16	435,111,901	5%
Salt		Kgs	382,630,314	38,673,957,96	55,834,311	1%
Titanium		Kgs	231,680,000	152,461,142	1,093,307,901	5%
Construction		Kgs	76,284,687	5,603,501	8,984,381	1%
Samples	samples		8,648	3,424	1,580	1.5%
Gold		carats	418	23,191,191	164,797,597	5%
Carbon Dioxide		Kgs	17,225,922	5,126,741.41	37,080,667	5%
Gemstones (Rough)		Kgs	90,326	3,367,763	23,088,610	5%
Base Metals		Kgs	52,000,194	6,655,362	80,769,226	8%
<b>Grand totals</b>			<b>1,008,544,708</b>	<b>296,927,766</b>	<b>1,901,113,668</b>	

Samples depends on the dealer's licence, if its gemstones 5% and if its construction 1%

#### **b) Geological Survey and Mineral Exploration**

The Government undertook a Nationwide Airborne Geophysical Survey (NAGS) from 2018 to 2022. A report which 94.6% of the Country landmass and 54.5% of the Territorial Sea (Water mass) identified 970 mineral occurrences.

During the period under review, the State Department carried out confirmatory (Ground Truthing) exercise for selected Minerals.

The Department is committed to providing up-to-date geological data and information to potential investors to assist them in accelerating their mineral exploration activities. This is geared towards de-risking mining investments and guaranteeing the utilization of mineral resources for sustainable social-economic development.

The Department will rely on the recently concluded National wide Airborne Geophysical Survey project to accelerate exploration initiatives for critical and strategic minerals as well as industrial and agro-minerals.

**c) Geo Information Management**

During the period under review, the planned work to develop the National Geological Data Centre to completion was accomplished up to 75% completion. During the exercise over 90% of all hard copy geological reports, maps and briefs being vectorized, scanned and digitized. The reports were uploaded on a web-based database within the Geological Data Centre Online Portal.

The National Geo-Data Public Portal is 90% complete; this resulted into The Geo-data Portal being completed and activated online. The Portal is available for public use.

Also, the government developed an Online Mining Cadastre System – a World-class Licensing System developed by a Vendor from South Africa hosted Locally at Konza Technopolis City to assist in applications, processing and managing Mining, Prospecting and Dealership Licences and Permits.

## **8. Environmental and Sustainability Reporting**

The State Department for Mining exists to develop policies on the extractive industry; Undertake mineral exploration and mining policy management; Maintain an inventory and mapping of mineral resources; Develop mining and minerals development policies and standards; Maintain Geological Data (Research, collection, collation, analysis); develop policies on the management of quarrying of rocks and industrial minerals; develop mining capacity development and value addition; and management of health conditions and health and safety in mines.

### **a) Sustainability strategy and profile**

The top management has continued to provide the required leadership in designing suitable plans and strategies that will contribute to high and sustainable socio-economic development. The State Department through adherence to the Constitution of Kenya, 2010, existing Laws, Regulations, Policies and the State Department's Strategic Plan 2023/24 will deliver the desired goals.

While undertaking our responsibilities diligently and to the best of our abilities to support the achievement of the stated strategic development objectives, we have formulated and reviewed regulatory frameworks and undertaken Institutional reforms; Promoted Artisanal and Small-scale Mining (ASM); Build capacity for effectiveness and efficiency; Promoted investments in the Mining sector; Generated, processed and interpreted geo-scientific data; Provided quality and accredited mineral testing services locally and regionally; Enhanced efficiency and transparency in the administration of mineral rights and mineral dealings; Enhanced revenues from the mining sector; Enhanced mineral value and competitiveness; and implemented affirmative action policies and strategies.

### **b) Environmental performance /climate change/ mitigation of natural disasters**

The Department's major environmental responsibility is to promote mine environmental management, health and safety requirements; mines rehabilitation and tree planting.

The Department collaborates closely with the Ministry of Environment and Natural Resources, which is the country's climate change focal point. Our environmental conservation activities are further guided by the National Environment Policy, 2013.

Chapter Four of the National Environment policy identifies Kenya's critical ecosystems and natural resources. It proposes measures to enhance conservation and management of ecosystems and sustainable use of natural resources while Chapter Six addresses a wide range of issues relating to environmental quality and health. The areas covered include air quality, water and sanitation, waste management, radiation, toxic and hazardous substances, noise and environmental diseases.

**c) Employee welfare**

- (i) Recruitment of personnel is done by the Public Service Commission as per Articles 10 and 232 of the constitution as well as per the provisions of section B of the Human Resource Policies and Procedures Manual (2016).

In cases where the Commission delegates recruitment of lower cadres to the authorised officers, the process is guided as per the existing service regulations. In all instances the ratio of either Gender must not exceed 70%.

Government Policies on recruitment are normally reviewed after every five (5) years. The draft of the same is normally circulated to all stakeholders for their input and validation in accordance with the provision of the Constitution of Kenya.

- (ii) The State Department has taken deliberate efforts to ensure that every member of staff is exposed to at least 5 days training in a year in accordance with existing Government Training Policy.

Each officer falls under a Scheme of Service/ career guidelines which defines his/her career path in the service. They also require to undertake professional as well as mandatory courses that prepare them for Supervisory, Managerial and Leadership positions in future. The officers are also expected to progress to the next grade after every three years so long as they have the requisite qualifications and posts are available and they pass interviews administered by the Commission or the Ministry.

- (iii) The State Department has onboarded all officers on the online Performance Appraisal

System (PAS) together with their respective supervisors. Officers are also required to complete quarterly reports indicating their outputs, as well as challenges they face during the same period.

- (iv) In compliance with occupational safety and Health Act of 2007 (OSHA), the management has ensured that there are adequate and clean sanitary facilities for all staff. Management have also ensured that offices are designed in such a manner that there is no overcrowding, that there is good lighting and emergency exits are in place to ensure speedy and safe evacuation of staff in case of emergency. Adequate and safe water for drinking is also available for staff. There is an office accommodation committee in place to deal with emerging office accommodation matters and attendant issues related to the health and safety of staff.

**d) Operational practices/ Marketplace practices**

The State department procures goods and services through competitive tendering and bidding processes where all stakeholders are treated equally. Measures are taken to make sure that all suppliers are paid on time to avoid pending bills.

**e) Community Engagements-**

The State Department has no budget for CSR, However the private mining companies are encouraged to give back to the community in which they mine from, this includes environmental restoration at cessation of mineral production.

### **9. Statement of Management Responsibilities**

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

The Accounting Officer in charge of the State Department for Mining 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 (period) ended on June 30, 2024. 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 Mining 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 for Mining's financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2024, and of the entity's financial position as at that date. The Accounting Officer in charge of the State Department for Mining further confirms the completeness of the accounting records maintained for the entity, 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 Mining confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the 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 for Mining financial statements were approved and signed by the Accounting Officer on 5/12 2024.

  
.....  
**Elijah Mwangi, C.B. S**  
**Accounting Officer**

  
.....  
**Kipyegon Siele**  
**Head of Accounting Unit**  
**ICPAK M/No. 8879**

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## **REPORT OF THE AUDITOR-GENERAL ON STATE DEPARTMENT FOR MINING FOR THE YEAR ENDED 30 JUNE, 2024**

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### **PREAMBLE**

I draw your attention to the contents of my report which is in three parts:

- A. Report on Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012, and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Qualified Opinion**

I have audited the accompanying financial statements of State Department for Mining set out on pages 1 to 30, which comprise the statement of financial assets and liabilities as

at 30 June, 2024 and the 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 effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of State Department for Mining as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Unsupported Expenditure Reversals**

The statement of receipts and payments reflects an amount of Kshs.590,161,272 in respect of use of goods and services as disclosed in Note 4 to the financial statements. Review of ledgers provided in support of the expenditure revealed several entries which were debited in the ledger and later reversed. However, debit entries totalling Kshs.7,638,075 were yet to be reversed. In addition, the debit entries and reversals of the same were not supported by journal entries, approval for the reversals and particulars indicating the nature of the errors corrected.

In the circumstances, accuracy and completeness of the financial statement could not be confirmed.

#### **2. Unsupported Accounts Payable**

Note 12.3 to the financial statements reflects pending accounts payable balance of Kshs.169,283,358. As disclosed in Annex 1 to the financial statements, the bills comprised of an opening balance of Kshs.93,883,644, additions during the year of Kshs.128,833,123 and bills paid during the year of Kshs.53,433,408. Review of the bills revealed that an amount of Kshs.3,985,200 was not supported by relevant documentation such as invoices, contracts, delivery notes and inspection reports.

Further, the balance did not include an amount of Kshs.11,722,984 payable to National Mining Corporation. The amount was incurred by the Corporation on behalf of the Ministry of Petroleum and Mining at Flourspar Day and Boarding Primary School and has been outstanding since 31 March, 2018.

In the circumstances, the accuracy and completeness of pending accounts payable balance of Kshs.169,283,358 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the State Department for Mining Management in accordance with ISSAI 130 on the 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.

### **Emphasis of Matter**

#### **Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.2,809,551,872 and Kshs.1,625,988,335 respectively, resulting in an under-funding of Kshs.1,183,563,537 or 42% of the budget. Similarly, the Department spent an amount of Kshs.1,624,744,376 against the actual receipts of Kshs.1,625,988,335 resulting in an under-utilization of Kshs.1,243,959. In addition, no explanations were provided in the financial statements on reasons for over or under expenditures on the budget exceeding 10% as required in the annual financial reporting guidelines and templates.

The under-funding of the budget affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

### **Key Audit Matters**

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

### **Other Matter**

#### **Unresolved Prior Year Issues**

In the audit of the previous year, matters were raised under the Report on Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources and on Effectiveness of Internal Controls, Risk Management and Governance. However, Management indicated as having not been resolved.

### **Other Information**

Management is responsible for the other information set out on pages iii to xlviii which comprise of Key Entity Information and Management, Statement of Governance, Statement of Performance Against Predetermined Objectives, Management Discussion and Analysis, Environment and Sustainability Reporting and Statement of Management Responsibility. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the State Department for Mining financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work

I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

## REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Unprocedural Confirmation of Employees Terms of Service**

Review of Human Resources Management Advisory Committee minutes for a meeting held on 29 February, 2024 revealed that an approval was given for belated confirmation of two (2) employees to permanent and pensionable terms who were first appointed to the public service on probationary terms in 1986 and 1996 respectively. The conversion was for purposes of processing pension benefits for the officers. However, this was against provisions of the Public Service Resources Policies and Procedures Manual which provides that an officer appointed to the Service in a pensionable post will be confirmed in appointment and admitted into the permanent and pensionable establishment on completion of probationary period of six (6) months satisfactory service.

It was not clear why the two officers had not been appointed to permanent and pensionable terms upon serving the requisite period.

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

#### **2. Use of Invalid Local Purchase Orders for Payment**

The statement of receipts and payments reflects use of goods and services amounting to Kshs.590,161,272 and as disclosed in Note 4 to the financial statements. However, payments amounting to Kshs.10,359,100 were supported by Local Purchase Orders (LPOs) which had exceeded the stipulated validity period of 30 days. This was contrary to Regulation 53 (3) of the Public Finance Management (National Government) Regulations, 2015 which provides that any public officer involved in the processing of a payment with regard to goods or services delivered after due date shall inform the Accounting Officer of this anomaly before proceeding to process the payment.

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

### **3. Irregularities in Procurement of Goods and Services**

During the year under review, Management procured several goods, works, and services as was provided for in the Annual Procurement Plan. Review of payments made in respect of procurement revealed expenditures totalling Kshs.56,523,070 on various goods which were received and paid for before inspection and acceptance. This was contrary to Section 48 of Public Procurement and Asset Disposal Act, 2015. The Act provides that An Accounting Officer of a procuring entity may establish an ad hoc committee known as the Inspection and Acceptance Committee which shall immediately after the delivery of the goods, works or services; inspect and where necessary, test the goods received; inspect and review the goods, works or services in order to ensure compliance with the terms and specifications of the contract; and accept or reject , on behalf of the procuring entity, the delivered goods, works or services.

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

### **4. Non-Compliance of Climate Change Regulations**

Paragraph 8(b) of Environmental and Sustainability reporting on page xliv discloses activities, collaborations and approaches taken by the State Department towards climate change and mitigation of natural disasters climate action. Further, Management developed a climate action workplan and tool for documenting Sustainable Development Goals (SDGs) good practices. The workplan indicated that Management will perform post mining land reclamation and mine sites rehabilitation. However, review of the budget for the year under review revealed that no funds were allocated for those activities and Management did not indicate whether the objective was met.

Further, Management did not prepare and submit sectoral greenhouse emissions report to the National Council on Climate Change as required by Section 15 (5) (b) of the Climate Change Amendment Act, 2023 which provides that each State Department and National Government Entity shall report on sectoral greenhouse gas emissions for the national inventory.

In the circumstances, Management was in breach of law.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require 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 audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance

section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

## **Basis for Conclusion**

### **1. Lack of Land Ownership Documents**

During the year under review, the State Department operated eighteen (18) Regional Offices with a responsibility of coordinating mining activities in the regions. Physical verification in September, 2024 at Kwale Regional Office revealed that the area where the office was located had no title deed. This was despite the State Department having erected permanent structures including buildings in the land. According to Management, the land was allotted by the defunct Town Council of Kwale in March, 2010. However, no evidence was provided to indicate steps taken to transfer the land to the State Department.

In the circumstances, existence of safeguard measures for land and buildings owned by the State Department could not be confirmed.

### **2. Poor Conditions at the Department's Main Store**

During the year under review, the State Department maintained a store located at the Departments offices at Madini House for various stockable items. Physical inspection of the store revealed the following unsatisfactory conditions as detailed below:

- i. The store was in a dilapidated state, which Management attributed to a fire incident several years back. However, no action had been taken by Management to rehabilitate the store to a usable state after the fire incident.
- ii. Physical inspection at the store revealed several expired and obsolete items. However, no records of stock take undertaken during the year to establish the number of items in the store and identify and isolate expired items and obsolete for disposal were provided.
- iii. Several shelves and storage cabins were not labelled, and some items were not arranged according to existing labels.
- iv. There were leaking hazardous materials in the store which posed a health and safety risk.
- v. The store lacked electricity or any form of lighting and had no ventilation which posed danger to users.
- vi. The accountable documents were not safeguarded and their safe custody was not assured.

In the circumstances, the existence and effectiveness of systems for stores control and management could not be confirmed.

### **3. Unimplemented Internal Audit Reports**

During the year under review, the State Department had an established Internal Audit Department. However, review of Internal Audit Reports revealed that the recommendations made by the Department had not been deliberated and implemented

due to lack of an Audit Committee at the State Department. Further, during the year under review, the Internal Audit Function was not adequately resourced in terms of budget and staff.

In the circumstances, the effectiveness of the internal audit to perform its functions and implementation of recommendations raised in the Internal Audit Reports could not be confirmed.

#### **4. Weaknesses in Information Technology Controls**

The State Department operates Information Technology (IT) Systems which are critical to its operations including management of licensing and permits, filing of mineral production and e-procurement. Review of the IT Systems revealed the following weaknesses:

- i. There was an offsite data back-up. However, there was no disaster recovery site, which exposed the State Department in case of a disaster.
- ii. An approved Business Continuity Plan and Disaster Recovery Plan were not provided for review.
- iii. A generator installed at the building was not working and was connected to the building where the Directorate of Geological Survey was housed.
- iv. Employees including senior management officers used private emails addresses to transact official business contrary to the Head of Public Service circular issued on 14 June, 2022.

In the circumstances, existence of effective IT internal control systems could not be confirmed.

#### **5. Enhancement of Governance Systems for Security Related Expenditures**

During the year under review, Management transferred some funds to a government agency for confidential security operations. A certificate of confidential expenditure was issued, supported by a declaration from the Accounting Officer affirming proper use of funds in compliance with Regulation 101(5) of the Public Finance Management (National Government) Regulations, 2015.

There is need, however, to enhance accountability of confidential expenditures through review of the Regulations to clearly define entities eligible for confidential security related expenditures and to specify what constitutes security related operations. Further, entities should establish internal oversight mechanisms and processes that include detailed budget projections and post-operation financial summaries to address risks and ensure responsible use and accountability of the funds, beyond the certificate.

The measures will strengthen governance, foster trust, and ensure funds are utilised responsibly without compromising State security.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective

processes and systems of internal controls, risk Management and overall governance were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

### **Responsibilities of Management and those Charged with Governance**

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

In preparing the financial statements, Management is responsible for assessing the State Department's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements 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 Management 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**

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. 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 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 conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment 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.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.

  
FCPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**

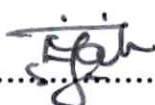
**Nairobi**

**23 December, 2024**


11. Statement of Receipts and Payments for the Year ended 30<sup>th</sup> June 2024

Description	Note	2023-2024	2022-2023
		Kshs	Kshs
<b>Receipts</b>			
Exchequer Releases	1	1,581,680,399	254,033,692
Miscellaneous Receipts	2	44,307,936	6,777,729
<b>Total Receipts</b>		<b>1,625,988,335</b>	<b>260,811,421</b>
<b>Payments</b>			
Compensation of employees	3	380,487,074	0
Use of Goods and Services	4	590,161,272	170,076,662
Grants and Transfers to Other Government Entities	5	280,000,000	6,997,409
Acquisition of Assets	6	374,096,030	83,049,149
<b>Total Payments</b>		<b>1,624,744,377</b>	<b>260,123,220</b>
<b>Surplus/(Deficit)</b>		<b>1,243,958</b>	<b>688,201</b>

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 5/12/2024 and signed by:

.....  


**Elijah Mwangi, C.B. S**  
**Accounting Officer**

.....  



**Kipyegon Siele**  
**Head of Accounting Unit**  
**ICPAK M/No. 8879**

12. Statement of Financial Assets and Financial Liabilities as at 30<sup>th</sup> June 2024

Description	Note	2023-2024	2022-2023
		Kshs	Kshs
<b>Financial assets</b>			
<b>Cash and cash equivalents</b>			
Bank balances	7	5,180,389	2,191,744
Cash balances		0	0
<b>Total cash and cash equivalents</b>		<b>5,180,389</b>	<b>2,191,744</b>
Imprests and advances	11	280,000	485,210
<b>Total financial assets</b>		<b>280,000</b>	<b>485,210</b>
<b>Financial liabilities</b>			
Third party deposits and retention	8	(1,584,043)	(1,988,753)
<b>Net financial assets</b>		<b>3,876,346</b>	<b>688,201</b>
<b>Represented by</b>			
Fund balance b/fwd.	9	688,201	0
Prior year adjustment- cash	10	(202,991)	0
Others-Unspent balances	10	2,147,178	0
Surplus/ (Deficit) for the year		1,243,958	688,201
<b>Net financial position</b>		<b>3,876,346</b>	<b>688,201</b>

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 5/12 2024 and signed by:

.....  
  
**Elijah Mwangi, C.B. S**  
**Accounting Officer**

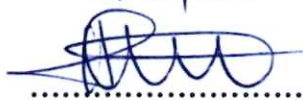
.....  
  
**Kipyegon Siele**  
**Head of Accounting Unit**  
**ICPAK M/No. 8879**

13. Statement of Cash Flows for The Year Ended 30<sup>th</sup> June 2024

Description	Notes	2023-2024 Kshs	2022-2023 Kshs
<b>Operating Activities</b>			
<b>Receipts</b>			
Exchequer releases	1	1,581,680,399	254,033,692
Miscellaneous receipts	2	44,307,936	6,777,729
<b>Total Receipts</b>		<b>1,625,988,335</b>	<b>260,811,421</b>
<b>Payments</b>			
Compensation of employees	3	380,487,074	0
Use of goods and services	4	590,161,272	170,076,662
Transfers to other government units	5	280,000,000	6,997,409
<b>Total Payment</b>		<b>1,250,648,346</b>	<b>177,074,071</b>
<b>Net receipts/(payments)</b>		<b>375,339,989</b>	<b>83,737,350</b>
<b>Adjusted For:</b>			
Adjustments during the year			
Prior year adjustments	10	(202,991)	0
Prior year adjustments- unspent balances	10	2,147,178	0
Decrease/(Increase) in accounts receivable	11	205,210	(485,210)
Increase/(Decrease) in deposits and retention	12	(404,710)	1,988,753
<b>Net Cash Flow from Operating Activities</b>		<b>377,084,676</b>	<b>85,240,893</b>
<b>Cash flow From Investing Activities</b>			
Acquisition of assets	6	(374,096,030)	(83,049,149)
<b>Net Cash Flows from Investing Activities</b>		<b>(374,096,030)</b>	<b>(83,049,149)</b>
<b>Cash flow From Financing Activities</b>		0	0
<b>Net cash flow from financing activities</b>			
<b>Net increase in cash and cash equivalents</b>		<b>2,988,646</b>	<b>2,191,744</b>
<b>Cash &amp; Cash Equivalent at Start of The Year</b>	7	<b>2,191,744</b>	<b>0</b>
<b>Cash &amp; Cash Equivalent at End of The Year</b>	7	<b>5,180,389</b>	<b>2,191,744</b>

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 5/12/24 2024 and signed by:

  
 .....  
 Elijah Mwangi, C.B. S  
 Accounting Officer

  
 .....  
 Kipyegon Siele  
 Head of Accounting Unit  
 ICPAK M/No. 8879


14. Statement of Comparison of Budget and Actual Amounts for FY 2023/2024

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis D	Budget Utilization Difference e=c-d	% of Utilization f=d/c %
Exchequer releases	2,407,200,000	302,351,872	2,709,551,872	1,581,680,399	1,127,871,473	58%
Miscellaneous receipts 'AIA'	100,000,000	0	100,000,000	44,307,936	55,692,064	44%
<b>Total Receipts</b>	<b>2,507,200,000</b>	<b>302,351,872</b>	<b>2,809,551,872</b>	<b>1,625,988,335</b>	<b>1,183,563,537</b>	<b>58%</b>
<b>Payments</b>						
Compensation of employees	417,000,000	(13,250,000)	403,750,000	380,487,074	23,262,926	94%
Use of goods and services	607,274,666	508,669,520	1,115,944,186	590,161,272	525,672,914	53%
Transfers to other government entities	336,000,000	0	336,000,000	280,000,000	56,000,000	83%
Acquisition of assets	1,146,925,334	(193,067,648)	953,857,686	374,096,030	579,871,656	39%
<b>Total Payments</b>	<b>2,507,200,000</b>	<b>302,351,872</b>	<b>2,809,551,872</b>	<b>1,624,744,376</b>	<b>1,184,807,495</b>	<b>58%</b>
<b>Surplus/ Deficit</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,243,959</b>	<b>(1,243,958)</b>	

- (a) Exchequer was not fully funded hence the 42% under absorption
- (b) A.I.A was under collected partly due to an amount of AIA collected being banked in revenue account
- (c) Use of goods and services and transfer were under absorbed as a result of exchequer not being fully funded
- (d) Under absorption on acquisition of assets was occasion by most assets being procured from overseas and the lengthy periods to deliver did not give the State Department ample time to request for exchequer in good time

The entity's financial statements were approved on ..... 5/12/24 ..... 2024 and signed by:

.....  
  
**Elijah Mwangi, C.B. S**  
**Accounting Officer**

.....  
  
**Kipyegon Siele**  
**Head of Accounting Unit**  
**ICPAK M/No. 8879**

**15 (a) Statement of Comparison of Budget and Actual Amounts: Recurrent for FY2023/24**

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 %
Exchequer releases	1,365,200,000	458,851,872	1,824,051,872	1,376,482,688	447,569,184	75%
Miscellaneous receipts 'AIA'	100,000,000	0	100,000,000	44,307,936	55,692,064	44%
<b>Total Receipts</b>	<b>1,465,200,000</b>	<b>458,851,872</b>	<b>1,924,051,872</b>	<b>1,420,790,624</b>	<b>503,261,248</b>	<b>74%</b>
<b>Payments</b>						
Compensation of employees	417,000,000	(13,250,000)	403,750,000	380,487,074	23,262,926	94%
Use of goods and services	520,274,666	403,669,520	923,944,186	552,698,483	371,245,703	60%
Transfers to other government entities	336,000,000	0	336,000,000	280,000,000	56,000,000	83%
Acquisition of assets	191,925,334	68,432,352	260,357,686	207,489,119	52,868,567	80%
<b>Total Payments</b>	<b>1,465,200,000</b>	<b>458,851,872</b>	<b>1,924,051,872</b>	<b>1,420,674,676</b>	<b>503,377,196</b>	<b>74%</b>
<b>Surplus/ Deficit</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>115,948</b>	<b>(115,948)</b>	

- (a) Exchequer requisition was not fully funded
- (b) AIA was under collected as part funds meant for AIA went into revenue account
- (c) Use of goods and services and transfer were under absorbed as a result of exchequer not being fully funded
- (d) Under absorption on acquisition of assets was occasion by most assets being procured from overseas and the lengthy periods to deliver did not give the State Department ample time to request for exchequer in good time

The entity financial statements were approved on ..... 5<sup>th</sup> Dec ..... 2024 and signed by:



.....  
**Elijah Mwangi, C.B. S**  
**Accounting Officer**



.....  
**Kipyegon Siele**  
**Head of Accounting Unit**  
**ICPAK M/No. 8879**

STATE DEPARTMENT FOR MINING  
Annual Report and Financial Statements for the year ended 30th June 2024


15 (b) Statement of Comparison of Budget and Actual Amounts: Development for FY2023-24

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 %
<b>Receipts</b>						
Exchequer releases	1,042,000,000	(156,500,000)	885,500,000	205,197,711	680,302,289	23%
<b>Total Receipts</b>	<b>1,042,000,000</b>	<b>(156,500,000)</b>	<b>885,500,000</b>	<b>205,197,711</b>	<b>680,302,289</b>	<b>23%</b>
<b>Payments</b>						
Use of goods and services	87,000,000	105,000,000	192,000,000	37,462,790	154,537,210	20%
Acquisition of assets	955,000,000	(261,500,000)	693,500,000	166,606,911	526,893,089	24%
<b>Total Payments</b>	<b>1,042,000,000</b>	<b>(156,500,000)</b>	<b>885,500,000</b>	<b>204,069,701</b>	<b>681,430,299</b>	<b>23%</b>
<b>Surplus/Deficit</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,128,010</b>	<b>(1,128,010)</b>	

- (a) Absorption for exchequer was not fully funded hence the under absorption
- (c) Use of goods and services and transfer were under absorbed as a result of exchequer not being fully funded
- (d) Under absorption on acquisition of assets was occasion by most assets being procured from overseas and the lengthy periods to deliver did not give the State Department ample time to request for exchequer in good time

The entity financial statements were approved on 5/12/ 2024 and signed by:

  
.....  
Elijah Mwangi, C.B. S  
Accounting Officer

  
.....  
Kipyegon Siele  
Head of Accounting Unit  
ICPAK M/No. 8879

## 15. Budget Execution by Programmes and Sub-Programmes for FY2024

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2023/2024			2024	
	Kshs			Kshs	Kshs
1007000000 - General Administration Planning and Support Services	840,585,055	0	840,585,055	655,696,627	184,888,428
1009000000 - Mineral Resources Management	441,213,008	0	441,213,008	243,186,122	198,026,886
1021000000 – Geo Technical Services	1,527,753,809	0	1,527,753,809	755,923,950	771,829,859
<b>Total</b>	<b>2,809,551,872</b>	<b>0</b>	<b>2,809,551,872</b>	<b>1,654,806,699</b>	<b>1,154,745,173</b>

## **16. Notes to the Financial Statements**

### **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 for the State Department for Mining. 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 State Department for all the years presented.

#### **a) Recognition of Receipts**

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

**(e) 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 State Department.

**(ii) 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 State Department.

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 criterion is applied for loans received in the form of a direct payment. During the year ended 30<sup>th</sup> June 2024, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

**(iii) Miscellaneous receipts**

These include Appropriation-in-Aid and relates to receipts such as laboratory fees, explosives, library fee, mineral dealer's licences and any other related charges. These are recognized in the financial statements the time associated cash is received.

**b) Recognition of payments**

The State Department recognises all payments when the event occurs and the related cash has actually been paid out by the State Department for Mining

**(i) Compensation of Employees**

Salaries and wages, allowances, and statutory contributions for employees are recognized in the period when the compensation is paid.

**(ii) Use of Goods and Services**

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

**(iii) 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 and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to these financial statements

**(iv) 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.

**c) 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 at the end of the financial year.

**Restriction on Cash**

Restricted cash represents amounts that are 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. As at 30th June 2024, this amounted to KShs.1,584,043 compared to KShs.1,988,753 in prior period as indicated on note 8. There were no other restrictions on cash during the year.

**e) Imprests and advances**

For the purposes of these financial statements, imprests and advances to authorised public officers and 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.

**f) Third party deposits and retention**

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

**g) Pending Bills**

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they are recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the State Department 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.

**h) 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 25th June 2023 for the period 1<sup>st</sup> July 2023 to 30<sup>th</sup> June 2024 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.

**i) Comparative Figures**

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

**j) 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 30<sup>th</sup> June 2024.

**k) Prior Period Adjustment**

During the year, there were no errors that were corrected since the Department was new

**l) Related Party Transactions**

Related party means parties are related if one party has the ability to:

- a) Control the other party or
- b) Exercise significant influence over the other party in making financial and operational decisions, or if the related party entity and another entity are subject to common control.

Related party transaction is a transfer of resources or obligations between related parties regardless of whether a price is charged.

## Notes to the financial statements

## 1 Exchequer releases

Description	2023/2024	2022-2023
	Kshs	Kshs
Total Exchequer releases for quarter 1	192,436,269	0
Total Exchequer releases for quarter 2	248,747,173	0
Total Exchequer releases for quarter 3	473,994,273	0
Total Exchequer releases for quarter 4	666,502,684	254,033,692
<b>Total</b>	<b>1,581,680,399</b>	<b>254,033,692</b>

The budgeted exchequer was **Kshs.2,709,551,872** (recurrent- **Kshs.1,824,051,872**, and development- **Kshs.885,500,000** while the received exchequer was **Kshs.1,581,680,399** thus funded at 75% for recurrent and 23% for development against the budget.

## 2 Miscellaneous Receipts

Description	2023-2024	2022-2023
	Kshs	Kshs
Receipts from Administrative Fees and Charges - AIA	44,307,936	6,777,729
<b>Total</b>	<b>44,307,936</b>	<b>6,777,729</b>

AIA target was Kshs.100,000,000. Part of the AIA collected via e-citizen was banked into the revenue account from cadastre that was prospecting fee thus understating our AIA by 6,734,396

## 3 Compensation for employees

Description	2023/2024	2022-2023
	Kshs	Kshs
Basic salaries- permanent employees	253,976,308	0
Personal allowances paid as part of salaries	126,510,766	0
<b>Total</b>	<b>380,487,074</b>	<b>0</b>

## 4 Use of Goods and Services

Description	2023/2024	2022-2023
	Kshs	Kshs
Utilities, supplies and services	6,400,316	4,741,207
Communication, supplies and services	10,836,660	8,001,220
Domestic travel and subsistence	269,367,008	53,068,012
Foreign travel and subsistence	11,395,901	7,536,576

Description	2023/2024	2022-2023
	Kshs	Kshs
Printing, advertising and information supplies & services	2,190,240	440,260
Rental of produced assets	3,625,000	0
Training expenses	24,361,251	2,476,453
Hospitality supplies and services	26,034,591	13,316,655
Specialized materials and services	31,307,497	4,042,713
Office and general supplies and services	34,221,958	12,986,132
Fuel Oil and Lubricants	47,271,097	19,533,903
Other operating expenses	78,858,423	14,125,040
Routine maintenance – vehicles and other transport equipment	22,779,065	10,197,924
Routine maintenance – other assets	21,512,264	19,610,568
<b>Total</b>	<b>590,161,272</b>	<b>170,076,662</b>

**5 a: Grants and Transfers to other Government Entities**

Description	2023-2024	2022-2023
	Kshs	Kshs
<b>Transfers to National Government entities</b>		
Current grants to government agencies and other level of govt	280,000,000	6,997,409
<b>Total</b>	<b>280,000,000</b>	<b>6,997,409</b>

**6 Acquisition of Assets**

Non -Financial Assets	2023/2024	2022-2023
		Kshs
Purchase of Vehicles and Other Transport Equipment	205,250,179	48,668,900
Purchase of Office Furniture and General Equipment	2,063,940	20,388,732
Purchase of Specialised Plant, Equipment and Machinery	166,781,911	2,943,700
Research, Studies, Project Preparation, Design & Supervision	0	11,047,817
<b>Total</b>	<b>374,096,030</b>	<b>83,049,149</b>

**7. Cash and Bank Accounts**

Description	2023-2024	2022-2023
	Kshs	Kshs
Bank Accounts (Note 7 A)	5,180,389	2,191,744
Cash on hand (Note 7 B)	0	0
<b>Total</b>	<b>5,180,389</b>	<b>2,191,744</b>

**7A: Bank Accounts**

Name of Bank, Account No. & currency	Amount in bank account currency	Recurrent, /Development, Deposit	Exchange rate (if in foreign currency)	2023-2024	2022-2023
				Kshs	Kshs
Central bank of Kenya, Recurrent Account No. 1000695455 Kshs	Kenya Shillings	Recurrent		2,890,936	100,179
Central bank of Kenya, Development Account No.1000695498 Kshs	Kenya Shillings	Development		705,410	102,812
Central bank of Kenya, Deposit Account No.1000695463 Kshs	Kenya Shillings	Deposit		1,584,043	1,988,753
Central Bank of Kenya, CBK 165 account No.1000695487	Kenya Shillings			0	0
<b>Total</b>				<b>5,180,389</b>	<b>2,191,744</b>

**7B: Cash on hand**

Description	2023-2024	2022-2023
	Kshs	Kshs
Cash in hand – Held in domestic currency	0	0
Cash in hand – Held in foreign currency	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**8 Third party deposits and retention**

Description	2023-2024		2022-2023	
	Kshs		Kshs	
Retention	1,584,043		1,988,753	
Deposits	0		0	
<b>Total</b>			<b>1,988,753</b>	
<b>Ageing analysis:</b>	<b>Current FY</b>	<b>% of the Total</b>	<b>Prior FY</b>	<b>% of the Total</b>
Under one year	1,312,514	100%	1,988,753	0%
1-2 years	271,529	%	0	0%
2-3 years	0	%	0	0%
Over 3 years	0	%	0	0%
<b>Total</b>	<b>1,584,043</b>		<b>1,988,753</b>	

**9 Fund Balance Brought Forward**

Description	2023-2024	2022-2023
	Kshs	Kshs
Bank Accounts	5,180,389	2,191,744
Account Payable	(1,584,043)	(1,988,753)
Imprests and advances	280,000	485,210
<b>Total</b>	<b>3,876,346</b>	<b>688,201</b>

**10 Prior Year Adjustments**

Description of the error	Balance b/f FY 2022/2023 as per audited financial statements	Adjustments during the year relating to prior periods	Adjusted Balance c/f FY 2023/2024
	Kshs	Kshs	Kshs
Bank Account Balances	0	202,991	202,991
		<b>202,991</b>	<b>0</b>
Unspent balances i) AIE	0	547,178	0
ii) RD cheque for returned goods	0	1,600,000	0
<b>Totals</b>	<b>0</b>	<b>2,147,178</b>	<b>202,991</b>

**11 (Increase)/ Decrease in Advances**

Description	2023-2024	2022-2023
	Kshs	Kshs
Receivables As At 1 <sup>st</sup> July (A)	485,210	0
Receivables As At 30 <sup>th</sup> June (B)	280,000	485,210
<b>(Increase) in Receivables (C=(B-A))</b>	<b>205,210</b>	<b>(485,210)</b>

Name of Officer or Institution	Date Imprest Taken	Amount Taken	Amount Surrendered	Balance
		Kshs	Kshs	Kshs
Kevin Oyugi	22-May-24	280,000	0	280,000
<b>Total</b>		<b>280,000</b>	<b>0</b>	<b>280,000</b>

**12 Increase/ (Decrease) in Retention**

Description	2023-2024	2022-2023
	Kshs	Kshs
Payables As At 1 <sup>st</sup> July	1,988,753	0
Payables As At 30 <sup>th</sup> June	1,584,043	1,988,753
Increase/ (Decrease) In Payables	<b>(404,710)</b>	<b>1,988,753</b>

## 12. Other Related Party Disclosures

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

The following comprise of related parties to the State Department for Mining

•Key management personnel that include the Cabinet Secretaries and Accounting Officers

1. Cabinet Secretary	Hon. Ali Hassan Joho, E.G.H
2. Principal Secretary/Accounting Officer	Elijah Mwangi C.B.S
3. Secretary Mining	Thomas Muthwiwa
4. Ag. Secretary Administration	David Onyancha O.G.W
5. Ag. Director Mines	Gregory Kituku
6. Ag. Director Geological Survey	Enoch Kipseba
7. Director HRM&D	Francis Mutisya
8. Director CPPMD	Paul Mirie
9. Deputy Accountant General	CPA Kipyegon Siele
10. Senior Deputy Director SCMS	Godfrey Oyaro
11. Chief Finance Officer	Samuel Waithaka
12. Senior State Counsel	Lynette Bunei
13. Head ICT	James Njiru
14. Director Communication	Alex Chai

- State Corporations and Semi-Autonomous Government Agencies.

<b>SAGAs</b>
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National Mining Corporation
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**12.1 Other Important Disclosures****12.2 Related party transactions:**

	2023-2024	2022-2023
	Kshs	Kshs
<b><u>Transfers to related parties</u></b>		
<b>Transfers to SAGAS</b>		
Transfers to Development Project	280,000,000	6,997,409
<b>Total Transfers to related parties</b>	<b>280,000,000</b>	<b>6,997,409</b>

**12.3 Pending Accounts Payable (See Annex 1)**

	Balance b/f	Additions for	Paid during the	Balance c/f
	FY2022/2023	the period	year	FY2023-2024
Description	Kshs	Kshs	Kshs	Kshs
Construction of civil Works	11,536,458	762,000	1,190,155.35	11,108,303
Supply of goods	57,354,802	97,927,387	44,466,414	110,815,775
Supply of services	24,992,384	30,143,736	7,776,839	47,359,281
<b>Total</b>	<b>93,883,644</b>	<b>128,833,123</b>	<b>53,433,408</b>	<b>169,283,358</b>

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

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

Ref No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status:	Timeframe
1525	<p><b>Unsupported Pending Bills</b>                      As disclosed in Note 16.1 to the Financial Statements, the State Department for Mining had pending bills amounting to Kshs.65,784,775 as at 30 June, 2021. A review of the list of pending bills provided for audit revealed that bills totalling Kshs.48,404,652 lacked supporting documents while an amount of Kshs.29,145,888 related to 2019/2020 financial year. Further, a Pending Bills Committee appointed by the Accounting Officer to review all pending bills of the State Department declared bills amounting to Kshs. 2,652,490 as ineligible while bills totalling Kshs. 3,362,896 which were included in the list, were not verified by the Committee and were therefore not valid for inclusion as pending bills. Further, no explanation was provided by the Management for failure to give priority to settlement of prior years' pending bills as a first charge as required under Regulation 42 (a) of the Public Finance Management (National Government) Regulations, 2015 which requires debt service payments to be a first charge on the Consolidated Fund and the Accounting Officer to ensure this is done to the extent possible that the government does not default on debt obligations and as directed by The National Treasury in circular No.10/2020 issued on 16 June, 2020. Consequently, the authenticity of the pending bills of Kshs. 48,404,652 could not be confirmed and further, failure to settle the bills during the year to which they relate adversely affects the provisions of the subsequent year to which they have to be charged.</p>	<p>The State Department, in the Financial Statements for the Year ended 30th June, 2021 included a disclosure of pending bills amounting to Kshs.65,784,774.95, of which a review showed Kshs.48,404,568 was not properly supported. It is observed that there was a discrepancy in the figures provided as pending bills. The report categorised Kshs.2,652,490 as ineligible for payment and 3,362,896 did not qualify as pending bills since they were unverified, and Kshs.48,404,652 lacked requisite supporting documents. The management wish to state that an amount of Kshs.16,916,069.00 has since been paid out of the Kshs.65,784,774.95</p>	Not resolved	On going

<p>1526</p>	<p><b>Misallocation of Expenditure</b> The Statement of receipts and payments reflects an expenditure of Kshs. 205,619,568 on use of goods and services. However, supporting schedules and analysis of the sub-items under use of goods and services revealed an expenditure amounting to Kshs. 133,821,167 charged to wrong accounts without requisite approvals contrary to Section 43(2)(b) of the Public Finance Management Act, 2012 which provides for reallocation of funds between programs, or sub-votes to be done by the Accounting Officer upon approval of a request made to The National Treasury explaining the reasons for the reallocation. Consequently, the regularity of the expenditure of Kshs. 133,821,167 in respect of use of goods and services could not be ascertained.</p>	<p>The State Department had instances where some activities were charged to unrelated budget line items amounting to Ksh 133,821,167 as tabulated by the Auditor. This was occasioned by the reduction of the Budget in line with austerity measures issued by the National Treasury during COVID-19 pandemic. The budget cuts were implemented when payments and commitments to some budget line items especially under Development Vote had already taken place in IFMIS, yet they were rationalized. The State Department realized this and made request for consideration of rationalized review of the budget cuts which the National Treasury advised to be considered under supplementary of the Financial Year 2020/2021. A request for reallocations was made during the submission of supplementary II as per submission letter attached (annex 1526) as per Section 43(3) Public Finance Management Act, 2012 and PFIM Regulations 48; and has guided by the National Treasury vide Treasury circular 6/2021.</p>	<p>Before PAC</p>	
<p>1528.1</p>	<p><b>Irregular Payment of Motivation Allowances.</b> The expenditure on compensation of employees includes an amount of Kshs.3,670,000 paid to three hundred and sixty-five (365) officers of the State Department for Mining as motivation allowances in the month of December, 2020 contrary to the Human Resource Policies and Procedures Manual for the Public Service. The staff comprising permanent employees, interns and casuals were all paid a uniform rate of Kshs.10,000 whose basis was not ascertained. Although Management indicated that the Authorized Officer, on the recommendation of the Ministerial Performance Management Committee approved the bonus payment to staff as a reward for exemplary performance over the financial year, no minutes of the Committee were provided for audit review.</p>	<p>The Principal Secretary through a memo dated 21/12/2020 was requested to consider a bonus payment of appreciation to the staff for their exemplary performance. The request was approved by the Accounting Officer. (Annex 1528-1)</p>	<p>Recovery ongoing</p>	<p>End of October 2024</p>

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<p>1528.2</p>	<p><b>Un-Procedural Engagement of Casual Employees</b></p> <p>As disclosed in Note 3 to the financial statements, the statement of receipts and payments reflects an amount of Kshs. 8,616,561 in respect basic wages of temporary employees incurred in payment of casual employees working at the Ministry Headquarters, Madini House, Regional Offices and Fluorspar Region. However, no documentary evidence was provided for audit to indicate how the recruitment was undertaken. In addition, the State Department engaged a total of 75 casual employee's contrary to a Public Service Commission Letter Ref: No PSC/21/2/5 dated 12 August, 2020 which authorized the State Department to engage a maximum of 45 casual employees for financial year under review.</p>	<p>Due to acute shortage of technical and support staff the State Department engaged the National Treasury and the Public Service Commission for approval to recruit and compensate casuals. The approvals were granted by the two entities (Annex 1528.2-1)</p> <p>Upon getting the above requisite approvals, casuals were selected from a pool of applicants maintained at headquarter office. (Annex 1528.2-2), (Annex 1528.2-3)</p> <p>Casuals are engaged on contract basis for a period of three months. The number mentioned in this paragraph is a cumulative figure of the individual casuals engaged over the accounting period and was within the budgetary provision for the Financial Year.</p>	<p>Not resolved Matter before PAC</p> <p>On going</p>
<p>1529</p>	<p><b>Irregular Payment of Allowances</b></p> <p>As disclosed in Note 4 to the financial statements, the statement of receipts and payments reflects an expenditure of Kshs. 205,619,658 in respect of use of goods and services which includes an amount of Kshs.52,245,375 for other operating expenses. The latter includes an amount of Kshs. 13,007,700 paid to various officers for undertaking their normal duties and in respect of undefined facilitators as shown</p>	<p>Review of Audit, compilation, consideration and preparation of responses to issues raised required a multi-disciplinary team comprising of officers drawn from the various departments that the audit report touches on. The exercise has strict timelines, within which to file the responses to Office of the Auditor General. This needed to be fast tracked to meet the set deadline. Because of that, the teams responding to the issues retreated to work outside office premises and worked beyond normal working hours in order to complete and adhere to the timelines provided.</p> <p>Budget preparation is guided by PFM Act, 2012, the National Treasury guidelines and the Parliamentary calendar which are usually on a short notice and strict timelines. The budget report requires requisite information on vote, expenditure, approved staff establishment and data on in posts which may require other reports to be prepared prior to the commencement of process.</p> <p>A comprehensive budget document requires such a team from the Finance and Central Planning units,</p>	<p>Recovery in process</p> <p>On going</p>

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		<p>Administration, SAGAs together with field services officers. The work demands a lot of concentration, close coordination and minimum interruptions which necessitated the officers to work out of office and beyond normal working hours ensuring a continuous flow of the normal office duties.</p>	
<p><b>1735.</b></p>	<p><b>Directly Expensed Imprests</b> The statement of financial assets and financial liabilities reflects cash and cash equivalents balance of Kshs. 2,191,744. Review of the reconciliation statements revealed reconciling payments totalling 11,527,734 which were described as daily subsistence allowances, transport and entertainment allowances that were paid on 30 June, 2023. This implied that the allowances were outstanding at the closure of the financial year. However, the payments were not reflected as outstanding imprest as at 30 June 2023. In addition, the reconciliation statement for July 2023 indicated that the items had been cleared. However, the imprest register provided for audit confirmation did not reflect the dates the imprests were surrendered, and their supporting documents were not provided for audit verification.</p> <p>In the circumstances, the accuracy and completeness of cash and cash equivalents balance of Ksh 2,191,744 could not be confirmed.</p>	<p>Daily subsistence allowance totalling 11,527,734 were fully processed and paid in IFMIS <b>but NOT</b> paid in bank as at 30th June 2023 due to delayed exchequer release, thus these items appearing as a reconciling item (payment in cash book not in Bank. The State Department received exchequer of Ksh.12,789,804.20 on 5th July 2023 consequently, clearing in the bank reconciliation of July 30th 2023, these temporary imprests were subsequently surrendered and recorded in the manual imprest register; Surrender documents/vouchers and manual imprest register are availed for audit;</p>	<p>Not resolved</p> <p>Waiting for PAC appearance</p>
<p><b>1736</b></p>	<p><b>Misclassification of Expenditure</b> The statement of receipts and payments reflect Kshs.170,076,662 in respect of use of goods and services. As disclosed in Note 3 to the financial statements, the amount comprises expenditure incurred on utilities supplies and services, communication supplies and services, domestic travel, foreign travel, printing and advertising, training, hospitality, specialized materials and services and other operating expenses. Review of the expenditure records revealed that Kshs.8,899,987, Kshs.16,444,096, Kshs.7,000,288 and</p>	<p>The State Department requested for reallocation for some items as per letter reference No. SDM/FIN/BDT IMP/22-23/045 dated 3<sup>rd</sup> May, 2023 which the National Treasury granted as per letter reference RES 1194/22/01/A (71) dated 18<sup>th</sup> May, 2023</p> <p>Provision for the members sitting allowances is under hospitality item 2210809 and 2210802 – Boards Allowances and Board Conferences. These were the</p>	<p>Not resolved</p> <p>Waiting for PAC appearance</p>

	<p>Kshs.740,000 in respect of acquisition of assets, domestic travel and subsistence, communication supplies and services and utilities supplies and services respectively all totaling Kshs.33,034,371 though charged under different sub-votes. No documentary evidence was provided to confirm that approval for reallocation was sought from the National Treasury.</p> <p>In the circumstances, the accuracy, validity and completeness of expenditure on use of goods and services and acquisition of assets could not be confirmed.</p>	<p>payments made under hospitality for facilitation of MRB Meetings.</p> <p>The Public Finance (PIM) Regulations, 2022 and the predecessor Treasury Circular No. 16/2019 directs that the Accounting Officer should undertake pre-feasibility and feasibility studies using internal capacity or sourced from other government institutions. The State Department applied internal capacity and technical Department officers were facilitated to undertake these responsibilities in line with above Regulations but for accountability purposes were issued with temporary imprests.</p> <p>Settlement of the contract services were processed through the other operating services; contracted technical services</p> <p>The State Department for Petroleum submitted previous Financial Years pending bills late in the Financial Year when it was not viable to initiate reallocation, thus in adherence to prioritization of pending bills as a first charge, these bills were processed before closure of the Financial Year within the allocated Recurrent Budget.</p>		
<p>1737</p>	<p><b>Unsupported Expenditures</b></p> <p>The statement of receipts and payments reflect and as disclosed in Notes 3 and 5 to the financial statements reflects Kshs.170,076,662 and Kshs.83,049,149 in respect of use of goods and services, and acquisition of assets respectively. However, expenditure of Kshs.7,536,575 on foreign travel and subsistence disclosed in Note 3 to the financial statements included payments totaling Kshs.1,141,422 which were not supported with air tickets, boarding passes, passports and after</p>	<p>i. The State Department for Mining facilitated foreign travel for official duties as required. The facilitation was through air tickets and subsistence allowances per each case. Missing documents as per the auditors' comments which include boarding passes, copies of passports, after training reports were provided</p>	<p>Not resolved</p>	<p>Waiting for PAC appearance</p>

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	<p>training or workshops for foreign travel. Additionally, expenditure of Kshs. 2,734,396 incurred on local travel but charged to foreign travel was not supported with work tickets and reports for after training, workshops, filed visits to assess mining activities and sensitization.</p> <p>Further, Note 3 to the financial statements reflects expenditure on domestic travel and subsistence of Kshs.53,068,012. However, payments totaling Kshs.6,705,636 were not supported with evidence of travel, back to office reports and expenditure schedules.</p> <p>In addition, training expenses of Kshs.2,476,453 were not supported by an approved training plan, attendance registers, training timetable and certificates of attendance and need assessment reports which informed the trainings. The hospitality Supplies and Services amount of Kshs.13,316,655 includes Kshs. 1,980,061 which was not supported with payment vouchers and expenditure returns from regional offices.</p> <p>Additionally, an amount of Kshs.5,225,644, Kshs.2,202,420 and Kshs.303,252 incurred on fuel, routine maintenance for vehicles and routine maintenance other assets respectively, under acquisition of assets, all totaling Kshs.7,731,316, through Authority to Incur Expenditure (AIE) payments, were not supported with expenditure returns, and payment vouchers for audit review. In addition, payments of Kshs.5,410,065 described as district expenditure in the ledger were not supported by returns and expenditure documents, and thus their nature and purpose could not be confirmed.</p> <p>In the circumstances, the accuracy and completeness of the expenditure of Kshs.170,118,662 could not be</p>	<p>ii. Documents for local travel were availed for review</p> <p>iii. The expenditure of Kshs.3,387,800 imprest claims, some officers were facilitated with transport from our Regional Mining Offices where the operations were taking place. Request and authorization for additional vehicles is attached for review</p> <p>iv. Public Servants are required to be members of good standing to their respective professional bodies in order to maintain and be accountable to professional standards. The annual and periodic professional conferences support professional development and accumulation of requisite Continuous Professional Development (CPD) points in an endeavor to professionalize the Public Service. Various State Department staff attended the professional institutions training in-line with the Public Service Regulations, 2020. The training activities for SDM staff for FY 2022/2023 also incorporated training programs in the approved training plan for the defunct State Ministry of Petroleum and Mining formed the basis for implementation of the specific sponsorships for training programs.</p> <p>v. Hospitality expenditure amounting to Ksh 1,980,061 were incurred in the field offices (districts) as per AIEs issued and respective expenditure returns from District Vote Book Management System are attached for review. The respective Payments Vouchers / support documents are under the respective the</p>
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		<p>National Sub-Countries Treasuries and are available for audit review</p> <p>vi. The total expenditure of Ksh 7,731,316 for fuel, routine maintenance for vehicles and other assets were incurred in the field offices (districts) as per AIEs issued and respective expenditure returns from District Vote Book Management System were attached for review. The respective Payments Vouchers / support documents are under the respective the National Sub-Countries Treasuries and are available for audit review</p>	
<p><b>1738</b></p>	<p><b>Budgetary Control and Performance</b></p> <p>The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.368,804,850 and Kshs.260,811,421 respectively resulting to an underfunding of Kshs.107,992,429 or 29% of the budget. Similarly, the statement reflects final expenditure budget and actual on comparable basis of Kshs.368,804,850 and Kshs.260,123,220 respectively resulting to an under expenditure of Kshs.108,681,630 or 29% of the budget.</p> <p>The underfunding and under expenditure affected the planned activities and may have impacted negatively on service delivery to the public</p>	<p>The under-expenditure was occasioned by under-issuance of development budget exchequer by Ksh.89,771,158 and under-collection of AIA of Ksh.19,056,680. The activities which were earmarked for these funds will be implemented in subsequent financial year including payment of pending bills which resulted from this underfunding. Development and Recurrent Exchequer Receipt Register</p>	<p>Not resolved</p> <p>Waiting for PAC appearance</p>
<p><b>1739</b></p>	<p><b>Pending Accounts Payable</b></p> <p>Note 12.3 to the financial statements reflects pending accounts payables of Kshs.93,883,644 owed to suppliers that had not been paid at the close of the year. Failure to settle bills during the year in which they relate distorts the financial statements and adversely affects the budgetary provisions for the subsequent year as they form a first charge.</p>	<p>The State Department carried forward pending bills amounting to Ksh 93,883,644 as at closure of the Financial Year 2022/23. This was occasioned by under-issuance of development budget exchequer by Ksh 89,771,158 and under-collection of AIA of Ksh 19,056,680 as indicated in responses above.</p>	<p>Not resolved</p> <p>Waiting for PAC appearance</p>

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	<p><b>Irregular Expenditure on Travel and Subsistence</b></p> <p>The statement of receipts and payments reflects expenditure on use of goods and services amount of Kshs.170,076,662 which includes Kshs.53,068,012 on domestic travel and subsistence allowances. Review of documents indicate an expenditure of Kshs.2,883,000 was incurred by 18 officers who were undertaking an 11-day field visit exercise of audit of mineral production and sales by mining companies to assess royalties and cement levy payments on 08 June, 2023 and 18 June, 2023. The areas visited included Kajjado, Machakos, Taita Taveta, Mombasa, Kisumu, Kisii, Nakuru and Kiambu. However, an amount of Kshs.3,998,950 was also incurred by another team of 36 officers just a day after the completion of previous exercise. The second team took 10 days from 19 June, 2023 and 30 June, 2023 indicating that they were undertaking verification of performance of mineral rights holders in Kajjado, Kisii, Migori, Mombasa, Taita Taveta and Nakuru and other areas. In addition, five 5 officers participated in first and second exercises.</p>	<p>Amounts totaling to Kshs.53,433,408.35 were settled in FY 2023-2024</p>	
<p>1740</p>		<p>The two activities in question are distinct on scope, coverage and objectives.</p> <p>Section 185 of the Mining Act requires a holder of the mineral right to maintain up to date records. Section 185(3) requires Cabinet Secretary to designate Inspectors of Mines to inspect the books, records and information to ascertain and verify the royalty payable against what has been paid as required in section 186. The exercise is planned for and conducted in the licensed registered offices.</p> <p>The activity on field visit exercise of audit of mineral production and sales by mining companies to assess royalties and cement levy payments targeted mining company's registered headquarters offices where final production and sales records are filed. The activity was carried out by a team of officers from different divisions and units including accounts, finance and inspectorate who were members of a taskforce created by the Principal Secretary to enhance revenue collection.</p> <p>Further, section 196(2) requires Inspectors of Mines to monitor compliances and take enforcement action required. The condition for prospecting and mining licenses issued has it that a holder must adhere to the mining program, comply with environmental, health, safety, local content among others.</p> <p>The second activity was on verification of performance of mineral rights holders undertaken by inspectors of mines as part of the regular inspections of mineral rights as provided in section 196. This activity involved</p>	<p>Not resolved</p> <p>Waiting for PAC appearance</p>

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		mining sites (not head offices) visit to each of the licenses held by a mineral right holder. Respective back to office report were availed	
1741	<p><b>Failure to Remit Statutory Dues</b></p> <p>Review of the State Department human resource records revealed that dues and contributions to National Social Security Fund and National Health Insurance Fund for temporary employees were not deducted and remitted to the Funds. This is contrary to Section 20 of the National Social Security Fund Act No. 45 of 2013 and Section 16 of the National Hospital Insurance Fund (Amendment) Act, 2021 on standard contributions.</p> <p>In the circumstances, the State Department was in breach of the law</p>	<p>The State Department was granted approval to engage casuals on 24<sup>th</sup> February, 2023 which was only for FY 2022/2023 thus ending in June, 2023. The casuals engaged were carrying out manual assignments that lasted three (3) months and covered all regional offices across the Country. During the exercise, 45 casuals were hired for a duration ranging from 3 months to 1 month depending on need.</p> <p>The short-term engagement impaired finalization of registration of NHIF and NSSF. The State Department has initiated employer payment of all outstanding statutory dues related to the casuals i.e. NSSF; Kshs.22,800/- and NHIF; Kshs.68,400/- on behalf of all the casuals engaged during the period under review. We have reached out to the affected casuals to submit their NSSF &amp; NHIF details, a process that has taken time due to uncoordinated availability of all casuals.</p>	Not resolved
1742	<p><b>Irregular Procurement of Tree Seedlings</b></p> <p>The statements of receipts and payments reflects domestic travel and subsistence expenditure of Kshs.53,068,012 which includes Kshs.300,000 paid as facilitation allowance incurred on purchase of tree seedlings from Green Investors Limited during a Cabinet Secretary visit to Gulanze Polytechnic in Kinango Sub County, Kwale County on 3 June, 2023. However, the tree seedlings were procured through single sourcing. In addition, no inspection report of the seedlings whether they were delivered and planted was provided for audit confirmation. In addition, the procurement did not meet the</p>	<p>The Head of Public Service (HoPS) as per circular Ref. No. OP/CAB.1/17A dated 30<sup>th</sup> January, directed that the State Department to heed and take leadership on the directive of H.E the President of planting 15 billion trees. The State Department undertook tree planting at Kinango in Kwale County for their inaugural tree planting as approximately 50% of revenues under SDM is generated from the County. The area has several abandoned mining sites which require post-mining environmental restoration / rehabilitation. The tree seedlings were directly procured from Green Investors Ltd because of the proximity to the tree</p>	

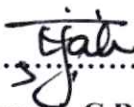
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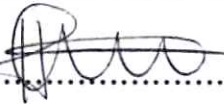
	<p>criteria for single sourcing and was not conducted in accordance with the Public Procurement and Disposal Act, 2015.</p>	<p>planting site and vulnerability of the seedlings to be sourced in a different area. The inspections of the seedlings were done and trees were planted and reports were availed for audit</p>	
1743	<p><b>Incomplete Asset Register</b></p> <p>The statement of receipts and payments reflects acquisition of assets expenditure of Kshs.83,049,149, and as disclosed in Note 5 to the financial statements. However, the State Department did not update its fixed asset register to show all the assets owned by the Department and their value as at 30 June, 2023.</p>	<p>The State Department for Mining was established as a stand-alone Vote through Executive Order No. 1 of 2023 in January 2023. The process of asset differentiation between the State Department for Petroleum and Mining was initiated and as at 30<sup>th</sup> June, 2023 State Department for Mining had a draft asset register. The draft asset register was used to prepare the Financial Statements. The Asset Register was finalized in October 2023 and was availed for audit</p>	
1744	<p><b>Weaknesses in Management of Standing Imprest</b></p> <p>During the year under review, Management maintained a standing imprest system for purposes of low value procurement of goods and services. However, standing imprest of Kshs.20,000 was issued to an officer who was not listed as imprest holder exposing the State Department to the risk of loss of funds where recovery of the same may be difficult. Further, imprest amount of Kshs.871,500 was used to purchase common use items like tonners, printing papers, computer accessories, notebooks, dust coats among others which should have been procured through the normal procurement process. In addition, some officers reimbursed standing imprest more than once in a month contrary to Public Finance (National Government) Regulations, 2015</p>	<p>i. List of standing imprest holders is usually prepared and approved at the beginning of a financial year. However, one of the Unit i.e. Explosives Unit was inadvertently omitted in the first list and was not issued with a standing imprest as per initial approval. Their request was approved on 11<sup>th</sup> May, 2023. An approved standing imprest of Kshs.20,000/- was granted effective May 2023.</p> <p>ii. In order to ensure non disruption of organizational processes due to stock outs and unforeseen expenses falling under low value procurement, the State Departments provided for standing low value procurement standing imprest and transport/motor vehicle standing imprest. Arising from these imprests are the cumulative low value procurement of Kshs.871,500. These procurements were done within the low value procurement method.</p>	

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		<p>iii. The common practice in standing imprests is that they are reimbursed on monthly basis, however, occasionally they are contingent circumstances that may necessitate more than one reimbursement in a month. During the course of the Financial Year, some office operations e.g. office of the Cabinet Secretary and Principal Secretary had exigencies of activities and thus were issued with additional standing imprests. When a group of visitors / clients come to visit the Cabinet Secretary or Principal Secretary, the respective imprest holder seeks imprest to cater for that specific need.</p>		
1745	<p><b>Loss of Drilling Equipment</b></p> <p>During the year under review, several drilling items belonging to the State Department were reported missing. The missing items consisted of drilling rods, casings and assorted items valued at Kshs. 9,570,000 at Madini house. Although the matter was reported to the Police for investigation, no information was provided on the progress of the matter, and measures taken by Management to prevent similar incident in the future.</p>	<p>The management reported a theft incidence on 13<sup>th</sup> October, 2023 at Madini House and reported the case to Industrial Area Police Station as per OB/No.38/13/10/2023 for investigation. A further follow-up with the police indicates the matter is still under investigation. The facility has been under guarding of civilian security and critical infrastructure police unit (CIPU). The management has enhanced security surveillance including CCTV monitoring while following up with the police for conclusion of investigations.</p>		

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 Elijah Mwangi, C.B. S  
 Accounting Officer

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 Kipyegon Siele  
 Head of Accounting Unit  
 ICPAK M/No. 8879

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17. Annexes

Annex 1 - Analysis of Pending Accounts Payable

Supplier of Goods or Services	Date invoiced/contracted	Particulars	Original Amount	Balance at the beginning of the year	Addition During the year	Amount paid During the year	Outstanding Balance	Comments
			A	B	C	D=A+B-C		
<b>Construction of buildings</b>								
1.Aventure Ltd (Pong Agencies, Realtek Plumbers Ltd)	2018/2019	Refurbishment of Madini House	2,098,924	0	0	0	2,098,924	
2.Aventure Ltd (Pong Agencies, Realtek)	2018/2019	Refurbishment of Madini House	7,477,448	0	0	0	7,477,448	
3.Mngiwa general contractors	2014/2015	Proposed construction of Gemstone voi center	769,931	0	0	0	769,931	
4.Kioga K. Limited		Rehabilitation of Madini house	0	0	762,000	0	762,000	
<b>Sub-Total</b>							<b>11,108,303</b>	
<b>Supply of goods</b>								
1. Geotham Limited	2022/2023	Supply of Laboratory Equipments	36,000	0	0	0	36,000	
2. Faram E.A. Limited	2022/2023	Supply of Laboratory Equipments	957,000	0	0	0	957,000	
3. Antela Investment	2022/2023	Supplu of toners	380,250	0	0	0	380,250	
4. Wagtech Africa Limited	2022/2023	Supply of Laboratory Equipments	2,777,894	0	0	0	2,777,894	
5. Internet Traders	2022/2023	Supply of Laboratory Equipments	3,985,200	0	0	0	3,985,200	

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Supplier of Goods or Services	Date invoiced/ contracted	Particulars	Original Amount	Balance at the beginning of the year	Addition During the year	Amount paid During the year	Outstanding Balance	Comments
6. Vistasu Merchadised Investment	2022/2023	Supply of Stationeries	161,770	0	0	0	161,770	
7. Pixel General Merchants	2022/2023	Supply of tonners	59,100	0	0	0	59,100	
8. Chemsil General Merchants	2022/2023	Stationery	590,984	0	0	0	590,984	
9. Jeta General	2022/2023	Stationery	358,800	0	0	0	358,800	
10. Premih General Supplies	2022/2023	Motor Vehicle Tyres	40,900	0	0	0	40,900	
11. Jayfay Enterprises	2022/2023	Supply of tonners	708,000	0	0	0	708,000	
12. Fairrate Tyres & Auto Mart	2022/2023	Supply of tyres	997,750	0	0	0	997,750	
13. Hadak Enterprise	2022/2023	Supply of tonners	321,550	0	0	0	321,550	
14. Allusa S. Investment	2019/2020	Supply of TVs	1,513,190	0	0	0	1,513,190	
15. Solekid Enterprises	131 7/06/2024	Supply and delivery of filter paper	0	0	752,550	0	752,550	
16 Geoscintex	1207 KRACU020 000864214 21/06/2024	Supply and Delivery Of Magnetic Susceptibility Meter	0	0	6,465,000	0	6,465,000	
17 Delpo Investments Limited	KRACU020 0057547/1 14/06/2024 LPO NO-1170	Supply and Delivery of Customized forty foot containers for Regional Mineral Testing Laboratory for Kitui Regional Mining Office	0	0	2,436,000	0	2,436,000	
18 Vision Scientific And Engineering Kenya Limited	VSK/INV/2 024/505	Supply and Delivery of Gem-N-Eye-111 Refractometer,	0	0	7,767,429	0	7,767,429	

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Supplier of Goods or Services	Date invoiced/contracted	Particulars	Original Amount	Balance at the beginning of the year	Addition During the year	Amount paid During the year	Outstanding Balance	Comments
		Supply Delivery, Testing and Commissioning of Handheld XRF	0	0	33,773,400	0	33,773,400	
19 Educational Scientific And Technical Equipment Company	21663 LPO-907 26/06/2024	Supply, Delivery, Testing And Commissioning Of Laboratory Equipment (ICP-MS Specification)	0	0	6,300,000	0	6,300,000	
20 Geoscintex	KRACU020 0008642/7 LPO-1204 21/06/2024	Supply and Delivery of Seismometer	0	0	4,300,000	0	4,300,000	
21 Geoscintex	KRACU020 0008642/5 LPO-1210 21/06/2024	Supply and Delivery Seismogram Digitizer and Recorder	0	0	6,300,000	0	6,300,000	
22 Geoscintex	KRACU020 0008642/7 LPO-1208 21/06/2024	Supply and Delivery of Accelerometer	0	0	2,825,610	0	2,825,610	
23 Vision Scientific sand Engineering Kenya Limited	VSK/INV/2 024/506 LPO-1028 18/06/2024	Supply and Delivery of Multifunction Coloured Laser Printer As Per Specification, Supply And Delivery of Polish Laps, Supply	0	0		0		

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Supplier of Goods or Services	Date invoiced/ contracted	Particulars	Original Amount	Balance at the beginning of the year	Addition During the year	Amount paid During the year	Outstanding Balance	Comments
24 Delpo Investments Limited	KRACU020 0057547/3 LPO-1168 14/06/2024	and Delivery of Silicone Carbide for Tumbling Supply and delivery of customized forty foot containers for Regional Mineral Testing Laboratory For Mombasa Regional Mining Office	0	0	5,835,999	0	5,835,999	
25 Faram E.A Limited	330933 16/06/2023 LPO-740	Memmert universal Oven-UF260	0	0	957,000	0	957,000	
26 Wagtech Africa	2168 15/02/2024	Refractometer fluid canada balsam, mounting medium for microscopy 100ml and flouride half-cell Electrode Filling Solution, 50ml	0	0	2,464,399.14	0	2,464,399.1	
27 Geoscintex	528 28/06/2024 LPO-1205	Supply and delivery of atomic absorption spectrometers	0	0	17,750,000	0	17,750,000	
<b>Sub-Total</b>							<b>110,815,775</b>	
<b>Supply of services</b>								
1. Flight Centre	2022/2023	Airticket	52,360	0	0	0	52,360	
2. National Industrial Training Authority (NITA)	2022/2023	Conference Facility	450,000	0	0	0	450,000	

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Supplier of Goods or Services	Date invoiced/ contracted	Particulars	Original Amount	Balance at the beginning of the year	Addition During the year	Amount paid During the year	Outstanding Balance	Comments
3. Lake Naivasha Resort Centre	2019/2020	Conference Facility	436,000	0	0	0	436,000	
4. Naivasha Rocky Eco Lodge Naivasha	2019/2020	Conference Facility	472,000	0	0	0	472,000	
5. Chambai Springs Hotel Ltd	2019/2020	Conference Facility	80,000	0	0	0	80,000	
6. Wildbeest Safaris	2019/2020	Transport Hire	120,000	0	0	0	120,000	
7. Wildbeest Safaris	2019/2020	Transport Hire	125,000	0	0	0	125,000	
8. The Sechu plaza Hotel	2019/2020	Conference Facility	171,000	0	0	0	171,000	
9. Masada Hotel	2019/2020	Conference Facility	1,608,000	0	0	0	1,608,000	
10. Government Advertising Agency	2021/2022	Advertisement	292,106	0	0	0	292,106	
11. Office of the AG	6/29/2023	Legal Dues	922,735	0	0	0	922,735	
12. KSG	13/10/2022	Training	1,448,200	0	0	0	1,448,200	
13. Kenya Power	11/1/2023	Utility Service	540,818	0	0	0	540,818	
14. The Standard Group	12/2/2021	Advertisement	210,412	0	0	0	210,412	
15. Green Bay Travel Ltd	2020/2021	Airticket	147,110	0	0	0	147,110	
16. Prideinn Paradise Hotel Msa	2019/2020	Conference Facility	329,000	0	0	0	329,000	
17. Toyota Kenya Ltd	2019/2020	Motor Vehicle Repair	309,722	0	0	0	309,722	
18. Wise Air & Holiday	2019/2020	Airticket	655,000	0	0	0	655,000	
19. Dantech Motors	2019/2020	Motor Vehicle Repair	498,500	0	0	0	498,500	
20. Dantech Motors	2019/2020	Motor Vehicle Repair	56,074	0	0	0	56,074	
21. Dantech Motors	2019/2020	Motor Vehicle Repair	16,644	0	0	0	16,644	
22. Dantech Motors	2019/2020	Motor Vehicle Repair	28,884	0	0	0	28,884	
23. Dantech Motors	2019/2020	Motor Vehicle Repair	31,111	0	0	0	31,111	
24. Dantech Motors	2019/2020	Motor Vehicle Repair	252,880	0	0	0	252,880	
25. Crown Motors Group Ltd	2020/2021	Motor Vehicle Repair	332,498	0	0	0	332,498	
26. Chamwa Motors Ltd	2020/2021	Motor Vehicle Repair	23,200	0	0	0	23,200	
27. Chamwa Motors Ltd	2020/2021	Motor Vehicle Repair	299,860	0	0	0	299,860	

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Supplier of Goods or Services	Date invoiced/ contracted	Particulars	Original Amount	Balance at the beginning of the year	Addition During the year	Amount paid During the year	Outstanding Balance	Comments
28. Chamwa Motors Ltd	2019/2020	Motor Vehicle Repair	21,460	0	0	0	21,460	
29. Chamwa Motors Ltd	2019/2020	Motor Vehicle Repair	399,000	0	0	0	399,000	
30. Chamwa Motors Ltd	2019/2020	Motor Vehicle Repair	83,694	0	0	0	83,694	
31. Chamwa Motors Ltd	2019/2020	Motor Vehicle Repair	29,298	0	0	0	29,298	
32. Chamwa Motors Ltd	2019/2020	Motor Vehicle Repair	73,660	0	0	0	73,660	
33. Chamwa Motors Ltd	2019/2020	Motor Vehicle Repair	25,878	0	0	0	25,878	
34. Ovation Travel Ltd	2020/2021	Airticket	599,915	0	0	0	599,915	
35. The Travel Hub	2019/2020	Airticket	1,947,328	0	0	0	1,947,328	
36. African Touch Safaris Ltd	2019/2020	Airticket	224,540	0	0	0	224,540	
37. LongRock Tours & Travel Ltd	2019/2020	Airticket	341,435	0	0	0	341,435	
38. Silvercare Agencies	2019/2020	Airticket	194,910	0	0	0	194,910	
39. Wamerwa Auto & Mechanical Engineering	2019/2020	Motor Vehicle Repair	29,928	0	0	0	29,928	
40. Wamerwa Auto & Mechanical Engineering	2019/2020	Motor Vehicle Repair	58,786	0	0	0	58,786	
41. LongRock Tours & Travel Ltd	2021/2022	Airticket	22,100	0	0	0	22,100	
42. Flight Centre	2020/2021	Airticket	107,700	0	0	0	107,700	
43. Naivasha Rocky Eco Lodge Naivaisha	2020/2021	Conference Facility	768,000	0	0	0	768,000	
44. Naivasha Rocky Eco Lodge Naivaisha	2020/2021	Conference Facility	730,000	0	468,000	0	262,000	
45. State Department for Broadcasting & Telecommunication	2020/2021	Advertisement	98,793	0	0	0	98,793	
46. Ministry of Works and Sports Club	2021/2022	Conference Facility	55,080	0	0	0	55,080	
47. Chrisco Auto Garage	2021/2022	Motor Vehicle Repair	515,000	0	0	0	515,000	

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Supplier of Goods or Services	Date invoiced/ contracted	Particulars	Original Amount	Balance at the beginning of the year	Addition During the year	Amount paid During the year	Outstanding Balance	Comments
48. Bewada Enterprises	2021/2022	Motor Vehicle Repair	285,000	0	0	0	285,000	
49. Government Printer	2021/2022	Printing of files	725,000	0	0	0	725,000	
48. Primate Tours Ltd	2021/2022	Airticket	29,820	0	0	0	29,820	
49. State Department for Broadcasting & Telecommunication	2021/2022	Advertisement	292,106	0	0	0	292,106	
50 Munyao Muthama And Kashindi Advocate	1228	30% payment for consultancy services for development of Mine Health and Safety Environmental Regulations-4th Fee Note	0	0	4,176,000	0	4,176,000	
51 Munyao Muthama And Kashindi advocates	1227	Payment of 30% consultancy services for development of Mines Health and Safety Environment Regulations 3rd Fee Note	0	0	4,176,000	0	4,176,000	
52 Zakale expeditions Ltd	TIN/24/04/00457	Procurement of return ticket for brian kamanza to Eldoret On 7th -8th April 2024 to attend the commissioning of Cemtech Cliner Plant in West Pokot	0	0	35,520	0	35,520	

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Supplier of Goods or Services	Date invoiced/contracted	Particulars	Original Amount	Balance at the beginning of the year	Addition During the year	Amount paid During the year	Outstanding Balance	Comments
53 Sajje Solutions Kenya Limited	1192006382	Consultancy Services - Development of a five year (2023-2027) strategic plan	0	0	556,800	0	556,800	
54 Kenya Agricultural and Livestock Research Organization Dairy Research Institute- (KALRO	LSO to be generated	Conference Packages	0	0	200,448	0	200,448	
55 KSG-Matuga	LSO to be generated MGT 0023	Provision of half day conference facilities and VIP lounge	0	0	187,800	0	187,800	
56 Kenya School of Government (KSG	LSO to be generated MTG 0022	Charges for Hall, LCD Projector, Wifi, Writing Materials, mineral water (500ml) 1btl, Flip Charts, One tea (10am), buffet lunch with one soft drink	0	0	135,720	0	135,720	
			0					
57. Kenya Institute of Curriculum Development (KICD	LSO to be generated 1900000030 47	Provision of conferece facilities for a full day conference package	0	0	175,000	0	175,000	
58. Africa Bliss	INV 3141 13/6/2024	procurement of one way ticket for Alex	0	0	39,000		39,000	

Supplier of Goods or Services	Date invoiced/contracted	Particulars	Original Amount	Balance at the beginning of the year	Addition During the year	Amount paid During the year	Outstanding Balance	Comments
	LSO to be generated	Chai and Silah Kipchirchir				0		
59. Africa Bliss	3060 1/4/2024 LSO to be generated	Nyembwe/Ali Mr, Mvurya/Salim HON airticket	0	0	62,825	0	62,825	
60. Turkenya Tours and Safaris LTD	13834 LSO to be generated	Alex Chai air ticket	0	0	22,020	0	22,020	
61. Kenya Agricultural and Livestock Research Organization Dairy Research Institute-Naivasha	49044 LSO to be generated	Conference package, projector charge	0	0	333,500	0	333,500	
62. Turkenya Tours and Safaris LTD	14084 27/6/2024 LSO to be generated	David Onyancha, Paul Mirie and Francis Mutisya air ticket	0	0	94,800	0	94,800	
63. Kenya Forestry Research Institute	00911 26/03/2024 LSO to be generated	Provision of conferece facilities for a full day conference package on 26th March,2024.	0	0	161,000	0	161,000	

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Supplier of Goods or Services	Date invoiced/contracted	Particulars	Original Amount	Balance at the beginning of the year	Addition During the year	Amount paid During the year	Outstanding Balance	Comments
64. KSG-EMBU	EMB01405 21/06/2024 LSO to be generated	4 days conference facility	0	0	203,580	0	203,580	
65. Africa Bliss	3152 26/06/2024 LSO to be generated	procurement of return ticket	0	0	57,600	0	57,600	
66. Bandari maritime Academy	BMA/CORP /FA/POL/03 0 20/06/2024	Conference facility	0	0	138,000	0	138,000	
67. KSLH	PM9018 6/09/2023	Conference Hall hire	0	0	336,000	0	336,000	
68. Turkenya Tours and Safaris LTD	13872 22/06/2024	Mr. Stephen Thuo and Mr. Elijah Mwangi air ticket	0	0	73,425	0	73,425	
69. Turkenya Tours and Safaris LTD	13873 22/06/2024 LSO to be generated	Thomas kipngeny and Gregory Kituku air tickets	0	0	63,580	0	63,580	
70. Turkenya Tours and Safaris LTD	13871 22/06/2024 LPO NO-1230	HON Salim Mvurya, Josphat Mlombia and Brian Kamanza air tickets	0	0	90,510	0	90,510	

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Supplier of Goods or Services	Date invoiced/ contracted	Particulars	Original Amount	Balance at the beginning of the year	Addition During the year	Amount paid During the year	Outstanding Balance	Comments
			0					
71. Turkenya Tours and Safaris LTD	14067 22/06/2024 LPO NO- 1229	Rodgers Chimega, Brian Kamanza, Josphat Mlombia and Salim Mvurya air tickets	0	0	128,450	0	128,450	
72. Machakos Technical Institute for the Blind	PINV/126/2 023-2024 25/01/2023	Conference facility	0	0	480,000	0	480,000	
73. Zakale Expeditions	TIN/24/04/0 0/204 18/4/2024	Paul Mirie,Elijah Mwangi,,Julius Mututua	0	0	113,260	0	113,260	
74. MS Legend Hotels Ltd(The White Rhino Hotel)	LPO NO:1107 24/04/2024	Conference facility	0	0	175,000	0	175,000	
75. KSG-Matuga	Not attached	Conference facility	0	0	135,720	0	135,720	
76. Ms Africa Bliss Ltd	3159 27/06/2024 LSO to be generated	Salim Mvurya,Brian Kamanza ,Ali Nyembwe	0	0	99,600	0	99,600	
77. Sarova Stanley Ltd	Qtn 27/11/2023 LSO to be generated	Breakfast meeting	0	0	129,000	0	129,000	
78. Kenya Safari Lodges and Hotels (Mombasa Beach Hotel)	LSO to be generated	Conference facility	0	0	240,000	0	240,000	

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Supplier of Goods or Services	Date invoiced/contracted	Particulars	Original Amount	Balance at the beginning of the year	Addition During the year	Amount paid During the year	Outstanding Balance	Comments
79. Kenya Wildlife Research Training Institute	Qtn 12/06/2024 LSO to be generated	Conference facility	0	0	95,120	0	95,120	
80. Zakale Expeditions Ltd	TIN/24/06/00600 12/06/2024	Air tickets for Dr.Lul	0	0	24,800	0	24,800	
81. Ms Jayson Tours and Travel Ltd	No Invoice LSO to be generated	Air tickets for Elijah Mwangi and two aides	0	0	105,400	0	105,400	
82. Ms Jayson Tours and Travel Ltd	03824 5/08/2024	Air tickets for Gregory Kituku and Thomas Kipngeny	0	0	43,600.	0	43,600	
83. Granite Travel Ltd	00004544 11/06/2024	Salim Mvurya and Brian Kamanza and Mazera Mgala	0	0	66,900	0	66,900	
84. Zakale Expeditions Ltd	Not attached	Elijah Mwangi and Paul Mirie	0	0	51,090	0	51,090	
85. Ms Africa Bliss Travel Ltd	3153 26/06/2024 LSO-1232	Air tickets for Julius Mututua	0	0	18,800	0	18,800	
86. Turkenya Tours and Safaris LTD	13831 19/06/2024 LSO to be generated	Salim Mvurya and Brian Kamanza and Mazera Mgala and Rodgers Chimega	0	0	101,200	0	101,200	

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Supplier of Goods or Services	Date Invoiced/contracted	Particulars	Original Amount	Balance at the beginning of the year	Addition During the year	Amount paid During the year	Outstanding Balance	Comments
87. Turkenya Tours and Safaris LTD	14083 26/06/2024 LSO to be generated	Air tickets for Elijah Mwangi and Stephen Mututua	0	0	70,200	0	70,200	
88. Machakos Technical Institute for the Blind	PINV/002/2 024-2025 25/07/2024 LSO to be generated	Conference facility	0	0	400,000	0	400,000	
89. Kenya Agricultural and Livestock Research Organization Dairy Research Institute- (KALRO)	Invoice not attached	Conference facility	0	0	333,500	0	333,500	
90. KSG-Matuga	MTG 00231 28/06/2024 LSO to be generated	Conference facility	0	0	192,560	0	192,560	
91. Ms Silver Africa Tours Ltd	00015587 11/06/2024 LSO to be generated	Air ticket for David Onyancha	0	0	26,900	0	26,900	
92. Africa Bliss Travel LTD	Not attached	Julius Mututua air ticket	0	0	18,800	0	18,800	
93. KSG-Matuga	MTG00229	Conference facility	0	0	1,153,620	0	1,153,620	

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Supplier of Goods or Services	Date invoiced/ contracted	Particulars	Original Amount	Balance at the beginning of the year	Addition During the year	Amount paid During the year	Outstanding Balance	Comments
	06/05/2024							
94. Government advertising agency	LSO to be generated	Advertising	0	0	180,758	0	180,758	
95. Government advertising agency	LSO to be generated	Advertising	0	0	180,758	0	180,758	
96. Government advertising agency	LSO to be generated	Advertising	0	0	180,758	0	180,758	
97. Government advertising agency	LSO to be generated	Advertising	0	0	212,115	0	212,115	
98. Government advertising agency	LSO to be generated	Advertising	0	0	180,758	0	180,758	
99. Government advertising agency	LSO to be generated	Advertising	0	0	967,797	0	967,797	
100. Government advertising agency	LSO to be generated	Advertising	0	0	212,115	0	212,115	
101. Government advertising agency	LSO to be generated	Advertising	0	0	180,758	0	180,758	
102. Government advertising agency	LSO to be generated	Advertising	0	0	205,045	0	205,045	

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Supplier of Goods or Services	Date invoiced/contracted	Particulars	Original Amount	Balance at the beginning of the year	Addition During the year	Amount paid During the year	Outstanding Balance	Comments
103. Government advertising agency	LSO to be generated	Advertising	0	0	146,079	0	146,079	
104. Government advertising agency	LSO to be generated	Advertising	0	0	723,030	0	723,030	
105. Government advertising agency	LSO to be generated	Advertising	0	0	503,152	0	503,152	
106. Flight Center Travel Limited	7225 05/04/2024 LPO NO- 1196	One way ticket for Hon. Salim Mvurya and return ticket for Silah Kipchirchir to Eldoret on 8 <sup>th</sup> April, 2024	0	0	70,080	0	70,080	
107. Wildebeest Safaris	1192001656 LPO NO- 853	Provision of transport hire to Karen for 4days from 22 <sup>nd</sup> to 25 <sup>th</sup> July 2019	0	0	120,000	0	120,000	
108. Turkenya Tours and Safaris Limited	13700 11/06/2024 LPO NO- 1219	Return Tickets for Mr. David Onyancha and Wagema Mwangi	0	0	74,940	0	74,940	
109. Granite Travel Ltd	00004532 06/06/2024 LPO NO- 1195	Air ticket for Brian Kamanza	0	0	21,800	0	21,800	
110. Granite Travel Ltd	00004317 03/04/2024	Air Ticket for Salim Mvurya, Ali	0	0	104,080	0	104,080	

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Supplier of Goods or Services	Date invoiced/contracted	Particulars	Original Amount	Balance at the beginning of the year	Addition During the year	Amount paid During the year	Outstanding Balance	Comments
	LPO NO-1164	Nyembwe, Brian Kamanza and Rodgers Chimega						
111. Jayson Tours and Travel Ltd	20204 24/05/2024 LPO NO-1216	One way Air Ticket for Brian Kamanza	0	0	26,300	0	26,300	
112. Jayson Tours and Travel Ltd	20215 15/05/2024 LPO NO-1212	One way Air Ticket for Salim Mvurya, Brian Mazera and Dr Lul	0	0	106,700	0	106,700	
113. Flight Center Travel Limited	6226 30/06/2024 LPO NO-863	Return Tickets for PS Elijah Mwangi and Stephen Thuo	0	0	104,720	0	104,720	
			0					
114. Zakale Expeditions Ltd	TIN24/06/00420 20/06/2024 LPO NO-1158	Return Ticket for Francis Mutisya	0	0	45,600	0	45,600	
115. Softcom Business Solutions Limited	KRACU0200041124/6 29/06/2024 LPO NO-1224	30% Payment for Consultancy Services for Development of Laboratory Information Management System (LIMS)-3rd Payment	0	0	4,235,368	0	4,235,368	

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Supplier of Goods or Services	Date Invoiced/contracted	Particulars	Original Amount	Balance at the beginning of the year	Addition During the year	Amount paid During the year	Outstanding Balance	Comments
116. Softcom Business Solutions Limited	KRACU020 0041124/3 LPO-1222 24/06/2024	Payment For Consultancy Services for Development Of Lims-User Acceptance Report-4th Phase	0	0	4,235,368	0	4,235,368	
117. Race guards	LPO1147	Provisions of professional guards' services for the month june2024	0	0	1,009,200	0	1,009,200	
118. Rockland jewellers ltd	LPO1239	5% final payment for consultancy services on value chain analysis	0	0	452,274	0	452,274	
119. African Bliss travel ltd	LPO 926	Procurement of air tickets	0	0	120,435	0	120,435	
120. Jayson Tours	PO983	Procurement of air tickets	0	0	57,200		57,200	
121. Kenya School of Government	PO844	Conference	0	0	55,000	0	55,000	
122. Zakale Tours	PO932	Procurement of air tickets	0	0	24,900	0	24,900	
123. National Mining Corporation	2019/2020	Payment to Flouspar day and boarding Primary School		0	11,722,984	0	11,722,984	
<b>Sub-Total</b>							<b>59,082,265</b>	
<b>Grand Total</b>							<b>181,006,343</b>	

## Annex 2 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs) Previous Year	Additions during the year (Kshs)	Disposals during the year (Kshs)	Transfers in/(out) during the year	Historical Cost c/f (Kshs) Current Year
Buildings and structures	143,052,478	0	0	0	143,052,478
Purchase of vehicles & other transport equipment	101,751,509	205,250,179	0	0	307,001,688
Office furniture and general equipment	46,942,627	2,063,940	0	0	49,006,567
ICT Equipment	22,717,550	166,781,911	0	0	189,499,461
Machinery and Equipment	352,828,626	0	0	0	352,828,626
Intangible assets	11,047,817	0	0	0	11,047,817
<b>Total</b>	<b>678,340,607</b>	<b>374,096,030</b>	<b>0</b>	<b>0</b>	<b>1,052,436,637</b>

Annex 3 – List of SAGAs Under State Department for Mining

Ref	SC, SAGA or Public Fund's name	Amount transferred during the year	Inter- entity reconciliations done? (yes/no)
1	National Mining Corporation	280,000,000	Yes
	<b>Totals</b>	<b>280,000,000</b>	

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#### **Annex 4- Reports Generated from IFMIS**

- 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-program