

REPUBLIC OF KENYA



*Paper hand  
by Tom  
5/12/2017*

OFFICE OF THE AUDITOR-GENERAL



**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

**THE FINANCIAL STATEMENTS OF  
NATIONAL GOVERNMENT  
CONSTITUENCIES DEVELOPMENT FUND  
MWINGI CENTRAL CONSTITUENCY**

**FOR THE YEAR ENDED  
30 JUNE 2016**



NATIONAL GOVERNMENT CDF BOARD  
P. O. BOX 46682 - 00100, NAIROBI  
**REGISTRY**  
23 SEP 2016  
**RECEIVED**  
NAME:..... SIGN:.....



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NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND -  
MWINGI CENTRAL CONSTITUENCY

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED  
JUNE 30, 2016

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

OFFICE OF THE AUDITOR GENERAL  
P. O. Box 30084 - 00100, NAIROBI  
30 SEP 2016  
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**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND –  
MWINGI CENTRAL CONSTITUENCY**

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

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**I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT**

**(a) Background information**

The Constituencies Development Fund (CDF) was established under the Constituencies Development Fund (CDF) Act, 2003, amended in 2007 and repealed by the CDF Act of 2013. In 2015, the CDF Act of 2013 was declared unconstitutional and a new Act was enacted in 2015, being the National Government Constituencies Development Fund Act, NG-CDF Act, 2015. The National Government Constituencies Development Fund (NG-CDF) is under the Ministry of Devolution and Planning. The objective of the Fund is to provide mechanisms for supplementing implementation of the National Government development Agenda at the constituency level.

**(b) Key Management**

The Mwingi Central Constituency's day-to-day management is under the following key organs:

- i. Constituencies Development Fund Board (NGCDFB)
- ii. National Government Constituency Development Fund Committee (NGCDFC)

**(c) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2015 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Daniel Komen
3.	Accountant	Francis Nyamai

**(d) Fiduciary Oversight Arrangements**

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of Mwingi Central Constituency. The reports and recommendation of ARMC when adopted by the NGCDF Board are forwarded to the NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND Committee (NGCDFC) for action. Any matters that require policy guidance are forwarded by the Board to the Cabinet Secretary and National Assembly Select Committee.

**(e) MWINGI CENTRAL NGCDF Headquarters**

LDP Building.  
P.O Box 585-90400  
MWINGI



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- MWINGI  
CENTRAL CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2016**

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**(f) MWINGI CENTRAL NGCDF Contacts**

Telephone: (254) 7105144491  
E-mail: [cdfmwingicentral@ngcdf.go.ke](mailto:cdfmwingicentral@ngcdf.go.ke)  
Website: [www.](http://www.)

**(g) MWINGI CENTRAL NGCDF Bankers**

Equity Bank Limited  
Mwingi Branch  
P.O Box 280-90400  
Mwingi

**(h) Independent Auditors**

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


**(i) Principal Legal Adviser**

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

**II. FORWARD BY THE CHAIRMAN NATIONAL GOVERNMENT CONSTITUENCY  
DEVELOPMENT FUND COMMITTEE (NGCDFC)**

The NGCDFCs wish to have in summary the budget performance against actual amounts for current year based on economic classification and programmes. The NGCDF have improved the Education and Security infrastructures of Mwingi Central.

However there have been emerging issues like political, economic, social, legal and global challenges influencing the implementation of NGCDF Project. Other issues affecting the project implementation process is the late disbursement of funds, late approved of proposals and reallocations.

  
Sign.....  
**CHAIRMAN NGCDFC**

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- MWINGI  
CENTRAL CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2016

III. STATEMENT OF NGCDF 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 NGCDF shall prepare financial statements in respect of that NGCDF. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

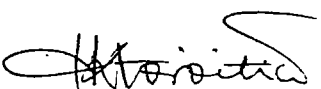
The Accounting Officer in charge of the Mwingi Central NGCDF is responsible for the preparation and presentation of the NGCDF's financial statements, which give a true and fair view of the state of affairs of the NGCDF for and as at the end of the financial year (period) ended on June 30, 2016. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the NGCDF; (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 NGCDF; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

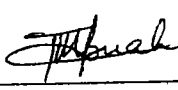
The Accounting Officer in charge of the Mwingi Central NGCDF accepts responsibility for the NGCDF's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the NGCDF's financial statements give a true and fair view of the state of NGCDF's transactions during the financial year ended June 30, 2015, and of the NGCDF's financial position as at that date. The Accounting Officer in charge of the Mwingi Central NGCDF further confirms the completeness of the accounting records maintained for the NGCDF, which have been relied upon in the preparation of the NGCDF's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the Mwingi Central NGCDF confirms that the NGCDF has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the NGCDF'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 NGCDF'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 NGCDF's financial statements were approved and signed by the Accounting Officer on 21/9 2016.

  
Fund Account Manager

  
Chairman





## OFFICE OF THE AUDITOR-GENERAL

### REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - MWINGI CENTRAL CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2016

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#### REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of the National Government Constituencies Development Fund - Mwingi Central Constituency set out in an inconsistently paged document, which comprise the statement of financial assets as at 30 June 2016, statement of cash flows and the summary statement of appropriation for the year then ended, together with 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.

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

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 such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting

estimates made by the management, as well as evaluating the overall presentation of the financial statements.

Because of the matters described in the Basis for Disclaimer of Opinion Paragraph, however, I am not able to obtain sufficient audit evidence to provide a basis for an audit opinion.

## **Basis for Disclaimer of Opinion**

### **1.0 Non-Compliance with the Prescribed Reporting Format**

The Cash Basis Accounting Method under the International Public Sector Accounting Standards (IPSAS) reporting format prescribed by the National Treasury requires that a report on follow – up of the previous year’s auditor’s recommendations form part of the financial statements for the year under review. However, although the Fund had an adverse audit opinion in 2014/2015, no report on the progress made in following-up issues raised in the audit report has been included in the financial statements for the year under review.

In the circumstances, the financial statements for the year under review did not comply with IPSAS (Cash Basis) financial statements presentation format prescribed by the National Treasury.

### **2.0 Accuracy and Completeness of the Financial Statement**

The financial statements presented for audit have the following unexplained variances and inaccuracies:

- (i) The statement of receipts and payments is not included in the financial statements. In addition, the financial statements include two similar cash flow statements instead of one, as required.
- (ii) Note 15.3 of the financial statements for 2014/2015 reflected other pending payables totaling to Kshs.81,330,000 (actual reflected Kshs.65,042,920) while the 2015/2016 financial statements show brought forward balances totalling to Kshs.130,085,840 leading to an unexplained inflation of the pending bills by Kshs.48,755,840.
- (iii) The page format of the financial statements is inconsistent. Page 7 is followed by Page 24 and thus omits pages 8-23.
- (iv) The statement of assets, for the year under review reflected Kshs.28,428,874 and Kshs.15,682,628 Fund balance and the surplus respectively for the year 2014/2015. However, the audited 2014/2015 financial statements reflected Kshs.12,783,671 and 15,645,203 respectively for the same items resulting an unexplained and unreconciled variances of Kshs.15,645,203 and Kshs.37,425 respectively in respect to the two items.
- (v) Environmental expenditure of Kshs.3,000,000 has not be disclosed in the financial statement.



- (vi) Other receipts which were disclosed as Kshs.40,000 were not supported by any accounting schedule or other source documents.

In the circumstance, the accuracy and completeness of the financial statements as at 30 June 2016 could not be confirmed.

### 3.0 Unsupported Financial Statements Balances

Note 4 and 5 of the Notes to the financial statements reflects expenditure of Kshs.2,005,356 and Kshs.12,024,291 in respect of compensation of employees and use of goods and services respectively. However, the expenditures were not supported by relevant schedules/ledgers.

In the circumstances, the accuracy and completeness of the two balances could not be ascertained.

### 4.0 Cash and Cash Equivalents

Included in the bank balance of Kshs.6,836,741 are un presented cheques totaling Kshs.13,703,548 out of which cheques amounting to Kshs.715,795 though stale and had not been reversed in the cash book as at 30 June 2016. Further, there were unposted receipts in the cashbook totalling Kshs.30,000 on that date.

In addition, the statement of cash flow reflect cash and cash equivalents at the end of the year of Kshs.6,924,221 which differs from the figure in statement of financial assets of Kshs.6,836,741 by Kshs.87,480. Further, the respective note 10 A in the financial statement reflects Kshs.20,524,289. No explanation has been provided for the anomaly.

As a result, the accuracy and completeness of the cash and cash equivalents balance of Kshs.6,836,741 as at 30 June 2016 could not be confirmed.

### 5.0 Unsupported Bursary Expenditure

Note 7 of the Notes to the financial statements reflects expenditure on bursary to secondary schools and tertiary institutions of Kshs.15,457,313 and Kshs.6,624,563 respectively all totaling to Kshs.22,081,876. However, no ledgers/schedules were made available for audit review. Consequently, the accuracy and propriety of the bursaries expenditure of Kshs.22,081,876 as at 30 June 2016 cannot be confirmed.

### 6.0 Monitoring and Evaluation

Review of the annual expenditure report made available for audit, showed the following two expenditures under monitoring and evaluation:

Payee	Date	Cheque No	Details	Amount Kshs.
FAM	24/12/2015	1686/1687/1688/ 1689/1690/1691/1692	Allowances to officers attending inter-constituency visits	1,235,000
FAM Mwingi central CDF	25/5/2016	2872/2873	Allowances to officers attending official duties	400,000



The amount of Kshs.1,235,000 was to facilitate an inter-constituency visit to Mombasa and Kwale amounting to Kshs.995,000 between 25 and 31 December 2015 and the balance of Kshs.240,000 allowances paid to (6) CDFC members, Fund Manager and Member of Parliament for participating in cheque distribution for six (6) days between 24 and 26 December 2015 and 4 and 6 January 2016. However, no back to office report was made available to support the expenditure, Further, 25 and 26 December 2015 which are public holidays were again the dates that the members and staff were having an inter- constituency visit to Mombasa and Kwale. Also, no schedules were made available for the cheques distributed and besides, the dates coincides with Christmas and Boxing Day holidays.

The expenditure of Kshs.400,000 was supported by payment schedules which however reflected CDFC allowance payments totaling Kshs.355,500. These schedules did not show dates and the purpose for the payments. It could therefore not be confirmed that the payments were regular. An additional amount of Kshs.12,500 was paid to five (5) members for distribution of cheques on 26 June 2016. However, no schedule was made available to support the cheques distributed. Also Kshs.32,000 was paid to six (6) members for a meeting held on 11 February 2016 but minutes of the meeting were been made available to support the expenditure.

In the circumstances, the propriety of the monitoring and evaluation expenditure of Kshs.1,635,000 as at 30 June 2016 could not be confirmed.

## 7.0 Irregular Imprest

During the year under review, Kshs. 284,000 was paid as allowances to officers presiding over bursary allocation and issuance of project cheques in the wards. The officers allegedly used GK B290G for the exercise. However, examination of the vehicle's work tickets revealed discrepancies between the locations that the cheques were reportedly delivered and the journeys recorded in the work ticket. In the circumstances, the propriety of the expenditure of the Kshs.284,000 incurred on the officers during the year under review cannot not be confirmed.

## 8.0 Unsupported Committee Allowances

During the year under review, the Fund paid Kshs.3,722,000 as allowances to CDFC members for various activities as detailed here below:

Payment Voucher No.	Date	Amount (Kshs)	Remarks
244	30/06/16	1,050,000	<ul style="list-style-type: none"> <li>- Does not specify the dates and venues that meetings took place</li> <li>- Expenditure not supported by Minutes</li> </ul>
246	30/06/16	1,065,000	<ul style="list-style-type: none"> <li>- Expenditure includes Kshs.254,800 paid as per diem for two nights in Nairobi (3/2/16 -5/2/16) while work tickets indicate that it was a return journey on 3/2/16.</li> <li>- Expenditure not supported by Minutes</li> </ul>

248	30/06/16	141,000	- Supporting schedules attached to the payment voucher total Kshs.94,000 and not Kshs.141,000 - Expenditure not supported by Minutes
243	30/06/16	741,000	- Does not specify the dates and venues that public participation took place - Expenditure not supported by Minutes
219	30/06/16	175,000	- Expenditure not supported by Minutes
222	30/06/16	300,000	- Expenditure not supported by Minutes
247	30/06/16	250,000	- Expenditure not supported by Minutes
<b>Total</b>		<b>3,722,000</b>	

These allowances were however not supported by committee minutes or reports.

In the circumstances, the propriety of the committee allowance expenditure of Kshs.3,722,000 as at 30 June 2016 could not be ascertained.

### **9.0 Irregular/Double Payment on Allowances**

During the year under review, the CDF made two payments totaling Kshs.1,827,000 as allowances to officers on duty while distributing bursary cheques to various wards in the Constituency. Both payments number 244 and 153 of Kshs.1,050,000 and Kshs.777,000 respectively were supported by the same payment schedule of Kshs.777,000 among other expenditures. The payment number 153 was not supported by an imprest warrant and the source of the funds so utilized was not disclosed. As a result, the propriety and authenticity of the payments totalling Kshs.1,827,000 made during the year ended could not be confirmed.

### **10.0 Irregular Claim on Travelling and Subsistence Allowances Claim**

During the year under review, the Fund paid Kshs.265,400 as travelling and subsistence allowances to the patron and the Fund Manager using copies of work tickets as supporting documents but which however did not appear authentic as the information contained there-in differed with what was in the original work tickets.

In the circumstance, the propriety and authenticity of the claims of Kshs.265,400 as at 30 June 2016 could not be confirmed.

### **11.0 Doubtful Project Implementation**

During the year under review, an amount of Kshs.3,000,000 was paid to the Mwingi Central Rural Electrification project. The funds were for the distribution of electric power to Kiwanza, Muthika, Munguni, Lundi and Mutyangome Primary Schools and Kwa suru market. However, no expenditure returns including the bank statement were made available for audit review. Further, it has not been explained how the allocation of the

Kshs.3,000,000 was arrived at as no quotations from the Kenya Power and Lighting Company (KPLC) were made available for review.

In the circumstances, the propriety, accuracy and value for money of the Kshs.3,000,000 expenditure could not be confirmed.

## **12.0 Emergency Funded Projects**

During the year under review, the Fund Kshs.7,294,470 from the emergency allocation vote to fund various alleged emergency projects across the constituency. However, no reports were made available to prove that the projects so implemented as emergency projects were indeed emergencies that met the criteria set in Section 8 of the NGCDF Act, 2015. The CDFC minutes approving the release of the funds for the projects did not indicate on how the projects were deemed as emergency cases. In the circumstance, the propriety of the emergency expenditure of Kshs.7,294,470 incurred during the year under review cannot be confirmed.

### **12.1 Emergency Reconstruction of Spill Way at Kiia Water Dam**

During the year under review, the Fund paid an amount of Kshs.495,000 for the reconstruction of spill way and compacting embankment of the Kiia Water Dam. However, no bill of quantities were made available to support the works undertaken and the approximate costs. Further, no expenditure returns and inspection/completion certificates were availed for audit review.

In the circumstances, the propriety of the expenditure of Kshs.495,000 incurred on the works during the year under review could not be confirmed.

### **12.2 Road Works on Ntelela Drift**

During the year under review, the Fund paid an amount of Kshs.2,450,000 from the emergency fund to facilitate the road works on the Ntelela Drift. However, review of the project file revealed that bills of quantities were not made available to support the works done and their estimated costs. Further, amounts of Kshs.1,350,000 and Kshs.900,000 were transferred to Uncle Holdings Limited account on 26 February 2016 and 8 July 2016 respectively. However, no supporting documents were made available in respect of these transfers. Further, no valuation of work done and or completion certificates were made available to support the payments.

In the circumstance, the propriety of the expenditure totaling Kshs.2,450,000 as at 30 June 2016 could not be confirmed.

### **12.3 Reconstruction of a Kitchen at Musovo Primary School**

During the year under review, Kshs.350,000 was disbursed to Musovo Primary School to facilitate reconstruction of a school kitchen. However, the project's expenditure returns were not availed for audit review.

In the circumstances, the propriety of the expenditure of Kshs.350,000 could not be confirmed.



#### 12.4 Reconstruction of Kamiwa Drift

During the year under review, Kshs.300,000 was disbursed to facilitate the reconstruction of Kamiwa drift. However, project expenditure returns were not availed for audit review.

In the circumstances, the propriety of the expenditure of Kshs.300,000 could not be confirmed.

#### 12.5 Construction of a Classroom at Mwambui Secondary School

An amount of Kshs.350,000 was disbursed to Mwambui Secondary School to facilitate the completion of a classroom. However, project expenditure returns were not availed for audit review. In the circumstances, the propriety of the expenditure of Kshs.350,000 as at 30 June 2016 could not be confirmed.

#### 13.0 Non Existent Environment Project

During the year under review, Kshs.3,000,000 was transferred to the Mwingi Central Tree Planting for purchase and distribution of tree seedlings in the Constituency. The funds were disbursed vide the following payment vouchers:

PV No.	Date	Details	Amount (Kshs)
	03/12/2015	Purchase Tree Seedlings	700,000
128	31/12/2015	Establishment of Tree Nurseries	1,000,000
78	17/11/2015	Purchase Tree Seedlings	1,300,000

However, audit verification revealed the following issues:

- i. The document submitted in support of the payment voucher (number 128) of Kshs.1,000,000 was a budget proposal for the establishment of the Kiiya Tree Nursery at Enziu, Mwingi Central - Kitui County at a cost of Kshs.1,269,200. However, an attempt to do a physical verification on 14 February 2017 was not possible as the Coordinator of the projects' visits did not have any information concerning the project, including the location.
- ii. According to the documents supporting the payment voucher, Kshs.700,000 was used in the procurement and distribution of tree seedlings to various centres in the constituency. However, no procurement records and distribution lists were made available to support the procurement and distribution of the tree seedlings. The PMC in their meeting held on 11 September 2015, resolved to distribute tree seedlings to various centres including schools located in Waita, Nguni and Mui wards. However, a visit to Ukasi Girls secondary, Nguni secondary, Nguni chief's camp and Kateiko primary revealed that no tree seedlings were supplied.
- iii. The disbursement of Kshs.1,300,000 was for the procurement and distribution of tree seedlings and establishment of tree nurseries in Kamuyu area, Kalisasi Primary, Kateiko primary and Ndithi Secondary schools. However, no procurement records

and delivery notes were availed to support the expenditure and distribution of the seedlings. Further, a visit to Kateiko Primary School in 14 February 2017 revealed that no tree seedlings were supplied to this school.

- iv. Further, the project's bank statement was not made available, for audit examinations. However, review of the project file revealed that the following approval for withdrawals had been done:

Date	Payee	Designation	Details	Amount (Kshs)
11/12/2015	Josephat Mutinda	PMC Secretary	Purchase and distribution of tree seedlings	565,000
05/01/2016	Peter Kiluti	PMC Treasurer	Seedlings purchase and transportation	520,000
26/10/2016	Peter Kiluti	PMC Treasurer	Purchase of tree seedlings	900,000
26/10/2016	Solomon Muthoka	Not disclosed	Labour and mobilization	645,000

The approvals were not supported with any documents and no reasons were given for the cash withdrawal or for use of cash instead of cheques and bank transfers to make the payments. Further, details on one of the payees by the name Solomon Muthoka were not disclosed to show if he was an employee of the Fund as a review of the Project Management Committee (PMC) minutes availed did not show his name.

In the circumstances, the propriety and value-for-money of the expenditure totalling Kshs.3,000,000 could not be confirmed.

#### **14.0 Construction of Sosoma Health Centre**

During the year under review, a sum of Kshs.1,300,000 was spent in the construction of Sosoma Health Centre. However, physical inspection on 14 February 2017 revealed that although the building appeared complete, it was not in use because no health officers had been posted to the dispensary. Further, the building was occupied by a couple of families who had been allegedly displaced from their homes following inter-ethnic clashes in the area. No bills of quantities were made available to support the funds disbursed to the PMC. In addition, no bid document was made available to show actual works done. A total of Kshs.854,000 was transferred to a contractor M/S Morrison General Trading Company Limited, on 7 April 2016 as per the payment approval document made by management of FAM to the manager Equity Bank. An additional Kshs.400,000 was withdrawn by the Project Secretary on 19 January 2016 as per the payments approval by the FAM for the construction of the health centre. However, these were not supported by relevant documents including invoices, and work valuation and completion certificates. Further, the project did not have a sign board to show that it was funded by the NG- CDF and the year it was funded. Also, the title deed of the land on which the Health Centre is located was not made available for audit review.

In the circumstances, the propriety and value-for-money of the expenditure of Kshs.1,300,000 as at incurred on the project cannot be confirmed.

## 15.0 Construction of a Staff House and Completion of Kivou Dispensary

During the year under review, Mwingi Central – NGCDF remitted a sum of Kshs.700,000 to Ithumbi Dispensary for construction of a staff house and Kshs.600,000 for the completion of Kivou Community Dispensary. However, audit review and field verification revealed that both projects have been completed but not put into use. In the circumstances, value-for-money of the expenditure of Kshs.1,300,000 as at 30 June 2016 could not be confirmed.

## 16.0 Construction of a Mortuary at Nuu Sub-District Hospital

During the year under review, the CDF remitted Kshs.1,300,000 to Nuu Sub-District Hospital for construction of a Mortuary. The contract was awarded to Kyali & Sons Builders and Contractors Limited of Mwingi. However, there was no formal project proposal letter, upon which the funding was granted. Procurement documents for contracting of the works were not availed while the project file and the payment voucher did not have Bills of Quantities. It was therefore, not possible to determine how the construction cost were arrived at. The project was completed and was awarded certificate of completion on 09 February 2016. However it was not put into use as the funds disbursed were not enough to cater for drainage system and septic tank. The floor also exhibits poor workmanship as there are numerous cracks from the entry ramp to the room floors.

In the circumstances, the propriety and value-for-money of the expenditure of Kshs.1,300,000 as at 30 June 2016 could not be confirmed.

## 17.0 Road Project

### 17.1 Reconstruction of Mboru Drift

During the year under review, Kshs.1,800,000 was paid to facilitate the reconstruction of the Mboru drift through demolition of loose concrete, excavation of hard materials for key walls and top slab, hard core for cavity and gabion installation. Physical verification done on 15 February 2017 revealed that the NG- CDF changed the project to grading of the road instead. The name of the graded road was not disclosed neither was it recorded anywhere in the project file. Further, audit review of the project documentation revealed that no bill of quantities were made available to support the alleged road grading works. In addition, measurements of the road graded were not disclosed. Further, funds were withdrawn from the project account number 0590265973351 as follows:

Date	Beneficiary	Amount (Kshs)	Purpose
05/02/2016	Josphat Maithya	125,000	Road Grading
05/02/2016	Josphat Maithya	1,375,000	Road Grading
11/02/2016	Josphat Maithya	298,500	Head wall
<b>Total</b>		<b>1,798,500</b>	<b>Construction</b>

The cash withdrawals were not supported by any expenditure documents including procurement records and valuation certificates.

No documents on consultations held with the Kenya Rural Roads Authority (KeRRA) before, during and after implementation of the road works were made available for



review. In addition, the NGCDF did not pin point the actual work done during the project verification. The last withdrawal of Kshs.298,500 was stated to have been for head wall construction but there was no evidence that authority was sought from and granted by the board to change the project to road grading works.

In the circumstances, the propriety and value for money of the expenditure of Kshs.1,800,000 as at 30 June 2016 could not be confirmed.

## **18.0 Irregularities on Implementation of Security Projects**

### **18.1 Construction of Mathyakani Chief's Office**

The project was granted Kshs.200,000 for renovation of the Chief's Office. However, physical verification done on 15 February 2017 showed that a new office was constructed instead. Further, two bank withdrawals of Kshs.150,000 and Kshs.49,000 all totaling to Kshs.199,000 were not supported by expenditure documents. No bill of quantities was made available to support the disbursement of the funds to the project.

In the circumstances, the propriety and value-for-money of the expenditure of Kshs.200,000 as at 30 June 2016 could not be confirmed.

### **18.2 Renovation of Mulanga Chief's Office**

During the year under review Kshs.200,000 was paid for renovation of Mulanga Chief's office. However, physical verification carried out on 15 February 2017 revealed that a one-roomed office was constructed instead. Further, no procurement records were availed and the contract price was not supported by the bid documents from the contractor as these were not availed for audit review. Further, no bills of quantities were availed. A total of Kshs.155,000 was withdrawn from the project bank account on two occasions, however, they were not supported by the relevant expenditure documents including invoices, cash receipts and valuation of work certificates. Further, although the withdrawals were reportedly made to pay for the construction of the office, no evidence was made available to show that the contractor was paid the money.

In the circumstances, the propriety and value-for-money of the Kshs.200,000 expenditure as at 30 June 2016 cannot be confirmed.

### **18.3 Construction of a House at Sosoma Police Post**

During the year under review, Sosoma Police Post was funded with a total of Kshs.500,000 for the construction of a house. Physical verification done on 14 February 2017 revealed that a three-roomed building was constructed to completion. However, it was not put into use as a police post as no police officers were posted. Further, the building was being utilized by several families allegedly displaced from their homes following inter-ethnic clashes in the area. A contract was drawn on 24 March 2016 between the PMC and Dengumbao Builders and Renovators of P.O Box 778 Mwingi. No bill of quantities was made available to support the funds disbursed to the Project Management Committee. In addition contract bid documents submitted by the contractor were not made available to show the actual works to be done.

A total of Kshs.481,000 was transferred in three instalments from the project account in Mwalimu Muthisya's account in an undisclosed bank. The transfer approval forms

indicated that the beneficiary was the contractor. The names therefore differ from those used in the contract agreement stated above. Further, the transfers made were not supported by relevant documents such as invoices, valuation of work done and completion certificates.

In the circumstances, the propriety and value for money of the expenditure of Kshs.500,000 as at 30 June 2016 cannot be confirmed.

#### **18.4 Renovation of Kanzanzu Chief's Office**

During the year under review, the NG-CDF paid Kshs.200,000 for renovation of Kanzanzu Chief's office. However, no expenditure returns were availed to support the grants issued. These include invoices, receipts, bank statements, procurement documents and valuation certificates. It was therefore not possible to confirm that the funds were spent regularly.

Under the circumstances, the propriety, accuracy and value-for-money of the expenditure of Kshs.200,000 could not be confirmed.

#### **19.0 Non-existent Water Projects**

During the financial year under review, the NG-CDF spent Kshs. 16,625,000 in respect to seven water projects at Kshs.2,375,000 each. However, an audit of available records including physical verification revealed various irregularities including non-existence of the projects as detailed below;

##### **19.1 Kasten- Kiwanza Water Pipeline**

During the year under review, the CDF financed construction of Kasteni-Kiwanza Water pipeline at a total cost of of Kshs.2,375,000. The project entailed digging trenches, purchase and laying of water pipes and construction and equipping of a water kiosk. Review of the project file and physical verification on 14 February 2017 revealed that only an incomplete water kiosk was done. The kiosk had been done several courses above the ground and appeared abandoned as no activity was on-going at the time of verification. Review of the project files revealed that on 18 March 2016 an amount of Kshs.800,000 was transferred from the project account No.0590267246441 held at Equity Bank, to Uncle Holdings Limited, account No.0590262463332 also at Equity bank on the same date, an amount of Kshs.1,150,000 was transferred from the project account to an Equity Bank account number 0240101446272, operated in the name of a Mr. James Mwinzi. No information was availed on payee and his relation to the project. Further, on 23 March 2016, an amount of Kshs.400,000 was transferred to the Uncle Holdings Ltd, and Kshs.24,200 was transferred to Equity Bank account No.0590191952788 operated by Mr. Peter Kilonzo Mulavu, who is the project's secretary. All these transfers were made despite the physical status of incomplete works project as described above.

All the transfers were not supported by any documentary evidence including the bills of quantities. The BQs supporting the payment voucher were for Kiiya Earth Dam Water Project. It was therefore not possible to confirm actual works to be undertaken, including the length of the expected pipe line. The plans and designs of the pipeline were not made available for audit review.

Review of the payment voucher details showed that while the payment was posted in the cash book on 29 March 2016, examination, commitment and authorization was done on 07 April 2016 which was after the project funds were transferred to various beneficiaries as described above.

Despite the cash withdrawals stated, only the said water kiosk was shown to the audit team during audit verifications. No trenches had been done supplied.

In the circumstances, the propriety and value-for-money of the expenditure of Kshs.2,375,000 could not be confirmed.

## **19.2 Mwingi Town- Kyanudu Water Pipeline**

During the year under review, Mwingi Town-Kyanudu Water Pipeline was funded with a total of Kshs.2,375,000 in respect of digging trenches, purchase and laying of water pipes and construction and equipping of a water kiosk. Review of the project file and a physical verification on 14 February 2017 revealed the following issues:

- i. Only an incomplete water kiosk was done. The kiosk had been done to the roof slab but appeared abandoned as no activity was on going at the time of the verification. Digging of trenches and supply of pipes had not been done.
- ii. A total of Kshs.1,900,000 was transferred from the project bank account to Equity Bank Account number 0590262463332 held by Uncle Holdings Limited on 18 March 2016. This was the same day that the project funds were deposited through cheques numbers 2816, 2817 and 2815. The Fund's Accounts Manager had, in a letter to the bank approving the transfer, intimated that the payment was made in respect to a water kiosk and piping. Further, Kshs 474,000 was transferred to the contractor on 05 April 2016 being last payment for piping. Considering the status of the project as stated in 19 (i) above, the reason for transfer of Kshs.2,374,000 out of the project Bank account could not be justified.
- iii. Further, transfers were not supported by any documentary evidence as to why they were made. The documents required included procurement records, the invoices, Local Purchase Order, and inspection certificates. Further, no bill of quantities was made available to support the transfer of the Kshs.2,375,000 to the project. Instead, the bill of quantities supporting the payment voucher was titled Kiiya Earth Dam Water Project. It was therefore not possible to confirm the actual works to be undertaken including the length of the expected pipe line. The plans and designs of the pipeline were, in addition, not made available for audit review.
- iv. Review of the payment voucher details shows that while the payment was posted in the cash book on 29 March 2016, the examination, commitment and authorization was done on 7 April 2016. These dates are all after the Kshs.1,900,000 project funds were transferred to Uncle Holdings Limited as described in paragraph 19(i) above.
- v. Review of the project bank statement revealed that, the name of the beneficiary of the Kshs.1,900,000 was Uncle Electronics and not Uncle Holdings Limited.



- vi. Despite these withdrawals only the said water kiosk was shown to the audit team during audit verifications. No trenches had been done or pipe supplied. Therefore the funds appeared to have been misappropriated.

In the circumstances, the propriety, accuracy and value-for-money of the expenditure of Kshs.2,375,000 could not be confirmed.

### **19.3 Enziu- Nguni Water Pipeline**

During the year under review, Enziu Nguni Water Pipeline Project received a total of Kshs.2,375,000 for use on digging trenches, purchase and laying of water pipes and construction and equipping of a water kiosk. However, review of the project file and physical verification on 14 February 2017 revealed the following issues:

- i. The water kiosk built at Nguni town was not done to completion. The works were done 10 courses above the floor and abandoned. No activity was on-going at the time of the verification. Digging of trenches and supply of pipes had not been done.
- ii. A contract was drawn on 15 February 2016 between Enziu Nguni Water pipeline PMC and Kyeli and Sons Builders and contractors Ltd. The contract was in respect of construction of two water kiosks at a contract sum of Kshs.586,850. However, no documents were made available to show how the contractor was sourced.
- iii. Payment approval documents in the project file shows that approvals totaling to Kshs.1,074,000 were granted on 19 February 2016 for Kshs.550,000 and on 1 July 2016 for Kshs.524,000. The sum of Kshs.550,000 was incurred on paying the contractor a second installment for water kiosks. The sum of Kshs.524,000 was indicated as the last instalment to the contractor. The funds were transferred to the bank accounts of the secretary and chairman to the PMC respectively. However, the relevant documents were not made available to support the transfers. Further, no bill of quantities was made available to support the transfer of the Kshs.2,375,000 to the project. Instead the bill of quantities supporting the payment voucher was titled Kiiya Earth Dam Water Project. It was therefore not possible to confirm the actual works contracted for, including the length of the expected pipe line. Further, the plans and designs of the pipeline were not made available for audit review.
- iv. The project file did not contain any proof showing that payments was made to the contractor. Instead, the payment of Kshs.1,850,000 was posted in the cash book on 16 February 2016. The Kshs 550,000 was thereafter withdrawn on 19 February 2016, three days later and four days within signing the contract. There was no evidence to show that the contractor moved to site within four days of signing the contract and completed the works satisfactorily to warrant the payment in such a short time.
- v. Despite the withdrawals stated only the said water kiosk was seen during the verifications. No trenches had been done nor supply of any pipes.



In view of the foregoing, the propriety and value-for-money for the expenditure of Kshs.2,375,000 could not be confirmed.

#### **19.4 Nguni - Kabati Water Pipeline**

During the year under review, Nguni- Kabati Water Pipeline received a total of Kshs.2,375,000 in respect of digging trenches, purchase and laying of water pipes and construction and equipping of water kiosk. Review of the project file and physical verification on 14 February 2017 revealed the following issues:

- i. Only an incomplete water kiosk was done at a place named Muthuka. The kiosk had been done 5 courses above the floor slab but appeared abandoned as no activity was on-going at the time of the verification. No digging of trenches had been done and neither were any pipes supplied.
- ii. A total of Kshs.1,523,000 was withdrawn from the project account number 0590266761192 held at equity bank on two occasions: On 24 February 2016, an amount of Kshs.999,000 was withdrawn by the then treasurer to the Project Management Committees. The withdrawal was shown to be made for payment to the contractor to purchase pipes. However, the name of the contractor was not disclosed. Further no expenditure documents were made available to support the cash utilized. It was therefore not possible to confirm that the Kshs.999,000 was utilized in a regular manner. On 1 July 2016, Kshs.524,000 was transferred to the equity bank account number 0590199160229 held by the PMC treasurer. The transfer was indicated to be for the last installment due to the contractor. Again this contractor was not disclosed and it is not known how he was sourced. Despite the withdrawals stated, only the said water kiosk was shown to the audit team during audit. No trenches had been done or pipes supplied. Therefore the funds may have been misappropriated.
- iii. Also no documents were made available to support the transfers. The documents included procurement records, invoices, LPO, and inspection/valuation certificates. Further, no bill of quantities were made available to support the transfer of the Kshs.2,375,000 to the project. Instead the bill of quantities supporting the payment voucher was titled Kiiya Earth Dam Water Project. It was therefore not possible to confirm the actual works to be undertaken including the length of the expected pipe line. The plans and designs of the pipeline were, in addition not made available for audit review.
- iv. Despite the documents indicating that the withdrawals were in respect of paying the contractor, no document in the project file could show that funds withdrawn were paid to one contractor.

In the circumstances, the propriety and value-for-money on the expenditure of Kshs.2,375,000 could not be confirmed.

#### **19.5 Kabati- Kasteni Water Pipeline**

During the year under review, Kabati-Kasteni Water Pipeline received a total of Kshs.2,375,000 in respect to digging trenches, purchase and laying of water pipes and



construction and equipping of a water kiosk. However, review of the project file and physical verification on 14 February 2017 revealed the following issues:

- i. Only an incomplete water kiosk located within the Mbuvu chief's compound was done. The kiosk built two courses above the floor and abandoned and no activity was on-going at the time of the verification. Trenches had not been done or pipes supplied at the time of the verifications.
- ii. Review of the project file revealed that payment approvals were granted to withdraw funds in two instalments from the project account number 0590266798096 to pay the contractor. The payments amounting Kshs.850,000 and Kshs.999,000 respectively were approved on 12 and 22 February 2016.
- iii. The two cash withdrawals were made by the treasurer to the PMC. Additional cash withdrawal of Kshs.524,000 was made by the secretary to the PMC on 01 July 2016. This was also indicated to be the last instalment payment to the contractor. However, the contractor and the nature of works paid for were not disclosed despite the large cash withdrawals stated, only the said water kiosk was seen during the verifications. No trenches had been done or pipes supplied. Therefore, the funds may have been misappropriated.
- iv. Also no documents have been made available to support the transfers. The documents included procurement records, invoices, Local Purchase Orders, and inspection/valuation certificates. Further, no bill of quantities were made available to support the transfer of the Kshs.2,375,000 to the project. Instead, the bills of quantities supporting the payment voucher were titled Kiiya Earth Dam Water Project. It was therefore not possible to confirm the actual nature of works to be undertaken including the length of the expected pipe line. Also, the plans and designs of the pipeline were not made available for audit review.
- v. Despite documents showing that the withdrawals were made to pay the contractor, no document in the project file indicated that the funds withdrawn were paid to any contractor.

In the circumstances, the propriety, accuracy and value for money of the expenditure of Kshs.2,375,000 as at 30 June 2016 could not be confirmed.

### **19.6 Kyanudu- Enziu Water Pipeline**

During the year under review, Kyanudu- Enziu Water Pipeline received a total of Kshs.2,375,000 in respect of digging trenches, purchase and laying of water pipes and construction and equipping of water kiosk. Review of the project file and physical verification on 14 February 2017 revealed the following issues:

- i. An amount of Kshs.1,000,000 was transferred from the project account number 0590267572173 to Dengu Mbao Builders and Renovators equity bank account number 0590267583051 on 13 April 2016. This was indicated to be in respect of digging trenches and piping. A further amount of Kshs.565,000 was transferred on 12 April 2016 to the Equity Bank account number 0590291345354 belonging to the secretary to the Project Management Committee. The transfer was indicated to have been in respect of labour. Further, Kshs.809,400 was transferred to the said Secretary's Bank account on 29 April 2016. This was

described to be for payment of labour for piping and trench excavation. However, it was not explained how the stated contractor was sourced. Also no documents were made available to support the transfers all totaling Kshs.2,374,400. The documents included procurement records, invoices, LPO, and inspection/valuation certificates. Further, no bill of quantities were made available to support the transfer of the Kshs.2,375,000 to the project. Instead the bill of quantities supporting the payment voucher was titled Kiiya Earth Dam Water Project. It was therefore not possible to confirm the actual works undertaken including the length of the expected pipe line. The plans and designs of the pipeline were not made available for audit review.

- ii. An audit inspection on the project implemented on 14 February 2016, revealed that there was no such project.
- iii. Review of the payment voucher details shows that while the payment was posted in the cash book on 30 April 2016, examination, commitment and authorization was done on 07 April 2016. This was after the project funds had been transferred to various beneficiaries as described in paragraph 19.(i) above. Therefore the funds were transferred to the project account irregularly.

In the circumstances, the propriety and value-for-money on the expenditure of Kshs.2,375,000 incurred on the project could not be confirmed.

#### **19.7 Kiwanza- Ukasi Water Pipeline**

During the year under review, Kiwanza- Ukasi Water Pipeline received a total of Kshs.2,375,000 for funding digging trenches, purchase and laying of water pipes and construction and equipping of water kiosk. The funds were disbursed vide payment voucher number 201 of 30 April 2016. However, review of the project file and physical verification on 14 February 2017 revealed the following issues:

- i. An amount of Kshs.1,000,000 was transferred from the project account No.0590267298127 on 12 April 2016 to an Equity Bank account No.0590267583051 held by Dengumbao Builders and Renovators. The transfer was indicated to have been in respect of trenches and piping. However, it is not known how the contractor was sourced. In addition an amount of Kshs.565,000 was withdrawn by the chairman to the PMC on 12 April 2016 and shown as payment for labour. In addition, an amount of Kshs.809,400 was transferred to the Equity Bank account number 0590191403341 held by a Mr. Musyoka Mulwa. It was not explained who the payee was and the role he played in implementing the project.
- ii. Also there were no documents made available to support the transfers totaling to Kshs.2,374,400. The missing documents included procurement records, invoices, Local Purchase Order, and inspection/valuation certificates. Further, no bill of quantities was made available to support the transfer of the Kshs.2,375,000 to the project. Instead the bill of quantities supporting the payment voucher was titled Kiiya Earth Dam Water Project. It was therefore not possible to confirm the actual works expected to have been undertaken including the length of the expected pipe line. The plans and designs of the pipeline were in addition not made available for audit review.



- iii. An audit inspection on the project on 14 February 2016, revealed that no such project had been implemented.
- iv. Review of the payment voucher details showed that while the payment was posted in the cash book on 30 April 2016, the examination, commitment and authorization of the expenditure was done on 7 April 2016. These said dates were after the project funds had been transferred to various beneficiaries as described in paragraph 19.7 (i) above.

In the circumstances, the propriety, validity and value for money of the expenditure of Kshs.2,375,000 as at 30 June 2016 could not be confirmed.

## **20 Construction of Bore Holes**

### **20.1 Drilling of a Water Bore Hole at Kalalani Village**

During the year under review an amount of Kshs.1,688,848 was paid to Uncle Holdings Limited for drilling of a 130 meters deep borehole at Kalalani Village. The contract for the drilling was awarded by the Mwingi Central Tender committee on 4 December 2014. The contractor had been evaluated as the lowest bidder out of the other three. However, audit review of the project documentation and physical verification done on 14 February 2017 revealed the following issues:

- i. Only bids submitted by two of the stated three bidders were made available for audit review namely the winning bid and another from Anntech Contractors Limited. The bid by Kwik Construction and Supplies Maintenance Company Limited was not made available for audit review.
- ii. Review of the two bids revealed a discrepancy in the number of items in the bill of quantities as the winning bidders bill of quantity (BQ) had nine (9) items while the one for Anntech had ten (10) items. One item, water for drilling and campsite, was in the latter and not in the winning BQ. Further, the supervision and report production item appeared in the winning BQ but was missing on the other. An item 4 on "supply and installation into annular space gravel material..." the winning BQ showed that the quantity was six (6) tonnes, while the other BQ showed 8 tonnes. The latter had an item "standing charge for reasons beyond contractor's control" item however which was not in the winning BQ. The Anntech Contractors Limited had quoted an amount of Kshs.80,000 which materially affected the bid amount with or without inclusion. These discrepancies were not explained how they happened and why provide different BQ to bidders for the same contract.

In the circumstances, the propriety and value for money of the expenditure of Kshs.1,688,848 as at 30 June 2016 could not be confirmed.

### **20.2 Drilling of a Water Borehole Project at Maongoa**

During the year under review, an amount of Kshs.1,695,750 was paid to Teshmak Contractors Limited for drilling of 100 meters borehole at Maongoa village. The contract for the drilling was awarded by the Mwingi Central Tender Committee on 4 December 2014. The contractor had been evaluated as the lowest among three bidder. However,



audit review of the project documentation and physical verification done on 15 February 2017 revealed the following issues:

- i. Only two of the stated three bids were made available for audit review. The winning bid and another from Kisuko Building Construction Limited. The bid by Kiomo Express Engineering Services was not made available for review.
- ii. Review of the two bids revealed a discrepancy in the number of items in the bill of quantities as the winning bid BQ had nine items while the one for Kisuko had ten (10) items. An item water for drilling and campsite was in the latter BQ and not in the winning BQ. Further, the supervision and report production item was appearing in the winning BQ and missing on the other. An item 4 on "supply and installation into annular space gravel material..." the winning BQ showed that the quantity was 6 tonnes, while the other BQ showed 7 tonnes. The latter BQ had an item "standing charge for reasons beyond contractor's control" which was not in the winning BQ. This item the Kisuko Building Construction Limited had quoted an amount of Kshs.75,000 which materially affected the bid amount with or without inclusion. These discrepancies were not explained how they happened and why the PMC did provide different BQs to bidders for the same contract.

In the circumstances, the propriety and value for money of the expenditure of Kshs.1,695,750 as at 30 June could not be confirmed.

### **20.3 Drilling of a Water Borehole Project at Kyamwenze Village**

Kshs.1,435,120.80 was paid to Morrison Trading Company Limited on 4 December 2014 by Mwingi Central Tender Committee for drilling of 200 meters borehole at Kyamwenze Village. However, audit review of the project documentation revealed the following issues:

- i. Only two bids of the stated three bids were made available for audit. The bid by Demli Building and Civil Engineering Company Limited was not availed.
- ii. Review of the two bids revealed a discrepancy in the number of items in the bill of quantities. The winning bid's BQ had nine (9) items while the one for Chuoni had ten (10) items. An item water for drilling and campsite was in the latter BQ and not in the winning BQ. Further, the supervision and report production item appeared in the winning BQ but was missing from the other. Item 4 on "supply and installation into annular space gravel material..." the winning BQ showed that the quantity was 10 tonnes, while the other BQ showed 12 tonnes. The latter BQ had an item "standing charge for reasons beyond contractor's control" which was not in the winning BQ. This item the Chuoni Enterprises Limited had quoted Kshs.30,000 which materially affected the bid amount. The causes for these discrepancies were not explained and why the bidders were issued with different BQ forms for the same contract.

Under the circumstances, the propriety and value for money of the expenditure of Kshs.1,435,121 as at 30 June 2016 could not be confirmed.

## 20.4 Drilling of a Water Borehole at Kalisasi

During the year under review, Kshs.1,790,025 was paid to Mutukanya Building and Civil Works Kenya Limited for drilling of a 140 meters borehole at Kalisasi village. The contract was awarded by the Mwingi Central Tender Committee on 14 February 2014 the contractor having been declared the lowest out of the three bidders evaluated. However, audit review of the project documentation and physical verification done on 15 February 2017 revealed the following issues:

- i. Only two of the stated three bidders were made available for audit as the third one from Uncle Holdings Ltd was not availed for audit review.
- ii. Review of the two bids revealed a discrepancy in the number of items in the bill of quantities as the winning bid BQ had nine (9) items while the one for Patworks had ten (10) items. An item water for drilling and campsite was in the latter BQ and not in the winning BQ but was missing from the other. Further, the supervision and report production item appeared in the winning BQ and missing on the other. The item (No. 4 on) on "supply and installation into annular space gravel material..." the winning BQ showed that the required quantity was seven (7) tonnes, while the other BQ showed eight (8) tonnes. The latter BQ had an item "standing charge for reasons beyond contractor's control" which was not in the winning BQ. For this item, the Pat Works Construction Engineering Works Limited had quoted an amount of Kshs.500,000 which materially affected the bid amount with or without inclusion of the item. These discrepancies were not explained and why a different BQ forms were issued to bidders under the same contract.
- iii. Physical verification revealed that the borehole was drilled and capped, however, the water yield was too low for sustainable use. Hence the project was abandoned at this stage. No drilling results report, including the testing results have been made available for audit review. In addition, no evidence has been provided to show hydrological survey were done before the project was implemented.

In the circumstances, the propriety and value-for-money of the expenditure of Kshs.1,790,025 as at 30 June 2016 cannot be confirmed.

## 20.5 Drilling of a Central Water Borehole Project

During the year under review, Kshs.2,300,000 was spent on drilling a central borehole. Physical verification revealed that the project was drilled and capped. A 10,000 litres water tank was supplied and installed at the site. However, the following issues were noted:

- i. The project funds were deposited in an Equity Bank Account number 0590265971247 on 9 December 2015. A total of Kshs.2,298,000 was withdrawn by the PMC officials on three occasions. An amount of Kshs.250,000 was withdrawn by the Treasurer on 11 December 2015 for mobilization and hydrological survey. This was however, not supported by any survey report and information on who was to conduct the surveys and the dates thereof. Another Kshs.1,400,000 was withdrawn on 16 February 2016 by the Chairman for drilling and capping the borehole. It is not known to whom the funds were paid to as no

documents were made available to prove so. Further, the mode through which the contractor was sourced was not explained. Finally another additional Kshs.648,000 was withdrawn on 19 February 2016 by the chairman for paying the contractor for water borehole drilling. The contractor's payment was not disclosed and it was not explained why the payments had to be made in cash instead of cheques and or bank transfer.

- ii. Physical verification showed that the project had stalled as no activity was ongoing neither was the borehole in use. Further, no title deed was availed for the land on which the project had been done.

As a result, the propriety and value for money-of-the expenditure of Kshs.2,300,000 as at 30 June 2016 could not be confirmed.

## **21 Incomplete Water Borehole Projects**

Mwingi Central – NGCDF incurred a total of Kshs. 27,664,745 in water projects. A sample of boreholes costing Kshs. 7,384,598 were picked for audit review and field verification as shown below:

<b>No.</b>	<b>Project Name</b>	<b>Payment Voucher Number</b>	<b>Payment date</b>	<b>Amount Kshs.</b>
1	Kalalani Borehole	18	25/09/2015	1,688,848
2	Maongoa Borehole	17	25/09/2015	1,695,750
3	Thitha Borehole	88	17/11/2015	2,000,000
4	Kateiko Borehole	80	17/11/2015	2,000,000
<b>TOTAL</b>				<b>7,384,598</b>

The boreholes were sunk and fitted with pumps, piping and 10,000 Litres Water Tanks each. However all the four verified boreholes were not in use as they had not been connected to power lines required to pump water from underground. The procurement of the boreholes did not factor in the power source and consequently rendered the projects incomplete and not put into intended use.

In the circumstances, the propriety and value for money of the expenditure of Kshs.27,664,745 as at 30 June 2016 could not be confirmed.

## **22 Irregularities in School Projects Implementation.**

### **22.1 Construction of a Classroom at Ngieni Secondary School.**

During the year under review, Ngieni Secondary School received Kshs.850,000 from the Fund for construction of one classroom. However, there was no formal project proposal letter upon which the funding was granted. In addition, procurement documents for contracting the works were not availed for audit review. There were no Bills of Quantities approved/ prepared in consultation with the public works officer. It was therefore not possible to confirm how the cost of the construction was arrived at. The floor exhibited poor workmanship as it had large cracks.

Consequently, the propriety and value for money of the expenditure of Kshs.850,000 as at 30 June 2016 could not be confirmed.



## **22.2 Construction of a Classroom at Wangwui Primary School**

During the year under review, Wangwui Primary School received Kshs.850,000 for construction of one classroom. However, there was no formal project proposal letter, for the grant. On enquiry, the Head Teacher confirmed that she did not make the proposal but rather she was notified that her School had been chosen for CDF funding. The project did not have a Project Management Committee but instead, three bank signatories, who comprised the School's Head Teacher, the School's Board of Management Chairman and a parent. The contract was awarded to Middeco Contractors Limited even though there was an approved payment for Dengu Mbao Builders and Renovators for classroom construction. Procurement for works and supplies documents were not availed for audit verification. The completed classroom exhibited poor workmanship as it had cracks on the floor.

In the circumstances, the propriety and value-for-money of the expenditure of Kshs.850,000 incurred on the project could not be confirmed.

## **22.3 Construction of a Classroom at Kalikoni Primary School**

During the year under review, Kalikoni Primary School received Kshs.850,000 for construction of a classroom. However, it was observed that there was no formal project proposal letter, upon which the funding was granted. Procurement for works and supplies documents were not availed for audit verification. The construction of the classroom was however delayed and was still on-going 10 months from the funds disbursement date. Further, inspection of the works by the public works officer could not be confirmed, as there was no inspection report. The Bills of Quantities used for the construction had no evidence to indicate it was made in consultation with the public works officer.

In the circumstances, the propriety and value-for-money for the expenditure of Kshs.850,000 as at 30 June 2016 could not be confirmed.

## **22.4 Construction of a Classroom at Kathonzweni Secondary School**

During the year under review, Kathonzweni Secondary School received Kshs.850,000 for construction of a classroom. However, the respective procurement and supplies documents were not availed for audit verification. The classroom was completed and put to use. However, the floor screeding was poorly done as there were numerous potholes after just 7 months of use. The roof was also reported to be leaking when it rains and it had visible gaps on the joints and ridges. The Head Teacher had written a complaint letter to Mwingi NG-CDF dated 28 April 2017 citing the aforementioned defects which the public works officer later affirmed in his letter to the CDF dated 1 November 2016. The PMC account still holds Kshs. 85,000 which has not been utilized. According to the National Government Constituencies Development Act, 2015, this money ought to be returned to the CDF account. The Bills of Quantities used for the construction had no evidence to indicate it was made in consultation with the public works officer.

In the circumstances, the propriety and value-for-money for the expenditure of Kshs.850,000 as at 30 June 2016 cannot be confirmed.



## **22.5 Construction of a Classroom at Mwanyani Primary School**

During the year under review, Mwanyani Primary School received Kshs. 850,000 for construction of a classroom. However, there was no formal project proposal letter, upon which the funding was granted. The contractor was single-sourced and appointed by the Project Management Committee (PMC). PMC Minutes dated 17/04/2015 confirmed the appointment of a foreman to build the classroom. It was completed and put to use. However, there was no window panes installed and only one coat of paint was applied. A crack had developed on one corner. The Bills of Quantities used for the construction did not indicate it was prepared in consultation with the public works officer.

In the circumstances, the propriety and value for money of the expenditure of Kshs.1,790,025 as at 30 June 2016 could not be confirmed.

## **23 Procurement of a Strategic Plan**

During the year under review, the Fund incurred an expenditure of Kshs.3,000,000 for compiling, printing and distribution of a strategic plan.

However, the project file was not availed for audit review and no expenditure return was attached to the payment voucher including procurement for the compilation and printing of the plan.

In the circumstances, the propriety and value for money for the expenditure of Kshs.3,000,000 as at 30 June 2016 could not be confirmed.

### **Disclaimer of opinion**

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph, I have not been able to obtain sufficient, appropriate audit evidence to provide a basis for an audit opinion. Accordingly, I do not express an opinion on the financial statements.



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

**Nairobi**

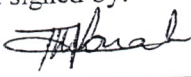
**23 October 2017**

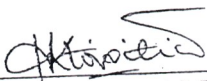
NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- MWINGI  
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VI. STATEMENT OF CASHFLOW

		2015 - 2016	2014 - 2015
Receipts for operating income			
Transfers from CDF Board	1	126,298,685	112,529,066
Other Receipts	3	40,000	-
		126,338,685	
Payments for operating expenses			
Compensation of Employees	4	2,005,356	1,585,835
Use of goods and services	5	12,024,291	14,625,682
Transfers to Other Government Units	6	55,100,000	33,132,759
Other grants and transfers	7	73,721,691	39,523,335
Other Payments	9	3,000,000	2,266,450
		145,851,338	91,134,061
Adjusted for:			
Adjustments during the year	14	-	-
Net cash flow from operating activities		(19,512,653)	(91,134,061)
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	(1,494,000)	(5,780,000)
Net cash flows from Investing Activities		(1,494,000)	(5,780,000)
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		(21,006,653)	(96,914,061)
Cash and cash equivalent at BEGINNING of the year	13	27,930,875	76,142,625
Cash and cash equivalent at END of the year		6,924,221	6,871,365

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Mwingi Central NGCDF financial statements were approved on 21/9/2016 and signed by:

  
 Chairman NGCDFC

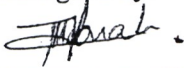
  
 Fund Account Manager

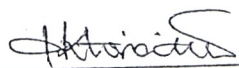
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V. STATEMENT OF ASSETS

	Note	2015 - 2016 Kshs	2014 - 2015 Kshs
<b>FINANCIAL ASSETS</b>			
Cash and Cash Equivalents			
Bank Balances ( as per the cash book)	10A	6,836,741	27,930,875
Cash Balances (cash at hand)	10B	-	-
Outstanding Imprests	11	-	498,000.00
<b>TOTAL FINANCIAL ASSETS</b>		<b>6,836,741</b>	<b>28,428,875</b>
<b>REPRESENTED BY</b>			
Retention	12		
Fund balance b/fwd 1st July...	13	27,930,875	28,428,874
Surplus/Deficit for the year		(21,006,653)	15,682,628
Prior year adjustments	14	-	-
<b>NET LIABILITIES</b>		<b>6,924,221</b>	<b>44,111,502</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Mwingi Central NGCDF financial statements were approved on 21/9/ 2016 and signed by:

  
 Chairman - NGCDFC

  
 Fund Account Manager

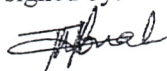


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VI. STATEMENT OF CASHFLOW

		2015 - 2016	2014 - 2015
<b>Receipts for operating income</b>			
Transfers from CDF Board	1	126,298,685	112,529,066
Other Receipts	3	40,000	-
		126,338,685	
<b>Payments for operating expenses</b>			
Compensation of Employees	4	2,005,356	1,585,835
Use of goods and services	5	12,024,291	14,625,682
Transfers to Other Government Units	6	55,100,000	33,132,759
Other grants and transfers	7	73,721,691	39,523,335
Other Payments	9	3,000,000	2,266,450
		145,851,338	91,134,061
<b>Adjusted for:</b>			
Adjustments during the year	14	-	-
<b>Net cash flow from operating activities</b>		<b>(19,512,653)</b>	<b>(91,134,061)</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	(1,494,000)	(5,780,000)
<b>Net cash flows from Investing Activities</b>		<b>(1,494,000)</b>	<b>(5,780,000)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>(21,006,653)</b>	<b>(96,914,061)</b>
Cash and cash equivalent at BEGINNING of the year	13	27,930,875	76,142,625
Cash and cash equivalent at END of the year		6,924,221	6,871,365

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Mwingi Central NGCDF financial statements were approved on 21/9/2016 and signed by:



Chairman NGCDFC



Fund Account Manager


Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c %
<b>RECEIPTS</b>						
Transfers from CDF Board	126,298,685	27,930,875	154,229,560	147,392,818	6,836,741	95.6%
Proceeds from Sale of Assets						
Other Receipts				40,000	(40,000)	
<b>TOTAL</b>	<b>126,298,685</b>	<b>27,930,875</b>	<b>154,229,560</b>	<b>147,432,818</b>	<b>6,796,741</b>	<b>95.6%</b>
<b>PAYMENTS</b>						
Compensation of Employees	2,005,356	1,800,000	3,805,356	2,005,356	1,800,000	52.7%
Use of goods and services	12,024,291	22,477	12,046,768	12,024,291	22,477	99.8%
Transfers to Other Government Units	55,100,000	5,694,624	60,794,624	55,100,000	5,694,624	90.6%
Other grants and transfers	73,721,691	(2,869)	73,718,822	73,721,691	(2,869)	100.0%
Acquisition of Assets	1,494,000	1,004,500	2,498,500	1,494,000	1,004,500	59.8%
Other Payments						
<b>TOTAL</b>	<b>144,345,338</b>	<b>8,518,732</b>	<b>152,864,070</b>	<b>144,345,338</b>	<b>8,518,732</b>	<b>94.4%</b>

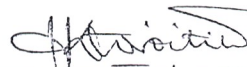
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- (a) [For the revenue items, indicate whether they form part of the AIA by inserting the “AIA” alongside the revenue category.]
- (b) [Provide below a commentary on significant underutilization (below 50% of utilization) and any overutilization]

The Mwingi Central NGCDF financial statements were approved on 21/9/ 2016 and signed by:

  
\_\_\_\_\_  
Chairman NGCDF

  
\_\_\_\_\_  
Fund Account Manager



## VIII. SIGNIFICANT ACCOUNTING POLICIES

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

### 1. Statement of compliance and basis of preparation

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

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

The financial statements have been prepared on the cash basis following the Government's standard chart of accounts. The cash basis of accounting recognises transactions and events only when cash is received or paid by the NGCDF.

### 2. Recognition of revenue and expenses

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

### 3. In-kind contributions

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

### 4. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

**5. Pending bills**

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

**6. Budget**

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

**7. Comparative figures**

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

**8. 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 June 30, 2016.

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IX. NOTES TO THE FINANCIAL STATEMENTS

1 TRANSFERS FROM  
 OTHER GOVERNMENT  
 AGENCIES

Description		2015 - 2016 Kshs	2014 - 2015 Kshs
Normal Allocation	A759741	61,298,685.00	50,670,381
	A 820520	10,000,000.00	400,000
	A 820758	20,000,000.00	5,200,000
	A820941	35,000,000.00	30,649,343
Conditional grants			
	AIE NO...	-	
Receipt from other Constituency	AIE NO...	-	
<b>TOTAL</b>		<b>126,298,685</b>	<b>86,919,724</b>

2 PROCEEDS FROM SALE  
 OF NON-FINANCIAL ASSETS

Description	2015 - 2016 Kshs	2014 - 2015 Kshs
Receipts from the Sale of Buildings	-	
Receipts from the Sale of Vehicles and Transport Equipment	-	
Receipts from the Sale Plant Machinery and Equipment	-	
Receipts from the Sale of office and general equipment	-	
<b>Total</b>		

3 OTHER RECEIPTS

Description	2015 - 2016 Kshs	2014 - 2015 Kshs
Interest Received	-	
Rents	-	



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Interest Received	-	-
Other Receipts Not Classified		
Elsewhere (sale of tender docs)	40,000	-
<b>Total</b>	<b>40,000</b>	<b>-</b>

**4 COMPENSATION OF EMPLOYEES**

Description	2015 - 2016 Kshs	2014 - 2015 Kshs
Basic wages of contractual employees	1,505,256	1,133,476
Basic wages of casual labour	-	61,000
<b>Personal allowances paid as part of salary</b>	-	-
House allowance	222,000	169,000
Transport allowance	-	-
Leave allowance	20,000	4,000
Other personnel payments	170,620	150,735
Employer contribution to NSSF	87,480	-
gratuity	-	-
<b>Total</b>	<b>2,005,356</b>	<b>1,518,211</b>

**5 USE OF GOODS AND SERVICES**

Description	2015 - 2016 Kshs	2014 - 2015 Kshs
Utilities, supplies and services	42,960	231,478
Office rent	80,000	140,000
Communication, supplies and services	-	112,986
Domestic travel and subsistence	206,500	482,000
Printing, advertising and information supplies & services	3,000,000	-
Rentals of produced assets	-	-
Training expenses	-	1,084,000
Hospitality supplies and services	-	783,100
Other committee expenses	1,712,000	3,366,423
Committee allowance	5,136,000	4,123,000

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Insurance costs	-	-
Specialised materials and services	-	-
Office and general supplies and services	334,320	1,588,281
Fuel ,oil & lubricants	1,000,000	343,884
Other operating expenses	155,071	2,266,450
Routine maintenance – vehicles and other transport equipment	357,440	-
Routine maintenance – other assets	-	104,081
<b>Total</b>	<b>12,024,291</b>	<b>14,625,682</b>

**6 TRANSFER TO OTHER GOVERNMENT ENTITIES**

Description	2015 - 2016 Kshs	2014 - 2015 Kshs
Transfers to primary schools	19,750,000	7,950,000
Transfers to secondary schools	13,050,000	14,200,000
Transfers to Tertiary institutions	10,000,000	-
Transfers to Health institutions	12,300,000	10,982,759
<b>TOTAL</b>	<b>55,100,000</b>	<b>33,132,759</b>

**7 OTHER GRANTS AND OTHER PAYMENTS**

Description	2015 - 2016 Kshs	2014 - 2015 Kshs
Bursary -Secondary	15,457,313	10,525,160
Bursary -Tertiary	6,624,563	5,500,000
Bursary-Special schools	-	1,800,000
Mocks & CAT	-	2,587,500
water	32,414,745	2,160,000
Agriculture (food security)	-	-
Electricity projects	3,000,000	2,850,000
Security	1,650,000	3,900,000
Roads	7,156,600	4,280,675

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Sports	124,000	2,560,000
Other capital grants and transfer	-	1,280,000
Emergency Projects (specify)	7,294,470	2,080,000
<b>Total</b>	<b>73,721,691</b>	<b>39,523,335</b>

**8 ACQUISITION OF ASSETS**

Non-Financial Assets

	2015 - 2016 Kshs	2014 - 2015 Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles		5,780,000
Purchase of Bicycles & Motorcycles		-
Overhaul of Vehicles		-
Purchase of office furniture and fittings	499,000	-
Purchase of computers ,printers and other IT equipment	885,000	-
Purchase of photocopier		-
Purchase of other office equipment	110,000	-
Purchase of soft ware		-
Acquisition of Land		-
<b>Total</b>	<b>1,494,000</b>	<b>5,780,000</b>

**9 Other Payments**

Constituency Strategic Plan specify	3,000,000	-
specify	-	-
<b>TOTAL</b>	<b>3,000,000</b>	<b>-</b>

**10A: Bank Balances  
 (cash book bank balance)**

Name of Bank, Account No. & currency	2015 - 2016	2014 - 2015
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	Account Number	Kshs (30/6/2016)	Kshs (30/6/2015)
Equity Bank, Mwingi Branch	0590260983402	20,524,289	27,930,875
<b>Total</b>		<b>20,524,289</b>	<b>27,930,875</b>
<b>10B: CASH IN HAND)</b>			
		2015 - 2016 Kshs (30/6/2015)	2014 - 2015 Kshs (30/6/2015)

Total

**11: OUTSTANDING IMPRESTS**

Name of Officer	Date imprest taken	Amount Taken Kshs	Amount Surrendered Kshs	Balance (30/6/2016) Kshs

**12 Retention Supplier/Contractor**

PV no	2015 - 2016	2014 - 2015

**13 BALANCES BROUGHT FORWARD**

	2015 - 2016 Kshs (1/7/2016)	2014 - 2015 Kshs (1/7/2015)
Bank accounts	20,524,289	27,930,875
Cash in hand	-	-
Imprest	-	498,000
<b>Total</b>	<b>20,524,289</b>	<b>28,428,875</b>

[Provide short appropriate explanations as necessary]

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14. PRIOR YEAR  
 ADJUSTMENTS

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Bank accounts	-	-
Cash in hand	-	-
Imprest	-	-
Total	-	-

15. OTHER IMPORTANT  
 DISCLOSURES

15.1: PENDING ACCOUNTS  
 PAYABLE (See Annex 1)

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	2,400,000
<b>TOTAL</b>	-	<b>2,400,000</b>

15.2: PENDING STAFF  
 PAYABLES (See Annex 2)

	Kshs	Kshs
Senior management	-	-
Middle management	-	-
Unionisable employees	-	-
Others (specify)	-	351,377
	-	<b>351,377</b>

15.3: OTHER PENDING  
 PAYABLES (See Annex 3)

	Kshs	Kshs
Amounts due to other Government entities (see attached list)	-	36,046,413
Amounts due to other grants and other transfers (see attached list)	-	28,996,507
Others (specify)	-	-
	-	<b>65,042,920</b>

**ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE**

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2015	Outstanding Balance 2014	Comments
	a	b	c	d=a-c		
<b>Construction of buildings</b>						
1.						
2.						
3.						
<b>Sub-Total</b>						
<b>Construction of civil works</b>						
4.						
5.						
6.						
<b>Sub-Total</b>						
<b>Supply of goods</b>						
7.						
8.						
9.						
<b>Sub-Total</b>						
<b>Supply of services</b>						
10.						
11.						
12.						
<b>Sub-Total</b>						
<b>Grand Total</b>						



**ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES**

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2015	Outstanding Balance 2014	Comments
		A	b	c	d=a-c		
<b>Senior Management</b>							
1.							
2.							
3.							
<b>Sub-Total</b>							
<b>Middle Management</b>							
4.							
5.							
6.							
<b>Sub-Total</b>							
<b>Unionisable Employees</b>							
7.							
8.							
9.							
<b>Sub-Total</b>							
<b>Others (specify)</b>							
10.							
11.							
12.							
<b>Sub-Total</b>							
<b>Grand Total</b>							

**ANNEX 3 - ANALYSIS OF OTHER PENDING PAYABLES**

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2015	Outstanding Balance 2014	Comments
		a	b	c	d=a-c		
Amounts due to other Government entities							
1.							
2.							
3.							
Sub-Total							
Amounts due to other grants and other transfers							
4.							
5.							
6.							
Sub-Total							
Sub-Total							
Others (specify)							
7.							
8.							
9.							
Sub-Total							
Grand Total							