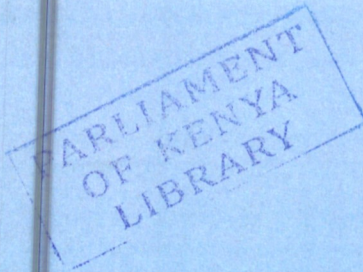


REPUBLIC OF KENYA



*Paper laid by  
Lom  
Wednesday  
11/10/17  
Afternoon  
5:30pm*

OFFICE OF THE AUDITOR-GENERAL



**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

**THE FINANCIAL STATEMENTS OF  
MINISTRY OF LANDS, HOUSING AND  
URBAN DEVELOPMENT**

**FOR THE YEAR ENDED  
30 JUNE 2016**



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**NATIONAL GOVERNMENT ENTITY**  
(MINISTRY OF LANDS, HOUSING AND URBAN DEVELOPMENT)

**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)**

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## **I. KEY ENTITY INFORMATION AND MANAGEMENT**

### **(a) Background information**

The Ministry of Lands, Housing and Urban Development, was established through Executive Order No.2 /2013. This was as a result of the merging the former Ministries of Lands, Housing, Public Works, Nairobi Metropolitan Development and two departments of local government (Urban and Market Development). Through the Executive Order No. 1/2016, the Ministry was restructured Ministry of Lands and Physical Planning comprising of the former State Department of Lands whereas the State Departments of Housing and Urban Development and Public Works moved to Ministry of Transport, Infrastructure, Housing and Urban Development.

### **(b) Key Management**

During the period under review, the Ministry's day-to-day management was under the following key organs:

- Cabinet Secretary	Jacob T. Kaimenyi
- Principal Secretary	Mariamou elMaawy
- Director of Administration- Housing	Ibrahim Hussein
- Director of Administration- Lands	Ann B.Nyikuli
- Director of Administration- Public Works	George Macgoye
- Director of Administration-Nairobi Metropolitan	Mogaka Z. Mabeya
- Director of Urban Development-Urban Development	Enosh M.Onyango
- Secretary Lands	Peter K. Kahuho
- Secretary Housing	Patrick Bucha
- Ag. Secretary Public Works	Ms. Aidah N. Munano

### **(c) Fiduciary Management**

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

<b>No</b>	<b>Designation</b>	<b>Name</b>
1.	Principal Secretary	Mariamou El Maawy
2.	Senior Deputy Secretary	Erifazi W. Barasa
3.	Senior Chief Finance Officer	Osano Nyang'ara
4.	Head Accounting Unit	Joseph Sammy Mutua Muthusi

**(d) Fiduciary Oversight Arrangements**

The following are the different committees and their activities in the Ministry:

**Audit Committee Activities**

- i. Evaluating adequacy of management procedures with regard to risk management, control and governance.
- ii. Reviewing and approving the audit charter and the internal audit annual work plans.
- iii. Reviewing the internal and external audit findings/recommendations and proposing necessary action.
- iv. Reviewing the systems established to ensure sound public financial management and internal controls, compliance with policies, laws, regulations, procedures, plans and ethics.
- v. Initiating special audit/investigation on any allegations, concerns and complaints regarding corruption, lack of accountability and transparency in consultation with the Accounting Officer.
- vi. Any other tasks which are within the mandate of the committee.

**Budget Implementation committee activities**

- i. Budget implementation
- ii. Budget expenditure review
- iii. Evaluation of projects implementation status
- iv. Discuss and agree on re-allocation /increase or decrease of budgetary allocations.
- v. Preparation of quarterly expenditure forecasts for discussions with treasury for release of funds
- vi. Implementation of the National Treasury Circulars on budget implementation and MTEF process.

**Parliamentary committee activities**

- i. Gather information on issues raised.
- ii. Receive and compile the gathered information
- iii. Facilitate the Cabinet Secretary's appearance at the Parliament and Senate as requested.
- iv. Make follow up on issues raised from both National Assembly and The Senate
- v. Submit responses as required and agreed by the Cabinet Secretary.
- vi. Make Annual Reports on all matters attended to in response to Parliamentary concerns.

**Development partner oversight activities**

- i. Carrying out periodic financial review on project activities.
- ii. Issuing no objection clearances on planned spending on project activities.
- iii. Carrying out regular supervision missions.

- iv. Offering advice on the best practices worldwide as far project implementation is concerned.
- v. Offering technical support where local talent is insufficient.
- vi. Carrying out training activities where necessary.

**(e) Entity Headquarters**

Ardhi House Building  
1<sup>ST</sup> Ngong Avenue  
P.O. Box 30450-00100  
Nairobi, KENYA

**(f) Entity Contacts**

Telephone: (254)(0) 202718050  
email: [hacculands@ardhihouse.go.ke](mailto:hacculands@ardhihouse.go.ke)  
Website: [www.go.ke](http://www.go.ke)

**(g) Entity Bankers**

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

**(h) Independent Auditors**

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

**(i) Principal Legal Adviser**

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

## II. FORWARD BY THE CABINET SECRETARY

It is with a lot of pleasure that I write this foreword on the final accounts for the financial year 2015/2016. The financial accounts report has been prepared in accordance with the Cash Basis of Accounting Method under the International Public Sector Accounting Standards (IPSAS).

During the period, the Ministry complied with the budgetary provisions in spending the allocated budget of Kshs 31.4 Billion out of which Kshs 27.7 billion was for development and Kshs 4.2 Billion was for recurrent expenditure. By 30<sup>th</sup> June, 2016 the Ministry had spent approximately 80% of the allocated funds. This was as a result of harmonisation of the operations arising from reorganization of the government leading to the merger of former Ministries of Lands, Housing, Public Works, Nairobi Metropolitan Development and Urban Development which was a department in the Ministry of Local Government which delayed the implementation of projects and programmes. The lessons learned will form basis of ensuring that in the next financial year the Ministry will spend all the allocated funds.

The Ministry commenced implementation of the following key programmes: national titling, development of Kenya National Spatial Data Infrastructure (KNSDI), development of National Land Information Management System, sustainable land use planning, improvement of physical and social infrastructure in slum and informal settlements, urban development, completion of stalled Government buildings and ease of doing business. These are very beneficial programmes to the Kenyans socially, economically and environmentally.

The Ministry plans to achieve its mandate by setting annual targets taking into account the Ministerial priorities as set out in the Second Medium Term Plan of the Kenya Vision 2030 and the Constitution of Kenya 2010. Prudent financial management will contribute to the Jubilee Government's overall pledges and commitments to the people of Kenya.

High priority will be accorded to efficient land management, alleviating the acute housing shortage particularly for low-income segment, slum and informal settlements upgrading, urban development and maintenance of national public works infrastructure. Specifically, the Ministry is committed to: production of 3 million title deeds; digitization of 57 land registries; modernization of land registries; finalization and implementation of National Spatial Plan and the National Land Use Policy; Survey and maintenance of National and International boundaries; development of Geospatial data; improvement of infrastructure at Kenya Institute of Surveying and Mapping; delivery of 300,000 housing units; renewal of 21 urban centres and development of 242 markets; development of six (6) metropolitan regions countrywide and revamping of the Supplies Branch as a key driver of the "*Buy-Kenya-Build-Kenya*" initiative.

Finally, I would like to acknowledge the staff in the Ministry under the guidance of the Principal Secretary for their dedication to make positive contributions to Kenyans. I would also like to appreciate the development partners who have been supporting the Ministry through provision of finances and other efforts. The effort of other stakeholders cannot go unnoticed particularly during this important period.

**PROF. JACOB T.KAIMENYI, PhD, FICD, EGH**  
**CABINET SECRETARY**

## **BUDGET PERFORMANCE AGAINST ACTUAL AMOUNTS FOR CURRENT YEAR BASED ON ECONOMIC CLASSIFICATION AND PROGRAMMES**

### **Projects and programmes achievements**

To realize the national development agenda, the Ministry has undertaken the following flagship projects:

**National Land Information Management:** this involves development of a transparent, decentralized, affordable, effective and efficient GIS based Land Information Management System. The system developed will require finalizing the safeguarding and digitization of land paper records, deployment of the electronic Land Records Management System and development and implementation of a Cadastral Database System. In the 2015/16 financial year the Ministry:-

- Operationalized online application for official search to reduce turn-around timelines
- Upgraded land rent system
- Up scaled digitization of 13 land registries to 76%. These registries are; Kwale, Kilifi, Mombasa, Thika, Kiambu, Machakos, Meru Central, Kajiado, Nakuru, Kisumu, Bungoma and Central registry.

**National Land Titling Register:** In accordance with the Land Registration Act, 2012, a National Land Title Register will be established and will contain all land in the country. The following activities will be implemented; geo –referencing of all parcels of land, conversion of existing land under various land registration statutes to the land Registration Act, 2012, transfer of the converted land records to the county land registries and issuance of both manual and digital certificate of titles, and resolutions of any dispute that may arise.

During the period under review the Ministry launched the Geospatial Control Centre; integrated 167 Continuous Observation Reference Stations (CORS) with the Geodetic Control Centre; updated 126,000 Parcels into the National Topographical Data base and published 35 base maps.

**Modernization of Land Registries:** this involves construction, rehabilitation and equipping of land registry offices to enhance security of land information and in readiness for the implementation of the NLIMS. During the period under review the Ministry renovated Headquarter and Gatundu Land Registry.

**National Spatial Plan:** this involves preparation of long term framework to guide the sectoral integration and rationalisation of the social, economic and territorial development of the country. The National Spatial Plan is at 98% completion level.

**County Spatial plans:** this involves the preparations of guidelines to ensure that all counties follow the same standards in implementing development projects in the country. This involve developing an framework of the 47 county spatial and urban development plans; reviewing and finalizing physical planning manuals, guidelines and standards and monitoring and supervision of integrated strategic physical development plans for the major cities and urban areas.

In the 2015/16 the Ministry undertook the following activities.

- Conducted Capacity Needs Assessment Study in physical planning of 47 counties

- Prepared draft Local Physical Development Plans for Bungoma, Eldoret and Webuye. These are fast growing urban areas along a national economic corridor.
- Conducted sensitization workshops on physical planning manuals, guidelines and standards in 7 counties
- Prepared land capability maps for Coast Region

**Kenya National Spatial Data Infrastructure(KNSDI):** this involves the development of a national infrastructure for access and use of geospatial information in decision making, establishing a modern geodetic framework , updating and digitalization of maps and KNSDI guidelines at local and county and national levels. During year under review the Ministry modernized Kenya National Geodetic Reference Frame (KENREF) by establishing Real Time Kinematics (RTK) and construction and equipping of 167 National Control Pillars.

**Land Adjudication and Titling Programme:** the programme entail; finalizing and operationalization of community land bills in order to embark on adjudication and titling of community land; establishment of special community land; fast-tracking land adjudication and settlement programmes in order to ensure security of tenure and process of registering the unregistered community land. The Ministry finalized 240,689 parcels for registration.

**Housing Development:** this involves facilitation of production of 300000, housing units annually through various initiatives; development of quality and affordable houses for lower income Kenyans; and development of appropriate building materials and technologies. The Ministry achieved the following:-

- Completed and handed over 822 housing units in Kibera Soweto East Zone A
- Completed documentation, design and preparation of Bill of Quantities for construction of 3,500 housing units in Kibera Soweto East Zone B and Mariguini
- Construction of 250 Civil Servant Housing units in Kisumu is at 50% (superstructure walling, window fixing, ceiling plaster, internal wall plaster and key pointing) completion level
- ***Finalization of PPPs agreement for the construction of 10,000 housing units for civil servants in Nairobi***
  - Designs for the projects finalized and accepted by both parties.
  - Draft Contract documents prepared and submitted to the PPP Unit in treasury

**Up-Scaling Slum Upgrading and Prevention Initiative:** this involves installation of physical and social infrastructure in slums and informal settlements in selected urban areas and implementation Kenya informal settlement improvement programme. The Ministry undertook the following:-

- ***Construction of physical infrastructure in selected slums and informal settlements***
  - Constructed 30km of roads and 23.8 km of footpaths
  - installed and operationalized 21No 30M floodlighting masts
  - Constructed 36.5 km of sewerage and 30 km storm water drainage and 11 sanitation facilities (ablution blocks)
  - The target on access roads was not achieved due to slow progress by contractor in Eldoret and non-completion of ablution blocks in Eldoret.
- ***Installation of physical infrastructure in selected slums and informal settlements***
  - Constructed 5.4 km of access roads and 7.6 km of footpaths
  - Installed 30No 30M floodlights
  - Completed 8.7 km of storm water drainage

- Connected 22.7km of water pipeline to households

**Metropolitan Development:** this involves preparation and implementation of strategic development and investment plans in six metropolitan regions (Nairobi, Mombasa, Kisumu- Kakamega, Nakuru- Eldoret, Wajir-Garissa- Manderu, Kitui- Mwingi- Meru) and their respective spatial plans.

**Urban Areas Planning:** the flagship projects include preparation of strategic integrated physical development plans for five urban centres along the Lamu port, southern Sudan and Ethiopia transport ( LAPSSET) corridor; special border towns and all other municipalities ; review and formulation of national urban development policy ; and implementation of cities and urban areas act if 2011.

**Improvement of Living and Working Conditions in Government Buildings:** it involve completion of 35 stalled public buildings; design, document and supervise the completion of 300 new government buildings as requested by government ministries, agencies, departments and county governments; and rehabilitate and maintain 250 public buildings in both national and county governments. During the period under review the Ministry achieved the following:

- **Completion of Stalled Government Projects**
  - a. Kitui Primary Teachers Training College –Overall completion **98%**
    - Completed 4 blocks of senior staff houses (8 No. units), lecture theatre and support facility
    - Civil and road works at 95%
  - b. Kenya Institute of Business Training Headquarters-**85%**
    - Completed glazing and painting works, Electrical, plumbing and mechanical works
    - Roofing, external and internal finishes to the Amphitheatre, and Civil works and structured cabling are ongoing
  - c. Voi Primary Teachers Training College-Overall completion-**98%**
    - Completed Play fields (Football pitch, athletic track, basketball court and tennis court) and Swimming pool
    - Electrical, ceiling and plumbing fitting works are ongoing at the Pavilion
  - d. Nyamira Divisional Police Headquarters Phase II-Overall completion-**99%**
    - Completed Administration block, 22No. Type D (3-Bedroomed Flats) houses in Nyangusu and Keroka site.
    - Road works are ongoing

**Development and Maintenance of Coastlines Infrastructure and Inland Water Transport:** entails construction and maintenance of 8 jetties and 7500 meters of sea wall will be undertaken to improve movement into and out of waters, and protect land and property in low lying areas from erosion flooding and sea wave action. Inland water berths facilities will also be improved. During the period under review the Ministry achieved the following:

- **Re-construction of Shimoni Fisheries Jetty-98%.**
  - Completed the piling and installation of pre-cast units.
  - Casting of the Jetty head is currently ongoing.

**Research in Appropriate Building Technology:** entails conducting seven researches on alternative building technologies: brick/soil based materials; natural stones; cement based materials; wood based materials; indigenous roofing materials; interlocking bricks; and prefabricated buildings. During the period under review the Ministry achieved the following:

- Completed construction of ABT centres at Ainabkoi, Matuga, Kababu, Wote.
- Other ABT centres are at various levels of completion: Kabarnet (70%), Nyakach (70%), Gachoka (70%), Kajiado North (90%), Isiolo North (90%), Saku (85%).

**Procurement of Common User Items for Government Institutions:** this involves procurement of term supply contracts; promotion of local manufacturers and the jua kali enterprises in government procurement activities; setting up a website where contracted suppliers will be listed for ease of access by client departments and advertising bidding opportunities relating to supplies. During the period under review the Ministry achieved the following:

- **Refurbishment of Supplies Branch**
  - Completed Structural cabling; and documentation of locally manufactured common user items
  - Completed documentation for Supplies Branch Perimeter wall

#### **Policy, Legal and Institutional Reforms**

This entails:

- a. Formulation/review and implementation of: national land use; KNSDI; national housing; Kenya national slum prevention and upgrading; national maintenance; leasing and accommodation; public works; national urban development; metropolitan; markets development policies.
- b. Lobbying for enactment of community land; spatial planning; eviction and resettlement; built environment; housing; building surveyors and landlord and tenant bill; metropolitan areas bills.
- c. Repeal the architects and quantity surveyors act and review the urban areas and cities act.
- d. Preparation of subsidiary legislation, review of enacted acts and eliminate any inconsistencies and harmonization of land legislations with the new acts such as the survey act cap 299.

During the period under review, the Ministry achieved the following;

- a. Initiated formulation/review of: national land use; KNSDI; national housing; Kenya national slum prevention and upgrading; national maintenance; leasing and accommodation; public works; national urban development; metropolitan; markets development policies.
- b. Prepared and forwarded community land and physical planning; built environment; housing; building surveyors and landlord and tenant bill; metropolitan areas bills to Cabinet for approval. Eviction and resettlement procedures bill was incorporated in the Land Law Amendment Bill;
- c. Initiated repeal of the architects and quantity surveyors act and review the urban areas and cities act.
- d. Survey Act cap 299. Is being repealed.
- e. Forwarded Land Law Amendment Bill to Cabinet which has since been enacted.
- f.

### III. STATEMENT OF ENTITY 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 so prepared to be in a form that complies with relevant accounting standards as prescribed the public Sector Accounting Standards Board of Kenya from time to time.

The Accounting Officer in charge of the Ministry of Land, Housing and Urban Development is responsible for the preparation and presentation of the Ministry's financial statements, which give a true and fair view of the state of affairs of the Ministry's 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 ministry; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Ministry; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the Ministry of Land, Housing and Urban Development accepts responsibility for the Ministry'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 Ministry's financial statements give a true and fair view of the state of ministry's transactions during the financial year ended June 30, 2016, and of the Ministry's financial position as at that date. The Accounting Officer in charge of the Ministry of Land, Housing and Urban Development further confirms the completeness of the accounting records maintained for the Ministry, which have been relied upon in the preparation of the Ministry financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in Charge of Ministry Land, Housing and Urban Development confirms that the entity has complied fully with applicable Government Regulations and the terms of external financial covenants (where applicable), and that the Ministry's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the Ministry'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. (PSASBK)

#### Approval of the financial statements

The Ministry's financial statements were approved and signed by the Accounting Officer on

04.04.2017



Principal Secretary/Accounting Officer



Principal Accounts Controller



## OFFICE OF THE AUDITOR-GENERAL

### REPORT OF THE AUDITOR-GENERAL ON THE MINISTRY OF LANDS, HOUSING AND URBAN DEVELOPMENT 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 Ministry of Lands, Housing and Urban Development Vote 111 set out on pages 12 to 72, which comprise the statement of assets as at 30 June 2016, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation, recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

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 is 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

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*Report of the Auditor-General on the Financial Statements of Ministry of Lands, Housing and Urban development for the year ended 30 June 2016*

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

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

## **Basis for Qualified Opinion**

### **1.0 Inaccuracies in the Financial Statements**

#### **1.1 Financial Statements prepared outside IFMIS**

In the statement of receipts and payments, total receipts and payments are reflected as Kshs.24,869,623,402 and Kshs.24,859,744,892 respectively. However, this amount differ from the amounts in the IFMIS report which gives total receipts and payments as Kshs.24,867,784,937 and Kshs.24,859,543,892 respectively resulting to variances of Kshs.1,838,465 and Kshs.201,000. Although the Ministry has explained these differences, financial statements have not been amended to reflect IFMIS report figures. In the circumstances, total receipts and payments of Kshs.24,869,623,102 and Kshs.24,859,744,892 respectively reflected in the statement of receipts and payments for the year ended 30 June 2016 could not be confirmed.

#### **1.2 Summary of Fixed Assets**

As previously reported, the financial statements for the year ended 30 June 2016, does not include a summary of fixed assets statement as an annex contrary to the prescribed reporting template as issued by Public Sector Accounting Standards Board of the National Treasury. In the current year, assets amounting to Kshs.16,396,648,085 were procured by the ministry but an assets register is not maintained to keep track of the assets. In the absence of summary of fixed assets and assets register, the accuracy of the financial statements remains doubtful. Consequently, it has not been possible to confirm validity and accuracy of the financial statements for the year ended 30 June 2016.

### **2.0 Acquisition of Assets**

#### **2.1 Construction of Civil works**

Included in acquisition of assets figure of Kshs. 16,396,648,085 for the year ended 30 June 2016 is construction and civil works of Kshs.9,372,593,987. However, this figure could not be confirmed since stationery amounting to Kshs.534,083,192.80 was charged to the item for construction of civil works but no authority has been

availed for audit review. Further, fuel automobile repairs amounting to Kshs.13,606,988 was also irregularly charged to construction of civil works while security services and cleaning services amounting to Kshs.13,701,999 and Kshs.5,939,991 respectively was wrongly charged to construction of civil works during the year under review. In addition, operating system, licenses, computer servers and computer desktops all totalling to Kshs.23,349,000 were also charged to construction of civil works. Under the circumstances, it has not been possible to ascertain the propriety and accuracy of construction of civil works amounting to Kshs.9,372,593,987 included under note 8 to the financial statements for the year ended 30 June 2016.

## **2.2 Research, Studies, Project Preparation, Design and Supervision**

Included in the acquisition of assets figure of Kshs. 16,396,648,085 is research, studies, project preparation, design and supervision figure of Kshs.1,378,912,061 as reflected in note 8 to the financial statements. However, payment vouchers amounting to Kshs.44,245,151 were not availed for audit review. In the absence of the payment vouchers and other support documents, the propriety of the expenditure totalling Kshs.44,245,151 for the year ended 30 June 2016 could not be confirmed.

## **2.3 Construction of Roads**

Included in the acquisition of assets figure of Kshs.16,396,648,085 is construction of roads figure of Kshs.591,395,750 for the year ended 30 June 2016. However, included in this figure is an amount of Kshs.123,534,600 which does not relate to road construction at all. Consequently, the propriety of Kshs.591,395,750 as reflected under note 8 to the financial statements could not be confirmed.

## **2.4 Refurbishment of Building**

Included in the acquisition of assets figure of Kshs.16,396,648 for the year ended 30 June 2016 is an amount of Kshs.37,797,475 in respect of refurbishment of buildings. However, this figure could not be confirmed due to the fact that Kshs.11,113,689 did not relate to refurbishment of buildings.

## **2.5 Construction of Buildings**

Included in acquisition of assets figure of Kshs. 16,396,648,085 under note 8 is construction of buildings figure of Kshs.1,864,758,824 as at 30 June 2016. However, schedules availed for audit review revealed that payments amounting to Kshs.190,787,881.50 did not relate to construction of buildings. In the circumstances, the propriety of construction of buildings of Kshs.1,864,758,824 could not be confirmed. In view of the foregoing, it has not been possible to confirm the propriety of acquisition of assets figure of Kshs. 16,396,648,085 for the year ended 30 June 2016.

### **3.0 Use of Goods and Services**

#### **3.1 Other Operating Expenses**

Included in the use of goods and services of Kshs.4,392,764,199 is Kshs.2,426,195,889 being other operating expenses reflected in note 5 to the financial statements. However, sampled payment vouchers totalling Kshs.27,027,411 were not availed for audit review. Consequently, the propriety of other operating expense of Kshs.2,426,195,889 for the year ended 30 June 2016 could not be confirmed.

#### **3.2 Fuel, Oil and Lubricants**

Included in the use of goods and services figure of Kshs. 4,392,764,199 for the year ended 30 June 2016 is fuel, oil and lubricants amount of Kshs.38,518,932. However, out of the sampled payments, vouchers totalling Kshs.2,666,973.20 were not availed for audit review. Further, from the sampled vouchers availed for audit review, payments amounting to Kshs.10,728,900 were not related to this expenditure item. Consequently, the propriety of fuel, oil and lubricants of Kshs.38,518,932 included under note 5 to the financial statements for the year ended 30 June 2016 could not be confirmed.

### **4.0 Cash and cash Equivalents**

The Ministry's statement of assets as at 30 June 2016 reflects cash and cash equivalents balance of Kshs.2,089,206,836.60 which includes deposit account balance of Kshs.2,089,075,580. Included in the deposit bank reconciliation statement were receipts in bank statement and not in cashbook totalling Kshs.1,015,410,406 which had been outstanding since 3 June 2014. Further, there were payments in bank not recorded in cashbook as well as receipts in cashbook not in bank statement amounting to Kshs.220,854,334 and Kshs.43,232,134 respectively and which had been outstanding since 2013/2014 for which no plausible explanation was offered by the management. In the circumstances, it has not been possible to confirm that the cash and cash equivalent balance of Kshs.2,089,206,836.60 as at 30 June 2016 is fairly stated.

### **5.0 Imprest and Clearance Accounts**

The imprest and clearance account balance of Kshs.45,527,100 as at 30 June 2016 is not in agreement with the IFMIS imprest register with a figure of Kshs.68,108,849.30 and thus leading to an unreconciled and unexplained difference of Kshs.22,581,749. Further, a schedule provided for audit review to support imprest and clearance account reflected an amount of Kshs.65,390,353 which again is in variance with the amount of Kshs. 45,527,100 reflected in the financial statements and hence resulting to an unexplained difference of Kshs.19,863,253. In the circumstances, imprest and clearance accounts balance of Kshs.45,527,100 included in the statement of assets as at 30 June 2016 could not be confirmed.

## **6.0 Accounts Payable – Deposit**

The Accounts Payable – Deposit of Kshs.2,089,075,580 as at 30 June 2016 revealed that a construction company was paid Kshs.8,817,156.90 being retention money in respect of construction of Eldama Ravine Bus park. However, there was no miscellaneous receipt attached to the payment voucher to confirm that the company was indeed originally deducted the money. Further, the account payable – deposit balance of Kshs.2,089,075,580 as reflected in the statement of assets differs from the cashbook balance of Kshs.1,480,819,876 as at 30 June 2016 resulting to an unexplained and unreconciled difference of Kshs. 608,255,704. Further, withholding tax amounting to Kshs.230,617,942.85 which includes figures dating back to 2014/2015 financial year had not been paid to Kenya Revenue Authority as required. Under the circumstances, the balance of accounts Payable–Deposit of Kshs.2,089,075,580 included in the statement of assets as at 30 June 2016 could not be confirmed.

## **7.0 Construction of Stadia**

### **7.1 Construction of Olenguruone Stadium**

Construction of Olenguruone Stadium was awarded to a contractor at a contract sum of Kshs.290,643,668 as per contract agreement signed on 12 November 2012. The envisaged contract completion period was 104 weeks. However, audit field inspection carried out in September, 2016 revealed that the project was not complete and the contractor was not on site. Further, the contractor had been paid a total of Kshs.73,481,130 vide certificate No. 1 and 2. However, comparison between amount paid and work done as per Certificate No. 2 reflected that some work had been paid but not done in respect of bill No. 5 for soccer pitch, running track and internal driveway. In addition, Kshs.6,000,000 had been paid for ground preparation and planting of grass which had not been done by the time of inspection. Further, Bill of quantities for excavation and ground preparation was for Kshs.11,253,900 yet the contractor was paid Kshs.33,220,050 occasioning to an unexplained overpayment of Kshs.21,966,150 contrary to the contract agreement Clause 3.02 of inspection of site and Clause 3.03 of excavation in trenches. It was also noted that the contract had since expired and no extension was granted and the performance bond for Kshs.14,532,184 dated 27 September, 2012 had expired on 26 December, 2013 but had not been renewed. In addition, the contractor was to buy a new diesel powered double cabin 4WD vehicle for exclusive use of the project manager at Kshs. 2,000,000. The vehicle had to revert back to the employer upon completion of the project. At the time of the inspection, the vehicle was not physically available.

Under the circumstances, the propriety of expenditure totaling Kshs.73,481,130 incurred on the project could not be confirmed and as such the public may not have obtained value for money on this project.

## **7.2 Construction of Narok Stadium**

A contract to construct Narok Stadium was awarded to a contractor at a contract sum of Kshs.313,676,678 which commenced on 29 May 2013 for a period of 18 months. The envisaged completion date was 28 November, 2014 but which was later revised to 30 June 2015. However, the project had not been completed in spite of new completion date of 30 June 2015. In addition, a scrutiny of the bills of quantities and payments revealed that the contractor was to install three (3) water tanks with a storage capacity of 2,000 litres each. However, the contractor instead supplied tanks with a capacity of 1,000 litres. Further, according to the bill of quantities, the type of timber to be used for roofing was supposed to be cyprus. However, the contractor used pine timber which is cheaper than cyprus timber. The contractor was to do manholes as specified in the contract at a cost of Kshs.48,800. However, the contractor was paid Kshs.111,800 occasioning overpayment of Kshs.63,000. It was further agreed that the contractor was to be paid Kshs.2,500,000 for electrical works and installation as per the bill of quantities but was paid Kshs.3,250,000 occasioning an overpayment of Kshs.750,000. Further, the contractor was to do drilling, piping, supply pump and elevate water storage tank 20M3 including testing and commissioning of the whole system at a cost of Kshs.3,500,000. However, it was noted that the borehole was drilled but later sealed due to state of water but no piping was done nor pump installed. In addition, the elevated water storage tank installed was 10M3 instead of 20M3 and the contractor had been paid Kshs.3,000,000 by the time of audit. Further, the contractor was to undertake landscaping after site clearance, excavation, preparation and leveling the ground in order to plant grass and trees and to maintain these until maturity at a total cost of Kshs.7,418,660. However, by the time of audit no landscaping had been done although the contractor had been paid an amount of Kshs.7,041,950. No reasons have been given as to why the project has not been completed in time or why various components had not been undertaken to benefit the general public in spite of the contractor having been paid substantial amount. Consequently, the public may not have obtained value for money from the construction of the Narok Stadium.

## **8.0 Construction of Kenya Industrial Training Institute (KITI), Nakuru Phase IV for the Ministry of Industrialization & Enterprise Development**

The Ministry of Lands, Housing & Urban Development undertook the project reference No.W.P. Item No.DGORV/NKU.010/JOB No.6487F on behalf of the Ministry of Industrialization & Enterprise Development. The Contract was awarded by the Ministry to Jiku Builders at a contract sum of Kshs.396,597,074 in 2010. The work done and paid for to date as per the documents availed for audit review amounts to Kshs.242,951,347. However, the signed contract agreement between the Ministry and the contractor (Jiku Builders) which contains the terms and conditions of the contract had not been availed for audit review. Further, the main contractor in their letter to the Ministry referenced Jiku/006/2015 of 25 May 2015 requested for the Ministry's concurrence to enter into sub contract agreement with

M/s Modern Precast (K) Ltd citing internal logistical issues among its Directors. No evidence to show whether the Ministerial Tender Committee deliberated and authorized the subcontracting of the project. In addition, no details have been availed to show whether the Ministry conducted technical and financial due diligence to determine whether the subcontracted Company had the capacity to carry out the works. Further, a letter to Permanent Secretary Ministry of Industrialization and Enterprise Development from the Ministry of Lands and Housing referenced: QD117/General Vol.1/(92) dated 24 November 2015 indicated that, though the original contract sum amounted to Kshs.396,597,074, the anticipated final account was raised to Kshs.469,063,069.03 resulting to a contract variation of Kshs.72,465,995.03 equivalent of 18%. No evidence however has been furnished for audit review to show that the Ministerial Tender Committee authorized the contract variation of 18%. In addition, a total amount of the Kshs.56,717,578 has been charged by subcontractor

in 2015/2016. Further, it has not been possible to confirm whether the contract is binding between the Ministry and subcontractor (Modern Precast Ltd). It was also noted that vide letter referenced QD117/General Vol.1/(90) the Ministry of Housing and Urban Development requested the Ministry of Industrialization and Enterprise Development to consider funding the above project by availing Kshs.201,000,000. The Memorandum of understanding between the two Ministries has however not been availed for audit review. In addition, the approved drawings, site visit meeting minutes and the current status report as well as payment vouchers with certificates detailing all the work done and paid for as per the bills of quantities have not been availed for audit review.

Consequently, it has not been possible to confirm whether there was value for money for the work done and paid for amounting to Kshs.242,951,347 as at 30 June 2016.

### **Qualified Opinion**

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Ministry of Lands, Housing and Urban Development as at 30 June 2016, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with Public Finance Management Act, 2012.

#### **1.0 Other Matter**

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

The Ministry of Land, Housing and Urban development had a total budget of Kshs.31,445,183,832 voted for the financial year 2015/2016 comprising of Kshs.27,664,337,690 for development and Kshs.3,780,846,142 for recurrent

expenditure. This was an increase of 5% compared to the 2014/2015 financial year budget of Kshs.29,706,194.169.

The budget absorption was as follows:-

Item	Budgeted Allocation 2015/2016 Kshs.	Actual 2015/2016 Kshs.	Under absorption Kshs.	Absorption in % (Kshs.)	As % of Total Expenditure Kshs.
Recurrent	3,780,846,142.00	3,702,494,989.30	78,351,152.70	98.00	14.90
Development	27,664,337,690.00	21,157,249,902.65	6,507,087,787	76.47	85.10
<b>Total</b>	<b>31,445,183,832.00</b>	<b>24,859,744,891.95</b>	<b>6,585,438,939</b>	<b>79.34</b>	<b>100.00</b>

In view of the above, the Ministry failed to utilize funds totalling Kshs.6,585,438,940 out of which Kshs.6,507,087,787 related to development projects. Failure to utilize funds for development undermines development agenda of the ministry and may impact negatively on citizen's standard of living.

## 1.2 Recurrent Expenditure

Out of the recurrent budget of Kshs.3,780,846,142, below is the budget performance analysis:

Item	Budget	Actuals	(Under Expenditure)/ Excess Expenditure	Under Expenditure/Over Expenditure (%)
Compensation of Employees	2,750,300,000	2,788,630,231.35	( 38,330,231.35)	(2%)
Use of goods and services	822,965,640	713,105,239.15	109,860,400.85	14%
Transfers to Other Government Units	158,260,752	160,010,752.00	(1,750,000.00)	(2%)
Other grants and transfers	26,939,248	26,550,826.80	388,421.20	2%
Social Security Benefits	150,000	-	150,000.00	0%
Acquisition of Assets	22,230,502	14,197,940.00	8,032,562.00	37%
<b>TOTALS</b>	<b>3,780,846,142</b>	<b>3,702,494,989.30</b>	<b>78,351,152.70</b>	<b>2%</b>

The under expenditure for the recurrent budget was mainly on use of goods and services and acquisition of assets with under expenditure of Kshs.109,860,400,8,032,562 respectively. This is an indication of lack of focus in

budget mechanism hence need of proper budgeting process to focus on priority areas for service delivery to Kenyans.

### 1.3 Development Expenditure

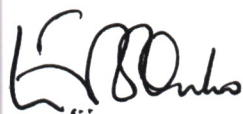
A total of Kshs.27,664,337,690 was allocated to the Ministry for development during the year ended 30 June 2016. However only Kshs.21,157,249,902 was paid which represent 76% of the funds allocated as detailed below:

Item	Budget	Actuals	Under Expenditure	Under Expenditure %
Use of goods and services	3,999,554,386.00	3,679,658,950.65	319,895,435.35	8%
Units	1,850,971,081.00	890,338,237.30	960,632,843.70	52%
Other grants and transfers	211,600,000.00	204,802,569.50	6,797,430.50	4%
Acquisition of Assets	21,602,212,223.00	16,382,450,145.20	5,219,762,077.80	25%
<b>TOTALS</b>	<b>27,664,337,690.00</b>	<b>21,157,249,902.65</b>	<b>6,507,087,787.35</b>	<b>24%</b>

Overall the Ministry did not utilize a total of Kshs.6,507,087,787 representing 24% of the development budget. The management has not explained why more than 24% of the development budget was not utilized. As a result, the citizens did not receive the desired services on the infrastructure that were not implemented resulting to lack of service delivery to the citizens of Kenya.

## 2. Pending Bills

As disclosed in Annex 1 to the financial statements, the Ministry of Land, Housing and Urban Development had total pending bills of Kshs.1,693,351,703.19 which were not settled as at 30 June 2016 but were carried forward to 2016/2017. Had the bills been paid and the expenditure charged to the account for 2015/2016, the statement of receipts and payments for the year would have reflected a deficit of Kshs.1,683,473,193.19 instead of the reflected surplus of Kshs.9,878,510 for the year ended 30 June 2016.



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

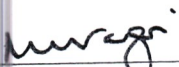
**Nairobi**

**18 May 2017**

**V. STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	2015-2016 Kshs	2014-2015 Kshs
<b>RECEIPTS</b>			
Transfers from National Treasury	1	22,711,309,870	18,069,123,310
Proceeds from Foreign Borrowings	2	2,144,449,732	614,702,744
Other Revenues	3	13,863,800	9,414,750
<b>TOTAL REVENUES</b>		<b>24,869,623,402</b>	<b>18,693,240,804</b>
<b>PAYMENTS</b>			
Compensation of Employees	4	2,788,630,231	2,656,265,326
Use of goods and services	5	4,392,764,190	2,843,785,974
Other grants and transfers	6	1,281,702,386	582,477,019
Social Security Benefits	7	-	253,557
Acquisition of Assets	8	16,396,648,085	12,457,964,418
<b>TOTAL PAYMENTS</b>		<b>24,859,744,892</b>	<b>18,540,746,294</b>
<b>SURPLUS/DEFICIT</b>		<b>9,878,510</b>	<b>152,494,510</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 04.04.17 and signed by:

  
 PRINCIPAL SECRETARY

  
 PRINCIPAL ACCOUNTS CONTROLLER

Ministry of Lands, Housing and Urban Development  
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**VI. STATEMENT OF ASSETS**

	Note	2015-2016 Kshs	2014-2015 Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances	9A	2,089,206,836.60	1,857,485,046
Cash Balances	9B	-	8,200
<b>Total Cash And Cash Equivalents</b>		<b>2,089,206,836.60</b>	<b>1,857,493,246</b>
Accounts Receivables - Outstanding Imprest and Clearance Accounts	10	45,527,100.00	29,198,003
<b>TOTAL FINANCIAL ASSETS</b>		<b>2,134,733,936</b>	<b>1,886,691,249</b>
<b>LESS: FINANCIAL LIABILITIES</b>			
Accounts Payables - Deposits	11	2,089,075,580.00	1,726,622,234
<b>NET FINANCIAL ASSETS</b>		<b>45,658,356</b>	<b>160,069,015</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd	12	160,069,015.00	1,894,360,503
Surplus/Deficit for the year		9,878,510.25	152,494,510
Prior year adjustments	13	-	-1,886,481,598
<b>NET FINANCIAL POSITION</b>		<b>45,658,356</b>	<b>160,069,015</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 04.04.17 and signed by:



PRINCIPAL SECRETARY



PRINCIPAL ACCOUNTS CONTROLLER

**VII. STATEMENT OF CASHFLOW**

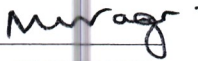
Note	2015-2016 Kshs	2014-2015 Kshs
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Receipts for operating income</b>		
Transfers from National Treasury	1 22,711,309,870	18,069,123,310
Other Revenues	3 13,863,800	9,414,750
	<b>22,725,173,670</b>	<b>18,078,538,060</b>
<b>Payments for operating expenses</b>		
Compensation of Employees	4 - 2,788,630,231 -	2,656,265,326
Use of goods and services	5 - 4,392,764,190 -	2,843,785,974
Other grants and transfers	6 - 1,281,702,386 -	582,477,019
Social Security Benefits	7 - - -	253,557
	<b>- 8,463,096,807 -</b>	<b>6,082,781,876</b>
<b>Adjusted for:</b>		
Changes in receivables	- 16,329,096	-
Changes in payables	362,453,346	1,726,622,234
Adjustments during the year	- 153,487,172	-1,886,481,598
<b>Net cashflow from operating activities</b>	<b>192,637,077</b>	<b>159,859,364</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>		
Acquisition of Assets	8 - 16,396,648,085 -	12,457,964,418
<b>Net cash flows from Investing Activities</b>	<b>(16,396,648,085)</b>	<b>(12,457,964,418)</b>
<b>CASHFLOW FROM BORROWING ACTIVITIES</b>		
Proceeds from Foreign Borrowings	2 2,144,449,732	614,702,744
<b>Net cash flow from financing activities</b>	<b>2,144,449,732</b>	<b>614,702,744</b>

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<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>	<b>202,515,588</b>	<b>7,364,854</b>
Cash and cash equivalent at <b>BEGINNING</b> of the year	<u>1,886,691,249</u>	<u>1,894,360,503</u>
Cash and cash equivalent at <b>END</b> of the year	<u>2,089,206,837</u>	<u>1,886,691,249</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 04.04.17 and signed by:



PRINCIPAL SECRETARY



PRINCIPAL ACCOUNTS CONTROLLER

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

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>						
Proceeds from Domestic and Foreign Grants(Note 17)	641,063,500.00	-	641,063,500.00	-	641,063,500.00	0%
Exchequer releases	27,337,480,582.00	-	27,337,480,582.00	22,711,309,870.00	4,626,170,712.00	83%
Proceeds from Foreign Borrowings	3,332,450,000.00	416,225,000.00	2,916,225,000.00	2,144,449,732.20	771,775,267.80	74%
Proceeds from Sale of Assets(Note 14 & 17)	50,414,750.00	-	50,414,750.00	13,863,800.00	36,550,950.00	27%
Other Receipts(Note 19)	500,000,000.00	-	500,000,000.00	-	500,000,000.00	0%
<b>TOTALS</b>	<b>31,861,408,832.00</b>	<b>416,225,000.00</b>	<b>31,445,183,832.00</b>	<b>24,869,623,402.20</b>	<b>6,575,560,429.80</b>	<b>79%</b>
<b>PAYMENTS</b>						
Compensation of Employees(Note 15)	2,839,000,000.00	88,700,000.00	2,750,300,000.00	2,788,630,231.35	38,330,231.35	101%
Use of goods and services	5,298,335,114.00	475,815,088.00	4,822,520,026.00	4,392,764,189.80	429,755,836.20	91%
Transfers to Other Government Units	2,223,231,833.00	214,000,000.00	2,009,231,833.00	1,050,348,989.30	958,882,843.70	52%
Other grants and transfers	26,939,248.00	211,600,000.00	238,539,248.00	231,353,396.30	7,185,851.70	97%
Social Security Benefits(Note 16)	150,000.00	-	150,000.00	-	150,000.00	0%
Acquisition of Assets	21,670,522,477.00	46,079,752.00	21,624,442,725.00	16,396,648,085.20	5,227,794,639.80	76%
Other Payments	-	-	-	-	-	-
<b>TOTALS</b>	<b>32,058,178,672.00</b>	<b>612,994,840.00</b>	<b>31,445,183,832.00</b>	<b>24,859,744,891.95</b>	<b>6,585,438,940.05</b>	<b>79%</b>

The entity financial statements were approved on **04.04.2017** and signed by:-

  
 Principal Secretary

  
 Principal Accounts Controller

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

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
Receipt/Expense Item	a	b	c=a+b	d	e=c-d	f=d/c*100
<b>RECEIPTS</b>						
Exchequer releases	3,767,431,392.00	-	3767431392	3,765,000,000.00	2,431,392.00	100%
Other receipts(Note 14)	13,414,750.00	-	13414750	13,863,800.00	449,050.00	103%
<b>Total Receipts</b>	<b>3,780,846,142.00</b>	<b>-</b>	<b>3780846142</b>	<b>3,778,863,800.00</b>	<b>1,982,342.00</b>	<b>100%</b>
<b>PAYMENTS</b>						
Compensation of Employees(Note 15)	2,839,000,000.00	- 88,700,000.00	2750300000	2,788,630,231.35	38,330,231.35	101%
Use of goods and services	846,965,640.00	- 24,000,000.00	822965640	713,105,239.15	109,860,400.85	87%
Transfers to Other Government Units	197,260,752.00	- 39,000,000.00	158260752	160,010,752.00	1,750,000.00	101%
Other grants and transfers	26,939,248.00	-	26939248	26,550,826.80	388,421.20	99%
Social Security Benefits(Note 16)	150,000.00	-	150000	-	150,000.00	0%
Acquisition of Assets	29,230,502.00	- 7,000,000.00	22230502	14,197,940.00	8,032,562.00	64%
<b>TOTALS</b>	<b>3,939,546,142.00</b>	<b>- 158,700,000.00</b>	<b>3780846142</b>	<b>3,702,494,989.30</b>	<b>78,351,152.70</b>	<b>98%</b>

The entity financial statements were approved on 09.09. 2017 and signed by:



Principal Secretary



Principal Accounts Controller

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

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>						
Proceeds from Domestic and Foreign grant(Note 17)	641,063,500.00	-	641,063,500.00	-	641,063,500.00	0%
Exchequer releases	23,570,049,190.00	-	23,570,049,190.00	18,946,309,870.00	4,623,739,320.00	80%
Borrowings	3,332,450,000.00	416,225,000.00	2,916,225,000.00	2,144,449,732.20	771,775,267.80	74%
Proceeds from Sale of Assets(Note 18)	37,000,000.00	-	37,000,000.00	-	37,000,000.00	0%
Other Receipts(Note 19)	500,000,000.00	-	500,000,000.00	-	500,000,000.00	0%
<b>TOTALS</b>	<b>28,080,562,690.00</b>	<b>416,225,000.00</b>	<b>27,664,337,690.00</b>	<b>21,090,759,602.20</b>	<b>6,573,578,087.80</b>	<b>76%</b>
<b>PAYMENTS</b>						
Use of goods and services	4,451,369,474.00	451,815,088.00	3,999,554,386.00	3,679,658,950.65	319,895,435.35	92%
Units	2,025,971,081.00	175,000,000.00	1,850,971,081.00	890,338,237.30	960,632,843.70	48%
Other grants and transfers	-	211,600,000.00	211,600,000.00	204,802,569.50	6,797,430.50	97%
Acquisition of Assets	21,641,291,975.00	39,079,752.00	21,602,212,223.00	16,382,450,145.20	5,219,762,077.80	76%
<b>TOTALS</b>	<b>28,118,632,530.00</b>	<b>454,294,840.00</b>	<b>27,664,337,690.00</b>	<b>21,157,249,902.65</b>	<b>6,507,087,787.35</b>	<b>76%</b>

The entity financial statements were approved on 09.04.2017 and signed by:



Principal Secretary



Principal Accounts Controller

## XI. SUMMARY STATEMENT OF PROVISIONINGS

[The provisioning summary statement is required for entities that have a vote in the National Budget.]

- Details of General Accounts On Vote

	2015 - 2016 Kshs	2014 - 2015 Kshs
GAV Provisioning account balance	4,629,577,463	7,633,235,347
<b>Total</b>	<u>4,629,577,463</u>	<u>7,633,235,347</u>

- Details of Exchequer Provisioning

	2015 - 2016 Kshs	2014 - 2015 Kshs
Exchequer Provisioning balance	3,226,170,712	1,400,307,600
<b>Total</b>	<u>3,226,170,712</u>	<u>1,400,307,600</u>



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Principal Secretary



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Principal Accounts Controller

## **XII. SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the Ministry's and all values are rounded to the nearest thousand (Kshs'000). The accounting policies adopted have been consistently applied to all the years presented.

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

### **2. Recognition of revenue and expenses**

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

### **3. In-kind contributions**

In-kind contributions are donations that are made to the Ministry's in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the Ministry's 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.

**5. Accounts Receivable**

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

**6. Accounts Payable**

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

**7. Non current assets**

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

**8. Pending bills**

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they are recorded as ‘memorandum’ or ‘off-balance’ items to provide a sense of the overall net cash position of the Ministry’s at the end of the year. Pending bill form a first charge to the subsequent year budget and when they are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

**9. Budget**

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The Ministry’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 Ministry’s actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

**10. Comparative figures**

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

**11. Subsequent events**

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

➤ **NOTES TO THE FINANCIAL STATEMENTS**

**1 EXCHEQUER RELEASES**

Description and reference of the transfer	Date of transfer	2015 - 2016	2014 - 2015
		Kshs	Kshs
1st quarter transfer		3,286,000,000	1,216,000,000
2nd quarter transfer		5,942,916,000	6,044,305,870
3rd quarter transfer		6,581,793,870	5,433,617,435
4th quarter transfer		6,900,600,000	5,375,200,005
<b>Total</b>		<b>22,711,309,870</b>	<b>18,069,123,310</b>

<b>PROCEEDS FROM FOREIGN</b>		2015 - 2016	2014 - 2015
<b>2 BORROWINGS</b>		Kshs	Kshs
Foreign Borrowing – Draw-downs Through Exchequer		-	
Foreign Borrowing - Direct Payments		2,144,449,732	614,702,744
<b>Total</b>		<b>2,144,449,732</b>	<b>614,702,744</b>

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**3. OTHER REVENUES**

	2015 - 2016	2014 - 2015
	<b>Kshs</b>	<b>Kshs</b>
School fees	13,863,800	9,414,750
<b>Total</b>	<b>13,863,800</b>	<b>9,414,750</b>

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**4 COMPENSATION OF EMPLOYEES**

	<b>2015 - 2016</b>	<b>2014 - 2015</b>
	<b>Kshs</b>	<b>Kshs</b>
Basic salaries of permanent employees	1,799,157,248	1,780,812,575
Basic wages of temporary employees	10,494,233	7,664,125
Personal allowances paid as part of salary	978,978,750	867,788,626
<b>Total</b>	<b>-</b>	<b>2,656,265,326</b>

**5 USE OF GOODS AND SERVICES**

	<b>2015 - 2016</b>	<b>2014 - 2015</b>
	<b>Kshs</b>	<b>Kshs</b>
Utilities, supplies and services	53,904,404	45,402,450
Communication, supplies and services	40,837,003	35,247,372
Domestic travel and subsistence	125,373,478	54,310,027
Foreign travel and subsistence	14,913,687	9,840,523
Printing, advertising and information supplies & services	10,063,651	9,094,583
Rentals of produced assets	114,822,295	122,010,912
Training expenses	87,493,471	36,395,126
Office and general supplies and services	65,900,898	38,546,865
Fuel Oil and Lubricants	38,518,932	13,271,359
Other Operating Expenses	2,426,195,889	1,020,335,873
Routine maintenance – vehicles and other transport equipment	26,733,310	19,760,003
Routine maintenance – other assets	317,095,095	225,685,311
<b>Total</b>	<b>4,392,764,190</b>	<b>2,843,785,974</b>

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6 .OTHER GRANTS AND PAYMENTS	2015 - 2016	2014 - 2015
	Kshs	Kshs
Membership Fees and Dues, and Subscriptions to Intl. Orgns	231,353,396	15,868,417
Subsidies to small businesses, cooperatives, and self employed	-	19,000,000
Other current transfers, grants	160,010,752	38,608,602
Other capital grants and transfers	890,338,237	509,000,000
	-	
<b>Total</b>	<b>1,281,702,386</b>	<b>582,477,019</b>

7 SOCIAL SECURITY BENEFITS	2015 - 2016	2014 - 2015
	Kshs	Kshs
Social security benefits in cash and in kind	-	253,557
<b>Total</b>	<b>-</b>	<b>253,557</b>

8 ACQUISITION OF ASSETS	2015 - 2016	2014 - 2015
	Kshs	Kshs
<b><u>Non Financial Assets</u></b>		
Purchase of Buildings	-	
Construction of Buildings	1,864,758,824	1,982,475,453
Refurbishment of Buildings	37,797,475	32,412,335
Construction of Roads	591,395,750	934,131,954
Construction and Civil Works	9,372,593,987	7,080,434,098
Overhaul and Refurbishment of Construction and Civil Works	216,423,013	851,818,580
Purchase of Vehicles and Other Transport Equipment	34,966,600	792,075
Overhaul of Vehicles and Other Transport Equipment	30,000	476,460
Purchase of Household Furniture and Institutional Equipment	241,040	156,310
Purchase of Office Furniture and General Equipment	184,481,746	145,276,445
Purchase of Specialised Plant, Equipment and Machinery	1,320,849,764	408,811,170

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Rehabilitation and Renovation of Plant, Machinery and Equip.	166,500	38,850
Research, Studies, Project Preparation, Design & Supervision	1,378,912,061	631,999,169
Rehabilitation of Civil Works	144,031,326	389,141,519
Acquisition of Land	1,250,000,000	-
<b>Total</b>	<b>16,396,648,085</b>	<b>12,457,964,418</b>

**9. Bank Accounts**

Name of Bank, Account No. & currency	Indicate whether recurrent	2015 - 2016	2014 - 2015
		Kshs	Kshs
Central Bank Development A/C 1000181753		8,071.10	81,338,082.15
Central Bank Recurrent A/C		123,185.50	49,524,729.85
Central Bank Deposits 1000182245		2,089,075,580.00	1,726,622,234.00
<b>Total</b>		<b>2,089,206,836.60</b>	<b>1,857,485,046.00</b>

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**9B. Cash in hand**

	2015 - 2016 Kshs	2014 - 2015 Kshs
Headquarters Development		
Headquarters Recurrent		8,199.50
Deposits		
Other Locations ( <i>specify</i> )		
<b>Total</b>	<b>-</b>	<b>8,199.50</b>

**10 .Outstanding Imprests**

<i>Description</i>	2015 - 2016 Kshs	2014 - 2015 Kshs
Housing	-	2,473,300.00
Lands	45,266,994.00	23,165,818.00
Metropolitan	-	1,451,384.00
Works	-	920,500.00
Urban Development	-	824,000.00
District suspense	239,679.51	197,256.34
salary Advances	20,426.00	165,744.76
<b>TOTAL</b>	<b>45,527,099.51</b>	<b>29,198,003.10</b>

**11. Accounts Payables**

	2015 - 2016 Kshs	2014 - 2015 Kshs
Deposits	2,089,075,580	1,726,622,234
<b>TOTAL</b>	<b>2,089,075,580</b>	<b>1,726,622,234</b>

**12 BALANCES BROUGHT FORWARD**

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Bank accounts	1,857,485,046.00	1,889,407,692.00
Cash in hand	8,200.00	15,156.00
Receivables - Outstanding Imprests	29,198,003.00	4,937,655.00
Payables - Deposits	1,726,622,234.00	
<b>Total</b>	<b>160,069,015.00</b>	<b>1,894,360,503.00</b>

**13. PRIOR YEAR ADJUSTMENT**

This was as a result of material difference between the opening balances of bank account and the balances in the cashbook as tabulated below:-

**PRIOR YEAR ADJUSTMENT**

**BANK BALANCES AS PER THE CASHBOOK**

RECCURENT DEVELOPMENT	49,524,729.85
	81,338,082.15
	<u>130,862,812.00</u>

**BANK BALANCES AS PER BANK STATEMENT**

RECCURENT DEVELOPMENT	306,795.20
	6,266,847.55
	<u>6,573,642.75</u>

**DIFFERENCE ADJUSTED** **124,289,169.25**

However in the statement of Cashflow the amount of adjustment is Kshs 153,487,172. The increase of Kshs.29,198,002.80 has resulted from cash and cash equivalents differences between the statement of assets and statement of cashflow in the Financial year 2014/2015.

#### **14. Other Receipts**

Other receipts relates to A.I.A collected at Kenya institute of surveying and mapping. During the financial year the number of students increased slightly above the anticipated causing an over collection of Kshs.449,050 and hence 103%

#### **15. Compensation of Employees**

Compensation of employees relates to wages and salaries for staffs, during the financial year there was a supplementary budget that reduced the amount of house allowances by Kshs 61,000,000 while the amount had already been spent.

These caused the Compensation of employees to have 101%.

#### **16.Social security benefits**

Social security services relates to government pension and retirement benefits. During the Financial year there was no claim for payment and hence the 0%.

#### **17. Proceeds from domestic and foreign grants.**

These relates to grants from foreign government in form of A.I.A to fund primary and secondary schools in poor urban areas. These programmes did not take place because of Donor conditionality that were yet to be resolved when the year ended resulting to 0%

#### **18. Proceeds from sale of assets**

The proceeds were to be realised by the sale of residential buildings in the Civil servant housing scheme. However due to the delayed disposal process it was not finalised during the financial year resulting to 0%

#### **19. Other Receipts**

These relates to land registration fees to be collected as A.I.A .However we wish to state that Land registration fee is revenue and hence captured in the statement of revenue.

This has occasioned the 0% in the statement of appropriation.

**PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	Fuel consumption payment vouchers totalling to Kshs 7,327,743 not availed.	It's true that payment vouchers totaling to Kshs 7,327,743 in respect of supply of fuel oil, lubricants and cooking gas were not availed for audit verification as they had been misfiled. The vouchers have since been forwarded to the Auditor.	Mr Johnson NJuguna	Not Resolved	15 October 2016
2.	Inaccuracies in the Financial Statement	It is true that expenditure for rentals and produced assets amounted to Kshs.122,010,912 in the financial statements.  Expenditure totaling to Kshs. 19,343,501 in relation to purchase of stationery was erroneously charged to	Mr Johnson NJuguna	Not resolved	15 October 2016

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
3.	Consultancy Services	Civil Works.rentals and produced assets. The error is regretted and with implementation of e-procurement there are checks and balances to ensure that this does not happen in future.	Mr Johnson NJuguna	Not resolved	15 October 2016
4.	Construction and civil works	It's true that the said sixteen (16) payment vouchers in respect of consultancy services amounting to Kshs 327,489,457 were not availed for audit verification as they had been misfiled. I would like to state that the under listed payment vouchers totaling to Kshs 174,473,416 have been availed to the auditors for review.	Mr Johnson NJuguna	Not Resolved	15 October 2016

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
5.	Overhaul and Refurbishment of Construction and Civil Works	<p>I wish to state that exchequer notification of Kshs 526,324,508 was dated 30<sup>th</sup> June 2015. However the transfer to Kenya Municipal Project (KMP) was made 22<sup>nd</sup> July 2015 due to system challenges after the closure of the financial year 2014/2015.</p> <p>of Kshs 7,080,434,098.</p> <p>It's true that payment vouchers amounting to Kshs 437,221,281 were not availed during the time of audit due to misfiling.</p> <p>I wish to state that the payment vouchers have now been availed for audit review except vouchers for Kshs 58,681,166 which the internal audit was reviewing during the time of audit.</p>	Mr Johnson NJuguna	Not Resolved	15 October 2016

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
6.	Accounts payable – Deposits and Retentions	<p>It's true the financial position reflects Accounts Payable – Deposits and Retentions of Kshs 1,726,622,234 as at 30<sup>th</sup> June 2015 .However this figure does not include deposits form Urban Development Department and Department of Public Works amounting to Kshs 66,198,441 and Kshs 7,252,776 respectively.</p> <p>I would like to state that reconciliation is being done to establish the correct amount for each contractor so that it can be included in the deposit ledger.</p>	Mr Johnson NJuguna	Not Resolved	15 October 2016
7.0	Employment of Casuals	<p>It is true the Ministry engaged casuals to do various activities within the Ministry with a budgetary allocation of Kshs. 10,000,000. The casuals were engaged in titling and digitization activities. However,</p>	Mr Gitu	Not resolved	15 October 2016

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>due to additional workload where the exercise was escalated to other land registries across the country, the Ministry had to engage more casuals hence resulting to an increased expenditure of Kshs.6,538,000. This expenditure was charged to a related item – Contracted Professional Services to ensure that the Ministry’s contractual obligation is met.</p>			
8.	Purchase of Office Furniture and General Equipment	<p>It is true that purchase of office furniture and general equipment in note 19 to financial statement stood at Kshs. 145,276,445 as at 30<sup>th</sup> June, 2015. Expenditure amounting to Kshs. 4,125,000 relating to stationery was for purchase of printing papers for tender documents. Expenditure on meal allowance was erroneously charged to this item. The error is regretted and will not happen in future since</p>	Mr Munywoki	Not resolved	15 October 2016

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
9.	Summary of Fixed Assets	<p>implementation of e-procurement does not allow commitment of such expenditure to such items</p> <p>It's true that the Financial Statements did not include summary of fixed assets as an annex contrary to the prescribed reporting template as issued by Public Sector Accounting Standards Board.</p> <p>I would like to state that the Ministry has no fixed assets register but we have established one for future reference.</p>	Mr Ndonge	Not resolved	15 October 2016
10.	Deposit Account	<p>It is true the bank reconciliation as at 30<sup>th</sup> June 2015 reflects receipts totaling to KShs 95,899,288 being receipt in cash book not recorded in the bank statement of which amount totaling KShs. 63,761,571 has been in outstanding since June 2014. This reconciliation can be explained as under;</p> <p>(i) Amount wrongly posted in the deposit cashbook</p>	Mr Johnson NJuguna	Not Resolved	15 October 2016

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>and yet they were banked in the old Ministry of Housing Recurrent account amounting to Kshs. 20,126,758.75. Analysis as per attached</p> <p>(ii) Analysis of F.O 17 double posted into the deposit cashbook and yet they had been cleared in August 2013 reconciliation. Amounting to Kshs 29,584,029.10. Analysis attached.</p> <p>(iii) Analysis of F.O 17 posted into the cashbook and yet they were appearing as receipts in the bank statement. Amounting to Kshs. 28,039,352.45. Analysis attached.</p> <p>From the above analysis total amount of Kshs. 77,750,140.30 has been cleared from the reconciliation leaving a balance of Kshs.17,217,727.70 of which we are further reconciling.</p> <p>Further the statement shows receipt amounting to Kshs. 423,133,265.35 being receipt in the bank not in the cashbook. This was attributed by direct credits</p>			

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
11.	Office of the County Director of Housing - Nakuru	<p>from customers and donor agencies of which we are reconciling. The adjustment of outstanding amounting to Kshs. 121,551,619 were as a result of payment advices (PA's) which were never posted into the cashbook since the payment date were differing from the rate of exchange in the Central bank, however we have adjusted payments in the cashbook to the tune of Kshs 83,718,256.40 leaving a balance of Kshs.37, 833,862.60 yet to be reconciled</p> <p><b>11.1 Irregular Alienated Government Houses</b></p> <p>It is true that some housing units previously owned by government are now in private hands – as shown by our inventory. One of the houses (HG1) listed was converted into a government office. The regional Appropriate Building Materials and Technologies Centre is located within its compound. It therefore remains government property.</p>	Irene Mbogo	Not Resolved	15 October 2016

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>The Directorate of Housing in collaboration with the National Land Commission are currently looking into the circumstances under which the Commissioner of Lands issued titles for these parcels with a view to bringing this matter to a close. Some of these parcels were also captured in the 'Ndungu' Land Commission report.</p> <p><b>11.2 <u>Doubtful Cash Transactions</u></b></p> <p>Concerning direct procurement of materials we wish to point out that most of the ABT training and workshops are undertaken in remote rural areas of the county. To ensure timely availability of these materials at a reasonable cost, quotations were obtained from several local contractors and purchase</p>			

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>was made lowest bidder.</p> <p>We also wish to clarify that a fence was constructed around the ABT Centre and not a wall as indicated in your letter. Further, we confirm that the procurement of materials and provision of services was done through an</p> <p>LPO.No.2080678</p>			
		<p>Regarding payment for casual labour, a payment schedule duly signed by beneficiaries is supplied as proof of services rendered.</p> <p><b>11.3 <u>Overpayment of Civil Works</u></b></p>			

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>Provisional Sums and Prime Costs are provided for in all construction works to cater for items named as shown in the attached extract from the BQ. In this particular project Kshs 1,577,994 had been provided for as provisional sums and prime cost in the BQ.</p> <p>The two payment vouchers show amounts that include the retention fees. As you rightly noted, voucher no 10629 had been overstated by Kshs 23,276.00. A closer look at the figure shown for payment voucher No. 10630 is not accurate (see attached copy). Our records also show that the two vouchers were not prepared the same day. We</p>			

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>however do not consider that government has lost any money as yet for two reasons;</p> <p>i. The money due to the contractor and those for retention were clearly shown in the payment certificates – which guides the Accountant on how much to release and how much to retain .</p> <p>ii. 10 % of the contractor’s dues were retained for 6 months to take care of the Defects Liability Period (DLP) which is yet to lapse. Government therefore owes the contractor money and so far the high masts are</p>			

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		working perfectly well.			
		<p><b>11.4 Unconfirmed Procurement of Machinery Spares and Hardware Materials</b></p> <p>The procurement of machinery spares and hardware materials was done procedurally. Entries in the store cards were made accordingly and job card availed for audit review.</p> <p>There was no single sourcing for the purchase of the machinery spares and hardware materials as the quotations were provided for at the time of awarding the tender.</p>			

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p><b>11.5 Payment for House Repairs and renovation not undertaken.</b></p> <p>It is true that a local firm was contracted to carry out repairs and redecoration in NAKU/HOU/MG/169 A-B and NAKU/HOU/MG/171 A-B at a total cost of Kshs. 1,184,238.</p> <p>Refurbishment of government houses is done by contractors who have been pre-qualified competitively by the County procurement office. All Successful contractors are supplied with a copy of a catalogue of prices approved by the tender committee during evaluation of contractors together</p>			

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>with approved unit prices. This contract belongs to this category where competitive tendering is not applicable.</p> <p>M/s Bartum Enterprises carried out repairs and redecoration in NAKU/HOU/MG/169 A-B and NAKU/HOU/MG/171 A-B costing Kshs 640,273.60 and Kshs 543,964.60 respectively. The finding that this contractor worked on house 169 A-B and did nothing in house 171 A-B is inaccurate since inspections to ascertain works was properly done before completion certificate was issued. The certificate of completion, photographs and payment vouchers have since been availed for audit review.</p>			

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
12.	Budget Controls and Performance	<p>Some of the items listed as having not been done were not in the BQs e.g. installation of 12 windows.</p> <p>It is true that the Ministry had a total budget of Kshs. 29,706,194,169 voted for 2014/2015 financial year comprising of Kshs. 25,307,196,242 for Development and Kshs. 4,398,997,927 for recurrent expenditure. It is also true that the Ministry had budgeted to spend Kshs. 29,706,194,169 during the year under review, only Kshs. 18,540,746,294 or 62.5% was utilized leaving out Kshs. 11,165,447,875 or 37.5% unutilized.</p> <p>The under expenditure of Kshs. 11,165,447,875 was as a result of under issue of exchequer amounting to 7,480,740,837 and the difference of Kshs</p>	Mr Munywoki	Not Resolved	15 October 2016

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
13.	Pending Bills	<p>3,684,707,038 was due to late uploading of the revised estimates for FY 2014/15 and challenges in implementation of the new e-procurement module in IFMIS.</p> <p>It's true that Ministry had a total of Kshs 3,704,994,723 as pending bills which were not settled as at 30.06.2015.</p> <p>I would like to state that this was due lack of funding from the National Treasury.</p>	Mr Johnson NJuguna	Not resolved	15 October 2016

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Principal Accounts Controller



Principal Secretary

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

**MINISTRY OF LANDS AND PHYSICAL PLANNING**

	<b>NAME OF SUPPLIER</b>	<b>DESCRIPTION</b>	<b>AMOUNT</b>
1	BLUELINE SUPPLIERS	Survey equipment	39,706,205.20
2	MIRITINI INVESTMENT	Stationery	485,000.00
3	BRIAKAN MILLENIUM AGENCIES	Stationery	822,600.00
4	DRUCE INVESTMENTS	STATIONERY	126,000.00
5	CHEROMA COMMUNICATINS	AIR TIME	136,000.00
6	TRUE SERVICES INTENATIONAL	Toners	148,600.00
7	CHEROMA COMMUNICATINS	AIR TIME	268,000.00
8	GLOBAL PARTY TENTS LTD	Tents and chairs	326,050.00
9	JENNE ENTERPRISES	SURVEY ITEMS	378,450.00
10	NURIR ENTERPRISE	TONERS	375,100.00
11	KUTHUMULA TRADING AGENCIES	WATER & DISPENSERS	422,400.00
12	CHARNA ENTERPRISES	OFFICE EQUIPMENT	495,100.00
13	TRUE SERVICES INTERNATIONAL	TELEPHONE SYSTEM	546,000.00
14	JOELY GENERAL SUPPLIES	TONERS	617,120.00
15	TRUE SERVICES INTERNATIONAL	CURTAINS	624,000.00
16	CAPITAL FOUR AFRICA	SHREDDERS	990,000.00
17	KIPKABUS GENERAL SUPPLIES	STATIONERY	1,110,000.00
18	MARKET SKILL ENTERPRISES LIMITED	STATIONERY	1,211,500.00
19	WELLINGTON ENTERPRISES	TONERS	1,363,000.00
20	Wafa INVESTMENTS	FLOWERS	2,161,600.00

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21	BRIDGET ENTERPRISES	TONERS	1,992,000.00
22	FRIJO ENTERPRISE	STATIONERY	2,550,000.00
23	CHEROMA COMMUNICATINS	AIR TIME	3,852,000.00
24	BETA TRADING CO.	OFFICE EQUIPMENT	26,746,685.00
25	DENPAH INVESTMENTS	Drafting films	1,400,000.00
26	EPITOME TECHNOLOGY	Electricals	499,650.00
27	COLLATE ENTERPRISES	Toners	835,200.00
28	FAURI SUPPLIES	Stationery	372,280.00
29	SKY TOP AGENCIES	Survey equipment	64,409,000.00
30	RICLY ENTERPRISE	Franking machine	110,000.00
31	BELLUS ENTERPRISES	Stationery	121,510.00
32	BELLUS ENTERPRISES	Stationery	121,510.00
33	ELECTROSERVE LIMITED	Stationery	137,303.00
34	TUJUADRE SUPPLIERS	stationery	221,000.00
35	JUANDROM AGENCIES	Stationery	278,000.00
36	GEBERK SOLUTIONS	TONERS	320,000.00
37	FAURI SUPPLIES	CHAIRS	372,280.00
38	FAURI SUPPLIES	Stationery	372,280.00
39	JENNE ENTERPRISES	STIONERY	378,450.00
40	LINNKE LIMITED	STATIONERY	410,000.00
41	GEBERK SOLUTIONS	AIR CONDITIONING	431,300.00
42	ALPYNE ENTERPRISES	SURVEY ITEMS	1,050,000.00
43	BREJEN ENTERPRISES	TONERS	

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			1,225,000.00
44	LINKMAT INVESTMENTS	ICT ITEMS	1,400,000.00
45	BIN-IT SOLUTIONS LTD	STATIONERY	1,504,000.00
46	EMMAFEST INVESTMENTS	ICT ITEMS	1,639,000.00
47	RAWAMU AGENCIES	STATIONERY	1,975,000.00
48	MSHNANA LIMITED	BOIMETRIC DOORS	4,016,000.00
49	SKY TOP AGENCIES	SOFTWARE	8,323,000.00
50	GESIRIN INVESTMENTS LTD	STAFF UNIFORM	271,800.00
51	CEDANA ENTERPRISES	IPADS IV	3,600,000.00
52	POPELAH GEN. ENTERPRISE	Window curtains	440,000.00
53	BREJEN ENTERPRISES	MEMORY CARDS	490,000.00
54	JOYCODE ENTERPRISES	Stationery	612,500.00
55	RONNIC ENTERPRISE	Stationery	637,000.00
56	MIMADE INVESTMENTS	Stationery	1,200,000.00
57	METROPOLITAN AGENCIES LTD	Toners	1,225,000.00
58	WAKIMAMBI GEN. AGENCIES	Stationery	1,300,000.00
59	ELDI VIDA LTD	Stationery	1,470,000.00
60	CHARSHOP ENTERPRISES	UPS	1,860,000.00
61	JAYMAK ENTERPRISES	TONER CATRIDGES	1,900,000.00
62	LEXXY TECHNOLOGIES	Stationery	2,595,000.00
63	FORTMORE ENTERPRISES	TOILET ROLLS	740,000.00
64	TAMOS LIMITED	STATIONERY	775,000.00
65	AMKEN INDUSTRIAL CLEANING SERVICES	Ceaning matreilas	92,400.00

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66	MANJOSHA SUPPLIES	TONERS	1,595,040.00
67	BRITMIT ENTERPRISES	Stationery	1,400,000.00
68	MAXINE INVESTMENTS LTD	MEMORY CARDS	1,300,000.00
69	TAVEVO WATER AND SEWARAGE CO	WATER	2,750.00
70	SAFARICOM LIMITED	INTERNET CONNECTION	3,999.00
71	POSTAL CORPORATION OF KENYA	POSTAGE EXPENSES	6,660.00
72	RENTOLKIL INITIAL	SANITARY DISPOSAL	6,660.70
73	POSTAL CORPORATION OF KENYA	POSTAGE EXPENSES	6,960.00
74	POSTAL CORPORATION OF KENYA	POSTAGE EXPENSES	20,880.00
75	DAVIS \$ SHIRLIFF	ELECTRICALS	21,149.00
76	GOVERNMENT PRINTERS	PRINTING	22,390.00
77	PUBLIC TRUSTEES	BENEFITS	24,903.00
78	TELCOM KENYA LTD	TELEPHONE EXPENSES	25,020.00
79	THIKA WATER AND SEWARAGE LIMITED	WATER	27,419.00
80	NYERI WATER	WATER	30,192.00
81	KENYA POWER	POWER	32,567.40
82	MFI DOCUMENT SOLUTIONS	MAINTANANCE OF MACHINES	33,640.00
83	KISUMU WATER AND SEWARAGE CO	WATER	41,348.00
84	POSTAL CORPORATION OF KENYA	POSTAGE EXPENSES	41,470.00
85	NUTHI WATER ANS SANITATION CO LTD	WATER	42,034.00
86	MINISTRY OF ENVIROMENT WATER	WATER AND SEWARAGE FEES	43,755.00
87	NAKUMATT HOLDINGS LIMITED	LED TELEVISION SETS	48,000.00
88	POSTAL CORPORATION OF KENYA	POSTAGE EXPENSES	

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			55,260.00
89	PUBLIC TRUSTEES	EMPLOYEE BENEFITS	58,592.00
90	RENTOLKIL INITIAL	SANITARY DISPOSAL	66,607.00
91	TELCOM KENYA LTD	TELEPHONE EXPENSES	68,219.00
92	KENYA POWER	POWER	71,383.00
93	THE COPY CAT LIMITED	SERVICE OF MACHINES	81,200.00
94	CMC MOTORS GROUP LIMITED	SERVICE OF G.K VEHICLES	90,803.00
95	VISION INSTITUTE OF PROFESSIONAL STUDIES	COLLEGE FEES	98,900.00
96	KENYA BANKERS SACCO SOCIETY	CONFERENCE	99,968.00
97	KENYA INSTITUTE OF MANAGEMENT	COLLEGE FEES	103,500.00
98	ALLIANCE VENTURES HOLDINGS	STATIONERY	108,616.00
99	SERENA HOTELS	CONFERENCE FACILITIES	112,000.00
100	THE STD GROUP LTD	ADVERTISEMENT	114,005.00
101	MFI DOCUMENT SOLUTIONS	SERVICE OF MACHINES	116,000.00
102	BELLUS ENTERPRISES	STATIONERY	121,510.00
103	ELECTROSERVE LIMITED	OFFICE STATIONERY	137,303.00
104	INTERCITY SECURE HOMES	SECURITY	151,380.00
105	NAKURU WATER AND SANITATION SERVICES	WATER	152,971.00
106	GARFIELD PROMOTIONS	OFFICE STATIONERY	177,168.00
107	KENYATTA UNIVERSITY	EXAM & TUITION FEES	187,000.00
108	SAKIM CONSULTANTS	RENOVATIONS	200,000.00
109	HELLEN ACHIENG OBAR	OFFICE RENT	204,800.00
110	MASADA HOTEL	HOSPITALITY	210,000.00

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111	RENTOLKIL INITIAL	SANITARY DISPOSAL	221,121.00
112	NAIROBI SPORTS HOUSE LIMITED	TRACK SUITS	227,700.00
113	MFI DOCUMENT SOLUTIONS	SERVICE OF MACHINES	231,637.00
114	RENTOLKIL INITIAL	SANITARY DISPOSAL	235,944.00
115	SHIKASHIKA SECURITY SERVICES	SECURITY	252,000.00
116	KENYA BANKERS SACCO SOCIETY	CONFERENCE FACILITIES	255,200.00
117	DT DOBIE	SERVICE OF G.K VEHICLES	270,407.90
118	DT DOBIE	SERVICE OF G.K VEHICLES	270,407.92
119	PAYAT VENTURE	OFFICE STATIONERY	295,200.00
120	KWS TRAINING INSTITUTE	CONFERENCE FACILITIES	314,999.20
121	R.H. DEVANI LIMITED	FUEL	323,500.00
122	R.H. DEVANI LIMITED	FUEL	323,500.00
123	NAIROBI CITY WATER AND SEWAGE COMPANY		386,899.00
124	TALASH ENTERPRISES LIMITED	OFFICE STATIONERY	450,000.00
125	GAZETI LIMITED	NEWSPAPERS	452,380.00
126	NATION MEDIA GROUP	ADVERTISEMENT	464,000.00
127	TOYOTA KENYA LTD	SERVICE OF G.K VEHICLES	479,227.00
128	NAKURU WATER AND SEWAGE	WATER	479,334.00
129	NYANDO ENTERPRISES	STATIONERY	495,000.00
130	VAGHJINANI ENTERPRISES	RENOVATION	495,949.70
131	THE STD GROUP LIMITED	ADVERTISEMENT	650,330.00
132	REGIONAL CENTRE FOR MAPPING	ADJUDICATION MAPS	760,498.80
133	NAIROBI WATER CO	WATER	

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			810,321.40
134	ELEVATOR GENERAL SERVICES LIMITED	SERVICE OF LIFTS	811,731.00
135	MFI DOCUMENT SOLUTIONS LIMITED	SERVICE OF MACHINES	812,111.00
136	DIRECTOR SURVEY	CLAIM	840,000.00
137	REGIONAL CENTRE FOR MAPPING	ADJUDICATION MAPS	847,540.78
138	GOVERNMENT PRINTERS	PRINTING	928,000.00
139	COSEKE KENYA LIMITED	DIGITIZATION	951,095.00
140	LINKMAT INVESTMENTS	HARD DISKS	963,525.00
141	NEO EDGE LOGISTICS	STATIONERY	974,000.00
142	AGRICULTURAL SETTLEMENT FUND	PURCHASE OF LAND	1,000,000.00
143	MAKIMACUS AGENCIES	OFFICE STATIONERY	1,025,000.00
144	BELKINGS BUTCHERY & SUPPLIERS CO. LTD	FOOD	1,037,500.00
145	ALPYNE ENTERPRISES	SURVEY ITEMS	1,050,000.00
146	TABIANN ENTERPRISES	STATIONERY	1,051,200.00
147	BOARD OF REGISTRATION OF ARCHITECHS	REGISTRATION FEES	1,117,153.00
148	SHIFRAH INTERNATIONAL	STATIONERY	1,250,000.00
149	PAGO AIRWAYS TRAVEL SERVICE	AIR TICKETS	1,330,555.00
150	KIWAKA GENERAL MERCHANTS	FOOD	1,398,500.00
151	LINKMAT INVESTMENTS	ICT ITEMS	1,400,000.00
152	BIN-IT SOLUTIONS LTD	STATIONERY	1,504,000.00
153	KENYA POWER	POWER	1,513,604.80
154	KENYA POWER	POWER	1,564,422.70
155	MANJOSHA SUPPLIES	TONERS	1,595,040.00

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156	KENYA SCHOOL OF GOVERNMENT STUDIES	COLLEGE FEES	1,600,000.00
157	HEKAMA ENTERPRISES	OFFICE STATIONERY	1,652,300.00
158	INTER-PATH COMPANY	OFFICE EQUIPMENT	1,753,000.00
159	REGIONAL CENTRE FOR MAPPING	ADJUDICATION MAPS	1,796,326.00
160	SANAYA SYSTEMSLTD	STATIONERY	1,875,000.00
161	THE PEST EXTERMINATOR	FUMIGATION	1,895,400.00
162	MFI DOCUMENT SOLUTIONS	SERVICE OF MACHINES	1,926,400.00
163	ZEDON GENERAL SUPPLIERS	STATIONERY	1,950,000.00
164	BELKINGS BUTCHERY & SUPPLIERS CO. LTD	FOOD	2,116,500.00
165	NAIROBI CITY COUNTY	RENT AND RATES	2,285,404.00
166	KENYATTA UNIVERSITY	EXAM & TUITION FEES	2,518,750.00
167	HARDREN GENERAL MERCHANTS	STATIONERY	3,189,305.00
168	MAGIC WAVE COMMUNICATIONS LIMITED	AIR TIME	3,882,000.00
169	SAFARICOM LIMITED	INTERNET CONNECTIONS	4,120,642.00
170	SAFARICOM LIMITED	INTERNET CONNECTION	4,120,642.90
171	CMC MOTORS GROUP LIMITED	SERVICE OF G.K VEHICLES	4,393,540.00
172	KENYATTA UNIVERSITY	EXAM & TUITION FEES	4,459,000.00
173	GOVERNMENT PRINTERS	PRINTING	140,505,000.00
174	DT DOBIE	SERVICING OF VEHICLES	353,261.77
175	DT DOBIE	SERVICING OF VEHICLES	292,989.23
	<b>SUB-TOTAL</b>		<b>426,943,891.40</b>
<b>STATE DEPARTMENT OF HOUSING AND URBAN</b>			

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<b>DEVELOPMENT</b>			
	<b>FIRM'S NAME</b>	<b>Service/works/exp. Item</b>	<b>AMOUNT</b>
1	Nairobi Law Monthly Magazine	Advertisement	33,000.00
2	Nation Media Group	Advertisement	74,060.00
3	The standard Group Ltd	advertizement	242,625.60
4	Access Kenya Group Ltd	Communication	171,680.00
5	Accesskenya group	Communication	24,360.00
6	Accesskenya group	Communication	24,360.00
7	Kyle Investment	Communication	360,000.00
8	Kyle Investment	Communication	270,000.00
9	Postal Corporation	Communication	6,960.00
10	Telcom Kenya	Communication	148,000.00
11	Tamia LTD	Contracted Sevices	339,760.00
12	Briwks security Services	Contracted Sevices	3,182,550.00
13	Creative Consolidated Systems Ltd	Contracted Sevices	1,066,502.00
14	Evastom Enterprises	Contracted Sevices	150,000.00
15	Garfield Promotions Ltd	Contracted Sevices	708,675.00
16	Green Leaf Services Ltd	Contracted Sevices	880,880.00
17	Gyto Success Company	Contracted Sevices	2,983,334.00
18	Gyto Success Company Ltd	Contracted Sevices	1,647,006.00
19	Gyto Success Company Ltd	Contracted Sevices	2,403,009.00
20	Hatari Security Guards Ltd	Contracted Sevices	957,000.00
21	Hatari Security Guards Ltd	Contracted Sevices	852,200.00

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22	Jepco Services and Renovators Ltd	Contracted Sevices	696,070.00
23	Lavington Security Services Ltd	Contracted Sevices	1,327,280.00
24	Lavington Security Services Ltd	Contracted Sevices	534,440.00
25	M/S Clean Domestic and Office Solution(AGPO)	Contracted Sevices	630,000.00
26	Mocam Security Services Ltd	Contracted Sevices	1,179,140.00
27	Rentokil Initial	Contracted Sevices	59,946.00
28	Shika Shika Security Alarms Ltd	Contracted Sevices	387,900.00
29	Super Broom Services Ltd	Contracted Sevices	209,356.00
30	Super Broom Services Ltd	Contracted Sevices	314,037.00
31	Super Broom Services Ltd	Contracted Sevices	209,354.00
32	Super Clean Shine Enterprises Ltd	Contracted Sevices	91,200.00
33	Jubilly Tours	Domestic travel	71,220.00
34	M/S A.G.M Tours andTravels	Domestic travel	19,500.00
35	Pago Airways Travel Services	Domestic travel	118,335.00
36	Pago Airways Travel Services	Domestic travel	41,100.00
37	Ride on agencies	Domestic travel	97,470.00
38	Ride on agencies	Domestic travel	309,960.00
39	Ride on agencies	Domestic travel	215,100.00
40	Travel Plaza ltd	Domestic travel	22,800.00
41	Geberk Solutions	Electrical	431,300.00
42	Joatechic enterprises	Electrical	490,000.00
43	Kengld logistics	Electrical	465,000.00
44	Exotic travel Centre	Foreign travel	

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			167,211.00
45	Pago airways	Foreign travel	791,820.00
46	Trends tour and travel	Foreign travel	365,200.00
47	National Oil corporation	Fuel	700,000.00
48	Jericho Furniture Ltd	Furniture	1,065,420.00
49	Busnet Systems	Office equipment	995,700.00
50	Technologies General supplies	Office equipment	3,943,120.72
51	Lesyuite limited	Office supplies and services	450,000.00
52	Agrem tech Solutions	Office supplies and services	720,000.00
53	Bradah Company Limited	Office supplies and services	800,000.00
54	Elonex Macromedia	Office supplies and services	499,975.00
55	Enac Agencies	Office supplies and services	500,000.00
56	Handren General Merchants	Office supplies and services	99,900.00
57	Hekaya Enterprises	Office supplies and services	706,000.00
58	Hinckey Calviah agencies	Office supplies and services	364,200.00
59	Innovative associates	Office supplies and services	364,500.00
60	Intermass Printers and Stationers Ltd	Office supplies and services	800,000.00
61	Joyvennah agency	Office supplies and services	1,350,000.00
62	Kyle Investment	Office supplies and services	145,000.00
63	Lexxy technologies	Office supplies and services	2,595,000.00
64	Leysuite Limited	Office supplies and services	1,903,000.00
65	Linkmart investment	Office supplies and services	963,525.00
66	Mafric Agencies	Office supplies and services	1,015,000.00

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67	Manawebs enterprises	Office supplies and services	310,000.00
68	Mimade investment	Office supplies and services	1,200,000.00
69	Mirmick Suppliers	Office supplies and services	1,210,000.00
70	Mumue Stationers and Printers	Office supplies and services	18,000.00
71	Nordary investment	Office supplies and services	1,545,000.00
72	Novila Agenciies	Office supplies and services	292,000.00
73	Nurir Enterprise	Office supplies and services	375,100.00
74	Nyaudo enterprises	Office supplies and services	495,000.00
75	Padage Investment	Office supplies and services	441,240.00
76	Prosup Niche ltd	Office supplies and services	734,000.00
77	Pyllar Supplies	Office supplies and services	897,000.00
78	Rozag enterprises	Office supplies and services	1,400,000.00
79	Soga incvestment	Office supplies and services	574,750.00
80	Specicom Bussiness Systems	Office supplies and services	478,000.00
81	Talash enterprises ltd	Office supplies and services	450,000.00
82	Wakimambi general Agencies	Office supplies and services	1,300,000.00
83	Wanjima General Traders	Office supplies and services	977,500.00
84	Welcas Enterprises	Office supplies and services	302,950.00
85	zedon gen. supplies	Office supplies and services	848,500.00
86	Crystal Valuers Ltd	Payment of rent	16,556,100.00
87	pecar investment	software	6,098,250.00
88	Institute of advanced technology	training services	45,240.00
89	Kenya Pipeline Co. Ltd	training services	

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			2,441,250.00
90	Toyota Kenya LTD	Vehicle Maintenance	419,583.00
91	widerange traders	Vehicle Maintenance	393,500.00
92	Co-Operative University College of Kenya	Hospitality Services	140,940.00
93	Great Rift valley Lodge and Golf Resort	Hospitality Services	88,580.00
94	Kenya Bankers Investment Co-op Society Ltd	Hospitality Services	214,600.00
95	Kenya Bankers Investment Co-operative Ltd	Hospitality Services	634,752.00
96	Kenya bankers sacco Society	Hospitality Services	99,968.00
97	Ministry of Works Sports Club	Hospitality Services	639,750.00
98	Utalii Hotel	Hospitality Services	342,000.00
99	MFI Document Solutions	Maintenance of equipment	180,855.60
100	Pago Airways Travel Services	Air Travel	478,465.00
101	Urysia Limited	Supplies	461,594.00
102	Iarrium office	Supplies	189,400.00
103	Haga karemo Co.	Supplies	197,800.00
104	Danmo Products Limited	Drainage System Construction Service Repair and Plumbing Works at mavoko ABMT	3,395,050.00
105	M/S Earthline Ventures	Proposed Repair of Masonry Boundary Wall at Shaurimoyo Area C Government Estate.	2,771,240.00
106	M/S Kap-M Enterprises	Proposed Refurbishment to 6NO.Masionettes at Mathari Hospital, Muthaiga, Nairobi County.	3,143,200.00
107	M/S Start General Contractors	Proposed Refurbishment to 5NO.HGS at Bee Keeping Station, Karen, Nairobi.	3,511,900.00
108	Scopelink Technologies	supply of Antivirus	475,000.00
109	Bashash Construction Company	Construction works Eldama ravine	

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		bus park	9,129,099.18
110	Derow Brothers construction ltd	Construction works Mudete Markert, Kakamega	26,918,750.00
111	Diwafa construction	Construction works Kabarnet bus park	46,809,868.60
112	Kihara waweru construction	Construction works Awendo Market	4,825,020.75
113	M/S Britech Ltd	Construction works Markets ESP	395,850.00
114	M/S Concordia Building and Civil Engineering	construction works storm water drainage in Mtwapa	871,422.05
115	M/S Concordia Building and Civil Engineering	Construction works storm water drainage in Mtwapa	32,687,750.20
116	M/S Diwafa investments	Construction works Kabarnet Bau park	5,635,347.15
117	M/S Inshaallah ltd	Construction works Korogocho road	32,158,361.00
118	M/S Mjengo and Alied Company ltd	Construction works Kangema Market	2,476,746.40
119	M/S Tazama Builders	Construction works ESP Market Construction	643,710.85
120	M/S/ Tanga Enterprises	Construction works ESP Market Construction	310,934.40
121	Multicom entreprise	Construction works Daraja Mbili Markert, Kisii	20,862,165.00
122	National Evironmental Mnagement Authority	Construction works License	225,823.50
123	Hardrem General Merchants	Maintnace of Building ESP Markets	3,189,305.00
124	Juku Builders limited	Maintnace of Building ESP Markets	3,145,304.40
125	Associated Construction Co (K) Ltd	Construction works Githurai 44/45 Link Road	6,622,520.95
126	Bernvert General Agencies	Supplies	1,465,000.00
127	Bosmaj Traders	Supplies	1,400,000.00
128	Cartic Enterprises	Supplies	1,200,000.00
129	Cygene Agencies	Supplies	780,000.00
130	Dernick Investment	Supplies	1,350,000.00
131	Devani Limited	Supplies	599,940.00

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132	Docie General Supplies	Supplies	750,000.00
133	Fergie Services	Supplies	1,350,000.00
134	Global Eye Merchants	Supplies	1,400,000.00
135	Jala Supplies	Supplies	165,000.00
136	Kimbro Invetstement	Supplies	1,450,000.00
137	M/S Director Autoparts and Services limited	Maintenance of Vehicles	74,417.30
138	M/S Diwafa investments	Supplies	1,240,057.35
139	M/S Seo and Sons ltd	Construction works NMT Nakuru	29,307,520.20
140	M/S Tai Enterprises ltd	Construction works NMT Eldoret	31,093,823.77
141	M/S Tertiary consulting engineers ltd	Consultancy Services Storm water drainage, Mombasa	2,860,792.00
142	M/S Tertiary consulting engineers ltd	Consultancy Services storm water drainage, Mombasa	2,840,956.00
143	M/S Tertiary consulting engineers ltd	Consultancy Services Storm water drainage, Machakos	2,690,533.00
144	M/S Tertiary consulting engineers ltd	Consultancy Services Storm water drainage, Kakamega	3,538,522.00
145	M/S Tertiary consulting engineers ltd	Consultancy Services Storm water drainage, Thika	2,915,892.00
146	M/S Wapcos Limited	Construction works Solid Waste Management . Kakamega, Kitui, Kericho and Naivasha	5,512,972.50
147	Melddina Investment	Supplies	1,150,000.00
148	Muneric Investments	Supplies	1,400,000.00
149	Nemesis Enterprises	Supplies	1,200,000.00
150	Nyandito Enterprises	Supplies	1,275,000.00
151	Regugio Merchants & Distributors	Supplies	1,300,000.00
152	Runoff Enterprises	Supplies	1,300,000.00
153	Wamunyoro Investments ltd and	Construction works Storm Water,	

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	Machine Center Ltd	Embu	21,680,068.64
154	Wayside Investment	Supplies	1,350,000.00
155	Yoruba General Supplies	Supplies	1,250,000.00
156	Decora Enterprises Limited		3,996,000.00
157	M/a Beacon Logistics and Construction Limited		2,889,356.20
158	Unified Colours Limited		3,999,888.00
159	Runyaj International Limited		1,484,962.00
160	Raken Limited P.o. box 19704-00202 Nairobi		3,714,030.00
161	Spanworld Enterprises		1,548,160.00
162	Favor Investments		200,000.00
163	Primate Tours		462,970.00
164	Primate Tours		98,000.00
165	Zoetech Business Solutions		295,000.00
166	Primate Tours		89,000.00
167	Primate Tours		136,825.00
168	Primate Tours		191,530.00
169	Javan Tours and Travel		106,000.00
170	Josylink General Traders		152,000.00
171	Training and conference services		92,800.00
172	Jubilly Tours and Travel		190,000
173	Jubilly Tours and Travel		31,830.00
174	Jubilly Tours and Travel		856,555.00
175	Jubilly Tours and Travel		102,150.00
176	Jubilly Tours and Travel		

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			140,900.00
177	Juandrom Agencies		278,000.00
178	Humony Enterprises P.o. box 3870-00100 Nairobi		220,000.00
179	Pecar Investments		285,000.00
180	Zoetech Business Solutions		734,000.00
181	Kyeiga Enterprises		450,040.00
182	Geberk Solutions		418,500.00
183	Josylink General Traders		519,300.00
184	Sululer Innovations		10,197,444.00
185	Spanworld Enterprises		9,123,430.00
186	Semunyamo General Store		376,500.00
187	Davicky Enterprises		982,000.00
188	Alimbek general enterprises		1,280,000.00
189	Alimbek general enterprises		1,400,000.00
190	Alpekiwa enterprises		1,520,000.00
191	Alpekiwa enterprises		1,395,400.00
192	Apriteck enterprises		1,277,500.00
193	Alpekiwa enterprises		1,350,000.00
194	Brycen smart innovations		1,500,000.00
195	Brycen smart innovations		1,102,500.00
196	Brycen smart innovations		1,120,000.00
197	Davinka supplies and general		1,637,500.00
198	Davinka supplies and general		1,450,000.00

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199	Double four supplies		1,312,500.00
200	Dwero ventures		1,400,000.00
201	Endless suppliers		1,500,000.00
202	Ermster enterprises		800,000.00
203	Estelle distributors		3,500,000.00
204	Fast movers services		1,237,500.00
205	Gimra office supplies		3,550,000.00
206	Highbury merchants		1,440,000.00
207	Hospital supplies		1,775,000.00
208	kola traders		1,515,000.00
209	kola traders		990,000.00
210	Mbimu services		800,000.00
211	lexxy technologies		1,618,000.00
212	momentum solutions		1,500,000.00
213	momentum solutions		1,480,000.00
214	Mudash investment		1,377,370.00
215	Mudash investment		1,244,250.00
216	pampire hyper solutions		1,400,000.00
217	pampire hyper solutions		1,480,000.00
218	Runoff general enterprises		1,490,000.00
219	Runoff general enterprises		1,390,000.00
220	Shanene enterprises		800,000.00
221	siramad trading ent		

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			1,500,000.00
222	siramad trading ent		1,525,000.00
223	stanstrech gen supplies		1,390,000.00
224	stanstrech gen supplies		1,500,000.00
225	Vichrich enterprises		1,275,000.00
226	Vicwin investments		750,000.00
227	Vineyard hyper solutions		1,500,000.00
228	Wakimambi gen agencies		1,422,500.00
229	Wakimambi gen agencies		1,565,000.00
230	Wanga-tech gen ent.		1,484,000.00
231	Wanga-tech gen ent.		1,528,000.00
232	Wanga-tech gen ent.		1,500,000.00
233	Welvis investment		900,000.00
234	Whizzy business solutions		1,280,000.00
235	Wintex logistics		950,000.00
236	Yoruba General Supplies		1,250,000.00
237	Kimbro Investments		1,450,000.00
238	Jala Supplies		165,000.00
239	Cartic Enterprises		1,200,000.00
240	Fergie Services		1,350,000.00
241	Bosmaj Traders		1,400,000.00
242	Refugio Merchants & Distributors		1,300,000.00
243	Wayside Investments		1,350,000.00

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244	Global Eye Merchants		1,400,000.00
245	Melddina Investment		1,150,000.00
246	Dennick Investments		1,350,000.00
247	Giwels Limited		3,600,000.00
248	Nemesis Enterprises		1,200,000.00
249	Muneric Investments		1,400,000.00
250	Bernvert General Agencies		1,465,000.00
251	Nyandito Enterprises		1,275,000.00
252	Easco		4,200,000.00
253	Run off Enterprises		1,300,000.00
254	Larrium Office Solutions		189,400.00
255	Oarker Services		38,540,994.00
256	Devani Limited		599,940.00
257	Mumue Stationers and Printers		18,000.00
258	Heegan Construction Company Ltd		278,135.80
259	Clean Domestic & Office Solution		630,000.00
260	Cygene Agencies		780,000.00
261	Beton stationers		1,250,000.00
262	Docie General Supplies		750,000.00
	<b>SUB TOTAL</b>		<b>609,033,233.11</b>
	<b>STATE DEPARTMENT OF PUBLIC WORKS</b>		
<b>S/No</b>	<b>Payee</b>		<b>Amount(Ksh)</b>
1	M/SComarco Construction	Shimoni Fisheries Jetty WP	

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			11,670,702.70
2	M/S China Jiangxi Inter.	Mathare Nyayo Hospital 12 th pay	5,299,309.95
3	M/S China Jiangxi Inter.	Mathare Nyayo Hospital 11 th pay	13,346,334.66
4	M/S China Jiangxi Inter.	Mathare Nyayo Hospital 14 th pay	27,713,003.15
5	M/S China Jiangxi Inter.	Mathare Nyayo Hospital 15 th pay	23,369,323.95
6	M/S China Jiangxi Inter.	Mathare Nyayo Hospital 15 th pay	51,074,458.29
7	M/S China Jiangxi Inter.	Mathare Nyayo Hospital 17 th pay	33,949,688.22
8	M/S China Jiangxi Inter.	Mathare Nyayo Hospital 15 th pay	6,817,765.52
9	M/S Mulji Devraji & Bros.	Voi Teachers Training College 14th pay	8,817,290.84
10	M/S Volcanic Plumbing works	West Park Housing Phase II	6,384,712.60
11	M/S ongata works Ltd	West Park Housing 56th pay	27,023,139.75
12	M/S Landmark Holdings Ltd	Kibish police lines,GSU Base camp and Ap Lines 19th pay	183,858,723.74
13	M/S Unispan Ltd	Longisa District Hospital 29th pay	8,790,000.00
14	M/S Associated Service Consultant	Kitui Teachers Training College fee note no.5	1,568,341.40
15	M/S Mercy Consultants	Rongai Trauma Hospital 4th pay	13,733,916.17
16	M/S Stance Consultant	Kapsabet pool housing 3rd fee note	6,517,750.00
17	M/S Archbill Consultant	Kenya Institute of Business training 6th	2,101,186.27
18	M/S Studio partners	Kenya Institute of Business training T.Hqs	5,500,993.99
19	M/S Edon Consultants Inter.	Kibish police station,GSU Base , Ap line 11th	6,751,132.03
20	M/S Makro consultancy ltd	Nyanza provincial Hqs 9th	1,341,512.46
21	M/S Heritage Associates ltd	Rongai Trauma Hospital Nakuru fee note 2	36,502,457.31
22	M/S Arch concepts	Nyamira & keroka police Div.Hqs 11th	2,528,356.30
23	M/S Intershelter Sullivan Architects	Longisa District Hospital Bomet	1,855,656.65

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24	M/S Ooro & Sanya Assoc.	Rongai Trauma Hospital Nakuru 1st	13,967,052.00
25	M/S Kenya Power-Kisumu	Kericho Ardhi House 14th pay	2,870,506.00
26	M/S Choice Frontiers co. Ltd	County Works Office Mandera East	4,604,794.35
27	M/S Fabric Construction	Storeyed type DHQ's at Githunguri Kiambu	4,467,443.00
28	M/S Molwa Co. Ltd	Kisumu North -Ojola District Hqs	1,290,067.00
29	M/S Bewa Wholesalers Ltd	Starehe District - Nairobi	4,966,000.00
30	M/S Northgate Investment	ESP District Hqs at Rhamu Mandera North 2nd pay	3,758,556.60
31	M/S Matanya Undugu	Highland type DHQ at Kabete Kikuyu District 1st pay	2,366,308.00
32	M/S Castle Investment	Langata District HQS	1,193,447.60
33	Masscom Enterprises Co. LTD	Sewer line for Eldoret East Works Offices	3,656,068.00
34	Yamu Engineering Services Ltd	Kirinyaga West District	4,141,149.42
35	M/S Peali Building Contractors	Sub- county works of Ndaragwa	572,842.80
36	M/S Shake Distributers	Extension of county works offices at Voi	1,410,989.20
37	M/S Amma Construction	ESP District Hqs at Takaba Mandera	1,445,429.60
38	M/S Terra Craft Kenya Ltd	Migori District Hqs	30,994,362.26
39	M/S Mulji Devraji & Bros.	Voi Teachers Training College 15th pay	6,500,273.17
40	M/S Bomco Building	Nyanya provincial Hqs phase II 25th	18,245,839.26
41	M/S Ooro & Sanya Assoc.	Rongai Trauma Hospital Nakuru 2nd	5,347,497.36
42	M/S Mulji Devraji & Bros.	Voi Teachers Training College 14 th payment	8,817,290.84
43	Brema Construction	Refurbishment & Renovation of Supplies Branch	4,656,753.60
44	M/s Richardson Contractors	Refurbishment of Works Building 5th,8th,&12th Floors	5,257,351.77
45	Rotalink Engineering	Baringo District HQS Cert No. 9	4,527,777.20
46	Millicons Ltd	Papal Dais 3rd and Final	

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			18,200,832.80
47	BORAQS	Registration	600,000.00
48	IQSK	Annual Subscriptions	469,500.00
49	INSTITUTIO OF ENGINEERS OF KENYA	Conference Facilities	724,000.00
50	CHIEF MECHANICAL&TRANSPORT	Hire of Transport to Nakuru	269,600.00
51	CHIEF MECHANICAL&TRANSPORT	Hire of Transport to Narok	45,600.00
52	OFFICER IN-CHARGE SUPPLIES BR	Fuel	178,996.00
53	M/S RIENY DISTRIBUTERS LTD	Supply of Envelops	927,750.00
54	BORAQS	Seminar- Safari Park	315,000.00
55	KENYA EDUCATION NETWORK	Membership and Annual Subscriptions	187,500.00
56	UNIVERSITY OF NAIROBI RESEARCH	Annual Subscriptions	270,000.00
57	M/S JAYMAR ENTERPRISES	Printers	112,000.00
58	MINISTRY OF WORKS SPORT CLUB	Catering Services	129,650.00
59	MINISTRY OF WORKS SPORT CLUB	Catering Services	22,000.00
60	MINISTRY OF WORKS SPORT CLUB	Catering Services	70,500.00
61	MINISTRY OF WORKS SPORT CLUB	Seminar	106,680.00
62	M/S OFFICE TECHNOLOGIES LTD	Consumerbles for photocopier	227,163.50
63	M/S LAJOY INVESTMENTS	Supply of Tonners	200,000.00
64	M/S C.M.C MOTORS GROUP LTD	Repair of GK A896X	137,595.40
65	MINISTRY OF WORKS SPORT CLUB	Tea and Snacks	24,000.00
66	M/S R H DEVANI LTD	Fuel	916,735.00
67	NATION MEDIA GROUP	Advertisement	278,922.00
68	BREMA CONSTRUCTION CO. LTD	Renovation of Supplies Branch	10,899,182.80

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69	PRINCIPAL , KENYA INSTITUTE OF HIGHWAYS	Training	27,413.10
70	PRINCIPAL , KENYA INSTITUTE OF HIGHWAYS	Training	27,413.10
71	INSTITUTIO OF ENGINEERS OF KENYA	Annual Subscriptions	98,400.00
72	SAKIM CONSULTANTS (DPs RESIDENCE ARB. DEPOSIT)	Arbtration DP's House Karen	200,000.00
73	SOMAGU ENTRPRISES		101,900.00
74	PAGO AIRWAYS		32,690.00
		<b>SUB-TOTAL</b>	<b>657,374,578.68</b>
		<b>GRAND- TOTAL</b>	<b>1,693,351,703.19</b>