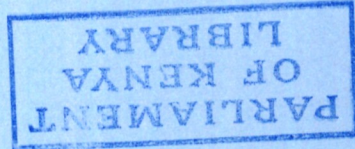


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

**THE FINANCIAL STATEMENTS OF  
KENYA VISION 2030  
DELIVERY SECRETARIAT**

**FOR THE YEAR ENDED  
30 JUNE 2017**

*Paper laid by  
the Leader of the  
Majority Party  
Hon. Aden  
Diale, FGH, MP  
on 12.04.18  
IBM*





**KENYA  
VISION 2030**

**KENYA VISION 2030 DELIVERY SECRETARIAT**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**

**JUNE 30, 2017**

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

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## I. KEY INFORMATION AND MANAGEMENT

### a) Background information

Kenya Vision 2030 Delivery Secretariat (VDS) was established through Kenya Gazette Notice 1386 dated 17<sup>th</sup> February, 2009.

The mandate of VDS as outlined in the Gazette Notice is that “there shall be a Vision Delivery Secretariat which shall spearhead the implementation of the Vision as the country’s blueprint and strategy towards making Kenya a newly– industrializing middle income country capable of providing a high quality of life for all its citizens by the year 2030”.

### (b) Principal Activities

The function of the Secretariat is to:-

- a) Provide strategic leadership and co-ordination in the realization of the overall goals and objectives of the Vision and its Medium Term Plans; and drive and manage the transformation process;
- b) Assist in the preparation of all relevant projects documents on the vision flagship projects together with their implementation schedules and costs;
- c) Provide liaison between Government Ministries and the private sector participants in each flagship project;
- d) Ensure that all projects and programmes contained in the Vision and the Medium Term Plans are funded, launched and completed on schedule;
- e) Co-ordinate the activities of Government Ministries and Departments and private sector institutions that will be collaborating in the implementation of the Vision flagship projects;
- f) Undertake any rapid action necessary to remove such implementation bottlenecks as may arise in the course of implementation of projects;
- g) Undertake constant monitoring and evaluation of all the projects under the Vision and undertake such remedial action as may be necessary for the realization of the goals under the Vision;
- h) Prepare quarterly and mid-term implementation Progress Reports for consideration by the Vision Delivery Board and Vision 2030 Cabinet Committee;
- i) Aggressively market the vision and its medium term plans and publicize and communicate its activities and achievements to the people of Kenya;
- j) Recommend to the Board any revisions or additions to the Vision in the light of experience, or unexpected changes in the national or global economy; and
- k) Recommend to the Government of Kenya any institutional legal or administrative changes that may be necessary to realize the Vision goals and aspirations as well as the goals of the medium term plan.

### **Vision**

To be a premier, world-class agency in the transformation of Kenya by 2030

## **Mission**

To provide strategic leadership, coordinate efforts of public and private sectors and devise monitoring and evaluation mechanisms for implementation of Vision 2030

## **Core Values**

Integrity, Professionalism, Passion, Innovation, Participatory and Teamwork

## **Strategic Objectives**

Based on the strategic focus the following are the strategic objectives of the VDS

1. Provide strategic leadership in the implementation of Vision 2030 projects;
2. Ensure effective and efficient management of flagship projects implementation;
3. Develop an integrated marketing and communication platform;
4. Develop strategic partnerships and linkages with stakeholders; and
5. Strengthen the institutional capacity of VDS.

## **(c) Key Management**

The Vision Delivery Secretariat's day-to-day management is under the following key organs:

- Director General
- Senior Management

## **(d) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2017 and who had direct fiduciary responsibility are listed under the Secretariats Management team.

## **(e) Fiduciary Oversight Arrangements**

The Board of the Vision Delivery Secretariat has the overall fiduciary responsibility of providing oversight and policy direction and ensuring that all activities are of the best interest of the Secretariat. They have a fiduciary duty of due care skill and diligence.

The Board has appointed the various committees as follows:

1. Audit & Governance Committee to consider and approve Audit & Governance matters.
2. Communication and Strategy Board Committee to consider and approve Strategy & Communication matters.
3. Economic & Macro Board Committee to consider and approve Economic and Macro matters.
4. Enablers Board Committee to consider and approve Enablers matters.
5. Finance & Administration Board Committee to consider and approve operational, finance, human resources and administration matters.
6. Social & Political Board Committee to consider and approve social and political matters.

**(f) Auditors**

Kenya National Audit Office  
P.O Box 30084-00100  
Nairobi, Kenya

**(g) Bankers**

Cooperative Bank of Kenya  
Upper Hill Branch – KUSCCO Centre  
P.O. Box 30415 - 00100  
NAIROBI

**(h) Head Office**

Head Office  
KUSCCO CENTRE  
2<sup>nd</sup> Floor Upper Hill  
P.O Box 52301, 00200 GPO  
Nairobi, Kenya  
Tel: (020) 2722030

**(i) Principal Legal Advisor**

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

## II. THE BOARD OF DIRECTORS

No	Name	Nationality	Board Membership	Title and Institution	Date of Appointment	Meeting Attendance %
1	Dr. James Mwangi, CBS	Kenyan	Chairman	Chief Executive Officer & Managing Director, Equity Bank	18th July 2012	80.00
2	Dr. Joseph K. Kinyua, EGH,	Kenyan	Member	Chief of Staff & Head of the Public Service - State House	31st August 2012	-
3	Dr. Kamau Thugge, CBS	Kenyan	Member	PS - The National Treasury	June 2013	33.33
4	Mr. Saitoti Torome, CBS & Mr. Irungu Nyakera, CBS	Kenyan	Member	PS - State Department of Planning and Statistics, Ministry of Devolution and Planning	June 2013	66.67
5	Amb. Monica Kathina Juma, DPhil, CBS	Kenyan	Member	PS - Ministry of Foreign Affairs	June 2013	83.33
6	Amb. Richard T. Ekai, CBS & Amb. Peter Kiriimi Kaberia, CBS	Kenyan	Member	PS - State Department of Sports Development	June 2013	-
7	Prof. Collette A. Suda, PhD, FKNAS, CBS	Kenyan	Member	PS - State Department for University Education, Ministry of Education	June 2013	-
8	Dr. Eng. Joseph K. Njoroge, CBS	Kenyan	Member	PS - State Department of Energy, Ministry of Energy & Petroleum	June 2013	-
9	Arch. Mariamu el-Maawy, CBS & Dr. Nicholas Muraguri, CBS	Kenyan	Member	PS - Ministry of Lands & Physical Planning	June 2013	50.00
10	Dr. Richard Leresian Lesiyampe, CBS	Kenyan	Member	PS - State Department of Agriculture, Ministry of Agriculture, Livestock & Fisheries	June 2013	16.67
11	Dr. Khadijah Kassachoon, CBS	Kenyan	Member	PS - State Department for Labour, Ministry of East Africa Community, Labour and Social Protection	June 2013	66.67
12	Dr. Chris Kiptoo, CBS	Kenyan	Member	PS - State Department of Trade, Ministry of Industrialization, Trade & Cooperatives	June 2013	66.67
13	Dr. Belio Kipsang, CBS	Kenyan	Member	PS - State Department of Basic Education, Ministry	June 2013	-

				of Education		
4	Dr. Dinah Jerotich winzi, CBS	Kenyan	Member	PS - State Department of Vocational & Technical Training, Ministry of Education	June 2013	83.33
5	Eng. Victor Kyalo, CBS	Kenyan	Member	PS - State Department for ICT and Innovation, Ministry of Information, Communication and Technology	June 2013	33.33
6	Mr. Joe Robert Okudo, CBS	Kenyan	Member	PS - State Department of Culture & the Arts, Ministry of Sports, Culture & the Arts	June 2013	16.67
7	Mrs. Fatuma Hirsi Mohamed, CBS	Kenyan	Member	PS - Ministry of Tourism	June 2013	66.67
8	Dr. Nicholas Muraguri, CBS & Mr. Julius Korir, CBS	Kenyan	Member	PS- Ministry of Health	June 2013	66.67
9	Mr. Julius Korir, CBS & Mr. Patrick Nduati Mwangi, CBS	Kenyan	Member	PS - State Department for Investment and Industry, Ministry of Industry, Trade and Cooperative	June 2013	33.33
0	Mr. Irungu Nyakera, CBS & Prof. Paul Maringa Mwangi, CBS	Kenyan	Member	PS - State Department of Transport, Ministry of Transport, Infrastructure, Housing and Urban Development	June 2013	16.67
1	Dr. Mohamed Ibrahim Mohamud, CBS	Kenyan	Member	PS- Ministry of Mining	June 2013	33.33
2	Prof. Fred H. K. Segor, CBS	Kenyan	Member	PS - State Department for Water Services, Ministry of Water & Irrigation	June 2013	16.67
3	Mr. Patrick Nduati Mwangi, CBS & Ms. Zeinab W. Hussein, CBS	Kenyan	Member	PS - State Department of Irrigation, Ministry of Water & Irrigation	June 2013	33.33
4	Mr. Stephen K. Kirogo, CBS	Kenyan	Member	Principal Administrative Secretary, The Presidency	June 2013	16.67
5	Prof. Githu Muigai, EGH,	Kenyan	Member	attorney General, Office of the Attorney General &	13th February 2009	16.67



	SC			Department of Justice		-
26	Dr. Moses Ikiara, MBS	Kenyan	Member	Managing Director - Kenya Investment Authority	13th February 2009	50.00
27	Dr. Patrick Njoroge	Kenyan	Member	Governor - Central Bank of Kenya	19th June 2015	-
28	Mr. Paul Muthaura	Kenyan	Member	Chief Executive Officer - Capital Markets Authority	13th February 2009	50.00
29	Amb. Dennis Awori	Kenyan	Member	Chairman - Toyota Kenya	2nd October 2015	33.33
30	Mr. Bob Collymore	British	Member	Chief Executive Officer - Safaricom Ltd	24th August 2012	33.33
31	Mr. Joshua N. Oigara	Kenyan	Member	Chief Executive Officer - Kenya Commercial Bank	2nd October 2015	33.33
32	Ms. Juliana Rotich	Kenyan	Member	Technologist, Strategic Advisor - Africa Tech Ventures	2nd October 2015	66.67
33	Mr. Mucai Kunyiha	Kenyan	Member	Group Managing Director - Coopers K-Brands Ltd	2nd October 2015	66.67
34	Ms. Rita Kavashe	Kenyan	Member	Managing Director - General Motors East Africa Limited	2nd October 2015	16.67
35	Dr. Julius Muia	Kenyan	Member	Director General, Vision 2030 Delivery Secretariat (Secretary	1st November 2016	16.67

## BOARD COMMITTEES

The board committees as at the date of this report comprise:

Membership	No.	Vision 2030 Delivery Board Committees	Main Function
		<b>Audit &amp; Governance Committee</b>	
Chairman -	1	Mr. Joshua N. Oigara	To consider and approve operational audit & governance matters of Vision 2030 Delivery Secretariat.
Member -	2	Mr. Julius Korir, CBS & Mr. Patrick Nduati Mwangi, CBS	
"	3	Dr. Patrick Njoroge	
"	4	Mr. Stephen K. Kirogo, CBS	
"	5	Ms. Rita Kavashe	
		<b>Communication &amp; Strategy Board Committee</b>	
Chairman -	1	Mr. Bob Collymore	To consider and approve operational communication matters of Vision 2030 Delivery Secretariat.
Member -	2	Eng. Victor Kyalo, CBS	
"	3	Mrs. Fatuma Hirsi Mohamed, CBS	
"	4	Dr. Moses Ikiara, MBS	
"	5	Ms. Juliana Rotich	
		<b>Economic &amp; Macro Board Committee</b>	
Chairman -	1	Amb. Dennis Awori	To consider and approve operational economic and macro matters of Vision 2030 Delivery Secretariat.
Member -	2	Dr. Kamau Thugge, CBS	
"	3	Dr. Mohamed Ibrahim Mohamud, CBS	
"	4	Dr. Richard Leserian Lesiyampe, PhD, CBS	
"	5	Eng. Victor Kyalo, CBS	
"	6	Mr. Julius Korir, CBS & Mr. Patrick Nduati Mwangi, CBS	
"	7	Mr. Patrick Nduati Mwangi, CBS & Ms. Zeinab W. Hussein, CBS	
"	8	Mr. Joe Robert Okudo, CBS	
"	9	Ms. Fatuma Hirsi, CBS	
"	10	Dr. Chris Kiptoo, CBS	
	11	Mr. Stephen K. Kirogo, CBS	
"	12	Mr. Saitoti Torome, CBS & Mr. Irungu Nyakera, CBS	
	13	Mr. Paul Muthaura	

<b>Enablers Board Committee</b>			
Chairman -	1	Amb. Dennis Awori	To consider and approve operational enablers matters of Vision 2030 Delivery Secretariat.
Member -	2	Amb. (Dr.) Monica Kathina Juma, DPhil., CBS	
"	3	Prof. Collette A. Suda, PhD, FKNAS, CBS	
"	4	Dr. Eng. Joseph K. Njoroge, CBS	
"	5	Arch. Mariar.u el-Maawy, CBS & Dr. Nicholas Muraguri, CBS	
"	6	Dr. Dinah Jerotich Mwinzi, CBS	
"	7	Dr. Nicholas Muraguri, CBS & Mr. Julius Korir, CBS	
"	8	Dr. Moses Ikiara, MBS	
"	9	Dr. Patrick Njoroge	
"	10	Mr. Stephen K. Kirogo, CBS	
<b>Finance and Administration Board Committee</b>			
Chairman -	1	Mr. Mucai Kunyiha	To consider and approve operational finance and administration matters of Vision 2030 Delivery Secretariat.
Member -	2	Dr. Richard Leresian Lesiyampe, CBS	
"	3	Dr. Kamau Thugge, CBS	
"	4	Mr. Saitoti Torome, CBS & Mr. Irungu Nyakera, CBS	
"	5	Hon. Githu Muigai, EGH, SC	
"	6	Mr. Stephen K. Kirogo, CBS	
<b>Social &amp; Political Board Committee</b>			
Chairman -	1	Dr. Dinah Jerotich Mwinzi, CBS	To consider and approve operational social and political matters of Vision 2030 Delivery Secretariat.
Member -	2	Amb. Richard T. Ekai, CBS & Amb. Peter Kirimi Kaberia, CBS	
"	3	Dr. Nicholas Muraguri, CBS & Mr. Julius Korir, CBS	
"	4	Arch. Mariamu el-Maawy, CBS & Dr. Nicholas Muraguri, CBS	
"	5	Dr. Belio Kipsang, CBS	
"	6	Prof. Githu Muigai, EGH, SC	
"	7	Mr. Joshua N. Oigara	
"	8	Ms. Juliana Rotich	
"	9	Mr. Mucai Kunyiha	
"	10	Ms. Rita Kavashe	

### III. SECRETARIAT MANAGEMENT

The Secretariat team consists of the Director General, Directors, and assistant Directors as follows:

<b>NAME</b>	<b>POSITION</b>	<b>QUALIFICATION</b>
Dr. Julius M. Muia	Director General	PhD
Mr. Jonathan Lodompui	Director Enablers and Macro	Masters Degree
Ms. Ada Mwangola	Ag. Director Political and Social Pillar	Masters Degree
Mr. Nicholas K Mwilu	Assistant Director Finance Administration & HR	Masters Degree
Mr. John Kariuki	Ag. Director Economic Pillar	Masters Degree

#### IV. CHAIRMAN'S STATEMENT

The overarching goal of our national vision is to transform Kenya into “a globally competitive and prosperous nation with a high quality of life for its citizens” by 2030. As the Chairman of Vision 2030 Delivery Board, I am proud to be at the vanguard of Kenya’s social-economic-political renaissance, a journey that started in 2006 when I was in the multi-sectoral technical team that worked with many Kenyans across the country to roll out this aspiration, and put it into blueprint.

The past eight years have equally been testing as they have been satisfying in our quest to transform Kenya into an upper middle-income country with high standards of living by 2030. As a board we have created a solid framework and appropriate platform upon which this national transformation process is anchored.

A key principle of the Vision 2030 is fortified by the element that it exceeds any regime of the day and hence must be owned by Kenyans of all cultures, races, religions and geographical locations. The greatest win has been seeing the government’s zeal in implementing Vision 2030 projects. A good precedent and traction has been made on our development and growth agenda as a country, in all sectors.

It is noteworthy that the government has sustained and consolidated the positive gains and realized on many fronts projects such as rolling key infrastructural game-changing projects such as the Standard Gauge Railway (SGR). Suffice to say that developing a railway network will open up our economy to intra-regional trade and enhance cost efficiency.

Agriculture continues to be the Country’s mainstay: the vision for agriculture sector is to be innovative, commercially oriented and modern, contributing significantly to food security. The Galana-Kulalu irrigation scheme will bridge the annual crop production and reduce reliance on rain fed agriculture.

On power connectivity, the launch of the Last Mile connectivity initiative has connected more than 40 percent of the country against a target of 70 percent of the universal access to electricity goal by 2020.

The education sector has not been left behind. The sector is set to benefit greatly from the curriculum reforms further while the transition rate of primary school to secondary school is on an upward trend.

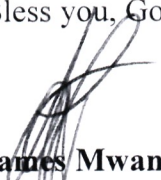
As we celebrate the past year of milestones, we must appreciate actors at the center of implementing the various Vision 2030 flagship projects. Some of these respected actors include all government ministries, State agencies and regulators, the Judiciary, Parliament, Independent Commissions, the Private Sector, Bilateral and Multilateral Development Partners, Civil Society and Faith-based Organizations.

We also commend the government for appointing a Vision 2030 Delivery Board that is led by private sector industry captains. Their immense contribution on policy and strategic direction has been critical in ensuring that the Vision remains on course. Our greatest desire as a Board is to see each and every Kenyan taking personal ownership of this Vision by making their own contribution, however modest.

Vision 2030 is truly about the national aspiration of the Kenyan people, their desires touching on their lives and on their country; it's the aspiration on everything about being a Kenyan, it is a not a Government project.

As a Board we are proud of shepherding a precedent setting Vision 2030 foundation, gains and the numerous challenges we have managed to overcome in our arduous efforts to solidly establish Vision 2030 as the national development strategy.

God Bless you, God Bless Kenya.



**Dr. James Mwangi, CBS**  
**Chairman, Vision 2030 Delivery Board**

## V. REPORT OF THE DIRECTOR GENERAL

The Government established Vision 2030 Delivery Secretariat (VDS), to ensure timely implementation of flagship projects. The Secretariat operates under the overall guidance of the Vision 2030 Delivery Board (VDB), which plays a policy-making and advisory role. The VDS collaborates with the relevant ministries, counties, departments and agencies in developing the five-year Medium Term Plans (MTPs).

The VDS is organized into five directorates namely; Economic, Social and Political Pillars, Enablers and Macro, Communication and Strategy, Finance, Administration and Human Resource all reporting to the Director General. These directorates provide strategic leadership and direction and the day-to-day management of activities in the realization of the Vision 2030 goals.

In line with its core mandate, the Secretariat through the economic and macro committee successfully unlocked implementation bottlenecks affecting various projects and sectors such as Galana Kulalu Food Security Project, Konza Techno City, Natural Products Initiative, Disease Free Zones, and Nairobi International Financial Centre Authority and created a fresh momentum towards the process of establishment of the Sector Delivery Secretariats.

The Secretariat further undertook to fast-track Vision 2030 by establishing strategic linkages and partnerships with key stakeholders and partners such as county governments; (Laikipia, Baringo, Elgeyo Marakwet, Samburu, Turkana, Taita Taveta, and Kilifi), the Taj Group of Hotels and the Aberdare Hills Golf Resort for the establishment of the Meetings Incentives Conference and Exhibitions (MICE) flagship projects; the FertiPlant East Africa Limited and Play Guru limited for the agriculture and manufacturing sectors respectively.

On the Social Pillar, the Secretariat undertook various activities to achieve objectives of the social sector, national values and national cohesion under the Political Pillar. Among these was a stakeholder workshop that brought together government implementing agencies and non-state actors to develop a framework for implementation of national values and principals of governance policy. Additionally, the Secretariat held a knowledge sharing workshop that brought together lead implementing agencies of flagship projects under the Social and Political Pillars. The Secretariat also worked with non-state actors to add-on efforts in achieving education sector reforms and targets through collaboration by holding stakeholder forums.

A key mandate of VDS is to aggressively market the Vision and the country's Medium Term Plans (MTPs) as well as to publicize and communicate its activities and achievements to the people of Kenya. In view of this mandate, the Secretariat undertook the *Tunatimiza* campaign, which was aired on regional radio stations and other media platforms. The campaign showcased on-going and up-coming Vision 2030 flagship projects across major towns in the country. A media familiarization tour on the roads constructed around Nairobi was done in collaboration with the Kenya Urban Rural Authority (KURA) and Kenya National Highway Authority (KENHA) by the Vision 2030 Board members. This gave an opportunity to the press to appreciate the progress made as well as increase positive reportage of these projects.

The Secretariat also organized an editors' guild round- table and a forum for Chief Executives Officers of key implementing agencies. The events were aimed at enhancing partnership among the implementers and to improve knowledge management for cross-learning amongst sectors and projects and to extensively deliberate on emerging issues from MTP II that should inform MTP III.

On matters administration, the Secretariat firmly believes in performance based management. Within the reporting period, VDS achieved the targets in the institutions performance contract. On compliance with the Constitution 2010, VDS complied with Chapter Six of the Constitution and signed the annual integrity pact for all staff. VDS continues to uphold integrity and principles of governance by adhering to the Ethics and Anti-Corruption Commission (EACC) guidelines. On other key performance contract indicators, the commitment by the Secretariat has been demonstrated by achieving 100 percent score on environmental sustainability and gender mainstreaming.

At the Vision 2030 Secretariat, we remain committed and confident that proper implementation of Vision 2030 with support from Government and all implementers will steadfastly progress.

Thank you.

**Dr. Julius Muia, EBS.**  
**Director General, Vision 2030 Delivery Secretariat**



## VI. CORPORATE GOVERNANCE STATEMENT

Corporate governance is the process by which organizations are directed and controlled with the objective of increasing stake/shareholders value and satisfying them. This is achieved by establishing a system of clearly defined authorities and responsibilities, which result in a system of internal controls that is regularly tested to ensure effectiveness.

At Kenya Vision 2030 Delivery Secretariat (VDS), the Management places a high degree of importance on maintaining a sound control environment and applying the highest standards of operational integrity and professionalism in all areas of its activities.

The Management is responsible for the governance of VDS and conducts the business and operations of VDS with integrity and in accordance with generally accepted corporate practices, in a manner based on transparency, accountability and responsibility.

## **VII. REPORT OF THE DIRECTORS**

The Directors submit their report together with the audited financial statements for the year ended 30<sup>th</sup> June 2017 which show the state of the Kenya Vision 2030 Delivery Secretariat's affairs.

### **Principal activities**

Kenya Vision 2030 Delivery Secretariat was established through Gazette Notice 1386 dated 17<sup>th</sup> February 2009.

The mandate of VDS as outlined in the Gazette Notice is that "there shall be a Vision Delivery Secretariat which shall spearhead the implementation of the Vision as the country's blueprint and strategy towards making Kenya a newly – industrializing middle income country capable of providing a high quality of life for all its citizens by the year 2030".

### **Results**

The results of the entity for the year ended 30<sup>th</sup> June 2017 are set out on page 1.

### **Auditors**

The Auditor General is responsible for the statutory audit of the Kenya Vision 2030 Delivery Secretariat in accordance with the Public Finance Management (PFM) Act, 2012, which empowers the Auditor General to nominate other auditors to carry out the audit on his behalf.

By Order of the Board

**Chairman**

**Date:** 1<sup>st</sup> September 2017

## VIII. STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Public Finance Management Act, 2012 and Cap 446 of the State Corporations Act, require the Directors to prepare financial statements in respect of that Secretariat, which give a true and fair view of the state of affairs of the Secretariat at the end of the financial year/period and the operating results of the Secretariat for that year/period. The Directors are also required to ensure that the Secretariat keeps proper accounting records which disclose with reasonable accuracy the financial position of the Secretariat. The Directors are also responsible for safeguarding the assets of the Secretariat.

The Directors are responsible for the preparation and presentation of the Secretariat's financial statements, which give a true and fair view of the state of affairs of the Secretariat for and as at the end of the financial year (period) ended on June 30, 2017. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Secretariat; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for the Secretariat's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards (IFRS), and in the manner required by the PFM Act and the State Corporations Act. The Directors are of the opinion that the Secretariat's financial statements give a true and fair view of the state of Secretariat's transactions during the financial year ended June 30, 2017, and of the Secretariat's financial position as at that date. The Directors further confirm the completeness of the accounting records maintained for the Secretariat, which have been relied upon in the preparation of the Secretariat's financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Directors to indicate that the Secretariat will not remain a going concern for at least the next twelve months from the date of this statement.

### Approval of the financial statements

The Secretariat's financial statements were approved by the Board on ..... and signed on its behalf by:

.....  
**Chairman**

.....  
**Director General**

# REPUBLIC OF KENYA

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P.O. Box 30084-00100  
NAIROBI

## OFFICE OF THE AUDITOR-GENERAL

### REPORT OF THE AUDITOR-GENERAL ON KENYA VISION 2030 DELIVERY SECRETARIAT FOR THE YEAR ENDED 30 JUNE 2017

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#### REPORT ON THE FINANCIAL STATEMENTS

##### Opinion

I have audited the accompanying financial statements of the Kenya Vision 2030 Delivery Secretariat set out on pages 1 to 14, which comprise the statement of financial position as at 30 June 2017, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Kenya Vision 2030 Delivery Secretariat as at 30 June 2017, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012.

In addition, as required by Article 229(6) of the Constitution, based on procedures performed, I confirm that, nothing has come to my attention to cause me to believe that public money has not been applied lawfully and in an effective way.

##### Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Kenya Vision 2030 Delivery Secretariat in accordance with ISSAI 30 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

##### Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. I have determined that there were no Key Audit Matters to communicate in my report.

---

*Report of the Auditor-General on the Financial Statements of Kenya Vision 2030 Delivery Secretariat for the year ended 30 June 2017*

## **Responsibilities of Management and Those Charged with Governance 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 (Accrual Basis) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Secretariat's ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the management either intends to cease operations, or have no realistic alternative but to do so.

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.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

## **Auditor-General's Responsibilities for the Audit of the Financial Statements**

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

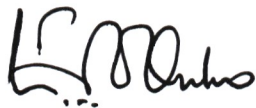
As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances and for the purpose of giving an assurance on the effectiveness of the Secretariat's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Secretariat's ability to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Secretariat to cease to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Secretariat to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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



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

**Nairobi**

**28 March 2018**


**X. STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED 30 JUNE 2017**

<b>INCOME</b>	<b>Notes</b>	<b>30-Jun-17 Kshs</b>	<b>30-Jun-16 Kshs</b>
Government Grant	2a	205,751,864	290,360,364
Amortization of Granted Assets	3	126,442	389,255
Other Income	4	3,938,906	2,882,747
<b>TOTAL</b>		<b>209,817,212</b>	<b>293,632,366</b>
<b>EXPENDITURE</b>			
Personnel Emoluments	5	74,175,255	77,840,019
Operating and Maintenance Expenses	6	118,015,783	205,591,555
Board Members Expenses	7	6,081,635	3,120,780
Depreciation and Amortization	8a/b	7,039,572	9,214,776
Audit Fee		464,000	464,000
<b>TOTAL</b>		<b>205,776,245</b>	<b>296,231,130</b>
<b>SURPLUS / (DEFICIT)</b>		<b>4,040,968</b>	<b>(2,598,764)</b>
<b>Accumulated Reserves B/F</b>		<b>(33,536,683)</b>	<b>(30,937,918)</b>
<b>Accumulated Reserves C/F</b>		<b>(29,495,715)</b>	<b>(33,536,683)</b>

**XII. STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2017**

ASSETS	Notes	30-Jun-17	30-Jun-16
		Kshs	Kshs
<b>Non-Current Assets</b>			
Property, Plant and Equipment	8a	6,414,025	10,336,546
Intangible Assets	8b	927,746	3,034,716
		<b>7,341,771</b>	<b>13,371,262</b>
<b>Current Assets</b>			
Trade and Other Receivables	9	2,047,500	2,254,580
Prepayments	10	2,929,104	2,949,898
Cash and Bank Balances	12	46,198,034	39,558,633
		<b>51,174,638</b>	<b>44,763,111</b>
<b>TOTAL ASSETS</b>		<b>58,516,409</b>	<b>58,134,373</b>
<b>CAPITAL AND RESERVES</b>			
General Reserve		(27,976,669)	(32,017,637)
Capital Reserve		64,486,996	64,486,996
		<b>36,510,327</b>	<b>32,469,359</b>
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
Deferred Income – Government Grant	3	-	126,441
<b>Current Liabilities</b>			
Trade and Other Payables	11	22,006,082	25,538,573
		<b>22,006,082</b>	<b>25,665,014</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>58,516,409</b>	<b>58,134,373</b>

  
Dr. James Mwangi, CBS  
**CHAIRMAN**

  
Julius M. Muia, PhD, EBS  
**DIRECTOR GENERAL**



**XIII. STATEMENT OF CHANGES IN NET ASSETS  
FOR THE YEAR ENDED 30 JUNE 2017**

	<b>Capital Reserve Kshs</b>	<b>General Reserve Kshs</b>	<b>Total Kshs</b>
<b>At the end of the year 30<sup>th</sup> June 2015</b>	<b>60,377,610</b>	<b>(29,418,873)</b>	<b>30,958,737</b>
Capital Grant	4,109,386		4,109,386
Adjustment		-	-
Surplus/ (Deficit) for the period		(2,598,764)	(2,598,764)
<b>At the end of the year 30<sup>th</sup> June 2016</b>	<b>64,486,996</b>	<b>(32,017,637)</b>	<b>32,469,359</b>
Capital Grant	-		-
Prior Year adjustment	-	-	-
Surplus (Deficit) for the Year		4,040,968	4,040,967
<b>At the end of the year 30<sup>th</sup> June 2017</b>	<b>64,486,996</b>	<b>(27,976,669)</b>	<b>36,510,326</b>

#### XIV. STATEMENT OF CASH FLOWS

	30-Jun-17 Kshs	30-Jun-16 Kshs
<b>Net Cash Flow from Operating Activities</b>		
Operating Surplus / (Deficit)	4,040,968	(2,598,764)
<b>Adjustment</b>		
Depreciation and Amortization	7,039,572	9,214,776
Gain on Disposal	179,538	281,703
<b>Changes in Working Capital</b>		
(Increase) / Decrease in Receivables	207,080	74,603
(Increase) / Decrease in Prepayments	20,794	(72,209)
(Increase) / Decrease in Differed Income	(126,442)	(389,255)
Increase / (Decrease) in Payables	(3,532,492)	96,163
<b>Net Cash Flow from Operating Activities</b>	<b>7,829,018</b>	<b>6,607,016</b>
<b>Investing Activities</b>		
Purchase of Fixed Assets	(1,010,079)	(1,326,150)
Disposal	-	-
Income on Disposal	(179,538)	(281,703)
Intangible Assets	-	(2,783,236)
<b>Net Cash Flow from Investing Activities</b>	<b>(1,189,617)</b>	<b>(4,391,089)</b>
<b>Financing Activities</b>		
Capital Reserves	-	4,109,386
<b>Net Cash Flow from Financing Activities</b>	<b>-</b>	<b>4,109,386</b>
<b>Increase/Decrease in Cash and Cash Equivalent</b>	<b>6,632,251</b>	<b>6,325,313</b>
Cash and Cash Equivalents at Start of year	39,558,633	33,233,320
<b>Cash and Cash Equivalents at End of year</b>	<b>46,198,034</b>	<b>39,558,633</b>
<b>Analysis of Balances of Cash and Cash Equivalents</b>		
Bank Balance	46,198,034	39,558,633
<b>Cash &amp; Cash Equivalent</b>	<b>46,198,034</b>	<b>39,558,633</b>

**XV. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS**

	<b>Original budget</b>	<b>Adjustments</b>	<b>Final budget</b>	<b>Actual on comparable basis</b>	<b>Performance difference</b>
	<b>2016-2017</b>	<b>2016-2017</b>	<b>2016-2017</b>	<b>2016-2017</b>	<b>2016-2017</b>
	<b>Kshs '000</b>	<b>Kshs '000</b>	<b>Kshs '000</b>	<b>Kshs '000</b>	<b>Kshs '000</b>
<b>Revenue</b>					
Government grants	205,752	-	205,752	205,752	-
Other Income	3,939	-	3,939	3,939	-
Gains on disposal,	-	-	-	-	-
<b>Total income</b>	<b>209,691</b>	<b>-</b>	<b>209,691</b>	<b>209,691</b>	<b>-</b>
<b>Expenses</b>					
Personnel Emoluments	79,759	-	79,759	74,175	5,584
Medical Expenses In & Out patient (Insurance)	7,108	-	7,108	6,855	253
Group Life Insurance	496	-	496	289	207
Staff Welfare	5,500	-	5,500	4,572	928
Fuel & Maintenance Expenses	3,000	-	3,000	2,789	211
Telephone Expenses	3,800	-	3,800	3,780	20
Expenses of Board & Committees	6,100	-	6,100	6,082	18
Rents and Rates	18,000	-	18,000	17,778	222
Audit Fees	464	-	464	464	-
Insurance - Vehicles/Equipments	220	-	220	103	117
Training Expense	2,000	-	2,000	1,209	791
Internal Travelling & Accommodation	12,774	-	12,774	12,727	47
External Travelling & Accommodation	7,500	-	7,500	7,440	60
Publishing and Printing Expenses	1,300	-	1,300	1,251	49
Purchase of Stationery	1,300	-	1,300	1,272	28
Communication and Publicity -	36,000	-	36,000	35,859	141
Contracted Professional Services	2,700	-	2,700	2,632	68
Computer Expenses	3,050	-	3,050	3,046	4
Hire of Transport, Plant and Machinery	100	-	100	57	43

Subscription to Professional Bodies	270	-	270	257	13
Workshops, seminars & Conferences	3,600	-	3,600	2,862	738
Legal Expenses & Contingent Liabilities	700	-	700	620	80
Enabling Funds for Projects	11,500	-	11,500	11,246	254
Maintenance of Buildings & Equipments	1,200	-	1,200	1,183	17
Bank Charges - Fees and Commission	200	-	200	191	9
Purchase of Plant & Equipments	400	-	400	393	7
Purchase of Computer	650	-	650	617	33
Purchase of Computer Systems/ website	-	-	-	-	-
Purchase of furniture & fittings	-	-	-	-	-
<b>Total Expenditure</b>	<b>209,691</b>	-	<b>209,691</b>	<b>199,749</b>	<b>9,942</b>
<b>Surplus/Deficit for the Period</b>	-	-	-	-	<b>9,942</b>

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**XVI. NOTES TO THE FINANCIAL STATEMENTS KENYA VISION 2030  
DELIVERY SECRETARIAT**

**1. Statement of compliance and basis of preparation – IPSAS 1**

The entity's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya a shilling, which is the functional and reporting currency). The accounting policies have been consistently applied to all the years presented.

The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the direct method. The financial statements are prepared on accrual basis.

**Summary of significant accounting policies**

**a) Revenue recognition**

**i) Revenue from non-exchange transactions – IPSAS 23**

**Transfers from other government entities**

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably.

**ii) Revenue from exchange transactions – IPSAS 9**

***Rendering of services***

The entity recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours.

Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

**b) Budget information – IPSAS 24**

The annual budget is prepared on the accrual basis, that is, all planned costs and income are presented in a single statement to determine the needs of the Secretariat. As a result of the adoption of the accrual basis for budgeting purposes, there are no basis, timing or entity differences that would require reconciliation between the actual comparable amounts and the amounts presented as a separate additional financial statement in the statement of comparison of budget and actual amounts.

**c) Property, plant and equipment – IPSAS 17**

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the Secretariat

recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

(a) Motor vehicles	25%
(b) Office equipment	12.5%
(c) Furniture	12.5%
(d) Computers	33.3% (3 Years useful life)

#### **d) Intangible assets – IPSAS 31**

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred.

#### **e) Changes in accounting policies and estimates – IPSAS 3**

The Secretariat recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

#### **f) 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 commercial bank at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

#### **g) Comparative figures**

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

#### **h) Subsequent events – IPSAS 14**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2017.

#### **i) Related parties – IPSAS 20**

The Entity regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Entity, or vice versa. Members of key management are regarded as related parties.

## 2. Government Grant

This represents funds voted for in the Government budget for the financial period. The expected receipts from the Government are thus well known before the start of the period and the same are released on a quarterly basis.

The balances as at 30th June 2017 were as follows:

	30 June 17 Kshs	30 June 16 Kshs
a) Recurrent Grant	205,751,864	190,360,364
b) Capital Grant	-	4,109,386
c) Global Entrepreneurship Summit Campaign	-	100,000,000
<b>Total</b>	<b>205,751,864</b>	<b>294,469,750</b>

## 3. Deferred Income – Government Granted Assets

As per the IPSAS 23 there are two methods of accounting for the grant, Income method and Capital method. The Secretariat has elected to use the Income method because it gives full disclosure on the granted assets.

The granted assets are non-current assets granted to VDS by the Ministry of Planning, National Development and Vision 2030, representing assets bought during 2009/2010 financial year by the Ministry for VDS. The granted assets are supposed to be recognized as income over the period necessary to match them with the related costs, for which they are intended to compensate, on a systematic basis.

	30 June 17 Kshs	30 June 16 Kshs
Deferred Income B/F	126,442	515,697
Amortization of Granted Assets	(126,442)	(389,255)
<b>Deferred Income C/Forward</b>	<b>-</b>	<b>126,442</b>

## 4. Other Income

	30 June 17 Kshs	30 June 16 Kshs
Income from Grants	2,145,265	-
Income from short term investments	1,614,103	2,601,044
Disposal of Assets and obsolete items	179,538	281,703
<b>Total</b>	<b>3,938,906</b>	<b>2,882,747</b>

## 5. Personnel Emoluments

	30 June 17 Kshs	30 June 16 Kshs
Salaries and Allowances	57,474,762	64,866,326
Leave Allowances	650,000	790,000
Gratuity Paid	16,050,493	12,183,693
<b>Total</b>	<b>74,175,255</b>	<b>77,840,019</b>

## 6. Operating & Maintenance Expenses

	30-Jun-17	30-Jun-16
	Kshs	Kshs
Telephone	3,779,966	4,276,047
Rent and Rates	17,777,852	13,843,440
Staff Welfare	4,572,014	5,483,990
Group Life Insurance	289,196	435,788
Insurance VDS Assets	108,355	-
Medical cover in & out Patient	6,855,397	8,108,407
Motor vehicle Fuel & Maintenance Expense	2,781,477	2,480,140
Computers Expenses	3,045,939	2,567,852
Internal Travelling	12,726,864	9,674,250
External Travelling	7,439,839	9,761,780
Printing & Publishing Services	1,251,137	659,610
Communication, Advertising and Publicity	35,858,830	127,490,041
Hire of Transport	57,020	160,400
Training Expenses	1,208,800	2,546,556
Enabling Fund for Project	11,245,570	8,815,897
Workshop, Conference & Seminar	2,861,792	4,636,090
Purchase of Stationery	1,272,215	1,376,150
Bank Charges	190,910	200,235
Subscription to Professional Bodies	257,450	91,344
Legal Expenses	620,426	350,000
Contracted Professional Service	2,632,070	933,000
Maintenance of Building Expenses	1,182,664	1,700,538
<b>Total</b>	<b>118,015,783</b>	<b>205,591,555</b>

## 7. Boards' Expenses

The Boards' expenses relate to sitting allowances paid to Board members and other costs that relate to Board activities.



8a. Fixed Assets Schedule for the year ended June 2017

	Equipment	Furniture & Fittings	Computers & Peripherals	Motor Vehicles	Total
Cost	Shs	Shs	Shs	Shs	Shs
At 1 July 2015	6,988,322	22,589,285	9,693,285	18,331,425	57,602,317
Additions	13,950	-	1,312,200	-	1,326,150
Disposals	-	-	(281,703)	-	(281,703)
Transfers/adjustments	-	-	-	-	-
<b>At 30 June 2016</b>	<b>7,002,272</b>	<b>22,589,285</b>	<b>10,723,782</b>	<b>18,331,425</b>	<b>58,646,764</b>
Additions	393,000	-	617,080	-	1,010,080
Disposals	-	-	(434,482)	-	(434,482)
Transfer/adjustments	-	-	-	-	-
<b>At 30 June 2017</b>	<b>7,395,272</b>	<b>22,589,285</b>	<b>10,906,380</b>	<b>18,331,425</b>	<b>59,222,362</b>
<b>Depreciation and impairment</b>					
At 30 June 2015	(3,441,365)	(13,630,735)	(7,695,459)	(18,331,425)	(43,098,985)
Depreciation	(884,449)	(2,896,004)	(1,712,482)	-	(5,492,935)
Disposals	-	-	281,703	-	281,703
Impairment	-	-	-	-	-
Adjustment	-	-	-	-	-
<b>At 30 June 2016</b>	<b>(4,325,814)</b>	<b>(16,526,739)</b>	<b>(9,126,238)</b>	<b>(18,331,425)</b>	<b>(48,310,217)</b>
Depreciation	(933,574)	(2,633,192)	(1,365,836)	-	(4,932,602)
Disposals	-	-	434,482	-	434,482
Impairment	-	-	-	-	-
Adjustment	-	-	-	-	-
<b>At 30 June 2017</b>	<b>(5,259,388)</b>	<b>(19,159,931)</b>	<b>(10,057,593)</b>	<b>(18,331,425)</b>	<b>(52,808,337)</b>
<b>Net book values</b>					
At 30 June 2017	2,135,884	3,429,354	848,787	-	6,414,025
At 30 June 2016	2,676,458	6,062,545	1,597,543	-	10,336,546

**Note:** Opening balances consist of the net book value of the assets granted from the parent Ministry and whose depreciation charge is based on their original costs.

**8b. Intangible Assets**

These are Payroll, Enterprise Resource Planning (ERP) and Computer software licenses and they were capitalized on the basis of costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful life of three years. Adjustment relates to overstated amortization.

Cost	Shs 000
At 30 June 2015	11,013,074
Additions	2,783,236
Disposal	-
At 30 June 2016	13,796,310
Additions	-
At 30 June 2017	13,796,310

<b>Amortization and impairment</b>	
At 1 July 2015	(7,039,753)
Amortization	(3,721,841)
Adjustment	-
<b>At 30 June 2016</b>	<b>(10,761,593)</b>
Amortization	(2,106,970)
Impairment loss	-
<b>At 30 June 2017</b>	<b>(12,868,563)</b>
<b>Net book values</b>	
At 30 June 2017	927,746
At 30 June 2016	3,034,716

## 9. Trade and Other Receivables

	30-Jun-17	30-Jun-16
	Kshs	Kshs
Rent Deposit	2,047,500	2,047,500
Cooperative Bank of Kenya	-	207,080
<b>Total</b>	<b>2,047,500</b>	<b>2,254,580</b>

Rent deposit relates to rent deposit paid by the Ministry before the VDS was setup.

## 10. Prepayments and Deposits

	30-Jun-17	30-Jun-16
	Kshs	Kshs
Prepaid Rent/Deposit – KUSCCO LTD	1,548,212	1,314,820
Liaison Group Ins. Brokers– Prepaid Group life	63,472	98,781
Staff Airtime - July 2017	222,000	158,000
Sedgwick Kenya Ins. Brokers Ltd Prepaid Medical Cover	1,095,420	1,378,297
<b>Total</b>	<b>2,929,104</b>	<b>2,949,898</b>

## 11. Trade and other payables

	30-Jun-17	30-Jun-16
	Kshs	Kshs
Auditor General	464,000	464,000
Associate Consulting Africa Ltd	661,200	-
CMC Motors Group	105,747	-
Prima Vera Tours Safaris & Travel Ltd	48,000	-
Decotech Solution Ltd	630,500	-
Attic Tour And Travel Ltd	49,900	67,635
Borasoft Ltd	-	239,783
Commodures Enterprises	-	205,000
Florence Kiragu Nyamu	375,000	-
Bushtrek Safaris Ltd	-	147,874
Easynet Africa Ltd	-	380,000
Kenya Revenue Authority	42,000	556,083
Kevins(k) Bay Agencies	1,818,000	-

Gravity Solutions Ltd		354,960
Jonathan Lodompui	4,101,300	-
Jacob Akinala		8,000
Kilimanjaro Food Court Ltd	12,030	-
Nairobi Serena Hotel		128,000
Attain Enterprise Solution Ltd	2,236,545	2,236,545
Gravity Solutions Ltd	354,960	-
Jackline P.A.Omolo & CO	446,426	-
Jane Kimbwarata	50,000	-
Longrock Tours And Travel Ltd		30,920
Maasai Security Services		44,000
Media Edge Interactive		2,682,008
Maxiridge Suppliers		290,000
Office Technologies Ltd		12,430
Ktk Advocates	174,000	-
Accrued Staff Benefits		2,384,232
Kila Siku Newspapers Suppliers		53,886
Lake Naivasha Sawela Lodge	3,612,800	-
Toyota Kenya Ltd		86,135
Lake Naivasha Panorama Park Naivasha	196,000	-
Prima Vera Tours Safaris & Travel Ltd		125,280
Professional Marketing Services	3,070,942	15,000,000
Quicklink Tours And Travel		10,400
Ministry of Sports,Culture and Art	600,000	-
Pinnacle (K) Travel & Safaris Ltd		4,000
Nokela Agencies	613,408	-
Telkom Kenya		27,402
Memsec Solutions	22,250	-
Ministry of Information ,Communication	1,519,800	-
Samo Agencies ltd	339,996	
Sweet lake Resort	237,500	
SYMPHONY	223,777	
<b>Total</b>	<b>22,006,082</b>	<b>25,538,573</b>

## 12. Cash and bank balance

This is as per the bank reconciliation statement of June 2017 of Ksh. 46,198,034

## 13. Contingent Liabilities

There were no contingent liabilities at 30th June 2017

## 14. Capital Commitments

There were no capital commitments for the period

## 15. Employees

The average number of employees during the year was twenty (20) compared to twenty seven (27) in 2015/2016 financial year.

**XVII. PROGRESS ON FOLLOW UP OF AUDIT 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.

<b>Referen ce No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Focal Point person to resolve the issue (Name and designation)</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
None	None	None	None	None	None

**Guidance Notes:**

- (i) Use the same reference numbers as contained in the external audit report;
- (ii) Obtain the “Issue/Observation” and “management comments”, required above, from final external audit report that is signed by Management;
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for implementation of each issue;
- (iv) Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report to National Treasury.

**Director General**

Signature.....  


**Chairman of the Board**

Signature.....  
