

REPUBLIC OF KENYA



KENYA NATIONAL AUDIT OFFICE



REPORT

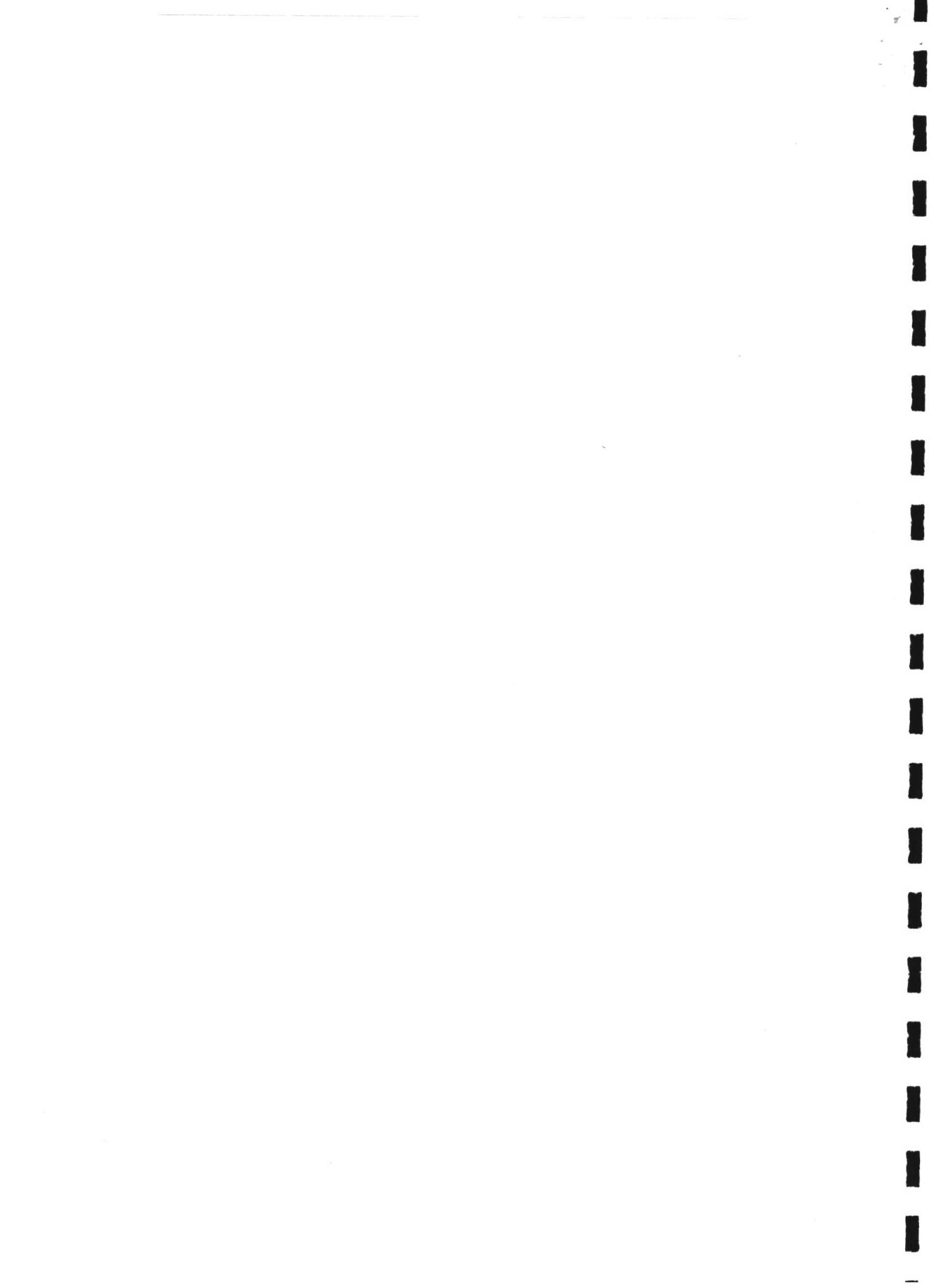
OF

THE AUDITOR-GENERAL

ON

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

**FOR THE YEAR ENDED
30 JUNE 2014**





**KENYA
VISION 2030**

**TOWARDS A GLOBALLY COMPETITIVE
AND PROSPEROUS NATION**

KENYA VISION 2030 DELIVERY SECRETARIAT

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2014

**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 17th February, 2009.

The mandate of VDS as outlined in the Gazette Notice stipulates 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;
- b) Drive and manage the transformation process;
- c) Assist in the preparation of all relevant projects documents on the vision flagship projects together with their implementation schedules and costs;
- d) Provide liaison between Government Ministries and the private sector participants in each flagship project;
- e) Ensure that all projects and programmes contained in the Vision and the Medium Term Plans are funded, launched and completed on schedule;
- f) 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;
- g) Undertake any rapid action necessary to remove such implementation bottlenecks as may arise in the course of implementation of projects;
- h) 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;
- i) Prepare quarterly and mid-term implementation Progress Reports for consideration by the Vision Delivery Board and Vision 2030 Cabinet Committee;
- j) Aggressively market the vision and its medium term plans and publicize and communicate its activities and achievements to the people of Kenya;
- k) 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
- l) 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 of the Vision Delivery Secretariat

The premier world class agency in the transformation of Kenya by 2030

Mission of the Vision Delivery Secretariat

To spearhead the successful implementation of the Kenya Vision 2030

Core Values

Integrity, Professionalism, Passion, Innovation, Participatory/Teamwork, Value Driven, and Equity

Strategic Objectives

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

- To provide strategic leadership in the implementation of Vision 2030 programs;
- To monitor and evaluate implementation of Vision 2030 programs and projects;
- To aggressively market the Vision 2030 to all stakeholders;
- To develop strategic partnerships and linkages with key stakeholders;
- To enhance the Vision Delivery Secretariat (VDS) institutional capacity to deliver on its mandate.
- Integrate ICT systems in the Secretariat to achieve competitive edge

(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 30th June 2014 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:

- Audit & Governance Committee to consider and approve Audit & Governance matters of Vision 2030 Delivery Secretariat.
- Communication Board Committee to consider and approve Strategy & Communication matters of Vision 2030 Delivery Secretariat.
- Economic & Macro Board Committee to consider and approve Economic and Macro matters of Vision 2030.
- Enablers Board Committee to consider and approve Enablers matters of Vision 2030.

- Finance & Administration Board Committee to consider and approve operational, finance, human resources and administration matters of Vision 2030 Delivery Secretariat.
- Social & Political Board Committee to consider and approve social and political matters of Vision 2030

(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
2nd Floor Upper Hill
P.O Box 52301, 00200 GPO
Nairobi, Kenya
Tel: (020) 2722030

(i) Principal Legal Adviser

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

II. THE BOARD OF DIRECTORS

No.	Name	Position	Place of Work	Board Membership	Date of Appointment	Meeting Attendance %
1.	Dr. James Mwangi, CBS	CEO & Managing Director	Equity Bank	Chairman	20 th July, 2012	100
2.	Mr. Joseph Kinyua, CBS	Chief of Staff & Head of Public Service	State House	Member	September-2013	67
	Mr. Stephen Kirogo, EBS	Principal Administrative Secretary/Assistant Secretary to the Cabinet	Executive Office of the President	Alternate to Mr. Joseph Kinyua, CBS	31 st January, 2013	
3.	Prof. Githu Muigai, EGH, SC	Attorney General	Office of the Attorney General & Department of Justice	Member	September-2013	33
	Mr. Seth Nyamweya Masese	Senior State Counsel		Alternate to Prof. Githu Muigai, EGH, SC	20 th January 2014	
4.	Dr. Kamau Thugge, EBS	Principal Secretary	The National Treasury	Member	September-2013	17
	Dr. Indeje Wanyama	Senior Assistant Director of Budgets		Alternate to Dr. Kamau Thugge, EBS	September-2013	
5.	Eng. Peter O. Mangiti	Principal Secretary	State Department of Planning, Ministry of Devolution & Planning,	Member	September-2013	83
	Mr. Stephen Wainaina, MBS	Economists Planning Secretary		Alternate to Eng. Peter O. Mangiti	September-2013	
	Mr. Jamshed Ali	Chief Economist		Alternate to Eng. Peter O. Mangiti	September – 2013	

6.	Dr. Wilson Songa, MBS Dr. Julius Korir	Principal Secretary Industrialization Secretary	Ministry of Industrialization & Enterprise Development	Member Alternate to Dr. Wilson Songa, MBS	September-2013 September-2013	67
7.	Dr. (Eng.) Karanja Kibicho, CBS Mr. Joseph Masila	Principal Secretary Principal Economist	Ministry of Foreign Affairs & International Trade	Member Alternate to Dr. (Eng.) Karanja Kibicho, CBS	September-2013 September-2013	83
8.	Mr. James Teko Lopoyetum, HSC	Principal Secretary	State Department of Water, Ministry of Environment, Water & Natural Resources	Member	September-2013	50
9.	Mr. Joseph Tiampati Ole Musuni Mr. Henry Mung'asia Mr. Brown I. Otuya 'ndc' (K)	Principal Secretary Director of Administration Secretary of Administration	Ministry of Information, Communications & Technology	Member Alternate to Mr. Joseph Tiampati Ole Musuni Alternate to Mr. Joseph Tiampati Ole Musuni	September-2013 September-2013 September-2013	83
10.	Mr. Nduva Muli, EBS	Principal Secretary	State Department of Transport, Ministry of Transport & Infrastructure	Member	September-2013	17

11.	Eng. John K. Mosonik, EBS	Principal Secretary	State Department of Infrastructure, Ministry of Transport & Infrastructure	Member	September-2013	17
12.	Eng. Joseph Njoroge, MBS	Principal Secretary	Ministry of Energy & Petroleum	Member	September-2013	17
13.	Mrs. Sicily K. Kariuki, MBS, CBS Mrs. Elizabeth Kimenyi	Principal Secretary Director of Agriculture	State Department of Agriculture, Ministry of Agriculture, Livestock & Fisheries	Member Alternate to Mrs. Sicily K. Kariuki, MBS, CBS	September-2013 September-2013	67
14.	Prof. Fred H. K. Segor Mr. Elkana Onguti	Principal Secretary Chief Economist	Ministry of Health	Member Alternate to Prof. Fred H. K. Segor	September-2013 September-2013	100
15.	Dr. Ibrahim M. Mohamed	Principal Secretary	State Department of Commerce & Tourism, Ministry of East African Affairs, Commerce & Tourism	Member	September-2013	33
16.	Arch. Mariamu el Maawy Amb. Wambua Magdalene. J.	Principal Secretary Director of Administration in the Lands Directorate	Ministry of Lands, Housing & Urban Development	Member Alternate to Arch. Mariamu el Maawy	September-2013 September-2013	33

17.	Dr. Belio Kipsang	Principal Secretary	State Department of Education, Ministry of Education, Science and Technology	Member	September-2013	33
18.	Prof. Collette Akoth Suda, PhD, KNAS, EBS	Principal Secretary	State Department of Science and Technology, Ministry of Education, Science and Technology	Member	September-2013	33
19.	Mr. Patrick O. Omutia Amb. Ann B. Nyikuli, MBS Mr. Wenslas Ong'ayo	Principal Secretary Director of Administration Director of Administration	Ministry of Sports, Culture & the Arts	Member Alternate to Mr. Patrick O. Omutia Alternate to Mr. Patrick O. Omutia	September-2013 September-2013 September-2013	50
20.	Amb. Richard T. Ekai, MBS Mr. Shadrack Kimomo	Principal Secretary Chief Geologist	Ministry of Mining	Member Alternate to Amb. Richard T. Ekai	September-2013 September-2013	50
21.	Dr. Moses Ikiara, PhD, MBS	Managing Director	Kenya Investment Authority	Member	13 th February, 2013	83
22.	Prof. Njuguna Ndung'u, CBS	Governor	Central Bank of Kenya	Member	17 th February 2009	33

23.	Mr. Paul Muthaura Mr. Luke Ezekiel Ombara	Ag. Chief Executive Officer Ag. Director of Regulatory Policy and Strategy	Capital Markets Authority	Member Alternate to Mr. Paul Muthaura	1 st June, 2012 1 st June, 2012	83
24.	Dr. Julius M. Muia	Secretary	National Economic Social Council	Member	17 th February, 2009	83
25.	Mr. Bob Collymore *	Chief Executive Officer	Safaricom Ltd	Member	31 st August 2012	17
26.	Mrs. Lydia Koros	Managing Partner	Progression Capital Africa	Member	31 st August 2012	50
27.	Mr. Louis O. Otieno	General Manager East & South Africa	Microsoft Corporation	Member	31 st August 2012	67
28.	Dr. Lona K. Sangale	Medical Doctor	The Aga Khan Hospital	Member	31 st August 2012	83
29.	Mr. John M. Musunga	Chief Executive Officer	GlaxoSmith Kline Ltd.,	Member	31 st August 2012	50
30.	Prof. Agnes Wakesho Mwang'ombe, EBS	Principal, College of Agriculture & Veterinary Sciences	University of Nairobi	Member	31 st August 2012	33
31.	Mr. Abdi Mohamed Ahmed	Director	Prism Investments	Member	31 st August 2012	67

32.	Mr. Mugo Kibati Prof. Gituro Wainaina	Former Director General Ag. Director General	Kenya Vision 2030 Delivery Secretariat	Secretary	Up to October 2013 9 th October 2013	100
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BOARD COMMITTEES

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

Membership	No.	Vision 2030 Delivery Board Committees	Main Function
Audit & Governance Committee			
Chairman	1	Mr. Louis O. Otieno	To consider and approve Audit & Governance matters of Vision 2030 Delivery Secretariat.
Member	2	Prof. Agnes Wakesho Mwang'ombe, EBS	
"	3	Dr. Julius M. Muia	
"	4	Mr. Stephen Kirogo, EBS	
"	5	Mr. Kennedy. Kihara	
Communication Board Committee			
Chairman	1	Mr. Bob Collymore	To consider and approve Strategy & Communication matters of Vision 2030 Delivery Secretariat.
Member	2	Mr. John M. Musunga	
"	3	Prof. Collette Akoth Suda, PhD, KNAS, EBS	
"	4	Dr. Moses Ikiara, MBS	
"	5	Dr. Lona K. Sangale	
"	6	Mr. Joseph Tiampati Ole Musuni	
Economic & Macro Board Committee			
Chairman	1	Mr. Abdi Mohamed Ahmed	To consider and approve Economic and Macro matters of Vision 2030.
Member	2	Dr. Kamau Thugge, EBS	
"	3	Dr. (Eng.) Karanja Kibicho, CBS	
"	4	Dr. Wilson Songa, MBS	
"	5	Mr. Joseph Tiampati Ole Musuni	
"	6	Mrs. Sicily K. Kariuki, MBS, CBS	
"	7	Dr. Ibrahim M. Mohamed	
"	8	Amb. Richard T. Ekai	
"	9	Mr. Paul Muthaura	

Enablers Board Committee			
Chairman	1	Mr. Nduva Muli, EBS	To consider and approve Enablers matters of Vision 2030.
Member	2	Mr. Louis O. Otieno	
"	3	Eng. Joseph Njoroge, MBS	
"	4	Eng. John K. Mosonik, EBS	
"	5	Mr. James Teko Lopoyetum, HSC	
"	6	Arch. Mariamu el Maawy	
"	7	Dr. Belio R. Kipsang	
"	8	Mr. Joseph Tiampati Ole Musuni	
"	9	Mr. Stephen Kirogo, EBS	
Finance & Administration Board Committee			
Chairman	1	Dr. Julius M. Muia	To consider and approve operational, finance, human resources and administration matters of Vision 2030 Delivery Secretariat.
Member	2	Eng. Peter O. Mangiti	
"	3	Dr. Kamau Thugge, EBS	
"	4	Mr. Njee Muturi	
"	5	Mrs. Lydia Koros	
Social & Political Board Committee			
Chairman	1	Prof. Fred H. K. Segor	To consider and approve social and political matters of Vision 2030
Member	2	Mr. Patrick O. Omutia	
"	3	Arch. Mariamu el Maawy	
"	4	Dr. Belio Kipsang	
"	5	Dr. Lona K. Sangale	

III. SECRETARIAT MANAGEMENT

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

NAME	POSITION	QUALIFICATION
Prof. Gituro Wainaina	Ag. Director General	PhD
Dr. Mohammed Omar	Director Economic Pillar	PhD
Mr. Jonathan Lodompui	Director Enablers and Macro	Master's Degree
Ms. Grace Wandera	Director Communication and Strategy	Master's Degree
Ms. Ada Mwangola	Ag. Director Political and Social Pillar	Master's Degree
Mr. Nicholas K Mwilu	Assistant Director/Finance & Administration	Master's Degree
Mr. John Kariuki	Assistant Director Economic Pillar	Master's Degree

IV. CHAIRMAN'S STATEMENT

Kenya Vision 2030 Delivery Board (VDB) was established through Kenya Gazette Notice 1386 dated 17th February, 2009, with the mandate of spearheading the implementation of the role and provides overall leadership, oversight, guidance and policy direction in implementation of the Vision and sustenance of momentum in realizing the goals and aspirations under the Vision. The Board is also responsible for setting targets and evaluation of achievements.

Following the re-organization of Government, the number of VDB members reduced from forty one (41) to thirty two (32). The current reforms form a good platform for enhanced implementation of the national development agenda, Vision 2030.

The Board has pointed severally that the projects of Vision 2030 are hampered by structural challenges. The reduction of ministries from 40 to 19 will enhance policy formulation and decision making. Further to this, the parastatal reforms will enhance implementation of Vision 2030. The implementing agencies are key drivers of Vision 2030 and the efficiency gains through this rationalization are a welcome move towards achieving a prosperous nation with a high quality of life.

The financial year 2013/2014 marks the fourth year of operationalization of Vision 2030 Delivery Secretariat (VDS) and it is with great pleasure that I present the annual report and financial statements of the Secretariat for the financial year ending 30th June 2014. This report outlines the financial performance of VDS during the financial year 2013/2014.

The Board through VDS has been working closely in collaboration with Government Ministries and Departments (MDAs) as well as the private sector, civil society, faith based organizations and other relevant stakeholder groups in order to deliver Vision 2030. The Board has further signed several Memoranda of Understanding (MOU) with international and local organizations. All these efforts geared to ensuring timely delivery of Vision 2030 and transforming our great Country- Kenya.

During the financial year 2013/2014, the Secretariat was evaluated on its performance through the Performance Contracting (PC). The Secretariat scored highly demonstrating the Boards and Secretariat's commitment to service delivery

As the Chairman of the VDB, I am particularly pleased that the implementation of various projects across the pillars of Vision 2030 serves to underscore the Government of Kenya's commitment to facilitate economic, social and related development.

As Vision 2030 enters the second phase of implementation of Medium Term Plan (MTP II), I am proud to confirm that projects are on course and that the foundation for the achievement of Vision 2030 has been laid. Notwithstanding, obvious and unforeseen challenges, the journey towards ensuring that Kenya is ranked as a newly industrialised country is firmly on course. Some of the lessons learned during MTP I are: -

Vision 2030 in its very nature requires a multi-sectoral approach in project management. As a Board, we have learned the need for closer collaboration among ministries, departments and agencies (MDAs). The VDB has provided a platform where key stakeholders can have roundtable discussions with tangible outcomes. This is exemplified in resolutions that have been passed at the Board.

The Board's path has also been illuminated through closer collaboration with the private sector. The private sectors' role as the engine of economic development has given the Vision the

momentum that has solidified the national development plan. Notable collaboration include; the General Electric, Toyota Tsusho, Garden City among others.

Finally, the Board's commitment towards relentless execution has seen the Vision 2030 embedded in the national monitoring and evaluation framework through the performance contracting system.

Thank you and God bless you.

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

V. REPORT OF THE DIRECTOR GENERAL

The Kenyan Government created a Vision Delivery Secretariat (VDS), to ensure the timely implementation of the flagship projects. The Secretariat operates under the overall guidance of the Vision 2030 Delivery Board (VDB), which plays a policy-making and advisory role. VDS collaborates with the relevant ministries in developing the five-year medium-term plans. VDS is organized into four directorates namely, Economic Pillar Directorate, Social and Political Pillars, Enablers and Macro, Strategy & Communication, and Finance & Administration Department all reporting to the office of 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. The Directorates correspond to the main project clusters or sectors of the Vision covering the three pillars and the foundations.

In the 2013/2014 financial year, VDS was able to accomplish the following:

Staffing: The period saw, six (6) additional staff members recruited from thirty (30) at the start of the financial year. Eight (8) staff members left, leaving a total of thirty (28) at the end of the period. The total approved staff complement is fifty (50) members of staff. In order to fully undertake its mandate, VDS intends to bring on board additional staff in the coming financial year.

Integration of Vision 2030 in the Public and Private Sector

Public Sector: The VDS, in liaison with the Performance Contract (PC) Department embedded all Vision 2030 projects into the performance contracting platform through the inclusion of performance indicators within the operational framework of the performance contract. This is geared at ensuring that all institutions focus on the Vision.

In the 9th, 10th & 11th performance contracting cycle, the Secretariat entrenched these flagship projects in all Ministries, Departments and Agencies (MDAs) performance contracts. The Secretariat further trained selected counties to ensure that they align their county integrated plans with Medium Term Plan (MTP II) and Vision 2030.

The Secretariat also embarked on a co-branding exercise with all MDAs. This can be best demonstrated in the co-branding seen in various communication medium by government agencies such as signage and press advertisements. The Secretariat developed branding guidelines which it has disseminated across Public Sector institutions.

Private Sector Engagement

The Secretariat enhanced its engagement with the private sector, focusing on promoting Vision 2030 as a national agenda and reducing the perception that it is a government project. This has been achieved through various strategies:

i) The successful engagement and subsequent signing of Memorandums of Understanding (MOU) with the following private sector players; General Electric, Toyota Tsusho, Garden City, English point Marina, Lake Turkana Wind Farm, Kinangop Wind Park, Red Cross Society and IBM for establishing the first Africa Research.

ii) The Secretariat in conjunction with the Kenya Embassy in Washington DC, Ministry of Foreign Affairs and International Trade and Corporate Council on Africa organized a high-level

Investment conference in Washington DC on 8th to 9th July 2014. The investment conference dubbed *Doing Business in Kenya* showcased investor ready bankable Vision 2030 projects. As well as other projects ready for implementation within the Public Private Partnership (PPP) framework. The conference attracted top US investors who are keen on investing in the country. The Government delegation was led by the Cabinet Secretary for Foreign affairs and International Trade Ambassador Amina Abdalla.

Communication Campaigns

One of the Secretariat's mandates is to aggressively market the Vision. The Secretariat embarked on an integrated marketing communication programme dubbed "Wakilisha" The campaign was a rallying call to Kenya to embrace and contribute towards the implementation of Vision 2030. To demonstrate the progress of flagship projects the Secretariat developed another campaign dubbed "Inatendeka" the campaign was executed on above and below- the-line tactics.

On Social media; -The secretariat has a robust digital media strategy which saw the institution win the OXL social media award – best use of social media by MDAs category. The Secretariat commands a strong following on facebook with 4,300 followers and twitter 20,500 followers.

Collaboration and Support to Ministries Departments and Agencies

The secretariat undertook various initiatives to support agencies and acknowledge their role in the implementation of projects.

Joint media briefings/press conferences- VDS held joint press briefings and media engagements with Konza Technopolis Development Authority, Kenya Airports Authority, Lamu Port, South Sudan and Ethiopia Transport (LAPSSET) Authority. Further VDS provided technical support on communication and branding of flagship projects.

Challenges

1. Difficulty operationalizing the Sector Delivery Secretariat
2. Limited tracking of progress on Vision 2030 projects by MDA's
3. Devolution – lack of alignment of county priorities with national priorities and slow development of county integrated development plans.
4. Budgetary Constraints - The financial year 2013/2014 saw the VDS recurrent budget reduced from Kshs.196.7 million to Kshs.194.9 million and development budget increased from Kshs.3.8 million to Kshs.8.55 million. This greatly affected the operations of the Secretariat and many of the activities which were to be undertaken during the year were deferred. This continued limited budget allocations over the years has significantly impeded operationalization of the VDS mandate.
5. The Secretariat has not been able to recruit staff as per approved establishment, nor undertake robust communication and advocacy as envisaged. Plans to partition and furnish the offices are still pending.

VDS Performance Contract

During the financial year 2013/2014, the Secretariat negotiated and signed the performance contract and further cascaded to VDS staff that has aligned with the departmental and individual work plans.

Thank you.

Wainaina Gituro

Ag. 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 June 30, 2014 which show the state of the Kenya Vision 2030 Delivery Secretariats affairs.

Principal activities

Kenya Vision 2030 Delivery Secretariat was established through Kenya Gazette Notice 1386 dated 17th February, 2009.

The mandate of VDS as outlined in the Gazette Notice stipulates 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 June 30, 2014 are set out on page 21

Auditors

The Auditor General is responsible for the statutory audit of the Kenya Vision 2030 Delivery Secretariats 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

Director General

Date: _____

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, 2014. 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.

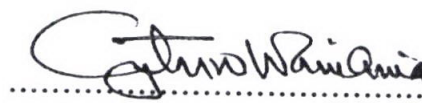
The Directors accept responsibility for the Secretariat's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards (IFRS), and in the manner required 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, 2014, 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 1st August 2014 and signed on its behalf by:


.....
Chairman


.....
Director General

REPUBLIC OF KENYA

Telephone: +254-20-342330
Fax: +254-20-311482
E-Mail: oag@oagkenya.go.ke
Website: www.kenao.go.ke



P.O. Box 30084-00100
NAIROBI

KENYA NATIONAL AUDIT OFFICE

REPORT OF THE AUDITOR-GENERAL ON KENYA VISION 2030 DELIVERY SECRETARIAT FOR THE YEAR ENDED 30 JUNE 2014

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Kenya Vision 2030 Delivery Secretariat set out on pages 1 to 14, which comprise the statement of financial position as at 30 June 2014, the statement of financial performance, statement of changes in net assets and statement of cash flows for the year then ended, the statement of comparative budget and actual amounts 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 14 of the Public Audit Act, 2003. 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 (IPSAS) cash basis and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 13 of the Public Audit Act, 2003.

Auditor-General's Responsibility

My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with provisions of Section 15 (2) of the Public Audit Act, 2003. The audit was conducted in accordance with International Standards on Auditing (ISA). Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

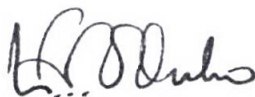
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of

material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Secretariat'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 audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Secretariat as at 30 June 2014 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 the Kenya Gazette Notice No. 1386 dated 17 February, 2009.



Edward R.O. Ouko, CBS
AUDITOR-GENERAL

Nairobi


19 December 2014

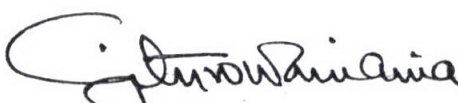
**X. STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2014**

INCOME	Notes	30-Jun-14 Kshs	30-Jun-13 Kshs
Government Grant	2a	194,810,170	196,735,408
Amortization of Granted Assets	3	389,255	2,892,230
Other Income	4	549,609	1,608,100
TOTAL		195,749,034	201,235,738
EXPENDITURE			
Personnel Emoluments	5	98,851,805	86,792,439
Operating & Maintenance Expenses	6	86,416,514	119,781,841
Board Members Expenses	7	3,519,550	3,109,144
Depreciation & Amortization	8a/b	11,273,984	11,316,319
Audit Fee		464,000	928,000
TOTAL		200,525,854	221,927,743
SURPLUS / (DEFICIT)		(4,776,820)	(20,692,005)
Accumulated Reserves B/F		(17,597,521)	3,094,484
Accumulated Reserves C/F		(22,374,341)	(17,597,521)

XII. STATEMENT OF FINANCIAL POSITION
As at 30 June 2014

ASSETS	Notes	30-Jun-14	30-Jun-13
Non-Current Assets			
		Kshs	Kshs
Property, Plant & Equipment	8a	17,054,601	22,056,969
Intangible Assets	8b	2,826,860	474,047
		19,881,461	22,531,016
Current Assets			
Trade and Other Receivables	9	2,304,583	2,437,583
Prepayments	10	3,139,321	3,158,845
Cash and Bank Balances	12	21,752,171	9,135,263
		27,196,075	14,731,691
TOTAL ASSETS		47,077,536	37,262,707
CAPITAL AND RESERVES			
General Reserve		(22,374,341)	(17,597,521)
Capital Reserve		54,541,027	45,861,197
		32,166,686	28,263,676
LIABILITIES			
Non-Current Liabilities			
Deferred Income – Government Grant	3	904,951	1,294,206
Current Liabilities			
Trade and Other Payables	11	14,005,899	7,704,825
		14,910,850	8,999,031
TOTAL EQUITY & LIBILITIES		47,077,536	37,262,707


 Dr. James Mwangi, CBS
CHAIRMAN


 Wainaina Gituro
Ag. DIRECTOR GENERAL

**XIII. STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 30 JUNE 2014**

	Capital Reserve Kshs	General Reserve Kshs	Total Kshs
At the Start of the Year July 2012	42,004,605	3,094,484	45,099,089
Capital Grant	3,856,592		3,856,592
Prior Year Adjustment		-	-
Surplus/ (Deficit) for the period	-	(20,692,005)	(20,692,005)
At the end of the year 30 June 2013	45,861,197	(17,597,521)	28,263,676
Capital Grant	8,679,830		8,679,830
Prior Year adjustment		-	-
Surplus (Deficit) for the Year		(4,776,820)	(4,776,820)
At the end of the year 30 June 2014	54,541,027	(22,374,341)	32,166,686

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XIV. STATEMENT OF CASH FLOWS

	30-Jun-14 Kshs	30-Jun-13 Kshs
Net Cash Flow from Operating Activities		
Operating Surplus / (Deficit)	(4,776,820)	(20,692,005)
Adjustment		
Depreciation & Amortization	11,273,984	11,316,319
Amortization of Granted Assets		(2,892,230)
Changes in Working Capital		
(Increase) / Decrease in Receivables	133,000	(382,510)
(Increase) / Decrease in Prepayments	19,524	(360,578)
(Increase) / Decrease in Differed Income	(389,255)	-
Increase / (Decrease) in Payables	6,301,074	(27,760,810)
Net Cash Flow from Operating Activities	12,561,508	(40,771,814)
Investing Activities		
Purchase of Fixed Assets	(3,835,217)	(3,856,592)
Disposal	83,100	-
Income on Disposal	(27,700)	-
Intangible Assets	(4,844,613)	60,014
Net Cash Flow from Investing Activities	(8,624,430)	(3,796,578)
Financing Activities		
Capital Reserves	8,679,830	3,856,592
Net Cash Flow from Financing Activities	8,679,830	3,856,592
Increase/Decrease in Cash & Cash Equivalent	12,616,908	(40,711,800)
Cash & Cash Equivalents at Start of year	9,135,263	49,847,063
Cash & Cash Equivalents at End of year	21,752,171	9,135,263
Analysis of Balances of Cash & Cash Equivalents		
Bank Balance	21,752,171	9,135,263
Cash & Cash Equivalent	21,752,171	9,135,263

XV. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference
	2013-2014	2013-2014	2013-2014	2013-2014	2013-2014
	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000
Revenue					
Government grants	203,490	-	203,490	203,490	-
Other Income	-	-	550	550	-
Gains on disposal,	-	-	-	-	-
Total income	203,490	-	204,040	204,040	-
Expenses					
Personnel Emoluments	100,730	-	100,730	98,852	1,878
Medical Expenses In & Out patient (Insurance)	10,000	-	10,000	9,568	432
Group Life Insurance	600	-	600	573	27
Staff Welfare	5,500	-	5,500	4,949	551
Fuel & Maintenance Expenses	3,600	-	3,600	2,840	760
Telephone Expenses	5,850	-	5,850	5,094	756
Expenses of Board & Committees	4,000	-	4,000	3,520	480
Rents and Rates	12,089	-	12,089	12,089	-
Audit Fees	464	-	464	464	-
Insurance - Vehicles/Equipments	220	-	220	219	1
Training Expense	1,500	-	1,500	1,466	34
Internal Travelling & Accommodation	5,230	-	5,230	5,159	71
External Travelling & Accommodation	5,879	-	5,879	5,879	-
Publishing and Printing Expenses	1,631	-	1,631	1,631	-
Purchase of Stationery	2,741	-	2,741	2,740	1
Communication and Publicity -	23,823	-	23,823	23,775	48
Contracted Professional Services	2,406	-	2,406	2,398	8
Computer Expenses	2,446	-	2,446	2,397	49

Hire of Transport, Plant and Machinery	219	-	219	219	-
Subscription to Professional Bodies	100	-	100	99	1
Workshops, seminars & Conferences	3,748	-	3,748	3,698	50
Legal Expenses & Contingent Liabilities	-	-	(491)	(491)	491
Enabling Funds for Projects	451	-	451	440	11
Maintenance of Buildings & Equipments	1,527	-	1,527	1,526	1
Bank Charges - Fees and Commission	186	-	186	150	36
Purchase of Plant & Equipments	479	-	479	479	-
Purchase of Computer	1,530	-	1,530	1,527	3
Purchase of Computer Systems/ website	4,841	-	4,841	4,845	(4)
Purchase of furniture & fittings	1,700	-	1,700	1,699	1
Total expenditure	203,490	-	202,999	197,805	5,686
Surplus for the period	-	-	1,041	6,235	-

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. This is the first time adoption of IPSAS. Accounts were previously prepared using the International Financial Reporting Standards.

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) Investment property – IPSAS 16

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property.

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a 30-year period.

Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition.

d) 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)

e) 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.

f) 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.

g) 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.

h) Comparative figures

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

i) 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, 2014.

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 2014 were as follows:

	30 June 14 Kshs	30 June 13 Kshs
a) Recurrent Grant	194,810,170	196,735,408
b) Capital Grant	8,679,830	3,856,592
Total	203,490,000	200,592,000

Note: For note 2b, refer to the statement of changes in assets, capital reserve.

3. Deferred Income – Government Granted Assets

As per the IPSAS 23 there are basically 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 from the then Ministry of Planning, National Development and Vision 2030.

The granted assets are non-current assets granted to VDS by 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 14 Kshs	30 June 13 Kshs
Deferred Income B/F	1,294,206	4,186,436
Amortization of Granted Assets	(389,255)	(2,892,230)
Deferred Income C/Forward	904,951	1,294,206

4. Other Income

	30 June 14 Kshs	30 June 13 Kshs
Income from the sale of tenders	521,909	1,608,100
Gain on Disposal	27,700	-
Total	549,609	1,608,100

5. Personnel Emoluments

	30 June 14	30 June 13
	Kshs	Kshs
Salaries and Allowances	70,885,002	77,797,249
Leave Allowances	820,000	830,000
Gratuity Paid	27,146,803	8,165,190
Total	98,851,805	86,792,439

6. Operating & Maintenance Expenses

	30 June 14	30 June 13
	Kshs	Kshs
Telephone	5,093,850	5,232,876
Rent and Rates	12,089,520	11,931,180
Staff Welfare	4,948,894	6,001,286
Group Life Insurance	573,043	764,607
Insurance (Motor Vehicles)	218,750	98,140
Medical cover in & out Patient	9,568,271	10,849,239
Motor vehicle Fuel & Maintenance Expense	2,840,314	3,647,555
Computers Expenses	2,397,407	2,948,490
Internal Travelling	5,159,425	5,385,098
External Travelling	5,878,769	7,775,596
Printing & Publishing Services	1,630,688	908,970
Communication, Advertising and Publicity	23,774,637	48,908,648
Hire of Transport	219,000	139,760
Training Expenses	1,466,150	1,415,842
Enabling Fund for Project	439,500	1,178,450
Workshop, Conference & Seminar	3,697,449	4,653,773
Purchase of Stationery	2,740,242	2,179,260
Bank Charges	149,561	166,170
Subscription to Professional Bodies	98,459	233,049
Legal Expenses	(491,259)	-
Contracted Professional Service	2,397,640	3,828,680
Miscellaneous Other Charges	-	112,140
Maintenance of Building Expenses	1,526,204	1,423,032
Total	86,416,514	119,781,841

7. Boards' Expenses

The Boards' expenses relate to sitting allowances paid to Board members and other expenses incurred by the Board members in transacting activities relating to the Board.

8a. Fixed Assets Schedule for the year ended June 2014

Cost	Equipment Shs	Furniture & Fittings Shs	Computers & Peripherals Shs	Motor Vehicles Shs	Total Shs
At 1 July 2012	4,730,756	20,368,080	4,259,138	18,331,425	47,689,399
Additions	1,779,050	390,842	1,686,700	-	3,856,592
Disposals	-	-	-	-	-
Transfers/adjustments	-	-	-	-	-
At 30 June 2013	6,509,806	20,758,922	5,945,838	18,331,425	51,545,991
Additions	478,516	1,699,683	1,657,018	-	3,835,217
Disposals	-	-	(83,100)	-	(83,100)
Transfer/adjustments	-	-	-	-	-
At 30 June 2014	6,988,322	22,458,605	7,519,756	18,331,425	55,298,108
Depreciation and impairment					
At 1 July 2012	(853,065)	(5,236,708)	(2,542,659)	(10,417,200)	(19,049,632)
Depreciation	(822,890)	(2,618,354)	(1,789,546)	(5,208,600)	(10,439,390)
Impairment	-	-	-	-	-
At 30 June 2013	(1,675,955)	(7,855,062)	(4,332,205)	(15,625,800)	(29,489,022)
Depreciation	(882,705)	(2,879,669)	(2,314,185)	(2,705,625)	(8,782,184)
Disposals	-	-	27,700	-	27,700
Impairment	-	-	-	-	-
Transfer/adjustment	-	-	-	-	-
At 30 June 2014	(2,558,661)	(10,734,731)	(6,618,690)	(18,331,425)	(38,243,506)
Net book values					
At 30 June 2014	4,429,661	11,723,874	901,066	-	17,054,601
At 30 June 2013	4,833,850	12,903,860	1,613,633	2,705,625	22,056,969

Note: Opening balances consist of the NBV of the assets granted from the 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.

Cost	Shs 000
At 1 July 2012	2,690,802
Additions	-
Disposal	(60,015)
At 30 June 2013	2,630,787
Additions	4,844,613
At 30 June 2014	7,475,400
Amortization and impairment	
At 1 July 2012	(1,279,811)
Amortization	(876,929)

At 30 June 2013	(2,156,740)
Amortization	(2,491,800)
Impairment loss	-
At 30 June 2014	(4,648,540)
Net book values	
At 30 June 2014	2,826,860
At 30 June 2013	474,047

9. Trade and Other Receivables

	30-Jun-14	30-Jun-13
	Kshs	Kshs
Rent Deposit	2,047,500	2,047,500
Cooperative Bank of Kenya	207,083	390,083
Staff Imprest Advance	50,000	-
Total	2,304,583	2,437,583

Rent deposit relates to rent deposit paid by the Ministry before VDS setup and Cooperative bank relates to double payments done during the banks system upgrade.

10. Prepayments and Deposits

	30-Jun-14	30-Jun-13
	Kshs	Kshs
Prepaid Rent/Deposit – KUSCCO LTD	1,168,660	1,168,660
APA – Prepaid Group Life Cover	141,238	-
Resolutions Health E.A Ltd- Prepaid Medical Cover	1,620,423	-
Staff Airtime - July 2014	209,000	264,500
Pacific Insurance Brokers – Prepaid Medical cover	-	1,466,155
Alexander Forbes Insurance Brokers – Prepaid Group life	-	149,330
MTN Business K. Ltd	-	110,200
Total	3,139,321	3,158,845

11. Trade and other payables

	30-Jun-14	30-Jun-13
	Kshs	Kshs
Auditor General	464,000	464,000
Kila Siku Newspapers Suppliers	-	55,976
Lavington Security Ltd	-	32,000
Kenya School Of Government	292,320	138,040
Ashekah Enterprises	-	29,300
Data Rush Services Ltd	-	67,280
Gad Otieno Awuonda	-	577,500
KRA	70,800	576,288
Habari Consulting	-	59,450
Intercontinental Hotel Nairobi	-	94,518
Telkom Kenya	-	30,000
CMC Motors Group	8,268	-

Chronicle Property Management Ltd	-	200,000
Attain Enterprise Solution Ltd	2,399,817	-
Ashut Engineers Ltd	94,563	-
Hamilton Harrison	-	291,259
KICC	-	277,791
Silverbird Travel Plus Ltd	1,222,200	-
Myla Consultancy Ltd	58,441	21,600
Media Edge Interactive	8,083,940	4,143,056
Machakos University College	62,800	-
Rhino (E.A) Limited	438,750	-
Mr. Jonathan Lodompui	-	37,508
Mr. Mugo Kibati	-	57,719
Parapet Cleaning Services	-	44,540
Sawela Lodge	-	507,000
Furniture Elegance Ltd	810,000	-
Total	14,005,899	7,704,825

12. Cash and bank balance

This is as per the bank reconciliation statement of June 2014 of Ksh. 21,752,171

13. Contingent Liabilities

There were no contingent liabilities at 30th June 2014

14. Capital Commitments

There were no capital commitments for the period

15. Employees

The average number of employees during the 2012/2013 financial year was thirty (30) while during the current period was twenty nine (29).

XVII. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

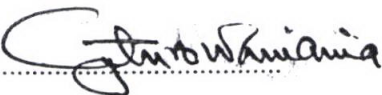
The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

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)
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..... 