
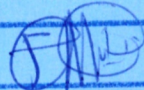


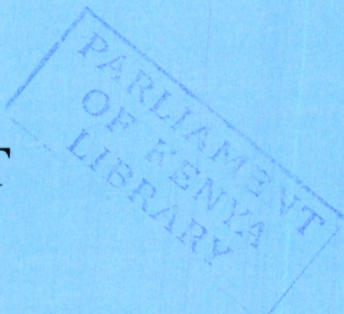
REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL



 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 23 JUL 2019	DAY: TUESDAY
TABLED BY: MAJORITY WHIP	OF
CLERK-AT THE-TABLE: 	



THE AUDITOR-GENERAL

ON

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

**FOR THE YEAR
ENDED 30 JUNE 2018**

KENYA VISION **2030**



ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2018

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

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KEY ENTITY 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 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.

(c) Vision

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

(d) Mission

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

KEY ENTITY INFORMATION AND MANAGEMENT (Continued)

(e) Core Values

Integrity, Professionalism, Passion, Innovation, Participatory and Teamwork

(f) 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.

(g) Key Management

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

- Director General
- Senior Management

(h) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2017 and who had direct fiduciary responsibility are listed under the Secretariat's Management team.

(i) 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.

KEY ENTITY INFORMATION AND MANAGEMENT(Continued)

(j) Auditors

Auditor General
Kenya National Audit Office
Anniversary Towers, University Way
P.O. Box 30084-00100
GOP 0010
Nairobi, Kenya

(k) Bankers

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

(l) Head Office





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

(m) Principal Legal Advisor




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

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THE BOARD OF DIRECTORS

N O.	Name & Date of Birth	Title and Institution	Academic/Professional Qualification	Key Qualifications & Work Experience
1.	 <p>Name: Dr. Joseph K. Kinyua, EGH D.O.B: 03/08/1951</p>	Head of the Public Service	<ul style="list-style-type: none"> ❖ PhD in Economics - university of Nairobi. ❖ Master's degree in economics - University of Nairobi ❖ Bachelor's degree in economics - university of Nairobi. 	<p>He previously worked at;</p> <ul style="list-style-type: none"> ✓ Kenya Reinsurance Corporation Ltd - Treasury ✓ Ministry of Finance, Ministry of Agriculture, Ministry of planning and National Development - Permanent Secretary ✓ Kenya Commercial Bank - Secretary ✓ Central Bank of Kenya
2.	 <p>Name: Dr. Julius Monzi Muia, EBS D.O.B: 10/09/1959</p>	Principal Secretary/Planning. The National Treasury and Planning	<ul style="list-style-type: none"> ❖ PhD in Finance- University of Nairobi, Kenya ❖ MBA- University of Nairobi ❖ B. Com (Accounting)- Degree, University of Nairobi ❖ CPA-K;CPS-K 	<p>He is a finance professional with 30 years track record. He previously worked for;</p> <ul style="list-style-type: none"> ✓ Kenya Vision 2030 Delivery Secretariat – Director General ✓ National Economic and Social Council, Kenya - CEO ✓ PriceWaterhouse Coopers in the United Kingdom.
3.	 <p>Name: Dr. Kamau Thugge, CBS D.O.B: 01/08/1957</p>	Principal / National Treasury The National Treasury and Planning	<ul style="list-style-type: none"> ❖ PhD in Economics - John Hopkins University, USA ❖ Master's Degree in Economics - John Hopkins University, USA ❖ B. A Economics - Colorado College, USA 	<p>He has previously worked for;</p> <ul style="list-style-type: none"> ✓ Ministry of Finance - head of Fiscal and Monetary Affairs and as Senior Economic Advisor. ✓ International Monetary Fund (IMF) - as Economist, Senior Economist and Deputy Division Chief.
4.		Principal Secretary Ministry of Foreign Affairs	<ul style="list-style-type: none"> ❖ A.B., History, Economics, Religion – The College of Wooster, USA 	<ul style="list-style-type: none"> ✓ He is a diplomat, a development and humanitarian expert with





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		<ul style="list-style-type: none"> ❖ Edm, Administration and social policy – Harvard University 	<p>extensive experience as a political and strategic advisor.</p> <p>Previously he worked for:</p> <ul style="list-style-type: none"> ✓ United Nations, ✓ UNICEF board and United Nations Forest Board. ✓ He was instrumental in developing the SDGs and the 2030 Agenda for Sustainable Development
<p>5.</p>  <p>Name: Dr. Chris Kiptoo, CBS D.O.B: 31/12/1967</p>	<p>Principal Secretary/Trade Ministry of Industry, Trade and Cooperatives</p>	<ul style="list-style-type: none"> ❖ PhD, International microeconomic finance - University of Nairobi ❖ MA. Economics - Egerton University. ❖ BA. Economics - Egerton University. 	<p>Has wealth of experience in economic policy analysis. He previously worked at;</p> <ul style="list-style-type: none"> ✓ Trademark East Africa – Kenya Country director ✓ Office of the prime minister – director, economic policy coordination unit ✓ Capital Market Authority – Senior advisor manager special units ✓ Central Bank of Kenya- Manager balance of payment & regional integration
<p>6.</p>  <p>Name: Dr. (Eng.) Joseph K. Njoroge, CBS D.O.B: 15/06/1958</p>	<p>Principal Secretary. Ministry of Energy</p>	<ul style="list-style-type: none"> ❖ PhD - University of Nairobi, School of Business. ❖ MBA, Strategic management - University of Nairobi ❖ BSc. Electrical engineering - University of Nairobi 	<p>He previously worked for;</p> <ul style="list-style-type: none"> ✓ Kenya Power and Lighting Company - Managing Director ✓ Kenya Electricity Generating Company Ltd (electric utilities) ✓ Kenya Ministry of Energy & Petroleum – secretary
	<p>Principal Secretary Ministry of Lands and Physical Planning</p>	<ul style="list-style-type: none"> ❖ Postgraduate certificates in Health Communication 	<ul style="list-style-type: none"> ✓ He is an innovative and results driven public health




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<p>Name: Dr. Nicholas Muraguri, CBS D.O.B: 15/04/1971</p>		<p>- John Hopkins University, USA</p> <ul style="list-style-type: none"> ❖ Master's degree in Business Administration - United States International University ❖ Master's in public health – University of Pretoria, South Africa. ❖ Bachelor's degree in Medicine and surgery - Moi University 	<p>professional with extensive experience in the development, management and leadership of public health programs.</p> <ul style="list-style-type: none"> ✓ He previously worked for the Ministry of Health
<p>8.</p>  <p>Name: Dr. Richard Leresian Lesiyampe, CBS D.O.B: 07/08/1963</p>	<p>Principal Secretary/Crops Development Ministry of Agriculture, Livestock, Fisheries and Irrigation</p>	<ul style="list-style-type: none"> ❖ Doctoral Degree - Kenya Methodist University. ❖ MBA, Strategic Human Resource Management - University of Nairobi 	<ul style="list-style-type: none"> ✓ He is the immediate former Principal Secretary, State Department of Environment and Natural Resources, in the Ministry of Environment, Water and Natural Resources. ✓ Formerly, he was the Chief Executive Officer of Kenyatta National Hospital.
<p>9.</p>  <p>Name: Prof. Hamadi Iddi Boga D.O.B: 03/12/1967</p>	<p>Principal Secretary/ Agriculture Research Ministry of Agriculture, Livestock, Fisheries and Irrigation</p>	<ul style="list-style-type: none"> ❖ PhD in Microbial Ecology, University Konstanz, Konstanz, Germany ❖ Master of Science in Microbiology - Kenyatta University ❖ Bachelor of Science in Botany - Kenyatta University 	<ul style="list-style-type: none"> ✓ He has Administrative Experience across various organizations. ✓ He previously worked at Taita Taveta University College
<p>10.</p>  <p>Name: Harry Kimutai D.O.B: 13/12/1968</p>	<p>Principal Secretary/Livestock. Ministry of Agriculture and Irrigation, State Department of Livestock.</p>	<ul style="list-style-type: none"> ❖ Master of Philosophy Economics, in Regional Planning and Economic Development from Bhopal University, India (1989 – 1995) ❖ Master of Arts in Economics ❖ Bachelor of Arts degree in Economics 	<ul style="list-style-type: none"> ✓ Director at the Capital Markets Authority (2016 – 2017) ✓ General Manager at Branded Fine Foods Ltd (2008-2014), ✓ Kenya Revenue Authority as a management trainee in 1996 and Principal Revenue Officer In the period 2003 – 2006.



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11.	 <p>Name: Prof. Fred K. Segor, CBS D.O.B:</p>	Principal Secretary/Irrigation Ministry of Agriculture, Livestock, Fisheries and Irrigation	<ul style="list-style-type: none"> ❖ He holds BSc, MSc and PhD Degrees from the University 	<p>He has worked as;</p> <ul style="list-style-type: none"> ✓ A Research Fellow at the InstitutefurPhysikalischeChemie, Albert Ludwig's University, Freiburg, Germany ✓ Chemist in the Ministry of Energy ✓ A tutorial fellow at Moi University, Chepkoilel campus
12.	 <p>Name: Nelson Marwa, EBS D.O.B:</p>	Principal Secretary/Social Protection Ministry of Labour and Social Protection	<ul style="list-style-type: none"> ❖ Master's in strategic security management - Virginia School of Coast Guards, Israel ❖ Masters in Disaster Management - Virginia School of Coast Guards, Israel ❖ Business Administration degree - Baraton University 	<p>He previously held the following positions;</p> <ul style="list-style-type: none"> ✓ Lecturer at Egerton University ✓ Mombasa county commissioner ✓ Coast Regional Coordinator doubling up as the security coordinator for coastal region. ✓ PS Devolution
13.	 <p>Name: Dr. Richard BelioKipsang, CBS D.O.B: 01/01/1967</p>	Principal Secretary/Early Learning and Basic Education Ministry of Education	<ul style="list-style-type: none"> ❖ PhD in Education - Catholic University of Eastern Africa. ❖ MA. Economics – University of Nairobi ❖ Bachelor's in education (Business and Economics) - University of Nairobi. 	<ul style="list-style-type: none"> ✓ He has had extensive professional trainings and commands numerous expose to local and international conferences and workshops in areas of higher education financing and administration, leadership and management. ✓ He previously worked at Coffee Development Fund and Higher Education Loans Board
14.	 <p>Name: Prof. Collette A.</p>	Principal Secretary/University Education and Research Ministry of Education	<ul style="list-style-type: none"> ❖ PhD in Rural Sociology - University of Missouri, Columbia. ❖ Msc. Community Development – University of Missouri, Columbia. ❖ Msc. Rural Sociology – University of Missouri, Columbia. ❖ BA (Hons) Sociology – University of Nairobi. 	<p>She previously worked at;</p> <ul style="list-style-type: none"> ✓ Ministry of Education - PS Science and Technology ✓ Ministry of Gender, Children and Social Development - Secretary Gender and Social Development ✓ Board of Common Undergraduate Courses (BCUC), University of Nairobi - Director





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	Suda, PhD, FKNAS CBS D.O.B: 24/07/1957			✓ Institute of African Studies (IAS), University of Nairobi - Director
15.	 Name: Dr. Kevit Desai, MBS D.O.B: 29/08/1968	Principal Secretary/Vocational and Technical Education (TVET). Ministry of Education	<ul style="list-style-type: none"> ❖ Ph.D. Robotics Control Systems Engineering, SIT, Tokyo, Japan. ❖ MSc Robotics Control Systems Engineering, Shibaura Institute of Technology (SIT), Tokyo Japan. ❖ Undergraduate degree in Electrical/Electronic/Computer Engineering, City University, City 	<p>He previously worked at;</p> <ul style="list-style-type: none"> ✓ Ministry of Higher Education, Science and Technology – He was involved in the development of the University Act; Science and Technology Act; and TIVET Act of Parliament. ✓ He is the Chairman of the YSK and Permanent Working Group on TVET in Kenya ✓ He is a member of the Steering Committee in JICA master's degree and internship program of the Africa Business Education (ABE) initiative for the youths.
16.	 Name: Jerome Okoth Ochieng D.O.B: 15/03/1970	Principal Secretary/ICT and Innovation. Ministry of ICT	<ul style="list-style-type: none"> ❖ Masters' Degree in Information Engineering - University of the Ryukyus, Okinawa. ❖ Registered fellow of the Computer Society of Kenya. ❖ Licentiate member of Institute of Management Information System (IMIS), UK. 	<p>He previously served at;</p> <ul style="list-style-type: none"> ✓ Telkom Kenya Limited (TKL) - Director to the Board ✓ Integrated Financial Management Information System (IFMIS) at the National Treasury - Director ✓ Public Procurement Oversight Authority (PPOA) - ICT Manager
17.	 Name: Josephtha Mukobe, CBS D.O.B: 16/03/1960	Principal Secretary/Culture and Heritage Ministry of Sports, Culture and Heritage	<ul style="list-style-type: none"> ❖ MSc. from Manchester University (UK) ❖ BA (Hons) Humanities and Social Science from the University of Nairobi. 	<p>She has a rich public service career spanning for over 25 years. She has served in the following dockets;</p> <ul style="list-style-type: none"> ✓ Ministry of Home Affairs and National Heritage ✓ Principal Secretary / Coordination of National ✓ Ministry of Devolution and Planning, as the PS/Special Programmes.




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18.	 <p>Name: Eng. Peter Tum Kiplagat, OGW D.O.B:</p>	Principal Secretary Ministry of Health	<ul style="list-style-type: none"> ❖ Post-graduate diploma in Medical Electronics - University of London. ❖ Master's degree in Energy Management - University of Nairobi ❖ Bachelor of Industrial Technology - Egerton University 	<p>He is a dynamic, focused and results-oriented leader with a strong track record of performance and expansive leadership spanning 29 years in public service</p> <ul style="list-style-type: none"> ✓ He served as the Chief Executive Officer of the Kenya Medical Training College until his appointment as Principal Secretary Health.
19.	 <p>Name: Joseph Wairaguirungu, CBS D.O.B: 02/02/1970</p>	Principal Secretary Ministry of Water and Sanitation	<ul style="list-style-type: none"> ❖ MBA from JKUAT ❖ Bachelor's degree of Arts from the University of Nairobi. 	<p>He has served in various positions as follows;</p> <ul style="list-style-type: none"> ✓ Principal Administrative Secretary, Secretary of Administration/Internal Security, ✓ Director of Administration, Senior Deputy Commissioner, Lower Central Province (Thika), ✓ Deputy Provincial Commissioner, Nyanza Province, ✓ District Commissioner, Bungoma, District, ✓ District Officer in Nyanza, Coast and Central Provinces and as an Assistant Secretary, Ministry of Local Government. ✓ He is a member of Kenya Institute Management (KIM) and Kenya Association of Public Administration and Management (KAPAM). ✓
0.		Principal Secretary/Transport Ministry of Transport, Infrastructure, Housing,	<ul style="list-style-type: none"> ❖ Bachelor of Commerce (BCom) degree - University of Nairobi 	<p>She is an investment banker with long career in public service. She previously worked at;</p>




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	 <p>Name: Esther Koimett, EBS D.O.B:</p>	<p>Urban Development and Public Works</p>	<ul style="list-style-type: none"> ❖ Master of Business Administration (MBA) degree - University of Nairobi 	<ul style="list-style-type: none"> ✓ Ministry of Tourism and Information - Permanent Secretary ✓ National Treasury - Director General Public Investment and Portfolio Management ✓ Kenya Railways Corporation - Director ✓ Kenya Post Office Savings Bank - CEO
21.	 <p>Name: Julius Korir, CBS D.O.B: 18/10/1967</p>	<p>Principal Secretary/Infrastructure Ministry of Transport, Infrastructure, Housing, Urban Development and Public Works</p>	<ul style="list-style-type: none"> ❖ MBA, International Business – University of Nairobi ❖ BSc. Agricultural Economics – Egerton University 	<p>He previously served at;</p> <ul style="list-style-type: none"> ✓ Ministry of Health - PS ✓ Ministry of Industrialization and enterprise development - PS ✓ Export Promotion Council of Kenya - General Manager in charge of Trade Information and Business Advisory Services
22.	 <p>Name: Charles Hinga Mwaura D.O.B: 11/08/1975</p>	<p>Principal Secretary/Housing and Urban Development Ministry of Transport, Infrastructure, Housing, Urban Development and Public Works.</p>	<ul style="list-style-type: none"> ❖ Chartered Accountant (CA) ❖ Bcom. (Accounting) degree - Kenyatta University ❖ Bachelor of Accounting Science (Honors) degree - University of South Africa (UNISA). 	<p>He has over 15 years' work experience in finance and management consulting. He was recognized as the Management Consulting Professional of the Year in 2016 by the South African Professional Services Awards. He previously worked at;</p> <ul style="list-style-type: none"> ✓ Pamoja Financial Consultants - founding Chairman and CEO. ✓ Bright Wave Technologies, Kenya and South Africa
23.	 <p>Name: John M. Omenge D.O.B: 20/10/1961</p>	<p>Principal Secretary/Mining Ministry of Petroleum and Mining</p>	<ul style="list-style-type: none"> ❖ MSc Mineral Exploration and Mining Geology - Leicester University, UK. ❖ BSc degree in Geology - University of Poona, India 	<p>Mr. Omenge has worked for 30 years as a Geologist for the Government of Kenya</p>




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24		<p>Principal Secretary/Industrialization Ministry of Industry, Trade and Co-operatives</p>	<ul style="list-style-type: none"> ❖ MSc. Degree in Development Administration and Planning - University College of London ❖ Bachelor's degree in Land Economics - University of Nairobi 	<ul style="list-style-type: none"> ✓ She has more than 20 years' experience in organizational leadership and development, with an ability to prepare and implement strategic business plans and mobilize resources for implementation. ✓ She previously worked at the Kenya Association of Manufacturers.
25.		<p>Principal Secretary/Gender Affairs Ministry of Public Service, Youth and Gender Affairs</p>	<ul style="list-style-type: none"> ❖ Master's degree in International Trade Policy and Trade Law - Lund University, Sweden ❖ Bachelor of Commerce degree - University of Nairobi 	<p>She is a social development expert with experience across various organizations and institutions both in civil society and the Public sector. Previously, she worked for;</p> <ul style="list-style-type: none"> ✓ County Government of Kwale – CEC ✓ Action Aid International ✓ East African Community - Legislator
26.		<p>Principal Secretary/Devolution Ministry of Devolution and Arid and Semi-Arid Land (ASAL)</p>	<ul style="list-style-type: none"> ❖ Executive master's in business administration - Eastern and South African Management Institute (ESAMI), Netherlands ❖ Bachelor of Education - Moi University 	<p>He is an experienced management strategist with a solid background in Administration, Planning, Management and Leadership. He previously served at;</p> <ul style="list-style-type: none"> ✓ Ministry of Environment and Forestry - Principal Secretary ✓ EwuasoNg'iro South River Development Authority (ENSDA) - Managing Director




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27.		<p>Principal Secretary/Interior. Ministry of Interior and Coordination of National Government</p>	<ul style="list-style-type: none"> ❖ PhD in Mechanical Engineering - University of Cape Town, South Africa. ❖ MSc. Mechanical Engineering - University of Cape Town, South Africa. ❖ BSc. Mechanical Engineering - University of Cape Town, South Africa. 	<p>He previously worked at;</p> <ul style="list-style-type: none"> ✓ Ministry of Foreign Affairs and international Trade - PS ✓ Ministry of Industrialization and Transport - PS ✓ Lecturer at JKUAT, University of Dares Salaam, Central University of Technology, Free State, South Africa and University of Cape Town
28.		<p>Attorney General The State Law Office and Department of justice</p>	<ul style="list-style-type: none"> ❖ Bachelor of Laws degree from Nairobi University 	<p>He previously worked at;</p> <ul style="list-style-type: none"> ✓ Court of appeal of Kenya - President ✓ High Court of Kenya -judge ✓ Judicial Training Institute (JTI) - Head ✓ Kenya School of Law - director ✓ Hamilton, Harrison, and Matthews in Nairobi - legal assistant
29.		<p>Principal Administrative Secretary Presidency</p>	<ul style="list-style-type: none"> ❖ Executive Master's in Business Administration (MBA) ❖ Business Leadership Development–Post Graduate Diploma ❖ Public Relations and Communications–Post Graduate Diploma, Kenyatta University ❖ Advanced Public Administration – Kenya Institute of Administration ❖ Bachelor of Arts Degree (Hons) - University of Nairobi 	<p>He served and worked in the Government of Kenya since 1984 as;</p> <ul style="list-style-type: none"> ✓ Assistant Secretary, District Officer, Senior Assistant Secretary, Under Secretary, Deputy Secretary, Secretary/CEO of State Corporations Advisory Committee (SCAC)




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30.	 <p>Name: Dr. Moses Ikiara, MBS D.O.B: 03/09/1965</p>	<p>Managing Director Kenya Investment Authority</p>	<ul style="list-style-type: none"> ❖ PhD in Environmental and Natural Resource Economics - University of Amsterdam ❖ MA. Economics - university of Nairobi ❖ Bachelor of Agriculture - University of Nairobi 	<ul style="list-style-type: none"> ✓ He has substantial experience in public policy research and has been involved in the development of key policy documents for Kenya like the Economic Recovery Strategy for Wealth and Employment Creation (ERS) 2003-2007 and the Kenya Vision 2030. ✓ He previously worked at Kenya Institute for Public Policy Research and Analysis (KIPPRA) and Moi university as a lecturer
31.	 <p>Name: Dr. Patrick Njoroge D.O.B:</p>	<p>Governor Central Bank of Kenya</p>	<ul style="list-style-type: none"> ❖ PhD in Economics - Yale University, USA ❖ Master's degree in Economics – University of Nairobi ❖ Bachelor's degrees in Economics - University of Nairobi 	<p>He has previously worked at;</p> <ul style="list-style-type: none"> ✓ International Monetary Fund (IMF), Washington, D.C., USA - advisor to the IMF Deputy Managing Director ✓ Ministry of Finance, Kenya - economist ✓ Ministry of Planning - planning officer
32.	 <p>Name: Paul Muthaura D.O.B: 27/04/1978</p>	<p>Chief Executive Officer, Capital Market Authority</p>	<ul style="list-style-type: none"> ❖ Honorary Fellow of the Institute of Certified Public Secretaries of Kenya. ❖ LLb from the University of Warwick, ❖ LLM in Banking and Finance Law from the London School of Economics and Political Science ❖ MPhil from the Maastricht School of Management 	<p>He Previously worked at;</p> <ul style="list-style-type: none"> ✓ General Secretariat of IOSCO - emerging markets advisor ✓ Law firm of Daly and Figgis Advocates - senior commercial associate ✓ He is the Chairman of the Africa and Middle East Regional Committee (AMERC) of IOSCO and Consultative Committee of the East African Securities Regulatory Authorities (EASRA).
3.	<p>Secretary President's Delivery Unit</p>	<ul style="list-style-type: none"> ❖ Chartered Institute Arbitrators – Associate Arbitrator 	<p>He previously worked for;</p> <ul style="list-style-type: none"> ✓ Finserve Africa – Managing Director 	



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 <p>Name: Andrew Wakahiu D.O.B: 25/10/1979</p>		<ul style="list-style-type: none"> ❖ Bachelor of Business Management – sales and marketing management 	<ul style="list-style-type: none"> ✓ Equity bank ltd – General Manager, Agency & Acquiring ✓ Advantage Matrix – CEO ✓ Kibaki Tena Secretariat – Operations & logistics coordinator ✓ Safaricom Ltd ✓ East Africa breweries among others
<p>34.</p>  <p>Name: Amb. Dennis Awori D.O.B: 17/10/1954</p>	<p>Chairman, Toyota Kenya</p>	<ul style="list-style-type: none"> ❖ BSC degree in Aeronautical Engineering- University of Manchester, UK ❖ Business Leadership Program- Ashridge Management College ❖ Management Development program- Emory Business School of Atlanta University in the US 	<ul style="list-style-type: none"> ✓ Spent most of his working life in multinationals in the Motor Industry across East Africa, chaired both the Kenya Rugby Football Union and the Uganda Rugby Football Union, Ambassador of the Republic of Kenya to Japan and Korea from 2003 to 2009. ✓ Currently he is the Chairman of Bank of Africa Kenya Ltd and Carbacid Ltd.
<p>35.</p>  <p>Name: Bob Collymore D.O.B: 13/01/1958</p>	<p>Chief Executive Officer, Safaricom Limited</p>		<ul style="list-style-type: none"> ✓ He is a member of the United Nations Global Compact Board. ✓ He is a commissioner for the Global Commission for Business & Sustainable Development and member of the B-Team. ✓ His more than 30 years' work experience spans across diverse countries such as Japan, South Africa and the United Kingdom where he's held progressively senior roles in marketing, purchasing, retail and corporate affairs.

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36		<p>Chief Executive Officer Kenya Commercial Bank</p>	<ul style="list-style-type: none"> ❖ MBA. International Business Management - Edith Cowan University, Australia ❖ Bcom. Accounting Option - University of Nairobi ❖ Advanced Management Program Graduate from INSEAD, Fontainebleau, France ❖ CPA (K), School of Accountancy, Strathmore University 	<p>He previously served as;</p> <ul style="list-style-type: none"> ✓ Group Chief Financial Officer - KCB Bank Group ✓ Group Financial Director and Chief Financial Officer for the East Africa region - Bamburi Cement ✓ He is a board of KCB Foundation, KCB Bank Kenya Ltd., KCB Capital Ltd. and KCB Insurance Agency Ltd.
37.		<p>Managing Director Country Cluster East Africa BASF East Africa</p>	<ul style="list-style-type: none"> ❖ Bachelor of Science (BSc.) Computer Science-University of Missouri, Kansas City 	<p>She has over ten years' experience as a noted technology leader, strategic advisor, entrepreneur, consultant and keynote speaker. International recognition and awards;</p> <ul style="list-style-type: none"> ✓ 2014 50 Global Leaders - Fortune Magazine ✓ Social Entrepreneur of the Year 2011 - The World Economic Forum.
38.		<p>Group Managing Director, Coopers K-Brands Ltd</p>	<ul style="list-style-type: none"> ❖ Master's in Business Administration (MBA)- Ashridge, UK. ❖ Bachelor of Law- University of Wales (Cardiff) 	<ul style="list-style-type: none"> ✓ He has over 20 years' experience in general management, strategic and financial planning and leadership at various levels in the operational and Board levels of businesses in East Africa ✓ He also serves in the Boards of the Kenya Association of Manufacturers and he is the Chairman Kenya Property Developers Association.

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39.	 <p>Name: Rita Kavashe D.O.B: 21/04/1965</p>	<p>Managing Director Isuzu East Africa</p>	<ul style="list-style-type: none"> ❖ Master's degree in Business Administration from the University of Nairobi ❖ Bachelor's degree in education from Moi university 	<ul style="list-style-type: none"> ✓ Her career in the automotive industry began in 1995 in General Motors at its East African operations where she has worked for the last 21 years. ✓ She also served as GM sub-Saharan Africa export director.
40.	 <p>Name: Dr. James Mwangi, CBS D.O.B: 28/01/1962</p>	<p>Group Chief Executive Officer and Managing Director Equity Group Holdings Plc</p>	<ul style="list-style-type: none"> ❖ He holds five honorary doctorate degrees in recognition of his contributions to the Kenyan society. ❖ Bachelor of Commerce degree- University of Nairobi ❖ Certified Public Accountant- KASNEB 	<ul style="list-style-type: none"> ✓ He has extensive experience in the banking industry and inclusive finance. ✓ World Entrepreneur of the Year by Ernst & Young, Forbes Africa Person of the Year ✓ He is a Board Member of the Africa Leadership Academy in South Africa, the Global Alliance for Food Security and Nutrition ✓ He is the Chancellor of Meru University College of Science and Technology.

CHAIRMAN'S STATEMENT

In 2002, the NARC Government came into power under the leadership of President Mwai Kibaki and scanned the state of the economy relative to the country's aspirations at independence which were eradicating poverty, ignorance and disease. The scan revealed that the country had not made much progress in delivering on the aspirations.

Consequently, the Government formed the National Economic and Social Council (NESC), an advisory organization to provide independent economic and social advice on the management of the economy. NESC was tasked to review and advise on what could have gone wrong and come up with correction mechanisms in the shortest time possible. NESC formulated the Economic Recovery Strategy for Wealth and Employment Creation (ERS), which laid the foundation for Vision 2030. The challenge identified was the lack of a long-term national development blueprint or guiding framework for the realization of our aspirations. This led to the formulation of Vision 2030 as a long term national plan that would be implemented through 5, medium term plans and 25 annual budgets. The Vision 2030 blueprint would deliver a "newly industrializing, upper middle-income country providing a high quality of life to all its citizens by 2030 in a clean and secure environment".

The Vision 2030 Delivery Board was formed to serve as the custodian of the Vision and ensure its delivery across successive administrations. Sessional Paper No. 10 of 2012 on Kenya Vision 2030 was passed in Parliament to insulate the implementation of the vision until 2030. The original 5 years (2002 – 2007) of NESC laid a solid foundation and on 10th June 2008, Vision 2030 was launched.

With 12 years to go, and at Medium Term Plan three (MTP III), we are excited and appreciate that much has been achieved under Vision 2030. We have seen significant growth of our economy from a GDP of Ksh1.3 trillion in 2002 to Ksh7.9 trillion in 2017 and GDP per capita of Ksh27, 000 to Ksh166, 000. To ensure that this growth is inclusive and translates into the desired transformation of quality of life, the Jubilee Government, under President Uhuru Kenyatta, has envisioned to anchor the achieved growth in the lives of Kenyans by applying the 80/20 rule, focusing on the Big Four to deliver the desired outcomes. The achieved economic growth will be distributed to all through universal health care, affordable housing, food security and manufacturing jobs for our youth to ensure inclusivity and that no one is left behind. The focus on the Big Four anchors government spending on the economy giving it the opportunity to quickly expand and utilize the capacity that has been created by the Enablers (Infrastructure) on the social and economic front and by a strengthened governance structure.

We applaud all the 3 arms of government: The Executive, the Judiciary and Legislature for putting greater focus on governance issues, holding people to account and thus making the cost and price of corruption high. This will help lay a solid foundation for the country to evolve a national value system that overtime should help the country overcome vices of plunder and diversion of public resources for private use at the expense of national development.

We celebrate the statesmanship shown by His Excellency the President and the Leader of Opposition in bringing Kenyans together to evolve our politics to be issue-based and people centered. This will enable us to overcome our past and heal the nation that has been bruised by divisive politics, negative ethnicity, polarization in society and the politics of personality. This nationalistic spirit of building cohesion among Kenyans and protecting national resources gives us hope that we will realize the aspirations of Vision 2030.

CHAIRMAN'S STATEMENT (CONTINUED)

To deliver on this ambitious process of national transformation will require a fundamental shift from business as usual to business unusual. We appeal to the individual farmer, teacher, public servant, business person and others to rise and be globally competitive. That way we will bequeath our children and future generations a globally competitive and prosperous nation with a high quality of life by 2030. That way together we will be globally competitive as a nation.

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

REPORT OF THE DIRECTOR GENERAL

This year marks ten years of implementing Kenya's Vision 2030. It is an opportunity to reflect on the journey that the country has taken since June 2008 when the long-term development blueprint was launched, and to re-energize for the next 12 years.

Huge gains have been made in this regard, though a lot more remains to be done to deliver Kenya to the promised land. So far, in the view of the Vision 2030 Delivery Secretariat, which is responsible for timely implementation of flagship projects, a robust foundation has been laid for the country's economic takeoff. In addition to the massive investment in infrastructure rollout to open up the country, social amenities such as education and health have significantly improved. The country's competitiveness as an investment destination has consistently improved. We are on course in transforming into a newly industrializing, middle-income country providing a high quality of life to all its citizens by the year 2030 in a clean and secure environment.

To mark this important milestone, the Vision 2030 Delivery Secretariat has been rolling out a series of activities throughout the year. All these are meant to unify Kenyans towards a common vision of progress and enhancing the country's competitiveness. The ten-year celebration activities kicked off in June 2018, when the implementation of the vision officially turned ten. It coincided with a CEO's Forum attended by key implementing agencies that was aimed at enhancing collaboration and partnership. Since then, the secretariat has engaged different stakeholder groups across the country, to draw their attention to gains made so far in implementing Vision 2030; and to mobilise support for the journey ahead. So far, the Vision 2030 Delivery Secretariat has hosted players in the private sector, which has an important role in converting the enabling environment created by the government into job opportunities and other economic benefits for the country. These knowledge-building dialogue sessions with the private sector have been held in Nairobi, Kisumu and Mombasa. The media, which is an important stakeholder in steering national debate on political, economic and social development agenda, was also hosted to a roundtable, in partnership with the Kenya Editors' Guild. A series of county engagements were held in Kajiado, Mombasa, Kwale and Kilifi counties, during which residents of these counties got an opportunity to discuss the vision and what it means for them. This is the spirit of the vision, whose formulation involved broad-based consultative and inclusive dialogue. The secretariat intends to continue this dialogue with different stakeholders throughout 2018, in delivery of its mandate to market the vision, as well as to publicize its activities and achievements. This is alongside the recent rollout of the NaonaMapya, nabado thematic campaign to mark the ten years that aired on television and radio.

In support of the Government's Big Four Agenda to accelerate the country's economic transformation, Vision 2030 Delivery Secretariat has been championing knowledge sharing initiatives, such as the Universal Healthcare Coverage conferences held in Makueni and Nyeri counties. This is in recognition of the fact that access to affordable healthcare to all Kenyans is a major component of high quality of life, as envisioned in Vision 2030, hence the secretariat's support and involvement in conversations on universal healthcare coverage.

REPORT OF THE DIRECTOR GENERAL (continued)

The secretariat recognizes that the youth make up a key demographic in so far as driving the attainment of the vision is concerned. This is the rationale behind strategic linkages and joint initiatives that touch on young Kenyans. During the year, the secretariat supported the annual Kenya Science and Engineering Fair where high school students compete and share scientific and technological ideas and information. Science, Technology and Innovation sits at the heart of Vision 2030. The secretariat has also established linkages with the Kenya Schools and Colleges National Drama Festivals and the Kenya National Music Festivals to build interest in the country's long-term development agenda.

In conclusion, the Vision 2030 Delivery Secretariat remains steadfastly committed to spearhead implementation of the vision, under guidance of the Vision 2030 Delivery Board. In the words of Kenya's national anthem, 'Plenty be found within our borders'.

Thank you.



**Dr. Julius Muia, PhD, EBS
Principal Secretary
State Department for Planning**

CORPORATE GOVERNANCE STATEMENT (Continued)

Board meeting attendance

No.	Name	Nationality	Board Membership	Title and Institution	Total Attendance	% Attendance
1	Dr. James Mwangi, CBS	Kenyan	Chairman	Chief Executive Officer & Managing Director, Equity Bank Group and Executive Chairman, Equity Group Foundation	4	100 %
2	Dr. Joseph K. Kinyua, EGH,	Kenyan	Member	Chief of Staff & Head of the Public Service - State House	-	-
3	Dr. Kamau Thugge, CBS	Kenyan	Member	PS - The National Treasury	2	50 %
4	Mr. Irungu Nyakera, CBS & Dr. Julius Muia, EBS	Kenyan	Member	PS - State Department of Planning and Statistics & State Department for Planning	2	50 %
5	Amb. Monica Kathina Juma, DPhil, CBS & Amb. Macharia Kamau, MBS	Kenyan	Member	PS - Ministry of Foreign Affairs & State Department of Foreign Affairs, Ministry of Foreign Affairs & International Trade	4	100 %
6	Dr. Chris Kiptoo, CBS	Kenyan	Member	PS State Department of Trade, Ministry of Industrialization, Trade & Cooperatives & State Department of International Trade, Ministry of Foreign Affairs & International Trade	2	50 %
7	Amb. Peter Kirimi Kaberia, CBS	Kenyan	Member	PS - State Department of Sports Development	2	100%
8	Prof. Collette A. Suda, PhD, FKNAS, CBS	Kenyan	Member	PS - State Department for University (Higher) Education, Ministry of Education	1	50 %
9	Prof. Micheni Japheth Ntiba, CBS	Kenyan	Member	PS - State Department for University and Research, Ministry of Education	0	-
10	Dr. Eng. Joseph K. Njoroge, CBS	Kenyan	Member	PS - State Department of Energy, Ministry of Energy & Petroleum	0	-

CORPORATE GOVERNANCE STATEMENT

The Kenya Vision 2030 Delivery Secretariat, is committed to the values and principles of good corporate governance as an integral part of corporate culture established at the Secretariat and guides the manner in which its directors, management and staff conduct the business of the organisation. As a public-sector organization dedicated to providing quality service to its stake holders, the secretariats decisions are guided by the core tenets prescribed in the public Officers Ethics Act, The leadership and Integrity Act, The Authorities Code of Conduct, corporate Governance guidelines Board and Board Committee Charters. The Secretariat endeavours to develop, strengthen and sustain the trust that the Government, employees and public has placed in it. The board is committed to regularly evaluate national and international emerging standards in responsible, transparent and efficient management with a view of enhancing corporate governance at the Secretariat and consistently deliver on its statutory mandate.

Role of the board of directors

The primary function of the Board of Directors (The Board) is to provide effective strategic leadership and direction to enhance the long-term achievement of Kenya Vision 2030 blueprint. The blue print aims to create a globally competitive and prosperous country with a high quality of life by 2030. It aims to transform Kenya into a newly-industrialising, middle income country providing a high quality of life to all its citizens in a clean and secure environment.

The Board Size, Composition and Independence

The Board consists of forty directors. The Board composition draws a good mix of skills, experience and proficiencies in various fields. The directors' biographies are shown on pages v to xviii.

Board Remunerations

The non-executive Board members are paid sitting allowances for every meeting attended. Director's fees are paid to non-executive Board members who are not representing any Government institution.

Board and Strategy Meetings

The Board and its committees meet regularly in accordance with business requirements. All directors participate in discussing strategy, performance, financial and risk management of the Secretariat. Meetings of the board are structured to allow sufficient time for consideration of the matters to be discussed.

The board work plan together with the calendar of meeting for 2017/2018 were fixed in advance and provided to all the directors. Adequate notice was given for each meeting and the agenda and supporting papers were distributed in advance to all the board and committee members to allow time for appropriate review.

The Board has ownership over the Secretariats' strategic direction. It regularly reviews reports on progress toward the target of the approved business plan, progress against financial objectives and business development. The chairpersons of board committees report at each meeting of the board on the activities of the committee since the previous Board meeting. The board receives regular reports from the Director General on the Secretariats activities, strategy and financial performance.

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No.	Name	Nationality	Board Membership	Title and Institution	Total Attendance	% Attendance
11	Dr. Nicholas Muraguri, CBS	Kenyan	Member	PS - State Department of Land, Ministry of Lands & Physical Planning & Ministry of Lands & Physical Planning	2	50 %
12	Dr. Richard Leresian Lesiyampe, CBS	Kenyan	Member	PS - State Department for Agriculture, Ministry of Agriculture, Livestock & Fisheries & State Department for Crop Development, Ministry of Agriculture and Irrigation	3	75 %
13	Prof. Hamadi I. Boga, PhD	Kenyan	Member	PS - State Department for Agriculture Research – Ministry of Agriculture and Irrigation	1	50 %
14	Harry Kimutai	Kenyan	Member	PS - State Department for Livestock – Ministry of Agriculture and Irrigation	1	50 %
15	Dr. Khadijah Kassachoon, CBS	Kenyan	Member	PS - State Department for Labour, Ministry of East Africa Community, Labour and Social Protection	2	100%
16	Susan Mochache, CBS	Kenyan	Member	PS - State Department for Social Protection Pensions and Senior Citizen Affairs – Ministry of Labour and Social Protection	1	50 %
17	Dr. Richard Belio Kipsang, CBS	Kenyan	Member	PS - State Department of Basic Education, Ministry of Education	0	-
18	Dr. Dinah Jerotich Mwinzi, CBS & Kevit Desai, PhD, MBS	Kenyan	Member	PS - State Department of Vocational & Technical Training, Ministry of Education & State Department of Vocational & Technical Training Ministry of Education	3	75 %
19	Eng. Victor Kyalo, CBS & Jerome Ochieng	Kenyan	Member	PS - State Department for ICT and Innovation & ICT and Innovation Ministry of Information, Communication and Technology	2	50 %

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No.	Name	Nation ality	Board Membership	Title and Institution	Total Atten dance	% Atten dance
20	Mr. Joe Robert Okudo, CBS & Josephtha Mukobe, CBS	Kenyan	Member	PS - State Department of Culture & the Arts, Ministry of Sports, Culture & the Arts & Heritage Ministry of Sports and Heritage	2	50 %
21	Mrs. Fatuma Hirsi Mohamed, CBS	Kenyan	Member	PS - Ministry of Tourism & Ministry of Tourism and Wildlife	3	75 %
22	Mr. Julius Korir, CBS & Peter Tum Kiplagat, OGW	Kenyan	Member	PS- Ministry of Health	2	50 %
23	Mr. Patrick Nduati Mwangi, CBS & Betty Maina, CBS	Kenyan	Member	PS - State Department for Industry, Ministry of Industry, Trade and Cooperative & Ministry of Industrialization	3	75 %
24	Prof. Paul Maringa Mwangi, CBS	Kenyan	Member	PS - State Department of Transport, Ministry of Transport, Infrastructure, Housing and Urban Development	2	50 %
25	Dr. Ibrahim M. Mohamed, CBS & John M. Omenge	Kenyan	Member	PS- Ministry of Mining & State Department for Mining, Ministry of Petroleum and Mining	2	50 %
26	Prof. Fred H. K. Segor, CBS & Joseph W. Irungu, CBS	Kenyan	Member	PS - State Department National Water Services, Ministry of Water & Irrigation & Ministry of Water and Sanitation	3	75 %
27	Ms. Zeinab W. Hussein, CBS & Prof. Fred H. K. Segor, CBS	Kenyan	Member	PS - State Department of Irrigation, Ministry of Water & Irrigation & State Department for Irrigation Ministry of Agriculture and Irrigation	3	75 %
28	Hon. Safina Kwekwe	Kenyan	Member	PS - Gender Affairs Ministry of Public Service, Youth and Gender Affairs	0	-
29	Nelson Marwa, EBS	Kenyan	Member	PS - State Department for Devolution, Ministry of Devolution and Arid and Semi-Arid Land (ASAL)	2	100%

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No.	Name	Nation ality	Board Membership	Title and Institution	Total Atten dance	% Atten dance
30	Charles Hinga Mwaura	Kenyan	Member	PS - Housing & Urban Development Ministry of Transport and Infrastructure, Housing and Urban Development	2	100%
31	Prof. Githu Muigai, EGH, SC	Kenyan	Member	Attorney General, Office of the Attorney General & Department of Justice	3	75 %
32	Mr. Andrew Wakahiu	Kenyan	Member	Secretary - Presidential Delivery Unit	2	50 %
33	Dr. Moses Ikiara, MBS	Kenyan	Member	Managing Director - Kenya Investment Authority	2	50 %
34	Dr. Patrick Njoroge	Kenyan	Member	Governor - Central Bank of Kenya	3	75 %
35	Mr. Paul Muthaura	Kenyan	Member	Chief Executive Officer - Capital Markets Authority	1	25 %
36	Amb. Dennis Awori	Kenyan	Member	Chairman - Toyota Kenya	3	75 %
37	Mr. Bob Collymore	British	Member	Chief Executive Officer - Safaricom Ltd	0	-
38	Mr. Joshua N. Oigara	Kenyan	Member	Chief Executive Officer - Kenya Commercial Bank	1	25%
39	Ms. Juliana Rotich	Kenyan	Member	Managing Director, Country Cluster East Africa-BASF East Africa Limited	4	100 %
40	Mr. Mucai Kunyiha	Kenyan	Member	Group Managing Director - Coopers K-Brands Ltd	2	50 %
41	Ms. Rita Kavashe	Kenyan	Member	Managing Director - Isuzu East Africa Limited	2	50 %
42	Dr. Julius Muia, EBS	Kenyan	Member	Director General, Kenya Vision 2030 Delivery Secretariat (Secretary)	2	100 %

CORPORATE GOVERNANCE STATEMENT (Continued)

Board committees

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

Social & Political Board Committee		
Main Function -		<i>To consider and approve operational social and political matters of Vision 2030 Delivery Secretariat.</i>
Chair -	1.	Dr. Kevit Desai, PhD, MBS Principal Secretary/Vocational & Technical Training
Member -	2.	Dr. Kamau Thugge, CBS Principal Secretary/National Treasury
"	3.	Amb. Macharia Kamau, MBS Principal Secretary/Foreign Affairs
"	4.	Dr. Belio Kipsang, CBS Principal Secretary/Basic Education
"	5.	Joseph M. Mukobe, CBS Principal Secretary/Heritage
"	6.	Hon. Safina Kwekwe Principal Secretary/Gender Affairs
"	7.	Joseph W. Irungu, CBS Principal Secretary - Ministry of Water and Sanitation
"	8.	Eng. Peter Tum Kiplagat, OGW Principal Secretary - Ministry of Health
"	9.	Charles Hinga Mwaura Principal Secretary/Housing & Urban Development
"	10.	Susan Mochache, CBS Principal Secretary/ Social Protection Pensions and Senior Citizen Affairs
"	11.	Nelson Marwa, EBS Principal Secretary/Devolution
"	12.	Justice (Rtd.) Paul Kihara Kariuki, CBS Attorney General - State Law Office and Department of Justice
"	13.	Rita Kavashe Managing Director - Isuzu East Africa Limited

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Finance and Administration Board Committee		
Main Function -		<i>To consider and approve operational finance and administration matters of Vision 2030 Delivery Secretariat.</i>
Chair -	1.	Mucaikunyiha Group Managing Director - Coopers K-Brands Ltd
Member -	2.	Dr. Richard LeresianLesiyampe, CBS Principal Secretary/Crop Development
"	3.	Dr. Kamau Thugge, CBS Principal Secretary/National Treasury
"	4.	Dr. Julius Muia, EBS Principal Secretary/ Planning
"	5.	Justice (Rtd.) Paul KiharaKariuki, CBS Attorney General - State Law Office and Department of Justice
"	6.	Dr. Joseph K. Kinyua, EGH Head of the Public Service, State House
Enablers Board Committee		
Main Function -		<i>To consider and approve operational enablers matters of Vision 2030 Delivery Secretariat.</i>
Chair -	1.	Prof. Paul Maringa Mwangi, CBS Principal Secretary/Transport
Member -	2.	Dr. (Eng.) Karanja Kibicho, CBS Principal Secretary/Interior
"	3.	Dr. Eng. Joseph K. Njoroge, CBS Principal Secretary - Ministry of Energy
"	4.	Dr. Nicholas Muraguri, CBS Principal Secretary - Ministry of Lands and Physical Planning
"	5.	Prof. Japheth MicheniNtiba, CBS Principal Secretary/University & Research
"	6.	Julius Korir, CBS Principal Secretary/Infrastructure
	7.	Jerome Ochieng Principal Secretary/ICT & Innovation
	8.	Nelson Marwa, EBS Principal Secretary/Devolution
	9.	Dr. Moses Ikiara, MBS Managing Director - Kenya Investment Authority
	10.	Justice (Rtd.) Paul KiharaKariuki, CBS Attorney General - State Law Office and Department of Justice
"	11.	Dr. Joseph K. Kinyua, EGH Head of the Public Service, State House
"	12.	Amb. Dennis Awori Chairman - Toyota Kenya
"	13.	Juliana Rotich Managing Director - Country Cluster East Africa, BASF East Africa Ltd.

CORPORATE GOVERNANCE STATEMENT (Continued)

Board committee (continued)

Communication & Strategy Board Committee		
Main Function -		<i>To consider and approve operational communication matters of Vision 2030 Delivery Secretariat.</i>
Chair -	1.	Juliana Rotich Managing Director - Country Cluster East Africa, BASF East Africa Ltd.
Member -	2.	Jerome Ochieng Principal Secretary/ICT& Innovation
"	3.	Fatuma Hirsi Mohamed, CBS Principal Secretary/Tourism
"	4.	Dr. Moses Ikiara, MBS Managing Director - Kenya Investment Authority
"	5.	Rita Kavashe Managing Director - Isuzu East Africa Limited
"	6.	MucaiKunyiha Group Managing Director - Coopers K-Brands Ltd
"	7.	Bob Collymore Chief Executive Officer - Safaricom Limited

Economic & Macro Board Committee		
Main Function -		<i>To consider and approve operational economic and macro matters of Vision 2030 Delivery Secretariat.</i>
Chair -	1.	Amb. Dennis Awori Chairman - Toyota Kenya
Member -	2.	Dr. Kamau Thugge, CBS Principal Secretary/National Treasury
"	3.	Dr. Julius Muia, EBS Principal Secretary/ Planning
"	4.	Dr. Chris Kiptoo, CBS Principal Secretary/International Trade
"	5.	Dr. Richard LeresianLesiyampe, CBS Principal Secretary/Crop Development
"	6.	Betty Maina, CBS Principal Secretary - Ministry of Industrialization
"	7.	Prof. Hamadi I. Boga, PhD Principal Secretary/ Agricultural Research
"	8.	Harry Kimutai Principal Secretary/Livestock
"	9.	Fatuma Hirsi Mohamed, CBS Principal Secretary/Tourism
"	10.	John M. Omenge Principal Secretary/Mining
"	11.	Jerome Ochieng

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Economic & Macro Board Committee		
		Principal Secretary/ICT & Innovation
"	12.	Prof. Fred H. K. Segor, CBS Principal Secretary/Irrigation
"	13.	Dr. Patrick Njoroge Governor - Central Bank of Kenya
"	14.	Paul Muthaura, MBS Chief Executive Officer - Capital Markets Authority

Audit & Governance Committee		
Main Function -		<i>To consider and approve operational audit & governance matters of Vision 2030 Delivery Secretariat.</i>
Chair -	1.	Joshua N. Oigara Chief Executive Officer - Kenya Commercial Bank
Member -	2.	Dr. Kamau Thugge, CBS Principal Secretary/National Treasury
"	3.	Dr. Patrick Njoroge Governor - Central Bank of Kenya
"	4.	Paul Muthaura, MBS Chief Executive Officer - Capital Markets Authority
"	5.	Dr. Moses Ikiara, MBS Managing Director - Kenya Investment Authority

SECRETARIAT MANAGEMENT

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

DR. JULIUS MUIA, EBS

Principal Secretary

State Department for Planning



Dr. Julius served as the Director General of Kenya Vision 2030 Delivery Secretariat up to February 2018 when he was appointed as Principal Secretary, State Department for Planning. He holds a First-Class Honors Degree in Accounting; Master's Degree and PhD in Finance from the University of Nairobi's School of Business. He is also a Certified Public Accountant (CPA-K); Certified Public Secretary (CPS-K).

Dr. Muia has over 20 years' experience in leadership in the private sector in Kenya and UK. He started his career as an auditor with Price water house Coopers in the mid-1980s. Later, he worked at Lonrho Hotels as a group Financial Controller from 1990-1992; Finance director at the Safari Park

Holdings Ltd from 1992-1995, Group Finance director at Unga Group Ltd from 1995-2001, Finance Director and chief Operating officer at Housing Finance Company of Kenya from 2001-2008. Since April 2008 Julius served as the Secretary and CEO of the National Economic and Social Council, Office of the President.

ADA MWANGOLA

Ag. Director, Social & Political Pillars



Ada is a social development expert with over 20 years' experience in Government, and development agencies ranging from national to international. Currently the Director Social and Political Pillars, Kenya Vision 2030 Delivery Secretariat. She leads on policy and coordination of the Flagship Programmes under the Social and Political Pillars envisioned in Kenya's Development Blue Print the Vision 2030. This is after several years as the Social Development Advisor, UK Dept. for International Development (DFID) in Kenya. She led the DFIDs support on the Social Protection Programme in Kenya and provided social development technical support to DFIDs Programmes in Kenya. She also worked in Sustainable Livelihoods, Oxfam GB, Kenya Programme for 5 years

where she was responsible for Programme development, policy advocacy with emphasis on trade, land and food security issues. Previous work includes national coordinator for the Committee on Combating Desertification (NCCD); and Senior Labour Officer in the Ministry of Labour and Manpower Development. She has served in key national committees and task forces in strengthening national systems.

SOPHIE ODUPOY

Director Communication & Strategy



She graduated with a degree in International Business Administration (IBA) Finance from United States International University Africa (USIU A), Kenya; and has a Master in Business Administration (MBA) in Marketing from USIU A. Sophie started off her career as an Assistant Brand Manager with Procter and Gamble. Her career has spanned various marketing roles in Haco Industries, Sara Lee Household & Bodycare and SC Johnson & Son Ltd within the fast-moving consumer goods or packaged goods industry. She challenged herself and took on a role in Microsoft one of the leading technology companies in the world where

she served as the Marketing and Operations Manager overseeing East and Southern Africa.

VERONICA OKOTH

Director Economic & Macro Directorate



Holds a Masters Degree in Economic Policy and Management from Makerere University, a Postgraduate Diploma in Rural Development Management from National Institute of Rural Development, NIRD (Ministry of Rural Development, Government of India) and a Bachelor of Arts Degree (Economics), Moi University. Work Experience: Over 10 years working in various middle and senior level managerial positions in the Kenyan public service.

2013 to 2017: Served as the County Executive Committee Member (CECM) for Economic Planning, Commerce and Industry Department in Trans-Nzoia County Government where she led and coordinated the formulation of the first

County Integrated Development Plan (CIDP 2013 to 2017) in line with the Medium-Term Plan 2 and Vision 2030.

IDI MASOUD

Ag. Director, Enablers & Macro



The Assistant Director – Enablers and Macro Directorate of the Kenya Vision 2030 Delivery Secretariat, Mr. Masoud is a long-standing strategic management professional with a progressive management career in the banking industry that spanned 12 years before joining the Kenya Vision 2030 Delivery Secretariat.

Mr. Masoud is a student member of the Association of Chartered Certified Accountants (ACCA) and an Associate of the Kenya Institute of Bankers (AKIB), currently pursuing a PhD (Business Innovation and Technology Management) at Jomo Kenyatta University of Agriculture and Technology. He holds a master's

degree in strategic management and a Bachelor of Arts degree (Economics and Sociology). He has extensive experience in credit scoring, portfolio forecasting, statistical analysis, risk and response analytics, risk management and control and new product development and forecasting. His key areas of expertise include Strategy Origination and Execution, Risk Management & Control, Policy Implementation, Product Development and Market Segmentation, Financial Planning, Business Development and Budgeting.

DAVID NYAMAI

Finance Manager



Mr. Nyamai is the Finance Manager, Kenya Vision 2030 Delivery Secretariat. He is an MBA graduate holder from the University of Nairobi and a Bachelor of Commerce (Finance) degree holder from the Catholic University of Eastern Africa (CUEA). He is also a Certified Public Accountant of Kenya and a member of the Institute of Certified Public Accountants of Kenya.

He has previously worked with the World Vision Microfinance, Kenya Agency for Development of Enterprise and Technology (KADET Ltd) currently Vision Fund Kenya as the Finance manager, Association of Media Women in Kenya (AMWIK) as the Finance and admin manager and with African Network for the

Prevention and protection against Child abuse and Neglect (ANPPCAN) a leading advocacy NGO.

ZIPPORAH ONYONI

Manager, Human Resource & Administration



Zipporah is a human resource practitioner specialized in human resource management and administration for over ten (10) years. She has a Master's of Science in Human Resources Management (Msc-HRM) and Bachelor's Degree in Human Resources and Administration (BBA). She previously worked in Non-Governmental Organizations, banking, airline industries as well as private and government sector.

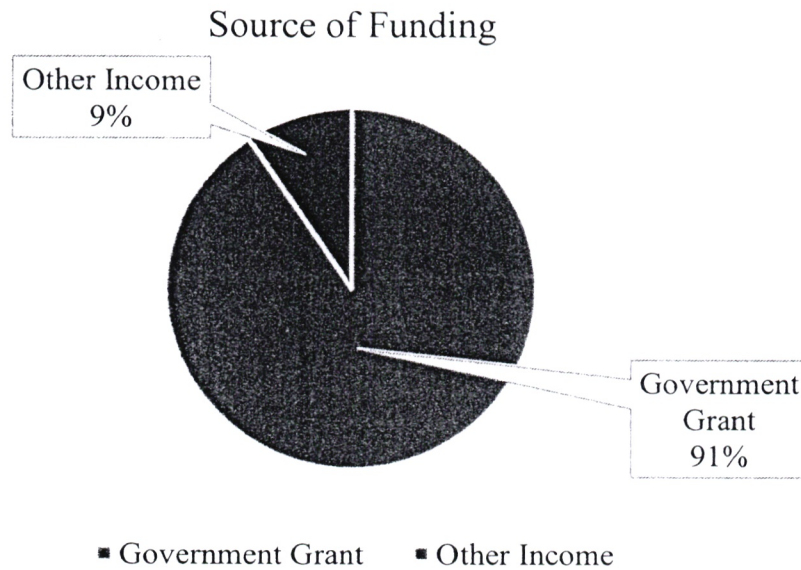
She is specialized in policy formulation, recruitment and selection, performance management, strategy formulation, corporate governance, training and development, staff retention, talent management, compensation and benefits, industrial relations, mentoring and coaching, staff welfare, Performance Contracting among others. She is an accredited member of the Institute of Human Resource Management (IHRM) and Kenya Institute of Management (KIM).

MANAGEMENT DISCUSSION AND ANALYSIS

In the year under review, the secretariat continued its principal business of spearheading 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.

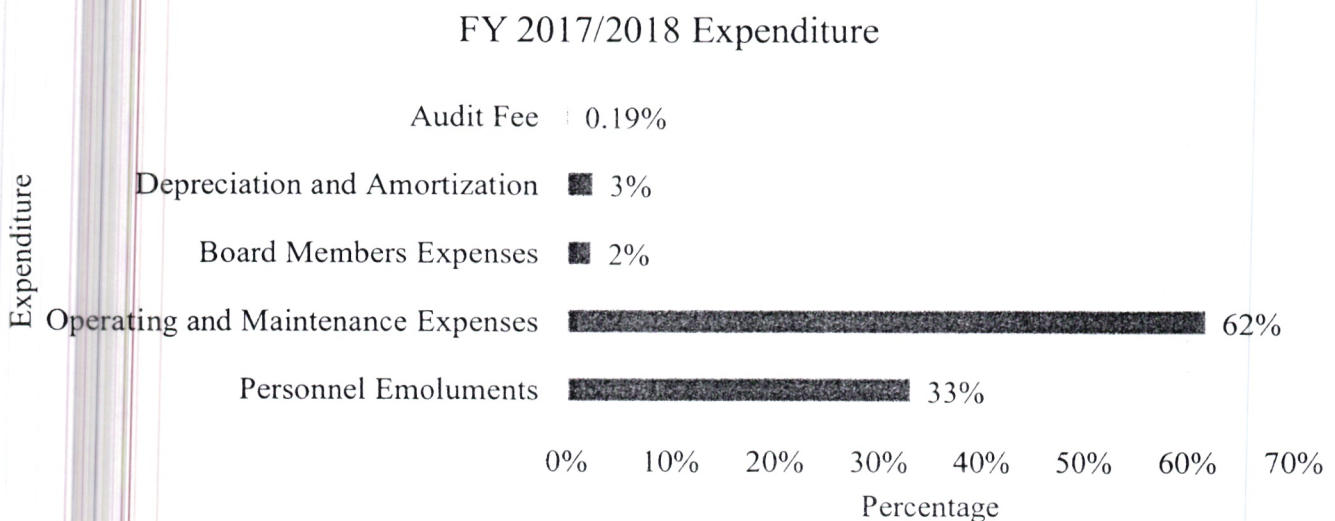
In terms of finances, the Agency still overwhelmingly relies on the support of the National Government. Kshs. 224,300,000 was provided by the Exchequer, Kshs. 23,485,825.93 was generated from other sources, primarily grants that funded the climate change programme and 10th Year Anniversary Commemorations and interest income from call account, and other miscellaneous sources. In comparative terms, GOK funding was 91% while other sources accounted for 9%.

Chart 1: Source of funding



In terms of expenditure, the Agency spent Kshs. 236,373,744 with Kshs. 230,293,701 being direct cash items and the balance of Kshs. 6,080,043 being provisions for depreciation and amortization. As indicated on the chart below, staff costs account for 33.12% of the total expenditure. General expenses include various expense lines

Chart 2: Expenditure Comparison



MANAGEMENT DISCUSSION AND ANALYSIS (continued)

The Secretariat has a total asset base of Kshs. 6,767,405. The assets are made up of Kshs. 2,942,775 in prepayments. Cash and cash equivalents of Kshs. 62,272,722 were available for use at the end of the year. These amounts are mainly funds set aside to pay for job evaluation, rent and medical cover. Non-current assets were made up of property, plant and equipment since the intangible assets have been amortized fully.

The Secretariat has been able to deliver on its primary mandate of spearheading the implementation of the Vision as the country's blueprint.

To maintain effective and sustainable delivery, it is imperative that it maintains an effective, efficient and economical system of internal processes, procedures, staff compliment and other resources to fully deliver on its mandate. To this end, the Secretariat has reviewed its organizational structure to ensure efficiency in its operations. The challenge of retaining qualified staff members is a key one going forward.

VDS has put mechanisms in place to enhance staff motivation such as competitive salary and benefits, working towards converting staff from contractual terms to permanent and pensionable terms, team building activities within and outside Nairobi, staff training and development for career growth, work life balance, provision of staff medical benefits with their families, conducive work environment with favorable office ergonomics, transparent and objective performance appraisal systems, employee involvement and participation through Employee Satisfaction and Employee Engagement Surveys and the implementation of the recommendations among others.

VDS also ensures compliance of The Constitution of Kenya 2010 and all other pieces of Legislation and embraces the National Values and Principles of Governance in spearheading the implementation of V2030 flagship projects across the country

The Secretariat is wholly owned by the National Government, which enables it offer service to implementing agencies. It is expected that even as it seeks to raise revenue, the charges levied will be a small fraction of the savings that stakeholders currently gain from reduced costs and efficiency provided by the system. New business partnerships are being sought and the Secretariat is keen on encouraging research, innovation and creativity among its staff members to help in realizing sustainability.

The Financial Statements for year 2017/2018 show that the Secretariat has a sound base of operations but there is need for continued government support. Succinctly; adequate funding. The Vision Delivery Secretariat Management is committed to running an organization that complies with all applicable laws, is an empowering employer and is a reliable partner for all who rely on our services.



**Dr. Julius Muia, PhD, EBS
Principal Secretary
State Department for Planning**

CORPORATE SOCIAL RESPONSIBILITY STATEMENT

The Secretariat acknowledges the importance of giving back to the society and has put in place a robust CSR frame work to ensure meaningful involvement in community engagement efforts. The Secretariat has continued to participate and implement programs aimed at reaching the underprivileged in society, creating strong stakeholder relationships and meeting its corporate citizenship obligations. In the 2017/2018 financial year, VDS engaged in the following activities.

a) Commemoration of the world day to combat desertification in Marsabit

The World Day to Combat Desertification is observed as provided for under the United Nations Convention to Combat Desertification (UNCCD) which Kenya ratified in 1997, to promote public awareness relating to the international cooperation to combat desertification and the effects of drought. The 2017 World Day to Combat Desertification (WDCD) was marked at Hulahula Primary School, in Saku Sub-County of Marsabit County, in a ceremony that was officiated by the Cabinet Secretary in the Ministry of Environment and Natural Resources, Prof. Judy Wakhungu. The theme was Conserving Our Land for Sustainable Livelihoods, and the slogan “Our Land – Our Home – Our Future”.

During the celebrations, the Vision Delivery Secretariat Director Enablers & Macro Directorate, Jonathan Lodompui, emphasized in his speech on the overarching vision on environment as key to implementation of the vision in a clean and secure environment.



Vision Delivery Secretariat Director Enablers & Macro Directorate, Jonathan Lodompui (in a red cap) during the flagging off the World Day to Combat Desertification procession at HulaHula in Marsabit County.



Maureen Mwenesi from vision 2030 delivery secretariat presenting a promotional item to one of the locals during the celebrations.

CORPORATE SOCIAL RESPONSIBILITY STATEMENT (CONTINUED)

b) Visit to Kakamega forest heritage foundation

The social pillar participated in an event hosted by the Kakamega Forest Heritage Foundation and payed a visit to Kakamega forest. While there, they also had a meeting to deliberate on the partnership structure between Vision 2030 and the foundation.

c) Planting Trees



CORPORATE SOCIAL RESPONSIBILITY STATEMENT (CONTINUED)

d) Environment cleaning



CORPORATE SOCIAL RESPONSIBILITY STATEMENT (CONTINUED)

e) Thogoto Home of the Elderly visit



REPORT OF THE DIRECTORS

The Directors submit their report together with the audited financial statements for the year ended 30th June 2018 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 17th 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 30th June 2018 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:..... 2018

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 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, 2018. 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 *entity's* financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and (the State Corporations Act) – *entities should quote applicable legislation as indicated under* . The Directors are of the opinion that the *entity's* financial statements give a true and fair view of the state of *entity's* transactions during the financial year ended June 30, 2018, and of the *entity's* financial position as at that date. The Directors further confirm the completeness of the accounting records maintained for the *entity*, which have been relied upon in the preparation of the *entity's* financial statements as well as the adequacy of the systems of internal financial control.

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 onand signed on its behalf by:

.....
Chairman


.....
Principal Secretary
State Department for Planning

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 2018

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kenya Vision 2030 Delivery Secretariat set out on pages 1 to 27, which comprise the statement of financial position as at 30 June 2018, 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 audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Kenya Vision 2030 Delivery Secretariat as at 30 June 2018, and of its financial performance and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Operating Expenses

Operating expenses of Kshs.76,583,965 as reported on note 12 of financial statements includes Kshs.45,659,478 in respect of communication advertisement and awareness. The amount includes payments totaling Kshs.18,093,740 paid to consultancy firm for activation services towards the 10th Anniversary celebration of the secretariat whose contract that was running from 1 April 2018 and ending on 31 March 2019 was for a contract sum of Kshs.49,511,700 with settlement milestones as detailed below:

Milestone	%	Amount (Kshs)
Issuance Inception Report	20	9,902,340
Completion of 50% County Engagement and Issuance of Report	30	14,853,510
Completion of Final 50% of County Engagement and Issuance of Report	30	14,853,510
Issuance of End Term Report	20	9,902,340
Total	100	49,511,700

Report of the Auditor-General on the Financial Statements of Kenya Vision 2030 Delivery Secretariat for the year ended 30 June 2018

However, the payments of Kshs.18,093,740 have not been supported by any of the milestones as spelt out in the contract and therefore basis of payment is not clear. Further, a demand on 13 June 2018 for advance to cover activation expenditure clearly indicated no activities had commenced by 30 June 2018 to warrant the recognition of expenditure under this contract and possibly the payment. As of the time of the audit in 28 March 2019, the output of the contracts and the 10th Anniversary celebration had not taken place and therefore no justification of the expenditure.

Consequently, the validity, propriety and accuracy of the operating expenses of Kshs.76,583,965 could not be ascertained as at 30 June 2018.

2. Employee Cost

The employee cost of Kshs.90,702,688 for the year ended 30 June 2018 include inappropriate payments to staff amounting to Kshs.488,136 in respect of special duty allowance paid for a period of one year contrary to Section C.15(4) of Public Service Commission Human Resource Policies which restrict the payment of this allowance to a maximum of six months. The reason for this over-payment of Kshs.488,136 has not been explained.

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. Except for the matter(s) described in in the Basis for Qualified Opinion section, I have determined that there are no other Key Audit Matters to communicate in my report.

Other Matters

1. Staff Establishment

1.1 Establishment

Audit review on the approved staff establishment for Kenya Vision 2030 Delivery Secretariat, indicate that the Secretariat is supposed to have thirty-one employees. However, the staff in post in the year 2017/2018 were only 20, resulting in the secretariat being understaffed by eleven officers (35% of the authorized establishment). In consequence, with such high level understaffing the secretariat may not achieve its goals and mandate.

1.2 Vacant Office of Director General

The Kenya Vision 2030 Secretariat Board has operated without a substantive and suitable replacement of Director General/Chief Executive Officer or an Acting Director General since January 2018. The outgoing Director General who is the current Principal Secretary for the State Department for Planning continues to discharge duties as the Director General of the Secretariat including approval of the financial

statements submitted to the Office of the Auditor General for audit for the year 2018. No explanation has been provided why such key position has been left vacant for one year and no person has been appointed even in an acting capacity.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, GOVERNANCE AND RISK MANAGEMENT SYSTEMS

Conclusion

As required by Section 7 (1) (a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matter(s) described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance, and the Basis for Qualified Opinion section of my report, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Responsibilities of Management and Those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual) and for maintaining 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 and for its assessment of the effectiveness of internal control, risk management and governance.

In preparing the financial statements, management is responsible for assessing the Project's ability to continue as a going concern/ 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 of the Project, 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.

In addition to the responsibility for the preparation and presentation of the financial statements described above, management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public money is applied in an effective manner.

Those charged with governance are responsible for overseeing the financial reporting process, reviewing the effectiveness of how the entity monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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.

In addition to the audit of the financial statements, a compliance review is planned and performed to express a conclusion with limited assurance as to whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution. The nature, timing and extent of the compliance work is limited compared to that designed to express an opinion with reasonable assurance on the financial statements.

Further, in planning and performing the audit of the financial statements and review of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7 (1) (a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal

control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

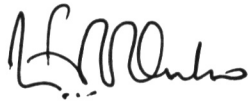
As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- 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 Ministry'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 continue as a going concern or 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 continue as a going concern or 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

09 May 2019

**Kenya Vision 2030 Delivery Secretariat
Annual Reports and Financial Statements
For the year ended June 30, 2018**

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2018**

	Note	2017-2018 Kshs	2016-2017 Kshs
Revenue from non-exchange transactions			
Government grants	6	224,300,000	205,751,864
Other Contributions and Donations	7	<u>25,089,633</u>	<u>2,145,265</u>
		<u>249,389,633</u>	<u>207,897,129</u>
Revenue from exchange transactions			
Amortization of granted assets		-	126,442
Finance income	8	1,860,329	1,614,103
Other income	9	<u>45,000</u>	<u>179,538</u>
		<u>1,905,329</u>	<u>1,920,083</u>
Total revenue		251,294,962	209,817,212
Expenses:			
Employment cost	10	90,702,688	85,891,862
Directors' emoluments	11	5,681,789	6,081,635
Operating expenses	12	76,583,965	53,476,138
Depreciation and amortization expense	17	6,061,077	7,039,572
Repairs and maintenance	13	7,454,478	7,010,080
General expenses	14	<u>52,136,730</u>	<u>46,276,958</u>
Total expenses		<u>238,620,727</u>	<u>205,776,245</u>
Surplus for the year		<u>12,674,235</u>	<u>4,040,967</u>

The notes set out on pages 1 to 24 form an integral part of these Financial Statements

Kenya Vision 2030 Delivery Secretariat
Annual Reports and Financial Statements
For the year ended June 30, 2018

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	Note	2017-2018 Kshs	2016-2017 Kshs
Assets			
Cash and cash equivalents	15	62,272,722	46,198,034
Receivables	16	6,290,158	4,976,603
		68,562,880	51,174,637
Non-current assets			
Property, plant and equipment	17	6,729,475	6,414,025
Intangible assets	18	-	927,746
Total assets		<u>75,292,355</u>	<u>58,516,408</u>
Liabilities			
Current liabilities			
Trade and other payables	19	26,107,794	22,006,082
Total liabilities		<u>26,107,794</u>	<u>22,006,082</u>
Net assets			
Capital reserve		64,486,996	64,486,996
General reserve		(15,302,435)	(27,976,670)
		49,184,561	36,510,326
Total net assets and liabilities		<u>75,292,355</u>	<u>58,516,408</u>

The Financial Statements set out on pages 1 to 27 were signed on behalf of the Board of Directors by:

Chairman of the Board
Dr James Mwangi, CBS

Ag. Finance Manager
Evangeline Mwati
ICPAK M/NO: 7592

Principal Secretary
State Department for Planning
Julius M. Muia, PhD, EBS

Signature.....
Date.....

Signature.....
Date 27/09/2018

Signature.....
Date 27/09/2018

Kenya Vision 2030 Delivery Secretariat
Annual Reports and Financial Statements
For the year ended June 30, 2018

**STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 30 JUNE 2018**

	Capital reserve KShs	General reserve KShs	Total KShs
At July 1, 2016	64,486,996	(32,017,637)	32,469,359
Surplus for the year	-	4,040,967	4,040,967
At June 30, 2017	<u>64,486,996</u>	<u>(27,976,670)</u>	<u>36,510,326</u>
At July 1, 2017	64,486,996	(27,976,670)	36,510,326
Surplus for the year	-	12,674,235	12,674,235
At June 30, 2018	<u>64,486,996</u>	<u>(15,302,435)</u>	<u>49,184,561</u>

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018**

	Note	2017-2018 KShs	2016-2017 KShs
Surplus for the year before tax		12,674,235	4,040,967
Adjusted for:			
Depreciation	17	6,061,077	7,039,572
Amortization of granted assets		-	(126,442)
Increase in receivables	16	(1,313,555)	227,874
Increase in payables	19	4,101,712	(3,532,492)
Net cash flow from operating activities		<u>21,523,469</u>	<u>7,649,479</u>
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets	17	(5,448,781)	(1,010,080)
Net cash flows used in investing activities		<u>(5,448,781)</u>	<u>(1,010,080)</u>
Net increase in cash and cash equivalents		16,074,688	6,639,399
Cash and cash equivalents at 1 JULY		<u>46,198,034</u>	<u>39,558,635</u>
Cash and cash equivalents at 30 JUNE		<u>62,272,722</u>	<u>46,198,034</u>

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
FOR THE YEAR ENDED 30 JUNE 2018

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Percentage Difference
	2017-2018	2017-2018	2017-2018	2017-2018	2017-2018	2017-2018
Revenue	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000	%
Government grants	206,300	18,000	224,300	224,300	-	0%
Other Income	3,354	-	3,354	3,354	-	0%
Special events (Vision 2030 10th Year Anniversary)	-	23,641	23,641	23,641		0%
Total income	209,654	41,641	251,295	251,295	-	
Expenses						
Personnel Emoluments	85,417	-	85,417	78,261	7,156	8%
Medical Expenses In & Out patient (Insurance)	6,850	-	6,850	6,801	49	1%
Group Life Insurance	430	-	430	338	92	21%
Staff Welfare	5,377	-	5,377	5,302	75	1%
Fuel & Maintenance Expenses	3,665	-	3,970	3,616	354	9%
Telephone Expenses	4,277	-	4,277	4,255	22	1%
Expenses of Board & Committees	5,694	-	5,694	5,682	12	0%
Rents and Rates	16,650	-	16,650	16,644	6	0%
Audit Fees	464	-	464	464	0	0%
Insurance - Vehicles/Equipment	124	-	124	115	9	7%
Training Expense	1,110	-	1,110	938	172	15%
Internal Travelling & Accommodation	13,637	-	13,637	13,393	244	2%
External Travelling & Accommodation	11,523	-	11,523	11,508	15	0%
Publishing and Printing Expenses	2,895	-	2,895	2,873	22	1%

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2018

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Percentage Difference
	2017-2018	2017-2018	2017-2018	2017-2018	2017-2018	2017-2018
Expenses	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000	%
Purchase of Stationery	1,500	-	1,500	1,458	42	3%
Communication and Publicity -	43,060	-	49,000	45,659	3,341	7%
Contracted Professional Services	2,360	-	2,360	2,358	2	0%
Computer Expenses	2,782	-	2,782	2,777	5	0%
Hire of Transport, Plant and	266	-	266	264	2	1%
Subscription to Professional Bodies	35	-	35	32	3	9%
Workshops, seminars & Conferences	3,832	-	3,832	3,830	2	0%
Legal Expenses & Contingent	840	-	840	834	6	1%
Enabling Funds for Projects	24,960	-	24,960	23,870	1,090	4%
Maintenance of Buildings & Equipment	1,420	-	1,420	1,062	358	25%
Bank Charges - Fees and Commission	260	-	260	225	35	13%
Purchase of Computer	1,830	-	1,830	1,770	60	3%
Purchase of furniture & fittings	3,792	-	3,792	3,678	114	3%
Total Expenditure	245,050	-	251,295	238,007		
Surplus/Deficit for the Period				13,288		

Variance Explanations for the Recurrent Vote

Item	Performance difference	Percentage Difference	Variance Explanations
Group Life Insurance	92	21%	The secretariat negotiated for a lower premium with the service provider.
Training Expense	172	15%	The savings on this vote has been attributed to group trainings.
Maintenance of Buildings & Equipment	358	25%	The secretariat had planned to undertake office partitioning which stalled hence impacted this vote
Bank Charges - Fees and Commission	35	13%	This savings arose from fewer bank transactions than anticipated.

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Kenya Vision 2030 Delivery Secretariat was established through Gazette Notice 1386 dated 17th 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”.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public-Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the *entity’s* accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the entity.

The financial statements have been prepared in accordance with the PFM Act and the State Corporations Act and International Public-Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. ADOPTION OF NEW AND REVISED STANDARDS

i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2018

Standard	Impact
IPSAS 39: Employee Benefits	Applicable: 1st January 2018 The objective to issue IPSAS 39 was to create convergence to changes in IAS 19 Employee benefits. The IPSASB needed to create convergence of IPSAS 25 to the amendments done to IAS 19. The main objective is to ensure accurate information relating to pension liabilities arising from the defined benefit scheme by doing away with the corridor approach.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

The useful life of the intangible assets is assessed as either finite or indefinite.

e) Financial instruments

Financial assets

Initial recognition and measurement

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Entity determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

NOTES TO THE FINANCIAL STATEMENTS

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

b) Budget information

The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under page 7 of these financial statements.

b) Taxes

Sales tax

Expenses and assets are recognized net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of sales tax included

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

c) Property, plant and equipment

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 entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

The useful life of the intangible assets is assessed as either finite or indefinite.

e) Financial instruments

Financial assets

Initial recognition and measurement

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Entity determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (continued)

Impairment of financial assets

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Entity has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

The Entity assesses at each reporting date whether there is objective evidence that a financial asset or an entity of financial assets is impaired. A financial asset or a entity of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the entity of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Financial instruments (Continued)

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Entity determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

i) Provisions

Provisions are recognized when the Entity has a present obligation (legal or constructive) because of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Entity expects some or all a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

j) Contingent liabilities

The Entity does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

k) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Changes in accounting policies and estimates

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

j) Employee benefits

Retirement benefit plans

The Entity provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

k) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

l) Related parties

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 and comprise the directors, the director general and senior managers.

m) Cash and cash equivalents

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n) Comparative figures

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

o) Subsequent events

There have been no events after the financial year end with a significant impact on the financial statements for the year ended June 30, 2018.

5 SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Entity's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Entity based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Useful lives and residual values

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- The condition of the asset based on the assessment of experts employed by the Entity
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset
- Changes in the market in relation to the asset

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5 SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY
(Continued)

Provisions

Provisions were raised, and management determined an estimate based on the information available. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

6 TRANSFERS FROM GOVERNMENT

Name of the Entity sending the grant	Amount recognized to Statement of Comprehensive Income KShs	Amount deferred under deferred income KShs	Amount recognised in capital fund.	Total grant income during the year	2017-2018
				2017-2018	2016-2017
				KShs	KShs
National treasury	224,300,000	-	-	224,300,000	205,751,864
Total	224,300,000	-	-	224,300,000	205,751,864

7 PUBLIC CONTRIBUTIONS AND DONATIONS

Description	2017-2018 KShs	2016-2017 KShs
Ten-year Anniversary donations	23,640,809	-
Climate change Donations	1,448,824	2,145,265
Total transfers and sponsorships	25,089,633	2,145,265
Reconciliation of public contributions and donations		
Balance unspent at beginning of quarter	-	-
Current year receipts	25,089,633	2,145,265
Conditions met - transferred to revenue	(25,089,633)	(2,145,265)
Conditions to be met - remain liabilities	-	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8 FINANCE INCOME - EXTERNAL INVESTMENTS

Description	2017-2018 KShs	2016-2017 KShs
Interest income from fixed deposits	<u>1,860,329</u>	<u>1,614,103</u>

9 OTHER INCOME

Description	2017-2018 KShs	2016-2017 KShs
Income/(loss) from disposal of assets	<u>45,000</u>	<u>(179,538)</u>
Total other income	<u>45,000</u>	<u>(179,538)</u>

10 EMPLOYEE COSTS

Description	2017-2018 KShs	2016-2017 KShs
Salaries and wages	39,801,374	35,189,702
Employee related costs	14,216,282	16,120,098
Travel, motorcar, accommodation and other allowances	14,648,316	12,878,960
Housing benefits and allowances	9,596,000	9,986,495
Staff medical cover	7,138,829	7,144,593
Staff welfare	<u>5,301,887</u>	<u>4,572,014</u>
Employee costs	<u>90,702,688</u>	<u>85,891,862</u>

11 REMUNERATION OF DIRECTORS

Description	2017-2018 KShs	2016-2017 KShs
Directors emoluments	<u>5,681,789</u>	<u>6,081,635</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12 OPERATING EXPENSES

Description	2017-2018	2016-2017
	KShs	KShs
Communication, advertisement and awareness	45,659,478	35,858,830
Enabling fund for project	23,870,260	11,245,570
Workshop, conference and seminars	3,829,942	2,861,792
Professional services	2,357,624	3,252,496
Subscriptions	866,661	257,450
Total good and services	76,583,965	53,476,138

13 REPAIRS AND MAINTENANCE

Description	2017-2018	2016-2017
	KShs	KShs
Repairs and maintenance	7,454,478	7,010,080
Total	7,454,478	7,010,080

14 GENERAL EXPENSES

Description	2017-2018	2016-2017
	KShs	KShs
Audit fees	464,000	464,000
Insurance	114,903	108,355
Printing and stationery	4,331,069	2,523,352
Hire charges	264,400	57,020
Rental	16,644,144	17,777,852
Bank charges	225,029	190,910
Telecommunication	4,254,846	3,779,966
Training	937,640	1,208,800
Travelling	24,900,699	20,166,703
Total general expenses	52,136,730	46,276,958

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15 CASH AND CASH EQUIVALENTS

Description	2017-2018 KShs	2016-2017 KShs
Current account	62,272,722	46,198,034
Total cash and cash equivalents	62,272,722	46,198,034

(a). DETAILED ANALYSIS OF THE CASH AND CASH EQUIVALENTS

Financial institution	Account number	2017-2018 KShs	2016-2017 KShs
a) Current account			
Cooperative Bank of Kenya	011141161619200	48,768,554	46,198,034
Cooperative Bank of Kenya	1141161619201	13,504,168	-
Grand total		62,272,722	46,198,034

16 RECEIVABLES FROM EXCHANGE TRANSACTIONS

Description	2017-2018 KShs	2016-2017 KShs
Prepayments	2,942,774	2,929,104
Receivable	1,300,087	-
Deposits	2,047,297	2,047,500
Total current receivables	6,290,158	4,976,604

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17 PROPERTY, PLANT AND EQUIPMENT

	Equipment	Furniture & Fittings	Computers & Peripherals	Motor Vehicles	Total
Cost	Shs	Shs	Shs	Shs	Shs
As At 1 July 2016	7,002,272	22,589,285	10,723,782	18,331,425	58,646,764
Additions	393,000		617,080		1,010,080
Disposals			(434,482)		(434,482)
As At 30 June 2017	7,395,272	22,589,285	10,906,380	18,331,425	59,222,362
Additions		3,678,460	1,770,320		5,448,780
Disposals	-		(210,004)	-	(210,004)
As At 30 June 2018	7,395,272	26,267,745	12,466,696	18,331,425	64,461,138
Depreciation					
As At 30 June 2016	4,325,814	16,526,739	9,126,238	18,331,425	48,310,216
Depreciation	933,574	2,633,192	1,365,836		4,932,602
Disposals			(434,482)		(434,482)
As At 30 June 2017	5,259,388	19,159,931	10,057,593	18,331,425	52,808,336
Depreciation	860,256	3,039,874	1,233,200		5,133,330
Disposals			(210,004)	-	(210,004)
As At 30 June 2018	6,119,644	22,199,805	11,080,789	18,331,425	57,731,663
Net book values					
At 30 June 2018	1,275,628	4,067,940	1,385,907	-	6,729,475
At 30 June 2017	2,135,884	3,429,354	848,788		6,414,025

NOTES TO THE FINANCIAL STATEMENTS (Continued)

18 INTANGIBLE ASSETS-SOFTWARE

Description	2017- 2018 KShs	2016-2017 KShs
Cost		
At beginning of the year	13,796,310	13,796,310
Additions	-	-
At end of the year	<u>13,796,310</u>	<u>13,796,310</u>
Amortization and impairment		
At beginning of the year	12,868,563	10,761,593
Amortization	927,747	2,106,970
At end of the year	<u>13,796,310</u>	<u>12,868,563</u>
Net book values	<u>-</u>	<u>927,747</u>

19 TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Description	2017-2018 KShs	2016-2017 KShs
Trade payables	26,107,594	22,006,082
Other payables	200	-
Total trade and other payables	<u>26,107,794</u>	<u>22,006,082</u>

20 FINANCIAL RISK MANAGEMENT

The entity's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The company's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The company does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

The entity's financial risk management objectives and policies are detailed below:

(i) **Credit risk**

The entity has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

20 FINANCIAL RISK MANAGEMENT (Continued)

Management assesses the credit quality of each customer, considering its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the company's management based on prior experience and their assessment of the current economic environment.

(i) Credit risk (Continued)

The carrying amount of financial assets recorded in the financial statements representing the entity's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2018				
Receivables	4,990,071	4,990,071	-	-
Bank balances	<u>62,272,722</u>	<u>62,272,722</u>	<u>-</u>	<u>-</u>
Total	<u>67,262,793</u>	<u>67,262,793</u>	<u>-</u>	<u>-</u>
At 30 June 2017				
Receivables	6,290,158	6,290,158	-	-
Bank balances	<u>46,198,034</u>	<u>46,198,034</u>	<u>-</u>	<u>-</u>
Total	<u>52,488,192</u>	<u>52,488,192</u>	<u>-</u>	<u>-</u>

The board of directors sets the company's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

(ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the entity's directors, who have built an appropriate liquidity risk management framework for the management of the entity's short, medium and long-term funding and liquidity management requirements. The entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

The table below represents cash flows payable by the company under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

20. FINANCIAL RISK MANAGEMENT (Continued)

(ii) Liquidity risk management (Continued)

	Less than 1 month Ksh	Between 1-3 months Ksh	Total Ksh
At 30 June 2018			
Trade payables	635,000	2,348,431	2,983,431
At 30 June 2017			
Trade payables	19,657,651	2,348,431	22,006,082

(iii) Market risk

The board has put in place an internal audit function to assist it in assessing the risk faced by the entity on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

The company's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day to day implementation of those policies.

There has been no change to the entity's exposure to market risks or the manner in which it manages and measures the risk.

a) Foreign currency risk

The entity has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

20 FINANCIAL RISK MANAGEMENT (Continued)

(iii) Market risk (Continued)

b) Interest rate risk

Interest rate risk is the risk that the entity's financial condition may be adversely affected because of changes in interest rate levels. The company's interest rate risk arises from bank deposits. This exposes the company to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the company's deposits.

Management of interest rate risk

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates.

21 RELATED PARTY BALANCES

Nature of related party relationships

Entities and other parties related to the entity include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates and close family members.

Government of Kenya

The Government of Kenya is the principal shareholder of the *entity*, holding 100% of the *entity's* equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the entity, both domestic and external. Other related parties include:

- i) The National Government;
- ii) The Parent Ministry;

NOTES TO THE FINANCIAL STATEMENTS (Continued)

21 RELATED PARTY BALANCES (Continued)

- iii) Key management;
- iv) Board of directors;

Transactions with related parties	2018 Ksh	2017 Ksh
a) Grants from the Government		
Grants from National Govt	224,300,000	205,751,864
Donations in kind	<u>25,089,633</u>	<u>2,145,265</u>
Total	<u><u>249,389,633</u></u>	<u><u>207,897,129</u></u>
b) Key management compensation		
Directors' emoluments	<u>5,681,789</u>	<u>6,081,635</u>
Total	<u><u>5,681,789</u></u>	<u><u>6,081,635</u></u>

22 EVENTS AFTER THE REPORTING PERIOD

There were no material adjusting and non- adjusting events after the reporting period.

23 ULTIMATE AND HOLDING ENTITY

The entity is a Semi- Autonomous Government Agency under the Presidency. Its ultimate parent is the Government of Kenya.

24 CURRENCY

The financial statements are presented in Kenya Shillings (Ksh).

APPENDIX I: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

No issues were raised by the external auditor in the financial year ended 2016 - 2017.

APPENDIX II: INTER-ENTITY TRANSFERS

ENTITY NAME:			
Break down of Transfers from the State Department of National Treasury			
FY 17/18			
a. Recurrent Grants			
	<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
National Treasury	8/28/2017	26,000,000	2017-2018
	8/28/2017	25,575,000	2017-2018
	11/01/2017	51,575,000	2017-2018
	1/19/2018	51,575,000	2017-2018
	4/20/2018	51,575,000	2017-2018
	6/28/2018	18,000,000	2017-2018
	Total	224,300,000	
b. Donor Receipts			
	<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
	09/08/2017	1,126	2017-2018
	10/10/2017	49,350	2017-2018
	11/04/2017	667,695	2017-2018
	12/21/2017	98,553	2017-2018
	04/06/2018	575,000	2017-2018
	04/09/2018	500,000	2017-2018
	04/20/2018	500,000	2017-2018
	04/26/2018	5,000,000	2017-2018
	05/18/2018	3,632,045	2017-2018
	06/08/2018	1,565,864	2017-2018
	06/13/2018	500,000	2017-2018
	06/25/2018	10,000,000	2017-2018
	06/29/2018	2,000,000	2017-2018
	Total	25,089,633	

The above amounts have been communicated to and reconciled with the Parent Ministry

Ag. Finance Manager
Kenya Vision 2030 Delivery Secretariat

Head of Accounting Unit
The National Treasury

Signature 

Signature