

REPUBLIC OF KENYA



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**REPORT OF
THE
AUDITOR-GENERAL**

Volume 7

KENYA NATIONAL AUDIT OFFICE

ON

**THE FINANCIAL STATEMENTS
OF KENYA VISION 2030 DELIVERY
SECRETARIAT FOR THE YEAR
ENDED 30 JUNE 2013**



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KENYA NATIONAL AUDIT OFFICE

REPORT OF THE AUDITOR-GENERAL ON KENYA VISION 2030 DELIVERY SECRETARIAT FOR THE YEAR ENDED 30 JUNE 2013

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Kenya Vision 2030 Delivery Secretariat set out on pages 19 to 32, which comprise the statement of financial position as at 30 June 2013, and the statement of comprehensive income, statement of changes in equity and statement of cash flows 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 14 of the Public Audit Act, 2003. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor-General's Responsibility

My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with provisions of Section 15 of the Public Audit Act, 2003. The audit was conducted in accordance with International Standards on Auditing. Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable

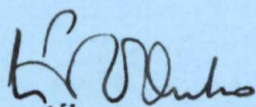
assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Secretariat as at 30 June 2013 and of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards and comply with the Kenya Gazette Notice No.1386 dated 17 February, 2009.



Edward R. O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

17 February 2014



KENYA
VISION 2030
TOWARDS A GLOBALLY COMPETITIVE
AND PROSPEROUS NATION

KENYA VISION 2030 DELIVERY SECRETARIAT

ANNUAL REPORT AND FINANCIAL STATEMENTS

30TH JUNE 2013

ANNUAL REPORT AND FINANCIAL STATEMENTS

30TH JUNE 2013

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SECRETARIAT INFORMATION

BACKGROUND

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

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

The function of the secretariat is to:-

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

AUDITORS

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

BANKERS

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

HEAD OFFICE

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

BOARD OF DIRECTORS

NO	NAME	NATIONALITY	POSITION	PLACE OF WORK	DATE OF APPOINTMENT	MEETING ATTENDANCE
1	Dr. James Mwangi, CBS	Kenyan	Chairman	Chairman, Vision 2030 Delivery Board	20 th July, 2013	100%
2	Mr. Francis T. Kimemia, EGH	Kenyan	Member	Secretary to the Cabinet	January 2012	0%
3	Mr. Joseph K. Kinyua, CBS	Kenyan	Member	PS Ministry of Finance	17 th February 2009 to 27 th June, 2013	0%
4	Dr. Edward Sambili, CBS	Kenyan	Member	PS Ministry of State for Planning, National Development & Vision 2030	17 th February 2009 to 27 th June, 2013	80%
5	Dr. Mohammed Isahakia, CBS	Kenyan	Member	PS Office of the Prime Minister	17 th February 2009 to 27 th June, 2013	0%
6	Ms. Dorothy N. Angote, CBS	Kenyan	Member	PS, Ministry of Lands	16 th February , 2012 to 27 th June, 2013	60%
7	Dr (Eng) Cyrus Njiru, CBS	Kenyan	Member	PS Ministry of Transport	17 th February 2009 to 27 th June, 2013	60%
8	Prof. Karega Mutahi, CBS	Kenyan	Member	PS Ministry of Local Government	17 th February 2009 to 27 th June, 2013	20%
9	Mr. Thuita Mwangi, CBS	Kenyan	Member	PS, Ministry of Foreign Affairs	17 th February 2009 to 27 th June, 2013	40%
10	Eng. M.S.M. Kamau, CBS	Kenyan	Member	PS Ministry of Roads	17 th February 2009 to 27 th June, 2013	20%
11	Eng. Abdulrazaq Adan Ali, CBS	Kenyan	Member	PS Ministry of Trade	17 th February 2009 to 27 th June, 2013	40%
12	Eng. David Stower, CBS	Kenyan	Member	PS Ministry of Water & Irrigation	17 th February 2009 to 27 th June, 2013	40%
13	Dr. Bitange Ndemo, CBS	Kenyan	Member	PS Ministry of Information & Communications	17 th February 2009 to 27 th June, 2013	60%
14	Mr. Patrick M. Nyoike, CBS	Kenyan	Member	PS Ministry of Energy	17 th February 2009 to 27 th June, 2013	60%
15	Ms. Leah A. Gwiyo, CBS	Kenyan	Member	PS Ministry of Tourism	17 th February 2009 to 27 th June, 2013	20%
16	Dr. Romano Kiome, CBS	Kenyan	Member	PS Ministry of Agriculture	17 th February 2009 to 27 th June, 2013	0%
17	Dr. Eng. Karanja Kibicho, CBS	Kenyan	Member	PS Ministry of Industrialization	17 th February 2009	80%
18	Mr. Mark Bor, CBS	Kenyan	Member	PS Ministry of Public Health & Sanitation	17 th February 2009 to 27 th June, 2013	40%
19	Mr. James M . Waweru, EBS	Kenyan	Member	PS Ministry of Youth Affairs and Sports	17 th February 2009 to 27 th June, 2013	20%
20	Prof. Crispus M. Kiamba, MBS, CBS	Kenyan	Member	PS Ministry of Higher Education, Science & Technology	17 th February 2009 to 27 th June, 2013	0%
21	Ms. Njoki Kahiga, OGW	Kenyan	Member	Ag. Permanent Secretary,	9 th January, 2013 to	0%

				Ministry of State for Public Service	9 th July, 2013	
22	Mr. Titus Ndambuki, CBS	Kenyan	Member	PS – Public Service	17 th February 2009 to 9 th January, 2013	20%
23	Mr. Gichira Kibara, CBS	Kenyan	Member	PS – Ministry of Justice, National Cohesion	16 th February 2012 to 27 th June, 2013	0%
24	Amb. Ruth S. Solittei, CBS	Kenyan	Member	PS, Ministry of Tourism	17 th February 2009 to 27 th June, 2013	40%
25	Prof. Jacqueline Oduol, CBS	Kenyan	Member	PS, Ministry of Gender, Children & Social Development	16 th February 2012 to 27 th June, 2013	0%
26	Prof. George I. Godia, CBS	Kenyan	Member	PS, Ministry of Education	16 th February 2012 to 27 th June, 2013	20%
27	Mr. Tirop Kosgey, CBS	Kenyan	Member	PS, Ministry of Housing	16 th February 2012 to 27 th June, 2013	80%
28	Amb. Franklin Esipila	Kenyan	Member	Ag. PS, Ministry of Gender, Children & Social Development	17 th February 2009 to 16 th February, 2012	40%
29	Ms. Mary W, Ngari, CBS	Kenyan	Member	PS, Medical Services	16 th February 2012 to 27 th June, 2013	0%
30	Mr. Mwalimu Musee,	Kenyan	Member	Ag. Managing Director – KenInvest	17 th February 2009 to 13 th February, 2013	20%
31	Dr. Moses Ikiara, MBS	Kenyan	Member	Managing Director Kenya Investment Authority	13 th February, 2013	40%
32	Prof. Njuguna Ndungu,	Kenyan	Member	Governor Central Bank of Kenya	17 th February 2009	20%
33	Mr. Paul Muthaura,	Kenyan	Member	Ag. Managing Director Capital Markets Authority	1 st June, 2012	40%
34	Dr. Julius M. Muia, EBS	Kenyan	Member	Secretary National Economic Social Council	17 th February 2009	80%
35	Prof. Agnes Wakesho Mwangombe	Kenyan	Member	College of Agriculture & Veterinary Sciences	24 th August, 2012	80%
36	Ms. Lydia Koros	Kenyan	Member	Co-founder & MD, Progression/Africa	24 th August, 2012	100%
37	Mr. John Musunga	Kenyan	Member	CEO, Glaxo Smithkline Ltd..	24 th August, 2012	80%
38	Mr. Abdi Mohamed Ahmed	Kenyan	Member	Titan House, 2 nd Flr	24 th August, 2012	80%
39	Dr. L.K. Sangale	Kenyan	Member	The Aga Khan Hospital, 3 rd floor, room 320	24 th August, 2012	100%
40	Mr. Louis Otieno	Kenyan	Member	GM, East & South Africa, Microsoft Corporation	24 th August, 2012	80%
41	Mr. Bob Collymore	British	Member	Chief Executive Safaricom Ltd, Westlands	24 th August, 2012	80%
42	Mr. Stephen Kirogo, EBS	Kenyan	Alternate to HOPs	Principal Administrative Secretary, OP	31 st January, 2013	0%
43	Mr. Vincent Rague,	Kenyan	Alternate to Mr. Joseph Kinyua	Senior Financial Adviser Ministry of Finance	17 th February 2009	80%

44.	Dr (Mrs) Rachel Gesami, MBS	Kenyan	Alternate to Dr. Mohamed Isahakia	Secretary, Policy Coordination Office of the Prime Minister	17th February 2009	80%
45.	Mr. Samuel M. Mwale, CBS	Kenyan	Alternate to HOPs	Principle Administrative Secretary/Assistant Secretary to the Cabinet	17th February 2009 to 31 st January, 2013	20%
46.	Mr. Mugo Kibati, MBS	Kenyan	Secretary	Vision 2030 Delivery Secretariat	17th February 2009	100%

OP – Office of the President; HOPs – Head of Public Service; PS – Permanent Secretary; MD – Managing Director; CEO – Chief Executive Officer; GM – General Manager

NB: During the year the Board held a total of five (5) meetings

BOARD COMMITTEES

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

The Board Ad Hoc Committee/ Finance and Administration Committee	The Board Communications Committee
Composition	Composition
5 Board Members and the Director General	5 Board Members and the Director General
Main Function	Main Function
To consider and approve operational matters (Finance and Human Resources) of Vision 2030 Delivery Secretariat.	To consider and approve Strategy and Integrated Communication & Marketing matters of Vision 2030 Delivery Secretariat.
Frequency of meetings per annum	Frequency of meetings per annum
Quarterly or on need basis	Quarterly or on need basis
Chairman	Chairman
Mr. Titus Ndambuki, CBS – up to 9 th January 2013 Ms. Njoki Kahiga – From 9 th January 2013 up to 9 th July 2013	Dr. Bitange Ndemo, CBS
Members	Members
Dr. Edward Sambili, CBS, Prof. Crispus M. Kiamba, MBS, CBS, Dr. Julius M. Muia, EBS, Dr. L.K. Sangale, Mr. Mugo Kibati, MBS.	Dr. Edward Sambili, CBS, Prof. Peter Wanyande, Mr. Abdi Mohamed Ahmed, Dr. L.K. Sangale, Mr. Mugo Kibati, MBS.

SECRETARIAT MANAGEMENT

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

Mr. Mugo Kibati	-	Director General
Dr. Gituro Wainaina	-	Director Social and Political Pillar
Dr. Mohammed Omar	-	Director Economic Pillar
Mr. Nicholas K Mwilu	-	Assistant Director/Finance & Administration
Mr. John Kariuki	-	Assistant Director Economic Pillar
Ms. Grace Wandera	-	Ag. Director Communication and Strategy
Mr. Jonathan Lodompui	-	Ag. Director Enablers and Macro
Mrs. Ada Mwangola	-	Assistant Director Social Pillar
Mrs. Rinah Ondego-Akoto	-	Executive Officer

CORPORATE GOVERNANCE STATEMENT

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

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

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

CHAIRMAN'S STATEMENT

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

The financial year 2012/2013 mark the third year of operationalization of Vision 2030 Delivery Secretariat (VDS) and it is with great pleasure that I present the annual report and financial statements of the Secretariat for the financial year ending 30th June 2013. This report outlines the financial performance of VDS during the financial year 2012/2013.

The Vision 2030 Delivery Board through VDS has been working closely in collaboration with government ministries and departments as well as the private sector, civil society and other relevant stakeholder groups in order to deliver Vision 2030. All government ministries, departments and agencies have aligned their strategic plans to vision 2030 which is the national development plan. The strategy to deliver faster annual growth is being executed through concrete flagship projects across the priority sectors in the macro and enablers and all the three pillars of the Vision. The flagship projects are large-scale initiatives aimed at transforming the entire nation into a globally competitive and industrializing country by 2030.

The Vision 2030 Blueprint has within the last five years since its launch in 2008 as a national economic development strategy managed to enjoy a most natural evolution. During the 2012/2013 financial year, the Vision 2030 Blueprint was transformed from a government strategy document to a national economic, social and political development policy by 9th Parliament.

The life span of the First Medium Term Plan (2008-2012) came to an end and the process of developing the Second Medium Term Plan (2013-2018) got underway with Sector Working Groups and County Consultations. The first draft was ready in March 2013; the new regime has had the opportunity to validate the Second Medium Term Plan (MTP) and the final draft will be launched in September 2013.

During the financial year 2012/2013, the Board and Management of VDS developed strategic plan which enabled the Board and the Secretariat for the first time to enter into a performance contract with the Government of the Republic of Kenya through its Ministry of State for Planning, National Development and Vision 2030. The performance of the Board and the Secretariat will be monitored and evaluated among other government agencies and ranked accordingly.

I look forward to achieving some big milestones over the coming years, and to giving real hope to the people of this great country. Together we will achieve Vision 2030.

Thank you and God bless you

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