

REPUBLIC OF KENYA

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OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

DATE: 18 APR 2023

TUESDAY

TABLED
BY:

Hon. Owen Bayo, MP

OF

Deputy Leader, Majority

CLERK AT
THE TABLE:

Ann Shubuko

THE AUDITOR-GENERAL

ON

REVENUE STATEMENTS

FOR THE YEAR ENDED

30 JUNE, 2022

THE JUDICIARY



THE JUDICIARY

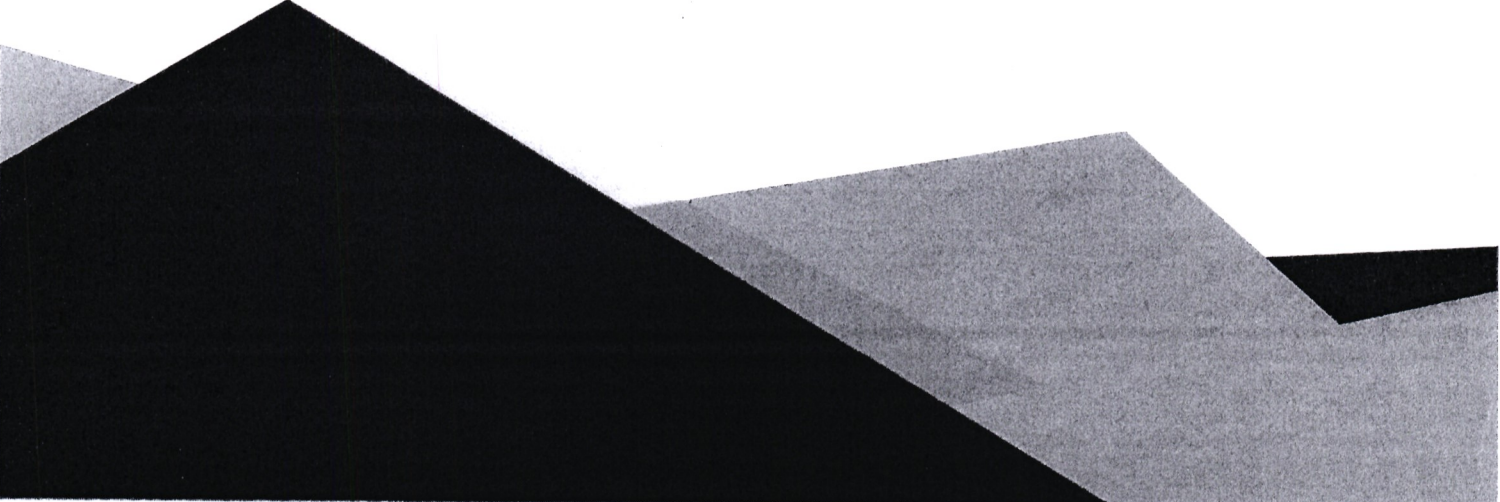


REVENUE STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30 JUNE 2022

Prepared in accordance with the Cash Basis of Accounting Methods under the International Public Sector Accounting Standards (IPSAS)



THE JUDICIARY
REVENUE STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

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THE JUDICIARY
REVENUE STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

I. KEY INFORMATION AND MANAGEMENT

The Judiciary is one of the three organs of state under the Leadership of the Chief Justice. The principal activity/mission of the Judiciary is to deliver justice fairly, impartially and expeditiously, promote equal access to justice and advance local jurisprudence by upholding the rule of law.

i. Background information

The Chief Registrar of the Judiciary (CRJ) is the Accounting Officer of the Judiciary and is responsible for its general administration. The CRJ is the appointed Receiver of Revenue for the year under review. Under sec. 76(1) of the Public Finance Management (PFM) Act, 2012 the CRJ is authorized to appoint collectors of revenue.

ii. Principal activities

The principal activity of the Judiciary is to deliver justice, promote equal access to justice and advance local jurisprudence by upholding the rule of law. In the process of undertaking this mandate the Judiciary levies and collects revenues for services provided. Court fines are penalties imposed by the courts. Sec. 76 (3) of the PFM Act requires the Receiver of Revenue to submit monthly statements to the National Treasury and to the Commission on Revenue Allocation

iii. Key Management.

The following organs and offices are responsible for leadership, policy formulation and implementation in the Judiciary;

- The Chief Justice is the Chair of the Judicial Service Commission;
- Judicial Service Commission provides oversight over the Judiciary;
- The Chief Registrar of the Judiciary is the Receiver of Revenue;

**THE JUDICIARY
REVENUE STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

The Judiciary management who served during the year and up to the date of this report are:

No	Designation	Name
1.	The Hon. Chief Justice and President of the Supreme Court of Kenya, and Chairperson of: <ul style="list-style-type: none"> • The Judicial Service Commission, • National Council of Law Reporting • National Council on Administration of Justice 	Hon. Lady Justice Martha Karambu Koome, EGH
2.	Chief Registrar of the Judiciary	Hon. Anne A. Amadi, CBS
3.	Ag. Director of Finance	F CPA Susan Oyatsi
4.	Accounts Controller	CPA Wycliffe Wanga
5.	Director Supply Chain Management	Mr. Jeremiah Nthusi
6.	Director Human Resources Management & Administration	Dr. Elizabeth Kalei
7.	Director Planning & Organisation Performance	Dr. Paul Kimalu
8.	Director Audit and Risk Management	CPA Ronald Wanyama
9.	Deputy Director Public Affairs & Communication	Ms. Catherine Wambui
10.	Deputy Director, Building Services Unit	Architect Maxwell Suero
11.	Ag. Director ICT	Mr. Stephen Ikileng
12.	Registrar, Supreme Court	Hon. Esther Nyaiyaki – Upto January 2022 Hon. Letizia Wachira – From January 2022
13.	Registrar, Court of Appeal	Hon. Moses Serem
14.	Registrar, High Court	Hon. Judith Omange
15.	Registrar, Employment & Labour Relations Court	Hon. Kennedy Kandet
16.	Registrar, Environment and Land Court	Hon. Rose Makungu
17.	Registrar, Magistrate Court	Hon. Peter Mulwa
18.	Registrar, Tribunals	Hon. Anne Asugah
19.	Registrar, Small Claims Court	Hon. Stella Kanyiri

**THE JUDICIARY
REVENUE STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

iv. The Headquarters

Supreme Court Building
P.O. Box 30041-00100
City Hall Way
NAIROBI, KENYA

v. The Contacts

Telephone: (254) 20-2221221
E-mail: servicedesk@court.go.ke/info@judiciary.go.ke
Website: www.judiciary.go.ke

vi. Independent Auditors

Office of the Auditor General
Anniversary Towers, University Way
P. O. Box 30084
GPO 00100
NAIROBI, KENYA

vii. Principal Legal Adviser

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

viii. Bankers

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

Kenya Commercial Bank Limited,
Kencom House,
Moi Avenue,
P.O Box 48400 - 00100
NAIROBI, KENYA

THE JUDICIARY
REVENUE STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

II. RECEIVER OF REVENUE

The Chief Registrar of the Judiciary is an appointed Receiver of Revenue (ROR) with the designation to receive revenue collected by the Judiciary. This appointment is done by the Cabinet Secretary, National Treasury on behalf of the Government of Kenya in accordance with the powers conferred on the Cabinet Secretary by Section 75 of the Public Finance Management (PFM) Act, 2012 and pursuant to Article 209(1) (2) and (4) of the Constitution of Kenya.

To achieve the above mandate, and in line with Section 76 (1) of the PFM Act, the Chief Registrar of the Judiciary appoints the Heads of Court Stations to be Collectors of Revenue at the court stations. On a monthly basis, the Heads of Stations collect and remit all revenues levied at their respective court stations to the Chief Registrar.

The funds collected are thereafter transferred to the exchequer Central Bank Account.

Court revenues consist of fees, fines, penalties, forfeitures and other charges including revenue from disposal of stores. Other revenue categories include interest earned on court deposit accounts and rents from leasing of government property.

Court fines are penalties imposed by Judicial Officers upon determination of court cases. Fines also arise from forfeiture of legal deposits due to non-adherence to bail and bond terms/conditions.

Court fees collected from users of court services include: application fees, cost of orders, service fees and fees related to exhibits, affidavits, copies among other services, sale of tender documents, exhibits, revenue from rent of government property, interest income on deposits among other sources.

a) **Revenue Estimates from The National Treasury**

The Cabinet Secretary, National Treasury allocates an annual revenue estimate to the Chief Registrar as the receiver of revenue for the Judiciary.

**THE JUDICIARY
REVENUE STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

Table 1.1 shows the revenue estimates by the Cabinet Secretary, National Treasury for the reporting year

Table 1.1: Revenue Estimates by the Cabinet Secretary, National Treasury

Code	Details	FY2021/2022 KShs '000
1430001	Fines, Penalties & Forfeiture and other	1,247,146
1422039	Sale of goods and Fees for services	958,059
TOTAL		2,205,205

b) Judiciary Revenue Collection

The Judiciary collected a total of KShs 2.65 Billion for the Financial Year 2021/22 from four key sources as outlined in the table 1.2 below.

Table 1.2: Revenue Collection for FY2021/2022

Fines	Fees	Interest on deposit	Other Income (Rent, payroll commissions and sundry revenue)	Total
KShs'000	KShs'000	KShs'000	KShs'000	KShs'000
1,460,387	1,030,670	139,003	18,156	2,648,216

Figure 1.1 illustrates revenue collected during the reporting period from the four categories of revenue in Judiciary.

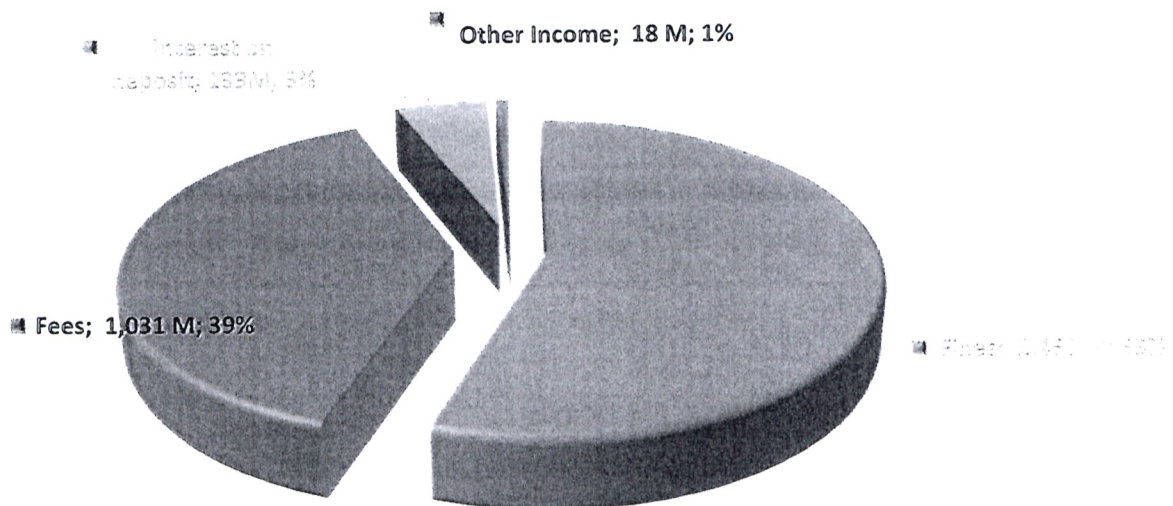


Figure 1.1: Revenue composition for FY2021/22

**THE JUDICIARY
REVENUE STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

The court fines were the major revenue component for the Judiciary revenue at KShs 1.46 billion equivalent to 55%. Fees collected amounted to KShs 1.03 billion, equivalent to 39% while other income from interest on court deposits amounted to KShs 139 million equivalent to 5% of the total revenue. Interest on deposits accrues on bank account balances with more than KShs 10 million at the rate of 4% per annum. Commission, rent from property and miscellaneous income amounted to KShs 18 million being 1% of the total revenue.

c) Revenue trends

There has been a progressive increase in revenue collected over the past three financial years. The revenue has grown from KShs 2.27 billion in FY 2019/2020 to KShs 2.64 billion in FY 2021/2022 being a KShs 376 million increase equivalent to 17% growth. The growth from FY2019/2020 to FY 2020/2021 was KShs 159 million while from FY2020/2021 to FY 2021/2022 was KShs 217 million equivalent to 7% and 9% growth respectively. This is illustrated in Table 1.3:

Table 1.3: Revenue collections trends for the last three Financial Years

	FY 2019/20	FY 2020/21	FY 2021/22
	KShs' M	KShs' M	KShs' M
Fines	1,263.81	1,258.76	1,460.39
Fees	932.07	1,065.11	1,030.67
Interest on Deposit	62.45	92.38	139.00
Other Income	12.87	14.39	18.15
Total	2,271.20	2,430.64	2,648.21

This increase in revenue collection was attributed to use of technology in case management and revenue collection. The use of online case registration and a cashless payment platform eliminated opportunities for revenue loss. There has been a progressive use of virtual courts and e-filing that enabled more cases to be registered. These coupled with the use electronic fees assessment led to progressive increase in revenue collection. The cases filed increased steadily in the past three financial years from 337,510 in FY2019/20, 356,997 in FY2020/21 and 404,312 cases in FY2021/22. Figure 6.8 shows the revenue trends in the past three financial years. Figure 1.2 shows the revenue trends in the past three financial years.

**THE JUDICIARY
REVENUE STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

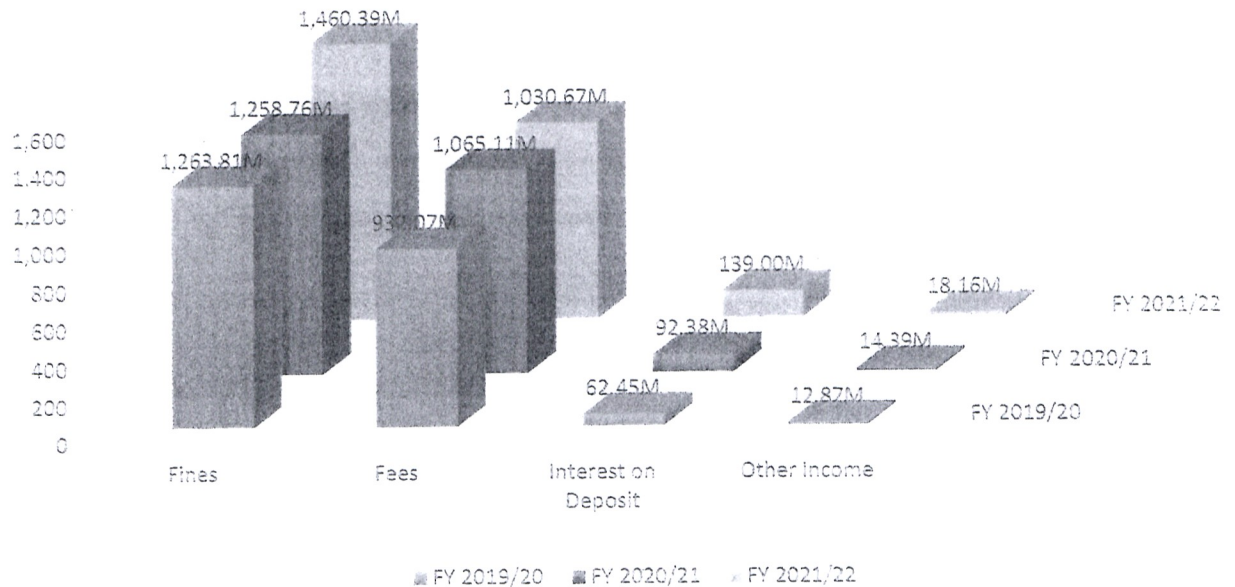


Figure 1.2: Revenue composition and Trends for FY2019/2020 - FY2021/22

Figure 1.2 shows an overall steady rise in revenue collections from the different categories. Court fines had a marginal drop during the COVID Pandemic period in FY 2020/21 to KSh1.25 billion from KSh1.26 billion in FY2019/20 due to scaled down operations during the pandemic period. Fines however, increased to KSh1.4 billion in FY 2021/22 upon easing of containment measures and continued use of electronic case management and fines collections. Court fees increased has shown a general increase from KShs932 million in FY2019/20 to KShs 1.03 billion in FY2021/22. However, the fees for FY2021/22 was KSh35 million below the fees for FY2020/21 due to continued implementation of waiver of fees for commercial matters with a value of KSh1 million and below. Interest on deposits increased form KSh62.45 million in FY2019/20 to KSh92.38 million in line with increase in deposits held. However, despite reduction in deposits held at close of FY2021/22 the interest on deposit increased to KSh139 million due to enhancement of interest rate from 2% to 4% effective September 2021. There was marginal but steady increase in other income revenue streams over the review period in line with level of court activities.

**THE JUDICIARY
REVENUE STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

III. STATEMENT OF RECEIVER OF REVENUE'S RESPONSIBILITIES

Section 82 (1) of the PFM Act, 2012 requires that, at the end of each financial year, a Receiver of Revenue shall prepare an account of the revenue received and collected by that receiver during that financial year.

The Chief Registrar is responsible for the preparation and presentation of the annual revenue statements, which gives a true and fair view of the state of affairs at the end of the financial year.

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 Judiciary;
- v. Selecting and applying appropriate accounting policies; and
- vi. Making accounting estimates that are reasonable in the circumstances.

The Chief Registrar of the Judiciary accepts responsibility for the Judiciary's revenue statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS) and relevant legal framework of the Government of Kenya.

The Chief Registrar of the Judiciary is of the opinion that the Judiciary's Revenue Statements give a true and fair view of the revenue transactions during the financial year ended 30th June 2022, and of the arrears of revenue as at that date. The Chief Registrar of the Judiciary further confirms the completeness of the accounting records maintained for the revenue, which have been relied upon in the preparation of the Revenue Statements as well as the adequacy of the systems of internal financial control.

**THE JUDICIARY
REVENUE STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

The Chief Registrar confirms that the Judiciary has complied fully with applicable Government Regulations, and that the revenue received during the year under audit were transferred to the exchequer account and properly accounted for. Further, the Chief Registrar confirms that the revenue statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the Revenue Statements

The revenue statements were approved and signed by the Chief Registrar of the Judiciary on the 20th September 2022.



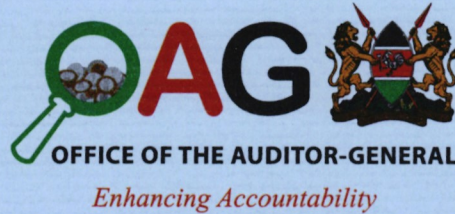
Anne A. Amadi, CBS
Chief Registrar of the Judiciary



Wycliffe Wanga - ICPAK No: 3209
Accounts Controller

REPUBLIC OF KENYA

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON REVENUE STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2022 - THE JUDICIARY

PREAMBLE

I draw your attention to the contents of my report which is in three parts:

- A. Report on the Revenue Statements that considers whether the revenue statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the Revenue Statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment, and the internal controls developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report, when read together constitute the report of the Auditor-General.

REPORT ON THE REVENUE STATEMENTS

Opinion

I have audited the accompanying revenue statements of The Judiciary set out on pages 12 to 20(ii), which comprise the statement of financial assets and liabilities and statement

of arrears of revenue as at 30 June, 2022, and the statement of receipts and disbursements for the year then ended, and a summary of significant accounting policies, notes to the revenue statements and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the revenue statements present fairly, in all material respects, the financial position of the revenue of The Judiciary as at 30 June, 2022, and of its revenue performance for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of The Judiciary Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with ISSAIs and in accordance with other ethical requirements applicable to performing audits of revenue statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key Audit Matters are those matters that, in my professional judgment, are of most significance in the audit of the revenue statements. There were no key audit matters to report in the year under review.

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, I confirm that nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

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 revenue 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, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether processes and systems of internal controls, risk management and governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these revenue statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of revenue statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

In preparing the revenue statements, Management is responsible for assessing The Judiciary's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate The Judiciary or to cease operations.

Management is also responsible for the submission of the revenue 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 revenue statements described above, Management is also responsible for ensuring that the activities, transactions and information reflected in the revenue statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing The Judiciary's reporting process, reviewing the effectiveness of how Management 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 Revenue 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 revenue statements.

In addition to the audit of the revenue statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the revenue statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, 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.

Further, in planning and performing the audit of the revenue statements and audit 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 Revenue 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 revenue 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.

- 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 applicable 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 Judiciary's ability to continue 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 revenue 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 Judiciary to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the revenue statements, including the disclosures, and whether the revenue 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 Judiciary to express an opinion on the revenue 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 concurred and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

05 January, 2023

THE JUDICIARY
REVENUE STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

V. STATEMENT OF RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDED 30 JUNE 2022.

	Note	FY2021-2022	FY2020-2021
		KShs	KShs
NON TAX REVENUES			
Fees on use of Goods/Services	1	1,030,669,690	1,064,820,563
Fines, Penalties and Forfeitures	2	1,433,357,117	1,242,939,211
Property Income	3	4,114,652	521,640
Other Receipts not classified elsewhere	4	<u>153,044,746</u>	<u>106,250,681</u>
TOTAL NON-TAX RECEIPTS		2,621,186,205	2,414,532,095
DISBURSEMENTS TO EXCHEQUER ACCOUNT		(2,411,035,481)	(1,938,500,267)
BALANCE DUE FOR DISBURSEMENT		<u>210,150,724</u>	<u>476,031,828</u>

The accounting policies and explanatory notes to these Revenue Statements form an integral part of the revenue statements. These revenue statements were approved on 20th September 2022 and signed by:



Anne A. Amadi, CBS
Chief Registrar of the Judiciary




Wycliffe Wanga - ICPAK No: 3209
Accounts Controller

THE JUDICIARY
REVENUE STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022


VI. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES AS AT 30 JUNE 2022.

	Note	FY2021-2022	FY2020-2021
		KShs	KShs
FINANCIAL ASSETS			
Cash And Cash Equivalent	5	<u>210,150,724</u>	<u>476,031,828</u>
TOTAL FINANCIAL ASSETS		<u>210,150,724</u>	<u>476,031,828</u>
FINANCIAL LIABILITIES			
Due to Exchequer	6	<u>210,150,724</u>	<u>476,031,828</u>
BALANCE DUE FOR DISBURSEMENT		<u>210,150,724</u>	<u>476,031,828</u>

The accounting policies and explanatory notes to these revenue statements form an integral part of the revenue statements. These revenue statements were approved on 20th September, 2022 and signed by:



Anne A. Amadi, CBS
Chief Registrar of the Judiciary



Wycliffe Wanga - ICPAK No: 3209
Accounts Controller

THE JUDICIARY
REVENUE STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

VII. STATEMENT OF ARREARS OF REVENUE AS AT 30 JUNE 2022

Classification of Revenue	Accumulated amount in arrears from prior periods to June 2022 (a)	Amount in arrears for the immediate previous period to June 2022 (b)	Amount in arrears for the current period to June 2022 (c)	Total arrears as at June 2022 (a+b+c)	Measures taken to recover the arrears	Assessment to the recoverability of arrears
Non Tax Revenues						
Fees on use of goods and services	-	-	-	-	N/A	N/A
Fines, penalties and forfeitures	-	-	-	-	N/A	N/A
	-	-	-	-		
Total Arrears	-	-	-	-		



Wycliffe Wanga - ICPAK No: 3209
Accounts Controller



Anne A. Amadi, CBS
Chief Registrar of the Judiciary

VIII. SIGNIFICANT ACCOUNTING POLICIES

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

a) Statement of Compliance and Basis of Preparation

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

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the Judiciary. The accounting policies adopted have been consistently applied to all the years presented.

The revenue statements have been prepared on the cash basis following the Government's standard chart of accounts. The cash basis of accounting recognises transactions and events only when cash is received or paid by the Judiciary.

b) Recognition of Revenue

The Judiciary recognises all revenues from the various sources when the event occurs and the related cash has actually been receipted by the Judiciary.

c) Budget

The budget is developed on the same accounting basis (cash basis), and for the same period as the revenue statements. The revenue budget was approved as required by Law and as detailed in the Government of Kenya Budget Printed Estimates. A high-level assessment of the revenue's actual performance against the comparable budget for the financial year under review has been included in these revenue statements. The budget is allocated by the National Treasury and allocated to the Chief Registrar of the Judiciary for collection. The Judiciary is not part of revenue collection budget process making.

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d) 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.

e) Revenue in Arrears

This relates to revenue earned and is yet to be received or collected by the receiver of revenue. There were no revenue arrears to be disclosed under the statement of arrears as required under the PFM Act, 2012.

f) Disbursement to the Exchequer

The Judiciary has a monthly arrangement for transfer of funds from its bank account to the Exchequer account. Total disbursements to the exchequer are as a result of the sweeping arrangement during the year.

g) Comparative Figures

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

h) Subsequent Events

There has been no event subsequent to the period end with a significant impact on the revenue statements for the period ended 30 June, 2022.

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1. FEES ON USE OF GOODS/SERVICES

	Original Estimates	Revised Estimates	Actual	% Realized
	KShs	KShs	KShs	
Fees on use of goods/Services	958,059,405	958,059,405	1,030,669,690	108%
Balance brought forward			189,522,531	
Transfer to Exchequer Account			(1,131,783,547)	
*Balance carried forward		-	<u>88,408,674</u>	

2. FINES, PENALTIES AND FORFEITURES

Court imposed Fines, Penalties and Forfeitures and other Charges	1,247,145,722	1,247,145,722	1,460,386,635	117%
Reinstated Fines	=	=	(27,029,519)	
Total			1,433,357,116	
Balance brought forward			249,988,268	
Transfer to Exchequer Account.			(1,571,632,624)	
Balance carried forward			<u>111,712,760</u>	

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3. PROPERTY INCOME

	Original Estimates	Revised Estimates	Actual	% Realized
	KShs	KShs	KShs	
Rent Income	-	-	4,114,652	-
Balance Brought Forward			521,640	
Transfer to Exchequer Account			<u>(3,330,947)</u>	
Balance carried forward			<u>1,305,345</u>	

4. OTHER INCOME NOT CLASSIFIED ELSEWHERE

	Original Estimates	Revised Estimates	Actual	% Realized
	KShs	KShs	KShs	
Payroll Commissions			3,235,920	
Interest on deposits			139,003,245	
Sundry Revenue			<u>10,805,581</u>	
Total Other Receipts			153,044,746	
Balance brought forward			35,999,389	-
Transfer to Exchequer Account			<u>(180,320,190)</u>	
Balance carried forward			<u>8,723,945</u>	

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5. BANK BALANCES

Name of Bank & Account No.		FY2021-22	FY2020-2021
		KShs	KShs
Judiciary Court Deposit Collection Account No. 1117161749		<u>210,150,724</u>	<u>476,031,828</u>
5a) Balance Carried Forward subsequently transferred			
		Amount	Date Transferred
		KShs	
June 2022 Collections		<u>210,150,724</u>	July/Aug 2022

6. PAYABLES – DUE TO EXCHEQUER

	FY2021-22	FY2020-2021
	KShs	KShs
Balance brought forward at the beginning of the year	476,031,828	332,632,706
Collection during the year	2,621,186,205	2,414,532,095
Amounts disbursed to Exchequer during the year	(2,887,067,309)	(2,271,132,973)
	<u>210,150,724</u>	<u>476,031,828</u>

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IX. REPORT OF WAIVERS AND VARIATIONS OF TAXES, FEES OR CHARGES GRANTED BY THE RECEIVER OF
 REVENUE DURING THE PERIOD.

Name of person/organisation benefitting from waiver/ variation	Year in which waiver/ variation relates	Amount of variation/ waiver	Reason for variation	The law in terms of which the variation was granted
None	N/A	N/A	N/A	N/A

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APPENDIX 1: PROGRESS ON FOLLOW UP OF PRIOR YEAR AUDITOR RECOMMENDATIONS

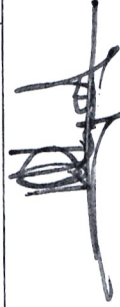
The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

IMPLEMENTATION OF PAC RECOMMENDATIONS ON THE GOK ACCOUNTS FOR THE FY 2018/2019				
Financial Year	Paragraph & Matter Noted	Recommendation by PAC	Action Taken	Timeframe
2018/2019	1647 Transactions Recurring in Bank Reconciliations	Matter Marked resolved	N/A	
2018/2019	1648 Revenue Management at the Courts			
2018/2019	1648.5 Mombasa Law Courts	The unclaimed deposit amounts totaling KShs. 70,791,917 should be lapsed to Judiciary Headquarters and the station should request for payment when the beneficiary/beneficiaries are identified.	The unclaimed deposits are due to cases not concluded or where final orders for refund have not been issued by the court. The Judiciary has embarked on reviewing all concluded matters in all court stations to identify unclaimed deposits for forwarding to the Unclaimed Financial Assets Authority (UFAA).	
		Cheque payments amounting to KShs. 38,136,310 should be surrendered to the Unclaimed Financial Assets Authority (UFAA).	The Cheques amounting to KShs 38,136,310 were reversed and reinstated as outstanding deposits.	The Judiciary has embarked on reviewing all concluded matters in all court stations to identify

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IMPLEMENTATION OF PAC RECOMMENDATIONS ON THE GOK ACCOUNTS FOR THE FY 2018/2019			
Financial Year	Paragraph & Matter Noted	Recommendation by PAC	Action Taken
2018/2019	1651 Irregular Long Acting Appointments	The Accounting Officer should uphold the Judiciary Resource Policies and Procedures Manual to forestall court actions by employees and mitigate potential financial losses arising from court awards.	unclaimed deposits for forwarding them to the Unclaimed Financial Assets Authority (UFAA). The position held on an acting capacity were filled in FY2019/2020 other than Director Finance which is a matter in court.

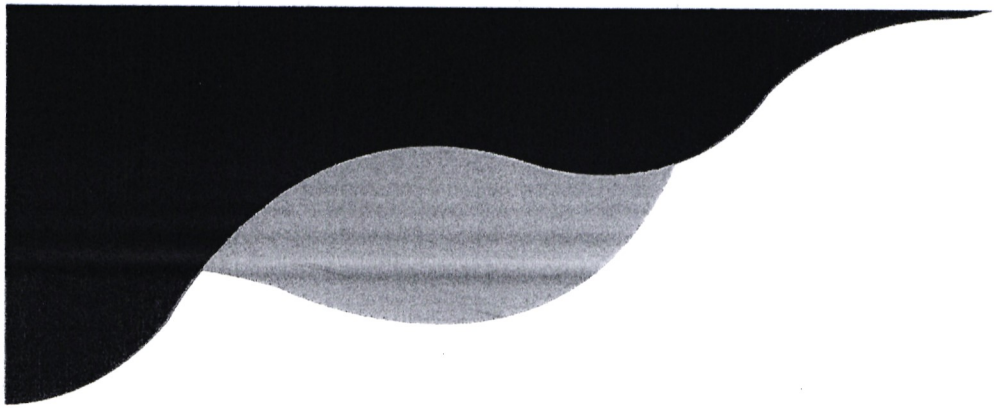
IMPLEMENTATION OF PAC RECOMMENDATIONS ON THE GOK ACCOUNTS FOR THE FY 2019/2020			
2019/2020	Judiciary obtained a clean report from the Auditor General for Revenue Statements for 2019/2020 and matters before PAC for the FY2019/2020 were marked as resolved.		
IMPLEMENTATION OF PAC RECOMMENDATIONS ON THE GOK ACCOUNTS FOR THE FY 2020/2021			
	Matter Noted	Recommendation by PAC	Action Taken
2020/2021	Failure to pay revenue collected promptly into the consolidated fund	Matter before PAC	Awaiting PAC recommendations.



Wycliffe Wanga - ICPAK No: 3209
Accounts Controller



Anne A. Amadi, CBS
Chief Registrar of the Judiciary



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