

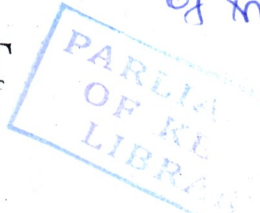


KENYA NATIONAL AUDIT OFFICE



Paper laid on the
Table of the
House by the Hon.
Aden Duale, leader
of majority party.

25/5/2015
(pm)
Rsk



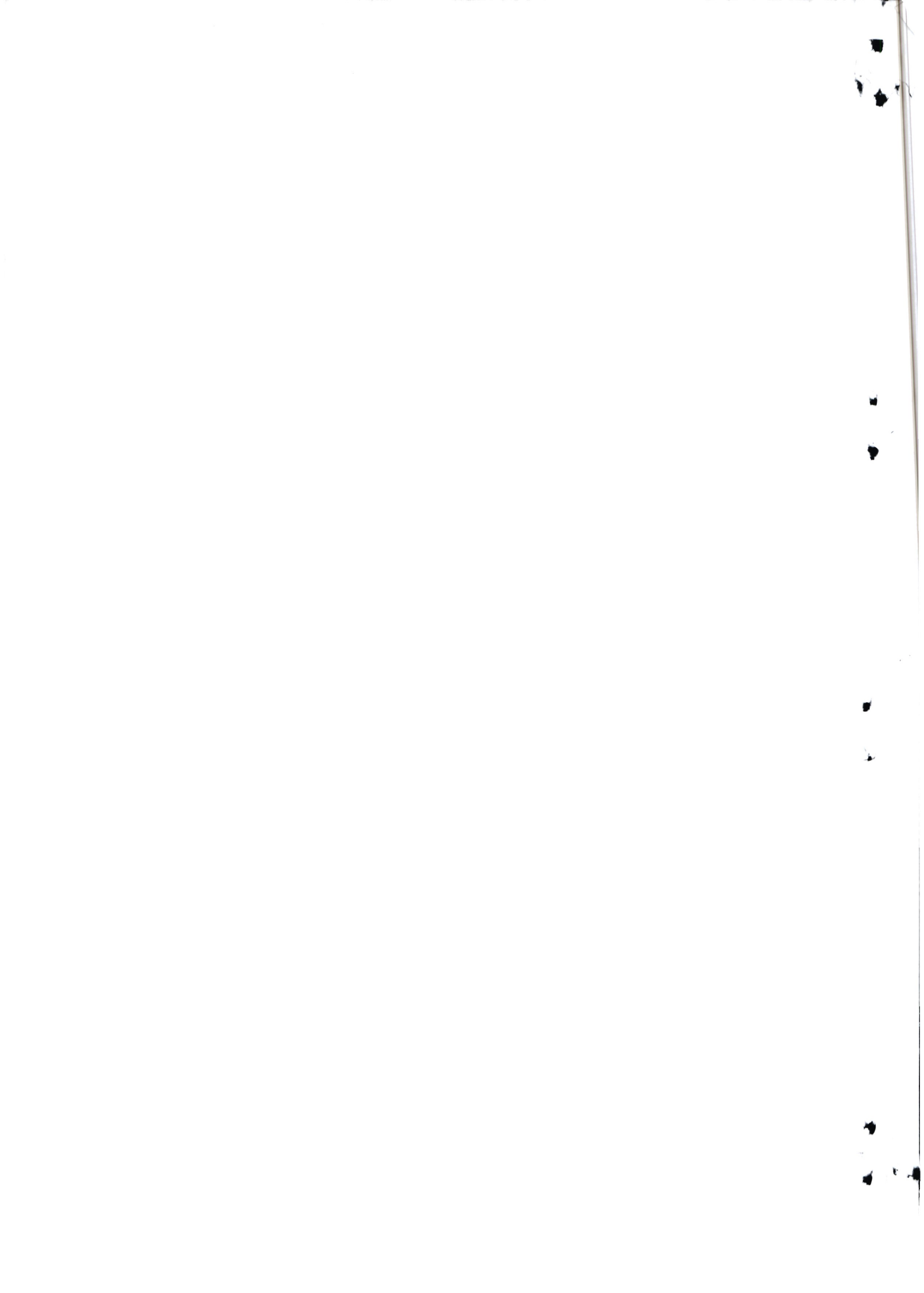
REPORT
OF

KENYA NATIONAL AUDIT OFFICE
THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF
JUDGES AND MAGISTRATES VETTING
BOARD

FOR THE YEAR ENDED
30 JUNE 2014



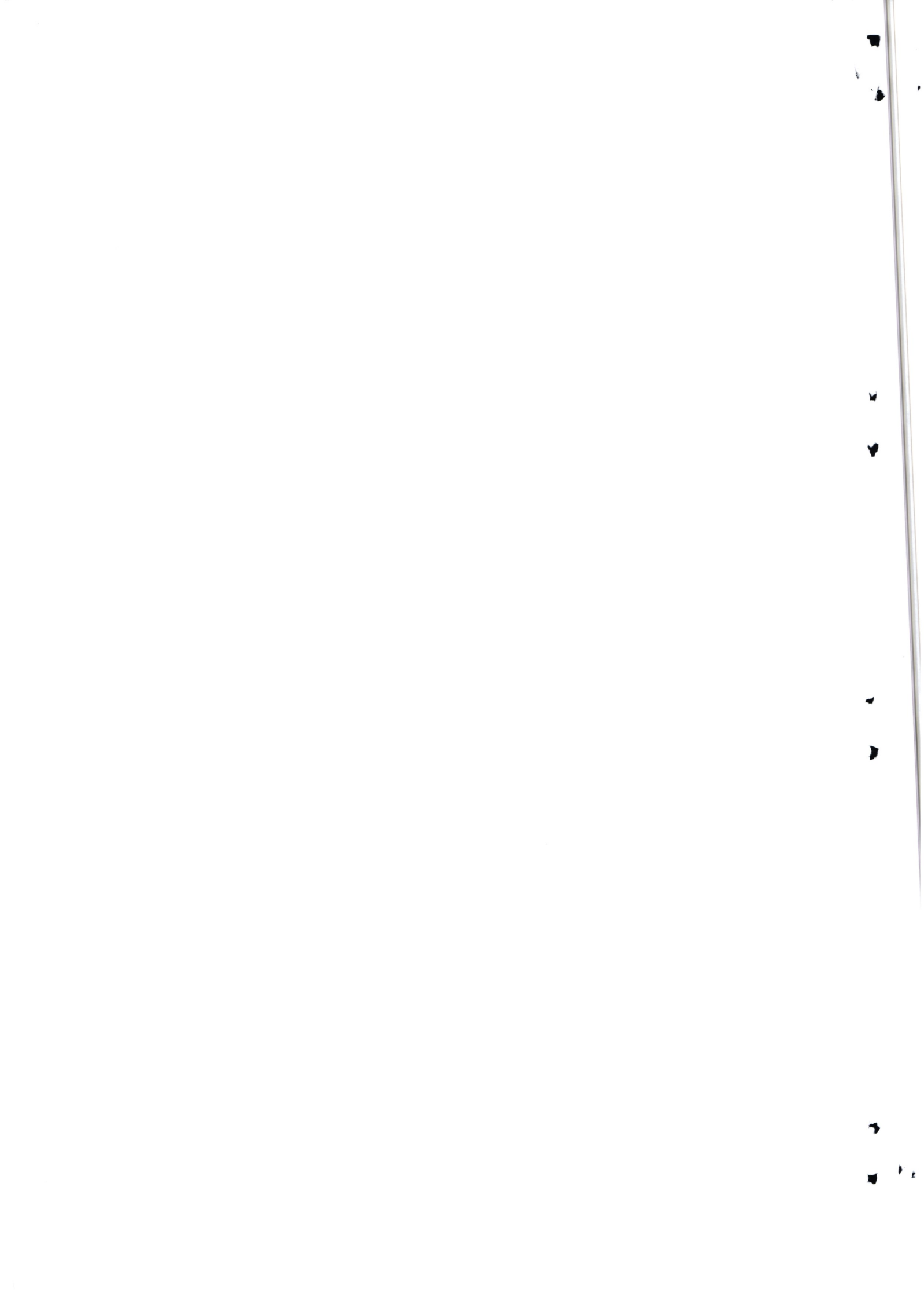


JUDGES AND MAGISTRATES VETTING BOARD

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2014**

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



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I. BOARD INFORMATION AND MANAGEMENT

(a) Background information

The Judges and Magistrates Vetting Board was formed pursuant to Section 23 of the 6th schedule of the Constitution and the Vetting of Judges and Magistrates Act 2011 (as amended). The Act provides for the establishment, powers and functions of the Board. The Board is a body corporate with exemption from the provisions of the States Corporations Act. The Board commenced its assignment in September 2011 when the Board members took the oath of office and is scheduled to conclude on 31st December 2015 when the term comes to an end as prescribed in the Act.

The Executive Order No. 1 of 2013 on the organization of the Government of the Republic of Kenya, places the department of justice under the office of the Office of the Attorney General and Department of Justice. The Judges and Magistrates Vetting Board is therefore represented by the Attorney General at the Cabinet level, in Budgeting and representation or presentation in Parliament.

However, in terms of vetting of judges and magistrates and determinations on suitability, the Board is independent.

(b) Principal Activities

The function of the Board is to vet judges and magistrates in accordance with the values and principles set out in Article 10 and 159 of the new constitution and the Vetting of Judges and Magistrates Act 2011 (Amended). To realize this function the Board undertakes the following;

- 1) Gather relevant information, including requisition of reports, records, documents or any information from any source, including governmental authorities, and to compel the production of such information as and when necessary;
- 2) Interview any individual, group or members of organizations or institutions
- 3) Hold inquiries for the purposes of performing its functions
- 4) Interview the judicial officers and determine suitability

The vision of the Board is to restore confidence in the judiciary.

(c) Key Management

The Board's day-to-day management is under the following key organs:

- Office of the Secretary & Chief Executive Officer
- Legal and Research department
- HR and Administration department
- Finance and Planning department
- ICT and public communications department
- Supply Chain Management department
- Internal Audit department



(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2014 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Secretary/Chief Executive Officer	Reuben Chirchir
2.	Assisting Counsel	David Wachira
3.	HR and Administration Officer	Christine K. Rotich
4.	Finance and Planning Officer	Peter O. Ayugi
5.	ICT and Public communication Officer	Position vacant
6.	Supply Chain Management Officer	David K. Keter
7.	Internal Auditor	Edward M. Nyaga

(e) Fiduciary Oversight Arrangements

Governance and Audit Committee

It is the policy of the Board to support internal audit function through the establishment of the Governance and Audit Committee. The Board's Governance and Audit Committee Charter outlines the following key oversight responsibilities:

- Identify and assess potential risks to the Board's operations
- Review the adequacy of controls established to ensure compliance with policies, plans, procedures and objectives.
- Assess the reliability and security of financial and management information and the systems and operations (in-house or outsourced) that produce this information.
- Assess the means of safeguarding assets
- Review established procedures and systems and propose improvement
- Appraise the use of resources with regard to economy, efficiency and effectiveness
- Follow up recommendations to make sure that effective remedial action is taken
- Carry out ad hoc appraisals, investigations or reviews requested by the Management

Finance, HR and General Purpose Committee

This committee is mandated to oversee the Board's financial affairs and processes to give initial consideration to and advise on any other Board's business of particular importance or complexity. Its role includes the following:

- undertaking reviews of financial reporting and performance and advising on actions arising therefrom
- The integrity of the Board's financial statements
- The accounting and financial reporting processes of the Board and the audits of the financial statements of the Board
- The Board's compliance with legal and regulatory requirements,
- Advising on financially-related policy issues
- Considering internal financial controls, financial risk and financial compliance matters

- Considering financial issues and other matters arising from other subcommittee business
- Considering any other general matter (not covered by governance and audit committee) affecting the Board.

(f) Headquarters

P.O. Box 103732 - 00101
Anniversary Towers
University Way
Nairobi, KENYA

(g) Contacts

Telephone:(254) (20) 2216366
E-mail: info@jmvb.or.ke
Website: www.jmvb.or.ke

(h) Bankers

Kenya Commercial Bank
P. O. Box 48400 – 00100,
Nairobi, KENYA.
Telephone :(254) 20 3270000, 2851000, 2852000, 250802
E-mail: kcbhq@kcb.co.ke
Website: <http://www.kcb.co.ke>

(i) Independent Auditors

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

(j) Principal Legal Adviser

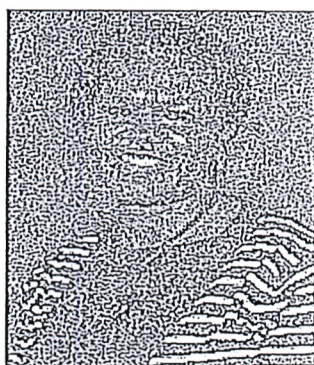
The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

II. THE BOARD MEMBERS



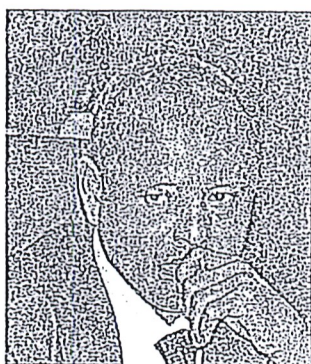
Mr. Sharad S. Rao –
Chairperson

Mr. Sharad S. Rao is a Barrister at Law of Lincoln's Inn, London. He formerly served as the Deputy Public Prosecutor in the office of the Attorney General and also as the Acting Attorney General. Served on the Panel of Iran-US claims Tribunal at the Hague to arbitrate between Iran-US Disputes. Mr. Rao is Legal counsel to the Commonwealth Games Federation and is a member of the Court of Arbitration for Sport and has served on the panel of international judges at the ad hoc court of Arbitration at the Olympic Games in Athens in 2004, Beijing 2008 and was appointed as such for the Olympic Games in London in 2012. He is Hon. Legal Adviser to the National Olympic Committee of Kenya and is the Chair of the Centre for Resolution of Sports Disputes established by the National Olympic Committee of Kenya. He is also a member of the Code of Conduct committee of the International Cricket Council and a member of the Appeals Committee of the International Basketball Federation.



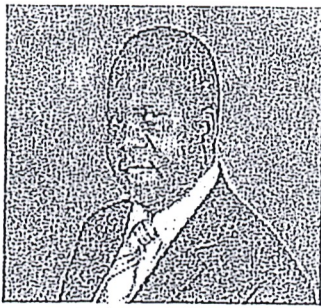
Ms. Roseline Odede – Vice
Chairperson

Ms. Roseline Odede is an Advocate of the High Court of Kenya with over twenty years experience in private practice and strategic leadership in various professional organizations. She has been a Council member of Law Society of Kenya, East Africa Law Society and Commonwealth Lawyers Association. Roseline is a passionate on community service. For over 15 years she offered pro bono legal services for gender and family related issues in North Rift. Ms. Odede was awarded the East Africa Law Society recognition for distinguished legal services and a Head of State Commendation (HSC) civilian division by the His Excellency the President for offering pro bono legal services. Roseline is a founder member and Chair of Eldoret Hospice Board, a charity. She is also the Honorary Legal Counsel for the Kenya Medical Association Eldoret. Ms. Odede holds a Masters degree in Law, from Witwatersrand University, South Africa, and a LLB degree from the University of Nairobi. She is also a trained mediator.



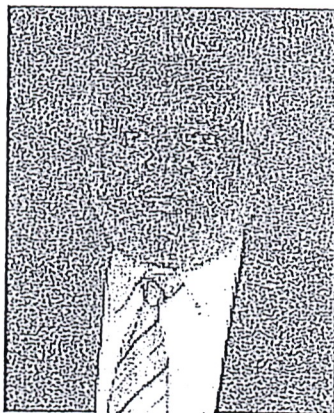
Mr. Abdirashid Abdullahi
Hussein – Board Member

Mr. Abdirashid Abdullahi Hussein is a conflict resolution practitioner with more than 15 years of experience working in conflict and hostile environment in the Greater Horn Africa countries. He has experience in designing and implementing long-term developmental as well as short-term emergency humanitarian projects to mitigate human suffering due to conflicts and natural disasters such as drought and floods. Over the years he has also acquired monitoring and evaluation skills on the impacts of various projects. Mr. Abdirashid served as an Expert/Member with the Committee of Experts on Constitutional Review of Kenya that drafted and successfully delivered a new constitution for country and prior to that as a Regional Coordinator for Muslim Aid UK, a humanitarian organization based in London/UK with programs in Kenya, Somalia, Sudan and Ethiopia. Abdirashid has a Master of Science in Conflict Analysis and Resolution as well as a Master of Arts in African History.



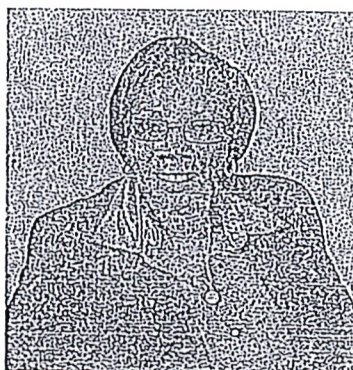
Mr. Justus Muniyithya –
Board Member

Mr. Justus Muniyithya is an Advocate of the High Court of Kenya, is a former Vice Chair of the Law Society of Kenya from 2005 to 2008 and Council member of the Law Society of Kenya from 2010. Mr. Muniyithya is a trainer and member of the Kenya Faculty of Justice Africa Trial Advocacy programme implemented in collaboration with Washington Law School Kenya School of Law and Kituo Cha Sheria, He Served as a Treasurer for the East Africa Law Society from year 2003 to 2010. Mr. Muniyithya has also served as the Chairman of the National Committee on Adoption under the Ministry of Gender, Children and Social Services from the year 2005 to 2011. Due to his exemplary performance, he was awarded the head of state commendation (HSC) for distinguished service by His Excellency the President, Hon. Mwai Kibaki on 12th December, 2010. Mr. Muniyithya was also the top pro-bono award winner of CRADLE in 2002. He is a member of the legal Advisory Committee at Transparency International – Kenya, a member of the Advocacy and Legal Advisory Centre – Mombasa, and an associate member of the Chartered Institute of Arbitrators. Justus is also a member of the National NGO Regulatory Committee.



Prof. Ngotho WaKariuki –
Board Member

Prof. Ngotho WaKariuki is a renowned Tax Specialist and scholar, having taught and consulted in taxation and accounting in many countries in Africa. He has authored books on taxation in Kenya, Namibia and recently in Cameroon. He has developed training programs on Government accounting auditing and taxation for civil service in Namibia, Zimbabwe, Swaziland, Lesotho and South Africa. Prof. Ngotho WaKariuki is a former Dean of the Faculty of Commerce, University of Nairobi. He was seconded as a Commonwealth Expert/Advisor and Visiting Professor of Finance, Accounting and Taxation, to the Government of Republic of Cameroon, University of Buea. Prof. Ngotho WaKariuki has been active in the fight for justice and democracy since the 1970s. He was detained without trial for these activities between 1986 and 1988 and was tortured in the Nyayo House torture chambers during the Mwakenya crackdown. He was arrested again and charged with treason, later changed to sedition, in the infamous Mutugi's Bar Conspiracy (1990) (or the Anyona Four).



Mrs. Meuledi Iseme – Board
Member

Mrs. Meuledi Iseme is a Financial Management specialist with over 20 years' experience in senior level management with focus in financial and business management, organizational development and strategic planning. She has been instrumental in business turnaround financial project management and evaluation of both public and private sector institutions. Mrs. Iseme has contributed immensely to community initiatives in Trans Nzoia especially in development of schools where she served as the chairperson of the Board of Governors and the Development and Planning Committee in various schools. Mrs. Iseme has also been actively involved in charity work as a member of Lions Club of Kitale. Previously she served as the Deputy Managing Director, Kenya Seed Company and Principal Accountant in Industrial Development Bank. Ms. Iseme is an Alumni of the University of Nairobi with a Masters of Business Administration (Finance) and Bachelor of Commerce degrees. She has also attended courses in Strategic Leadership, Corporate Governance, Performance Contracting and Effective Performance Management, Financial Management among others.



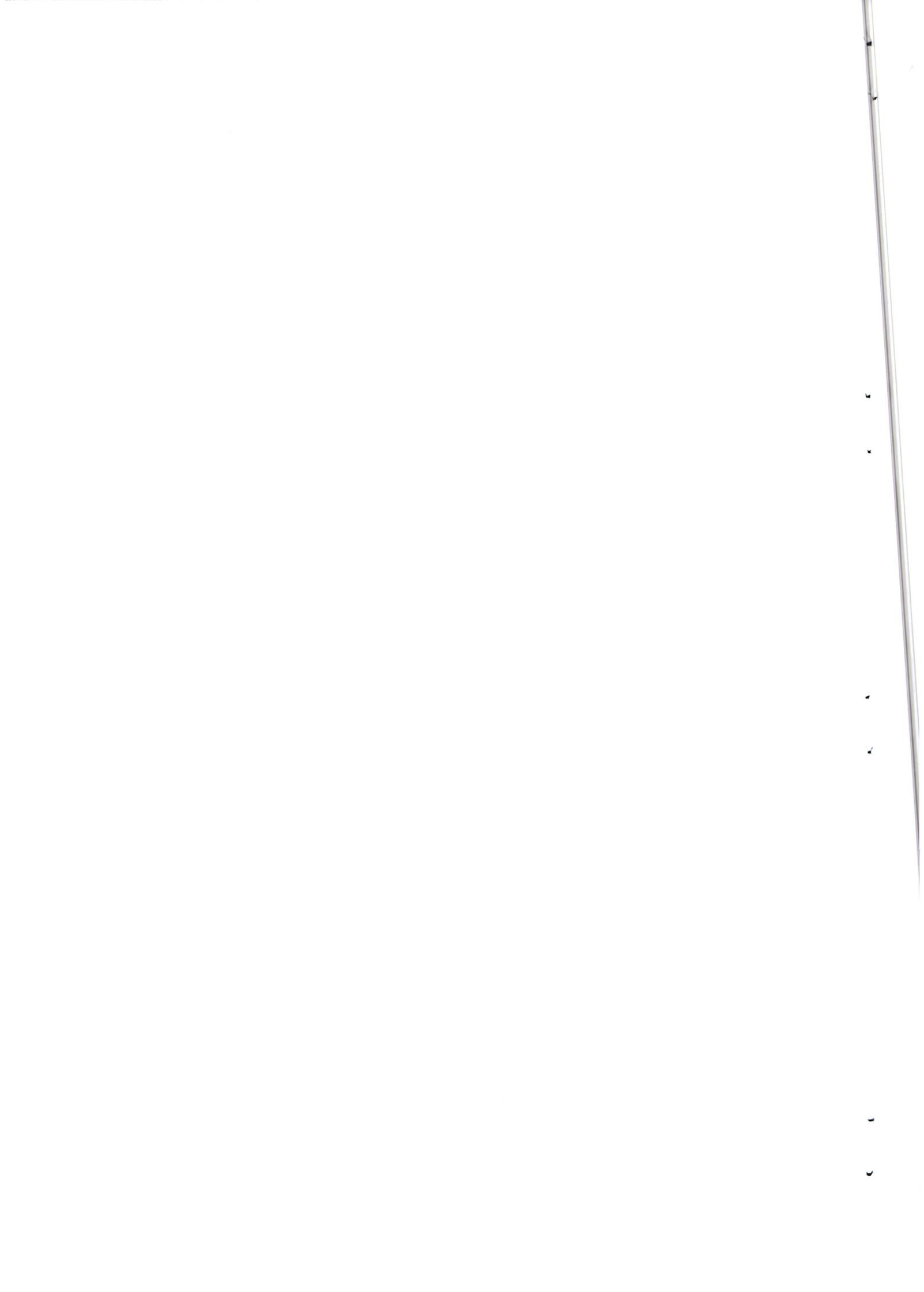
Hon. Justice (Rtd.) Barnabas
Albert Samatta – Board
Member

Hon. Justice (Rtd.) Barnabas Albert Samatta was Chief Justice of the United Republic of Tanzania and Chairman of the Judicial Service Commission (2000-2007). Justice Barnabas Samatta graduated from the University of East Africa in 1966 with an honours degree in Law. In the same year, he was appointed a State Attorney, rising rapidly to become Senior State Attorney in 1971 and Director of Public Prosecutions in 1972 at the age of 32. He was appointed to the High Court of Tanzania in 1976 and served as a Judge of that Court until 1989. He was also a Judge of the High Court of Zimbabwe from 1984 to 1987. From 1989 he served as Principal Judge of the High Court of Tanzania, until his appointment in 1997 as a Justice of Appeal of Tanzania. He was a Member of the Judicial Service Commission from 1989. In 2000, he was appointed Chief Justice of the United Republic of Tanzania and Chairman of the Judicial Service Commission. Justice Samatta was a member of the Judicial System Review Commission (1974-1977), member of the Legal Task Force (1993-1996), Chairperson of the Appointments Committee (2000-2007), and Vice Chairperson of the Southern African Judges Commission (2005-2007). He is the Chancellor of Mzumbe University, Tanzania. In 2011, a felicitation volume, Rule of Law vs. Rulers of Law: Justice Barnabas Albert Samatta's Road to Justice was published by the School of Law, University of Dar es Salaam, to celebrate him as an example of an ethical lawyer whose integrity cannot be questioned, making him a worthy model for the younger generation to emulate and draw inspiration from.



Hon. Justice (Rtd.) Joseph
A. N. De Silva

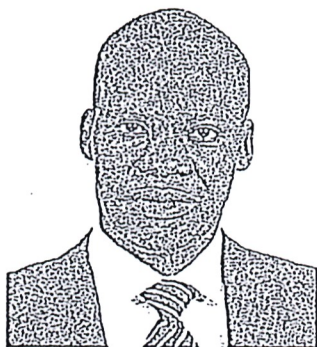
Hon. Justice (Rtd.) Joseph Asoka Nihal De Silva is a former Chief Justice of Sri-Lanka. He was born 17th May 1946 and served as the 42nd Chief Justice of Sri Lanka. Hon. Asoka De Silva holds a Master's Degree in Administrative Law (1983/84) from the University of Colombo and has done a Postgraduate Diploma in criminology at the University of Illinois in the United States of America. After graduating from University of Peradeniya in 1971 he joined as an Advocate of the Supreme Court in December 1972. He joined the Attorney General's Department on 2nd April 1974. He became a Senior Deputy Solicitor General on 1987 and after serving 22 years in the Attorney General's Department he was appointed a Judge of the Court of Appeal on 12th October 1995. Hon. Asoka De Silva became the President of the Court of Appeal in February 2001 and later elevated to the Supreme Court on 1st August 2001. The judge is familiar with the East African conditions having served on the International Criminal Tribunal for Rwanda (ICTR) as a judge for a period of four years.





Hon. Lady Justice (Rtd. DCJ) A.E.N. Mpagi-Bahigeine – Board Member

Hon Lady Justice (Rtd. DCJ) Alice Mpagi-Bahigeine is a retired judge having served as a judge for over 25 years in her country, Uganda. She was born in 1942. Lady Justice Alice Mpagi-Bahigeine graduated with an LLB degree from University of London (Holborn College of Law) in 1967. She is a Barrister at Law – Gray's Inn. Lady Justice Alice Mpagi-Bahigeine retired from the Judiciary of Uganda having risen through the ranks to the office of the Deputy Chief Justice. She also served at the Court of Appeal from 1997 before being appointed as acting Supreme Court Judge. She was appointed the Deputy Chief Justice of Uganda in 2009. She handled numerous sensitive cases in Uganda. The Honourable Lady Justice chaired the Committee of Inquiry into the Ministry of Justice (1986) whose recommendations were wholly implemented. She also served in the Committee on Judicial Reform committee where she participated in the implementation of the reforms in the civil procedure rules. The honourable judge was once a member of the Judicial Training Committee; founder chairperson of FIDA, Uganda in 1972.



Mr. Reuben Chirchir
(Secretary/Chief Executive Officer)

Mr. Chirchir is a manager with vast experience having served in various national and regional institutions. Reuben holds an M.Sc. degree (Natural Resource Management) from the University of Edinburgh, a B.Sc. (Biochemistry) from University of Nairobi, and an LLB from University of Huddersfield. Mr. Chirchir is also a registered Environmental Impact Assessment Lead Expert. Prior to joining the Board, Mr Chirchir was a consultant with UNDP supporting the Task Force on Developed Government (TFDG), under the Ministry of Local Government in the development of Devolution Bills and sessional papers. He has also previously worked as the Operations Officer/Deputy Executive Secretary for the Lake Victoria Environmental Management Programme (EPS) where he spearheaded integrated management of environmental resources in the Lake Victoria basin. More recently, he worked for the Danida programme and participated in the drafting of national environment policy under the Ministry of Environment.

Mr. Reuben Chirchir is the head of the Secretariat and Accounting Officer for the Board.

III. MANAGEMENT TEAM



Mr.Reuben Chirchir-
Secretary/Chief Executive
Officer

Mr.Chirchir holds an M.Sc. degree (Natural Resource Management), a B.Sc. (Biochemistry), and an LLB. Mr.Chirchir is also a registered Environmental Impact Assessment Lead Expert. Mr.Chirchir is the head of the Secretariat and Accounting Officer for the Board.




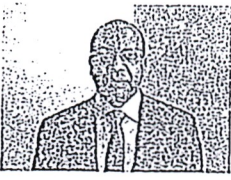

Mr.David Wachira– Head
Legal and Research
Department




- a. LLB
- b. Dip. Law (KSL)

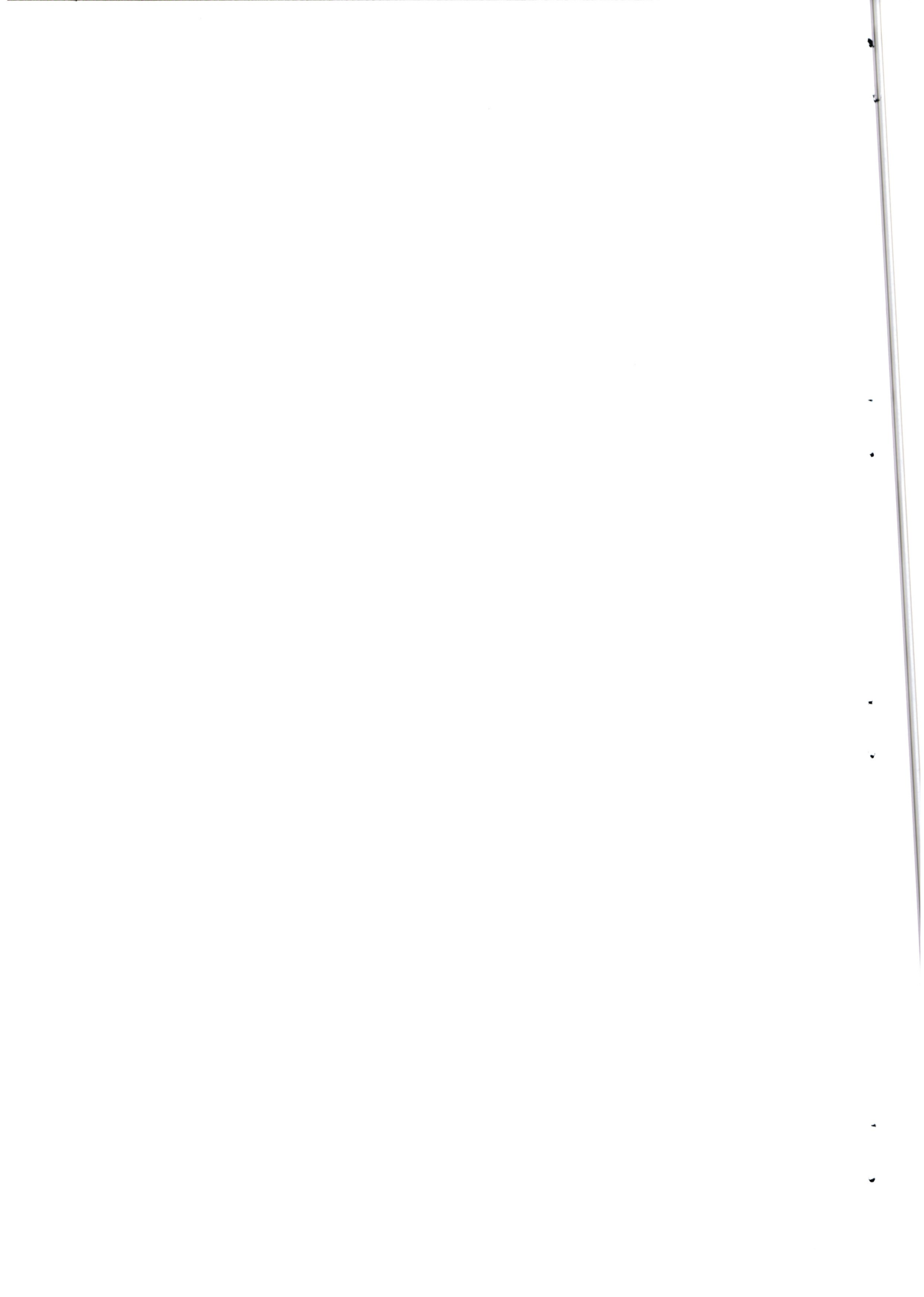


Mrs.Christine K. Rotich –
Head HR and

- a. MBA
- b. Bachelor of Arts –
- c. Higher Diploma – Human Resources Management

Administration Department	
 Mr. Peter O. Ayugi – Head Finance and Planning Department	a. CPA (K) b. MBA – Strategic Management c. IBA – Finance and Accounting
 Mr. Edward Munene Nyaga -Head Internal Audit	a. CPA (K) b. MBA – Finance (Ongoing) c. Bachelor of Science d. Investment and Securities Analyst (II)
 Mr. David K. Keter – Head Procurement	a. Masters of Commerce b. Bachelor of Commerce c. S.M.M – Supply and Material Management
Position Vacant – Head ICT and Public Communications	

Administration Department	
 Mr. Peter O. Ayugi – Head Finance and Planning Department	<ul style="list-style-type: none">a. CPA (K)b. MBA – Strategic Managementc. IBA – Finance and Accounting
 Mr. Edward Munene Nyaga -Head Internal Audit	<ul style="list-style-type: none">a. CPA (K)b. MBA – Finance (Ongoing)c. Bachelor of Scienced. Investment and Securities Analyst (II)
 Mr. David K. Keter – Head Procurement	<ul style="list-style-type: none">a. Masters of Commerceb. Bachelor of Commercec. S.M.M – Supply and Material Management
Position Vacant – Head ICT and Public Communications	



IV. CHAIRMAN'S STATEMENT

The spirit of creating a credible independent Judiciary, the new Constitution, 2010 proposes extensive judicial reforms to make the Judiciary responsive and restore public confidence in it. The key step proposed for reforming and restoring confidence in the Judiciary was the vetting of Judges and Magistrates. The vetting process was designed to apply to all judges and magistrates who were in office on 27th August 2010, the date of promulgation of the Constitution.

The Judges and Magistrates Vetting Board was therefore established pursuant to Section 23 of the 6th schedule of the Constitution and the Vetting of Judges and Magistrates Act, 2011 (as amended) with the mandate of vetting and determining the suitability to continue to serve in office, Judges and Magistrates who were in office on/before the promulgation of the Constitution on 27th August 2010.

The vetting process is a very important process in transforming the Kenyan Judiciary into the new constitutional dispensation. It intends to ensure that we do not have 'tainted' judicial officers from the old regime. The Board was, therefore, tasked with vetting judges of the Court of Appeal, High Court judges, Magistrates and a number of other judicial officers, including the Registrar of the High Court and the Chief Court Administrator, all of whom were serving on the effective date.

The process is unique to Kenya and no precedents are available from other jurisdictions to provide a comparative dimension and to assist the Board in establishing its processes by reference to other similar cases. Given the public's express concerns about the poor state of the judicial system, these concerns had to be addressed in a way that restored public confidence in the administration of justice. Yet the means of restoring public confidence should not undermine the Judiciary as an institution.

Vetting has a particular significance in the context of transitional justice. It marks a decisive rupture with dishonorable aspects of the past. It is intended to remove from positions of authority persons associated with the abuses and injustices of a previous era; to restore confidence in the integrity of the Judiciary as an institution; and to reduce the risk of incumbent judicial officers blocking and resisting the judicial reform envisaged in the new democratic order. In undertaking this exercise, the Board has always ensured that the public is duly informed. It is because of this reason that we have deliberately published various reports and documents and released them to the public free of charge.

The Board wishes to recognize the financial support received from the Government through the office of the Attorney General and Department of Justice and the Embassy Japan. While we did not receive all the funding required, the Board was able to implement the crucial activities necessary for the delivery of its mandate.

SHARAD S. RAO

CHAIRMAN

V. REPORT OF THE SECRETARY/CHIEF EXECUTIVE OFFICER

The Judges and Magistrates Vetting Board was established pursuant to Section 23 of the Sixth Schedule of the Constitution and the Vetting of Judges and Magistrates Act, 2011 (as amended). The Board's mandate is to vet and determine the suitability to continue to serve in office of Judges and Magistrates who were in office on/before the promulgation of the New Constitution on Aug 27, 2010.


The main role of the Board is to vet and determine the suitability of Judicial Officers to continue serving in the Judiciary. In discharging its mandate, the Board is guided by the National Values and Principles set out in Article 10 and Article 159 of the Constitution. The term of the Board was to end on 31st December 2013. However, this was not to be because substantial work had not been completed. Accordingly, Parliament extended the term to 31st December 2015.

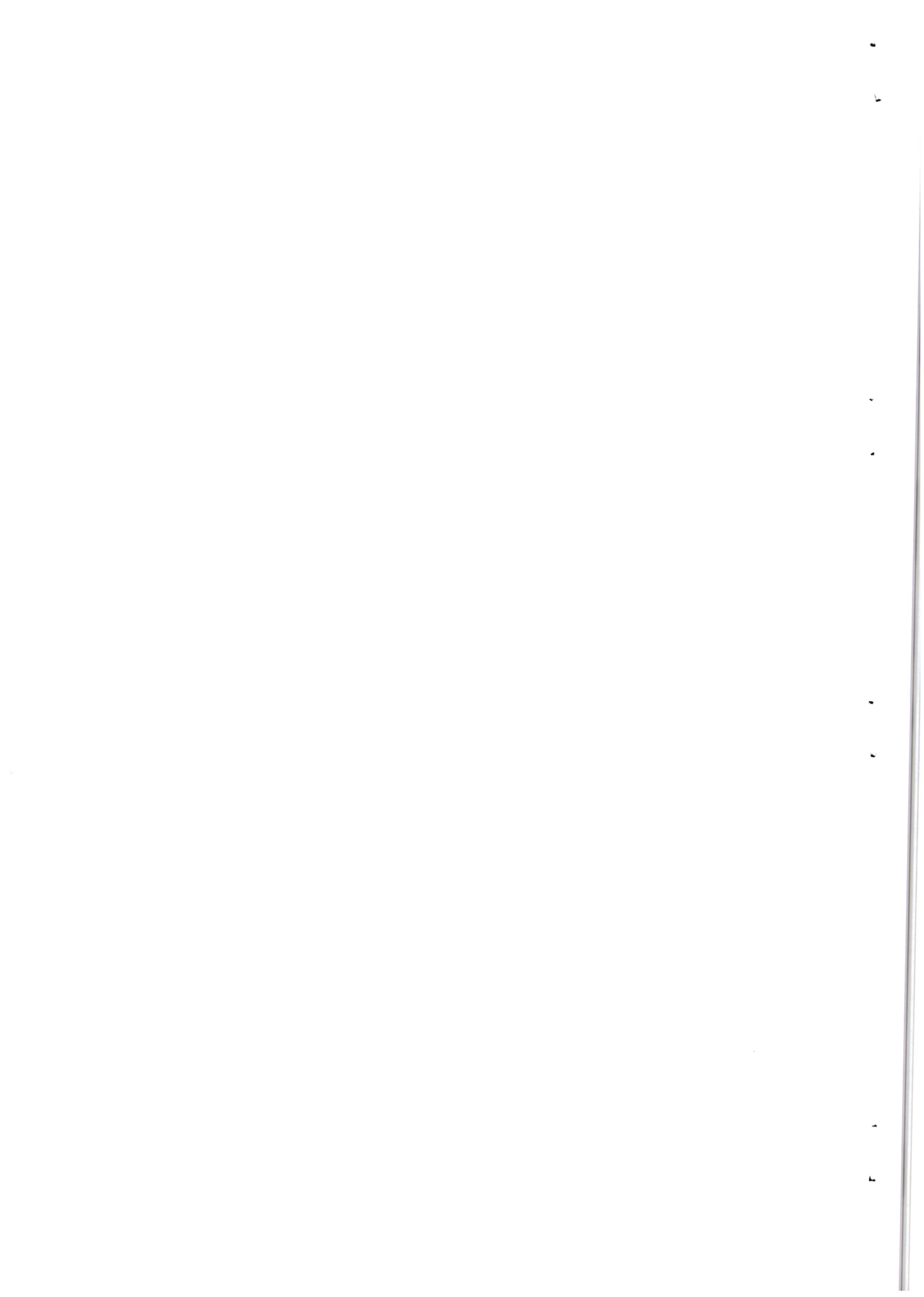
The major operational activities at the Board include; gather relevant information, including requisition of reports, records, documents or any information from any source, including governmental authorities, and to compel production of such information as and when necessary; interview any individual, group or members of organizations or institutions; and public education and sensitization.

In the period under review, the Board implemented on many activities as provided in the work plan. These include; public sensitization and inquiries forums for stakeholders where various views and information were obtained; investigations of complaints filed by members of public, interview and release of determinations for forty one magistrates; publication of a report entitled 'Determinations: Transcripts of Findings, Vol 1, and procurement of goods and services necessary for the Board.

The year has also been met with various legal impediments and court cases which slowed down the vetting process. Such delays severely hampered the progress of the Board. During the financial year 2013/2014, the Board had very limited GOK funds covering only six month because the term was to end on 31st December 2013. By the time the term of the Board was extended by Parliament the supplementary budget had already been appropriated by parliament. Therefore the Board had to wait for supplementary-II to access for GOK funding. This process caused delay in access to GOK funds which are necessary for implementation of jointly funded activities. The Board has also had serious litigation challenges which have slowed down the vetting process. Some of the cases are pending in Court.

With all challenges notwithstanding, the Board has managed to complete 60 per cent of its work and it is optimistic in finalizing the vetting process by December 2015.


REUBEN CHIRCHIR
SECRETARY/CHIEF EXECUTIVE OFFICER



VI. CORPORATE GOVERNANCE STATEMENT

The board members at Judges and Magistrates Vetting Board are committed to the highest level of corporate governance as enshrined in the Constitution and best practices. The Board which is responsible for the corporate governance subscribes to the principles of standards of behaviour (balance of power and authority), organization structure, control and external reporting.

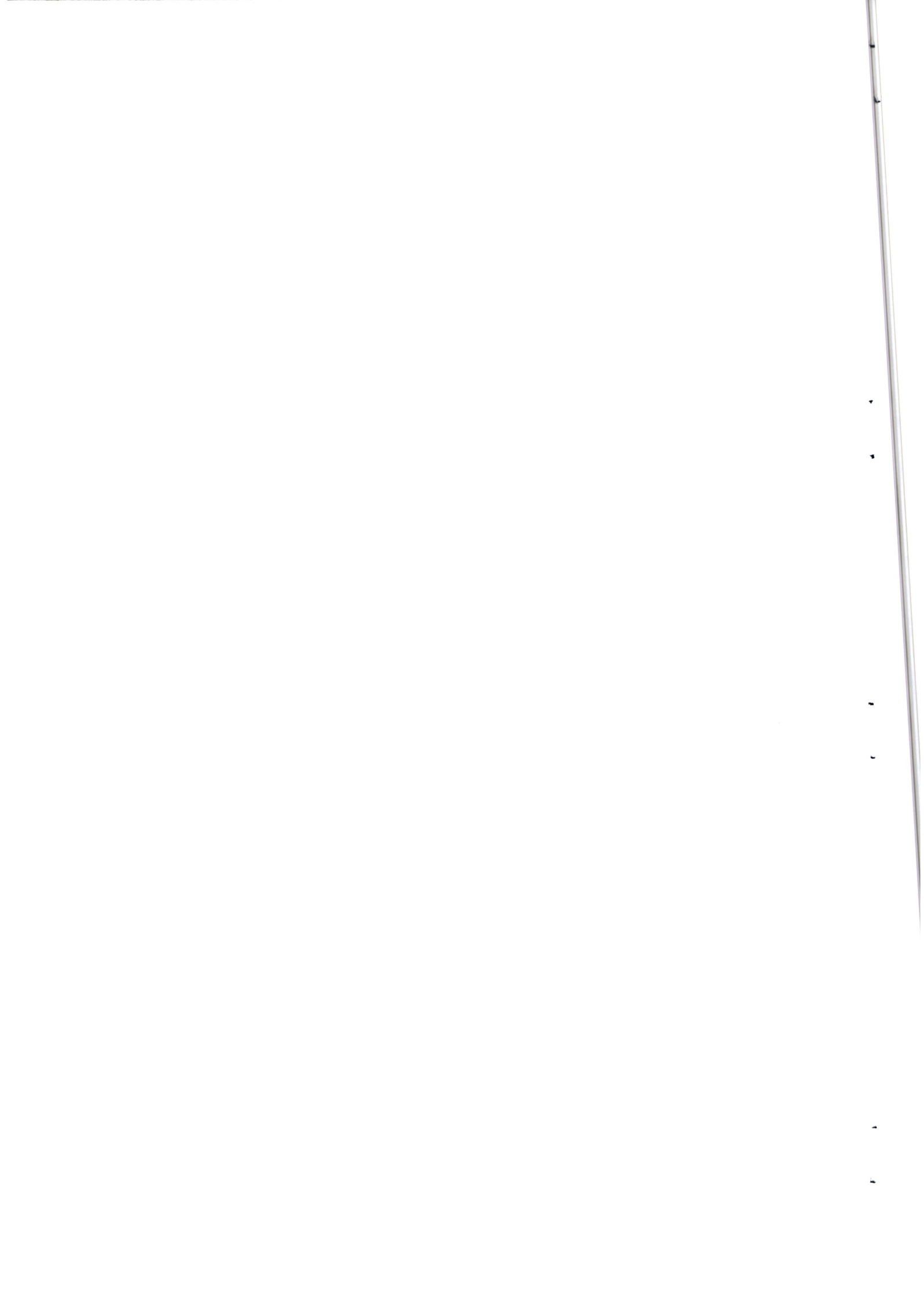
According to the Constitution and the Vetting of Judges and Magistrates Act 2011 (as amended), the following governance structure has been adopted.

Board Members

The Board Members are appointed in accordance with section 9 of the Vetting of Judges and Magistrates Act, 2011 and is composed of nine members and a Secretary who is also the Chief Executive Officer who is the head of the Secretariat. The Board, consisting of nine members, draws from different professional and jurisdictional backgrounds. Six members are Kenyan (three lawyers and three non-lawyers), while three members are eminent judges from the Commonwealth. The remuneration of the Board Members is as determined by the National Treasury and proceeds drawn from the consolidated fund.

In addition to their roles as outlined in Vetting of Judges and Magistrates Act, 2011, the Members of the Board assume a primary responsibility in the following areas.

- i. Oversee the corporate management and operations, management accounts, major capital expenditures and review Board's performance and strategies;
- ii. Identify the principal risks in its operating environment including the implementation of appropriate measures to manage such risks or anticipated changes impacting the mandate of the Board;
- iii. Development of appropriate staffing and remuneration policy including the appointment of Chief Executive and the senior staff;
- iv. Monitor the effectiveness of the corporate governance practices under which the Company operates and propose revisions as may be required from time to time.



Secretary/Chief Executive Officer

The Secretary/Chief Executive Officer has day to day management responsibility in the running of the Board's operations and in the implementation of Board's policies agreed by the Board. The Secretary/Chief Executive instils the company's culture, core values and standards, which include appropriate corporate governance, throughout the Board. In executing the responsibilities, the Secretary/Chief Executive is supported by the management team, together with the Secretary/Chief Executive, are responsible for ensuring that high quality information is provided to the Board.

Board Committees

The Board has established four Committees for efficient delivery of services and accordingly assigned/delegated specific mandates. Specifically, the Board committee established are

- a. Legal Affairs Committee
- b. Editorial and Publication Committee
- c. Governance and Audit Committee
- d. Finance and General Purpose Committee

Two committees namely Governance and Audit Committee and Finance, Human Resources and General Purpose Committee deal directly with the prudent management and administration of financial resources.

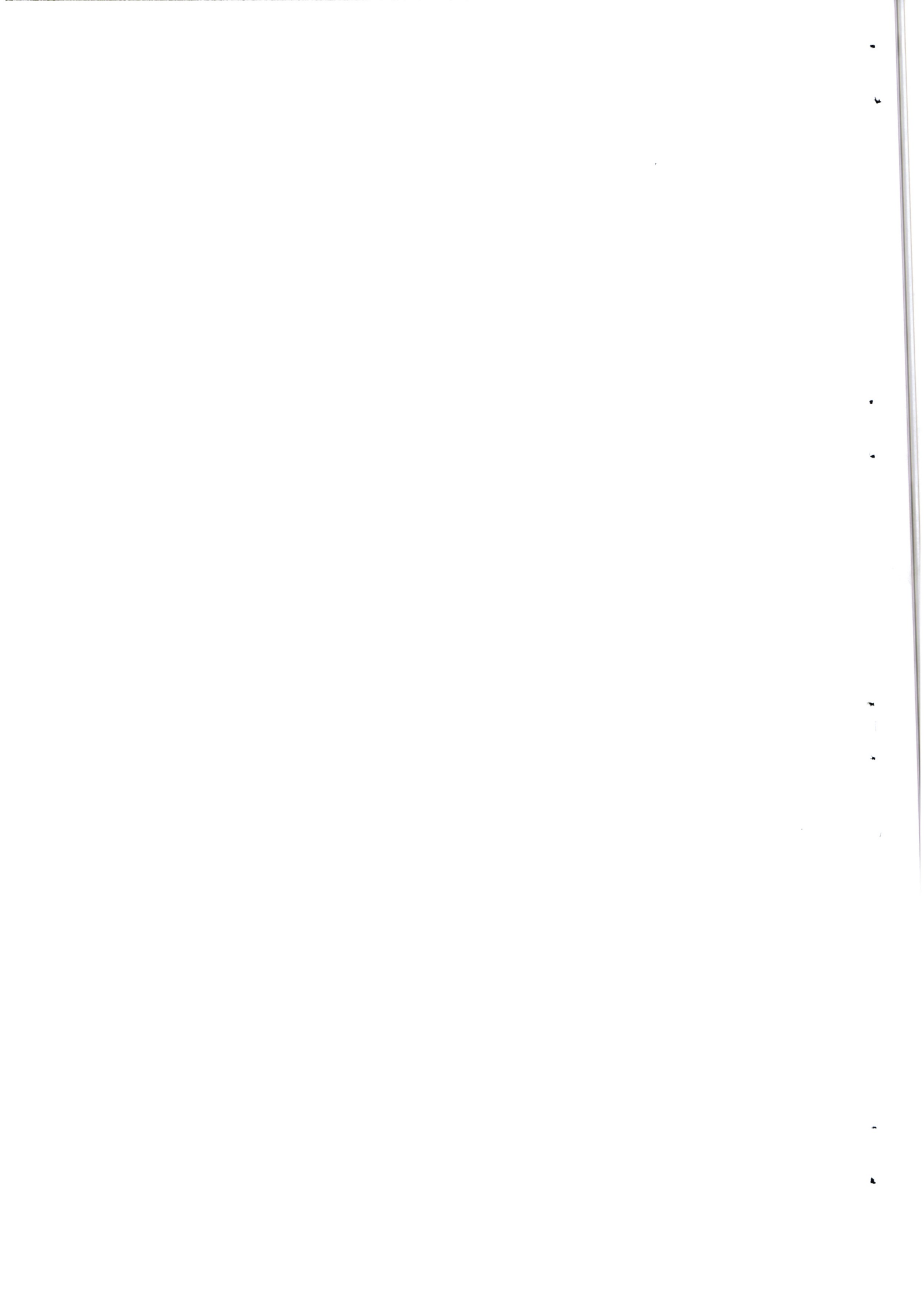
Governance and Audit Committee

The mission of the Governance and Audit Committee is to ensure that the Board's operations are conducted according to the highest standards by providing independent, objective assurance function and by advising on best practice. The committee also helps the Board accomplish its objectives by evaluating and improving the effectiveness of risk management, control and governance processes. The Governance and Audit Committee has three members.

The scope of the committee includes the review of risk management procedures, internal control systems, information systems and governance processes, periodic testing of transactions, best practice reviews, special investigations, appraisals of regulatory requirements and measures to prevent and detect fraud.

The Charter outlines the following key oversight responsibilities:

- Identify and assess potential risks to the Board's operations



- Review the adequacy of controls established to ensure compliance with policies, plans, procedures and objectives.
- Assess the reliability and security of financial and management information and the systems and operations (in-house or outsourced) that produce this information.
- Assess the means of safeguarding assets
- Review established procedures and systems and propose improvement
- Appraise the use of resources with regard to economy, efficiency and effectiveness
- Follow up recommendations to make sure that effective remedial action is taken
- Carry out ad hoc appraisals, investigations or reviews requested by the Management

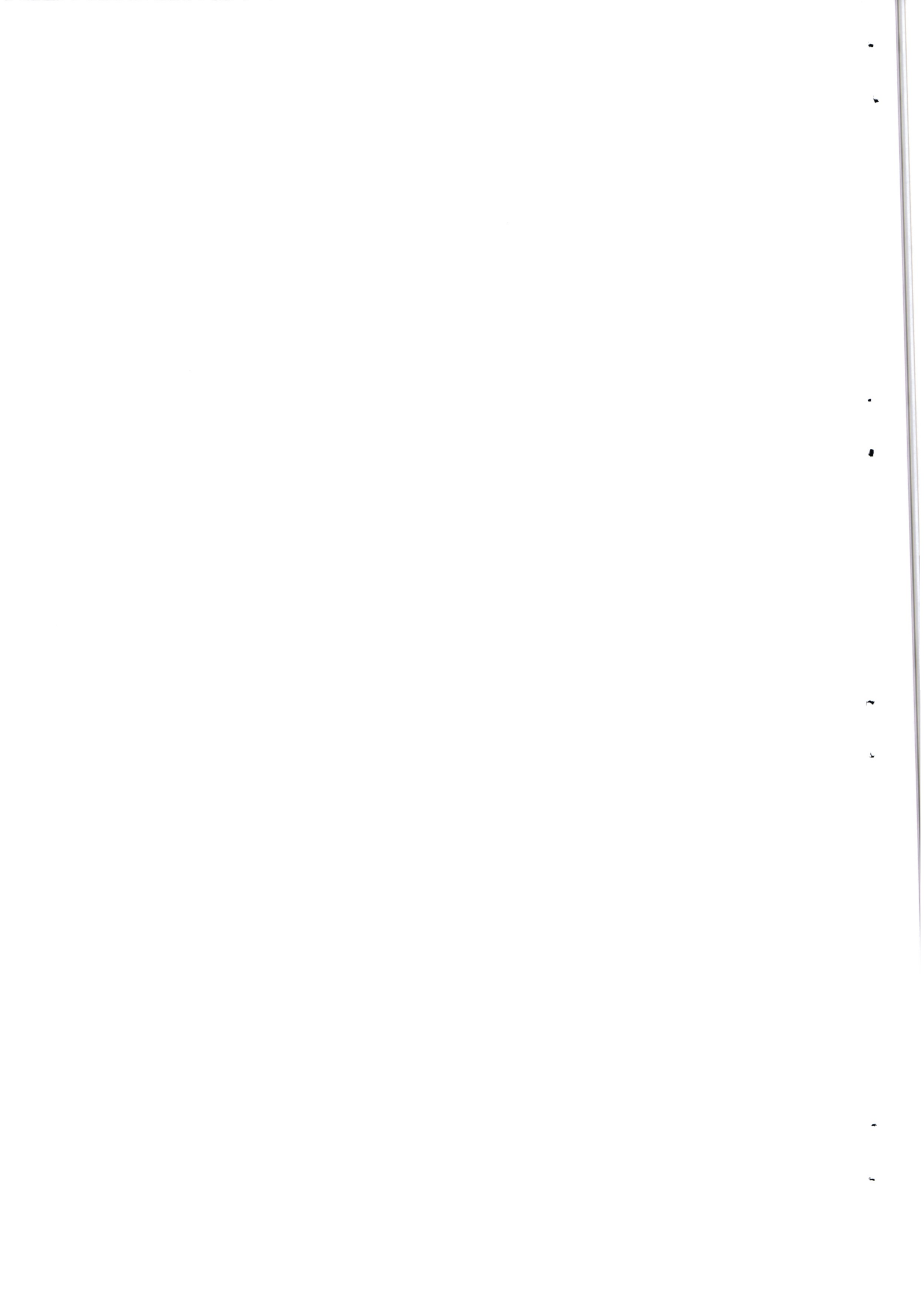
Finance, Human Resources and General Purpose Committee

This committee is mandated to oversee the Board's financial affairs to give initial consideration to and advise on any other Board's business of particular importance or complexity. Its role includes the following:

- Undertaking reviews of financial reporting and performance and advising on actions arising therefrom
- Advising on financially-related policy issues
- Considering internal financial controls, financial risk and financial compliance matters
- Considering financial issues and other matters arising from other subcommittee business
- Development of appropriate staffing and remuneration policy including the appointment of chief executive and the senior staff;
- Considering any other general matter (not covered by governance and audit committee) affecting the Board.

Code of Ethics

The Board is committed to the highest standards of integrity, behaviour and ethics in dealing with all its stakeholders. A formal code of ethics approved by the government has been implemented to guide management, employees and stakeholders on acceptable behaviour in conducting business. All employees of the Board are expected to avoid activities and financial interests that could undermine their responsibilities to the Board. In addition Board and staff members are required to disclose any potential conflict of interest which may arise during the carrying out of their duties in their respective capacities.



VII. CORPORATE SOCIAL RESPONSIBILITY STATEMENT

Judges and Magistrates Vetting Board recognises its obligations to act responsibly, ethically and with integrity in its interactions with all stakeholders both internal and external.

In the year under review, the Board's Corporate Social Responsibility activities focused on distress calls. During the Westgate terrorist attack, the Board identified with Kenyans and persons of good will in supporting the rescue operations by donating dry food, water and juices to the rescue teams; staff members and staff were also requested to donate blood to assist those injured and in need of blood transfusion.

The Board also took part in tree planting event in Karura Forest to honour those who lost their lives in the Westgate terrorist attack.

Additionally, the Board carries out the following:

- regular risk assessments to guarantee the wellbeing of staff and visitors, in accordance with Health and Safety legislation
- is an Equal Opportunities Employer which promotes diversity and does not differentiate on grounds of gender, ethnicity, religion, sexual orientation or physical ability.
- The Board is committed to being open and transparent in the interests of promoting best practice.

VIII. REPORT OF THE BOARD

The Board submit their report together with the audited financial statements for the year ended June 30, 2014 which show the state of the Board's affairs.

Principal activities

The principal activities of the Board is to vet the suitability of all the Judges and Magistrates, in office prior to the promulgation of the new constitution of Kenya in accordance with the values and principles set out in Article 10 and 159 of the new constitution and the Vetting of Judges and Magistrates Act 2011 (as amended).

Results

The results of the entity for the year ended June 30, 2014 are set out from page 1.

Board Members

The members of the Board who served during the year are shown on page v to viii in accordance with the Vetting of Judges and Magistrates Act 2011 (as amended).

Auditors

The Auditor General is responsible for the statutory audit of the Board in accordance with Article 229 of the Constitution and Section 8 of the Audit Act.

By Order of the Board

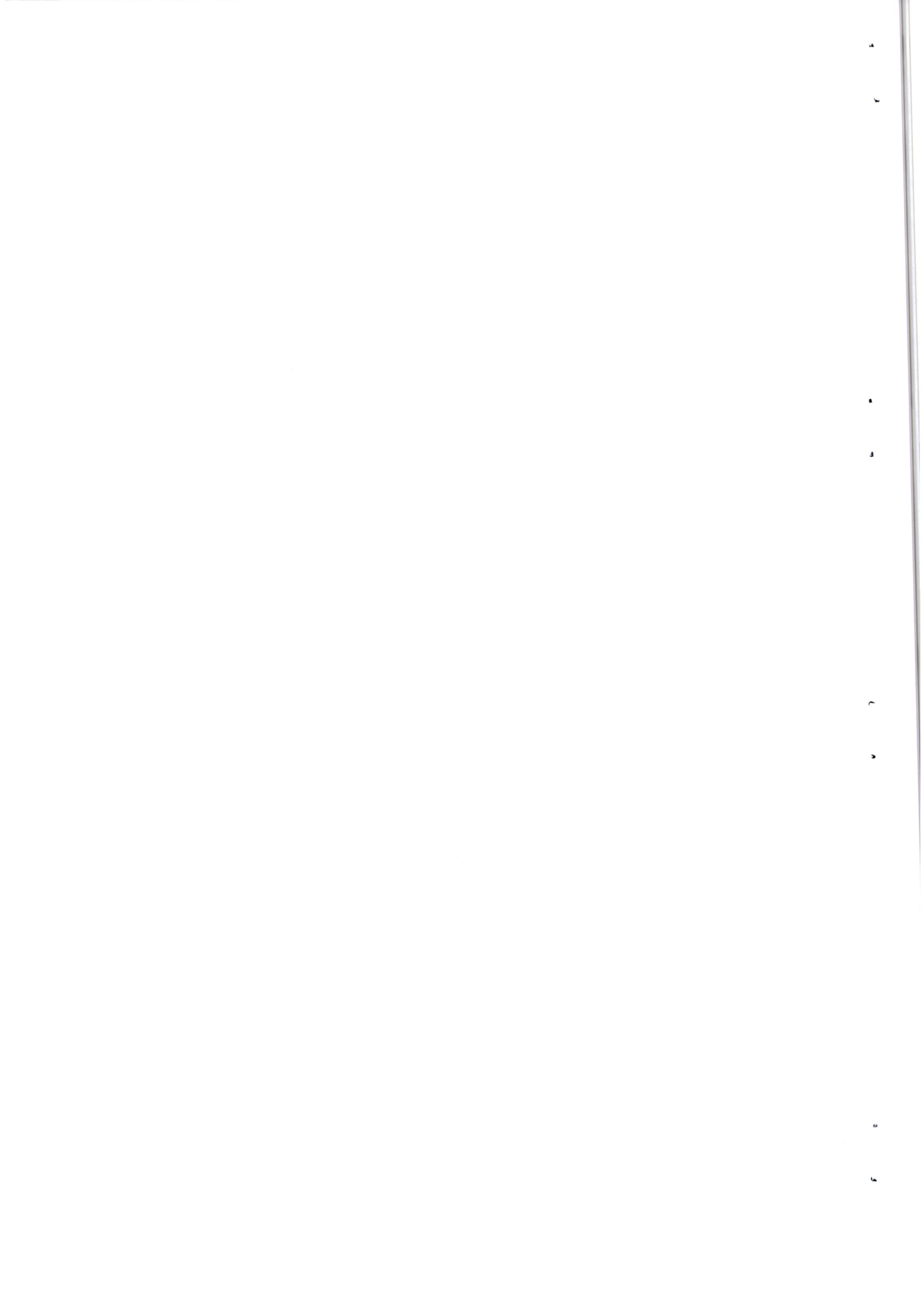


Reuben Chirchir

Secretary/Chief Executive Officer

Nairobi

Date: 30th September 2014



IX. STATEMENT OF SECRETARY/CHIEF EXECUTIVE OFFICERS RESPONSIBILITIES

Section 28 subsection 1 of the Vetting of Judges and Magistrates Act, 2011 requires the Board to keep proper books and records of accounts of its income, expenditure, assets and liabilities. Subsection 2 requires the annual accounts of the Board to be prepared, audited and reported upon in accordance with the Public Audit Act, 2003. Section 4 of the Public Audit Act, 2003 and Section 81 of the Public Finance Management Act, 2012 requires the Accounting Officer to prepare financial statements in respect of that Board, which give a true and fair view of the state of affairs of the Board at the end of the financial year/period and the operating results of the Board for that year/period. The Accounting Officer is also required to ensure that the Board keeps proper accounting records which disclose with reasonable accuracy the financial position of the Board. The Accounting Officer is also responsible for safeguarding the assets of the Board.

The Accounting Officer is responsible for the preparation and presentation of the Board's financial statements, which give a true and fair view of the state of affairs of the Board for and as at the end of the financial year ended on June 30, 2014. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Board; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer accepts responsibility for the Board'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. The Board Members are of the opinion that the Board's financial statements give a true and fair view of the state of Board's transactions during the financial year ended June 30, 2014, and of the Board's financial position as at that date. The Accounting Officer further confirm the completeness of the accounting records maintained for the Board, which have been relied upon in the preparation of the Board's financial statements as well as the adequacy of the systems of internal financial control.

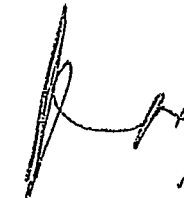
Nothing has come to the attention of the Accounting Officer to indicate that the Board will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Board's financial statements were approved by the Board Members in a meeting held on 22nd September 2014 and signed on its behalf by:



Secretary/CEO



Chairperson

REPUBLIC OF KENYA

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P.O. Box 30084-00100
NAIROBI



KENYA NATIONAL AUDIT OFFICE

REPORT OF THE AUDITOR-GENERAL ON JUDGES AND MAGISTRATES VETTING BOARD FOR THE YEAR ENDED 30 JUNE 2014

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of the Judges and Magistrates Vetting Board set out on pages 1 to 15, which comprise, the statement of financial position as at 30 June 2014, and the statement of financial performance, statement of changes in net assets 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 Public Sector Accounting Standards (Accrual Basis) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 and Section 28 of the Judges and Magistrates Vetting Board Act, 2011.

Auditor-General's responsibility

My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with the 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk

assessments, the auditor considers internal controls 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 Vetting Board's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board, 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 Judges and Magistrates Vetting Board as at 30 June 2014, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards and the Judges and Magistrates Vetting Board Act, 2009.

Other matter

I draw your attention to the following matter:

The Board has not put in place a functioning ICT policy to ensure data integrity.

My opinion is not qualified on this matter.



Edward R. O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

17 March 2015

XI. STATEMENT OF FINANCIAL PERFORMANCE
For the year ended 30 June 2014

REVENUE	Notes	2013 - 2014 Kshs'000	2012 - 2013 Kshs'000
Government Grant	11	566,077	444,000
Other Income	3(i)	112,215	36,316
Total Revenue		678,292	480,316
OPERATING EXPENSES			
Compensation of Employees	12,16 & 14(b)	295,964	315,849
Administration Costs	3(ii)	217,251	176,251
Depreciation of Property, Plant and Equipment	13	6,344	8,518
Total Expenses		519,559	500,618
Surplus (Deficit) from Operating Activities		158,733	(20,302)

The notes set out on pages 6 to 15 form an integral part of the Financial Statements

XII. STATEMENT OF FINANCIAL POSITION
As at 30 June 2014

ASSETS	Notes	2013 - 2014 Kshs'000	2012 - 2013 Kshs'000
Current Assets			
Cash and Cash Equivalents	10	133,928	6,060
Staff Advances	5	560	24
Accounts Receivable	4 (i)	4,551	-
Prepayment	4 (ii)	13,453	2,652
Inventories	6	1,358	1,507
Non-Current Assets			
Plant and Equipment	13	19,890	24,903
Total Assets		173,740	35,146
LIABILITIES			
Current Liabilities			
Accounts Payables and Accruals	7	8,546	31,596
Service Gratuity and Pay in Lieu of Leave	14 (a)	26,376	23,465
Total Liabilities		34,922	55,061
Net Assets			
Accumulated Surplus (Deficit)		138,818	(19,915)
Accumulated Surplus (Deficit)		138,818	(19,916)
Total Net Assets and Liabilities		173,740	35,146

The Financial Statements set out on pages 1 to 15 were signed on behalf of the Board by:

Secretary/Chief Executive Officer

Date..... 16/3/2015

Signature..... 

Chairman of the Board

Date..... 16/3/2015

Signature..... 

XIII. STATEMENT OF CHANGES IN NET ASSETS
For the year ended 30 June 2014

	Notes	Accumulated Surplus Kshs'000
Balance as at 30 th June 2012		387
Deficit for the period		(20,302)
Balance as at 30 th June 2013		(19,915)
Operating Surplus/ (Deficit) Financial Year 2013/2014		158,733
Balance as at 30 th June 2014		<u>138,818</u>

XIV. STATEMENT OF CASHFLOWS

	Notes	2013 - 2014 Kshs'000	2012 - 2013 Kshs'000
Cash flows from operating activities			
Receipts			
Government Grant	11	566,077	444,000
Other Income	3(i)	112,215	36,316
		<u>678,292</u>	<u>480,316</u>
Payments			
Compensation of employees	18	293,591	307,649
Administration Costs	19	255,502	150,913
		<u>549,093</u>	<u>458,562</u>
Net cash flow from operating activities		129,199	21,754
Purchase of Assets		(1,331)	(28,670)
Net Cashflow used in Investing Activities		(1,331)	(28,670)
Cashflow from Financing Activities			
Net Cashflow used in Financing Activities		-	-
Net Cash Increase/(decrease) in Cash and Cash Equivalents		127,868	(6,916)
Cash and Cash equivalents at 1st July		6,060	12,976
Cash and Cash Equivalent as at 30th June 2014	10	133,928	6,060

XV. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference
	2013-2014 Kshs'000	2013-2014 Kshs'000	2013-2014 Kshs'000	2013-2014 Kshs'000	2013-2014 Kshs'000
Revenue	1,000,504	434,427	566,077	566,077	-
Government grants and subsidies	-	112,215	112,215	112,215	-
Other Income	1,000,504	546,642	678,292	678,292	-
Total income	407,900	111,937	295,963	295,964	(1)
Expenses	570,403	209,489	360,914	202,180	158,734
Compensation of employees	-	-	-	-	-
Goods and services	22,201	786	21,415	21,415	-
Finance cost	-	-	-	-	-
Rent paid	-	-	-	-	-
Taxation paid	1,000,504	322,212	678,292	519,559	158,733
Total expenditure	-	224,430		158,733	158,733
Surplus for the period					

XVI. NOTES TO THE FINANCIAL STATEMENTS

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

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

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

2. Summary of significant accounting policies

a) Revenue recognition

Revenue from non-exchange transactions – IPSAS 23

Fees, government grants and donor funds

The Board recognizes revenues from fees, government grants and donor funds when the event occurs and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the fair value of the asset can be measured reliably.

b) Budget information – IPSAS 24

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

c) Taxes – IPSAS 23

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

JUDGES AND MAGISTRATES VETTING BOARD
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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.

d) Property, plant and equipment – IPSAS 17

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

e) Leases – IPSAS 13

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the Entity. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Entity also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition.

Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit.

An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Entity will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Entity. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

f) Inventories – IPSAS 12

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

Costs incurred in bringing each product to its present location and condition are accounted for, as follows:

- Raw materials: purchase cost using the weighted average cost method

- Finished goods and work in progress: cost of direct materials and labor and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution.

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity.

g) Provisions – IPSAS 19

Provisions are recognized when the Entity has a present obligation (legal or constructive) as a result 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 of 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.

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.

Contingent assets

The Entity does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

h) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements. Entity to state the reserves maintained and appropriate policies adopted.

i) Changes in accounting policies and estimates – IPSAS 3

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 – IPSAS 25

All short term employee benefits

Short-term employee benefits include items such as: (a) Wages, salaries, and social security contributions; (b) Short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled

within twelve months after the end of the period in which the employees render the related employee service; (c) Performance related bonuses and profit-sharing payable within twelve months after the end of the period in which the employees render the

related service; and (d) Non-monetary benefits (such as medical care, housing, cars, and free or subsidized goods or services) for current employees.

When an employee has rendered service to an entity during an accounting period, the Board recognizes the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service: (a) As a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, an Board recognizes that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and (b) As an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

k) 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.

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For the year ended June 30, 2014

l) Comparative figures

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

m) Significant judgments and sources of estimation uncertainty – IPSAS 1

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.

n) Subsequent events – IPSAS 14

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2014.

3 (i)	Other Income		2013/2014 Kshs'000	2012/2013 Kshs'000
	Tender Fees		287	105
	Japan Embassy Funds		88,412	-
	UNDP Contribution		23,516	36,211
	Totals		112,215	36,316
3 (ii)	Administration Costs	Notes	2013/2014 Kshs'000	2012/2013 Kshs'000
	Communication supplies and Services		505	1,048
	Domestic Travel		6,077	5,148
	Foreign Travel		-	615
	Printing, Advertisement and Information	17	35,207	12,194
	Training Expenses		888	4,360
	Hospitality, Supplies and Services		4,922	3,048
	Medical Insurance Premium		21,127	18,035
	Specialized Materials and Supplies		172	871
	Office General Supplies and Services		4,727	5,440
	Fuel, Oil and Lubricants		9,492	7,519
	Miscellaneous Expenses		135	793
	Telephone and Airtime Expenses		5,857	4,025
	Newspapers and Periodicals		471	569
	Courier Charges		65	154
	Internet Services		2,191	2,156
	Staff Retreat and Team Building		12,861	15,737
	Public Sensitization		19,016	20,894

JUDGES AND MAGISTRATES VETTING BOARD
Reports and Financial Statements
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Administration Costs – Cont'd

	2013/2014 Kshs'000	2012/2013 Kshs'000
Bank Charges	48	51
Routine Maintenance – Vehicle and Other Assets	1,426	428
Rent	21,415	15,358
Witness Expenses	587	434
Car Rental and Hire	57,999	41,929
Office Maintenance Services	99	314
Office Cleaning Services	1,662	1,465
Hire of Conference Facility	195	216
Legal Fees and Charges	7,091	2,888
Consultancy Fees and Charges	324	4,499
Subscription and Licenses	182	639
Hotel Accommodation and Subsistence Allowance	2,324	5,364
General Expenses	186	60
Total Administration Costs	217,251	176,251

	2013/2014 Kshs'000	2012/2013 Kshs'000
4 (i) Accounts Receivables		
Rent Deposit	4,551	2,652

The rent deposit relates to View park and Anniversary Towers premises. The deposit is refundable at the end of the contract period.

	2013/2014 Kshs'000	2012/2013 Kshs'000
4 (ii) Prepayment		
Insurance Premium	13,453	-

The Insurance premium prepayment relates to premium paid for services beyond the financial year

	2013/2014 Kshs'000	2012/2013 Kshs'000
5. Salary Advances		
Salary Advances	560	23

These relate to salary advances to members of the secretariat as at 30th June.

	2013/2014 Kshs'000	2012/2013 Kshs'000
6. Inventories		
Stationery for office use	1,358	1,507

Inventories are valued at the lower of cost and net realizable value.

JUDGES AND MAGISTRATES VETTING BOARD
Reports and Financial Statements
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7. Accounts Payables and Accruals		2013/2014	2012/2013
		Kshs'000	Kshs'000
Accounts Payable	(Note 7 (ii))	4,350	-
Salary Accrued		-	23,732
PAYE on Salary Accrued			7,864
Legal Fees Accrued	(Note 7 (i))	4,196	-
Totals		8,546	31,596

7 (i) Legal Fees Accrued Schedule

S.No.	Name of Supplier	Kshs'000
1	Nderitu & Partners	1,050
2	Nzamba Kitonga	3,146
	Total	4,196

7 (ii) Accounts Payable Schedule

	Kshs'000
1 Anwillan Kenya Ltd	849
2 CedanaEnt.	29
3 VAT - EkuruAujot & Co. Advocates	120
4 Global Star Tours and Travel	509
5 Isel Creative Designs	58
6 MFI Solutions Ltd	670
7 R.H. Devani Ltd	690
8 Sequence Ent.	245
9 SimbaCorporatin Ltd	927
10 Skyplus Solutions Ltd	253
Total	4,350

10. Cash and Cash equivalents

	Kshs'000
Kenya Commercial Bank	10,397
KCB Japan Funds	123,193
Cash in Hand	338
Total	133,928

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Reports and Financial Statements
For the year ended June 30, 2014

11. Exchequer Contribution	2013/2014	2012/2013
AIE No./Description	Kshs'000	Kshs'000
331883	-	36,000
331953	-	36,000
JV No. 45	-	36,000
JV No. 46	-	36,000
331989	-	168,000
337573	-	132,000
1st Qtr AIE	113,038	-
2nd Qtr AIE	113,039	-
3rd and 4th Qtr AIE	232,000	-
3rd and 4th Qtr AIE –		
Additional	108,000	-
Totals	566,077	444,000

12. Wages, Salaries and Employee Benefits	2013/2014	2012/2013
Description	Kshs'000	Kshs'000
Net Pay	173,159	148,645
Salary Arrears	-	47,464
P.A.Y.E	72,397	65,105
P.A.Y.E Arrears	-	15,728
NSSF	376	296
NHIF	309	335
Casual Wages	-	24
Totals	246,241	277,597



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13. Property, Plant and Equipment

	Furniture & Fittings Kshs'000	Office Equipment Kshs'000	Assets Below KES 15,000 Kshs'000	Total Kshs'000
Cost				
As at 1 July 12	577	6,267	66	6,910
Additions	11,777	16,844	49	28,670
Disposals	-	-	-	-
Transfers/Adjustments	-	-	-	-
At 30.06.2013	12,354	23,111	115	35,580
Additions	470	799	62	1,331
Disposals	-	-	-	-
Transfers/Adjustments	-	-	-	-
At 30.06.2014	12,824	23,910	177	36,911
Depreciation and Impairment				
As at 1 July 12	72	2,087	-	2,159
Depreciation	1,536	6,982	-	8,518
Disposals	-	-	-	-
Impairment	-	-	-	-
Transfers/Adjustments	-	-	-	-
At 30.06.2013	1,608	9,069	-	10,677
Depreciation	1,402	4,942	-	6,344
Disposals	-	-	-	-
Impairment	-	-	-	-
Transfers/Adjustments	-	-	-	-
At 30.06.2014	3,010	14,011	-	17,020
Net Book Values				
At 30.06.2014	9,814	9,899	177	19,890
At 30.06.2013	10,746	14,042	115	24,903

14. (a) Accrued Service Gratuity and Pay in Lieu of Leave

	2013/2014 Kshs'000	2011/2012 Kshs'000
Accrued Gratuity	26,376	23,465
Totals	26,376	23,465

Gratuity has been calculated as 31 per cent of the basic salary from the contract date of staff members up to 30th June 2014.

14. (b) Gratuity Expense

	2013/2014 Kshs'000	2012/2013 Kshs'000
Accrued Gratuity	26,376	23,465
Gratuity	19,261	11,122
Totals	45,637	34,587

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15. Legal Fees and Charges	2013/2014	2012/2013
	Kshs'000	Kshs'000
Accrued	4,196	-
Legal Fees and Charges	2,895	2,888
Totals	7,091	2,888

16. Pay in Lieu of Leave	2013/2014	2012/2013
	Kshs'000	Kshs'000
Pay in Lieu of Leave	4,086	3,609

This relates to staff members who were not able to proceed on leave during the financial year due to exigencies of work.

17. Printing, Advertisement and Information	2013/2014	2012/2013
	Kshs'000	Kshs'000
Printing , Advertisement and Information	35,207	12,194

The Board printed two reports covering its activities and findings; the interim report and transcripts of findings report. This was alongside the newspaper adverts that the Board had.

18. Compensation of Employees	2013/2014	2012/2013
	Kshs'000	Kshs'000
Compensation of Employees	295,964	315,849
Change in accrued gratuity	(2,910)	(8,168)
Change in staff advances	537	(32)
Totals	293,591	307,649

19. Administration Costs	2013/2014	2012/2013
	Kshs'000	Kshs'000
Administration Costs	217,251	176,251
Change in accounts payable and accruals	23,050	(12,922)
Change in accounts receivable and prepayments	15,351	(14,177)
Change in inventory	(150)	961
Change in commuter allowance	-	800
Totals	255,502	150,913

