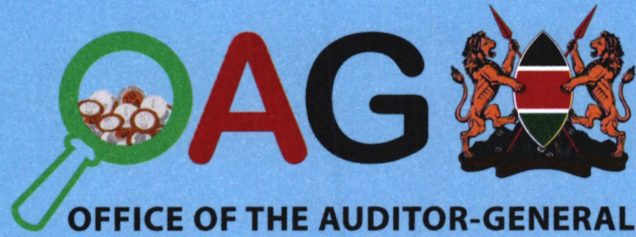


REPUBLIC OF KENYA



Enhancing Accountability

REPORT



THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 22 FEB 2024	DAY: TUES
TABLED OF	Hon Owen Riga, MP Deputy Leader, majority party
CLERK-AT THE TABLE:	Shubuko

THE AUDITOR-GENERAL

ON

RECEIVER OF REVENUE STATEMENTS

**FOR THE YEAR ENDED
30 JUNE, 2023**

THE JUDICIARY



THE JUDICIARY



RECEIVED

RECEIVER OF REVENUE STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30 JUNE 2023

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

**THE JUDICIARY
RECEIVER OF REVENUE STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

**THE JUDICIARY
RECEIVER OF REVENUE STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

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**THE JUDICIARY
RECEIVER OF REVENUE STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

I. ACRONYMS AND GLOSSARY OF TERMS

CRJ	Chief Registrar of the Judiciary
CTS	Case Tracking System
JFMIS	Judiciary Financial Management Information System
JSC	Judicial Service Commission
TNT	The National Treasury
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
ROR	Receiver of Revenue

**THE JUDICIARY
RECEIVER OF REVENUE STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

II. KEY ENTITY INFORMATION AND MANAGEMENT

The Judiciary is one of the three arms of Government. Its chief mission is to resolve disputes in a just manner with a view to protecting the rights and liberties of all. The principal activity/mission of the Judiciary is to deliver justice fairly, impartially and expeditiously, promotes equal access to justice, and advance local jurisprudence by upholding the rule of law.

a. Background information

Article 1 of the Constitution provides that sovereign authority belongs to the people of Kenya, which they have delegated to the various State organs including the Judiciary. Therefore, being an independent custodian of justice, as established under Article 159 of the Constitution, the Judiciary draws its authority from the people of Kenya and exercises it through Courts and Tribunals. It is mandated to administer justice and promote the rule of law.

The Judiciary discharges this mandate by developing jurisprudence and providing independent, accessible, fair and responsive fora for dispute resolution. Through interpretation of the Constitution, the Judiciary promotes the rule of law by shaping public policy and ensuring access to justice.

Vision, Mission and Core Values

Vision

To be an independent institution of excellence in the delivery of justice to all.

Mission

To dispense justice in a fair, timely, accountable and accessible manner, uphold the rule of law, advance indigenous jurisprudence, protect and promote the Constitution.

Core Values

- i. **Professionalism:** We will exhibit the highest levels of competence, efficiency and excellence in executing our tasks.
- ii. **Integrity:** We will uphold the highest ideals of honesty, openness and veracity in service delivery.

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RECEIVER OF REVENUE STATEMENTS
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- iii. **Diligence:** We shall be committed, dedicated and selfless to our duty
- iv. **Transparency and Accountability:** We shall be open to public scrutiny, exercise good governance and take responsibility for our actions.
- v. **Humility:** We shall be modest in exercising powers given to us by the Constitution

b. Receiver of Revenue

The Chief Registrar of the Judiciary (CRJ) is the Accounting Officer of the Judiciary and is responsible for its general administration. The CRJ was designated as a Receiver on 22nd July 2022 by the cabinet Secretary, National Treasury in accordance with Section 75 of the PFM Act, 2012.

c. Principal activities

The Judiciary collects revenues from fees levied in court for services provided. Court fines arise from penalties imposed by the courts. Revenue collected is remitted to the National Treasury's Exchequer Account (Consolidated Fund).

d. Key Management.

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

- The Chief Justice as the Chair of the Judicial Service Commission;
- Judicial Service Commission (JSC) provides oversight over the Judiciary;
- The Chief Registrar of the Judiciary is the administrator of the Judiciary Fund and designates AIE Holders and collectors of revenue;

**THE JUDICIARY
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The management who served during the period and up to the date of this report are:

No	Designation	Name
1.	Hon. Chief Justice and President of the Supreme Court, The Head of Judiciary and Chair of: The Judicial Service Commission, National Council of Law Reporting National Council on Administration of Justice	Hon. Lady Justice Martha Koome.
2.	The Chief Registrar of the Judiciary	Hon. Anne A. Amadi, CBS
3.	Director of Finance	Ms. Beatrice Kamau
4.	Director Accounts	CPA Wycliffe Wanga
5.	Director Supply Chain Management	Mr. Jeremiah Nthusi
6.	Director Human Resources & 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.	Director ICT	Mr. Peter Kyalo
12.	Registrar, Supreme Court	Hon. Letizia Wachira
13.	Registrar, Court of appeal	Hon. Moses Serem
14.	Ag. Registrar, High Court	Hon. Pauline Mbulika
15.	Registrar, Employment & Labour Relations Court	Hon. Kennedy Kandet
16.	Registrar, Environment and Land Court	Hon. Rose Makungu
17.	Ag. Registrar, Magistrate Court	Hon. Caroline Kabucho
18.	Registrar, Tribunals	Hon. Anne Asugah

e. Judiciary Headquarters

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**THE JUDICIARY
RECEIVER OF REVENUE STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

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NAIROBI, KENYA

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The Attorney General

State Law Office

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NAIROBI, KENYA

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Central Bank of Kenya

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P.O. Box 60000

City Square 00200

NAIROBI, KENYA

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Kencom House,

Moi Avenue,

P.O Box 48400 - 00100

NAIROBI, KENYA

**THE JUDICIARY
RECEIVER OF REVENUE STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

III. MANAGEMENT DISCUSSION AND ANALYSIS

The Chief Registrar of the Judiciary is an appointed Receiver of Revenue (ROR) designated to receive revenue collected by the Judiciary. This appointment is made by the Cabinet Secretary (CS), the 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.

Section 75 (2) of the PFM Act, 2012 states that a receiver of national Government revenue is responsible to the Cabinet Secretary for the collection of revenue for which they are responsible, and such revenue shall be separately accounted for. All revenues collected by the Judiciary are transferred to the exchequer.

To achieve the above mandate, and in line with Section 76 (1) of the PFM Act, the Chief Registrar of the Judiciary delegates the authority to 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 or generated 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. The court fines may at times be reinstated and refunded to litigant upon a successful appeal.

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. It also arises from sale of tender documents, exhibits, revenue from rent of government property, and interest income on deposits among other sources.

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a. Revenue Estimates from the National Treasury

The Cabinet Secretary, the National Treasury allocates on an annual basis a revenue target to be received by the Chief Registrar of the Judiciary. During the period under review the Judiciary Receiver of Revenue target was **KShs 2,427,359,609** as shown in table 1.1 below.

Table 1.1: Revenue Targets Trends

Code	Details	FY2022/23	FY 2021/22	FY 2020/21
		KShs '000	KShs '000	KShs '000
1430001	Fines, Penalties & Forfeiture and other charges	1,349,210	1,247,146	1,033,286
1422039	Fees for services and sale of goods	1,078,149	958,059	778,510
TOTAL		2,427,359	2,205,205	1,811,796

Revenue Collection

The Judiciary collection of **KShs 2.66** Billion for the Financial Year 2022/23 from four key sources realised as outlined in the table 1.2 below.

Table 1.2: Revenue Collection for FY2022/2023

Fines	Fees	Interest on deposit	Other Income (Rent, payroll commissions and sundry revenue)	Total
KShs'000	KShs'000	KShs'000	KShs'000	KShs'000
1,419,039	1,027,999	197,281	16,391	2,660,709

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

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RECEIVER OF REVENUE STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

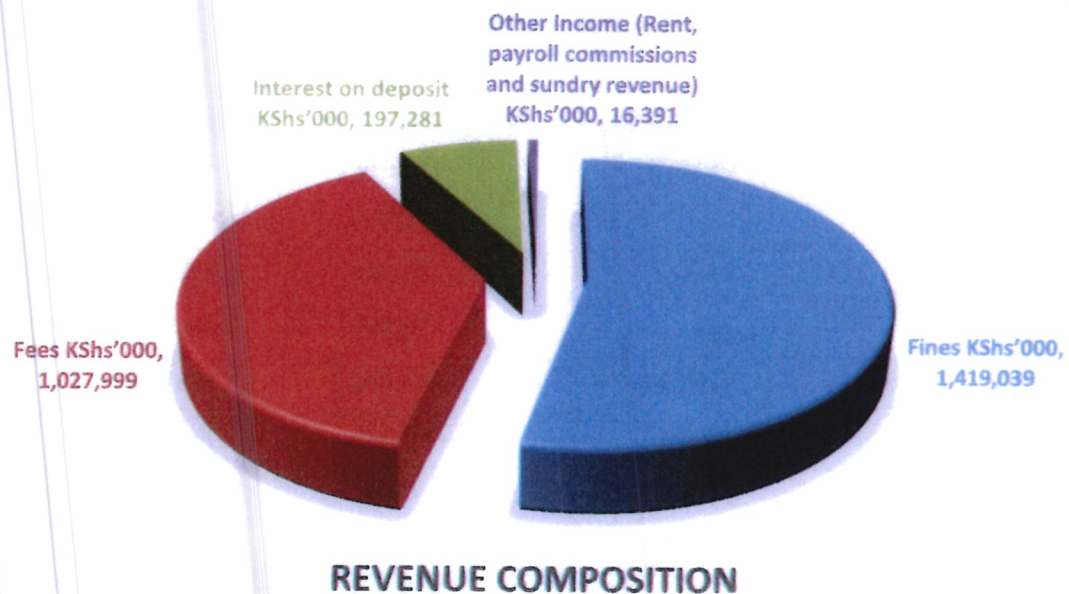


Figure 1.1: Revenue composition for FY2022/23

The court fines were the major revenue component for the Judiciary revenue at **KShs 1.42 billion** equivalent to 53.33%. Fees collected amounted to **KShs 1.03 billion**, equivalent to 38.64% while other income from interest on court deposits amounted to **KShs 197 million** equivalent to 7.41% of the total revenue. Interest on deposits accrues on deposit bank balances at a rate of 6% per annum. Commissions, rent from property and miscellaneous income amounted to **KShs 16.39 million** being 0.62% of the total revenue.

b. Revenue Collection vis-à-vis Targets

Revenues are collected against set targets by the Cabinet Secretary for each financial year. Though Judiciary has several streams of revenue only fines and fees have set targets. These revenues emanate from the core function of the Judiciary. The CS is yet to set targets for other sources that include property income, interest on deposits, payroll commission and miscellaneous receipts.

The total revenues collected for FY2022/23, FY2021/22 and FY 2020/21 exceeded the targets set by the National Treasury at 101%, 113% and 128% respectively.

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Table 1.3 provides comparative figures for revenue collections and estimates over the last three financial years.

Table 1.3: Revenue Collections vis-à-vis Targets

Financial Year	Details	Targets	Actual	Realisation
		KShs'000	KShs'000	%
FY2020/2021	Fines	1,033,286	1,258,252	122%
	Fees	778,510	1,064,821	137%
	TOTAL	1,811,796	2,323,073	128%
FY2021/2022	Fines	1,247,146	1,460,387	117%
	Fees	958,059	1,030,670	108%
	TOTAL	2,205,205	2,491,057	113%
FY2022/2023	Fines	1,349,210	1,434,517	106%
	Fees	1,078,149	1,027,999	95%
	TOTAL	2,427,359	2,462,516	101%

There was an increase in revenue from a total of KShs 2.32 billion in FY2020/21 to KShs 2.49 billion in FY 2021/22. This was a continued improvement from previous financial years resulting from more cases being registered through use of online case management, electronic filing and the operationalisation of virtual courts. There were also improved revenue collection mechanism which sealed revenue leakage and under assessment through automation of fees assessment and collection. However, in FY2022/23 the collection went down due to a number of factors including the establishment of Small Claims Courts that deals with majority of Civil Matters whose cost is lower as compared to when handles in other courts.

The revenue realisation level shown above excludes revenues collected from interest on deposit and other income which were not included in the National Treasury's targets. Figure 1.2 is an illustration of the set revenue target against the actual revenue collection.

**THE JUDICIARY
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FOR THE YEAR ENDED 30 JUNE 2023**

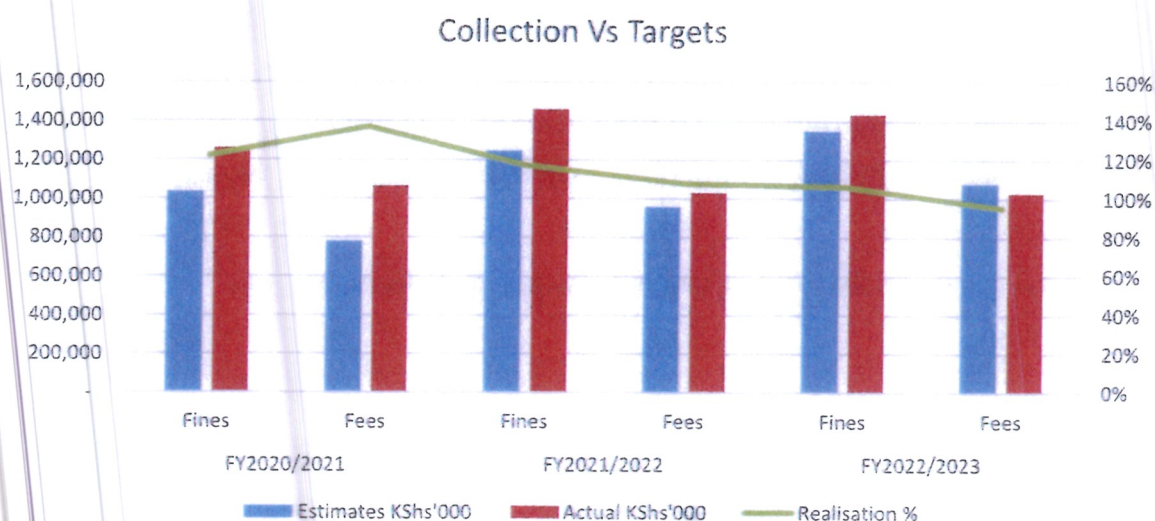


Figure 1.2: Revenue Targets against Realisation for FY 2020/21 – FY 2022/23

c. Total Revenue trends

There has been a progressive increase in gross revenue collected over the past three financial years. The revenue has grown from **KShs 2.43 billion** in FY 2020/2021 to **KShs 2.66 billion** in FY 2022/2023 being a **KShs 230.07 million** increase equivalent to 9.47% growth. The growth from FY2020/2021 to FY 2021/2022 was **KShs 217.50 million** while from FY2021/2022 to FY 2022/2023 was **KShs 12.50 million** equivalent to 8.95% and 0.47% growth respectively. This is illustrated in Table 1.3:

Table 1.4: Gross Revenue collections trends for the last three Financial Years

	FY 2022/23	FY 2021/22	FY 2020/21
	KShs' M	KShs' M	KShs' M
Fines	1,434.52	1,460.39	1,258.76
Fees	1,028.00	1,030.67	1,065.11
Interest on Deposit	197.28	139.00	92.38
Other Income	16.39	18.15	14.39
Total	2,676.19	2,648.21	2,430.64

This increase in revenue collection was attributed to more cases being registered by adoption of technology. The Judiciary implemented Case Management System (CTS), electronic filing and use of Judiciary Financial Management Information System (JFMIS) in revenue collection. The use of online case registration and a cashless payment platform eliminated opportunities

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for revenue loss. There has been a progressive use of virtual courts that enabled speedy clearance of cases. 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 356,997 in FY2020/21, 404,312 cases in FY2021/22 and 423,394 cases in FY2022/23.

Figure 1.3 shows the revenue trends in the past three financial years.

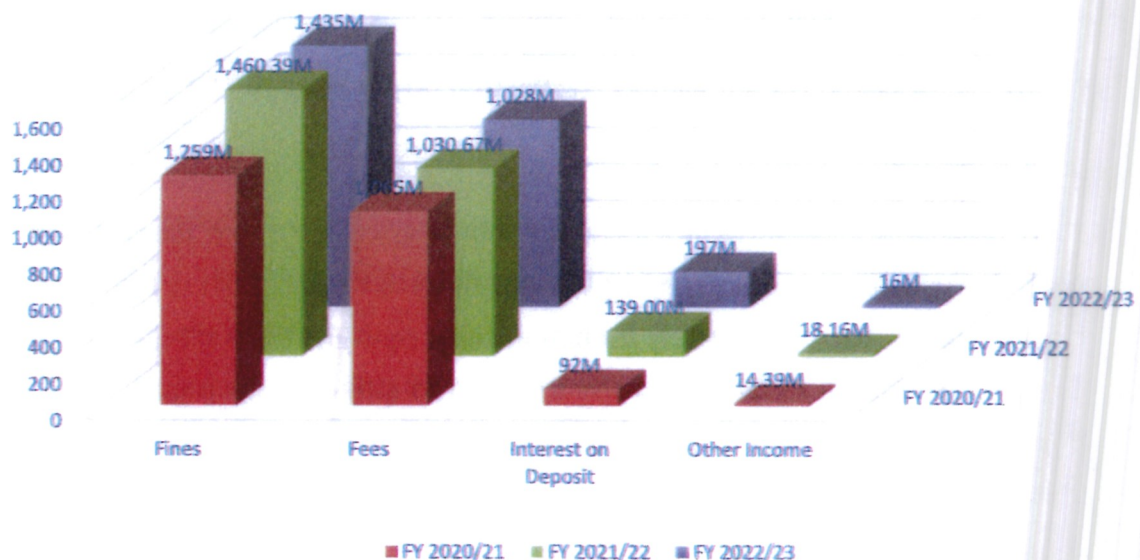


Figure 1.3: Revenue composition and Trends for FY2020/2021 - FY2022/23

Figure 1.3 shows an overall steady rise in revenue collections from the different categories from FY2020/2021 to FY 2021/2022. However, all the categories registered a decline in FY2022/2023 except interest on deposit which continued to register a continued increase. Interest on deposit is earned based on deposit balances held at various commercial banks. There was an enhancement of interest rate from 2% to 4% effective September 2021 and subsequently increased to 6% in 2023.

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IV. STATEMENT OF RECEIVER OF REVENUE 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
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FOR THE YEAR ENDED 30 JUNE 2023**

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

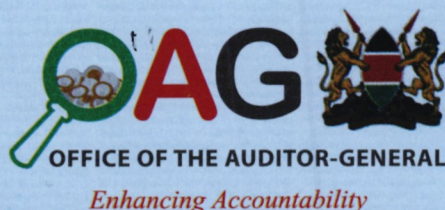
The revenue statements were approved and signed by the Chief Registrar of the Judiciary on the 20th September 2023.


.....

Anne A. Amadi, CBS
Chief Registrar of the Judiciary

REPUBLIC OF KENYA

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON RECEIVER OF REVENUE STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2023 - 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 the 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 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 financial statements of Receiver of Revenue - The Judiciary set out on pages 14 to 26, which comprise the statement of financial assets and liabilities and the statement of arrears of revenue as at 30 June, 2023, and the

Report of the Auditor-General on Receiver of Revenue Statements for the year ended 30 June, 2023 - The Judiciary

statement of receipts and disbursements, and statement of comparison of budget and actual amounts 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 Judiciary Revenue as at 30 June, 2023, 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 Receiver of Revenue 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, except for the matter described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

Delays in Transfer of Revenue Collected to the Exchequer

The statement of financial assets and liabilities and as disclosed in Note 6 to the revenue statements reflects balance due for disbursement to the Exchequer of Kshs.245,930,310. The unremitted revenue as at 30 June, 2023 relates to collections for the month of June, 2023. However, the Management remitted the collection of Kshs.245,551,960 in July, 2023 leaving a balance of Kshs.378,350 untransferred to the exchequer.

This contravenes Regulations 81(2) of the Public Finance Management (National Government) Regulations, 2015 which states that, "the Receivers of Revenue shall

promptly pay the revenue received into the Consolidated Fund as soon as possible and in any case not later than five (5) days after receipt thereof.”

In the circumstances, Management was in breach of the law.

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 overall 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 Revenue 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.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

26 January, 2024

Report of the Auditor-General on Receiver of Revenue Statements for the year ended 30 June, 2023 - The Judiciary

**THE JUDICIARY
RECEIVER OF REVENUE STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

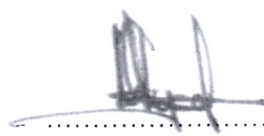
**VI. STATEMENT OF RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDED 30TH
JUNE 2023**

	Note	FY2022/23	FY2021/22
		KShs	KShs
NON-TAX REVENUES			
Fees on use of Goods/Services	1	1,027,998,907	1,030,669,690
Fines, Penalties and Forfeitures	2	1,419,038,571	1,433,357,116
Property Income	3	2,959,487	4,114,653
Other Receipts not Classified Elsewhere	4	<u>210,711,994</u>	<u>153,044,746</u>
TOTAL NON-TAX RECEIPTS		2,660,708,959	2,621,186,205
DISBURSEMENTS TO EXCHEQUER ACCOUNT		(2,414,778,649)	(2,411,035,481)
BALANCE DUE FOR DISBURSEMENT		<u>245,930,310</u>	<u>210,150,724</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 2023 and signed by:



Anne A. Amadi, CBS
Chief Registrar of the Judiciary



Wycliffe Wanga - ICPAK No: 3209
Director Accounting Services

**THE JUDICIARY
RECEIVER OF REVENUE STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

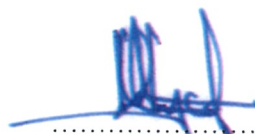
VII. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES AS AT 30TH JUNE 2023

	Note	FY2022/23	FY2021/22
		KShs	KShs
FINANCIAL ASSETS			
Cash And Cash Equivalent	5	<u>245,930,310</u>	<u>210,150,724</u>
TOTAL FINANCIAL ASSETS		<u>245,930,310</u>	<u>210,150,724</u>
FINANCIAL LIABILITIES			
Due to Exchequer	6	<u>245,930,310</u>	<u>210,150,724</u>
BALANCE DUE FOR DISBURSEMENT		<u>245,930,310</u>	<u>210,150,724</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 2023 and signed by:



Anne A. Amadi, CBS
Chief Registrar of the Judiciary



Wycliffe Wanga - ICPAK No: 3209
Director Accounting Services

**THE JUDICIARY
RECEIVER OF REVENUE STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

VIII. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2023

	Original Targets KShs	Adjustments KShs	Final Targets KShs	Actual KShs	% Realized
Fees on use of goods/Services	1,078,149,414		1,078,149,414	1,027,998,907	95%
Court imposed Fines, Penalties and Forfeitures and other Charges	1,349,210,195		1,349,210,195	1,434,517,415	106%
Reinstated Fines	-		-	<u>(15,478,844)</u>	
Net Fines	-		-	1,419,038,571	105%
Rent Income				2,959,487	
Payroll Commissions	-		-	3,301,712	
Interest on deposits	-		-	197,280,943	
Sundry Revenue	-		-	<u>10,129,339</u>	
Total Other Receipts	<u>2,427,359,609</u>		<u>2,427,359,609</u>	<u>2,660,708,959</u>	

(Signature)

Anne A. Amadi, CBS

Chief Registrar of the Judiciary

(Signature)

Wycliffe Wanga - ICPAK No: 3209

Director Accounting Services

THE JUDICIARY
RECEIVER OF REVENUE STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

IX. STATEMENT OF ARREARS OF REVENUE AS AT 30TH JUNE 2023

Classification of Receipts	Balance as at 1 st July 2022	Arrears received during the year	Additions in arrears for the current year to 30 th June 2023	Total arrears as at 30 th June 2023	Measures taken to recover the arrears	Assessment to the recoverability of arrears
	Kshs	Kshs	Kshs	Kshs		
Non- Tax Receipts	-	-	-	-	N/A	N/A
Fees on Use of Goods and services	-	-	-	-	N/A	N/A
Property Income	-	-	-	-	N/A	N/A
Fines, penalties, and Forfeitures	-	-	-	-	N/A	N/A
Receipts from sale of non -financial assets	-	-	-	-	N/A	N/A
Total arrears	-	-	-	-	N/A	N/A

.....

Anne A. Amadi, CBS

Chief Registrar of the Judiciary

.....

Wycliffe Wanga - ICPAK No: 3209

Director Accounting Services

**THE JUDICIARY
RECEIVER OF REVENUE STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

X. SIGNIFICANT ACCOUNTING POLICIES

The key 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 periods 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), the same accounts classification 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 period under review has been included

THE JUDICIARY
RECEIVER OF REVENUE STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

in to 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.

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 sweeping 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 period.

g. Comparative Figures

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

h. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the revenue statements for the year ended June 30, 2023

THE JUDICIARY
RECEIVER OF REVENUE STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

XI. NOTES TO THE FINANCIAL STATEMENTS

1. FEES ON USE OF GOODS/SERVICES

	FY2022/23	FY2021/22
	KShs	KShs
Fees on use of goods/Services	1,027,998,907	1,030,669,690
Balance brought forward	88,408,674	189,522,531
Transfer to Exchequer Account	<u>(1,013,032,684)</u>	<u>(1,131,783,547)</u>
*Balance carried forward	<u>103,374,897</u>	<u>88,408,674</u>

2. FINES, PENALTIES AND FORFEITURES

Court imposed Fines, Penalties and Forfeitures and other Charges	1,434,517,415	1,460,386,635
Reinstated Fines	<u>(15,478,844)</u>	<u>(27,029,519)</u>
Total	1,419,038,571	1,433,357,116
Balance brought forward	111,712,760	249,988,268
Transfer to Exchequer Account.	<u>(1,394,120,467)</u>	<u>(1,571,632,624)</u>
Balance carried forward	<u>136,630,864</u>	<u>111,712,760</u>

**THE JUDICIARY
RECEIVER OF REVENUE STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

3. PROPERTY INCOME

	FY2022/23	FY2021/22
	KShs	KShs
Rent Income	2,959,487	4,114,653
Balance Brought Forward	1,305,345	521,640
Transfer to Exchequer Account	<u>(4,262,333)</u>	<u>(3,330,947)</u>
Balance carried forward	<u>2,500</u>	<u>1,305,346</u>

4. OTHER INCOME

Payroll Commissions	3,301,712	3,235,920
Interest on deposits	197,280,943	139,003,245
Sundry Revenue	<u>10,129,339</u>	<u>10,805,581</u>
Total Other Receipts	210,711,994	153,044,746
Balance brought forward	8,723,945	35,999,389
Transfer to Exchequer Account	<u>(213,513,890)</u>	<u>(180,320,190)</u>
Balance carried forward	<u>5,922,049</u>	<u>8,723,945</u>

5. BANK BALANCES

Name of Bank, Account No. & Currency	FY2022/23	FY2021/22
	KShs	KShs
Judiciary Court Deposit Collection Account No. 1117161749	<u>245,930,310</u>	<u>210,150,724</u>
4a) Balance Carried Forward as at 30th June 2023 and subsequently transferred		
June 2023 Collections	<u>245,930,310</u>	<u>21 Jul 2023</u>

**THE JUDICIARY
RECEIVER OF REVENUE STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

6. PAYABLES - DUE TO EXCHEQUER

	FY2022/23	FY2021/22
	KShs	KShs
Balance b/f at the beginning of the year	210,150,724	476,031,828
Amounts received during the year	2,660,708,959	2,621,186,205
Amounts disbursed to Exchequer during the year	(2,624,929,373)	(2,887,067,309)
Balance c/d at the end of the year	<u>245,930,310</u>	<u>210,150,724</u>

**THE JUDICIARY
RECEIVER OF REVENUE STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

XII. AGEING ANALYSIS OF REVENUE IN ARREARS

Description	Less than 1 year	Between 1-2 years	Between 2-3 years	Over 3 years	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
Fees on use of goods and services	-	-	-	-	-
Property income	-	-	-	-	-
Fines, penalties, and forfeitures	-	-	-	-	-
Receipts from sale of non- financial assets	-	-	-	-	-
Total (Agree to Statement of Arrears)	-	-	-	-	-

THE JUDICIARY
RECEIVER OF REVENUE STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

XIII. APPENDICES

APPENDIX 1 - 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 (tax, fee, or charge)	Reason for waiver/ variation	The law in terms of which variation/waiver was granted
None	N/A	N/A	N/A	N/A

(PFM ACT Section 82 sub section 4, 5)


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Anne A. Amadi, CBS
Chief Registrar of the Judiciary

**THE JUDICIARY
RECEIVER OF REVENUE STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

APPENDIX 2: - 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 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.

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	1648	Revenue Management at the Courts		
2018/2019	1648.5	Mombasa Law Courts	The unclaimed deposit amounts totalling 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).

**THE JUDICIARY
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FOR THE YEAR ENDED 30 JUNE 2023**

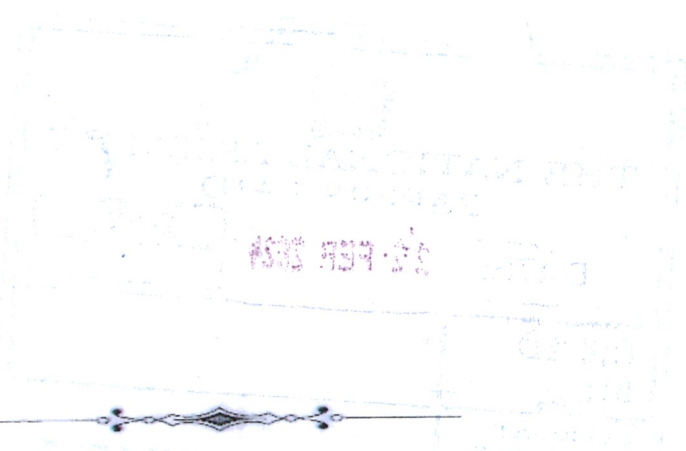
IMPLEMENTATION OF PAC RECOMMENDATIONS ON THE GOK ACCOUNTS FOR THE FY 2018/2019				
Financial Year	Paragraph & Matter Noted	Recommendation by PAC	Action Taken	Timeframe
		Cheque amounting to KShs. 38,136,310 should be surrendered to the Unclaimed Assets (UFAA).	<i>The Cheques amounting to KShs 38,136,310 were reversed and reinstated as outstanding deposits.</i> <i>The Judiciary has embarked on reviewing all concluded matters in all court stations to identify unclaimed deposits for forwarding them to the Unclaimed Financial Assets Authority (UFAA).</i>	



Anne A. Amadi, CBS
Chief Registrar of the Judiciary



Wycliffe Wanga - ICPAK No: 3209
Director Accounting Services



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