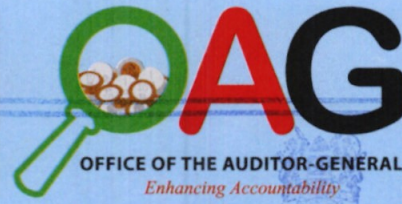


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability

THE NATIONAL ASSEMBLY
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Mado Afabo

OF

THE AUDITOR-GENERAL

ON

THE COMMISSION ON
ADMINISTRATIVE JUSTICE

FOR THE YEAR ENDED
30 JUNE, 2025



**THE COMMISSION ON
ADMINISTRATIVE JUSTICE**
(Office of the Ombudsman)



Hata Mnyonge ana Haki

COMMISSION ON ADMINISRATIVE JUSTICE

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2025**

**Transitional Financial Statements Prepared in accordance with the Accrual Basis of Accounting
Method Under International Public Sector Accounting Standards (IPSAS)**

COMMISSION ON ADMINISTRATIVE JUSTICE
Annual Report and Financial Statements for the year ended June 30, 2025.

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1. Acronyms and Definition of Key Terms

A: Acronyms and Abbreviations

AIE	Authority to Incur Expenditure
CAJ	Commission on Administrative Justice
CEO	Chief Executive Officer
CS	Commission Secretary
CBK	Central Bank of Kenya
HAU	Head of Accounting Unit
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
ICT	Information Communication Technology
IFMIS	Integrated Financial Management Information system
IPSAS	International Public Sector Accounting Standards
COMMISSION's	Ministry Department and Agencies
OCOB	Office of the Controller of Budget
OAG	Office of the Auditor General
OSHA	Occupational safety and Health act
RIFTI	Responsiveness, Independence, Fairness, Transparency and integrity.

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PFM	Public Finance Management
PPE	Property Plant & Equipment
PSASB	Public Sector Accounting Standards Board
TNT	The National Treasury
WB	World Bank

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B: Definition of Key Terms

Fiduciary Management- Members of Management directly entrusted with the responsibility of financial resources of the organization.

2. Key Commission Information and Management

(a) Background information

The Commission on Administrative Justice (Office of the Ombudsman) is a Constitutional Commission established under Article 59(4) of the Constitution of Kenya and the Commission on Administrative Justice Act, 2011 which provides for its modus operandi, functions and powers. It has powers and privileges as stipulated under Chapter Fifteen of the Constitution.

Mandate

The mandate of the Commission is derived from the Commission on Administrative Justice Act 2011, Access to Information Act, 2016 and the Fair Administrative Action Act, 2015. Under the CAJ Act, 2011 its mandate entails addressing maladministration in the public sector. In this regard, the Commission is empowered to investigate complaints on delay, abuse of power, improper, unlawful or oppressive conduct, administrative injustice, unfair treatment, and manifest injustice or discourtesy. Further, the Access to Information Act, 2016 mandates the Commission to oversee and enforce implementation of the Act, which safeguards and promotes the right to information, enshrined under Article 35 of the Constitution.

In executing its mandate, the Commission is guided by principles and ideals, that are articulated through its Vision, Mission and Core values, as indicated below: -

VISION

A society that upholds administrative justice and access to information

MISSION

To enforce administrative justice and access to information in Kenya through complaints resolution and public education for efficient and effective service delivery

CORE VALUES

- Responsiveness
- Independence
- Fairness
- Transparency
- Integrity

Key Strategic Objectives

In the period under review, the Commission focused on four Key Result Areas (KRAs) namely: -

1. Resolution of Public Complaints;
2. Oversight and enforcement of the right to Information;
3. Public Education, Awareness and Visibility; and
4. Institutional Strengthening and Capacity Building.

Strategic Programmes

The Commission endeavoured to utilize the allocated resources prudently, by ensuring value for money, while implementing planned activities towards the realization of the following programmes:

1. Resolution of Public Complaints and determination of Access to Information Applications
2. Outreach and awareness creation on matters administrative justice and access to information;
3. Decentralization of Ombudsman services
4. Strengthening public institution's capacity to handle complaints
5. Promotion of Good Governance and the rule of Law,
6. Operationalization of Access to Information Act, 2016
7. Strengthening Commission's internal capacity

Key Strategic Priorities

The Commission's key strategic priorities for the period under review were:

1. Promotion of responsiveness in the public service;
2. Strengthening of public sector capacity to handle complaints
3. Public education and awareness creation on matters of administrative justice and access to information
4. Constitutionalism and Good Governance in the conduct of state/public affairs.
5. Strengthening the capacity of the Commission on Administrative Justice to deliver its mandate.

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The Commission members

The Commission is the apex organ which comprises three Commissioners, who are charged with the responsibility of policy direction and oversight. In the period under review, the members were as follows: -

NO.	NAME	DESIGNATION
1.	Mr. Charles Dulo	Chairperson
2.	Ms Dorothy Jemator	Vice Chairperson and Commissioner in charge of Access to Information
3.	Hon. Charles Kanyi	Commissioner in charge of Complaints and Investigations

Senior Management staff

The Commission is supported by a secretariat which is headed by the Commission Secretary who is the Chief Executive Officer. In the year under review, the senior management staff was as indicated below.

NO.	NAME	DESIGNATION
1.	Ms. Mercy Wambua, OGW	Commission Secretary/CEO
2.	Mr. Daniel M. Karomo	Director, Corporate Services
3.	Ms. Florence Mumbi	Director, Complaints Investigations & Legal Services
4.	Mr. Geoffrey Obonyo	Director, Strategy Research & Compliance
5.	Ms. Viola Ochola	Director, Access to Information
6.	Mr. Osman Mohamed	Director, Public Education Advocacy & Communications
7.	Dr. Mary Kimari	Assistant Director, Advisory unit
8.	Ms. Christine Omollo	Assistant Director, Human Resource & Administration
9.	Mr. Sammy Cheboi	Assistant Director, Public Education Advocacy & Communications
10.	Mr. Amos Musundi	Assistant Director, Internal Audit & Risk

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NO.	NAME	DESIGNATION
11.	Mr. Benard Nyariki	Assistant Director, Finance & Accounts
12.	Ms. Damaris Mburu	Assistant Director, Supply Chain Management
13.	Ms. Flora Ngoze	Assistant Director, ICT
14.	Ms. Sarah Muthiga	Assistant Director, Complaints Legal Services & Regional Coordination
15.	Ms. Morine Akinyi	Assistant Director, Investigations

(b) Key Management

The Management team which is responsible for the management of day-to-day operations of the Commission, comprises of the Commission Secretary who is the Chief Executive Officer and five Directors each in charge of a directorate as indicated below;

KEY MANAGEMENT STAFF



Ms. Mercy K. Wambua, OGW
Commission Secretary/ Chief Executive
Officer



Mr. Daniel M. Karomo
Director, Corporate Services



Mr. Osman Mohamed
Director, Public Education, Advocacy &
Corporate Communications.



Mr. Geoffrey Obonyo
Director, Strategy, Research &
Compliance



Ms. Viola Ochola
Director, Access to Information



Ms. Florence Mumbi Kiawa
Director, Complaints,
Investigations, Legal &
Services.

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(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2025 and who had direct fiduciary responsibility were:

No.	Designation	Name
1	Accounting Officer	Ms. Mercy Wambua, OGW
2	Director, Corporate Services	Mr. Daniel M. Karomo
3	Assistant Director, Finance and Accounts	Mr. Benard Nyariki
4	Assistant Director, Human Resources	Ms. Christine Omollo
5	Assistant Director, Supply Chain Management	Ms. Damaris Mburu

(d) Fiduciary Oversight Arrangements

The Commission oversees the Secretariat through its Plenary Meetings and also the Audit and Risk Committee, which is chaired by an independent member who is not an employee of the Commission.

The Secretariat has five Committees, that play an advisory and oversight role with regards to operations of the of the Secretariat. These Committees are: -

1. Senior Management Committee
2. Public Finance Management Committee
3. Human Resource Management and Advisory Committee
4. Performance Management Committee
5. Occupational Health and Safety Committee

Membership to the Committees is drawn from the five departments of the Commission hence, the various skills and competencies enrich decision-making. The appointment is made by the Commission Secretary/CEO writing, as the Accounting and Authorised Officer of the Commission. The appointment letters spell out the terms of reference and individual obligations are clearly stipulated. In order to prepare members for the roles bestowed upon them, customised induction trainings are provided to newly appointed member.

i) Audit Committee.

The Commission is cognizant of the provisions under Section 73(5) of the Public Finance Management Act, 2012 which requires every national government public entity to establish an audit

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committee, whose composition and functions shall be as prescribed by the regulations. In this regard, the Commission has an Audit Committee in place. The Committee is charged with the responsibility to advise on risk management and ensure that the Commission upholds appropriate financial management, accounting and reporting standards.

The Committee monitors the effectiveness of the internal control systems and regularly receives reports from the internal and external auditors.

The membership of the Audit Committee for the period under review is as follows:

- | | |
|-------------------------|---------------|
| 1. David Mwangi Gichimu | - Chairperson |
| 2. Hon Charles Kanyi | - Member |
| 3. Sarah Barasa | - Member |
| 4. Jane Karanja | - Member |
| 5. Amos Musundi | - Secretary |

ii) Senior Management Committee

The Committee is chaired by the Commission Secretary/CEO, and it comprises the five Head of Departments and nine heads of Divisions and Units. It makes recommendations on major decisions that have impact on the office operations. The role and functions of the Management Committee include:

1. Planning – establishing and reviewing strategic and annual operational plans for the Commission.
2. Decision making – Deliberating on key policy and administrative issues and makes decisions and/recommendations to the Commission as applicable.
3. Management – Overseeing the harmonious implementation of the annual work plans, staff supervision and compliance with the Commission’s performance management system.
4. Legal – ensuring that the Commission complies with the legal framework while discharging its mandate.
5. Financial – ensuring prudent management of financial and non-financial resources and compliance with statutory reporting standards.

In execution of its functions, the Management Committee may appoint sub-committees on a-need-basis.

iii) Human Resource Management Advisory Committee.

The Human Resources Management Advisory Committee advises the Commission Secretary/CEO on human resource matters that touch on skills development, performance management, staff motivation and disciplinary matters among others. Membership to this Committee comprises of five directors who head the five departments of the Commission, and the Human Resource Management and Administration Manager, who is the Secretary. The members are: -

1. Mr.Daniel M. Karomo - Chairperson
2. Mr.Osman Mohamed - Vice-person
3. Ms. Florence Mumbi - Member
4. Ms. Viola Ochola - Member
5. Mr. Geoffrey Obonyo - Member
6. Dr. Mary Kimari - Member
7. Mr. Christine Omollo - Secretary

iv) Performance Management Committee

The Performance Management Committee is charged with the responsibility to monitor evaluate staff performance and make recommendations to the Commission Secretary/CEO for consideration and approval by the Commission. Memberships is comprises of: -

1. Mr. Geoffrey Obonyo - Chairperson
2. Mr.Daniel M. Karomo - Member
3. Mr.Osman Mohamed - Member
4. Ms. Florence Mumbi - Member
5. Ms. Viola Ochola - Member
6. Dr. Mary Kimari - Member
7. Mr. Christine Omollo - Secretary

V) Occupational Health and Safety Committee

The Occupational Health and Safety (OHS) Committee at the Commission on Administrative Justice (CAJ) is established to promote and maintain a safe, healthy, and secure working environment as per Occupational Safety and Health Act (OSHA), 2007, and any other applicable regulations and internal policies.

Membership to this Committee includes: -

1. Ms. Viola Ochola - Chairperson
2. Mr. Sammy Cheboi - Member
3. Mr. Victor Ongaya - Member
4. Mr. Martin Wambaya - Member
5. Mr. Justus Manyasa - Member
6. Ms. Maureen Adimbo - Member
7. Mr. Keith Chagalwa - Member
8. Ms. Esha Mwijuma - Member
9. Ms. Catherine - Member
10. Ms. Eunice Moraa - Member
11. Ms. Christine Omolo - Secretary

Parliamentary Committees.

The Commission reports to Parliament through various House Committees, key among them Justice & Legal Affairs and Public Accounts Committees.

(e) Commission Headquarters

P.O. Box 20414-00200
West End Towers, 2nd Floor
Waiyaki way
NAIROBI, KENYA

Entity Contacts

Telephone: (254) 2270000
E-mail: info@ombudsman.go.ke
Website: www.ombudsman.go.ke

(f) Entity Bankers (all banks)

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

2. Cooperative Bank of Kenya
Westlands Branch
P.O Box 66589-00800
NAIROBI, KENYA

(g) Independent Auditors

Auditor-General
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

(h) Principal Legal Adviser

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

3. Profile of Commissioners



Mr. Charles Dulo
Chairperson

Mr. Charles Dulo is the Chairperson of the Commission on Administrative Justice (Office of the Ombudsman) having been sworn in to office on 9th December, 2024. Mr. Dulo has over twenty (20) years of distinguished legal experience extending across various areas of practice including Constitutional Law, Commercial Law and Administrative Law. A top-tier litigant and dispute resolution expert, Mr. Dulo is celebrated for his strategic approach and eloquent advocacy in navigating complex legal challenges both locally and across Africa.

In addition to being a founding Member of Daystar University School of Law, Mr. Dulo has served as a Senior Lecturer for fifteen (15) years, shaping Kenya's legal minds through rigorous academic mentorship. He was instrumental in developing innovative and learner centered models such as oral assessment tests, mootings, and case studies, fostering a new generation of ethical and innovative law practitioners.

Mr. Dulo has also served as a legal and policy consultant regionally, advancing initiatives in governance and legal rights globally. His governance experience includes but not limited to serving as a Chancellor in the Diocese of Maseno East Africa since June 2016 and retains his role as the Managing Partner at Dulo & Company Advocates, a position he has held since March 2007.



Ms. Dorothy Jemator
Vice Chairperson and Commissioner in charge for Access to Information

Ms. Dorothy Jemator is a distinguished Advocate of the High Court of Kenya, having been admitted to the bar on March 4, 2010. She holds a Postgraduate Diploma in Law from the Kenya School of Law and a Bachelor of Laws (LLB) from Moi University. Currently, she is pursuing a Master of Laws (LLM) at the University of East London.

With over 14 years of legal experience, Ms. Jemator has held significant roles in various legal and regulatory bodies. She has been the Managing Partner at Chepkuto & Co. Advocates and served as a member of the Energy and Petroleum Tribunal from 2020 to 2023, as well as a member of the HIV & AIDS Tribunal from 2019 to 2022. Her expertise extends to election law and public procurement. Ms. Jemator involvement in dispute resolution includes serving on the Football Kenya Federation Disciplinary Committee.

She has authored several important rulings and submissions related to election petitions and policy issues. Her professional affiliations include membership in the Law Society of Kenya, the East African Law Society, and the Commonwealth Lawyers Association. She has received multiple accolades for her service, including an Appreciation Award from the Law Society of Kenya and another from the Pharmaceutical Society of Kenya. Known for her analytical skills and proactive approach, Ms. Jemator is recognised as a leading advocate with a proven track record in high-profile litigation, commercial matters, and civil litigation. Her dedication to legal excellence continues to make her a significant figure in Kenya's legal landscape.



Hon. Charles Kanyi

Commissioner in charge of Complaints and Investigations

Hon. Charles Njagua Kanyi is a prominent Kenyan politician, philanthropist, and performing artist. He holds a Bachelor's degree in Peace Studies and Conflict Resolution from Mount Kenya University and has made significant contributions to both the political and social landscape of Kenya.

Hon. Kanyi served as the Member of Parliament for Starehe Constituency from 2017 to 2022, where he was an active member of the Departmental Committee on Labour and Social Welfare. In addition to his parliamentary role, Hon. Kanyi is the Founder and Director of the Jaguar Youth Empowerment Foundation, a position he has held since 2012. Through this Foundation, he has dedicated his efforts to empowering youth and addressing social issues in communities.

His previous roles include serving as the Director at the National Authority for the Campaign against Alcohol and Drug Abuse (NACADA) from 2015 to 2017 and as a patron of Main Switch Production. Hon. Kanyi is also known for his music career, performing under the name 'Jaguar' and has released several popular tracks that resonate with many Kenyans.

4. Profiles of Accounting Officer and Key Management.

Name and Photo	Profile
<div data-bbox="252 465 721 943" data-label="Image"> </div> <div data-bbox="199 972 598 1010" data-label="Caption"> <p>Ms. Mercy K. Wambua, OGW</p> </div>	<p>Ms. Wambua is the Commission Secretary/Chief Executive Officer. She is an Advocate of the High Court of Kenya and a legal practitioner with administrative, law reforms, and human rights (gender and social justice) experience spanning over 20 years. She is a holder of a Postgraduate Degree, Master of Arts in Gender and Development Studies from the University of Nairobi. She is also a Certified Public Secretary.</p> <p>Prior to joining the Commission, she served as the Secretary/CEO of the Law Society of Kenya (LSK) from 1st March 2016 to 28th February 2022. During this period, she also served as the Secretary to the Advocates Disciplinary Committee. During her tenure, the Law Society of Kenya enhanced standards of professional practice and ethical conduct through close monitoring of advocates' compliance status, development of LSK Regulations, various practice guidelines, policies and enactment of a Code of Conduct to guide advocates in the Country. Before joining LSK, Ms. Wambua also served as the Deputy Legal Aid Programme Coordinator of the National Legal Aid Programme under the then Ministry of Justice, National Cohesion and Constitutional Affairs.</p>



Mr. Daniel M. Karomo

Mr. Karomo is an accomplished public Administrator, with over thirty-one (31) years of practical experience in Administration, Public Policy formulation and Implementation, public financial management and Public Sector Reforms. He is the Director of Corporate Services, and Access to Information Officer at the Commission. He was instrumental in the operationalization of the Commission, where he spearheaded establishment of management control systems, resource mobilization and capacity building. He has served at in various capacities at senior management level, as an Ag. Commission Secretary/CEO at CAJ, Ag. Deputy Executive Director at the then Public Complaints Standing Committee, Director Finance and Administration at CAJ and Senior Deputy Secretary at the Ministry of Health, where he contributed immensely to the health sector reforms.

Mr. Karomo has championed reforms aimed to transform service delivery in the public sector, where he has served with distinction and integrity. He is a self-driven, result oriented transformational leader, who holds a Master's degree in Business Administration with a bias in entrepreneurship, Bachelor of Arts in Government and Public Administration as well as numerous certifications in corporate governance, Management, Public policy, public administration and strategic leadership. He is a Fellow and an Alumni of DANIDA Fellowship Centre and has mentored many seasoned public servants. Mr. Karomo is an active member of the African Association for Public Administration and Management (AAPAM).

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Mr. Osman Mohamed

Mr. Osman Mohamed is a seasoned communications professional with public service experience in communications and management spanning over 17 years at the Parliament of Kenya and Wajir County Assembly. He is also certified trainer (TOT) by the United Nations Institute for Research and Training (UNITAR) based at Geneva, Switzerland and the Centre for Parliamentary Studies and Training (CPST) in Kenya.

He also served as the founder Vice Chairman of the Society of Clerks in Kenyan Legislatures (SOCCATT-Kenya), an umbrella professional body for all the Clerks of 47 County Assemblies from 2013 to 2018.

He holds a Master of Arts degree in International Journalism from the University of Westminster, United Kingdom, Bachelor of Arts degree in Gender and Development Studies from Kenyatta University and Diploma in Journalism from the Kenya Institute of Mass Communication (KIMC). He is a member of the Public Relations Society of Kenya.



Ms. Florence Mumbi Kiawa

Ms. Florence has over nineteen (19) years of Legal, Governance and Leadership experience from both Private and Public Sector. She holds a Master of Laws Degree (LLM) from the University of Nairobi where she specialized in Public Finance and Financial Services Law, a Bachelor of Laws Degree (LLB) from the same university and a Post Graduate Diploma in Law from the Kenya School of Law (KSL). She is a Commissioner for Oaths and Notary public, a Certified Public Secretary of Kenya, an Accredited Governance Auditor and a member of both the Institute of Public Secretaries of Kenya and Law Society of Kenya in good professional standing. She is a seasoned Legal and Governance practitioner having worked at the State Law Office and a

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	<p>State Corporation for over 14 (fourteen) years. She is a focused strategic leader following numerous trainings by the Kenya School of Government.</p>
<div data-bbox="288 465 767 949" data-label="Image"> </div> <p data-bbox="204 1014 434 1048">Ms. Viola Ochola</p>	<p>Ms. Viola Ochola is a Lawyer, an Advocate of the High Court of Kenya and a legal practitioner with administrative law, data governance, commercial law, human rights, and law reforms experience spanning over 17 years. She is a Certified Public Secretary, holds an MBA in Strategic Management and has extensive experience both in the public and private sector. She is an Open Government Leadership Fellow and a member of the Technical Committee on Open Government Partnership (Kenya Chapter) in her capacity as the Cluster Lead for the country's Access to Information Commitment. She is also a taskforce member of the Africa- Asia Artificial Intelligence Network.</p> <p>She currently serves as the Director in Charge of Access to Information at the Commission on Administrative Justice (Office of the Ombudsman) where she oversees the implementation of the Access to Information Act, 2016 across Ministries, Departments, Agencies, County Governments and in relevant Private Sector entities.</p>
<div data-bbox="272 1417 783 1901" data-label="Image"> </div> <p data-bbox="204 1928 486 1962">Mr. Geoffrey Obonyo</p>	<p>Mr. Obonyo holds Master of Arts in Economics and Bachelor of Arts (Economics Major) degrees from the University of Nairobi. He is an Economist by profession with over 15 years' experience in Public Service Management, National Development Planning, Health Policy and Strategy formulation and implementation. He served as a Secretary to the National Steering Committee on The Policy, Legislation and Institutional Framework for the National Values System for Kenya. He is currently a PhD candidate at the School of Economics, University of Nairobi.</p>

5. Statement by the Chair of the Commission.



Pursuant to the Constitution of Kenya, the Commission on Administrative Justice Act and the Public Finance Management Act 2012, the Commission on Administrative Justice (Office of the Ombudsman) is obligated to prepare and submit to the Auditor-General, an account of its operations at the end of a financial year, for auditing. This is an integral part of corporate governance, which aims to ascertain the degree to which public resources allocated to the Commission were utilized effectively, for the intended purpose. This annual report covers 1st July, 2024 to 30th June 2025. It documents the operations of the Commission in 2024/25 financial year highlighting the key financial and non-financial achievements.

It is worthwhile to note that this is the first report under my leadership, having assumed office in December 2024. It therefore marks the beginning of our tenure and the end of the previous administration led by Hon. Florence Kajuju, MBS. The report is based on accrual-based accounting unlike the previous ones which were cash-based. It is therefore more detailed and provides more disclosures. This will no doubt enhance transparency and accountability in public sector.

During the period under review, the Commission achieved notable milestones, while discharging its mandate. In particular, the Commission enhanced its visibility through a multi-pronged public education and awareness creation approach that the Commission adopted upon assuming office that leveraged technology and the Media. Further, the Commission enhanced its oversight role through spot-checks in various public institutions among them the Pensions Department County Offices and various Health facilities. The spot checks presented an opportunity for the Commission to gather first-hand information from the consumers and providers of public services. This approach culminated in an upsurge of complaints lodged with the Commission from 1329 in December 2024 when we officially took office to 2895 by 30th June 2025. The Commission also enhanced access to its Ombudsman services and strengthened its oversight role, through the establishment and operationalization of a branch office in Makueni County. In so doing, the Commission promoted

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administrative justice and open governance, through enforcement of the Constitution, the constitutive act and Access to Information Act, 2016.

The milestones achieved notwithstanding, the Commission encountered some challenges, which inhibited its capacity to discharge its mandate, key among them financial constraints, legacy ICT infrastructure and delayed responses to its enquiries on complaints lodged against various public institutions. The inordinate delay affected the resolution rate of complaints. The commission appreciates the valued support and good will accorded to the Commission by the Government, without which the notable milestones could not have been achieved. To address these challenges, the Commission has dealt firmly with non-responsiveness by invoking powers under Section 27 (a) of its constitutive Act and issued summons to such officers. Further, the Commission plans to generate own source revenue such as training fees. The Commission is also exploring the viability of using fabricated cargo containers, to cut on rent costs in order to establish more branch offices at the counties, in its endeavour to decentralize its ombudsman services.

I take this opportunity to extend our sincere gratitude to H.E The President of the Republic of Kenya and Commander-in-Chief of the Defence Forces, Dr. Willaim Samoei Ruto, on my behalf and the Commissioners, for granting us a chance to serve as the people's defender against violation of administrative justice and custodians of the right to access information, which is enshrined under Article 35 of the Constitution and the Access to Information Act,2016.

I also thank our predecessor Commissioners, and the Secretariat for their valued contribution towards laying a firm foundation upon which, my administration will endeavour to propel the Commission to the next level. As stewards entrusted with public resources, the Commission remains committed to ensuring prudent utilization of allocated resources, for the intended purpose. I am therefore, pleased to present the Annual Report and Financial Statements for the 2024/25 Financial year.



CHARLES DULO

CHAIRPERSON OF THE COMMISSION

6. Statement by the Accounting Officer



The Commission has prepared the Annual Report and Financial statements for the Financial Year 2024/2025 pursuant to Section 81 (2) (f) of the Public Finance Management Act, 2012. The report documents key activities undertaken by the Commission in the period under review in execution of its mandate. It also accounts for the funds appropriated for the Commission, which amounted to Kshs.628, 694,844.00.

This was a significant reduction compared to Kshs.730,194,424.00 allocated in the previous financial year 2023/24. The amount was allocated under the broad economic classification which include Compensation of employees, Use of goods and services, social security benefits and Acquisition of Assets.

The Commission expended a total of KShs.621, 693,051.00 which signifies 99% absorption rate compared to the previous year's which stood at 94%. The funds were utilized to implement activities under three sub-programmes namely: -

- i) General Administration and support services;
- ii) Administrative Justice services; and
- iii) Access to Information Services.

I am pleased to note that the Commission achieved notable milestones in the year under review, where it and addressed and resolved complaints lodged with the Commission.

The Commission enhanced its oversight role at the Counties, where it conducted spot checks and held consultative meetings with respective County Governments, to address outstanding issues that were an impediment to efficient and effective public service delivery. Further, the Commission created awareness on matters administrative justice and the right to access information. This was achieved through public education conducted in various Counties. The Commission also operationalized one more branch office in Makueni County, in its endeavour to take services closer to the people and enhance our oversight role, through decentralization of our Ombudsman services.

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It is worthwhile to note that due to the Commission's deliberate efforts to institute measures aimed to strengthen internal controls for the Commission, the Auditor-Generals opinion on our audited accounts for the 2023/24 Financial Year was unqualified. This reaffirms the financial probity of the Commission, as a going concern.

The achievement of the notable milestones by the Commission was not without challenges and the Commission encountered some impediments, with the critical one being the budgetary reduction by Kshs.33,279,656.00 This reduction inhibited implementation of some of the planned activities.

It is worthwhile to note that the Commission underwent a transition in the year under review, with the expiry of the six-year term of the previous Commissioners and the appointment of their successors who assumed office in December 2024. I look forward to working closely with them and on behalf of the Secretariat assure them of our support as they steer the Commission to the next level. As the Accounting Officer, I reiterate my commitment to ensuring that the resources allocated to the Commission are managed prudently and utilized for the intended purpose.



MERCY K. WAMBUA, OGW

COMMISSION SECRETARY / CEO

7. Statement of Performance against Predetermined Objectives for FY2024/25

The Commission's Strategic Plan outlines four key result areas that are central to the effective delivery of its constitutional mandate and statutory functions:

1. Resolution of Public Complaints
2. Oversight and Enforcement of Access to Information
3. Public Education, Awareness, and Visibility
4. Institutional Strengthening and Capacity Building

Achievement of these results is anchored on the implementation of seven strategic objectives designed to drive sustainable impact and operational excellence:

1. Strengthening public service systems, processes, procedures, and practices.
2. Enhancing the public sector's capacity for efficient complaints handling.
3. Promoting proactive disclosure of information in both public and private sectors.
4. Strengthening the legislative and policy framework for access to information.
5. Enhancing public awareness and understanding of the Commission's mandate.
6. Building the institutional capacity of the Commission to effectively deliver on its mandate.
7. Mobilising and optimising adequate resources for sustained operations.

Progress on the Attainment of Strategic Objectives

To ensure efficient implementation and alignment with performance expectations, each strategic objective was translated into specific, measurable, achievable, realistic, and time-bound (SMART) targets. These were further cascaded into strategic outcomes, enabling focused execution, clear performance tracking, and effective resource allocation. This structured approach has enhanced accountability, facilitated evidence-based decision-making, and positioned the Commission to deliver tangible results in line with its mandate.

Progress on the Attainment of Strategic Objectives

To ensure effective implementation and alignment of the development objectives with sectoral priorities, each objective was rigorously defined to be Specific, Measurable, Achievable, Realistic, and Time-bound (SMART). These objectives were then translated into clear outcomes towards achieving the desired results.

In order to track progress robust monitoring and evaluation indicators were developed to measure result against the set targets.

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Table 1: Programme Performance

Program	Strategic Objective	Outcome	Output	Output indicator	Achievement for the FY			Cumulative Achievement by end of FY 2024/25			Remarks
					Target	Actual	Variance	Target	Actual	Variance	
Promotion of Administrative Justice	To strengthen public service systems, processes, procedures and practices	Efficiency and effectiveness in public service delivery	Resolved public complaints on maladministration.	Percentage of complaints resolved	100%	46.2%	-53.8%	100%	35.4%	-64.6%	Cumulative performance over the strategic planning period was affected by the COVID 19 pandemic, government austerity measures that reduced the Commission's budgetary allocation and unresponsiveness/ delay by public institutions in resolution of complaints referred to them. Additionally, failure by some of the complainants to provide required information contributed to non-resolution of the complaints.
			Advisory opinions on administrative justice and access to information matters.	Number of advisory opinions issued	4	11	7	19	27	8	The Commission surpassed its target for issuance of proposals on improvement of public administration over the strategic planning period. This was due to the increased instances requiring the Commission to issue position statements/proposals on various matters touching on legislation, codes of conduct, processes and procedures of public affairs.

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To strengthen complaints handling capacity in the public sector	Effective management of public complaints	Certified MDACs on resolution of public complaints indicator under Performance Contracting (PC).	Number of compliant MDACs	345	391	46	300	342	42	The Commission certified an average of 342 public institutions per year over the strategic planning period, surpassing the average annual target over the same period. The overachievement is attributed to the enhanced technical support offered by the Commission to the public institutions leading to their enhanced compliance.
To promote disclosure of information within public and private sectors	Transparency of information within public and private sectors	Accessed information by citizens.	Percentage of applications for review on request for information determined.	100%	90.7%	-9.3%	100%	97.2%	-2.8	Most public entities and relevant private bodies either disclosed information and/or gave justifiable reasons for limiting disclosure in accordance with the ATI Act, 2016, thus enabling the right of access to information.
To strengthen the framework on access to information	Robust frameworks on access to information.	ATI guidelines developed	Number of guidelines on ATI developed	4	0	-4	16	8	-8	Resource constraints attributed to austerity measures instituted by the government during the strategic planning period inhibited timely preparation of all the

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			ATI reports prepared	Annual Report on State of Open governance in the public sector	1	0	-1	2	0	-2	Resource constraints affected the planned preparation of the report, given that the Commission could not conduct a baseline survey, to inform development of the
	To enhance awareness and understanding of the Commission's mandate	Public awareness of the Commission's mandate	Sensitized and educated public on administrative justice and access to information matters.	Number of persons sensitized. (Millions)	0.0015	3.5294	3.5279	1.04	10.10	9.06	The Commission used multi-faceted approaches to sensitize and educated the public and also leveraged on partnerships and joint implementation of activities with its partners. (NAMATI, GIZ, FLLoCA) and citizen engagement on TV 47 which led to surpassing of the set Target
Promotion of Administrative Justice	To strengthen the capacity of the Commission to effectively deliver on its mandate	Improved capacity of the Commission to deliver on its mandate.	Statutory reports published	Number of Statutory reports.	3	3	0	18	17	-1	Bi-annual reports and Statutory Annual Reports were prepared. The Annual Report for FY 2024/25 is under development

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			Ombudsman office network decentralized	Number of additional regional offices and Ombudsman Huduma Centre service delivery points.	0	0	0	10	4	-6	Inadequate budgetary allocation affected achievement of the target
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8. Governance Statement

The Commission on Administrative Justice (CAJ) also known as Office of the Ombudsman is a constitutional commission established under article 59(4) of the constitution, and the commission on Administrative Justice Act, 2011. Its Mandate entails promotion and enforcement of administrative justice and the right to access information as provided for in the Constitution of Kenya, Constitutive Act and the Access to Information Act, 2016.

Commitment to Corporate Governance and Professional Ethics

The Commission on Administrative Justice remains steadfast in upholding the highest standards of corporate governance and professional ethics, recognizing that these principles are fundamental to the effective delivery of services to the public. In line with the provisions of the Constitution of Kenya, 2010, the Commission continues to embed integrity, transparency, and accountability in all its operations.

We believe that good corporate governance is not only a legal obligation but also a necessity, towards better service delivery across all levels of government. Accordingly, we expect our partners and stakeholders to maintain the same high standards of integrity and ethical conduct in all engagements with the public.

During the financial year under review, the Commission sustained exemplary corporate governance performance by prioritizing the following strategic focus areas:

- **Resolution of Public Complaints** – Ensuring timely, fair, and impartial handling of grievances.
- **Oversight and Enforcement of Access to Information** – Guaranteeing citizens' constitutional right to information.
- **Public Education, Awareness, and Visibility** – Promoting public understanding of rights and obligations.
- **Institutional Strengthening and Capacity Building** – Enhancing the Commission's operational efficiency and service delivery capacity.

The Commission affirms its commitment to building a culture of integrity, accountability, and excellent service delivery in the public sector.

a) Composition of Commissioners

Pursuant to the CAJ Act, 2011, the Commission consists of three Commissioners serving on a full-time basis, for a single term of six years. The governance oversight role of the Commission is vested in the Commissioners.

b) Separation of Roles: Commission Chairperson and Commission Secretary/CEO

In adherence to the principles of sound corporate governance, the Commission on Administrative Justice maintains a clear separation of roles between the Chairperson and the Commission Secretary/Chief Executive Officer. This structure safeguards the balance of power, ensures accountability, and enhances operational effectiveness.

The Chairperson provides strategic leadership to the Commission by presiding over all Commission meetings, serving as the official spokesperson, and offering oversight and direction to the Commission's work.

The Commission Secretary/Chief Executive Officer, on the other hand, is charged with management of the Secretariat and coordination of the day-to-day operations of the Commission, towards realization of the mandate, vision and the mission of the Commission.

This separation of roles reinforces transparency, fosters a culture of checks and balances, and enables the Commission to fulfil its constitutional mandate with integrity and professionalism.

c) Commission on Administrative Justice Act, 2011 and CAJ Regulations, 2013

The Commission on Administrative Justice (CAJ) derives its legal foundation from Article 59(4) of the Constitution which is operationalized in the Commission on Administrative Justice Act, 2011. This principal legal framework is pivotal in defining the mandate of the Commission, its functions, powers, and guiding principles. Further the Commission is obligated to uphold, respect, and be guided by the constitutional values and principles in the execution of its duties, in line with Section Seven (7) of the CAJ Act.

Additionally, the Commission on Administrative Justice Regulations, 2013 and the Access to Information Regulations, 2023 provide the necessary procedural and operational framework for the Commission's work.

Functional Mandates of the Commissioners

The governance and strategic oversight of the Commission are entrusted to the Commissioners, whose leadership is central to the fulfilment of the Commission's constitutional and statutory mandate. Their core responsibility is to define the strategic policy direction of the Commission and oversee effective management of its operations. In doing so, the Commissioners formulate robust policies and operational procedures geared towards enhancing institutional efficiency, accountability, and service delivery.

In executing their stewardship role, the Commission has established specialized Committees, Key among them the Audit and Risk Committee. The Committees provide focused oversight and informed decision-making on key operational strategic and operational issues. They also monitor and evaluate the effectiveness of the management control measures in place, to mitigate on risks. The Commission determines appropriate organizational structures, staffing levels, and oversees the recruitment, development and retention of highly qualified human resource by upholding merit, professionalism, and integrity.

Furthermore, the Commissioners monitors and evaluates the progress on implementation of the Strategic Plan, ensuring that institutional objectives are achieved within the set timelines and that resources are applied efficiently. The critical role played by the Commissioners ensures good governance that underpins financial prudence, operational excellence, and the sustained achievement of strategic goals.

d) Commissioners' Diversity

The Commission highly values diversity as a strategic asset, recognizing that varied perspectives enrich deliberations, enhance decision-making, and strengthen the Commission's capacity to anticipate and address risks inherent in-service delivery while capitalizing on emerging opportunities. Our commissioners bring a robust blend of professional skills, academic backgrounds, and extensive experience, ensuring that the governance and oversight functions of the Commission are executed

with excellence. This diversity aligns seamlessly with the Commission's mandate and strategic priorities, fostering innovation, inclusivity, and accountability.

e) Gender Parity

The Commission upholds the constitutional principle of gender equity by fully complying with the one-third (1/3) gender representation requirement. This commitment reflects our dedication to inclusivity, equality, and adherence to corporate governance best practices, thereby fostering balanced decision-making and enhancing institutional effectiveness.

f) Commission Policies

The Commission has instituted comprehensive policies and procedural frameworks designed to guide management in the effective execution of their roles and responsibilities. These governance instruments ensure consistency, transparency, and accountability in the Commission's operations, thereby enhancing service delivery and compliance with statutory requirements.

g) Commission Meetings

In accordance with the Commission on Administrative Justice Act, 2011, the Commissioners convene quarterly meetings, and as necessary, to deliberate on matters relating to the strategic oversight and overall control of the Commission's business. To promote efficiency and timely decision-making, the Commissioners' annual work plan and meeting calendar are prepared at the beginning of each year. This enables adequate scheduling, ensures timely circulation of agendas and Commission papers, and facilitates informed deliberations within the stipulated timelines.

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The Commissioners held 9 meetings attended as follows: -

Name	Number of meetings held	Number of meetings attended	% attendance
Hon. Florence Kajuju	9	3	33%
Commissioner Washington Sati	9	3	33%
Commissioner Lucy Ndungu	9	3	33%
Comm. Chair Charlies Dulo	9	6	67%
Commissioner Dorothy Jemator	9	6	67%
Hon. Comm. Charlies Kanyi	9	6	67%
Mercy K. Wambua	9	9	100%

During the year under review, the Commission underwent a transition, following the expiry of a six-year term of the previous commissioners in August 2024. Subsequently, new Commissioners were appointed December 2024.

h) Audit Committee

The Audit Committee serves as a key governance pillar of the Commission, exercising independent and objective oversight to safeguard the integrity, transparency, and accountability of the Commission's operations. Acting as the Commission's "watchdog," the Committee ensures that robust systems, controls, and processes are in place and functioning effectively to support sound financial management and good governance.

In line with its mandate, the Audit Committee's responsibilities during the reporting period included:

- Reviewing financial reports to ensure accuracy, completeness, and compliance with applicable financial reporting standards.
- Providing oversight of the Commission's internal audit function to ensure effective risk-based audits.
- Evaluating the adequacy and effectiveness of financial and operational control systems.
- Liaising with the External Auditors, reviewing their reports, and following up on recommendations to enhance accountability.
- Monitoring compliance with applicable legal and regulatory requirements.

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- Reviewing the Commission’s risk management framework and assessing the adequacy of measures to address emerging risks.

The composition of the Audit Committee for the period under review was as follows:

- | | |
|--|---------------|
| 1. David Mwangi Gichimu | - Chairperson |
| 2. Commissioner Lucy Ndung’u, EBS | - Member |
| 3. Hon. Commissioner Charles K. Njagua | - Member |
| 4. Sarah Barasa | - Member |
| 5. Jane Karanja | - Member |
| 6. Amos Musundi | - Secretary |

Activities/Meetings

Name	Number of meetings held	Number of meetings attended	% attendance
David Mwangi Gichimu	3	3	100%
Commissioner Lucy Ndung’u	3	2	67%
Sarah Barasa	3	3	100%
Jane Karanja	3	3	100%
Amos Musundi	3	3	100%

During the year under review, Hon. Charles Kanja replaced Commissioner Lucy Ndung’u, in audit committee following expiry of her six-year tenure in August 2024.

i) Risk Management

The Commissioners carry ultimate responsibility for establishing and sustaining a sound risk management and internal control framework that safeguards the Commission’s mandate and strategic objectives. With support from the Audit and Risk Committee, they regularly review the effectiveness of risk management processes to strengthen accountability, resilience, and prudent decision-making. Risk management remains a standing agenda item, ensuring timely identification, assessment, and mitigation of potential threats.

Internal Control Systems

The Commission is committed to maintaining effective internal control systems to safeguard its resources, promote prudent risk management, and reinforce accountability and good governance in the execution of its mandate. These systems are designed to ensure operational efficiency, compliance with applicable laws and regulations, and consistently upholding the Commission's core values.

To strengthen this commitment, the Commission has established an independent Internal Audit and risk function which is answerable to audit committee.

j) Conflict of Interest and Declaration of Interest

The Commission is firmly committed to the highest standards of integrity, transparency, and good governance, with robust measures in place to manage conflicts of interest. Commissioners are required to fully disclose any actual or potential conflicts, whether direct or indirect, with such declarations forming a standing agenda item at every meeting before substantive business is conducted. To safeguard objectivity, any Commissioner with a declared conflict must recuse themselves from deliberations and voting, with all disclosures formally recorded in the Conflict-of-Interest Register maintained by the Commission Secretary. These requirements, reinforced through mandatory declarations upon appointment, periodic reviews, and whenever circumstances change, ensure accountability, impartiality, and sustained public trust in the Commission's operations.

k) Code of Ethics and Conduct

In compliance with Section 3 of the Leadership and Integrity Act, 2012, the Commission has adopted and operationalized a robust Code of Ethics and Conduct that applies to all Commissioners and employees. This Code serves as a binding commitment to uphold the highest standards of honesty, integrity, and fairness in all internal and external engagements.

The Code has been seamlessly integrated into the Commission's operations through comprehensive policies, structured reporting mechanisms, and targeted ethics and integrity programs. These initiatives are designed to cultivate and entrench a strong ethical culture, ensuring that doing the right thing remains central to service delivery and stakeholder engagement. As a contractual requirement, every employee, upon appointment, signs and commits to the Code of Ethics and Conduct, affirming

their personal responsibility to abide by its provisions. This commitment reinforces the Commission's dedication to transparency, accountability, and exemplary governance in fulfilling its mandate.

l) Public Participation

The Commission upholds the principle that strong corporate governance is essential to effective public service at the national level. In the reporting year, we reinforced our commitment to this principle by actively promoting and integrating public participation in our processes, in line with Article 10 of the Constitution of Kenya, 2010. This approach ensures transparency, inclusivity, and accountability, while enhancing public trust in the Commission's mandate and operations.

m) Compliance with Laws and Regulations

The Commission remains steadfast in upholding the highest standards of legal and regulatory compliance, as prescribed by the relevant statutory frameworks. Our mandate and operations are anchored in the Commission on Administrative Justice Act, 2011, which clearly outlines our functions, powers, and operational procedures.

In addition, the Commission has institutionalized a comprehensive Code of Conduct that defines the ethical and professional obligations of each Commissioner. This ensures that all actions are guided by integrity, transparency, and a commitment to the best interests of the Commission and the public we serve.

For the financial year ended 30th June 2025, the Commission demonstrated exemplary compliance through:

1. Timely remittance of all statutory deductions to the respective government bodies.
2. Submission of all requisite reports to relevant government agencies in accordance with the law.

Through these measures, the Commission reinforces its commitment to accountability, sound governance, and adherence to the rule of law.

9. Management Discussion and Analysis

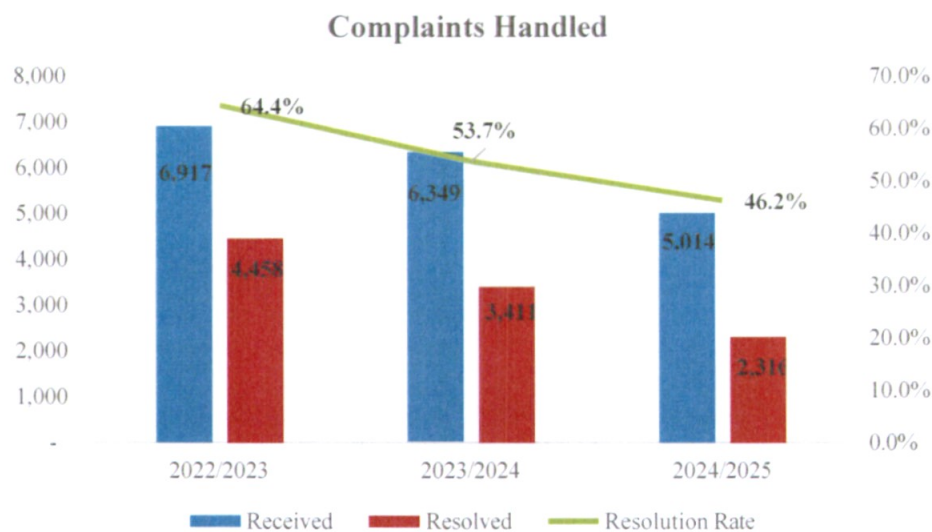
1. Resolution of Public Complaints

The Commission undertook various activities during the year under review, aimed at enhancing responsiveness and accountability in the public sector through strengthening systems, procedures, practices and complaints handling capacity. These included the following: -

a. Redressing maladministration

The Commission inquired into and investigated public complaints on administrative injustices perpetrated by public entities and public officers. Towards this end, a total of 5,014 complaints on maladministration were handled by the Commission, out of which 2,316 were resolved, representing a resolution rate of 46.2%. The resolution rate was affected by the four-month transition period where the Commission had no Commissioners. The complaints resolution process involves the Commissioners at various escalation levels.

The trend in complaints handled over the past three years is presented below.



During the year under review, 32 own motion complaints were also initiated and successfully processed. In total, the Commission had initiated 92 own motion complaints over the last three financial years, with the FY 2023/2024 having the highest number of such complaints, at 47. Additionally, the period saw a reduction in the number of appeals on complaints handled by Commission with 41 appeals successfully processed, compared to 52 appeals and 67 appeals processed in financial years 2023/2024 and 2022/2023 respectively.

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In discharging its investigative function and to ensure fair treatment through substantiating allegations, a total of 5 investigations, comprising of 4 specific and 1 systemic investigation were conducted. Comparatively, 5 specific and 1 systemic investigation were finalized in the FY 2023/2024. The Commission's participation in public interest litigation cases remained high, represented by 21, 16 and 9 cases responded to between the periods 2024/2025 and 2022/2023 respectively.

b. Promotion of good governance in the public sector

The Commission issued a total of 5 advisory opinions and 6 position statements during the year under review on various matters touching on legislation, codes of conduct, processes and procedures of public affairs. That the advisory opinions contributed significantly towards improvement of public administration.

c. Enhanced responsiveness and efficiency in public service

Through monitoring compliance of public institutions with implementation of the recommendations it issued, the Commission was able to enhance public sector responsiveness as part of its oversight mandate.

Additionally, the Commission supported the timely and amicable resolution of public sector complaints through undertaking Alternative Dispute Resolution (ADR) on 20 matters, leading to their conclusion. This was a significant increase from 3 ADR matters concluded in the FY 2022/2023 and 11 matters concluded in the FY 2023/2024.

As a specialized agency in the Kenya public sector performance contracting framework, the Commission oversees the implementation of resolution of public complaints and implementation of citizen's service delivery charters indicators. During the year under review, the Commission enhanced efficiency in public service delivery by certifying 391 public institutions for compliance with the reporting requirements under the two indicators for the FY 2023/2024. 386 and 323 public institutions were certified for the financial years 2022/2023 and 2021/2022 respectively. The table below provides a breakdown of the categorization of institutions certified over the past three financial years.

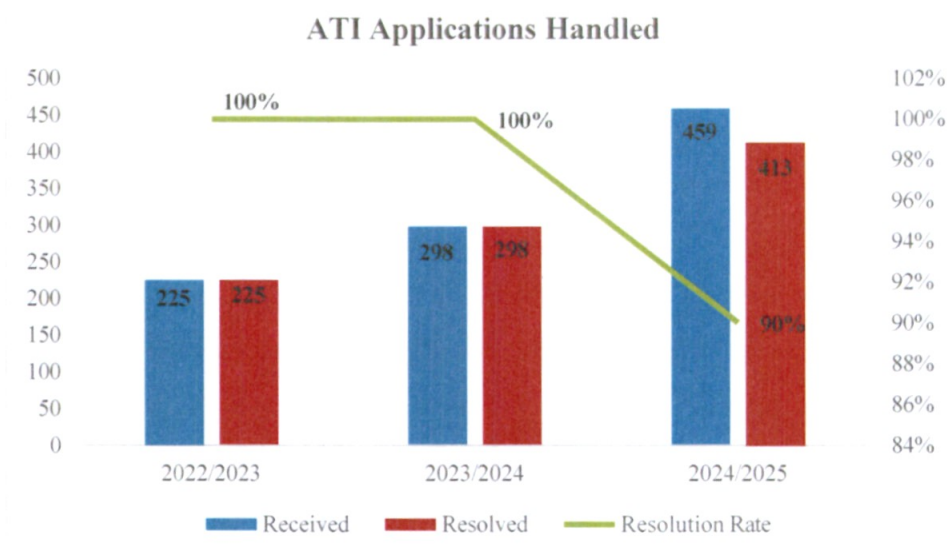
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Financial Year	Ministries	State Corporations	Tertiary Institutions	County Governments	Total
2022/2023	21	235	121	0	377
2023/2024	21	235	121	9	386
2024/2025	21	243	124	3	391

2. Oversight and Enforcement of Access to Information.

Towards implementation of its access to information mandate, a number of activities aimed at promoting open governance in both the public and private sectors were undertaken during the reporting period. The following achievements were recorded:

- i. Determined 413 applications for review of requests made to public institutions for access to information out of 459 applications that were received, representing a resolution rate of 90%. The period under review saw more applications handled compared to previous years, where all the 225 and 298 received appeals in FY 2022/2023 and 2023/2024 respectively were determined. The trend in access to information appeals handled over the past three years is presented below.



- ii. Reviewed requests for disposal of public records from public entities and granted concurrence for disposal of 520,662 records. In comparison, 644,862 records and 434,673 records were disposed in financial years 2023/2024 and 2022/2023 respectively following concurrence granted by the Commission.

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- iii. Strengthened the legal framework on ATI in county governments through offering technical support in enactment of the county access to information law. The Commission lobbied the following 23 county governments to implement the law: Homa Bay, Kisumu, Vihiga, Siaya, Kisii, Baringo, Narok, Kitui, Makueni, Kiambu, Isiolo, Nyeri, Muranga, Nakuru, Elgeyo Marakwet, Uasin Gishu, Trans-Nzoia, Bomet, Kilifi, Tana River, Taita Taveta and Kwale. This marked an improvement from the FY 2023/2024 where 17 counties were supported.
- iv. No guidelines/ manuals to help in the operationalization of the ATI Act were developed in the year under review due to resource constraints. Comparatively, three guidelines/ manuals were developed in the earlier two financial years, two in FY 2023/2024 (Access to Information Reviews Manual and the National Access to Information Policy) and one in the FY 2022/2023 (ATI Reporting Guidelines).

3. Public Education, Awareness and Visibility

The Commission delivered exceptional results during the 2024/2025 financial year, significantly exceeding performance targets and advancing the its mandate of promoting administrative justice, access to information (ATI), and data protection across Kenya. Key achievements were documented as follows:

a. Capacity Building and Training Initiatives

A total of 3,692 officers were trained through 116 forums, surpassing the annual target of 500. This included 3,522 public officers from government Ministries, Departments, and Agencies (MDAs) and County Governments, alongside 170 participants from non-state actors. The table below provides a breakdown of the achievements under training implemented over the past three financial years.

Financial Year	Training forums	Trained officers
2022/2023	88	235
2023/2024	117	235
2024/2025	116	243

Technical support was extended to 3 MDAs (Kenya National Entrepreneurs Savings Trust, Office of the Data Protection Commissioner, and Kenya Biovax Institute) and multiple counties (including Kilifi, Embu, Nyeri, and Tana River) to develop context-specific Complaints Handling and ATI

policies. Furthermore, the MDA Training Policy was finalized and submitted for approval by the Commission, establishing a standardized framework for future capacity-building efforts.

b. Public Outreach and Awareness Creation

PEACC executed 106 public education activities, reaching 8,552,490 citizens—far exceeding the annual target of 1,500 by over 5,700%. The initiatives included Huduma Mashinani camps, legal aid clinics, radio/TV programs, public barazas, and participation in high-profile events such as the Devolution Conference and Peoples Dialogue Festival. This performance marked a significant improvement from the previous financial year’s performance, where 1,030,691 citizens were reached. Strategic media engagement resulted in 150 appearances (24 print, 69 broadcasts, 57 online), amplifying the Commission’s visibility. Collaborative partnerships with entities like GIZ, IDLO, Law Society of Kenya (LSK), and county governments enabled large-scale programs. The GIZ-supported Ombudsman Mashinani initiative, featuring open days in Isiolo, Eldoret, and Kisumu and radio campaigns on Angaaf FM, Radio Alpha, and Radio Nam Lolwe, reached and estimated 9.3 million listeners and facilitated 61 on-site complaints.

c. Strategic Communications and Brand Visibility

Corporate communications efforts enhanced institutional credibility and public engagement. Social media followings grew substantially year on year: Facebook followers increased by 8% to 19,997 followers and Twitter (X) by 5% to 30,551 followers. A total of 456 Facebook posts and 400 tweets were published, driving consistent public interaction.

Media mobilization secured coverage for critical activities, including the launch of the Meru Regional Office, the release of the Shakahola Investigation Report, and systemic interventions in healthcare (SHA), lands administration, and judicial transparency. Branding materials including over 12,000 brochures, banners, and IEC resources were produced to enhance public education and the visibility of the Commission. Four quarterly newsletters and 56 success stories highlighted the Commission’s impact on citizens’ lives.

d. Policy Advocacy and Systemic Interventions

Proactive own-motion inquiries initiated during the period under review reinforced accountability in the sectors of healthcare, judiciary, lands, and pension administration, directly addressing systemic gaps affecting vulnerable populations. The Commission:

- Demanded transparency in the Paris Olympics delegation composition and funding.
- Issued ultimatums over delays and discrimination in national ID issuance.
- Investigated medical negligence at Longisa Hospital and SHA implementation failures.
- Advocated for County-Specific ATI Acts to decentralize transparency frameworks.
- Ordered a full audit of land registries to resolve 206 pending complaints.

e. Decentralization of Ombudsman Services.

f. In its endeavour to decentralize its services to the Counties, the Commission operationalized a branch office in Wote, Makueni County. This will go a long way towards making our services more accessible and also, strengthen our oversight role at the grassroots.

n) Compliance with Statutory Requirements

The Commission on Administrative Justice remains steadfast in upholding the highest standards of statutory and regulatory compliance, guided by the Constitution of Kenya, 2010, and the Commission on Administrative Justice Act, 2011. During the year under review, the Commission fully adhered to financial management regulations, public service guidelines, and governance frameworks, while reinforcing institutional integrity through robust policies, codes of conduct, and compliance monitoring mechanisms. Regular reviews, internal audits, and oversight by relevant committees strengthened accountability and transparency, thereby safeguarding public trust and affirming the Commission's constitutional mandate to promote good governance and protect the rights of all citizens.

o) Major Risks Facing the Commission on Administrative Justice

The Commission operates in a dynamic environment that presents various risks which, if not adequately mitigated, may hinder the effective delivery of its constitutional and statutory mandate. The major risks identified during the reporting period include:

1. Inadequate Funding

Limited budgetary allocations constrain the Commission's ability to fully implement its programs, expand outreach activities, and invest in modern operational systems. This can result in delays in service delivery and compromise the quality of outputs.

2. Insufficient Human Resources

The Commission continues to face staffing gaps, both in terms of numbers and specialized skills, which impacts its capacity to handle the increasing volume and complexity of complaints, conduct investigations, and undertake proactive oversight functions.

3. Lack of Adequate Equipment and Technology

The absence or insufficiency of modern equipment and ICT infrastructure hampers operational efficiency, data management, and communication, thereby affecting the timeliness and effectiveness of service delivery.

4. Operational and Logistical Constraints

Limited physical presence in all counties, coupled with inadequate transport facilities, affects the Commission's ability to conduct field investigations, outreach programs, and timely follow-up of cases.

5. Public Awareness and Engagement Gaps

Low public awareness of the Commission's mandate and services limits citizen participation in oversight and accountability processes, reducing the impact of its work.

6. External Political, Legal, and Policy Changes

Frequent policy shifts, emerging legislative changes, and political dynamics may affect the Commission's operational priorities, autonomy, and resource allocation.

7. Reputational Risk

Any perception of bias, delays, or lack of responsiveness can erode public trust and confidence in the Commission, thereby undermining its authority and credibility.

To address these risks, the Commission has strengthened its risk management framework, enhanced internal control measures, and engaged with key stakeholders to mobilize resources, improve operational capacity, and safeguard its independence in executing its mandate.

p) Material Arrears in Statutory and Other Financial Obligations

As at the close of the financial year, the Commission did not have any material arrears in statutory or other financial obligations. All statutory deductions, including Pay As You Earn (PAYE), pension contributions, and other mandatory remittances, were duly computed and remitted within the stipulated timelines in compliance with the relevant laws and regulations. The Commission remains committed to prudent financial management, ensuring that obligations to staff, suppliers, and statutory bodies are settled promptly to maintain operational efficiency and safeguard its reputation for integrity and accountability.

q) Future Developments

In line with its constitutional mandate, the Commission on Administrative Justice remains committed to strengthening its capacity to deliver efficient, transparent, and citizen-centered services. Looking ahead, the Commission will prioritize the following strategic developments:

1. **Digital Transformation** – Implementation of advanced case management systems and automation of key processes to enhance service delivery, improve turnaround times, and ensure wider public access to information.
2. **Enhanced Public Outreach** – Expansion of civic education and awareness programs to promote administrative justice, with targeted engagement in underserved regions.
3. **Institutional Capacity Building** – Recruitment and continuous training of staff to strengthen investigative, legal, and administrative functions, while ensuring adherence to the highest ethical standards.
4. **Infrastructure Development** – Upgrading and expanding regional offices to increase accessibility and presence across the country.

5. **Policy and Legal Reforms** – Advocacy for necessary amendments to legislation and policies to address emerging governance and administrative justice challenges.

These initiatives are aimed at consolidating the Commission’s role as an independent and responsive oversight body, fostering public trust, and ensuring sustainable impact in promoting fairness, transparency, and accountability in public administration.

10. Environmental and Sustainability Reporting

The Commission on Administrative Justice (CAJ) is committed to embedding sustainability principles into its operations to ensure long-term effectiveness in delivering its constitutional mandate. Under the leadership of the Accounting Officer and top management, the Commission integrates environmental stewardship, social responsibility, and good governance into its strategic and operational frameworks.

Our sustainability strategy is informed by emerging political and macroeconomic trends, including fiscal constraints, evolving governance reforms, digital transformation, climate-related challenges, and increasing citizen demand for transparency and accountability. These factors have influenced our prioritization of resource efficiency, enhanced service delivery mechanisms, and greater stakeholder engagement.

In aligning with international best practices, the Commission is guided by United Nations Sustainable Development Goals (SDGs), particularly Goal 16 on peace, justice, and strong institutions, as well as the African Union's Agenda 2063 aspirations on accountable governance. We also benchmark our practices against leading ombudsman institutions globally to ensure our processes remain responsive, transparent, and equitable.

Key Achievements in the Year Under Review

- Implementation of paperless systems in selected departments to reduce operational costs and environmental footprint.
- Expansion of online complaint handling platforms to improve accessibility for citizens, particularly in underserved regions.
- Enhanced staff capacity through sustainability-focused training on ethics, efficiency, and responsible resource utilization.
- Strengthened partnerships with public and private institutions to promote governance reforms.

Challenges and Areas for Improvement

- Limited financial resources hindered full implementation of planned activities.
- Legacy ICT infrastructure inhibited capability of the Commission to leverage technology.

- Inadequate legal framework to enable the commission to implement its recommendations.

Going forward, the Commission remains committed to fostering innovation, strengthening institutional capacity, and aligning operations with both national priorities and global sustainability standards, thereby ensuring resilience and continued relevance in an evolving governance environment.

Environmental Performance, Climate Change, and Mitigation of Natural Disasters

The Commission on Administrative Justice (CAJ) recognizes the critical role of public institutions in promoting environmental sustainability and mitigating the adverse impacts of climate change. Guided by the principles of transparency, accountability, and responsible stewardship, the Commission strives to align its operations with national environmental priorities and global best practices.

Given that the CAJ's main "product" is service delivery in complaints handling, policy review, and advisory services, environmental impact is managed through:

- Promoting virtual hearings, training, and meetings to cut travel-related emissions.
- Encouraging stakeholders to submit complaints and documents electronically.
- Integrating environmental considerations into advisories and reports to public bodies.

Employee Welfare

The Commission on Administrative Justice (CAJ) recognizes that the welfare, growth, and safety of its workforce are critical to the effective delivery of its mandate. The Commission is guided by a robust Human Resource Policy Framework that promotes fairness, inclusivity, and adherence to constitutional and statutory requirements in all aspects of employee management.

- **Hiring and Gender Considerations**

The recruitment process is anchored in the Constitution of Kenya, the Public Service Commission (PSC) guidelines, and the Commission's internal Human Resource Manual. The Commission adheres strictly to the one-third gender rule as provided for in Article 27(8) of the Constitution and strives to ensure gender balance across all levels of employment. Stakeholder engagement, including

consultation with relevant government agencies, employee representatives, and civil society actors, informs the periodic review of recruitment criteria to align with evolving labour market needs. The recruitment policies are reviewed at least every three years, or sooner when necessitated by legislative or operational changes.

- **Skills Development and Career Management**

CAJ is committed to continuous staff development through structured training programmes, professional certification sponsorships, and participation in workshops and conferences. The Commission implements an Annual Training Plan, aligned with individual development needs and organizational goals, to enhance technical competence, leadership capacity, and innovation. Career progression is supported by transparent promotion guidelines and mentorship initiatives to nurture talent within the institution.

- **Appraisal and Reward Systems**

Performance management is guided by the Performance Appraisal System (PAS), which evaluates employees against agreed annual targets. High-performing staff are recognised through both monetary and non-monetary incentives, including commendation letters, merit awards, and consideration for accelerated promotion. The reward system is designed to motivate excellence, foster accountability, and retain skilled personnel.

- **Safety and Health Compliance**

The Commission is dedicated to ensuring a safe, healthy, and supportive working environment in full compliance with the Occupational Safety and Health Act, 2007. During the year, workplace safety was strengthened through regular audits, provision of ergonomic equipment, fire safety drills, first aid facilities, and staff sensitization on health and safety protocols. In addition, wellness initiatives such as medical cover and mental health awareness programmes promoted holistic wellbeing. These efforts demonstrate the Commission's commitment to safeguarding its workforce, recognizing that a safe, empowered, and motivated team is central to achieving institutional success.

Operational Practices

The Commission on Administrative Justice is committed to maintaining the highest standards of integrity, accountability, and fairness by upholding a responsible and transparent supply chain framework. Guided by the Public Procurement and Asset Disposal Act, 2015, the Commission conducts competitive and merit-based procurement processes that ensure equal opportunity for all suppliers while guaranteeing quality, value for money, and legal compliance. Recognizing suppliers as strategic partners, the Commission honours its contractual obligations, settles payments promptly, and fosters long-term, mutually beneficial relationships built on trust and ethical business practices. In addition, the Commission promotes supplier compliance with labour laws, human rights, and environmental sustainability, while encouraging continuous improvement through regular engagement and performance reviews. These practices not only enhance operational efficiency but also advance the Commission's broader goal of promoting ethical governance and economic fairness.

Community Engagements

The Commission on Administrative Justice (CAJ) continues to strengthen public trust by fostering inclusive community engagement and implementing impactful Corporate Social Responsibility (CSR) initiatives. During the year under review, the Commission prioritized legal aid and public outreach, empowering citizens, particularly vulnerable and marginalized groups, through legal aid clinics, mobile outreach programs, and public barazas that enhanced access to redress in cases of maladministration. In collaboration with county governments, civil society, and community-based organizations, the Commission further advanced public awareness on constitutional values, access to information, fair administrative action, and the Ombudsman's role in dispute resolution. These initiatives reached thousands across both rural and urban communities, reinforcing the Commission's commitment to promoting human rights, social welfare, and equitable access to justice.

11. Statement of Management Responsibilities

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting Officer for a National Government entity shall prepare financial statements in respect of that Commission. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

The Accounting Officer in charge of the Commission on Administrative justice is responsible for the preparation and presentation of the commission's financial statements, which give a true and fair view of the state of affairs of the commission for and as at the end of the financial year (period) ended on June 30, 2025. 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 Commission, (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 Commission ; (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the Commission accepts responsibility for the Commission's financial statements, which have been prepared on the Accrual Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the commission financial statements give a true and fair view of the state of commission's transactions during the financial year ended June 30, 2025, and of the commission's financial position as at that date. The Accounting Officer further confirms the completeness of the accounting records maintained for the Commission, which have been relied upon in the preparation of the Commission's financial statements as well as the adequacy of the system of internal controls.

The Accounting Officer in charge of the Commission on Administrative Justice) confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the Commission's funds received during the year under audit

COMMISSION ON ADMINISTRATIVE JUSTICE

Annual Report and Financial Statements for the year ended June 30, 2025.

were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the commission's financial 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 financial statements

The Commission's financial statements were approved on 15 / 10 2025 and signed by:


.....

Mercy K. Wambua, OGW

Accounting Officer/CS/CEO

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
Email: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON THE COMMISSION ON ADMINISTRATIVE JUSTICE FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

- A. Report on Financial Statements that considers whether the financial 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 financial statements;
- B. Report on Lawfulness and Effectiveness in the 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 the Government achieves value for money and that such funds are applied for the intended purpose; and,
- 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, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An Unmodified Opinion is issued when the Auditor-General concludes that the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management, and Governance.

The three parts of the report aim to address the Auditor-General's statutory roles and responsibilities as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012, and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of the Commission on Administrative Justice set out on pages 1 to 41, which comprise of the statement of

financial position as at 30 June, 2025, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Commission on Administrative Justice as at 30 June, 2025, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual 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 Commission on Administrative Justice Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other Matter

Unresolved Prior Year Matters

In the prior year audit report, three issues were raised under the Emphasis of Matter and Report on Lawfulness and Effectiveness in the Use of Public Resources. These include pending bills, underutilization of funds, and non-compliance with the 30% Procurement Preservation to Youth, Women, and Persons with Disabilities. Review of the status during the audit of the Commission in 2024/2025 revealed that the issues remained unresolved.

Other Information

The Management is responsible for the Other Information set out on pages v to lii, which comprise of Key Commission Information and Management, Statement by the Chair of the Commission, Statement by the Accounting Officer, Statement of Performance Against Predetermined Objectives, Governance Statement, Management Discussion Analysis, Environmental and Sustainability Reporting, and Statement of Management's Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Commission's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information

is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effects of the matter described in the Basis for Conclusion on Lawfulness and Effectiveness in the 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

Non-Compliance with Access to Government Procurement Opportunities Reservation Requirements

During the year under review, the Commission's total procurement amounted to Kshs.151,141,739. According to the statutory requirement under the Access to Government Procurement Opportunities (AGPO) framework, thirty per cent (30%) of this amount, equivalent to Kshs.46,249,372 should have been reserved for enterprises owned by Youth, Women, and Persons with Disabilities (YWPD). However, only Kshs.16,393,054, representing eleven percent (11%) of the total procurement, was awarded to AGPO-registered entities. This falls significantly short of the stipulated threshold of 30% highlighting the need for enhanced efforts to promote inclusive procurement practices.

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

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions, and information reflected in the financial statements comply 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 THE 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, except for the effects of the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

Operational Challenges in Regional Offices

Field verification of the Commission's regional offices in Kisumu, Eldoret, Kisii, Nakuru, Mombasa, and Makueni revealed significant operational constraints across Regional offices caused by insufficient funding and severe understaffing. As a result, Huduma Centre desks in Kisii, Kakamega, Bungoma, and Nakuru are managed by interns, while key service points lack essential tools such as computers, affecting efficiency and service delivery. In addition, logistical challenges, particularly in Mombasa and Makueni offices, caused by inadequate transport and reimbursement support, hinder effective coverage of vast areas.

In the circumstances, the lack of adequate funding, staffing, and logistical resources across regional offices adversely affects outreach, field operations, and effective service delivery, undermining the Commission's ability to fulfill its mandate.

The audit was conducted in accordance with ISSAI 2315 and 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk management, and overall 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 the Commissioners

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 maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the Commission's ability to continue as a going concern, disclosing as applicable, matters

related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

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

The Commissioners are responsible for overseeing the Commission's financial 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

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. 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 when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment 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.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

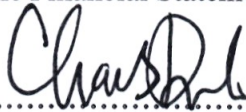
Nairobi

13 November, 2025


13. Statement of Financial Performance for the year ended 30 June 2025

	Notes	2024-2025
		Kshs
Revenue from non-exchange transactions		
Transfers from Exchequer	6	621,707,965
Total		621,707,965
Expenses		
Employee costs	8	442,977,422
Use of goods and services	9	167,596,765
Social Benefits	10	9,204,405
Total expenses		619,778,592
Other gains/(losses)		
Gain on Sale of Assets	7	527,400
Surplus for the year		2,456,773
Taxation		-
Net Surplus/Deficit		2,456,773

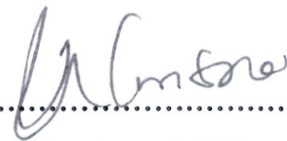
The Financial Statements set out on pages 1 to 7 were signed by:



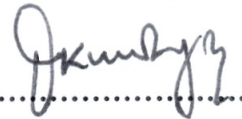
.....
Charles Dulo
Chairperson



.....
Daniel. M Karomo
Director of Corporate Services



.....
Mercy K. Wambua, OGW
Commission Secretary/CEO

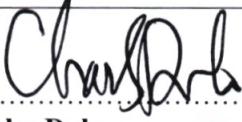


.....
Mackenzie Okun
Senior Accountant

ICPAK M/NO 10630

14 Statement of Financial Position as at 30 June 2025

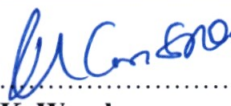
	Notes	2024-2025	2023-2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash equivalents	11	2,712,874	28,141,750
Receivables from Non-Exchange Transactions	12	13,160,768	16,552,402
Inventories	13	7,065,385	9,496,652
Total Current Assets		22,939,027	54,190,804
Non-Current Assets			
Property, Plant and Equipment	14	5,043,991	0
Intangible Assets	15	3,004,544	2,345,389
Total Non- Current Assets		8,048,535	2,345,389
Total Assets (a)		30,987,562	56,536,193
Liabilities			
Current Liabilities			
Trade and Other Payables	16	1,127,555	3,161,769
Refundable Deposits	17	1,829,445	1,630,762
Total Current Liabilities		2,957,000	4,792,531
Non-Current Liabilities			
Total Non- Current Liabilities		0	0
Total Liabilities (b)		2,957,000	4,792,531
Net Assets (a-b)		28,030,562	51,743,662
Represented by:			
Reserves C/F		51,743,662	0
Prior year adjustment-Return to Exchequer .		(26,169,873)	
Accumulated Surplus		2,456,773	0
Capital Fund			51,743,662
Net Assets		28,030,562	51,743,662



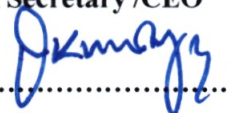
Charles Dulo
 Chairperson



Daniel M. Karomo.
 Director of Corporate Services



Mercy K. Wambua
 Commission Secretary /CEO



Mackenzie Okun
 Senior Accountant

ICPAK M/NO 10630

15 Statement of Changes in Net Assets for the year ended 30 June 2025

	Accumulated Surplus	Reserves	Capital Fund	Total
Fund balance as at 30th June 2024	0	0	0	0
Adjustments				
Recognition of Assets	56,536,193			56,536,193
Recognition of Liabilities	4,792,531			4,792,531
As at July 1, 2024	51,743,662	0	0	51,743,662
Return to Exchequer	(26,169,873)			(26,169,873)
Surplus/ deficit for the year	2,456,773			2,456,773
Capital funds received in the year			0	
As at June 30, 2025	28,030,562	0	0	28,030,562

16. Statement of Cash Flows for the year ended 30 June 2025

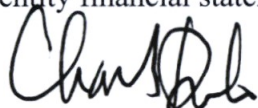
		2024-2025
	Notes	Kshs
Net cash flows from/(used in) operating activities	18	5,916,742
Cash flows from investing activities		
Sales from assets	2	1,225,550
Purchase of PPE	15	(5,742,140)
Purchase of Intangible Assets	15	(659,155)
Net cash flows from/(used in) investing activities		(5,175,745)
Cash flows from financing activities		
Return to Exchequer		(26,169,873)
Net cash flows from financing Activities		(26,169,873)
Net increase/(decrease) in cash & Cash equivalents		(25,428,876)
Cash and cash equivalents at 1 July	11	28,141,750
Cash and cash equivalents at 30 June	11	2,712,874

17. Statement of Comparison of Budget and Actual Amounts for FY 2024/25

Receipt/Expense Item	Original Budget Kshs	Adjustments Kshs	Final Budget Kshs	Actual on Comparable Basis Kshs	Budget Utilization Difference Kshs	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
Exchequer releases	661,974,500	(33,279,656)	628,694,844	621,707,965	6,986,879	99%
Other receipts						
Total Receipts						
Payments						
Compensation of Employees	471,100,000	(25,126,298)	445,973,702	443,092,767	2,880,935	99%
Use of goods and services	168,624,500	(1,103,358)	167,521,142	163,643,333	3,877,809	98%
Social security benefits	12,000,000	(2,650,000)	9,350,000	9,204,405	145,595	98%
Acquisition of assets	10,250,000	(4,400,000)	5,850,000	5,752,546	97,454	98%
Total Payments	661,974,500	(33,279,656)	628,694,844	621,693,051	7,001,793	99%
Surplus/ Deficit						

The changes between the original and final budget are as a result of reallocations within the budget and supplementary budget.

The entity financial statements were approved on 15/10/2025 and signed by:



Charles Dulo

Chairperson

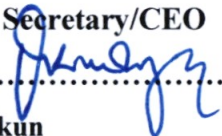


Daniel M. Karomo.
Director of Corporate Services



Mercy K. Wambua, OGW

Commission Secretary/CEO



Mackenzie Okun
Senior Accountant

ICPAK M/NO 10630

Budget Reconciliation to the Statement of Cash Flows

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	14,914
1	Cash balance held at deposit account	2,356,845
2	Cash opening balance as at 1 st July 2024	341,115
	Closing Cash and Cash Equivalent as per the statement of Cash flows	2,712,874

Budget Execution by Programmes and Sub-Programmes for FY2025

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	Kshs	Kshs	Kshs	Kshs	Kshs
<i>Promotion of Administrative Justice</i>	661,974,500	(33,279,656)	628,694,844	621,693,051	7,001,793
General administration and support services	638,863,697	(42,672,822)	596,190,875	590,674,423	5,516,452
Administrative Justice Services	18,620,192	(5,869,130)	12,751,062	12,132,455	618,607
Access to Information Services	4,490,611	15,262,296	19,752,907	18,886,173	866,734
Total	661,974,500	(33,279,656)	628,694,844	621,693,051	7,001,793

18. Notes to the Financial Statements

1. Establishment

Establishment and Legal Framework

- The Commission on Administrative Justice (CAJ), also known as the Office of the Ombudsman, is established by the **Commission on Administrative Justice Act, No. 23 of 2011** pursuant to **Article 59(4) of the Constitution of Kenya, 2010**.
- The Commission derives its authority and accountability directly from the Constitution and the CAJ Act, and operates in accordance with other relevant national laws, regulations, and policy guidelines.

Ownership and Domicile

- The Commission is **wholly owned by the Government of Kenya**.
- It is **domiciled in Kenya**, with its headquarters in Nairobi and regional offices across the country to enhance service accessibility.

Mandate and Principal Activities

- The Commission's principal activity is to **promote administrative justice** in the public sector by addressing maladministration, abuse of power, and unfair treatment by public officers or institutions.
- Core functions include:
 - Receiving and investigating complaints of administrative injustice.
 - Providing redress to citizens affected by unfair administrative actions.
 - Promoting compliance with leadership, integrity, and ethics principles.
 - Conducting public education and outreach on citizens' rights and good governance.
 - Advising public institutions on administrative reforms and good practices.

Accountability

- The Commission reports annually to the **National Assembly** through the relevant parliamentary committees.
- It is also subject to oversight by the **Auditor-General** and other constitutional bodies to ensure transparency, efficiency, and integrity in its operations.

Notes to the Financial Statements (Continued)

2. Statement of Compliance and Basis of Reporting

Statement of compliance

These financial statements have been prepared in accordance with the Public Finance Management Act, 2012 and with the International Public Sector Accounting Standards (IPSAS).

For the purpose of these financial statements, the Ministry/Department/Agency has been categorized as a Schedule 1 national government and Commission in line with Section 4 of the Public Finance Management Act, 2012 read together with Regulation 211 (2) of the Public Finance Management (National Government) Regulations, 2015. Schedule 1 national government entities include Ministries, Departments, Agencies, constitutional institutions and independent offices. Commissions are reporting entities whose primary objective is to provide policy and coordination of government services.

The use of public resources by Commission's is primarily governed by Chapter 12 of the Constitution, the relevant Appropriation Act, the Public Finance Management Act, of 2012, and the Public Procurement and Disposal Act, of 2015.

These financial statements were authorized for issue by the Accounting Officer on 29th August 2025

Notes to the Financial Statements (Continued)

Guiding note during the transition period:

The financial statements have been prepared in accordance with the Public Finance Management Act and International Public Sector Accounting Standards (IPSAS). The Commission has applied the transitional provisions under IPSAS 33, First-time Adoption of Accrual Basis IPSASs. Accordingly, this first year financial statements are transitional financial statements. Certain elements, including recognition of non-current assets and related depreciation, have not been presented as the Commission continues to implement the transition provisions. The Commission has disclosed the transitional provisions applied and outlined the steps being taken towards full compliance with accrual-based IPSAS.

Reporting period

The reporting period for these financial statements is for the period ended 2024-2025.

Basis of preparation

These financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period on an accrual basis unless otherwise specified (for example, the Statement of Cash Flows). Under an accrual basis, revenues are recognised when rights to assets are earned or levied rather than when cash is received, and expenses are recognised when obligations are incurred rather than when they are settled. The financial statements have been prepared and presented in Kenya Shillings to the nearest shilling. The accounting policies adopted have been consistently applied to all the years presented.

Critical accounting judgements

IPSAS requires accounting judgements to be made in determining accounting policies that impact the presentation of these financial statements. The most critical of these judgements, and their impact, are:

Recognition of revenue

A revenue is an increase in the net financial position, other than increases arising from ownership contributions. Revenue is required to be measured when the event occurs and when recognition criteria (probable inflow of resources and ability to reliably measure their value) are met. Judgment is required to determine if these criteria are met, particularly where limited evidence is available at the time the revenue is earned.

Notes to the Financial Statements (Continued)

Recognition of non-exchange expenses and liabilities

A liability is a present obligation of commission for an outflow of resources that results from a past event. Expenses (and other liabilities) are recognized when there is a present obligation (legal or constructive) as a result of a past event. An outflow of resources embodying economic benefits will probably be required to settle the obligation and a reliable estimate of the obligation can be made. Judgement is required in assessing each of these conditions, and therefore reporting if an expense and a present obligation should be reported.

The commission pursues a number of policy targets and outcomes. However, the commitment to these targets and outcomes, generally, do not of themselves constitute a present obligation unless the commission is clear on the cost it intends to incur, when payment will be made, and to whom and as a consequence has raised a valid expectation. As a consequence, liabilities are not reported for costs associated with the commission policy objectives and targets. Where a policy choice gives rise to an obligation that exists independently of the Commissions future actions, expenses (and other related liabilities) are recognized for that policy.

Purpose and nature of financial instruments

Judgment is required in determining whether financial assets (including investment in securities and advances) and financial liabilities are held for trading or to provide a return through interest and principal transactions. Depending on that judgment, financial instruments will be reported at fair value or on an amortized cost basis.

Climate change obligations

Kenya's current National Determined Contribution (NDC) to deliver on the goals of the Paris Agreement sets a headline target of a 32 per cent emission reduction by 2030 relative to the business-as-usual scenario of 143 MtCO₂eq. Commissions commitment to climate change action does not constitute a present obligation on the balance sheet but are disclosed separately.

Physical assets

An asset is a resource presently controlled by the Commission as a result of a past event. The primary reason for holding property, plant and equipment and other assets is for their service potential rather than their ability to generate cash flows. Because of the types of services provided, a significant proportion of assets used by public sector entities including roads, national parks, heritage buildings etc are specialized in nature. There may be a limited market for such assets and so judgement is required on measurement. Judgment is also required whether assets are held for commercial purposes or public benefit purposes.

Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

i) **New and amended standards and interpretations in issue effective in the year ended 30 June 2025.**

There were no new and amended standards issued in the financial year.

ii) **New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025.**

Standard	Effective date and impact:
IPSAS 43	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of a Commission.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p>IPSAS 43 will significantly impact the Commission on Administrative Justice by requiring recognition of right-of-use assets and lease liabilities for office premises and other leased assets, thereby enhancing transparency and accountability but also increasing reporting complexity and affecting financial statement presentation</p>
IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p>While the Commission on Administrative Justice may not be a heavy asset-holding institution, IPSAS 44 ensures that any assets meant for disposal or discontinued</p>

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Standard	Effective date and impact:
	<p>operations are transparently and consistently reported. This enhances financial integrity, promotes accountability, and aligns with the broader goals of public sector financial management reform.</p>
<p>IPSAS 45- Property Plant and Equipment</p>	<p>Applicable 1st January 2025</p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p>The adoption of IPSAS 45 will improve accuracy, accountability, and transparency in reporting CAJ’s assets. However, it will also require capacity building, stricter asset management practices, periodic valuations, and enhanced disclosures. This will strengthen stewardship of public resources but may increase administrative and compliance costs.</p>
<p>IPSAS 46 Measurement</p>	<p>Applicable 1st January 2025</p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p>The impact of IPSAS 46 on the Commission on Administrative Justice will mainly be in improving accuracy, transparency, and comparability of financial information. While this enhances credibility and strengthens accountability, it will also require</p>

Annual Reports and Financial Statements for the year ended June 30, 2025.

Standard	Effective date and impact:
	<p>capacity building, potential valuation costs, and system adjustments to comply effectively.</p>
<p>IPSAS 47- Revenue</p>	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an COMMISSION shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><i>State the expected impact of the standard to the COMMISSION if relevant</i></p> <p>IPSAS 47 will impact the Commission by requiring a more precise classification and timing of revenue recognition, especially for conditional donor funding. While Exchequer grants will remain largely unchanged (recognized on receipt), project-based funding will only be recognized upon fulfilment of agreed obligations. This enhances transparency, accountability, and alignment of reported revenue with actual service delivery.</p>

iii) Early adoption of standards

The Commission did not early – adopt any new or amended standards in the financial year.

Notes to the Financial Statements (Continued)

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Fees, taxes and fines

The Commission recognizes revenues from fees, taxes and fines 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 Commission and the fair value of the asset can be measured reliably.

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Commission and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income. Development grants are recognized in the statement of financial performance after meeting the revenue recognition criteria. Conditional grants are recognized as revenue upon fulfilment of the set conditions.

ii) Revenue from exchange transactions

Rendering of services

The Commission recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Interest income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

b) Budget information

The original budget for FY 2024/2025 was approved by the National Assembly. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The supplementary appropriations are reduced to the original budget by the Commission upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Commission recorded budget cut of KShs.33,279,656 on the 2024/2025 budget following the governing body's approval. The Commission's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of cash flows has been presented under section xxx of these financial statements.

c) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model. Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

d) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the commission 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) Right of use asset

The right-of-use assets comprises the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Whenever the Commission incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under IPSAS 21 or IPSAS 26. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories. Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Commission expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease. The right-of-use assets are presented as a separate line in the statement of financial position.

f) Tangible Natural Resources

The Commission recognises a tangible natural resource recognized if, and only if: It is probable that service potential associated with the natural resource will flow to the Commission; the Commission controls the tangible natural resource as a result of past events; and the tangible natural resource can be measured reliably. Where this criterion is not met, the Commission discloses the tangible natural resource in the notes to the

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

financial statements. Where a tangible natural resource is recognized as an asset as the result of an event that is not a transaction in an orderly market, including non-exchange transactions, the asset shall be measured initially at its deemed cost. A Commission shall apply IPSAS 46, Measurement, when measuring the deemed cost of such a recognized tangible natural resource. A recognized tangible natural resource acquired through an exchange transaction shall be measured at its cost. Historical cost model is applied after initial recognition less any depreciation and impairment losses.

g) Leases

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the Commission. 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 Commission 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 commission 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.

h) Intangible assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred. The useful life of the intangible assets is assessed as either finite or indefinite.

i) Research and development costs

The Commission expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Commission can demonstrate:

- i) The technical feasibility of completing the asset so that the asset will be available for use or sale
- ii) Its intention to complete and its ability to use or sell the asset

Notes to the Financial Statements (Continued)

- iii) How the asset will generate future economic benefits or service potential
- iv) The availability of resources to complete the asset
- v) The ability to measure reliably the expenditure during development.

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

j) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The Commission does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. (amend as appropriate). A financial instrument is any contract that gives rise to a financial asset of one commission and a financial liability or equity instrument of another Commission. At initial recognition, the

Commission measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

a) Financial assets

Classification of financial assets

The Commission classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the Commission's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset

Summary of Significant Accounting Policies (Continued)

shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless a Commission has made irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

Based on the business model and the cash flow characteristics, the Commission classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through net assets/ equity

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

Trade and other receivables

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end.

Fair value through surplus or deficit

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/ equity are measured at fair value through surplus or deficit. A business model where the Commission manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Impairment

The Commission assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The Commission recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL).

b) Financial liabilities

Classification

The Commission classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

k) Inventories

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 conditions are accounted for, as follows:

- i) Raw materials: purchase cost using the weighted average cost method.
- ii) Finished goods and work in progress: cost of direct materials and labour 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 Commission.

l) Provisions

Provisions are recognized when the Commission 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 Commission 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

Summary of Significant Accounting Policies (Continued)

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

m) Social Benefits

Social benefits are cash transfers provided to i) specific individuals and / or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The Commission recognizes a social benefit as an expense for the social benefit scheme at the same time that it recognizes a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the Commission will incur in fulfilling the present obligations represented by the liability.

n) Contingent liabilities

The Commission 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.

o) Contingent assets

The Commission 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 Commission 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.

p) Nature and purpose of reserves

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

q) Changes in accounting policies and estimates

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

r) Employee benefits

Retirement benefit plans

The Commission provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which a Commission pays fixed contributions into a separate fund and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

s) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. At each reporting date, foreign currency monetary items are translated using the closing rate. Non-monetary items measured in historical cost are translated using the exchange rate at the date of the transaction, and those measured at fair value are translated using the exchange rates at the date when the fair value was determined. Exchange differences arising from the settlement of monetary items or translation of monetary/non-monetary items at rates different from those at which they were initially reported are recognized in surplus or deficit in the period.

t) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

u) Related parties

The Commission regards a related party as any individual or entity that has the ability, either individually or jointly, to exert control or significant influence over the Commission, or where the Commission has the ability to exercise such influence in return. Related parties include members of key management personnel, comprising the Commissioners, the Chief Executive Officer, and senior management, as well as close family members of these individuals. Other related parties include government ministries, departments, and

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

agencies that provide funding or exercise oversight, development partners, and any entities under common control with the Commission.

v) Service concession arrangements

The Commission analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the Commission recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price.

In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the Commission also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

w) 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.

x) Comparative figures

In preparing these financial statements, the commission has elected to apply paragraph 79 of IPSAS 33, which allows for the election by a Commission to present one statement of financial performance, one statement of cash flow, one statement of net assets and the statement of financial position and an opening statement of financial position as at the time of first-time adoption of the accrual basis of accounting.

y) Subsequent events

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, 2025.

Summary of Significant Accounting Policies (Continued)

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the Commission'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. State all judgements, estimates and assumptions made:

Estimates and assumptions

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

Useful lives and residual value

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

- a) The condition of the asset based on the assessment of experts employed by the commission.
- b) The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- c) The nature of the processes in which the asset is deployed.
- d) Availability of funding to replace the asset.
- e) Changes in the market in relation to the asset

Provisions

Provisions were raised and management determined an estimate based on the information available.

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

(include provisions applicable for your organisation e.g. provision for bad debts, provisions of obsolete stocks and how management estimates these provisions).

6. Transfers from Exchequer

Nature of transfer	Amount recognized to Statement of Financial performance	Amount deferred under deferred income	Total transfers Period ended Sep*/Dec*/March*/June* 2025
	Kshs	Kshs	Kshs
Recurrent	621,707,965	0	621,707,965
Total	621,707,965	0	621,707,965

7. Gain from sale of Assets.

Description	Current 2024-2025
	Kshs
Proceeds from sale of assets	1,225,550
Less Valuation costs of the assets disposed	(698,150)
Gain from sales of Assets	527,400

8. Employee Costs

Description	Current 2024-2025
	Kshs
Basic salaries of permanent employees	295,373,920
Basic wages of temporary employees	7,842,364
Personal allowances – part of salary	77,654,732
Employer contributions to compulsory national social security schemes	62,106,406
Employee costs	442,977,422

Notes to the Financial Statements (Continued)

9. Use of Goods and Services

Description	2024-2025
	Kshs
Utilities, supplies and services	4,031,609
Communication, supplies and services	10,200,750
Domestic travel and subsistence	11,368,325
Foreign travel and subsistence	2,427,453
Printing, advertising, and information supplies & services	4,390,294
Rentals of produced assets	69,422,947
Training expenses	7,074,648
Hospitality supplies and services	5,290,412
Insurance costs	28,136,277
Specialized materials and services	844,350
Office and general supplies and services	5,168,638
Fuel Oil and Lubricants	4,842,400
Routine maintenance – vehicles and other transport equipment	3,171,759
Routine maintenance – other assets	1,793,740
Other operating expenses	9,433,163
TOTAL	167,596,765

10. Social Benefits

Description	Insert Current FY
	Kshs
Social Security Benefit-Gratuity	9,204,405
Total social benefit expenses	9,204,405

11. Cash and Cash Equivalents

Description	Insert current	Opening statement
	2024-2025	1 st July 2024
	Kshs	Kshs
Recurrent Account	333,596	26,169,405
Development Account	0	0
Deposits Account	2,356,845	1,630,762
Total	2,690,441	27,800,635

(The amount should agree with the closing and opening balances as included in the statement of cash flows)

Notes to the Financial Statements (Continued)

11 (a) Detailed Analysis of the Cash and Cash Equivalents

		<i>Insert Current 2024-2025</i>	<i>Opening statement 1st July 2024</i>
Financial Institution	Account number	Kshs	Kshs
Recurrent Account		333,596	26,169,405
CBK001	1000181354		
Development Accounts			
CBK002	1000181583		
Deposits Accounts		2,356,845	1,630,762
Cash on Hand		22,433	341,115
Grand Total		2,712,874	28,141,750

12. Receivables from Exchange Transactions

	<i>Insert Current 2024-2025</i>	<i>Opening statement 1st July 2024</i>
Description	Kshs	Kshs
Other exchange debtors	0	0
Less: impairment allowance	0	0
Total Receivables	0	0
a) Current receivables	0	0
b) Non-current receivables	13,160,769	16,552,402
Total receivables (a+b)	13,160,769	16,552,402

12 (c) Ageing analysis for Receivables

Description	<i>Insert Current FY 2025</i>		<i>Opening statement 1st July 2024</i>	
	Kshs		Kshs	
	Current FY	% of the total	1st July	% of the total
Less than 1 year	13,160,769	100 %	16,552,402	100%
Between 1- 2 years	0	%	0	%
Between 2-3 years	0	%	0	%
Over 3 years	0	%	0	%
Total (a+b)	13,160,769	100%	16,552,402	100%

Notes to the Financial Statements (Continued)

13. Inventories

Description	<i>Insert Current 2024-2025</i>	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Consumable stores	7,065,385	9,496,652
Goods held for distribution	0	0
Spare parts and meters	0	0
Less: allowance for impairment	0	0
Total	7,065,385	9,496,652

Detailed disclosure on inventories

	Insert Current 2024-2025
Opening balance	9,496,652
Additional Inventory in the year	7,958,223
Inventory expensed in the year	(10,389,490)
Closing balance	7,065,385

14. Property, Plant, and Equipment

	Land	Buildings	Motor vehicles	Infrastructure assets	Furniture and fittings	Computers & ICT Equipment	Heritage assets	Work in progress	Service concession assets	Total
Depreciation Rate		2-10%	10-16.67%	2-20%	12.5%	33.3%	x%			
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Opening Bal as 1 st July 2024	0	0	0	0	0	0	0	0	0	0
Additions	0	0	0	0	56,604	4,987,387	0	0	0	5,043,991
Valuation of Disposed assets			698,150							698,150
Disposals	0	0	(698,150)	0	0	0	0	0	0	(698,150)
Transfer/Adjustments	0	0		0	0	0	0	0	0	0
As At Jun 2025	0	0	0	0	0	0	0	0	0	0
Depreciation And Impairment		0	0	0	0	0	0	0	0	0
Depreciation	-	0	0	0	0	0	0	0	0	0
Net Book Values		0	0	0	56,604	4,987,387	0	0	0	5,043,991

	Land	Buildings	Motor vehicles	Infrastructure assets	Furniture and fittings	Computers & ICT Equipment	Heritage assets	Work in progress	Service concession assets	Total
Depreciation Rate		2-10%	10-16.67%	2-20%	12.5%	33.3%	x%			
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Opening Bal as at 1 st July 2024	0	0	0	0	0	0	0	0	0	0
As At 30 June, 2025	0	0	0	0	56,604	4,987,387	0	0	0	5,043,991

(Include a brief description of WIP as a footer.)

Notes to the Financial Statements (Continued)

Valuation

Items of PPE are valued at Historical cost at the point of recognition in the financial statements. Where historical cost is not available or the item has been acquired at , PPE has been valued at the current operational value which is the amount the Commission would pay for the remaining service potential of an asset at the measurement date.

15. Intangible Assets

Description	FY 2024/25
	Kshs
Cost	
At beginning of the year	2,345,389
Additions	659,155
Disposal	0
At end of the year	3,004,544
Opening Bal 1st July	0
Additions–internal development	0
Disposal	0
At end of the year	0
Amortization and impairment	
At beginning of the year	0
Amortization	0
At end of the year	0
Impairment loss	0
At end of the year	0
NBV	3,004,544

16. Trade and Other Payables

Description	Insert Current 2024-2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Trade payables	1,127,555		3,161,769	
Ageing analysis: (Trade and other payables)	Current FY	% of the Total	1st July	% of the Total
Under one year	1,127,555	100%	3,161,769	100 %
1-2 years	0	%	0	%
2-3 years	0	%	0	%
Over 3 years	0	%	0	%
Total (tie to above total)	1,127,555	100%	3,161,769	100%

17. Refundable Deposits and Prepayments

Description	Insert Current FY 2024-2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Customer deposits	1,131,295		1,630,762	
Prepayments	0		0	
Other deposits-Value of Disposed items	698,150		0	
Total deposits	1,829,445		1,630,762	
Ageing analysis: (Refundable deposits)	Current FY	% of the Total	1st July	% of the Total
Under one year	698,150	52%	1,630,762	100%
1-2 years	0	%	0	%
2-3 years	0	%	0	%
Over 3 years	1,131,295	48%	0	%
Total	1,829,445	100%	1,630,762	100%

Notes to the Financial Statements (Continued)

18. Cash Generated from Operations

	<i>Insert Current 2024-2025</i>
	Kshs
Surplus for the year before tax	2,456,773
Adjusted for:	
Less Gains on disposal of assets	(527,400)
Working capital adjustments	
Decrease in inventory	2,431,266
Decrease in receivables	3,391,634
Increase in deferred income	0
Decrease in payables	(2,034,214)
Increase in payments received in advance	198,683
Net cash flow from operating activities	5,916,742

19. Financial Risk Management

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

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

i) Credit risk

The Commission has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial

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

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

	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
As at July 2025				
Receivables from non-exchange transactions	13,160,769	0	16,552,402	0
Bank balances	2,712,874	0	28,141,750	0
Total	15,873,643	0	44,694,152	0

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Commission has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Commission has no significant concentration of credit risk. The Commissioners set the Commission's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

ii) **Liquidity risk management**

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

The table below represents cash flows payable by the Commission under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts

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disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
As at 30 June 2025				
Trade payables	1,127,555	0	0	1,127,555
Refundable from Deposit	1,829,445	0	0	1,829,445
Total	2,957,000	0	0	2,957,000

iii) Market risk

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

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the Commission's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee. The Commission's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies. There has been no change to the Commission's exposure to market risks or the manner in which it manages and measures the risk.

iv) Capital Risk Management

The objective of the Commission's capital risk management is to safeguard the Commission's ability to continue as a going concern. The Commission capital structure comprises of the following funds:

	<i>Insert Current 2024-2025</i>
	Kshs
Revaluation Reserve	0
Retained Earnings	0
Capital Reserve	28,030,562
Total Funds	28,030,562

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Total Borrowings	2,957,000
Less: Cash And Bank Balances	(7,065,385)
Net Debt/(Excess Cash And Cash Equivalents)	4,111,385
Gearing	15%

20. Related Party Disclosures

Nature of related party relationships

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

Government of Kenya

The Government of Kenya is the principal shareholder of the Commission, holding 100% of the Commission's equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the Commission, both domestic and external.

21. Contingent Liabilities

Contingent Liabilities

	2024/25
	Kshs
Contingent Liabilities	
Court cases against the Commission	699,500
Total	699,500

	NATURE OF CONTINGENT LIABILITY	REMARKS
1	Nairobi Constitutional Appeal No. 42 of 2019: Kenya Vision 2030 Delivery Board vs Commission on Administrative Justice & 2 Others.	Appellant's party-party bill of costs dated 21 st March 2025 was taxed at Kshs. 522,370 as against the Commission.
2.	ELRC No. E272 of 2024: Owino Kojo vs the Commission on Administrative Justice	Claimant seeking damages against the Commission together with costs and interests of the suit if he succeeds in the claim.
3.	Civil Suit No. 1014 of 2014: Donald Obimbo Mustava vs the Commission on Administrative Justice	Commission ordered to pay Kshs. 177,130 as damages and costs to both the Plaintiff and the Plaintiff's advocate.

22. Events after the Reporting Period

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

23. Currency

The financial statements are presented in Kenya Shillings (Kshs) and is rounded off to the nearest shilling.

19. Appendix

Appendix 1: Implementation Status of Auditor-General's Recommendations

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
2318	Pending bills balance of Kshs.3,161,769 which were not settled during the financial year 2023/2024 but were instead carried forward to 2024/2025 financial year	Pending bills were settled	Resolved	
2319	The Commission spent Kshs.687,843,545 against actual receipts of Kshs.714,200,891, resulting in under-utilization of Kshs.26,357,346 or 4% of the actual receipts.	Absorption rate increased to 99% during the year under review	Resolved	
2320	Several issues raised in the audit report were indicated as having been resolved. However, Management did not provide explanation and	Evidence on how they were resolved has been demonstrated	Resolved	



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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	evidence on how the issues were resolved.			
2321	the Commission had total procurement budget of Kshs.246,905,000, with a targeted reservation of thirty percent (30%) or Kshs.74,071,500 to Access to Government Procurement Opportunities (AGPO) intended for Youth, Women and People with Disabilities (YWPD). However, the total value of contracts awarded to these groups was Kshs.28,000,336, which represents only eleven percent (11%) of the total procurement for the financial year. The awarded contracts		On progress	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved/Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	value was below the 30% AGPO target, contrary to Section 157(10) of the Public Procurement and Asset Disposal Act, 2015.			

M. G. G. G.

Accounting Officer

Date 15/10/2025

Appendix III: Fixed Asset Register

Asset class	Historical Cost b/f Previous Year (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Transfers in/(out) during the year (Kshs)	Historical Cost c/f Current Year (Kshs)
Buildings and structures	14,992,538	-	-	-	14,992,538
Transport equipment	115,775,284	-	5,300,000	-	110,475,284
Office equipment, furniture and fittings	30,145,998	56,604	-	-	30,202,602
ICT Equipment	34,000,843	4,987,387	-	-	38,988,230
ICT Software	2,345,389	659,155	-	-	3,004,544
Machinery and Equipment	6,518,633	-	-	-	6,518,633
Total	203,778,685	5,703,146	5,300,000	-	204,181,831

Commission on Administrative Justice

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