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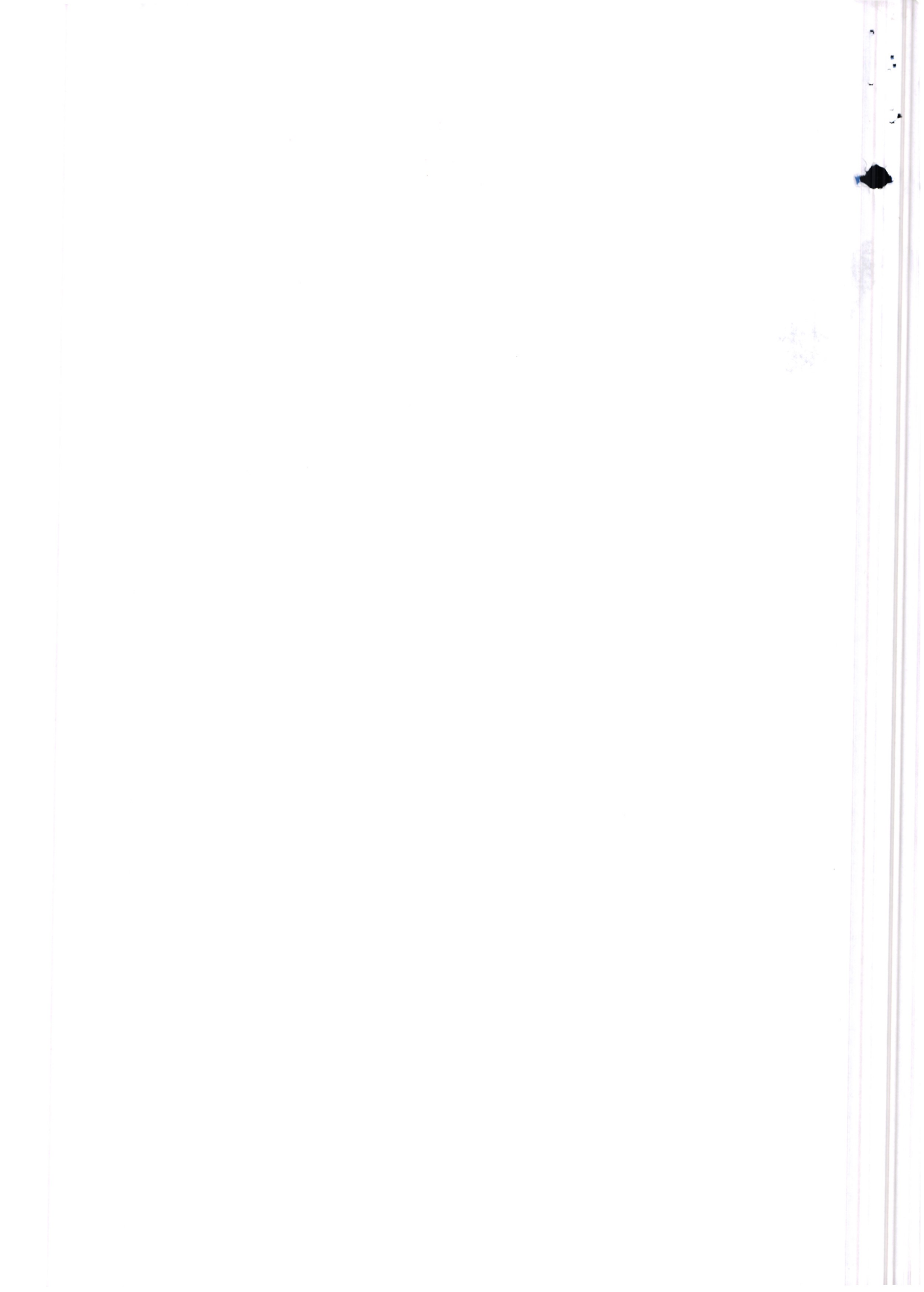
NATIONAL ASSEMBLY PAPERS LAID	
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CLERK-AT THE-TABLE:	A. Shituko

THE AUDITOR-GENERAL

ON

WITNESS PROTECTION AGENCY

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





RECEIVED



WITNESS PROTECTION AGENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30 JUNE 2023

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



WITNESS PROTECTION AGENCY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

WITNESS PROTECTION AGENCY



CONFIDENTIAL



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1.

1. Acronyms, Abbreviations and Glossary of Terms

A: Acronyms and Abbreviations

WPA – Witness Protection Agency

IPOA - Independent Policing Oversight Authority

KNHCR - Kenya National Commission on Human Rights

ODPP - Office of the Director of Public Prosecutions

VPB - Victim Protection Board

NCAJ - National Council on the Administration of Justice

EMCA - Environmental Management and Co-ordination Act

B: Glossary of Terms

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

Previous Year- Means the prior period.

Agency – refers to the Witness Protection Agency

Board – refers to the WPA Advisory Board



2. KEY AGENCY INFORMATION AND MANAGEMENT

a) Background information

The Agency is a statutory body established under the Witness Protection Act No. 16 of 2006, (revised 2020) and is domiciled in Kenya.

b) Principal Activities

The mandate of the Agency, is derived from Section 3B (1), of the Witness Protection Act No. 16 of 2006, to provide the framework and procedures for giving special protection on behalf of the State, to persons in possession of important information and who are facing potential risk or intimidation due to their cooperation with prosecution and other law enforcement agencies.

c) Key Management

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

- i) Director/ Chief Executive
 - Public Relations Unit
- ii) Operations Department
 - Field Services (Operations) Division
 - Psycho-social Support Services Division
 - Investigating and Training Division
 - Legal Division
- iii) Corporate Affairs Department
 - Finance and Accounts Division
 - Planning, Research and Policy Division
 - Human Resource Development Division
 - Administration Division
 - Information Communication Technology Division
 - Supply Chain Management Division
- iv) Internal Audit Unit



d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2023 and who had direct fiduciary responsibility were:

No. Designation

1. Director/Chief Executive
2. Deputy Director Corporate Affairs
3. Deputy Director Operations
4. Finance Manager
5. Chief Protection Officer
6. Principal Supply Chain Management Officer

Fiduciary Oversight Arrangements

The Agency has in place various fiduciary oversight arrangements comprising of the Advisory Board and Management Committee and other stakeholders as follows:

1. Departmental Committee on Justice and Legal Affairs of the National Assembly
2. Public Accounts Committee of the National Assembly
3. Budget Appropriation Committee of the National Treasury
4. The National Treasury
5. Office of the Controller of Budget
6. State Law Office
7. Office of the Auditor General
8. Commission of Revenue Allocation
9. Audit and Risk Committee of the Advisory Board
10. Finance and Administration Committee of the Advisory Board
11. Technical Committee of the Advisory Board
12. Budget Implementation Committee
13. Training and Development Committee
14. Evaluation Committee
15. Disciplinary Committee
16. Resource Mobilization Committee
17. Public Finance Standing Committee



e) Agency Headquarters

Liaison Office
P.O. Box 28801 – 00100
Milimani Law Courts 4th Floor, Room 413
Nairobi, Kenya.

f) Agency Contacts

Telephone: (254) (020) 7121337/8, 0770909207,
Hotline: (254)0711222441, 0725222442; Toll Free: 0800 720 460
E-mail: info@wpa.go.ke
Website: www.wpa.go.ke

g) Agency Bankers

- | | |
|--|--|
| 1. Central Bank of Kenya
A/C No. 1000181222
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya | 2. KCB Bank Kenya Ltd
A/C No. 1127947893
Moi Avenue
P.O. Box 48400
GPO 00100
Nairobi, Kenya |
|--|--|

h) Independent Auditors

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

i) Principal Legal Adviser

The Attorney General
Office of the Attorney General and Department of Justice
Sheria House
P.O. Box 40112
City Square 00200
Nairobi, Kenya



3. ADVISORY BOARD MEMBERS

	Name	Designation	Date of Appointment
1.	Mr. Ken Ogeto, CBS	Solicitor General	Ceased on 5 th March 2023
2.	Hon. Shadrack John Mose	Solicitor General	Appointed 5 th March 2023
3.	Major General(Rtd), Philip Wachira Kameru, MGH	Director General, National Intelligence Service	Appointed on 23 rd September, 2014
4.	Brig(Rtd),John K.Warioba,EBS	Commissioner General of Prisons	Appointed 17 th November 2021
5.	Mr. Noordin Haji, CBS	Director of Public Prosecutions	Appointed on 11 th April 2018
6.	MS. Roseline Odede,HSC	Chairperson, Kenya National Commission on Human Rights	Appointed on 25 th January 2022
7.	Dr. Julius Muia, CBS	Principal Secretary, National Treasury	Ceased on 25 th January 2023
8.	Dr. Chris K. Kiptoo,Phd,CBS	Principal Secretary, National Treasury	Appointed on 25 th January 2023
9.	Mrs. Anne Amadi, CBS	Chief Registrar Judiciary	Appointed on 23 rd January 2017
10.	Mr. Hilary M. Mutyambai, MGH	Inspector General of Police	Ceased on 25 th January 2023
11.	Eng. Japhet N. Koome,EBS,HSC,ndc(K)	Inspector General of Police	Appointed on 25 th January,2023
12.	Amb. Macharia Kamau, CBS	Principal Secretary, Ministry of Foreign and Diaspora Affairs	Ceased on 25 th January 2023
13.	Dr. Korir Sing'oei,Phd,EBS	Principal Secretary, Ministry of Foreign and Diaspora Affairs	Appointed on 25 th January 2023
14.	Jedidah W. Waruhiu	Director/Chief Executive, and Secretary to the Advisory Board	Appointed on 13 th January 2022



4. MANAGEMENT TEAM

	Designation	Responsibility
1.	Director/Chief Executive	Being the Chief Executive and Secretary to the Advisory Board and responsible for Corporate Affairs Department, Operations Department, Public Relations and Internal Audit Units
2.	Deputy Director Corporate Affairs	Responsible for Finance, Supply Chain Management, Human Resource Development, Administration, Planning and Research, and ICT Divisions.
3.	Deputy Director Operations	Responsible for Operations comprising of Field Services (Operations), Psychosocial Support Services Division, Investigating and Training Division and Legal Divisions.
4.	Finance Manager	Responsible for Finance and Accounts Division.
5.	Chief Protection Officer	Responsible for operations at the regional level
6.	Principal Supply Chain management Officer	Responsible for procurement of goods and services and disposal of Assets



5. CHAIRPERSON'S STATEMENT

I am delighted to acknowledge the strides made during the 2022-2023 period by the Agency in ensuring the operational efficiency of the Witness Protection Programme. I am glad that the Agency managed to meet its obligations during the period under review in the execution of its mandate.

The Advisory Board has been in the forefront of providing any advisory role to the Agency. This is in addition to overseeing other key aspects such as approval of budget, resource mobilization, and approval of operational policies and procedures. The Advisory Board will continue to support the operations of the Agency in discharging its mandate.

I wish to acknowledge efforts made by the Agency in meeting its mandate as outlined in the Witness Protection Act. The operational autonomy of the Agency has ensured that a good number of threatened and intimidated witnesses in high-profile cases are provided special protection. I applaud the functionality of the Witness Protection Programme (WPP) which has enabled complex and complicated high-profile cases to be successfully investigated and brought to Court. These cases could otherwise not have been investigated or prosecuted effectively if the witnesses were not assured of their special protection.

The thrust of the success achieved underscores the re-positioned role of the Agency in taking a leading role in the criminal justice sector. I am glad that this role was exercised in recognition of witness protection as a basic human right in line with the constitutional dispensation. This ensured that the physical, emotional, and psychological well-being of witnesses and their dependents in the programme were safeguarded.

I take cognizance of the commitment the Agency plays in offering efficient and effective witness protection services. It's worth noting that, in all criminal justice systems, the process of investigating and prosecuting criminal offences depends largely on the information and testimony of witnesses. As important as the cooperation of witnesses is, they are expected to be truthful, accurate and reliable in their testimony. As such, witness protection measures and strategies need to be developed to ensure that this evidence is preserved and heard during court proceedings, inquiries or commissions.

I applaud the Agency for launching the fourth (4th) Plan 2023 to 2028. This came at a time when the wider public-sector planning dedicated time and resources to the five key pillars of the Government and MTP IV of the Vision 2030. The MTP IV policies, programmes and projects focus at achieving aspirations of the five Sectors that form the



Core Pillars of the Government Manifesto which include; Sustainable Development Goals, Africa's Agenda 2063 and other regional and international economic development frameworks. The MTP IV prioritizes the implementation of economic recovery strategies to re-position the economy on a steady and sustainable growth trajectory.

I want to congratulate the Agency for coming up with the Guidelines on the admission, admissibility and international relocation of witnesses and the Witness Protection Act (2016). The Act and the Guidelines informed the development of the draft Witness Protection (Reciprocal Protection Arrangement) Regulations, 2023. It is important to note that these Regulations are the first of their kind in Africa and we take pride in being pacesetters in the management of witnesses' services across borders.

Finally, the Advisory Board will continue supporting the Agency and endeavor to set transparent and clear policies, procedures, structures, and systems that achieve effective, prudent, and consistent oversight in the management of the Agency's operations and activities. This will indeed enable the Agency to offer world-class witness protection services.

Hon. Shadrack J. Mose
SOLICITOR GENERAL AND CHAIRPERSON,
WITNESS PROTECTION ADVISORY BOARD



6. REPORT OF THE DIRECTOR/CHIEF EXECUTIVE

I take this opportunity, on behalf of the Management and staff, to present the twelfth (12) Annual Report of the Agency. The report is a synopsis of vital achievements realized and challenges faced during the 2022-2023 review period.

The protection of witnesses from intimidation or harm is imperative to the integrity and success of any judicial process. The Agency endeavors to provide the best witness protection services pursuant to the provisions of Section 4 (a) of the Witness Protection Act. The safety and welfare of protected persons is our noble objective while taking cognizance of the fundamental right of protection as espoused in various instruments of both National and International law in the administration of justice.

The activities of the Agency during the 2022-2023 period were undertaken in a fertile atmosphere that guaranteed the realization of desired results. I wish to commend the Advisory Board and staff of the Agency for providing the necessary impetus conducive to the successful implementation of the Agency's mandate. By offering the necessary witness protection services, the Agency upheld the rule of law and contributed to the promotion of the national security.

During the 2022-2023 period, the Agency received a total of One Hundred Eighty (188) new applications into the Witness Protection Programme compared to One Hundred Seventy Nine (179) during the 2021-2022 period realizing an increase of Nine (9) applications. The number of applications not admitted decreased from One Hundred Twenty Two (122) compared to One Hundred Thirty Two (132) applications in the previous year. The number of witnesses admitted rose from Forty (46) in the previous year to Sixty Six (66) in the year under review. At the end of the financial year, the Agency had handled a total of One Hundred Forty Three (143) witnesses under the WPP and Two Hundred Fifty One (251) related persons inclusive of the carryovers.

During the period under review, Eleven (11) cases involving protected persons were concluded in various courts compared to Four (4) cases during the 2021-2022. The rise is attributed to increased sensitization to prosecution and judicial officers as well as direct engagement with the Office of Director of Public Prosecution for fast-tracking of the cases. All were convictions translating to a 100% conviction rate.

The year under review saw the Agency develop the Regulations on Reciprocal Witness Protection Arrangements with Foreign Competent Authorities as per Section 29A of the Witness Protection Act. The Regulations took cognizance of good practices and laws in national, regional and international witness protection. Additionally, the Witness Protection (Reciprocal Protection Arrangements) Regulations, 2023 were also developed. The Regulations makes provision for admission of an international witness into the Kenya



During the 2022-2023 period, the Agency recruited seven (7) officers to alleviate staff shortage. Training sessions were also conducted where forty (40) officers undertook CPD training. Several e-knowledge transfer and sensitization sessions for all staff were conducted in these areas, HIV/AIDS, alcohol and drug abuse, disability mainstreaming, gender issues, National Values and Principles, complaints handling and road safety, child rights and intelligence. The Agency also undertook the promotion process for its officers who were due for promotion. A total of twenty seven (27) Officers were promoted to their next job cadre. Development of the Witness Protection Course Curriculum was completed with assistance from Kenya Institute of Curriculum Development (KICD) officers validated and approved

The 2022-2023 period saw the development of a comprehensive Enterprise Risk Register. There were significant efforts in risk management by appointing Seventeen (17) Risk Champions from all Divisions and Units in the Agency. A summary of audit findings from three (3) audit engagements conducted in the previous financial year are presented. Full disclosure of the audit queries raised was made before closure to enable monitoring.

The Agency continued to operate nationally in the discharge of its mandate. In decentralizing its services, the Agency operationalized the Eastern, North Eastern Embu Liaison office at the Embu Law Courts. Additionally, the Agency secured Satellite Offices at Law Courts based in Kajiado, Engineer, Maralal and Nanyuki. More efforts will be made to open more Liaison and satellite offices in other counties to enhance access to this public service.

In a bid to meet transport needs, the Agency acquired an additional four (4) motor vehicles to boost its existing fleet. The new acquisition will go a long way to ensure effective and efficient discharge of the operational activities.

During the 2022-2023 period, the Agency conducted capacity building for complaints-handling officers and staff in addition to creating awareness on the existence of complaints-handling mechanisms. Complaints received were resolved using guidelines prescribed by the Commission on Administrative Justice (CAJ).

The Agency will continue to meet its contractual obligations with the support of staff and the Advisory Board. This will ensure timely and efficient delivery of service and further improve the criminal justice sector both nationally, regionally and internationally.

Jedidah W. Waruhiu
DIRECTOR/CHIEF EXECUTIVE



7. STATEMENT OF WITNESS PROTECTION AGENCY PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR THE FINANCIAL YEAR 2022/2023

The Agency in its 2018-2023 Strategic Plan identified **two strategic goals** and **five strategic objectives**.

Goals	Strategic Issue	Strategic Objectives	Activities	Achievements
Quality witness protection services	Legal Framework	To Strengthen the Legal Framework	Enhance the legal framework	Witness Protection Bill 2023.
			Optimize operationalization of the Act	The Agency has continued efforts to optimally utilize the Act.
	Witness Protection Management	To enhance witness protection services	Improve systems, policies and procedures	The Agency acquired donor support in reviewing and updating its policies, the process is still ongoing.
			Improve witness management practices	The Agency continues to apply innovation in its service delivery including portable witness boxes, voice distortion equipment and others.
			Strengthen Corporate Governance	The Agency adopted governance principles by ensuring that the Internal Auditor was the Secretary to the Audit and Risk Committee
			Develop and implement Witness Protection Curriculum	Witness Protection Curriculum was developed, validated and approved.
	Stakeholder Management	To Strengthen Stakeholder Management	Deepen Stakeholder Engagement	The Agency has continued to deepen engagement with its stakeholders by maintaining signing new MOUs.
			Foster Linkages and	The Agency maintained Fourteen (14) international, regional and



			Collaborations	national collaborations and created three (3) new engagements.
		To Enhance Corporate Image	Improve customer care	The Agency conducts annual customer/witness survey and implement recommendations to improve service delivery.
			Enhance Publicity	The Agency has continued to organize public sensitization through Court Users Committee country wide and with other state and non-state actors engagements.
Optimal institutional capacity	Institutional Capacity	To enhance human capital capacity	Enhance staff welfare programmes	The Agency continues to implement staff welfare programmes including comprehensive Medical cover and addressing staff welfare through the revision of the Human Resource Manual 2023
			Reengineer organizational structure and staff establishment	The Agency is in the process of reviewing the Organizational Structure which is awaiting submission to the Advisory Board for the consideration.
			Enhance human capital development	The Agency employed Seven (7) staff during the FY to enhance its operations and services.
		Enhance performance management mechanisms	The Agency has linked Performance Appraisal System to its Annual Work Plan to ensure corporate objectives are met.	
		To improve work environment and infrastructure	Enhance and optimize ICT infrastructure and systems	The Agency has continued to enhance its internal ICT capability and surveillance.
			Enhance physical infrastructure	The Agency acquired working tools and equipment for staff including working space.



			and tools	
	Resources mobilization	To mobilize resources	Enhance financial capacity	The Agency was able to retain its partnership with UNODC and EU and was included in PLEAD II.
			Enhance Financial Management Implementation	Financial Management continued by ensuring monthly committees to monitor actives and financial compliance.

Table 2: Key Performance Indicators, Targets and Achievements

Performance Indicator	Unit	Target	Achievement
Absorption of Allocated Funds	%	100	100
Appropriations-In-Aid	Kshs.	20,000	22,000
Pending Bills	%	1.00	0.38
Implementation of Citizens' Service Delivery charter	%	100	87.5
Business process engineering	%	100	0
Resolution of Public Complaints	%	100	85
Receive and process witness applications to WPP	Days	1	1.535
Interview and record statements from the applicants to WPP.	Days	7	5.947
Carry out detailed threat/risk assessments.	Days	5	6.139
Carry out psychosocial assessments on the witnesses and related persons.	Days	185	213
Provide offer for admission to the applicants and /or referral authorities	Days	1	2
Procure safe houses for the witnesses and related persons.	Days	6	7.057
Relocate witnesses and related persons to safe houses/place of safety.	Days	3	3.11
Number of witnesses in the WPP.	No.	65	143
Conduct witness satisfaction survey	%	95	96.65
Time taken for armed rescue of witness.	Hours	4	2.91
Offer armed escort and protection to witnesses during pre-trial, trial and post-trial.	%	100	100
Undertake post-trial risk assessment.	Days	6	6.74
Resettle and re-integrate witnesses	Days	10	6.37
Undertake Information, Education and Communication.	%	100	100
Create and maintain inter-agency collaborations.	No.	16	18
Asset management	%	100	0



8. CORPORATE GOVERNANCE STATEMENT

The Advisory Board and the Management of the Witness Protection Agency are committed to the highest level of corporate governance by upholding integrity, accountability, professionalism, respect for diversity and operating lawfully within the provisions of the Constitution 2010, Public Finance Management Act, 2012, Public Finance Management Act Regulation 2015, Witness Protection Act, 2006, and other legislations.

The Advisory Board has set transparent and clear policies, procedures, structures and systems which achieve effective, prudent, and consistent oversight in the management of the Agency's operations. This enhances risk management, internal controls, costs and operational effectiveness in line with the Vision, Mission and Strategic Plan.

a) Witness Protection Advisory Board

The Witness Protection Advisory Board is established as an unincorporated body under Section 3P of the Witness Protection Act and consists of: -

- i) The Solicitor General as Chairperson;
- ii) The Principal Secretary responsible for matters relating to foreign affairs;
- iii) The Principal Secretary responsible for matters relating to finance;
- iv) The Director-General of the National Intelligence Service;
- v) The Inspector-General of the Police;
- vi) The Commissioner-General of Prisons;
- vii) The Director of Public Prosecutions;
- viii) The Chairperson of the Kenya National Commission on Human Rights; and
- ix) The Chief Registrar of the Judiciary.

The Director/ Chief Executive of the Agency is the Secretary of the Advisory Board. A member of the Advisory Board may in writing designate an officer not below the level of the Director or Equivalent to represent him in the Advisory Board.

The principal function of the Advisory Board is to advise the Agency generally on the exercise of its powers and the performance of its functions under the Act and in particular:

- i) Advise on the formulation of witness protection policies in accordance with the current law and international best practices;
- ii) Have general oversight on the administration of the Agency;
- iii) Approve the budgetary estimates of the Agency; and
- iv) Perform any other functions as may be conferred by the Act or any other law.



The Advisory Board consists of nine (9) members and the Director/Chief Executive is the Secretary.

b) Advisory Board Committees

The Advisory Board has delegated its authority to the standing board committees to enable it effectively carry out its mandate. The committees are appointed by the Witness Protection Advisory Board in accordance with the requirement of Section 3 (Q) 2 of the Witness Protection Act. Each board committee has its own Terms of Reference setting forth the purposes, goals and responsibilities of the committee, procedures for committee member appointment and removal, committee structure, operations and its reporting to the Advisory Board. During the period under review, the board committee membership were reconstituted by resolutions of the 38th and 36th Advisory Board meetings held 17th February 2023 and 27th June 2023 respectively.

During the year, the Advisory Board was able to achieve the following:

- i. Considered and advised on the 2022/2023 WPA Work Plan and Procurement Plan
- ii. Considered and approved the 2020/2021 WPA Annual Report prepared in line with section 3L of the Witness Protection Act.
- iii. Noted and advised on the recruitment and selection process to replace staff who had exited the Agency, the planned request for authority to recruit additional WPA staff staggered from 2022 to 2025, promotions that had been done at the Agency since its inception, and the planned promotion process.
- iv. Considered and advised on various Audit Committee Reports
- v. Noted and advised on the WPA 2022/2023 Performance Contract
- vi. Considered and advised on the development of WPA 2023-2028 Strategic Plan
- vii. Considered and advised on the proposed amendments to the Witness Protection Act, Regulations and Rules.
- viii. Considered and advised on the Draft Witness Protection (Reciprocal Protection Arrangements) Regulations, 2022
- ix. Considered and advised on the establishment of the Post-Retirement Medical Fund (PRMF) for WPA staff.
- x. Reconstituted the Advisory Board Committees.
- xi. Consider and advised on the 2023/2024 WPA Annual Work Plan and Annual Procurement Plan.

The committees of the Advisory Board are as follows:

1. Technical Committee

The Committee acts in accordance to Section 3 and 4 of the Witness Protection Act. The committee further performs such other duties as may be assigned to it from time to time by



the Advisory Board. The delegated role of the Committee is to:

- i). To advise on provisions of continued evaluation processes and conduct technical training for all Witness Protection Staff.
- ii). To advise on the acquisition, distribution, training and usage of fire-arms and ammunitions.
- iii). To advise on the set up and management of armory.
- iv). To advise on the purchase of specialized equipment for WPA.
- v). To advise on the designs of technical training of protection officers.
- vi). To advise on the security measures to be put on the specialized equipment, buildings, safe houses and offices.
- vii). To advise on design of security measures for the Agency and programme.
- viii). To oversee that Technical Surveillance Methods and Technical Surveillance counter measures are adhered to.
- ix). To consider such technical matters as may be referred to it by the Advisory Board.
- x). To review the Terms of Reference of the Committee on an annual basis and if required make recommendations to Advisory Board.

Committee meets at least three (3) times a year or at such other times, as the Chairperson of the Committee shall require.

During the period under review the Members of the Committee were:

1. The Director General, National Intelligence Service-Chairing
2. The Inspector General, National Police Service
3. The Principal Secretary, Ministry of Foreign Affairs
4. The Director of Public Prosecution



The committee met once during the year under review.

2. Audit and Risk Committee

The Committee acts in accordance to Section 3 (K) of the Witness Protection Act. The Committee shall further perform such duties as may be assigned to it from time to time by the Advisory Board.

The delegated role of the Committee is to assist the Board in the oversight of:

2.1 Financial Reporting

2.1.1 To monitor the integrity of the financial statements of the Agency, including its annual and quarterly reports, focusing particularly on:

- i). Compliance with accounting standards and the consistency of application of, and any changes in, accounting policies both on a year basis and across the Agency;
- ii). Any important areas where judgement must be exercised, taking into account the views of the external auditor;
- iii). The methods used to account for significant or unusual transactions where different approaches are possible;
- iv). Significant adjustments resulting from the external audit;
- v). The going concern assumption; and
- vi). Material information presented with the financial statements, such as the corporate governance statement (insofar as it relates to audit and risk);

2.1.2 To ensure clarity of disclosure in financial reporting and the presentation of a balanced and understandable assessment of the Agency's financial position;

2.2 External Audit

- i). To assess, at least annually, the objectivity and independence of the external auditor considering relevant regulatory requirements including obtaining and reviewing a report(s) from the Agency's external auditor describing all relationships between it and the Agency;
- ii). To review the external auditor's management letter and management's response to the external auditor's findings and recommendations;
- iii). To review and discuss the audited financial statements with management and with the external auditor and to address any issues which arose during the audit;
- iv). To be responsible for the resolution of disagreements between management and any auditor regarding the Agency's financial reporting;



- v). To review and discuss issues and recommendations arising from the external audit, and any matters the auditors may wish to discuss (in the absence, where requested by the Committee, of executive members of the Advisory Board and other persons having a right to attend meetings of the Committee but who are not members of the Committee);
- vi). Make annual reviews of the scope and effectiveness of the external auditors and make recommendations to the Advisory Board.
- vii). In circumstances where external auditors other than the Auditor General are required, and on instructions from the Advisory Board, the Committee will recommend the auditors to be appointed after considering the scope of work, the audit fees, the profile and independence of the audit firms.

2.3 Compliance and Whistleblowing

- i) To review, with the Internal Audit Manager, the Agency's arrangements for the confidential, anonymous submission by employees of the Agency or any other person of concerns regarding matters which could have a material impact on the Agency, and to ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action;
- ii) To review the status of the compliance programme (policies, training, monitoring and audit) at the Agency to ensure adherence to applicable legal and regulatory standards and to the Code of Ethics where there may be a material impact on the Agency.
- iii) Monitor effectiveness of the Agency's performance information and compliance with the performance management framework and performance reporting requirements.

2.4 Internal Audit, Internal Controls and Risk Management

- i) To monitor and review the integrity and effectiveness of the Internal Audit Unit.
- ii) Ensure that the Internal Audit Unit of the Agency is adequately resourced.
- iii) To ensure that the Internal Audit Manager has direct access to the Chairperson of the Advisory Board and to the Committee and is accountable to the Committee;
- iv) To consider and approve the remit of the Internal Audit Unit and ensure it has adequate resources and appropriate access to information to enable it to perform its function effectively and in accordance with the relevant professional standards. The Committee shall also ensure the function has adequate standing and is free from management or other restrictions;
- v) To review and assess the annual internal audit work plan;
- vi) To receive a report on the results of internal auditor's work on a periodic basis.



- vii) To review and monitor management's responsiveness to the findings and recommendations of the Internal Audit Unit;
- viii) To review, at least annually, the effectiveness of the Agency's internal control and risk management systems and review any statement on internal controls and/or risk management to be included in the Annual Report or other public filing before submission to the Advisory Board for its approval;
- ix) Advise the Advisory Board on the adequacy of internal control, financial control, accounting systems and reporting structures;
- x) To recommend the appointment and removal of the Internal Audit Manager;
- xi) Drive the assessment of performance of the Internal Audit Manager.
- xii) Receive reports from management on the effectiveness of the risk management framework in place and conclusion of any testing by internal and external auditors.
- xiii) Ensure that unsettled and unimplemented Public Accounts and Public Investment Committees' (PAC/ PIC) issues are resolved.
- xiv) To consider other matters as notified from time to time by the Advisory Board.

The Committee meets at least four times a year or at such other times as the Chairperson of the Committee shall require.

During the period under review the Members of the Committee were:

1. The Principal Secretary, National Treasury-Chairing
2. The Chairperson, Kenya National Commission on Human Rights
3. The Principal Secretary, Ministry Foreign Affairs
4. The Chief Registrar of the Judiciary
5. The Commissioner General of Prisons

The Committee had two meeting during the Financial Year under review

3. Finance and Administration Committee

The Committee shall act under general direction of the Advisory Board, to review the Financial and Administration affairs of the Witness Protection Agency and their implementation to the Advisory Board. The Committee shall further perform duties as may be assigned to it from time to time by the Advisory Board. The terms of reference of the:

1. To oversee, on behalf of the Advisory Board, financial affairs of the Advisory Board including its resources.
2. The Committee shall examine and make recommendations to the Advisory Board on the annual work plan.



3. The Committee shall examine and make recommendations to the Advisory board on the draft budget for the ensuring year and its resources.
4. The Committee shall examine the operation on the budget for the current year and advise the Advisory board, as appropriate, on its expenditure trends.
5. To review and make recommendations the Agency's periodical and annual financial statements and make recommendations as necessary.
6. To ensure that the assets of the Agency are prudently managed and properly recorded.
7. To oversee the strategic planning of the Agency's Finances in line with the Agency's strategic plan for both short and long term.
8. To advise and draw to the attention of the Advisory Board in relation to matters or questions which arise in the area of Administration and Finance.
9. In exceptional circumstances, when matters arise over the propriety with which Advisory Board is conducting it business, to bring those matters to the attention of the Audit Committee of the Agency's and/or its legal advisors.
10. To liaise with other committees of Advisory Board as required and where appropriate advise Advisory Board, the Audit Committee and other Committees of the Agency as appropriate.
11. To review risks that may arise and where necessary set out a plan to address, reduce or eliminate these risks where possible.
12. To monitor the managements' strategy toward ensuring efficiency and integrity of the Agency's procurement systems.
13. The committee shall advice the Advisory Board, on staff matters, administrative Matters, staff training, promotions and such other matters as the Advisory Board may refer to it from time to time.



14. To review the Terms of Reference of the Committee on an annual basis and if required make recommendations to Advisory Board.

The Committee meets at least four times a year or at such other times as the Chairperson of the Committee shall require. During the period under review the Members of the Committee were:

1. The Chairperson, Kenya National Commission on Human Rights
2. The Principal Secretary National Treasury
3. The Director of Public Prosecution
4. The Commissioner General, Kenya Prisons Service
5. The Inspector General of National Police Service

c) Advisory Board Attendance

During the Financial Year 2022/2023, 5 Advisory Board meetings were held. Attendance to the meetings by individual members or appointees during the period under review is as indicated in the table below:

Advisory Board Member	Main Board Meetings	
	Held	Attended
Mr. Ken Ogeto, CBS	5	2
Hon. Shadrack John Mose	5	2
Major General(Rtd), Philip Wachira Kameru, MGH	5	5
Brig(Rtd),John K.Warioba,EBS	5	3
Mr. Noordin Haji, CBS	5	3
MS. Roseline Odede,HSC	5	2
Dr. Julius Muia, CBS	5	2
Dr. Chris K.Kiptoo,Phd,CBS	5	1
Mrs. Anne Amadi, CBS	5	4
Mr. Hilary M. Mutyambai, MGH	5	2
Eng. Japhet N.Koome,EBS,HSC,ndc(K)	5	2
Amb. Macharia Kamau, CBS	5	2
Dr.Korir Sing'oei,Phd,EBS	5	2

d) Statement of Compliance

As a State Agency, the Agency's activities and operations are legally guided by the Constitution of Kenya, the provisions of the Witness Protection Act and by the principles of good corporate governance, all of which it is committed to. The Advisory Board



continues to abide by its Charter, the internal codes of conduct, the Agency's statutory mandate and the Terms of Reference of the board committees.

The Agency continues to comply with all the statutory requirements relevant to its operation as a body corporate and complies with relevant Government Circulars as issued from time to time

e) Advisory Board Oversight

The principal function of the Advisory Board is to advise the Agency generally on the exercise of its powers and the performance of its functions under the Act and in particular:

- a. Advise on the formulation of witness protection policies in accordance with the current law and international best practices;
- b. Have general oversight on the administration of the Agency;
- c. Approve the budgetary estimates of the Agency; and
- d. Perform any other functions as may be conferred by the Act or any other law

The Director/Chief Executive of the Agency is responsible for carrying out the policy decisions of the Agency, its day to day administration and management and control of other staff of the Agency.

The Director/Chief Executive ensures that, in conducting its affairs, the Agency is guided by the Laws of Kenya and international best practices which shall include, but not be limited to, the development and implementation of information security measures, technical and administrative competence, and the principles of impartiality, confidentiality, objectivity and integrity and perform other functions as may be assigned by the Board.

The Advisory Board recognizes and honors its responsibility to its key stakeholder, the Government of Kenya, by ensuring that it meets its undertaking under the Performance Contract. In this case, the Advisory Board members are fully aware of their responsibility to discharge their function in good faith, with prudence, diligence and due care. The performance contract for the period ending 30th June 2023 was duly executed, monitored and evaluated during the period under review.

f) Advisory Board Remuneration

The Advisory Board is remunerated in accordance with the Salaries and Remuneration Commission guidelines.



9. MANAGEMENT DISCUSSION AND ANALYSIS

The Agency is mandated to provide special protection on behalf of the State to persons in possession of important information and who are facing potential risk or intimidation due to their cooperation with prosecution and law enforcement agencies. The Agency has a Strategic Plan (2018-2023) that provides a road map on key strategies that will support the realization of the planned targets.

It aligns the Agency's mandate, strategies, vision and mission with Kenya's Development Agenda while ensuring that ultimately, the programme and activities therein contribute to realization of the Agency's vision. The Strategic Plan envisages growth in the demand for Witness Protection Programme in tandem with Kenya's social growth of access to justice and the rising complexities of crime.

During the 2022/2023 period, the Agency received One Hundred and Eighty Eight (188) new applications into the Witness Protection Programme compared to One Hundred and Seventy Nine (179) during the 2021/2022 period, realizing an increase of nine (9) applications. The total number of applications not admitted decreased from One Hundred and Twenty Two (122) compared to One Hundred and Thirty Three (133) applications in the previous year. The number of witnesses admitted rose from Forty Six (46) in the previous year to Sixty Six (66) in the year under review. The number witnesses that testified was Thirty Nine (39) compared to Thirty Four (34) in the previous period. At the end of the FY the Agency had handled a total of One Hundred and Forty Three (143) witnesses under the Programme and One Hundred Fifty Five (155) related persons inclusive of carryovers. During the period under review the Agency no witness was harmed.

During the year the Agency faced challenges which included Inadequate budgetary allocation that affected the provision of core mandate, Inadequate staff which affected the delivery of the set targets the Agency has only three regional offices which was inadequate given the geographical spread of areas under the Agency's jurisdiction, Lack of adequate operational tools including motor vehicles, slow pace of trials contributed to the overstay of witnesses in the Programme and Lack of in-court witness protection infrastructure, which exposes Agency witnesses.

The Agency received a total of Kshs.616,302,760 before the ended of Financial Year and Kshs.15,527,240 in the Month of July totaling to Kshs.631,830,000 in Exchequer releases compared to Kshs.462,487,500 in the FY2021/2022. The total expenditure for the year was Kshs. 625,918,069 and Kshs.633,510,501 on accrual and cash basis respectively compared to Kshs.503,803,138 and Kshs.505,949,484 in the previous financial year 2021/2022. The Agency achieved a 100.27% absorption rate compared to 99.9% in the previous FY 2021/22.



10. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

Witness Protection Agency exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is an outline of the organization's policies and activities that promote sustainability.

i. Sustainability strategy and profile

The Agency continuously assesses its governance operating framework to ensure proper and robust internal governing organs, systems and processes. These systems include risk management, corruption prevention and compliance with regulatory requirements. The Agency also values its stakeholders and believes in maintaining strong partnerships with all of its stakeholders. These include all the players in the criminal justice system and the members of the National Council on Administration of Justice (NCAJ). The Agency maintained its Board membership in ODPP, VPB AND NCAJ. In order to ensure that the Agency is operating as per the international accepted best practices, the Agency maintained membership of the Europol Network on Witness Protection, a global network of agencies involved in witness protection. The Agency during the period of reporting, has endeavored to fulfill all its requirements within the acceptable standards of operation and is committed to do the same in the future.

ii. Environmental performance

The Agency's contribution towards environmental management continues to be guided by the various legislative framework in place including the Constitution of Kenya 2010, Environmental Management and Co-ordination Act (EMCA) 1999, Environmental Management (Waste Management) Regulations 2006, the National Solid Waste Management Strategy among others in order to ensure a healthy, safe and secure environment for all.

The Agency has been involved in tree planting activities with an aim of improving the air quality through the absorption of carbon monoxide, purification of polluted water and combating greenhouse effects. To support efforts towards sustainable solid waste management, the Agency has adopted various measures to ensure effective management and the disposal of its waste such as waste separation, availing of adequate bins for waste collection and avoiding the use of plastic bags to keep the environment clean.

iii. Employee welfare

The Agency is in the process of developing several policies that focus on gender



mainstreaming such as Recruitment policy, Training and Development policy, Gender Mainstreaming policy, Staff Promotion policy amongst others. WPA has taken cognizance that gender-mainstreaming needs to be complemented with inputs designed to address specific gaps faced in the promotion of gender equality. The Gender Mainstreaming policy seeks to narrow the gender gaps within WPA and support greater equality between men and women. This is through ensuring equal opportunities for men and women in areas of employment, promotion, health and training. The Policy is guided by five (5) principles namely; gender responsiveness and non-discrimination, alignment and accountability to commitments, transparency, participation and inclusion. It is further grounded on the objectives of formalizing commitments to gender mainstreaming, strengthening capacities for gender mainstreaming and integrating gender in planning, budgeting and operations. In the FY 2022/2023, the Agency recruited seven (7) employees as; four (4) females and three (3) males.

All the Agency policies are reviewed after every three years or when necessary, during the review staff, PSC and other stakeholders in the policy development. In terms of improving skills and managing careers, appraisal and reward systems the Agency recognizes that reward systems in organizations have far-reaching consequences for both individual satisfaction and organizational effectiveness.

The Agency has a defined Performance Appraisal System that gives room for adequate feedback to employees, which in turn helps in determining the rewards within the institution that are also tied to the outcomes of the appraisal. The Agency also recognizes that employee recognition and rewards are essential for motivating and retaining its staff, especially in the context of performance management. Training and development has been embraced as one way of helping and managing careers for our staff.

Within the year, the Agency trained more than forty (40) employees on both professional courses and other work related trainings. The Agency also held twelve (12) forums on knowledge management transfer where staff were trained on different areas. A total of thirty (27) staff members were also promoted in the year under review allowing them to move upwards in your job grade which also saw them being rewarded more than in their previous held positions. The Agency also initiated the process of review of its Human Resource Manual and organization structure that after completion will addresses its staff mobility within their careers and their compensation.

iv. Market place practices

The Agency treats its suppliers as partners, and this partnership is based not only on financial transactions, but also on mutual trust and loyalty. Suppliers are made to feel like they are a part of our business. Suppliers are informed about our processes and we also listen to their concerns. We adhere to the supplier's credit policy and ensure timely



payments. Supply Chain Management at the Witness Protection Agency is also guided by the following values and principles of the Constitution and relevant legislation:

1. Public Procurement and Disposal Act 2015
2. The national values and principles provided for under Article 10;
3. The equality and freedom from discrimination provided for under Article 27;
4. Affirmative action programmes provided for under Articles 55 and 56;
5. Principles of integrity under the Leadership and Integrity Act, 2012;
6. The principles of public finance under Article 201;
7. The values and principles of public service as provided for under Article 232;
8. Principles governing the procurement profession, international norms;
9. Maximization of value for money;
10. Promotion of local industry, sustainable development and protection of the environment; and
11. Promotion of citizen contractors.

Advertisements for procurement are placed in MyGov and the Agency official website to ensure that the advert is widely circulated. Proper information is given and timelines for responding clearly indicated. The Agency upholds Confidentiality, Respect for Diversity, Integrity, Professionalism, Teamwork (CRIPT) in all its operations

V. Corporate Social Responsibility / Community Engagements

The Agency was involved in tree planting exercise at Dr. Muthiora Primary School in Dagoreti South at a cost of Kshs.200,613. The exercise was to promote tree planting in schools and support the Government initiative to plant more trees.

Further during the Launch of the Strategic Plan 2023-2028, the members of the Advisory Board, the Chief Guest of Honor and the Director/ Chief Executive planted three trees at the Safari Park Hotel to memorize the occasion. A special space, the protection corner, has been designated to WPA where all the trees planted will be labelled and memorized.



12. REPORT OF THE MANAGEMENT

The Management presents the report together with the audited financial statements for the year ended 30th, June 2023, which show the state of affairs of the Agency.

i) Principal activities

The mandate of the Agency, which is derived from Section 3B (1) of the Witness Protection Act 2006 Laws of Kenya, is to provide the framework and procedures for giving special protection on behalf of the State, to persons in possession of important information and who are facing potential risk or intimidation due to their cooperation with prosecution and other law enforcement agencies.

ii) Results

The results of the Entity for the year ended June 30, 2023, are set out on page 1-6

iii) Directors

The members of the Advisory Board who served during the year are as shown on page ix. During the year, there was re-organization in the government that caused the office of The National Police Service, The National Treasury, Ministry of Foreign and Diaspora Affairs and the Office of Attorney General accordingly. The Advisory Board members were replaced by the current office holders.

iv) Surplus remission

In accordance with Regulation 219 (2) of the Public Financial Management (National Government) Regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum (90%) of its surplus funds reported in the audited financial statements after the end of each financial year. Witness Protection Agency remitted Kshs.3,766,933 in the Financial Year 2022/2023 being excess exchequer, proceeds from sale of assets and other income collected.

Auditors

The Auditor General is responsible for the statutory audit of Witness Protection Agency in Accordance with Article 229 of the Constitution of Kenya, 2010 and Public Audit Act, 2015.

On Behalf of the Agency

Jedidah W. Waruhiu

DIRECTOR/CHIEF EXECUTIVE



13. STATEMENT OF MANAGEMENT RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and section 3k of the Witness Protection Act requires the Management to cause to be prepared financial statements for each financial year that give a true and fair view of the state of affairs of the Agency as at the end of the financial year and of its operating results for that year. The Management is also responsible for keeping proper accounting records, which disclose, with reasonable accuracy, the financial position of the Agency in addition to safeguarding the assets of the Agency.

The Management accept responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Public Sector Accounting Standards (IPSAS) accrual basis, Public Finance Management Act, 2012, Witness Protection Act, No. 16 of 2006 of the Laws of Kenya, Public Sector Accounting Standards Board Guidelines and the requirements of the Public Audit Act, 2015. The Agency is of the opinion that the financial statements give a true and fair view of the state of transactions during the financial year ended June 30, 2023 and of its financial position as at that date. The Management further confirms the completeness of the accounting records maintained, which have been relied upon in the preparation of the Agency's financial statements as well as the adequacy of the systems of internal financial control.

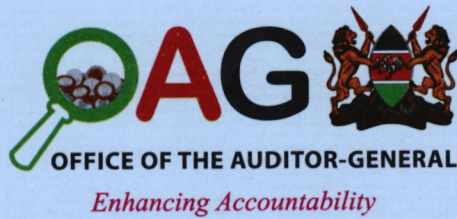
Nothing has come to the attention of the Management to indicate that it will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the Financial Statements

The Witness Protection Agency Financial Statements were approved and signed on its behalf by the Director/Executive on.....*24.11.2023*

Jedidah W. Waruhiu
DIRECTOR/CHIEF EXECUTIVE

REPUBLIC OF KENYA



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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON WITNESS PROTECTION AGENCY FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

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

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

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

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, 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 Witness Protection Agency set out on pages 1 to 30, which comprise the statement of financial position as at 30 June, 2023, and the statement of financial performance, statement of cash flows,

statement of changes in net assets 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 the Witness Protection Agency as at 30 June, 2023, 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 and the Witness Protection Act No.16 of 2006.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Witness Protection Agency Management in accordance with ISSAI 130 on 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.

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

Delay in Establishment of the Victims Compensation Fund (VCF)

As reported in the previous year, a review of the Agency's records shows that a letter from The National Treasury Ref: AG.3/155 Vol.1/33ES/126/13 dated 3 March, 2017 on Victims Compensation Fund (VCF) advised the Management to develop and align the policies for operationalizing the Victims Compensation Fund with the requirements of Section 24 of the Public Finance Management Act, 2012 and Regulation 207 of the Public Finance Management (National Government) Regulations, 2015. In response Management submitted the revised Draft Regulations to The National Treasury through

the Office of the Attorney General on 7 November, 2019 for approval. However, although Management has subsequently written to The National Treasury seeking for approval of the same, the Regulations have not been approved to date. This has led to delay in establishing the Victims Compensation Fund for seventeen (17) years from 30 June, 2006 to 30 June, 2023 contrary to Section 3 (i) of Witness Protection Act, 2006 (revised 2018) which requires establishment of a Victims Compensation Fund.

In the circumstances, the existence of a proper governance structure to execute the effectiveness in use of public resources could not be established and Management was in breach of the law.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance as to 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 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 matters 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

1. Under-Staffing

As reported in the previous year, the Agency's Human Resource Policy Manual, 2016 provides for two hundred and ninety-six (296) staff members. However, only one hundred and fifteen (115) staff members were in post, resulting in a shortfall of one hundred and eighty-one (181) staff members across the various staffing cadres as at 30 June, 2023. Further, the shortage was on various job cadres including core departments like Operations, Internal Audit, IT and Administration. The job cadres most affected include psychosocial officers, protection officers, research planning and policy analysis officers, internal audit staff, IT staff and secretaries.

In the circumstances, the under staffing may hinder effective delivery of services by the Agency.

2. Weaknesses in the Grading Structure

As reported in the previous year, a review of the payroll versus the approved salaries structure as per Memo referenced WPA/S/SRA/002/B of 23 January, 2013 revealed that

the entry points of two job groups, Grades 2 and 3 had a wide salary difference even after the maximum increment of salary in Grade three (3) in which the salary should overlap to Grade 2. This was occasioned by having officers in Job Grades 1 and 2 on permanent basis while those in Grades 3 and below are on deployment and their salaries are to be reviewed by SRC through Job Evaluation. Although the Agency sought the SRC evaluation on 22 February, 2020, no advice on effecting the results had been received as at the time of the audit.

In the circumstances, the existence of an effective human resources management tool could not be established.

3. Failure to Promote Qualified Staff

During the year under review, the Agency promoted thirty-three (33) members staff of staff out of the total interviewed of sixty-six (66). Review of the staff interviewed for the position revealed twenty-seven (27) staff were not promoted despite having met the criteria promotion. However, no plausible reason was provided for failure to promote all the competent staff. This was despite budget availability of Kshs.21,000,000 for under compensation of employees for the financial year 2022/2023. This was contrary to the values and principles of public service under Article 232(1) g) and (h) that stipulates for fair competition and merit as the basis of appointments and promotions; and affording adequate and equal opportunities for appointment, training and advancement, at all levels of the public service.

In the circumstances, the unexplained segregated promotion of staff impacts negatively on the effective service delivery by the Agency.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit so as to obtain assurance as to whether effective processes and systems of internal control, 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 those Charged with Governance

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 controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the Agency's ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Agency or 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 money is applied in an effective manner.

Those charged with governance are responsible for overseeing the Agency'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

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become


inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Agency's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Agency to cease to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Agency to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.


FCPA ~~Nancy Gathungu~~ CBS
AUDITOR-GENERAL

Nairobi

21 December, 2023



15. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE
2023

	Note	2022/2023	2021/2022
		Kshs.	Kshs.
Revenue from non-exchange transactions			
Transfers from other governments entities	6	630,981,616	497,902,870
Revenue from exchange transactions			
Other income	7		1,762,855
Total revenue		630,981,616	499,665,725
Expenses			
Use of Goods and Services	8(a)	38,606,733	42,113,506
Employee Costs	9(a)	374,775,026	343,770,031
Related Witness expenses	10(a)	166,891,608	82,911,283
Board Expenses	11	1,746,440	3,301,998
Depreciation and Amortization expenses	12	24,774,884	19,401,768
Repairs and Maintenances	13(a)	8,073,378	7,977,803
Transfer to Mortgage Account	14	10,000,000	3,000,000
Other Payment to Consolidated Fund	15	1,050,000	1,326,750
Total expenses		625,918,069	503,803,139
Gain/Loss on Disposal Assets	16	425,000	(282,937)
Surplus/(Deficit) before tax	27	5,488,547	(4,420,351)

The notes set out on pages 7 to 25 form an integral part of the Financial Statements.

Jedidah W. Waruhiu
DIRECTOR/CHIEF
EXECUTIVE

Date.....

24/11/2023

FCPA Kipkoech. A. Tanui
DEPUTY DIRECTOR
CORPORATE AFFAIRS
ICPAK NO: 3137

Date.....

24.11.2023

CPA. John M. Mwangi
FINANCE MANAGER
ICPAK NO: 4743

Date.....


24.11.23




16. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	Note	2022/2023	2021/2022
		Kshs.	Kshs.
Assets			
Current assets			
Cash and cash equivalents	17	4,055,879	4,688,258
Receivables from exchange transactions	18(a)	36,067,646	12,834,034
Total Current assets		<u>40,123,525</u>	<u>17,522,292</u>
Non-current assets			
Property, Plant and Equipment	19	37,809,708	33,260,821
Intangible asset- Software	20	-	-
Receivables Gratuity	18(b)	2,967,060	-
Total Non-current assets		<u>40,776,768</u>	<u>33,260,821</u>
Total assets		<u>80,900,293</u>	<u>50,783,113</u>
Liabilities			
Current liabilities			
Trade and other Payables	21	20,888,194	1,971,340
Deferred income	22	19,065,846	15,550,952
Refundable Deposit	25	37,370	-
Total Current liabilities		<u>39,991,410</u>	<u>17,522,292</u>
Non- Current Liabilities			
Non-Current Employee Benefit Obligation	23	2,967,060	939,660
Total Non-Current liabilities		<u>2,967,060</u>	<u>939,660</u>
Total liabilities		<u>42,958,470</u>	<u>18,461,952</u>
Net Assets			
Capital fund		32,332,350	32,332,350
Accumulated deficit		(73,775,352)	(79,396,014)
Revaluation Reserve	28	79,384,825	79,384,825
Total net assets		<u>37,941,823</u>	<u>32,321,161</u>
Total net assets and liabilities		<u>80,900,293</u>	<u>50,783,113</u>

The financial statements on pages 1 to 6 were signed on behalf of the Agency by:


Jedidah W. Waruhiu
DIRECTOR/CHIEF
EXECUTIVE


FCPA Kipkoech .A. Tanui
DEPUTY DIRECTOR
CORPORATE AFFAIRS
ICPAK NO: 3137


Mr. John M. Mwangi
FINANCE MANAGER
ICPAK NO: 4743

Date 24/11/2023

Date.....

Date 24-11-23



17. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE
2023


	Note	Revaluation Reserve	Contributed Capital	Accumulated surplus/Deficit	Total
		Kshs.	Kshs.	Kshs.	Kshs.
As at 1 July 2021		<u>79,384,825</u>	<u>32,332,350</u>	<u>(74,975,663)</u>	<u>36,741,512</u>
Surplus/(Deficit) for the period		-	-	(4,420,351)	<u>(4,420,351)</u>
As at 30 June 2022		<u>79,384,825</u>	<u>32,332,350</u>	<u>(79,396,014)</u>	<u>32,321,161</u>
As at 1 July 2022		<u>79,384,825</u>	<u>32,332,350</u>	<u>(79,396,014)</u>	<u>32,321,161</u>
Prior Year adjustment-	26	-	-	132,115	132,115
Surplus/ (Deficit) for the period		-	-	5,488,547	5,488,547
As at 30 June 2023		<u>79,384,825</u>	<u>32,332,350</u>	<u>(73,775,352)</u>	<u>37,941,823</u>

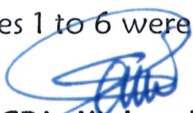



18. STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 30 JUNE 2023

	Note	2022/2023	2021/2022
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other Governments Entities	6	616,302,760	490,170,271
Other income	7	-	388,815
Imprest Refunds	6	-	47,290
Total Receipts		616,302,760	490,606,376
Payments			
Use of Goods and Services	8(b)	37,677,720	45,328,008
Employees costs	9(b)	365,131,138	351,367,154
Witness expenses	10(b)	169,574,581	86,172,617
Board Expenses	11	1,746,440	3,301,998
Repairs and Maintenances	13(b)	6,412,896	7,167,087
Transfer to Mortgage Account	14	10,000,000	3,000,000
Other Payment to Consolidated Fund	15	3,766,933	1,211,974
Total Payments		594,309,708	497,548,838
Net cash flows from operating activities	24	21,993,052	(6,942,462)
Cash flows from investing activities			
Purchase of plant and equipment	19(c)	(23,918,740)	(789,618)
Proceeds from sale of PPE	16	1,050,000	1,326,750
Net cash flows from/(used in) investing activities		22,868,740	537,132
Imprest Refunds		205,940	-
Refundable Deposits		37,370	-
Net increase/(decrease) in cash and cash equivalents		(632,378)	(6,405,330)
Cash and cash equivalents as at 1 July 2022	17	4,688,258	11,093,588
Cash and cash equivalents as at 30 June 2023	17	4,055,879	4,688,258

The financial statements on pages 1 to 6 were signed on behalf of the Agency by:


Jedidah W. Waruhiu
**DIRECTOR/CHIEF
EXECUTIVE**


FCPA Kipkoeh A. Tanui
**DEPUTY DIRECTOR
CORPORATE AFFAIRS**


Mr. John M. Mwangi
FINANCE MANAGER
ICPAK NO: 4743

Date: 24.11.2023

Date: 24.11.2023

Date: 24.11.23

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

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	A	B	C=(a+b)	D	e=(c-d)	f=d/c*100
Revenue						
Transfers from Other Governments entities	649,070,000	(17,240,000)	631,830,000	631,830,000	-	100
Total Income	649,070,000	(17,240,000)	631,830,000	631,830,000		100
Expenses						
Use of Goods and Services	35,648,286	-	35,648,286	35,243,459	404,827	98.86%
Employee costs	390,880,000	(21,000,000)	369,880,000	372,296,383	(2,416,383)	100.65%
Witness Expenses	202,891,714	3,760,000	206,651,714	206,362,479	289,235	99.86%
Advisory Board	1,500,000	-	1,500,000	1,746,440	(246,440)	116.43%
Repairs and Maintenance	8,150,000	-	8,150,000	7,861,740	288,260	96.46%
Transfer to Mortgage	10,000,000	-	10,000,000	10,000,000	-	100.00%
Total Expenditure	649,070,000	(17,240,000)	631,830,000	633,510,501	(1,680,501)	100.27%
Surplus for the period	=	=	=	(1,680,501)	(1,680,501)	



Budget Notes

1. The Agency has a utilisation level of 100.27%
2. The adjustments of Kshs.17,240,000 represent reduction Kshs.21,000,000 of and increment of Kshs. 3,760,000 during Supplementary 11.
3. Over expenditure of Kshs. 2,416,383 under Employee cost is as a result budget cut in Personnel Emolument leading to less budget in comparison to the total PE cost. The same has been captured as pending bill to form first charge.
4. Over expenditure of Kshs. 246,440 under Advisory Board Expenses is as a result of Board activity that was budgeted under the programme
5. The Agency had not received Exchequers totaling to Ksh.15,527,240 at the end of the Financial Year but was subsequently received in the Month of July 2023.

6. Explanations for differences due to accounting base

Total expense in the Statement of Financial Performance is Kshs. 625,918,069 compared to Kshs. 633,510,501 in Budget comparison statement. This is because of preparation of Financial Statements using accrual basis and budget on cash basis. An amount of Kshs. 1,680,501 is net of over expenditure in Personnel Emolument of Kshs. 2,416,383 grants and Kshs. 735,882 unutilized Exchequer refundable to the Consolidated Fund.

Revenue as per Financial Performance	630,981,616
Less:	
	(9,139,239)
Grants receivable	(2,967,060)
Gratuity provision for the year	(2,416,383)
Add	
Exchequers not received by 30.06.2023	15,371,066
Revenue as per Statement of Budget comparison	631,830,000

Expenditure as per Financial Performance	625,918,069
Less:	
Depreciation	(24,774,884)
Asset Disposal Amount	(1,050,000)
Gratuity provision for the year	(2,027,400)
Add	
Net Change Receivables	5,495,945
Purchase of PPE	29,948,771
Expenditure as per Statement of Budget comparison	633,510,501



20. NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Agency is a statutory body established under the Witness Protection Act, No. 16 of 2006 of the Laws of Kenya, and is domiciled in Kenya. The mandate of the Agency, which is derived from Section 3B (1), of the Witness Protection Act No. 16 of 2006 of the Laws of Kenya, is to provide the framework and procedures for giving special protection on behalf of the State, to persons in possession of important information and who are facing potential risk or intimidation due to their cooperation with prosecution and other law enforcement agencies.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The Agency's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS), PFM Act and the Witness Protection Act, 2006. The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the Agency. The accounting policies have been consistently applied to all the years presented.

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

3. ADOPTION OF NEW AND REVISED STANDARDS

i. Early adoption of standards

The Agency did not early – adopt any new or amended standards in year since they are not applicable to the Agency

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue recognition

Revenue from non-exchange transactions – IPSAS 23

The revenue constitutes all funds accruing to the Agency in form of releases from Exchequer adjusted for deferred grants, imprest refunds if the transfers are free from conditions. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the fair value of the asset can be measured reliably.



b) Budget information

The original budget for FY 2022-23 of Kshs.649,070,000 was approved by the National Assembly in March 2022 Subsequently it was revised to Kshs. 631,830,000 in the Supplementary 11.

The Agency'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 is included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance.

c) Property, plant and equipment – IPSAS 17

All property, plant and equipment are stated at cost or revalued amount 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 Agency 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. Furniture, Computers, Equipment's and Security Equipment's with initial cost of Kshs.14,928,760, Kshs.14,809,007, Kshs.26,154,433 and Kshs.3,373,240 respectively have been depreciated to Nil However, the assets are still useful and revaluation is planned in accordance with IPSAS 17 subject to budget availability and security of the Agency's premises access by the valuer.



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. Depreciation is done on straight-line basis as per the Agency's financial manual and rates applicable are as follows.

	<u>Rate - %</u>
Computers	33.3
Motor vehicles	25.0
Furniture & fittings	12.5
Security Equipment	12.5
Software-ERP	33.3
Office Equipment	12.5

Full depreciation is charged in the year of purchase and no depreciation is charged in the year of disposal

d) Inventories-IPSAS 12

The policy of the Agency is to expense Inventory on purchase and hold in stores for issue to the users.

e) Provisions – IPSAS 19

Provisions are recognized when the Agency 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.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement. The provisions in our payables due to suppliers and staff.

f) Nature and purpose of reserves

The Agency creates and maintains reserves in terms of specific requirements. The Agency maintains the following reserves:

Reserve	Policy
Contributed Capital	Accounts for grants received in form of property, plant and equipment.



Revaluation Surplus/Deficit	Accounts for differences between carrying value of an asset and the revalued amount.
-----------------------------	--

g) Accumulated surplus This relates to difference between revenue and expenses on accrual basis

Changes in accounting policies and estimates – IPSAS 3

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

h) Employee benefits – IPSAS 25

Retirement benefit plans

The Agency and the employees contribute to the WPA Staff Retirement Benefits Scheme, a contributory scheme established in July 2012, and the National Social Security Fund, a national defined contribution scheme. Contributions are determined by local statute and the Agency's contributions are charged to the statement of comprehensive income in the year to which they relate. The staff have been contributing 10% of their basic salary and the employer 20 %. Gratuity for staff on contract is accrued in the year earned.

i) Related parties

The Entity regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Entity, or vice versa. National Treasury is regarded as a related party.

j) 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 Kenya Commercial Bank of Kenya and cash at hand at the end of the financial year.



NOTES TO THE FINANCIAL STATEMENTS (Continued)

k) Comparative figures

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

5. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Agency's financial statements in conformity with IPSAS require 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.

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.

i. Going concern

The Agency will continue in operations in the foreseeable future, at least for the next twelve months.

ii. The deferred grants

The deferred grants relating to accrued expenses shall not be recovered from the Agency but those grants not committed in the current financial year shall be refunded back to the Exchequer in line with the Public Finance Management Act, 2012 and Regulations 2015.

iii. Taxation

The Agency, being a non-trading Agency is not subject to taxation. No tax therefore is provided for.

The Agency based its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the



NOTES TO THE FINANCIAL STATEMENTS (Continued)

control of the Agency. Such changes are reflected in the assumptions when they occur. IPSAS 1.140.

Useful lives and residual values

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

- i. The condition of the asset based on the assessment of experts employed by the Agency;
- ii. The nature of the asset, its susceptibility and adaptability to changes in technology and processes;
- iii. The nature of the processes in which the asset is deployed;
- iv. Availability of funding to replace the asset; and
- v. Changes in the market in relation to the asset.

Subsequent events – IPSAS 14

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



NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. Transfers from other Governments Entities		
	2022/2023	2021/2022
	Kshs.	Kshs.
Unconditional grants		
Operational grant- Exchequer releases	631,830,000	490,170,271
Deferred grants b/f recognized	9,139,239	3,159,871
Deferred grants-current Exchequer	(15,371,066)	(12,168,419)
Gratuity Receivable	2,967,060	-
Personnel Emoluments –Pending Bill	2,416,383	-
Total unconditional Grants	<u>630,981,616</u>	<u>481,161,723</u>
Donation-National Treasury	-	11,998,000
Donation –UNODC	-	4,743,147
Total government grants and subsidies	<u>630,981,616</u>	<u>497,902,870</u>

Grants B/F Recognized		
Deferred Grants B/F	15,550,952	12,293,323
Refund to Consolidated Fund	(2,716,933)	(1,090,829)
Imprest Refund (Deferred income payable)	(205,940)	(47,290)
Accrued Gratuity received from NT	-	(4,612,800)
Deferred Grants C/F	(3,488,840)	(3,382,533)
Grants Recognized	<u>9,139,239</u>	<u>3,159,871</u>

Deferred grants		
Unutilized Exchequer/Income due to Consolidated Fund	735,883	2,716,918
Prepayments and Debtors	14,635,183	9,451,501
Deferred Grants	<u>15,371,066</u>	<u>12,168,419</u>

The Agency had an allocation of Kshs. 631,830,000 as per the Printed Estimate. The total Exchequer released in the current Financial Year 2022/20223 was Kshs.616,302,760 and a balance of Kshs.15,527,240 was released in the Month of July 2023. Deferred grants brought forward recognized were Kshs 9,139,239 while deferred grants for the current FY were Kshs 15,550,952 . The Agency accrued Gratuity and Personnel emolument pending bill Grants receivable of Kshs 2,967,060 and Kshs 2,416,383 respectively of hence the total grants for the FY being KShs. 630,981,616.



Notes to the Financial Statements (Continued)

7. Other income		
	2022/2023	2021/2022
	Kshs.	Kshs.
Safe house deposit refunds	-	213,867
Payment in Lieu of Notice	-	144,648
Disposal of other Boarded items	-	1,357,050
Total other income	-	<u>1,762,855</u>

8. (a) Use of Goods and Services		
	2022/2023	2021/2022
	Kshs.	Kshs.
Electricity	1,697,826	1,424,529
Water	110,003	107,986
Security	1,651,688	1,531,440
Professional Services	297,000	344,800
Subscriptions	904,841	1,017,916
Conferences and Delegations	3,099,069	5,044,067
Consumables	1,846,089	1,999,019
Fuel and oil	3,071,773	4,289,686
Insurance	2,518,647	3,425,932
Postage	96,941	177,297
Printing and Stationery	863,660	144,380
Rental	16,176,318	15,916,672
Telecommunication	2,737,162	3,954,955
Training	1,040,650	490,768
Travel, Subsistence and other allowances	1,603,151	1,094,650
Other General Expenses	891,915	1,149,409
Total Use of Goods and Services	<u>38,606,733</u>	<u>42,113,506</u>



Notes to the Financial Statements (Continued)

(b) Use of Goods and Services		Adjusted for				
	Statement of Performance	Payables B/F	Payables C/f	Debtors B/F	Debtors C/F	Statement of Cashflow
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
	38,606,733	350,668	(2,458,098)	(2,517,500)	3,695,917	37,677,720
Total Use of Goods and Services	<u>38,606,733</u>	<u>350,668</u>	<u>(2,458,098)</u>	<u>(2,517,500)</u>	<u>3,695,917</u>	<u>37,677,720</u>

9. (a) Employee costs		
	2022/2023	2021/2022
	Kshs.	Kshs.
Salaries and wages	190,180,630	169,451,868
Employer Contribution to Health Insurance Schemes	34,751,243	30,453,186
Employer contributions to pensions Schemes	38,196,020	33,829,060
Housing benefits and allowances	109,619,733	107,868,657
Gratuity	<u>2,027,400</u>	<u>2,167,260</u>
Total Employee costs	<u>374,775,026</u>	<u>343,770,031</u>

(b) Employee costs		Adjusted for				
	Statement of Performance	Payables B/F	Payables C/f	Debtors B/f	Debtors C/F	Statement of Cash flow
	Kshs.			Kshs.	Kshs.	Kshs.
Salaries and wages	190,180,630	-	(5,900)	-	-	190,174,730
Insurance Staff	34,751,243	-	-	(2,456,298)	2,536,410	34,831,355
Contributions to pensions	38,196,020	-	(7,690,700)	-	-	30,505,320
Allowances	109,619,733	-	-	-	-	109,619,733
Gratuity	2,027,400	-	(2,027,400)	-	-	0
Total Employee Cost	<u>374,775,026</u>	-	<u>(9,724,000)</u>	<u>(2,456,298)</u>	<u>2,536,410</u>	<u>365,131,138</u>



Notes to the Financial Statements (Continued)

10. (a) Witness Related Expenses		
	2022/2023	2021/2022
	Kshs	Kshs
Witness Protection Programme	133,177,608	64,101,283
Confidential and Task driven	<u>33,714,000</u>	<u>18,810,000</u>
Total witness related expenses	<u>166,891,608</u>	<u>82,911,283</u>

(b) Witness Related Expenses	Adjusted for					Statement of Cashflow
	Statement of Performance	Payables B/F	Payable C/f	Debtors B/F	Debtors C/F	
	Kshs.		Kshs.	Kshs.	Kshs.	
Witness Related Expenses	133,177,608	120,390	(1,839,127)	(3,953,548)	6,355,258	133,860,581
Confidential Expenditure	33,714,000	-	-	-	2,000,000	35,714,000
Total witness expenses	<u>166,891,608</u>	<u>120,390</u>	<u>(1,839,127)</u>	<u>(3,953,548)</u>	<u>8,355,258</u>	<u>169,574,581</u>

11. Advisory Board Expenses		
	2022/2023	2021/2022
	Kshs.	Kshs.
Chairperson's Honoraria	1,044,000	1,044,000
Sitting Allowances	<u>702,440</u>	<u>2,257,998</u>
Total Board expenses	<u>1,746,440</u>	<u>3,301,998</u>

12. Depreciation and amortization expense		
	2022/2023	2021/2022
	Kshs.	Kshs.
Depreciation on Property, plant and equipment	24,774,884	19,399,137
Amortization of Intangible Asset	=	<u>2,631</u>
Total depreciation and amortization	<u>24,774,884</u>	<u>19,401,768</u>



Notes to the Financial Statements (Continued)

13. (a) Repairs and maintenance		2022/2023	2021/2022
		Kshs.	Kshs.
Maintenance Equipment's		200,758	589,571
Motor Vehicles		5,023,059	6,071,041
Computers and Accessories and Furniture		2,849,561	1,317,191
Total repairs and maintenance		<u>8,073,378</u>	<u>7,977,803</u>

(b) Repairs and maintenance	Adjusted for					
	Statement of Performance	Payables B/F	Payables C/f	Debtors B/F	Debtors C/F	Statement of cashflow
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
Repairs and Maintenance	8,073,378	1,368,167	(2,864,340)	(211,638)	47,329	6,412,896
Total repairs and maintenance	<u>8,073,378</u>	<u>1,368,167</u>	<u>(2,864,340)</u>	<u>(211,638)</u>	<u>47,329</u>	<u>6,412,896</u>

14. Mortgage Fund Account	2022/2023	2021/2022
Description	Kshs.	Kshs.
Transfer to Mortgage Account	<u>10,000,000</u>	<u>3,000,000</u>
Total	<u>10,000,000</u>	<u>3,000,000</u>

15. Other Payment to Consolidated Fund	2022/2023	2021/2022
Description	Kshs.	Kshs.
Disposal of Motor vehicle	1,050,000	1,326,750
Unutilized Exchequer B/F	2,716,933	<u>1,211,974</u>
Total	<u>3,766,933</u>	<u>2,538,724</u>



Notes to the Financial Statements (Continued)

16. Gain/Loss on Sale of Assets	2022/2023	2021/2022
Description	Kshs.	Kshs.
Cost of Acquisition	2,500,000	4,383,100
Accumulated Depreciation	(1,875,000)	(2,773,413)
NBV at Disposal	625,000	1,609,687
Disposal Amount	1,050,000	1,326,750
Loss/Gain On disposal	<u>425,000</u>	<u>(282,937)</u>

17. Cash and cash equivalents	2022/2023	2021/2022
Description	Kshs.	Kshs.
Current Account	3,651,602	4,680,387
Cash-in-hand	404,277	7,871
Total cash and cash equivalents	<u>4,055,879</u>	<u>4,688,258</u>

17(a) Detailed Analysis of the Cash and Cash Equivalents			
Financial Institution	Account Number	2022/2023	2021/2022
(a) Current Account		Kshs.	Kshs.
Kenya Commercial Bank Limited	1127947893	3,651,602	4,680,387
Central Bank of Kenya	1000181222	-	-
a) Others			
Cash-on-hand		404,277	7,871
Grand Total		<u>4,055,879</u>	<u>4,688,258</u>

18. (a) Receivables from exchange Transactions (Current)		
	2022/2023	2021/2022
	Kshs.	Kshs.
Staff Debtors Imprests	8,773,334	4,364,146
Prepayments	4,537,449	4,362,048
Total Kenya -Fuel deposit	1,305,000	1,305,000
Rent Deposit	253,500	253,500
Grants Receivable	17,943,623	-
Credit Facility deposit- CFAO	500,000	500,000
LAN connectivity Deposit- Safaricom K	27,840	27,840
Safe Houses Deposit	2,726,900	2,021,500
Total Current Receivables	<u>36,067,646</u>	<u>12,834,034</u>



Grants receivables comprise of exchequer of Kshs. 15,527,240, pending bills of Kshs.2,416,383 and provision for gratuity Kshs. 2,967,060.

18 (b) Receivables from exchange Transactions (Non Current)			2022/2023	2021/2022
			Kshs.	Kshs.
Non-Current	Employee	Benefit	<u>2,967,060</u>	<u>939,660</u>
Obligation				
Total Non Current Receivables			<u>2,967,060</u>	<u>939,660</u>

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Notes to the Financial Statements (Continued)

19. Plant, Property and Equipment	Motor Vehicles	Furniture and Fittings	Equipment	Computers and CCTV	Security Equipment	Totals
Cost						
As at 1 July 2021	48,225,900	21,202,689	34,254,211	15,226,107	7,104,627	126,013,534
Additions	11,998,000	-	157,200	5,375,565	-	17,530,765
Disposals	(3,180,000)	(988,100)	(215,000)	-	-	(4,383,100)
As at 30 th June 2022	57,043,900	20,214,589	34,196,411	20,601,672	7,104,627	139,161,199
Additions	23,380,500	-	644,750	1,772,726	4,150,795	29,948,771
Disposals	(2,500,000)	-	-	-	-	(2,500,000)
As at June 30 th 2023	77,924,400	20,214,589	34,841,161	22,374,398	11,255,422	166,609,970
Depreciation and impairment						
As at 1 July 2021	22,360,975	17,787,836	29,356,805	14,286,182	5,482,857	89,274,655
Depreciation	14,260,975	778,632	1,315,907	2,577,200	466,423	19,399,137
Disposal	(1,590,000)	(968,414)	(215,000)	-	-	(2,773,414)
As at 30 th June 2022	35,031,950	17,598,054	30,457,712	16,863,382	5,949,280	105,900,378
Depreciation	19,481,100	715,489	1,073,747	2,519,275	985,273	24,774,884
Disposals (Note 16)	(1,875,000)	-	-	-	-	(1,875,000)
As at 30 th June 2023	52,638,050	18,313,543	31,531,459	19,382,657	6,934,553	128,800,262
Net book values						
As at 30 June 2023	25,286,350	1,901,046	3,309,702	2,991,741	4,320,869	37,809,708
As at 30 June 2022	22,011,950	2,616,535	3,738,699	3,738,290	1,155,347	33,260,821

Notes to the Financial Statements (Continued)

19(b) Furniture, Computers, Equipment's and Security Equipment's includes the following assets that are fully depreciated:

Asset Class	Cost or valuation	Normal annual depreciation charge
Equipment's	26,154,433	3,268,309
Computers and Related Equipment	14,809,007	4,931,399
Furniture and Fittings	14,928,760	1,866,095
Security Equipment's	3,373,240	421,655
Total	<u>59,265,440</u>	<u>10,487,458</u>

19(C)

In the Financial Year 2022/2023 the Agency bought Assets worth Ksh 29,948,771. However by the end of the FY we had not paid for Assets worth Ksh. 6,030,030.

Asset Class	Paid	Payables	Total Asset Acquired
Motor Vehicles	1,287,496	<u>485,230</u>	1,772,726
Equipment's	644,750	-	644,750
Security Equipment	4,150,795	-	4,150,795
Motor Vehicles	17,835,700	5,544,800	23,380,500
	23,918,741	6,030,030	29,948,771

20. Intangible Assets	2022/2023	2021/2022
Software	Kshs.	Kshs.
At beginning of the year	2,632,137	2,632,137
At end of the year	2,632,137	2,632,137
At end of the year	2,632,137	2,632,137
Amortization and impairment		
At beginning of the year	2,632,137	2,629,506
Amortization	-	2,631
At end of the year	2,632,137	2,632,137
NBV	-	-

The software is fully depreciated

Notes to the Financial Statements (Continued)

21. Trade and Other Payables			
		2022/2023	2021/2022
		Kshs.	Kshs.
Third-party payments		<u>20,888,194</u>	<u>1,971,340</u>
Total trade and other payables		<u>20,888,194</u>	<u>1,971,340</u>
22. Deferred Income			
		2022/2023	2021/2022
		Kshs.	Kshs.
Cash and cash Equivalent Ending		4,055,879	4,688,258
Trade and other Receivables		39,034,706	12,834,034
Trade and other Payables		(20,888,194)	(1,971,340)
Other Income		(3,136,545)	-
Total deferred income		<u>19,065,846</u>	<u>15,550,952</u>
23. Employee Benefit Obligations			
	Gratuity for the year	Cumulative 2022/2023	2021/2022
	Kshs.	Kshs.	Kshs.
Non-Current Benefit Obligation	2,027,400	2,967,060	939,660
Total Employee Benefits Obligation	<u>2,027,400</u>	<u>2,967,060</u>	<u>939,660</u>
24. Deficit for the year before tax			
		5,488,547	(4,420,351)
Adjusted for:			
Depreciation		24,774,884	19,401,768
Loss on disposal of Assets		(425,000)	282,937
Gratuity to provisions B/ F		(939,960)	-
Working capital adjustments:			
Increase) in receivables		(23,233,312)	2,981,260
Increase in Current Liabilities		18,916,854	(8,446,930)
Unrealized Payables		132,115	-
Imprest Refunds		(205,940)	-
Increase in Deferred Income		3,514,894	-
Purchase PPE (Payables)/Donated		(6,030,030)	(16,741,146)
Net cash flows from operating activities		<u>21,993,052</u>	<u>(6,942,462)</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

25. Refundable Deposit	2022/2023	2021/2022
	Kshs,	Kshs.
Unaccounted Receipts	37,370	-
Total	<u>37,370</u>	<u>=</u>

26. Prior year Adjustment	2022/2023	2021/2022
	Kshs,	Kshs.
Unrealized Payable B/F	132,115	-
Total	<u>132,115</u>	<u>=</u>

This is unrealized payable brought forward from FY 2021/22.

27. Surplus/ Deficit Reconciliation	2022/2023	2021/2022
	Kshs,	Kshs.
Surplus/Deficit for the year	5,488,547	(4,420,351)
Adjusted for		
Depreciation	24,774,884	19,401,768
Net book value on Disposal	625,000	1,609,687
Long term Liabilities-Gratuity	(939,660)	939,660
Purchased/Donated Assets	(29,948,771)	(17,530,764)
Total	<u>5,488,547</u>	<u>4,420,351</u>

The Surplus is as result of;

Depreciation of **Kshs.24,774,884** recognized on non-cash basis and additions to property, plant and equipment of **Kshs.29,948,771**, and Net book value of **Kshs.625,000** for the disposed Motor Vehicle and Long term Liability that has been recognized as an expense but not financed.

28. Revaluation Reserve		
	2022/2023	2021/2022
	Kshs.	Kshs.
Balance B/F	79,384,825	79,384,825
Valuation Amount	-	-
Total revaluation surplus	<u>79,384,825</u>	<u>79,384,825</u>

29. Related Party Transaction

a) The Agency relies fully on National Treasury to finance its operations

- i. The National treasury
- ii. Advisory Board
- iii. Key Management.

However due to security nature of the Agency, only remuneration relating to the Advisory Board is disclosed under this note

b) Related Party Transaction

	2022/2023	2021/2022
	Kshs.	Kshs.
Transfer from related party- exchequer Releases	616,302,760	490,147,765
Transfer to related party- Unspent exchequer and refunds to Consolidated fund	3,766,933	1,211,974
Mortgage Loan Scheme	<u>10,000,000</u>	<u>3,000,000</u>

c) Advisory Board Remuneration

	2022/2023	2021/2022
	Kshs.	Kshs.
Board Sitting Allowances	702,440	2,257,998
Chairperson's Honoraria	<u>1,044,000</u>	<u>1,044,000</u>
Total Advisory Board Remuneration	<u>1,746,440</u>	<u>3,301,998</u>

d) Due to related Party

	2021/2022	2020/2021
	Kshs.	Kshs.
Due to National Treasury	1,111,307	2,716,918



30. EVENTS AFTER THE REPORTING PERIOD

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

31. CURRENCY

The Financial Statements are presented in Kenya Shillings (Kshs).

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32. APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The Agency received an un-qualified report for the FY 2021/22. However, there was a matter under the report on effectiveness of internal controls, risk management and governance on understaffing.

The following is the summary of issue 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)
	<p>Under-Staffing</p> <p>As reported in the previous year, the Agency's Human Resource Policy Manual, 2016 provides for two hundred and ninety-six (296) staff members. However, only one hundred and nine (109) staff members were in post, resulting in a shortfall of one hundred and eighty-seven (187) staff members across the various staffing cadres as at 30 June</p>	<p>Understaffing is a historical issues since the inception of the Agency and has over time been compounded with the recruitment freeze by the National Treasury.</p> <p>However, due to the Agency needs and nature of special security operations, the Agency has over time and continuously made requests to the National Treasury</p>	<p>Not Resolved</p>	<p>The Agency is following up with National Treasury to grant recruitment Approval</p>



	<p>2022. Further, the shortage was on various job cadres including core departments like Operations, Internal audit, IT and Administration. The job cadres most affected include psychosocial officers, Protection officers, research planning and policy analysis officers, internal audit staff, IT staff and secretaries. The management of the Agency did not provide for audit verification audit evidence of efforts undertaken to bridge the huge human resource gap. The under staffing may hinder effective delivery of services by the Agency.</p>	<p>for special authority to recruit additional staff to fill the many vacant positions especially at the senior levels and in the critical operational levels as guided by the staff establishment.</p> <p>Only on one occasion, did the National Treasury grant this authority to recruit thirty nine (39) staff vide the National Treasury letter Ref: 1321/18/01/A/3 dated 11 September 2018. We were able to recruit all the approved number of Staff, which enhanced our critical operations. However, our critical needs for staff remain acute and continue to have an impact on staff workload, staff morale and staff health and related welfare. Our appeal for staff recruitment has been raised severally with the National Assembly - Justice Legal and Administration of Committee (JLAC) during the budget discussions and the Sector Working Groups at National Treasury the latest being our letter to National Treasury dated 29 August 2022 referenced WPA/HR/RECR/004/C VOL.XII.</p>	
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		<p>Unfortunately, we received a negative response from the National Treasury on 6 September 2022 vide the letter referenced RS/1321/22/01 "A" (6) referring us back to Sector Working Group. We however, continue to pursue this issue on the GJLOS Sector Working Group for the FY2023/24 and the medium-term.</p>		
	<p>Weakness in Grading structure</p> <p>A review of the payroll versus the approved salaries structure as per memo referenced W/PA/S/SRA/002/B of 23 January 2013 revealed that the entry points of two job groups, Grades 2 and 3 had a wide salary difference even after the maximum incremental of salary in grade three (3) in which the salary should overlap to grade 2. No reason was provided for the wide gap in basic salary of the two (2) grades. In addition, grade G2 total earnings are higher than the total earnings for job group G1.</p> <p>Further, an analysis of the payroll, salary structure and organogram revealed that over 60 staff of Agency had stagnated in</p>	<p>It is noted that there is a big salary gap/difference between Job Grade 2 and Job Grade 3. This arose from the salary structure allocated to the Agency at inception where salaries for Job Grades 1 and 2 were retained as determined by State Corporation Advisory Committee (SCAC) while those of Grades 3 and below were reviewed by Salaries and Review Commission (SRC). This was occasioned by the fact that Officers in Job Grades 1 and 2 were already on permanent basis while those in Grades 3 and below were on deployment and their salaries reviewed. The salaries were to be reviewed by SRC through Job Evaluation. The results by the second</p>	<p>No resolved</p>	<p>The Agency is Engaging SRC to resolve the Issue</p>



	<p>the same job groups having reached highest salary level both basic and allowances after reaching maximum salary levels.</p>	<p>cycle job evaluation done by SRC for the Agency in 2017 which should have corrected the anomaly were not effected since they had resulted in reduction of salaries of most grades! The Agency instead appealed for re-evaluation yet the appeal was not considered by SRC until 2021 when another Evaluation was conducted. SRC, however, instructed that the results of the second Evaluation were not to be effected due to uncondusive economic environment. SRC is yet to advise on effecting of the results 2 years after the Evaluation.</p>		
	<p>Failure to establish the Victims Compensation Fund A review of a letter from National Treasury Ref: ES/126/13/01(10) dated 23 January, 2014 on Victims Compensation Fund (VCF) advised the Management to develop the policies to manage the Fund and seek approval for its creation as a first step and subsequently the funding in the next financial year 2014/2015 when preparing the budget estimates. However, the management did not</p>	<p>The Agency drafted the Regulations and forwarded to National Treasury on 7th November 2019 for concurrence which included National Treasury recommendations to align the Regulations with the Constitution, the Public Finance Management Act and the Public Management Regulations, 2015. The Regulations were subsequently</p>	<p>Not resolved</p>	<p>The Fund to be established once we get Authority from relevant offices</p>



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	<p>establish the Victims Compensation Fund for Sixteen (16) years from 30 June, 2006 to 30 June, 2022. This was contrary to Section 3. (i) of Witness Protection Act ,2006 (revised 2018) requires establishment of a Victims Compensation Fund.</p> <p>In the circumstances, it was not possible to confirm the Fund's operations for the years.</p>	<p>forwarded to National Treasury on 7th November, 2019 by the office of the Attorney General for consideration and subsequent gazettelement.</p> <p>In May 2023, the Agency wrote to the Honorable Attorney General and the Principal National Treasury and Planning requesting for the intervention in the matter to enable the Agency finalize operationalization of the Fund including release of the Kshs 50 Million.</p> <p>The Agency is developing an internal policy for the administration of the Fund upon gazettelement of the Regulations.</p>		
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Jedidah W. Waruhiu
DIRECTOR/CHIEF EXECUTIVE



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