

REPUBLIC OF KENYA



KENYA NATIONAL AUDIT OFFICE



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REPORT

OF

THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
JUDICIARY**

**FOR THE YEAR ENDED
30 JUNE 2013**

REPUBLIC OF KENYA

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KENYA NATIONAL AUDIT OFFICE

REPORT OF THE AUDITOR-GENERAL ON THE JUDICIARY FOR THE YEAR ENDED 30 JUNE 2013

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of the Judiciary which comprise the Statements of Assets and Liabilities – Recurrent, Development and Deposits Account as at 30 June 2013, the Appropriation Account – Recurrent and Development and Revenue Account for the year then ended, and a summary of other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 8 of the Public Audit Act, 2003.

Accounting Officer's Responsibility for the Financial Statements

The Accounting Officer- Judiciary is responsible for the preparation and fair presentation of these financial statements in accordance with Government Financial Regulations and Procedures and Public Finance Management Act, 2012 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Accounting Officer is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 4 and 5 of the Public Audit Act, 2003.

Auditor-General's Responsibility

My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with the provisions of Section 9 of the Public Audit Act, 2003. The audit was conducted in accordance with International Standards of Auditing. Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an

opinion on the effectiveness of the Judiciary's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

A. APPROPRIATION ACCOUNT FOR RECURRENT VOTE 126

Basis for Adverse Opinion

1. Unsupported Expenditure

During the year ended 30 June 2013, the Judiciary made payments for goods and services totaling Kshs.262,656,610.00 without the prerequisite supporting documents such as purchase orders, deliveries and invoices contrary to Section 5.5.13 of the Government Financial Regulations and Procedures.

In the circumstances, it has not been possible to confirm validity and legality of the expenditure of Kshs.262,656,610.00 as at 30 June 2013.

2. Unsupported expenditure- Purchase of Office Furniture and General Equipment - Kshs 39,889,257.50

The Appropriation Account for Recurrent Vote 126 reflects expenditure totalling Kshs.39,889,257.50 charged under Purchase of Office Furniture and General Equipment. However, payment vouchers and other supporting documents for the expenditure were not made available for audit.

3. Unauthorized payment for accommodation Training expenses - Kshs. 82,966,546.00

Payments totaling Kshs.82,966,546.00 to various hotels were paid to cater for accommodation and conference facilities on diverse dates. Audit review revealed that procurement procedures were not followed in the identification of these hotels. Further details of the purpose of the seminars and the authorization were not provided for audit review.

In addition, it was noted that two workshops ran concurrently; one in Sportsman Arms –Nanyuki and Bontana Hotel –Nakuru between 24 and 27 January 2013 for at a total cost of Kshs.6,432,500.00. No reason was given for holding the workshops separately given that the theme of the workshop was the same.

4. Irregular payment for air tickets through imprest - Kshs.447,500.00

The Judiciary paid imprest amounting to Kshs.447,500.00 to a staff for purchase of air tickets through a travel agency. There was no justification for payment through imprest as opposed to direct payment to the agent/airline. Further, no documents were provided to show evidence of travel, purpose, number of staff who travelled and the approval for the journey. Consequently, it was not possible to confirm the propriety of the payment.

5. Double payment for Legal services - Kshs 12,500,000.00

The Judiciary paid Kshs.12,500,000.00 to two law firms at Kshs.7,500,000.00 and Kshs.5,000,000.00 respectively for consultancy fees in respect of the Judicial Service Commission (JSC)'s defense. Audit revealed that the two law firms represented JSC on the same case/matters as outlined in the petitions. Both law firms invoiced different fee notes while representing JSC with one charging Kshs. 1,500,000.00 per petition and the other charging Kshs.1,000,000.00 per petition. Further, no contract documents were made available for audit verification. As a result, propriety and probity of the expenditure could not be ascertained.

6. Cash disbursements to Judiciary Training Institute (JTI)

According to the approved estimates for the financial year 2012/2013, the budgetary estimates to JTI was Kshs.134,605,893. However, Kshs.232,205,893.00 was disbursed to JTI through various AIE. JTI therefore exceeded its approved estimates by Kshs.97,600,000. No reason or approval has been provided on the over expenditure.

7. Purchase of motor vehicles and other transport equipment for Magistrate and Kadhi's Courts - Kshs.274,250,000.00

During the year under review, the Judiciary procured one hundred and eight (108) motor vehicles for the Supreme Court Headquarter and Magistrate and Kadhi's Courts for Kshs,561,840,240.00. However, payment vouchers in respect of supply of motor vehicles of Kshs.500,695,248 were not provided for audit review. Further, payment of Kshs.445,140,000 in respect of the same supply could not be traced to the bank statement of the recurrent account.

In view of the foregoing, the propriety of the expenditure could not be ascertained.

8. Unvouched and Unsupported Expenditure - Foreign Travel & Subsistence Allowance - Kshs.57,861,702.75

The recurrent appropriation account for Vote 126 for the year ended 30 June 2013, includes under Item no.2210400 foreign travel and allowances expenditure totalling Kshs.121,091,754.00. Out of this amount, expenditure totalling Kshs.46,966,972.75 and Kshs.10,894,730.00 was not vouched and supported by payment vouchers

respectively. In the circumstances, it has not been possible to ascertain the propriety of the expenditure.

9. Unsupported Payments - Githunguri Law Courts

The Judiciary Department spent Kshs.730,088 for purchasing of stationery and general office supplies and fixing of grills at the Law courts registry. However, the payments were not supported by quotations, inspection and acceptance committee reports and counter receipt vouchers for audit verification.

In the absence of supporting documents it was not possible to confirm that value for money was obtained from the procurements made.

B. STATEMENT OF ASSETS AND LIABILITIES FOR RECURRENT VOTE 126

Basis for a Qualified Opinion

10. Advances Account

The statement of assets and liabilities shows advances account opening balance of Kshs.779,685.70 and a debit closing balance of Kshs.662,590.15 as at 30 June 2013. Although an amount of Kshs.117,905.55 appears to have been recovered during the year, no analysis or breakdown of the amount of advances recovered or outstanding at the year end was availed for audit review. Consequently, it has not been possible to confirm the accuracy and completeness of the outstanding balance.

11. Outstanding Government Imprests

The statement reflects Government Imprests account balance of Kshs.2,738,707.95 as at 30 June, 2013 out of which Kshs.2,583,103.97 relates to 2011/2012 and earlier years. No explanation has been provided for failure to clear the long outstanding balances.

12. Bank Reconciliation Statement

The following unsatisfactory matters were noted in the bank reconciliation statement:

a) Payment in cashbook not in bank statement - Kshs,2,320,151.25

The cashbook includes payments totalling Kshs.2,320,151.25 which are not reflected in the bank statement. Further, the dates on which payments were made to various recipients were not reflected in the cash book and the respective vouchers were not availed for audit verification.

b) Receipts in the bank statement not in cashbook - Kshs.6,723,528.50

Included in the balance of Kshs.6,723,528.50 is Kshs.1,975,607.50 which represents long outstanding reconciling items which had not been cleared from the reconciliation statement as at 30 June 2013.

b) Bank Reconciliation Statement as at 30 June 2013

Bank Reconciliation Statement as at 30 June 2013 reflects payments in the cashbook not in the bank statement totaling Kshs.661,689,315.14 out of which Kshs.1,915,454.00 has remained outstanding since the year 2011/2012. No explanation was provided as to why the balance remains outstanding.

13. General Account of Vote

The statement of assets and liabilities for R.126 reflects a General Account of Vote (GAV) credit balance of Kshs.162,986,516.55 which includes an amount of Kshs.534,824.03 relating to 2011/2012 and earlier years. No explanation has been provided for failure to clear the balances.

14. District Suspense Account

The statement shows district suspense account credit balance brought forward of Kshs.4,598,244.14 from prior years and Kshs.38,053.96 for 2012/2013. The closing balance of Kshs.4,636,298.10 was not analyzed and no explanation was provided for failure to analyse or clear the balances during the year under review.

15. Cash and Bank Balances-Judiciary Training Institute - Kshs.10, 800,814.00

Examination of the relevant documents revealed the following:

a) The cashbook was not balanced regularly as required by Section 5.9.1.1 of the Government Financial Regulations and Procedures making it difficult to ascertain and reconcile the cash book balance with the balance at the bank.

b) The Judiciary management did not constitute a board of survey on cash to physically establish the cash position of JTI as at 30 June 2013 and report its findings to the Accounting Officer as required by Section 5.9.9.2 of the Government Financial Regulations and Procedures.

In the circumstances, it has not been possible to confirm the accuracy of the cash and bank balances as at 30 June 2013.

C. APPROPRIATION ACCOUNT FOR DEVELOPMENT VOTE126

Basis for Disclaimer of opinion

16. Single Sourcing of Consultancy Services from Jomo Kenyatta University of Agriculture and Technology Enterprises Ltd (JKUATEs)

During the year 2012/2013 the Judiciary appointed JKUATEs to provide consultancy services for management and supervision of works at a total cost of Kshs.127,831,944.00. Major works supervised included completion of Kisumu law courts, prefabricated court buildings and partitioning works at Elgon Place. The appointment of JKUAT appears to have been done through single sourcing contrary to Sections 73 and 74 of the Public Procurement and Disposal Act, 2005.

From the records, it was not clear what factors the Judiciary considered in single sourcing JKUATEs to supervise the above projects when the same service could have been obtained free of charge or at a lower cost from the Ministry of Public Works. Further, payments of Kshs.127,831,944.00 were made to JKUATEs without evidence of work done on the above projects as there were no interim architectural certificates issued contrary to the terms of the contract requiring payments to be based on interim certificate of works.

In addition, based on the tender documents, the total cost of construction of prefabricated courts during the financial year was Kshs.626,000,000.00. As per the contract, JKUATEs was entitled to an amount of Kshs.62,600,000 being 10% of contract sum. However, JKUATEs was paid Kshs.82,737,000 as an advance which was in excess of Kshs.62,600,000 by Kshs.20,137,000 towards the construction of the prefabricated courts.

No reasons were given for the excess payments.

17. Overvalued Costs for Construction of Prefabricated Court Houses

On 27 November 2012, the Judiciary Tender Committee awarded tenders for the construction of prefabricated courts to various contractors in various towns as shown below. From the records availed for audit, there was no justification for construction of temporary structures which would be demolished at a later date and at a cost equivalent to the recently completed two storey court buildings. In comparison to newly completed two storey court buildings in Naivasha, Busia and Sirisia, the cost of building permanent court buildings was between Kshs.80 million and Kshs.170 million. No explanation has been provided for the anomaly.

Court	Cost (Kshs.)
Bomet	81,664,580
Othaya	81,664,580
Marimati	81,664,580
Wanguru	81,664,580
Tawa	99,959,218
Mavoko	99,959,218
Garsen	99,959,218
Total Cost	<u>629,535,974</u>

18. Irregular Contract at Bomet Law Court

The Judicial Tender Committee on 27 November 2012 awarded the tender for the construction of prefabricated court structures at Bomet Law Courts to a contractor at a cost of Kshs.81,664,580.00. However, on 9 May 2013, another contractor was awarded a tender for the construction of the proposed Bomet Court at a cost of Kshs.688,800,000.00. It was not clear and management has not explained why a new contract was awarded yet the prefabricated building works was ongoing and 75% complete.

19. Payment for Works Not Done – Mavoko Law Courts

An audit inspection at Mavoko Law Courts revealed that the Judiciary had spent a total of Kshs.46,458,069 for the construction of a prefabricated court at Mavoko. The amount included in the Kshs.46,458,069 was Kshs.42,234,609 for the contractor and Kshs.4,223,460 to JKUAT for supervision. However, there was no structure in existence on the ground. It was also observed that the court operates from two steel containers. It was not clear why payments were made for works not done nor has any recoveries been made.

20. Irregular Procurement of Chief Justice House

The Judiciary incurred an expenditure of Kshs.310,000,000 for the purchase of property LR No.7785/13 at Runda Ridge, being the proposed new residence for the Hon.Chief Justice through Tender No.JUD/13/2012-2013. Three bidders were responsive to the tender with financial bids of Kshs.270,000,000.00, Kshs.325,000,000.00 and Kshs.425,000,000.00.

The evaluation committee recommended the purchase of a fully furnished residential property from the lowest responsive tender of Kshs.270,000,000.

However, security concerns were raised at a meeting held on 6 December 2012 that the location of the residence was too close to the road. There was concurrence that security was paramount to the occupant. Therefore, a security survey was commissioned by the Judiciary through a private security firm which concluded that the residential property tendered by the lowest bidder failed the security test. The security firm recommended the residence tendered by the highest responsive bidder at a price of Kshs.425,000,000 (including furniture). The price was however negotiated downwards to Kshs.310,000,000 without furniture.

The following unsatisfactory matters were observed:

i) Over-expenditure of Kshs. 90,335,076.00

The approved estimates for the purchase of the residential property from revised estimates was Kshs.219,664,924 inclusive of furniture but the Judiciary spent Kshs.310,000,000 without furniture. The Judiciary therefore incurred an over-expenditure of Kshs.90,335,076.00 and it was not clear which vote was utilized to cover for this excess. Further, it could not be established how much was used to furnish the residence and the source of finance.

ii) Title Deed for the Residential Property

The Title Deed to the residential property purchased was not availed for audit verification making it difficult to determine ownership by the Judiciary.

21. Irregular Leasing of Excess Office Space- Rahimtulla/ Elgon Place

The tender for leasing of space to provide offices and court rooms for the Court of Appeal Judges was awarded to two bidders. The tender specified for a minimum space of approximately 40,000 square feet within two (2) kilometers from Milimani Court.

The bidders offered office space at Rahimtulla Trust building (33,500 square feet) and Elgon place (49,000 square feet).

However, the following unsatisfactory matters were observed:

- (a) The tender committee awarded an extra space of 42,500 square feet (Rahimtulla 33,500 square feet and Elgon Place 49,000 square feet) contrary to the specifications. This amounted to change of scope since the requirement for 40,000 square feet was changed to 82,500 square feet while the requirement for

court of appeal courts and offices was changed to include new requirement for offices. These were therefore done in contravention of the Public Procurement and Disposal Act, 2005 and related 2006 Regulations. The Judiciary should have re-advertised for the offices.

- (b) Elgon Place was awarded the lease contrary to Section VI - 3 of the terms and conditions of the tender as it was still under construction at the time of the tender. The condition stated that the premises should be in a serene and secure location and in good condition, ready to be occupied and not in post-construction state or requiring major reconstruction or renovation and premises should be properly licensed and registered.

In the circumstances, the award of the tender was irregular and the Judiciary has leased excess space.

22. Single Sourcing for Partitioning of Elgon Place

The partitioning works were awarded to the landlord, Elgon place through single sourcing at a cost of Kshs.188,059,723. However, the company was not a registered contractor. The Judiciary operated in total disregard of the Public Procurement and Disposal Act, 2005 and ignored the possibility of conflict of interest in the appointment of the landlord as the contractor. In addition, the offices remained unoccupied by the Judiciary raising the question as to whether proper needs assessment was done prior to the contract and value for money in the transaction was obtained.

23. Rent Payment for unoccupied office space at the Rahimtulla Building, Elgon Place and Agricultural Finance Corporation Buildings

The Judiciary paid rent of approximately Kshs.1billion for office space not fully occupied. Audit visit to Rahimtulla Building and Elgon Place, revealed that about 70% of the available space in Rahimtulla Building was not occupied while 100% of the space in Elgon place remained unoccupied.

Further, the Judiciary had entered into 11 lease agreement with Agricultural Finance Corporation for office space in its buildings across the country at a cost of Kshs.43,537,609.00 per.annum. It was, however, noted that the leased space from Agricultural Finance Corporation was also not utilized.

No reasons were provided for hiring office space and not utilizing it. It is doubtful that the Judiciary is obtaining value for money from the transaction.

24. Unsigned Lease Agreement

(a) Unsupported Payment – Kshs.3,379,776.00

The Judiciary tendered for office space at Vomorono Godowns through tender No.Jud /16/2012/2013 on 14 November 2012 and awarded the tender to firm at a cost of Kshs 3,379,776 per year. However, there was no signed lease agreement between the Judiciary and the firm to support the payment.

(b) Unsupported expenditure- Leasing of the Mayfair Court

The Judicial Service Commission leased Mayfair court building LR No.209/18174 Upper Hill and occupied it in September 2013. However, the Judiciary paid rent of Kshs.10,734,548 for two years, 1 October 2011 to Sept 2013, without a binding contract before the building was occupied.

25. Unsupported payment to Kenya Prisons Service - Kshs 59,999,840

The Judiciary paid Kshs.59,999,840 to the Kenya Prisons Service on 15 March 2013 for the supply of various types of furniture based on a proforma invoice. There was no information as to where this furniture was to be used. Further, the criteria used to select Kenya Prisons Service as the supplier was not provided for audit review and there was no evidence that the furniture were delivered to the Judiciary.

26. Irregular payment to National Museums of Kenya

The Judiciary entered into a Memorandum of Understanding (MOU) with the National Museums of Kenya on 28 November 2012 where the Supreme Court was to be converted to a museum. Under this MOU, the cost of conversion of the Supreme Court to a museum was to be Kshs.70million, and the Judiciary made a down payment of Kshs.35million on 14 February 2013. The payment of Kshs.35 million to the National Museums was irregular, since it is not the responsibility of the Judiciary to develop museums and such an item was not provided for in the estimates.

27. Defects on Completed Projects

(i) Naivasha Court

The new court at Naivasha was handed over to the Judiciary on 5 July 2013 and the following matters were noted;

(a) Perimeter Wall

The perimeter wall about 50 meters long on the northern side was not constructed. It was not clear why this section of the perimeter wall was not constructed.

(b) Court Building

Though the court has a ramp to cater for the disabled, there are visible cracks on the eastern/western side of the wall and also on the pillars, raising doubts as regards the overall structural strength of the building. On the ground floor, the walls were both wet and a white deposit is evident indicating leakage of water from the ground.

The court has wash rooms only in the first floor. The other two floors have no wash rooms thereby making the facilities insufficient for the officers.

The doors fitted are of poor quality with a poor finishing. Cracks are visible in most doors while some doors have bends hence cannot lock properly. Lightning arresters were not fitted and being a building on a high ground there is a risk of loss of property and life if lightning was to strike the court building.

ii) Busia Court

The contract for Busia Court was awarded to a firm on 3 April 2009 for a period of 52 weeks with an expected completion date of 4 April 2010. However, the project was completed in May 2013 after a period of 208 weeks without any justification for the delay. On completion of the project, a site meeting held on 29 May 2013 before the handover of the building reported several defects on the building. Major defects reported were hanging ceilings due to leaking roofs and poor workmanship on sinks, ventilations, paint work, window fasteners and stays, lights and air condition (AC) system. At the time of audit in October 2013, the reported defects had not been corrected by the contractors who had left the site.

In view of the forgoing, it has not been possible to confirm that the Judiciary obtained value for money from the contract and that occupational health and safety of staff and the public has been taken into account effectively.

28. Irregular Supply of Servers and Containerized Data Centre

On 15 June 2012, the Judiciary entered into a contract with a firm for the supply, delivery, installation and commissioning of enterprise servers, medium enterprise servers and rack cabinets at a contract price of Kshs.54,719,000.00. Examination of relevant documents revealed that the LPO'S for the tender were approved on 18 June, 2012 but a proforma invoice for the supplies was raised on 14 June, 2012 before contractual obligations were entered into between Judiciary and the contractor.

Further, the Judiciary procured during the year under review, a containerized data center from another firm at a cost of Kshs.106,720,048.00 for use in integrated data systems within the Judiciary. It was, however, observed that the containerized data Center was not operational even after spending Kshs.106,720,048.00.

No reasons were provided for the irregularity.

29. Overstated payment of WAN services and improvement of LAN in the Judiciary in Makadara, Milimani and Bungoma Stations

The Judiciary entered into a contract with a Contractor on 15 December 2012 in respect of provision of WAN services and improvement of LAN in the Judiciary in Makadara, Milimani and Bungoma stations at a contract price of Kshs.113,109,512.00.

Examination of relevant documents revealed that the contract price for Bungoma Law Courts as reflected in the Tender Committee minutes was Kshs.30,615,480.00 whereas the amount reflected in the signed contract document was Kshs.35,615,480. This results in an overstatement of the contract price for Bungoma Law Courts by Kshs.5,000,000.00. No explanation has been provided for the overstatement in the signed contract documents.

30. Unsupported Expenditure- Supply, Delivery, Installation and Commissioning of PABX and Structured Cabling at the Supreme Court of Kenya - Kshs.58,041,487.00

During the year under review, the Judiciary entered into a contract with a firm for the supply, delivery, installation and commissioning of PABX and structured cabling at the Supreme Court of Kenya at a contract price of Kshs.58, 041,487.

The Notification letter of award of contract was sent to the firm on 15 June 2012. The contractor accepted the offer of contract on 18 June 2012, the same date the local purchase order was raised. In the correspondence from the contractor dated 20 June, 2012, the contractor requested the Judiciary to give them a 30% advance of the total contract price before commencement of work which amounted to Kshs.17,412,446.00. The Judiciary, however, paid Kshs.21,000,000 thereby resulting in an overpayment of Kshs.3,587,539.00. The amount was paid against a bank guarantee from Equity Bank which was neither witnessed nor sealed making it impossible to ascertain its authenticity and legality.

Further, contract documents between the firm and the Judiciary and completion certificate for the service were not availed for audit verification.

Consequently, the authenticity and legality of the expenditure could not be confirmed as at 30 June 2013.

31. Irregular Pre-financing of Contractors

The Judiciary made advance payments totalling Kshs.309,559,041.6 being 30% of contract price to providers of LAN/WAN services contrary to the provisions of

Government Financial Regulations and Procedures and the provisions of Chapter 12 of the Constitution.

32. Unapproved Budget Reallocation to Judicial Training Institute - Kshs.479,809,127.55

During the year under review, the Judicial Training Institute (JTI) incurred Kshs.479,809,127.55 against Approved Estimates of Kshs.480,000,000.00 for non-residential buildings. Inspection at the institute revealed that there were no non-residential buildings acquired or constructed during the year under review. Further, scrutiny of relevant documents revealed that the account was used to pay expenditure of a development nature yet JTI does not operate a development account.

The explanation provided was that the amount paid for development through JTI was as a result of delays in exchequer issues and that the amounts would be refunded upon receipt of the exchequer. However, evidence of recovery of the same amount was not availed for audit verification.

No reasons were availed for reallocation/transfer of the funds.

D. STATEMENT OF ASSETS AND LIABILITIES FOR DEVELOPMENT VOTE 126

Basis for Qualified Opinion

33. Bank Reconciliation- PMG

Payments in the bank statement not in cashbooks of Kshs.656,425.75 representing long outstanding reconciling items have not been posted in the cashbook and cleared from the reconciliation statement.

E. STATEMENT OF ASSETS AND LIABILITIES FOR DEPOSITS 126

Basis for Qualified Opinion

34. Lack of Trial Balance/Ledger for Deposits

A Trial balance and ledger were not provided for audit review to support the Statement of Assets and Liabilities – Deposits as at 30 June 2013. Consequently, it has not been possible to confirm the accuracy and completeness of the statement.

35. District Suspense

The statement of assets and liabilities for Deposits as at 30 June 2013 reflects an uncleared District Suspense Account balance of Kshs.29,106,916.15 relating to the period between 1997 and 2003. No explanation has been provided for failure to clear these balances from the books of account.

36. Paymaster General

The statement further reflects Paymaster General Account balance of Kshs.2,394,598,382.55 which was not analyzed or supported with board of survey reports. Further, bank reconciliation statements for all the various bank accounts to support the Paymaster General Account were not made available for audit verifications. Consequently, the accuracy of the balances reflected in the statement as at 30 June 2013 could not be ascertained.

37. Cash and Bank balances

The bank reconciliation statements for Head Office and Makadara Offices availed for audit revealed the following:

(i) Cash Receipts in Bank statements not in cash book - Nairobi station

A total of Kshs.116,677,586.00 had been received in the Bank but not posted in the cash book by 30 June 2013. Further, a transfer of Kshs.7,976,675 in the year 2011/2012 had not been supported.

(ii) Receipts in Cashbook not in Bank Statements - Nairobi Station

The bank reconciliation statement for Nairobi Station, reflects receipts in cash book not in bank statements of Kshs.11,181,103.00. No explanation was provided for not banking the cash.

(iii) Receipts in cashbook not in the Bank statement for Makadara Law Courts

The bank reconciliation statement for the Makadara Law Courts reflects receipts in cashbook not in bank of Kshs.497,000.00 which had not been accounted for. Further, a board of survey report was not made available for audit review.

38. Unauthorized Commercial Bank Accounts

The Statement of Assets and Liabilities for Deposits as at 30 June 2013 reflects a General Deposit account of Kshs.2,291,272,329.55 which includes Deposits from other court stations of Kshs.1,549,176,116.35 held in various Kenya Commercial Bank accounts. No authority from Treasury was availed by the Judiciary to sanction the opening of commercial bank accounts, contrary to Section 28 (1) of the Public Finance Management Act, 2012.

39. Unresolved previous year issues

- (i) As reported in 2011/2012, the Statement of Assets and Liabilities for Deposits as at 30 June 2012 reflects a District Suspense Account debit balance of

Kshs.34,848,965.10 relating to frozen deposits from 1997 and 2003. The balance has not been cleared up to date and no reason has been provided for non-clearance of the balance from the books of accounts.

- (ii) The Statement also reflects a General Deposits Account credit balance of Kshs.927,969,553.15 out of which an amount of Kshs.45,757,574.14 was not analysed. Management has not provided any analysis even during the current audit. Therefore, it has not been possible to ascertain the accuracy of the balance of Kshs.927,969,550.15.
- (iii) The trial balance was not provided to support the balances reflected in the statement. As a result, the source, completeness and accuracy of the balances could not be ascertained.

STATEMENT OF REVENUE HEAD 1430100 - FINES AND FORFEITURES OF THE JUDICIARY

Basis for Disclaimer of Opinion

40. Trial Balance and General Ledger not Availed

As similarly reported in the previous year's audit, the management did not avail a trial balance and general ledger for the year ended 30 June 2013 as required. As a result, it has not been possible to ascertain the accuracy and completeness of the figures reflected in the Statement of Revenue as at 30 June 2013.

41. Unsupported Transfers to the Exchequer

The Revenue Statement for the year ended 30 June 2013 reflects an amount of Kshs.1,465,498,052.70 as transfers to the Treasury. However, an amount of Kshs.455,387,482.90 was not supported with a payment voucher to the Treasury and it was also not posted in the cash book.

42. Un-surrendered Revenue Receipts

Out of the total revenue collected of Kshs.1,481,025,392.70, a balance of Kshs.15,527,340.00 reflected in the Statement of Arrears of Revenue as at 30 June 2013 had not been surrendered to the Treasury. No reasons have been provided for not surrendering the revenue of Kshs.15,527,340.00 as required.

43. Unaccounted for Revenue – Sirisia Judiciary

Records maintained at the Sirisia Judiciary office indicate that a total of Kshs.181,000.00 was collected as revenue and not accounted for. Further, a total of

Kshs.683,000.00 had been irregularly paid to District Treasury officials. No recoveries have been made for the irregular payments.

44. Unresolved Previous Years issues

- (i) The Statement of Revenue Head 1430100 Fines and Forfeitures for the year ended 30 June 2012 reflects actual receipts totalling Kshs.1,078,882,684.55. However, no receipt vouchers and other supporting documents were provided for audit review. As a result, it has not been possible to ascertain the completeness and accuracy of the receipts.
- (ii) Although the Statement of Arrears of Revenue as at 30 June 2011 reflects a balance of Kshs.50,853,786.00, the statement as at 30 June 2012 reflects a nil balance. However, no documents and records in support of collection or write-off of the arrears in 2011/2012 or 2012/2013 were provided for audit review.

45. Irregular use of Revenue - Bungoma law courts

A total of Kshs.1,194,661.90 collected during the year as Court Fees and Fines were not banked intact but instead held as partly paid vouchers. This is in contravention of Government Financial Regulations and Procedures which require all collections be banked intact.

AUDIT OPINION

In line with my responsibility, I express the following audit opinions on the financial statements:-

Qualified Opinion

- (i) Statement of Assets and Liabilities for Recurrent Vote 126
- (ii) Statement of Assets and Liabilities for Development 126
- (iii) Statement of Assets and Liabilities for Deposits Vote 126

Opinion

In my opinion, except for the effect of the matters described in the respective Basis for Qualified Opinion paragraphs, the above three financial statements present fairly, in all material respects, the financial position of the Judiciary Vote - 126 as at 30 June 2013, and of its operations for the year then ended, in accordance with Government Financial Regulations and Procedures and the Public Finance Management Act, 2012.

Adverse Opinion

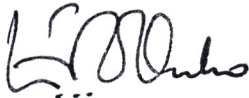
Appropriation Account for Recurrent Vote 126

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion Paragraph, the Appropriation Account for Recurrent Vote 126 does not present fairly, the financial performance of the Judiciary for the year ended 30 June 2013, in accordance with Government Financial Regulations and Procedures and the Public Finance Management Act, 2012.

Disclaimer of Opinion

Appropriation Account for Development Vote 126

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, I do not express an opinion on the financial statement.



Edward R.O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

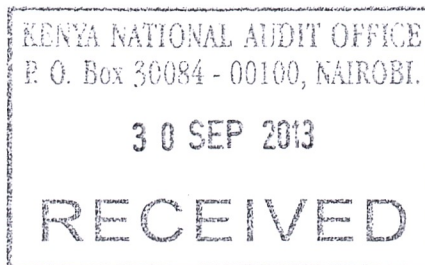
21 May 2014



REPUBLIC OF KENYA

—◆—
THE JUDICIARY

**ANNUAL REPORT AND
FINANCIAL STATEMENT
FOR THE 2012/2013 FISCAL YEAR**



27 September 2013



REPUBLIC OF KENYA

THE JUDICIARY

JUSTICE BE OUR
SHIELD AND
DEFENDER



OUR MOTTO



HAKI IWE NGAO
NA MLINZI

OUR MANDATE (Article 159 of the Constitution of Kenya 2010)

1. To expeditiously administer justice to all irrespective of status and without delay;
2. To administer justice without undue regard to procedural technicalities;
3. To protect and promote the purpose and principles of the Constitution 2010;
4. To promote alternative forms of dispute resolution, including reconciliation, mediation, arbitration and traditional dispute resolution mechanisms

OUR MISSION:

To deliver justice fairly, impartially and expeditiously, to promote equal access to justice, and to advance local jurisprudence by upholding the rule of law

OUR MEDIUM TO LONG-TERM VISION:

The independent custodian of justice in Kenya

OUR CORE VALUES (in line with Article 10 (2)) and Article 73 (2) of the Constitution of Kenya 2010)

- national unity, sharing and devolution of power, the rule of law, democracy and participation of the people;
- human dignity, equity, social justice, inclusiveness, objectivity and impartiality in decision making, equality, human rights, non-discrimination and protection of the marginalized;
- good governance, honesty, integrity, transparency and accountability.

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PART I: INTRODUCTION

1.1 Mandate

The mandate of the Judiciary is derived from Article 159 of the constitution, viz:

- a) to expeditiously administer justice to all irrespective of status;
- b) to administer justice without undue regard to procedural technicalities;
- c) to protect and promote the purpose and principles of the Constitution 2010; and
- d) to promote alternative forms of dispute resolution, including reconciliation, mediation, arbitration and traditional dispute resolution mechanisms.

1.2 Vision

The Judiciary's fundamental vision is clearly and simply "***to be the Independent custodian of Justice in Kenya***".

1.3 Mission

The Judiciary's mission, or *raison d'être*, is elicited in three interconnected notions: to ***(a) deliver justice fairly, impartially and expeditiously, (b) promote equal access to justice, and (c) advance local jurisprudence by upholding the rule of law.***

1.4 Motto and Values

The Judiciary's overall motto is *Justice be our shield and defender* ("*Haki iwe ngao na mlinzi*"), a powerful rallying call that features prominently in the National Anthem.

Building on this motto, the core values of the Judiciary are derived from the national values and principles of good governance (Article 10 (2) of the constitution) and guiding principles of leadership and integrity (Article 73 (2) of the constitution). The Judiciary will be guided by the following core values:

- national unity, sharing and devolution of power, the rule of law, democracy and participation of the people;
- human dignity, equity, social justice, inclusiveness, objectivity and impartiality in decision making, equality, human rights, non-discrimination and protection of the marginalized;
- good governance, honesty, integrity, transparency and accountability.

1.8 Key Leadership and Management

The Judiciary's key management is led by the Chief Justice as overall Head of the Judiciary, supported by the Chief Registrar as Accounting Officer. A full list of the core day-to-day leadership and management team is tabulated below.

Name	Titles and Roles	Date of Appointment
Hon Dr Willy Mutunga	<ul style="list-style-type: none"> • Hon Chief Justice and President of the Supreme Court • Head of the Judiciary • Chair of: <ul style="list-style-type: none"> ○ Judicial Service Commission ○ National Council for Law Reporting ○ National Council on the Administration of Justice ○ Auctioneers Licensing Board 	20 th July 2011
Hon Mrs Gladys Boss Shollei	<ul style="list-style-type: none"> • Chief Registrar of the Judiciary • Accounting Officer and Receiver of Revenue • Administrator of the Judiciary Fund • Secretary of <ul style="list-style-type: none"> ○ Judicial Service Commission ○ National Council on the Administration of Justice 	30 th September 2011
Hon Mr Kakai Kissinger	<ul style="list-style-type: none"> • Deputy Chief Registrar of the Judiciary 	20 th December 2011
Hon. Justice (Prof) Joel Ngugi	<ul style="list-style-type: none"> • Head, Judiciary Transformation Secretariat • Director, Judicial Training Institute 	31 st May 2012 1 st March 2013
Mr Benedict Omollo	<ul style="list-style-type: none"> • Director, Finance Directorate 	2 nd July 2012
Mr Dismus Obondo	<ul style="list-style-type: none"> • Director, Human Resources and Administration Directorate 	21 st May 2012
Mr Tom Atak	<ul style="list-style-type: none"> • Director, ICT Directorate 	28 th May 2012
Mr Martin Okwatta	<ul style="list-style-type: none"> • Director, Supply Chain Directorate 	2 nd July 2012
Mr Naim Bilal	<ul style="list-style-type: none"> • Director, Public Affairs and Communications 	4 th June 2012
Mr Wycliffe Wanga	<ul style="list-style-type: none"> • Chief Accounts Controller/Director of Revenue 	9 th March 2012
Dr Nyoike Wamwea	<ul style="list-style-type: none"> • Director, Performance Management Directorate 	4 th June 2012
Hon. Esther Nyaiyaki	<ul style="list-style-type: none"> • Registrar, Supreme Court 	1 st February 2013

Hon. Moses Serem	• Registrar, Court of Appeal	4 th April 2012
Hon. Judy Omenge	• Registrar, High Court	28 th March 2012
Hon. Peter Mulwa	• Registrar, Magistrates Courts	18 th May 2012
Hon. Wilfridah Mokaya	• Registrar, Judicial Service Commission	5 th April 2012

This day to day leadership and management team is supported by a multi-stakeholder National Leadership and Management Committee that draws its membership from all court levels as well as key non-state actors.

PART II: LEADERSHIP AND MANAGEMENT REPORTS

2.1 The Chief Justice's Annual Overview

2.1.1 2012/13 – A Year of External and Internal Transition

The 2012/13 fiscal year was a year of transition on several fronts. Externally, the country witnessed the advent of a new political administration as the 2010 constitution came into full effect. The Judiciary played a critical role in the 2012/13 electoral cycle leading to this new political dispensation at two related levels.

First, through the Joint Working Committee on Election Preparations (JWCEP), which coordinated preparations for the electoral process, as well as post-election dispute resolution process that has involved a total of 188 petitions. Second, through the work of the Supreme Court in its determination of the 2013 presidential election petition. Important lessons have been learned that will be critical to the development of the nation's nascent but emerging political culture and electoral jurisprudence.

Internally, the highlight of the Judiciary's year was the successful rollout of the Judiciary Transformation Framework (JTF) to over 4, 500 staff throughout the country. Transition towards the values and tenets encapsulated in the JTF has been a consistent theme across the culture change training programmes through which the JTF was rolled out.

2.1.2 2012/13 – Making progress on Judiciary Transformation

The JTF is itself built around four pillars. Commendable and significant progress has been made on each of these pillars. On the justice pillar (Pillar 1), in addition to successful pre and post-election judicial processes, work on Alternative Dispute Resolution (ADR) mechanisms is almost complete; the accelerated court building programme has been placing increasing emphasis on physical and functional access to courts; every court station now has a customer care desk and the mobile courts programme targeted at remote areas has been expanded from five to 21 courts. To expedite justice delivery, a case management system has been piloted.

In addition, engagement with the public is fast expanding through Judicial Marches, Open Days and active participation in national, regional and local shows and exhibitions. The Office of the Judiciary Ombudsperson continues to actively handle and resolve complaints from the public, as well as from staff. The Judiciary's interaction with other justice chain actors has also been enhanced with the launch of the National Council on the Administration of Justice (NCAJ) strategic plan and the establishment and rollout of station-level Court User Committees (CUCs) across the country.

The staff pillar (Pillar 2) has placed an equal emphasis on both quantity (staff numbers) and quality (enhanced skills and competencies). During the year, over 50 new judges were hired in the Court of Appeal, High Court, Industrial Court and Environment and Land

Court. Almost 70 magistrates were also hired during the year. The administrative staff complement has also increased – by almost 200 – in order to provide critical support to judicial officers. This staffing strategy also reflects the Judiciary’s wider decentralization strategy, in which the Court of Appeal was decentralized to three regions (Kisumu, Malindi and Nyeri).

Beyond the transformation rollout, the Judiciary invested heavily in training, and new training curricula are constantly being developed. In 2012/13, both induction programmes for new staff, as well as specialized training programmes, were successfully launched. A particular highlight during the year was the partnership that the Judiciary Training Institute entered into with the Kenya – South Sudan Liaison Office to provide training and other support (including attachments) to the Judiciary of South Sudan.

The infrastructure and resources pillar (Pillar 3) is an underpinning component of the JTF. Courts that are friendly, accessible and fit-for-purpose are essential to the expeditious delivery of justice. Through the Judiciary Court Development Programme, a total of 36 courts were refurbished, while the construction of four courts was completed and three new courts initiated. This programme will accelerate significantly in 2013/14, and over the medium-term. Through the Working Tools and Infrastructure Programme, the Judiciary’s asset base of vehicles and other working tools and equipment continues to expand to meet needs, especially at the court stations that are the epicenter of justice and service delivery.

The Judiciary’s financial resource base continues to grow rapidly to meet the needs of the institution’s investment and operations programme. In addition to a significantly increased resource envelope in 2012/13, there is increasing interest from international development partners in the transformation project. Two significant projects are now in place – the World Bank-supported Judiciary Performance Improvement Project (JPIP) and the UNDP-coordinated Multi-Donor Basket Fund.

The ICT pillar (Pillar 4) aims to position technology as an enabler of justice. The flagship local and wide-area network (LAN/WAN) project covering 25 court stations is now in its final stages of completion. A new case management system was successfully piloted and implemented in the handling of election petitions. Various other ICT initiatives to ease justice access and accelerate justice and service delivery proceed apace.

2.1.3 2012/13 – Policy and Legal Highlights

2012/13 also witnessed several successful policy, legal and regulatory initiatives aimed at improving and streamlining the work of the Judiciary. On the election front, work by JWCEP led to enactment of amendments to the Elections Act, the publication of the Elections (Parliamentary and County Elections) Petition Rules 2013 and Supreme Court

(Presidential Election Petition) Rules 2013 and the preparation of various practice notes on elections.

In addition, draft amendments to the Environment and Land Court Act, while Environment and Land Practice Directions were successfully developed. Additional amendments are being considered to clear jurisdictional questions that have so far arisen. Practice Directions relating to the High Court Commercial Division have also been drafted, while the review of Court of Appeal Rules, as well as the Industrial Court Act and Rules, is ongoing. Most importantly, from a grassroots perspective, Court User Committee Guidelines for use by CUCs were launched, together with the NCAJ Strategic Plan, during the year.

2.1.4 2013/14 – A Challenging but Positive Outlook

Looking forward into 2013/14, the outlook for the Judiciary remains positive in a challenging political and socio-economic environment.

Under pillar 1, the focus will remain on people-focused justice delivery, with a continued people-led emphasis on access, service and public engagement. The continued efforts to develop and rationalize the Judiciary's human resource base (Pillar 2), in both quantitative and qualitative terms, will remain in focus, while the advent of additional funding – particularly through JPIP – will support the acceleration of the court development programme. 2013/14 will also mark the beginning of positive returns on ICT investments made in the earlier stages of the transformation, particularly in terms of information and communication management.

In the medium-term, the Judiciary's investment programme to support transformation will continue to gather pace. Whereas the institution's budget has expanded considerably, resource requirements are still considerable in order to consolidate the gains made. Further, these funding needs will grow in order to finance the establishment, staffing and operational and maintenance costs supporting ongoing and envisaged investments. At a policy level, therefore, the Judiciary will continue to actively engage both Parliament and the National Treasury in financing any resource gaps that will emerge.

Overall, the Judiciary remains confident that it will continue to deliver justice to Kenyans fairly, impartially and expeditiously.

2.2 CHIEF REGISTRAR OF THE JUDICIARY

The Judiciary launched the Judiciary Transformation framework on 31st May 2012 to serve as a blue print for the transformation programme. The Judiciary has since taken strides to correct and cure decades of neglect, and positioning itself in line with the changes in the new Constitution and the high public expectations as provided for in Article 159 of the Constitution of Kenya 2010.

The Judiciary transformation programme is based on four pillars and 10 key result areas that form the strategic direction of the Judiciary for the period 2012- 2016. During the 2012/2013 Fiscal Year the Judiciary in line with JTF achieved the following key milestones as summarized below, under the respective pillars.

	<p>PILLAR 1</p> <p>PEOPLE FOCUSED DELIVERY OF JUSTICE</p>	<ul style="list-style-type: none"> • Decentralized the Court of Appeal to Nyeri, Kisumu and Malindi • Establishment of three additional High Court stations in Muranga, Kerogoya and Homabay. • Operationalization of the Industrial Court and the Environment and Land court • Establishment of the customer care desks in stations to serve and engage with the public. • Partnered with the Traffic Police and Ministry of Roads to establish Mobile traffic courts • Initiated a Rapid Response Initiative to clear backlog of criminal appeals • Recruited 14 Court of Appeal Judges, 103 Magistrates, 9 High Court Judges, 12 Industrial Court Judges and 15 Environment and Land Judges. • Established permanent Magistrates Courts in Engineer, Githongo, Kakuma and Mavoko, • Established of the Industrial Court and appointment of 12 Industrial Court Judges • Court user committee guidelines have been published. • Developed of media guidelines and service charters for the Courts and Directorates. • Launched the National Council on Administration of Justice Strategic Plan
	<p>PILLAR 2</p> <p>TRANSFORMATIVE LEADERSHIP,</p>	<ul style="list-style-type: none"> • Recruitment of Deputy Directors/Registrars and Assistant Directors • Establishment of Regional Finance, Human Resource and procurement offices

<p>ORGANIZATIONAL CULTURE AND PROFESSIONAL AND MOTIVATED STAFF</p>	<ul style="list-style-type: none"> • Recruitment of Law Clerks and Legal Researchers • Training Judges and magistrates on handling election petition matters • Conducted a staff rationalization exercise • Restructured registry operations at the Children and Family Divisions • Improved terms of services for staff • Partnered with the National Museums of Kenya to restore the Supreme Court Building and establish a Judiciary Museum. • Coat of Arms competition successfully completed awaiting approval of the proposed design by the College of Arms. • Developed Framework contracts for commonly and frequently used goods and services • Developed a Contract Register for all suppliers working with the Judiciary • Developed court station work plans and Strategic plans
<p>PILLAR 3 ADEQUATE FINANCIAL RESOURCES AND PHYSICAL INFRASTRUCTURE</p>	<ul style="list-style-type: none"> • Refurbished Courts in the following counties: Kakamega, Kisumu, Machakos, Kiambu, Makueni, Nyamira, Bungoma, Homa Bay, Nyeri, Migori, Kirinyaga, Kitui, Meru, Nyandarua, Tharaka-nithi, Kwale, Siaya, Kajiado, Embu, Kisii and Baringo • Ongoing construction of Kisumu and Migori • Completed construction of Gatundu, Busia, Sirisia, Naivasha and Malindi • Commenced construction of prefabricated court buildings in Wanguru, Othaya, Marimanti, Bomet, Tawa, Garsen, Runyenjes • Leased office space for the Court of Appeal in Nairobi and magistrates courts countrywide. • Signed UNDP Basket Fund project document - Support to Judicial Reforms project. • Signed the World Bank Financing Agreement for the - Judicial Performance Improvement Project
<p>PILLAR FOUR HARNESSING TECHNOLOGY AS AN ENABLER FOR JUSTICE</p>	<ul style="list-style-type: none"> • Installed LAN and WAN in 25 High Court stations • Deployed of a case management system, which saw the management, all election, petitions online. • Acquisition of a Data Center – to be used to house computer systems and associated components, such as telecommunications and storage systems • Deployed the Judiciary Jobs & Careers Portal • Successfully deployed the online advocates system

PART IV: AUDITOR-GENERAL'S REPORT

4.1 Statement by the Auditor-General

PART V: FINANCIAL STATEMENTS

5.1 RECURRENT APPROPRIATION ACCOUNT SUMMARY

APPROPRIATION ACCOUNT SUMMARY Vote R 126 YEAR ENDED 30 TH JUNE 2013			
Sub-Vote	APPROVED ESTIMATES	ACTUAL EXPENDITURE	SURPLUS OF GROSS ESTIMATES OVER EXPENDITURE.
	KSHS.	KSHS.	
Gross expenditure	10,221,428,327.00	10,058,441,810.00	KSHS. 162,986,517.00
	NIL	NIL	
			NET SURPLUS TO BE SURRENDERED TO EXCHEQUER
Net Total vote : R126			KSHS. 162,986,517.00

**RECURRENT APPROPRIATION ACCOUNT
FOR THE YEAR ENDED 30TH JUNE 2013**

HEAD	ITEM	TITLE AND DETAILS	Approved Estimates	Actual Expenditure	variance
			KSHS	KSHS	KSHS
1260101		HEAD QUARTERS HIGH COURT OF KENYA			
	2110100	Basic Salaries - Permanent Employees	275,386,980	275,386,979	2
	2110200	Contractual Employees	24,360,000	24,360,000	0
	2110300	Personal Allowances Paid as part of Salary	344,230,936	344,230,551	385
	2210100	Utilities, Supplies and Services	19,920	1,008,781	-988,861
	2210200	Communication, Supplies and Services	2,076,463	2,029,041	47,422
	2210300	Domestic Travel and Subsistence, and Other Transportation Costs	52,239,353	52,655,572	-416,219
	2210400	Foreign Travel and Subsistence, and Other Transportation Costs	823,436	87,324	736,112
	2210500	Printing, Advertising and Information Supplies and Services	493,299	493,299	0
	2210800	Hospitality Supplies and Services	6,968,798	6,848,619	120,179
	2211000	Specialized Materials and Supplies	5,500,000	5,312,802	187,198
	2211100	Office and General Supplies and Services	17,769,614	17,525,525	244,089
	2211200	Fuel Oil and Lubricants	1,800,000	3,300,000	-1,500,000
	2211300	Other Operating Expenses	7,059,800	7,395,404	-335,604
	2220100	Routine Maintenance - Vehicles and Other Transport Equipment	4,896,000	4,896,000	0
	2220200	Routine Maintenance - Other Assets	8,200,000	8,192,551	7,449
	3111000	Purchase of Office Furniture & General Equipment	315,840	-50,020	365,860
		GROSS EXPENDITURE	KSHS		
		Net Expenditure Head 1260101.....KSHS	752,140,439	753,672,427	-1,531,987

MAGISTRATES' AND JUDGES' COURTS				
2210100	Basic Salaries - Permanent Employees	1,035,065,242	1,035,158,044	-1,102
2210300	Personal Allowances Paid as part of Salary	947,567,804	947,561,012	6,792
2210100	Utilities, Supplies and Services	125,986	161,979	-35,993
2210200	Communication, Supplies and Services	8,507,744	8,509,442	-1,698
2210300	Domestic Travel and Subsistence, and Other Transportation Costs	111,440,673	111,072,853	367,820
2210400	Travel	1,291,718	33,672	1,258,046
2210500	Printing, Advertising and Information Supplies and Services	4,495,091	4,151,570	343,521
2210700	Travel Allowance	96,073,200	83,893,948	12,179,252
2210800	Catering	25,267,494	24,902,644	364,850
2211000	Specialized Materials and Supplies	-604,000	-604,000	0
2211100	Office and General Supplies and Services	72,015,013	71,406,708	608,305
2211200	Fuel Oil and Lubricants	17,466,667	17,466,667	1
2211300	Other Operating Expenses	16,616,036	16,840,460	-224,424
2220100	Routine Maintenance - Vehicles and Other Transport Equipment	14,312,291	15,023,354	-711,063
2220200	Routine Maintenance - Other Assets	32,067,000	31,686,298	380,702
3110700	Routine Maintenance - Vehicles and Other Transport Equipment	274,250,000	274,250,000	0
	GROSS EXPENDITURE			
	Net Expenditure Head 1260102..... KSHS	2,655,957,959	2,641,514,650	14,443,309
	HIGH COURT STATIONS			
2110100	Basic Salaries - Permanent Employees	565,332,845	565,812,845	-480,000
2110200	Contractual Employees	14,520,000	14,520,000	0
2110300	Personal Allowances Paid as part of Salary	820,586,572	820,586,870	-298
2110400	Personal Allowances Paid as Reimbursement			0
2210100	Utilities, Supplies and Services	13,351,987	13,351,976	11
2210200	Communication, Supplies and Services	14,525,640	14,525,571	69
2210300	Domestic Travel and Subsistence, and Other Transportation Costs	81,019,815	80,021,510	998,305

2210400	Foreign Travel and Subsistence, and Other Transportation Costs	22,710,000	22,902,479	-192,479
2210500	Printing, Advertising and Information Supplies and Services	4,496,388	4,322,461	173,927
2210600	Rents & Rates	3,580,907	1,258,900	2,322,007
2210800	Hospitality Supplies and Services	10,727,203	12,679,116	-1,951,913
2211000	Specialized Materials and Supplies	3,364,872	392,478	2,972,394
2211100	Office and General Supplies and Services	49,200,362	46,235,319	2,965,043
2211200	Fuel Oil and Lubricants	20,414,000	20,207,446	206,554
2211300	Other Operating Expenses	31,775,650	31,775,650	0
2220100	Routine Maintenance - Vehicles and Other Transport Equipment	20,223,013	19,963,975	259,038
2220200	Routine Maintenance - Other Assets	36,894,597	37,067,273	-172,676
3111000	Purchase of Office Furniture & General Equipment			
	GROSS EXPENDITURE KSHS			
	Net Expenditure Head 1260103.....KSHS	1,712,723,851	1,705,623,869	7,099,982
	HEADQUARTERS (GENERAL)			0
2110100	Basic Salaries - Permanent Employees	258,867,344	259,027,600	-160,256
2110200	Casual Labor	1,056,000	1,056,000	0
2110300	Personal Allowances Paid as part of Salary	346,188,776	343,334,494	2,854,282
2120200	employer Contribution to Compulsory Health Insurance Scheme	17,280,000	17,280,000	0
2210100	Utilities, Supplies and Services	29,888,419	29,984,302	-95,883
2210200	Communication, Supplies and Services	46,690,851	47,208,914	-518,063
2210300	Domestic Travel and Subsistence and Other Transportation Costs	115,926,843	116,262,431	-335,588
2210400	Foreign Travel and Subsistence and Other Transportation Costs	16,252,234	16,975,736	-723,502
2210500	Printing, Advertising and Information Supplies and Services	57,534,775	50,251,380	7,283,395
2210600	Rentals of Produced Assets	92,994,597	70,387,480	22,607,117
2210700	Travel	100,234,163	95,504,139	4,730,024
2210800	Hospitality Supplies and Services	44,783,459	42,180,123	2,603,336
2210900	Insurance Costs	597,750,000	597,750,000	0
2211000	Specialized Materials and Supplies	41,413,843	38,855,379	2,558,465

1260104

*

221100	Office and General Supplies and Services	122,733,858	118,521,481	4,212,377
2211200	Fuel Oil and Lubricants	44,992,016	50,602,017	-5,610,001
2211300	Other Operating Expenses	48,198,087	46,686,161	1,511,926
2220100	Routine Maintenance - Vehicles and Other Transport Equipment	38,552,565	36,552,509	2,000,056
2220200	Routine Maintenance - Other Assets	4,883,709	5,390,414	-506,705
2640400	Other Current Transfers, Grants and Subsidies	261,000	155,150	105,850
2710100	Gratuity service servants	565,790,066	503,949,633	61,840,433
3110700	Purchase of Motor Vehicle and Other Transport Equipment	290,000,000	287,590,240	2,409,760
3111000	Purchase of Office Furn. & General Equip	41,488,260	40,384,922	1,103,338
4110400	Domestic loans to individuals and Households	895,680,733	895,680,733	0
	GROSS EXPENDITURE KSHS			
	Net Expenditure Head 1260104..... KSHS	3,819,441,598	3,711,571,236	107,870,362
	COURT OF APPEAL			
2110100	Basic Salaries - Permanent Employees	46,639,501	46,639,501	0
2110200	Contractual Employees	22,800,000	22,800,000	0
2110300	Personal Allowances Paid as part of Salary	45,213,847	45,045,603	168,245
2210100	Utilities, Supplies and Services	3,513,544	4,484,351	-970,807
2210200	Communication, Supplies and Services	2,185,237	2,442,964	-257,727
2210300	Domestic Travel and Subsistence, and Other Transportation Costs	72,661,032	72,793,590	-132,558
2210400	Foreign Travel and Subsistence, and other Transport Costs	14,871,371	14,871,370	1
2210500	Printing, Advertising and Information Supplies and Services	1,451,325	1,451,087	238
2210600	Rentals of Produced Assets	870,499	870,499	0
2210800	Hospitality Supplies and Services	10,039,246	9,902,134	137,112
2211000	Specialized Materials and Supplies	186,603	-6,619	193,222
2211100	Office and General Supplies and Services	18,009,306	17,749,118	260,188
2211200	Fuel Oil and Lubricants	1,052,656	1,842,578	-789,922
2211300	Other Operating Expenses	839,804	650,446	189,358
2220100	Routine Maintenance - Vehicles and Other Transport Equipment	794,059	538,777	255,282

1260105

2220200	Routine Maintenance - Other Assets	1,259,016	1,306,016	-47,000
3111000	Purchase of Office Furn. & General Equip	4,780,373	4,522,933	257,440
	GROSS EXPENDITURE KSHS			
	Net Expenditure Head 1260105..... KSHS	247,167,419	247,904,348	-736,929
	JUDICIAL TRAINING INSTITUTE (J.T.I)			
2210100	Utilities, Supplies and Services	1,580,000	1,264,856	315,144
2210200	Communication, Supplies and Services	5,635,350	5,539,120	96,230
2210300	Domestic Travel and Subsistence, and Other Transportation Costs	25,646,983	25,418,324	228,659
2210400	Travel costs	14,000,000	14,000,000	0
2210500	Printing, Advertising and Information Supplies and Services	2,700,000	1,500,000	1,200,000
2210600	Rentals of Produced Assets	8,750,000	8,436,673	313,327
2210700	Training Expenses (including capacity building)	45,400,000	45,400,000	0
2210800	Hospitality Supplies and Services	1,260,000	700,000	560,000
2211000	Specialized Materials and Supplies	12,500,000	12,450,000	50,000
2211100	Office and General Supplies and Services	6,451,560	5,884,200	567,360
2211300	Other Operating Expenses	7,232,000	7,232,000	0
2220200	Routine Maintenance - Other Assets	3,450,000	2,909,598	540,402
	GROSS EXPENDITURE KSHS			
	Net Expenditure Head 1260106.....KSHS	134,605,893	130,734,771	3,871,122
	NATIONAL COUNCIL FOR LAW REPORTING			
2630100	Current Grants to Govt. Agencies and Other Levels of Government	259,200,000	259,200,000	0
	GROSS EXPENDITURE KSHS			
	Net Expenditure Head 1260107.....KSHS	259,200,000	259,200,000	0
	JUDICIAL SERVICE COMMISSION			
2110100	Basic Salaries - Permanent Employees	36,672,947	36,672,946	1
2110300	Personal Allowances Paid as part of Salary	37,404,586	36,513,558	891,028

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1260107

1260108

2210100	Utilities, Supplies and Services	1,048,413	1,682,941	-634,528
2210200	Communication, Supplies and Services	65,517	-33,383	98,900
2210300	Domestic Travel and Subsistence and Other Transportation Costs	17,552,391	17,463,913	88,478
2210400	Foreign Travel and Subsistence and other Transport Costs	48,412,075	48,243,720	168,355
2210500	Printing, Advertising and Information Supplies and Services	14,314,261	14,143,505	170,756
2210600	Rent & Rates Residential	3,578,181	4,066,577	-488,396
2210800	Hospitality Supplies and Services	186,754,989	166,426,584	20,328,405
2211000	Specialized Materials and Supplies	1,000,000	1,000,000	0
2211100	Office and General Supplies and Services	4,682,259	4,688,741	-6,482
2211200	Fuel Oil and Lubricants	56,000	-361,191	417,191
2211300	Other Operating Expenses	11,217,600	13,464,680	-2,247,080
2220100	Routine Maintenance - Vehicles and Other Transport Equipment	1,564,749	1,537,218	27,531
2220200	Routine Maintenance - Other Assets	3,982,856	3,812,060	170,796
3111000	Purchase of Office Furn. & General Equip	6,325,884	6,022,894	302,990
	GROSS EXPENDITURE			
	Net Expenditure Head 1260108.....KSHS	374,632,708	355,344,763	19,287,945
	SUPREME COURT			
2110100	Basic Salaries - Permanent Employees	47,372,105	47,372,104	1
2110200	Contractual Employees	19,140,000	19,140,000	0
2110300	Personal Allowances Paid as part of Salary	88,660,749	88,629,959	30,790
2210100	Utilities, Supplies and Services	1,261,931	1,261,931	0
2210200	Communication, Supplies and Services	408,036	561,242	-153,206
2210300	Domestic Travel and Subsistence, and Other Transportation Costs	11,606,976	11,745,573	-138,597
2210400	Foreign Travel and Subsistence, and other Transport Costs	4,077,407	3,977,453	99,954
2210800	Hospitality Supplies and Services	1,437,531	1,373,394	64,137
2211000	Specialized Materials and Supplies	2,706,933	3,228,328	-521,395
2211100	Office and General Supplies and Services	5,516,109	5,299,513	216,596
2211200	Fuel Oil and Lubricants	359,067	578,706	-219,639

1260109

221300	Other Operating Expenses	560,000	266,000	294,000
2220100	Routine Maintenance - Vehicles and Other Transport Equipment	1,620,131	1,601,899	18,232
2220200	Routine Maintenance - Other Assets	3,030,072	3,029,178	894
3111000	Purchase of Office Furn. & General Equip	1,801,413	1,741,413	60,000
	GROSS EXPENDITURE KSHS			
	Net Expenditure Head1 260109.....KSHS	189,558,460	189,806,692	-248,232
	COUNCIL ON ADMINISTRATION OF JUSTICE			
2630100	Current Grants to Govt. Agencies and Other Levels of Govt	30,000,000	25,056,090	4,943,910
	GROSS EXPENDITURE KSHS			
	Net Expenditure Head 1260110.....KSHS	30,000,000	25,056,090	4,943,910
	TJRC Tribunal Head Quarters			
2630100	Current Grants to Govt. Agencies and Other Levels of Govt	22,500,000	14,512,966	7,987,034
	GROSS EXPENDITURE KSHS			
	Net Expenditure Head 1260111.....KSHS	22,500,000	14,512,966	7,987,034
	Auctioneers Licensing Board			
2630100	Current Grants to Govt. Agencies and Other Levels of Govt	23,500,000	23,500,000	0
	Auctioneers Licensing Board	23,500,000	23,500,000	0
	GROSS EXPENDITURE KSHS			
	Net Expenditure Head 1260111.....KSHS			
	Net Expenditure Sub vote 2601.....KSHS			
	Total Net Expenditure vote R126 KSHS – The Judiciary	10,221,428,327	10,058,441,810	162,986,517

5.4 DEVELOPMENT APPROPRIATION ACCOUNT SUMMARY

DEVELOPMENT APPROPRIATION ACCOUNT SUMMARY				
Vote D 126 YEAR ENDED 30 TH JUNE 2013				
Sub-Vote	APPROVED ESTIMATES	ACTUAL EXPENDITURE	SURPLUS OF GROSS ESTIMATES OVER EXPENDITURE.	
	KSHS.	KSHS.		
Gross expenditure	1,936,075,729	1,916,872,037	KSHS. 19,203,692	
	NIL	NIL		
Net Total vote : D126			NET SURPLUS TO BE SURRENDERED TO EXCHEQUER	
			KSHS. 19,203,692	

5.5 VOTE D126 DEVELOPMENT ACCOUNT THE JUDICIARY

**DEVELOPMENT APPROPRIATIONS ACCOUNT
FOR THE YEAR ENDED JUNE 30TH 2013**

ITEM	TITLE AND DETAILS	Approved Estimates	Actual Expenditure	Over/Under Expenditure
	HEAD QUARTERS HIGH COURT STATIONS			
3110200	Non-residential Buildings	275,500,000	274,765,682	734,318
	GROSS EXPENDITURE KSHS			
	Net Expenditure HeadKSHS	275,500,000	274,765,682	734,318
	HEAD QUARTERS GENERAL			
3110100	Purchase of residential buildings	219,664,924	310,000,000	-90,335,076
3110200	Refurbishment of Non-residential Buildings	145,377,040	102,531,073	42,845,967
3111111	Purchase of ICT networking & communication equipment	640,000,000	605,485,395	34,514,605
	GROSS EXPENDITURE KSHS			
	Net Expenditure HeadKSHS	1,005,041,964	1,018,016,469	-12,974,505
	HEAD QUARTERS COURT OF APPEAL			
3110300	Refurbishment of Non-residential Buildings	3,630,540	3,630,540	0
3110200	Non-residential Buildings	15,864,865	15,864,865	0
	GROSS EXPENDITURE KSHS			
	Net Expenditure HeadKSHS	19,495,405	19,495,405	0

	HEAD QUARTERS JTI				
3110100	Purchase of Non-residential Buildings	480,000,000	479,809,128		190,872
	GROSS EXPENDITURE KSHS				
	Net Expenditure HeadKSHS	480,000,000	479,809,128		190,872
	HEAD QUARTERS HIGH COURT OF KENYA				
3110200	Non-residential Buildings	20,000,000	20,000,000	✓	0
3110300	Refurbishment of Non-residential Buildings	27,904,000	27,543,900	✓	360,100
	GROSS EXPENDITURE KSHS				
	Net Expenditure HeadKSHS	47,904,000	47,543,900		360,100
	HEAD QUARTERS MAGISTRATES & KADHI'S COURTS				
2630200	Capital grants to semi-autonomous agencies	60,661,000	26,380,028	✓	34,280,972
3110200	Non-residential Buildings	47,473,360	50,861,426	✓	-3,388,066
	GROSS EXPENDITURE KSHS				
	Net Expenditure HeadKSHS	108,134,360	77,241,454		30,892,906
	Total Net Expenditure vote R26 KSHS – The Judiciary	1,936,075,729	1,916,872,037		19,203,692

5.6 DEVELOPMENT ACCOUNT: STATEMENT OF ASSETS AND LIABILITIES

**STATEMENT OF ASSETS AND LIABILITIES
VOTE-D126 AS AT 30TH JUNE 2013**

	PRIOR YEARS	CURRENT YEAR CHANGES	TOTAL
	KSHS	KSHS	KSHS
ASSETS			
Exchequer	366,401,580.00	349,925,851	16,475,729.00
GAV (Excess Vote)	0	0	
Government Imprest	0	0	
Paymaster General Account	3,861,748.50	-1,133,787	2,727,961.79
Total Assets	370,263,328.50	-351,059,638	19,203,690.79
LIABILITIES			
General Account of Vote	370,263,328.50	-351,059,636.60	19,203,691.90
Retention Account	0	0.00	
Excess A-in-A	0	0.00	
District Account	0	0.00	
Total Liabilities	370,263,328.50	-351,059,636.60	19,203,691.90

5.7 REASONS FOR MATERIAL DIFFERENCES BETWEEN APPROVED AND ACTUAL RECURRENT & DEVELOPMENT EXPENDITURE

The KSHS 162,986,517.00 under expenditure for Recurrent Vote represents the net off of over and under expenditure for the vote in the financial year 2012/2013. The reason for the under expenditure is the late release of supplementary budget which was released towards the end of the financial year. The over expenditure resulted from supplementary budget cuts which went above our commitments and payments.

The KSHS 19,203,692.00 for Development Vote also represents a net off of over and under expenditure for the financial year 2012/2013. The reason for the under expenditure is the late release of supplementary budget which was released close to the end of the financial year. The over expenditure resulted from supplementary budget cuts which went above our commitments and payments.

Sign..... Date... 30/9/2013

DIRECTOR FINANCE

Sign..... Date... 30/9/2013

CHIEF REGISTRAR OF THE JUDICIARY/ACCOUNTING OFFICER

5.8 Revenue statement

REVENUE STATEMENT				
VOTE E 126 FOR YEAR ENDED THE 30 TH JUNE 2013				
Revenue Item Head	Estimated Receipts	Actual Receipts	Variance	
	KSHS	KSHS	KSHS	
Fines, forfeitures and other charges	1,410,574,516.00	1,481,034,392.70	70,459,877	
Add: Prior Year Balance				
Total Revenue	1,410,574,516.00	1,481,034,392.70	70,459,877	
Less Amount Transferred to Exchequer		1,481,034,392.70		
Revenue as at 30 th June 2013		NIL		NIL

Note: the increase in revenue was due to improved disposal of cases and collection control measures.

5.9 Statement of Arrears of Revenue as at 30th June 2013

Statement of arrears of revenue as at 30th June 2013

A	B	C=A+B
2011/2012	2012/2013	Closing
FINES & FORFEITURES	NIL	NIL

Sign.....  Date..... 30-9-2013

CHIEF ACCOUNTS CONTROLLER/DIRECTOR OF REVENUE

Sign.....  Date..... 30/9/2013

CHIEF REGISTRAR OF THE JUDICIARY/RECEIVER OF REVENUE

5.10 Deposits: Statement of Assets and Liabilities
The Judiciary: Vote E126

STATEMENT OF ASSETS AND LIABILITIES VOTE E126 AS AT 30 TH JUNE 2013			
	Prior Years	Current years changes	2013
	KSHS	KSHS	
ASSETS			
Paymaster General Account	975,176,191.50		2,423,705,298.70
District Account	34,848,965.10		
Total Assets	1,010,025,156.60		2,423,705,298.70
LIABILITIES			
General Deposits	927,969,553.15		2,423,705,298.70
Retention Account	82,055,603.45		
Total Liabilities	1,010,025,156.60		2,423,705,298.70

Sign..... *[Signature]* Date..... *30-9-2013*

CHIEF ACCOUNTS CONTROLLER/DIRECTOR OF REVENUE

Sign..... *[Signature]* Date..... *30/9/2013*

CHIEF REGISTRAR OF THE JUDICIARY/RECEIVER OF REVENUE

5.11 NOTES SUPPORTING THE FINANCIAL STATEMENTS

(1) Pending bills

(a) Pending bills under the Development Account of KSHS 156,645,568.65 arose due to an exchequer under issues of KSHS.156,428,327.00. Had the pending bills been paid, the appropriation account would reflect a balance of KSHS 217,241.65.

(b) Pending bills under the Recurrent Account of KSHS 24,873,773.35 arose due to an exchequer under issues of KSHS 162,986,517.00. Had the pending bills been paid, the appropriation account would reflect a balance of KSHS.138,112,743.70.

(2) Outstanding imprest and advances

The imprest outstanding at 30th June 2013 was KSHS. 2,738,707.95 has been recovered and accounted for after year end date.

The advances outstanding at 30th June 2013 was KSHS. 662,590.15 has been recovered and accounted for after year end date.