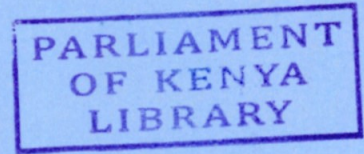


REPUBLIC OF KENYA




# REPORT



OF

# THE AUDITOR-GENERAL

|   |                                 |
|---|---------------------------------|
| <br>THE NATIONAL ASSEMBLY<br>PAPERS LAID |                                 |
| DATE: 04 MAR 2026   | DAY.<br>WED                     |
| TABLED BY:  | DEPUTY LEADER OF MAJORITY PARTY |
| CLERK-AT-THE-TABLE:   | V. WAMBUI                       |

ON

## DEPOSITS ACCOUNTABILITY STATEMENTS – THE JUDICIARY

FOR THE YEAR ENDED  
30 JUNE, 2025



REPUBLIC OF KENYA

# THE JUDICIARY



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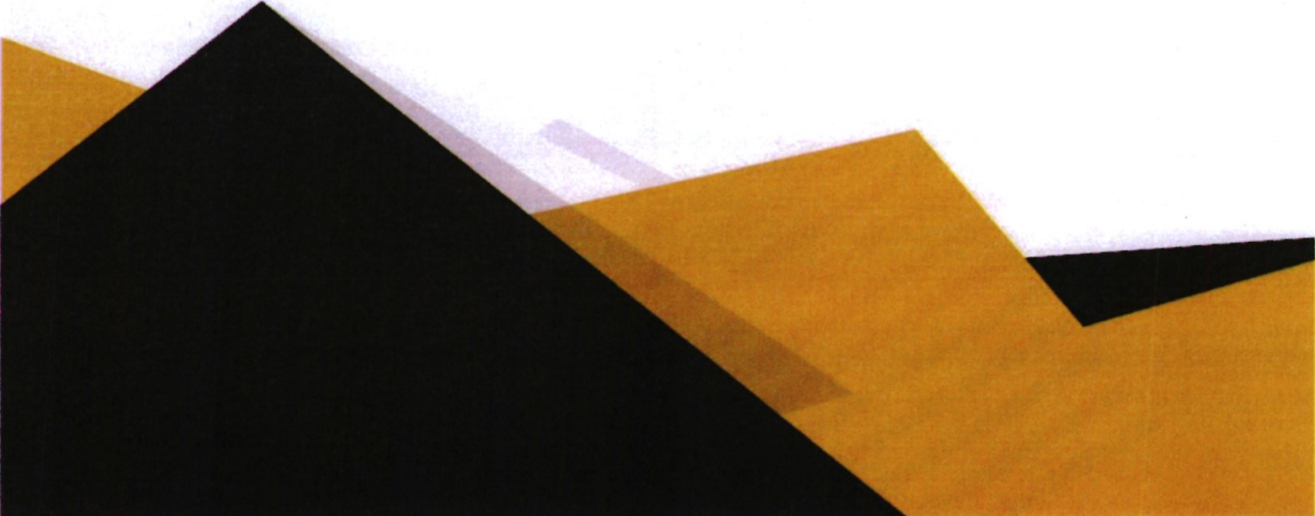
**DEPOSIT ACCOUNTABILITY STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**

**30 JUNE 2025**

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

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**THE JUDICIARY  
DEPOSITS ACCOUNTABILITY STATEMENTS AND ANNUAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2025**

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**I. Acronym and Glossary of Terms**

|       |  |
|-------|--|
| ADR   | Alternative Dispute Resolution                   |
| AJS   | Alternative Justice Systems                      |
| CRJ   | Chief Registrar of the Judiciary                 |
| CRTS  | Court Recording and Transcription System         |
| ELRC  | Employment and Labour Relations Court            |
| EMAR  | Environment Management Agency Requirements       |
| FY    | Financial Year                                   |
| ICT   | Information Communication Technology             |
| IPSAS | International Public Sector Accounting Standards |
| JCE   | Judiciary Committee on Elections                 |
| JF    | Judiciary Fund                                   |
| JSC   | Judicial Service Commission                      |
| KRA   | Key Result Areas                                 |
| NCAJ  | National Council for Administration of Justice   |
| NCLR  | National Council for Law Reporting               |
| OAG   | Office of the Auditor General                    |
| OCOB  | Office of the Controller of Budget               |
| PFM   | Public Finance Management                        |
| PSASB | Public Sector Accounting Standards Board         |
| SCC   | Small Claims Courts                              |
| STAJ  | Social Transformation through Access to Justice  |

**THE JUDICIARY  
DEPOSITS ACCOUNTABILITY STATEMENTS AND ANNUAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2025.**

**II. Key Information and Management**

The Judiciary is one of the three state organs established under chapter 10, article 159 of the constitution of Kenya. It establishes the Judiciary as an independent custodian of justice in Kenya. Its primary role is to exercise judicial authority given to it, by the people of Kenya. The institution is mandated to deliver justice in line with the constitution and other laws. It is expected to resolve disputes in a just manner with a view to protecting the rights and liberties of all, thereby facilitating the attainment of the ideal rule of law.

**(a) Background Information**

The Judiciary and its related Institutions (Judicial Service Commission (JSC), Kenya Law, Tribunals and the Kenya Judiciary Academy (KJA), perform the following functions;

1. Administration Of Justice
2. Formulation and Implementation of Judicial Policies
3. Compilation and Dissemination of Case Law and Other Legal Information for The Effective Administration of Justice

The judicial system in Kenya is defined by 15 articles spanning from article 159 (judicial authority) to article 173 (judiciary fund) contained in the constitution of Kenya 2010. The Judiciary discharges this mandate by developing jurisprudence and providing independent, accessible, fair and responsive fora for dispute resolution. Through interpretation of the constitution, the judiciary promotes the rule of law by shaping public policy and ensuring access to justice.

In Implementing this mandate, the Judiciary is guided by the following principles as stipulated under Article 159 (2) of the Constitution:

- a) Justice shall be done to all irrespective of status;
- b) Justice shall not be delayed;
- c) Alternative forms of dispute resolution including reconciliations, mediation, arbitration and traditional dispute mechanism shall be promoted;
- d) Justice shall be administered without undue regard to procedural technicalities; and
- e) The purpose and principles of the constitution shall be protected and promoted.

**THE JUDICIARY  
DEPOSITS ACCOUNTABILITY STATEMENTS AND ANNUAL REPORT  
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**Vision, Mission and Core Values**

**Vision**

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

**Mission**

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

**Core Values**

- i. Professionalism: we will exhibit the highest levels of competence, efficiency and excellence in executing our tasks.
- ii. Integrity: we will uphold the highest ideals of honesty, openness and veracity in service delivery.
- iii. Diligence: we shall be committed, dedicated and selfless to our duty
- iv. Transparency and accountability: we shall be open to public scrutiny, exercise good governance and take responsibility for our actions.
- v. Humility: we shall be modest in exercising powers given to us by the constitution

**(b) Key Management**

The Judiciary's Day-To-Day Management is under the Following Key Organs:

- Judicial Service Commission;
- Office Of Chief Justice and President of Supreme Court And
- Office Of Chief Registrar of Judiciary

**(c) Fiduciary Management**

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

| No | Designation                                      | Name                                |
|----|--|-------------------------------------|
| 1. | Chief Justice and President of the Supreme Court | Hon. Lady Justice Martha Koome, EGH |
| 2. | The Chief Registrar of the Judiciary             | Hon. Winfridah B. Mokaya, CBS       |
| 3. | Director Finance                                 | Ms. Beatrice Kamau                  |
| 4. | Director Accounts                                | CPA Wycliffe Wanga                  |
| 5. | Director Supply Chain Management                 | Mr. Jeremiah Nthusi                 |
| 6. | Director Human Resource & Administration         | Dr. Elizabeth Kalei                 |

**THE JUDICIARY  
DEPOSITS ACCOUNTABILITY STATEMENTS AND ANNUAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2025.**

| No  | Designation                                   | Name                    |
|-----|---|-------------------------|
| 7.  | Director Public Affairs & Communication       | Ms. Catherine Wambui    |
| 9.  | Director Planning & Organisation Performance  | Dr. Joseph Osewe        |
| 10. | Director Audit and Risk Management            | CPA Ronald Wanyama      |
| 11. | Director ICT                                  | Mr. Peter Kyalo         |
| 12. | Director, Building Services Unit              | Architect Maxwell Suero |
| 13. | Registrar Supreme Court                       | Hon. Letizia Wachira    |
| 14. | Registrar Court of Appeal                     | Hon. Moses Serem        |
| 15. | Registrar High Court                          | Hon. Clara Otieno       |
| 16. | Registrar Employment & Labour Relations Court | Hon. Kennedy Kandet     |
| 17. | Registrar Environment and Land Court          | Hon. Rose Makungu       |
| 18. | Registrar Magistrate Court                    | Hon. Caroline Kabucho   |
| 19. | Registrar Tribunals                           | Hon. Anne Asugah        |

**(d) Judiciary Headquarters**

P.O. Box 30041-00100  
Supreme Court Building  
City Hall Way  
Nairobi, Kenya

**(e) The Judiciary of Kenya Contacts**

Telephone: (254) 20-2221221  
E-Mail: [chiefregistrar@court.go.ke](mailto:chiefregistrar@court.go.ke)  
Website: [www.Judiciary.go.ke](http://www.Judiciary.go.ke)

**(f) Independent Auditors**

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

**(g) Principal Legal Adviser**

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

**(h) Bankers**

- (i) Central Bank of Kenya  
Haile Selassie Avenue  
P.O. Box 60000- 00200  
Nairobi, Kenya
- (ii) Kenya Commercial Bank Ltd  
Kencom House  
P.O. Box 60000 -00200  
Nairobi, Kenya

**THE JUDICIARY  
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**III. Statement of Governance**

The Judiciary is one of the three State organs established under Chapter 10, Article 159 of the Constitution of Kenya and Judicial services and administration is provided for under the Judicial Service Act 2011. Judiciary is established as an independent custodian of justice in Kenya whose primary role is to exercise judicial authority given to it, by the people of Kenya. The institution is mandated to deliver justice, in line with the Constitution and other laws, through resolution of disputes in a just manner with a view to protecting the rights and liberties of all.

In Kenya, the courts under the Constitution operate at two levels, namely; Superior and Subordinate courts. The Court system has been decentralized with the Supreme Court and the Court of Appeal having their own Presidents and the High Court having a Principal Judge as heads of the respective institutions.

The Supreme Court of Kenya is established under Article 163 of the Constitution of Kenya. It comprises of seven judges: the Chief Justice, who is the president of the Court, the Deputy Chief Justice, who is the deputy to the Chief Justice and the vice-president of the Supreme Court and five other judges.

The Court of Appeal is established under Article 164 of the Constitution of Kenya 2010. The High Court is established under Article 165 and it consists of a number of judges to be prescribed by an Act of Parliament. The Court is organized and administered in the manner prescribed by an Act of Parliament. The Court has a Principal Judge, who is elected by the judges of the High Court from among themselves.

The Judiciary also consists of the Environment and Land Court as well as the Employment and Labour Relations Court which are courts of equal status as the High Court. The Environment and Land Court is established under the Environment and Land Court Act 19 of 2011.

The Employment and Labour Relations Court is established under Article 162 (2) (a) of the Constitution of Kenya 2010. The Court is operationalised under the Employment and Labour Act No.20 of 2011. The subordinate courts are established under Article 169. They consist of the Magistrates' Courts, Kadhis Courts, Court Martial, and any other court or local Tribunal established by an Act of Parliament.

**THE JUDICIARY**  
**DEPOSITS ACCOUNTABILITY STATEMENTS AND ANNUAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2025**

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Under Article 161 (2) (c) of the Constitution the Chief Registrar of the Judiciary is the Chief Administrator and Accounting Officer of the Judiciary. Section 2(1)(c) of the Public Finance Management Act, 2012 (PFM Act) also designates the Chief Registrar of the Judiciary as the accounting officer.

The Chief Registrar of the Judiciary also provides an important link between the Judiciary and other players in the justice sector. This ensures a coordinated approach in the administration of justice in her capacity as the Secretary to the National Council on the Administration of Justice (NCAJ). Further with support from various administrative units, she is responsible for facilitating and coordinating Courts to deliver services in line with Constitution of Kenya.

Section 14 of Part III of the Judicial Service Act provides for delegation of functions of the Commission to committees. The purpose for establishment of committees is to create structures for articulating goals and strategic plans, define a particular function in detail, and pool specialized expertise and knowledge in a given subject.

**THE JUDICIARY  
DEPOSITS ACCOUNTABILITY STATEMENTS AND ANNUAL REPORT  
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**IV. Statement by the Chief Registrar of the Judiciary**

The Judiciary holds deposits that may be reclaimed by the original depositors and, therefore, do not constitute Judiciary-owned assets. To streamline deposit administration, over 145 bank accounts previously maintained by individual Court Stations were consolidated into a single account. Nevertheless, each court station continues to maintain detailed records of depositors whose cases are under its jurisdiction, covering deposits such as cash bail, surety amounts, cash bonds, and funds suspected to be proceeded of crime. Other categories include cash confiscated from *drug traffickers and amounts exceeding statutory limits brought into the country.*

The Judiciary remains steadfast in pursuing its strategic agenda, guided by the Social Transformation through Access to Justice (STAJ) framework, other policy instruments, and insights from environmental analyses. This vision recognizes justice as a broad, cross-cutting, and multifaceted societal need, affirming every citizen's right to fair treatment. The Chief Justice acknowledges all citizens as key stakeholders in the justice system and affirms that the Judiciary's greatest resource is its people.

Priority continues to be placed on improving case clearance rates and reducing case backlogs. These efforts directly impact the management of court deposits, as the resolution of cases determines whether such funds are released or forfeited. During the reporting period, 617,848 cases were registered – an increase of 19.83% from the 515,620 cases in FY2023/2024, representing 102,228 additional cases. The case clearance rate improved from 101% in FY2023/2024 to 102.4% in FY2024/2025, while the case backlog declined by 30%, reflecting notable progress in judicial efficiency.

The Judiciary remains committed to ensuring that public funds entrusted to it are managed efficiently and in full compliance with applicable laws.

  
.....  
Hon. Winfridah B. Mokaya, CBS  
Chief Registrar of the Judiciary

**THE JUDICIARY  
DEPOSITS ACCOUNTABILITY STATEMENTS AND ANNUAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2025**

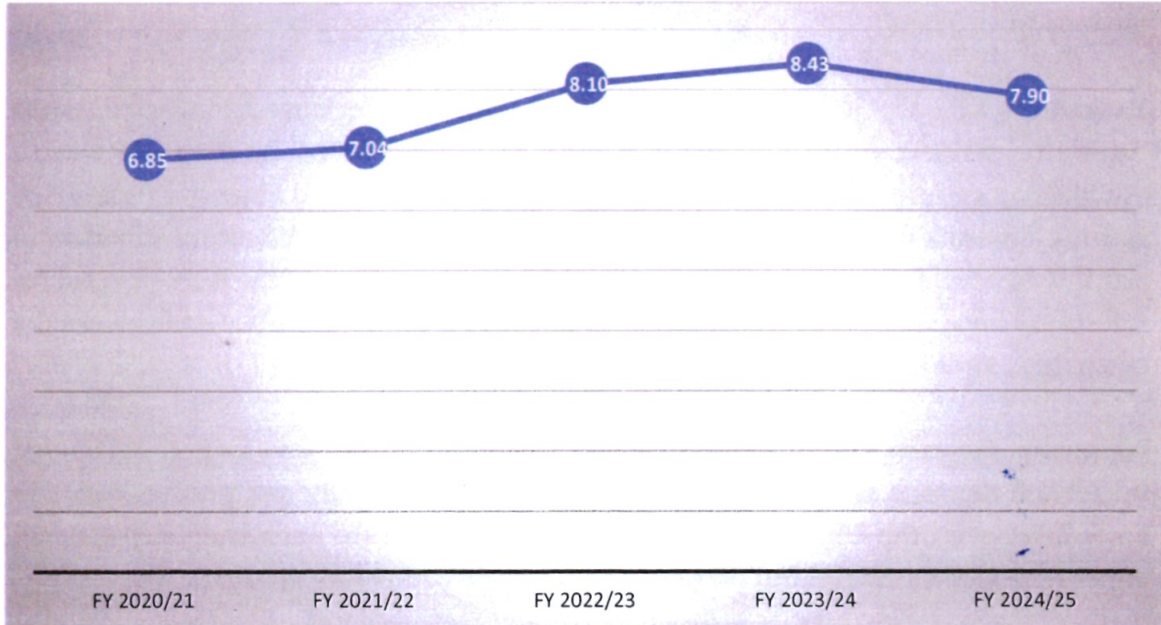
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**V. Management discussion and analysis**

Court deposits refer to funds held in trust by the Judiciary as a safeguard while a court case is ongoing. These deposits may be refunded upon conclusion of the proceedings, subject to a court order authorizing the refund. Court deposits may take various forms, including cash bail, bond securities, land title deeds, vehicle logbooks, fixed deposit certificates, travel documents, and pay slips.

Cash deposits do not constitute revenue for either the Judiciary or the Government while the case remains unresolved. However, once a case is concluded, the depositor may request that the bail or bond amount be applied toward any fines imposed. Additionally, deposits may be forfeited to the state if the accused fails to comply with the terms of their bail or bond.

Correspondingly, the Judiciary held substantial court deposits across its stations. By the close of FY2024/2025, the total value of court deposits stood at KSh7.90 billion, reflecting a decrease of KSh.0.53 billion compared to the previous financial year. The decline represented deposits not migrated from old system as they await verification.



**Figure 6.1: Trend on deposits balances, KSh. Billion**

The Judiciary has maintained a strong focus on enhancing case clearance and reducing the backlog of pending cases. This strategic emphasis has a direct correlation with the

**THE JUDICIARY  
DEPOSITS ACCOUNTABILITY STATEMENTS AND ANNUAL REPORT  
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volume of court deposits held, as the progression of cases affects the release or forfeiture of such funds. During the reporting period, a total of 617,848 cases were registered, representing a 19.83% increase from 515,620 cases recorded in FY2023/2024—an increment of 102,228 cases. The case clearance rate improved from 101% in FY2023/2024 to 102.4% in FY2024/2025, while the overall case backlog reduced by 30%, marking significant progress in judicial efficiency.

It is important to note that court deposits paid in cash—such as bail or bond—do not constitute revenue for the Judiciary or the Government. These funds are held in trust and may be refunded to the depositor upon the conclusion of a case. In certain circumstances, the deposits may be applied towards the payment of fines or forfeited to the State if the accused fails to adhere to bail or bond conditions.

**Unclaimed Court Deposits**

Unclaimed court deposits are funds held by courts that have not been collected by the rightful owners or beneficiaries after the conclusion of legal proceedings and the issuance of refund orders. These amounts often remain unclaimed due to factors such as lack of awareness, death of the depositor, or unresolved issues regarding rightful ownership.

To address this, the Judiciary, in partnership with the Unclaimed Financial Assets Authority (UFAA), formed a joint task force in August 2022. The objective was to establish procedures that support compliance with the Unclaimed Financial Assets Act, identify deposits that fall under the scope of the Act, facilitate the return of assets to rightful owners, and create awareness among Judiciary staff about the Act's provisions. Efforts to trace and notify potential claimants have included public notices, media campaigns, radio programs, and direct outreach.

Following the task force's recommendations, court stations have begun reviewing unclaimed deposits associated with closed case files to identify and process funds in accordance with the UFA Act. This initiative aims to ensure unclaimed deposits are either refunded to the rightful parties or handled as required by law.

**THE JUDICIARY**  
**DEPOSITS ACCOUNTABILITY STATEMENTS AND ANNUAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2025**

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**VI. Statement of Management Responsibilities**

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer for a National Government Entity shall prepare financial statements in respect of that entity. Section 81 (2) (d) requires the financial statements so prepared include a statement of the entity's assets and liabilities and deposits.

The Accounting Officer in charge of the Judiciary is responsible for the preparation and presentation of the Judiciary's financial statements, which give a true and fair view of the state of affairs of the Judiciary for and as at the end of the year ended on 30<sup>th</sup> June 2024.

This responsibility includes:

- (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting Year;
- (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity;
- (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud;
- (iv) Safeguarding the assets of the Judiciary;
- (v) Selecting and applying appropriate accounting policies; and
- (vi) Making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the Judiciary accepts responsibility for the Judiciary's Unclaimed Deposit Statements, which have been prepared on the Accrual basis of Financial Reporting, using appropriate accounting policies in accordance with IPSAS. The Accounting Officer is of the opinion that these Statements give a true and fair view of the state of the Deposit transactions during the year ended 30<sup>th</sup> June 2025, and of the Judiciary's financial position as at that date. The Accounting Officer in charge of Judiciary further confirms the completeness of the accounting records maintained for the Judiciary, which have been relied upon in the preparation of the Unclaimed Deposit's Statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the Judiciary confirms that the Judiciary has complied fully with applicable Government Regulations. Further the Accounting Officer

**THE JUDICIARY**  
**DEPOSITS ACCOUNTABILITY STATEMENTS AND ANNUAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2025**

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confirms that the Judiciary's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

**Approval of the Financial Statements**

The Deposits Accountability statements were approved and signed by the Accounting Officer on <sup>25<sup>th</sup></sup>.....November, 2025.

.....  
Hon. Winfridah B. Mokaya, CBS  
Chief Registrar of the Judiciary

.....  
CPA Wycliffe Wanga - ICPAK No: 3209  
Director Accounts

# REPUBLIC OF KENYA

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NAIROBI

## **REPORT OF THE AUDITOR-GENERAL ON DEPOSITS ACCOUNTABILITY STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2025 – THE JUDICIARY**

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### **PREAMBLE**

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

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

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

The three parts of the report 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**

#### **Qualified Opinion**

I have audited the accompanying financial statements of Deposits Accountability Statements -The Judiciary set out on pages 1 to 14, which comprise of the statement of financial position as at 30 June, 2025, and the statement of financial performance,

statement of changes in net assets, statement of cash flows and the 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, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Deposit Accountability Statements -The Judiciary as at 30 June, 2025, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Judicial Service Act, 2011 and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **Unsupported Adjustment**

The statement of changes in net assets reflects total refunds and transfers of Kshs.5,379,630,310, which is reported net of an in-year adjustment balance of Kshs.239,148,610. Although Management stated that the adjustment related to deposit balances not backed by cash or accurate records, no detailed schedule of depositors was provided to support the adjustment.

In the circumstances, the accuracy and completeness of total refunds and transfers of Kshs.5,379,630,310 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Deposits Accountability Statements-The Judiciary Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

### **Emphasis of Matter**

#### **Loss of Cash Deposits**

The statement of financial position reflects third party deposits balance of Kshs.8,251,167,140 as disclosed in Note 10 to the deposit accountability statements. However, as previously reported, the deposits, includes deposits amounting to Kshs.146,615,252 lost through theft by staff members in Embu, Malindi, Molo, Nakuru Courts and Judiciary Headquarters in 2017/2018 and prior financial years. Although the matter was referred to the Directorate for Criminal Investigation and Assets Recovery Agency, the amounts had not been recovered as at 30 June, 2025.

In the circumstances, the assets available may not be adequate to cover the third-party deposit liabilities due to the unrecovered losses.

My opinion is not modified in respect of this matter.

## Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

## Other Matter

### Unresolved Prior Year Matters

In the prior year's' audit report, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. Review of the status during the audit of the 2024/2025 financial year revealed that the following six (6) issues remained unresolved:

| No. | Financial Year | Audit Issue  |
|-----|----------------|--|
| 1   | 2023/2024      | Failure to Disclose Budget Amounts   |
| 2   | 2023/2024      | Unsupported Long-Outstanding Reconciliation Items                              |
| 3   | 2023/2024      | Lost Deposits During the Delinking of The Judiciary                            |
| 4   | 2023/2024      | Loss of Cash Deposits  |
| 5   | 2023/2024      | Failure to Submit Monthly Bank Reconciliation Statements and Quarterly Reports |
| 6   | 2023/2024      | Lack of Internal Audit Reports   |

## Other Information

The Management is responsible for the Other Information set out on pages iii to xii, which comprise of Key Information and Management, Statement of Governance, Statement by the Chief Registrar of the Judiciary, Management Discussion and Analysis and Statement of Management's Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Deposit Accountability Statements, my responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. Based on the audit procedures performed and the matters described in my Basis for Qualified Opinion, I confirm that Other Information is not materially inconsistent with the financial statements.

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

## REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

### **Conclusion**

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

#### **Failure to Submit Monthly Bank Reconciliations Statements and Quarterly Reports**

During the year under review, Management did not prepare and submit to the Auditor-General monthly bank reconciliation statements for Judiciary deposits, including the station deposits bank accounts. This is contrary to Regulation 90(1) of the Public Finance Management (National Government) Regulations, 2015, which requires Accounting Officers to prepare bank reconciliation statements not later than the 10<sup>th</sup> of the subsequent month and submit a copy to The National Treasury with a copy to the Auditor-General.

Further, Management did not prepare and submit copies of quarterly deposit reports to the Auditor-General as required by Regulation 65 of the Public Finance Management (National Government) Regulations, 2015.

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

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

## REPORT ON THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effect of the matters described in the Basis for conclusion on the 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. Unreconciled Deposit Balances During Migration to Enterprise Resource Planning (ERP) System**

During the migration from the Judiciary Financial Management Integrated System (JFIMS) to the Jumuika ERP platform, a sample of five (5) court stations in Voi, Malindi,

Kilifi, Kwale, and Mombasa High Court revealed that total deposits of Kshs.402,400,261 were successfully migrated to Jumuika Enterprise Resource Planning, compared to a total of Kshs.640,297,105 recorded in JFIMS before migration. This resulted in a variance of Kshs.237,896,844 between the total deposits held before migration and those reflected in the new system for the sampled stations. Further, deposit balances pending verification in the old system were not reconciled with the cash book balances before migration.

In the circumstances, the effectiveness of the internal controls over the ICT systems used for data migration and processing of the deposits could not be confirmed, raising concerns about data integrity and completeness.

## **2. Undisclosed Non-Cash Deposits**

Review of deposit balances and supporting documentation revealed that the Asset Disposal Plan for the year includes items forfeited to the Judiciary. However, the Judiciary's deposit records do not reflect non-cash assets such as bonds, land title deeds, vehicle logbooks, fixed deposit certificates, travel documents and other security documents held on behalf of plaintiffs. The omission of these non-cash deposits indicates weaknesses in the existing internal control systems for identifying, recording and reporting deposits.

In the circumstances, the effectiveness of the internal controls over deposit management could not be confirmed, increasing the risk of misstatement and loss or misappropriation of non-cash deposits.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk management and overall governance were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

### **Responsibilities of the 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 controls 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 Judiciary's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the

activities, financial transactions and information reflected in the financial statements comply with the authorities which govern them and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing The Judiciary's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

### **Auditor-General's Responsibilities for the Audit**

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The ISSAIs requires that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

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

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

  
FCPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**

**Nairobi**

**16 December, 2025**

**THE JUDICIARY  
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**VIII. Statement of Financial Performance for the Year Ended 30 June 2025**

|   | Note | 30-Jun-2025                 | 30-Jun-2024                 |
|---|------|-----------------------------|-----------------------------|
| <b>Income</b>                             |      | <b>KShs</b>                 | <b>KShs</b>                 |
| <b>Revenue from exchange transactions</b> |      |                             |                             |
| Interest Income on deposits               | 6    | <u>655,857,229</u>          | <u>439,901,837</u>          |
| <b>TOTAL INCOME</b>                       |      | <u><b>655,857,229</b></u>   | <u><b>439,901,837</b></u>   |
| <b>PAYMENTS</b>                           |      |                             |                             |
| Transfer to Revenue                       | 7    | <u>(291,351,792)</u>        | <u>(268,424,279)</u>        |
| <b>TRANSFER TO REVENUE</b>                |      | <u><b>(291,351,792)</b></u> | <u><b>(268,424,279)</b></u> |
| <b>SURPLUS/DEFICIT</b>                    |      | <u><b>364,505,437</b></u>   | <u><b>171,477,559</b></u>   |

Interest is earned on deposit balances at the rate of 12% payable on a quarterly basis. Interest earned is transferred to revenue and subsequently to the Exchequer. Expenses incurred in management of Deposits are absorbed by the Judiciary hence no management cost on this report. The Judiciary has separate financial statements in line with the PFM Act.

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Deposits Accountability Statements were approved on <sup>25<sup>th</sup></sup> November, 2025 and signed by:

.....  
  
 Hon. Winfridah B. Mokaya, CBS  
 Chief Registrar of the Judiciary


.....  
  
 CPA Wycliffe Wangwa - ICPAK No: 3209  
 Director Accounts


**THE JUDICIARY  
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**IX. Statement of Financial Position as at 30th June 2025**

|                                       | Note | 30-Jun-2025                 | 30-Jun - 2024               |
|---------------------------------------|------|-----------------------------|-----------------------------|
| <b>Financial Assets</b>               |      | <b>KShs</b>                 | <b>KShs</b>                 |
| <b>Current Assets</b>                 |      |                             |                             |
| Cash And Cash Equivalents             | 8    | 7,898,228,667               | 8,432,972,935               |
| Other Receivables                     | 9    | <u>888,921,469</u>          | <u>171,477,559</u>          |
|                                       |      |                             |                             |
| <b>Total Assets</b>                   |      | <b><u>8,787,150,136</u></b> | <b><u>8,604,450,494</u></b> |
|                                       |      |                             |                             |
| <b>Liabilities and Reserves</b>       |      |                             |                             |
| Third Party Deposits                  | 10   | <u>8,251,167,140</u>        | <u>8,432,972,935</u>        |
|                                       |      |                             |                             |
| <b>Total Payables</b>                 |      | <b><u>8,251,167,140</u></b> | <b><u>8,432,972,935</u></b> |
|                                       |      |                             |                             |
| <b>Represented By</b>                 |      |                             |                             |
| Interest Payable                      |      | <u>535,982,996</u>          | <u>171,477,559</u>          |
|                                       |      |                             |                             |
| <b>Total Liabilities and Reserves</b> |      | <b><u>8,787,150,136</u></b> | <b><u>8,604,450,494</u></b> |

The accounting policies and explanatory notes to these Deposit accountability statements form an integral part of the financial statements. The statements were approved on <sup>25<sup>th</sup></sup>.....November, 2025 and signed by:

  
.....  
Hon. Winfridah B. Mokaya, CBS  
Chief Registrar of the Judiciary


  
.....  
CPA Wycliffe Wanga - ICPAK No: 3209  
Director Accounts


**THE JUDICIARY  
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**X. Statement of Cash Flows for the Year Ended 30<sup>th</sup> June 2025**

|   | Note | 30-Jun-2025                 | 30-Jun-2024                 |
|---|------|-----------------------------|-----------------------------|
| <b>Cash Flow from Operating Activities</b>            |      | <b>KShs</b>                 | <b>KShs</b>                 |
| <b>Receipts</b>                                       |      |                             |                             |
| Deposits Received during the year                     |      | 5,077,950,282               | 3,784,772,763               |
| Interest earned during the year                       |      | <u>655,857,229</u>          | <u>268,424,279</u>          |
| <b>Total Receipts</b>                                 |      | <b><u>5,733,807,511</u></b> | <b><u>4,053,197,042</u></b> |
| <b>Payments</b>                                       |      |                             |                             |
| Refunds to depositors                                 |      | 4,598,493,397               | 3,141,919,440               |
| Conversions   |      | 58,482,630                  | 81,631,722                  |
| Forfeitures   |      | 192,153,881                 | 229,026,130                 |
| Transfer to Receiver of Revenue                       |      | <u>291,351,792</u>          | <u>273,302,947</u>          |
| <b>Total Payments</b>                                 |      | <b><u>5,140,481,700</u></b> | <b><u>3,725,880,239</u></b> |
| <b>Cash flows generated from operating activities</b> | 11   | <b>593,325,811</b>          | <b>327,316,803</b>          |
| <b>Opening Cash and Cash equivalent</b>               |      | <b>8,432,972,935</b>        | <b>8,432,972,934</b>        |
| Non cash deposits included in opening balance         |      | (888,921,469)               | (327,316,802)               |
| Unclassified deposits                                 |      | <u>(239,148,610)</u>        | <u>-</u>                    |
| <b>Cash And Cash Equivalent at End of The Year</b>    |      | <b><u>7,898,228,667</u></b> | <b><u>8,432,972,935</u></b> |

The accounting policies and explanatory notes to these statements form an integral part of the Deposit Accountability Statements. The Statements were approved on 25<sup>th</sup>.....November, 2025 and signed by:

  
.....  
Hon. Wifridah B. Mokaya, CBS  
Chief Registrar of the Judiciary


  
.....  
Wycliffe Wanga – ICPAK No: 3209  
Director Accounts


THE JUDICIARY  
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XI. Statement of Changes in Net Assets for The Year Ended 30<sup>th</sup> June 2025.

|  | 30-Jun-2025                  | 30-Jun-2024                  |
|--|------------------------------|------------------------------|
|  | KShs                         | KShs                         |
| Opening Balance as at 1 <sup>st</sup> July   | 8,432,972,934                | 8,105,656,133                |
| Add: Interest Earned                         | 655,857,229                  | 439,901,837                  |
| Additional Deposits Received during the year | <u>5,077,950,282</u>         | <u>3,784,772,762</u>         |
| <b>TOTAL</b>                                 | <b><u>14,166,780,446</u></b> | <b><u>12,330,330,732</u></b> |
| Less: Refunds during the year                | 4,598,493,397                | 3,141,919,440                |
| <i>Transfers to revenue Statements</i>       |                              |                              |
| • Conversions/Utilizations                   | 58,482,630                   | 81,631,722                   |
| • Forfeitures                                | 192,153,881                  | 229,026,130                  |
| • Interest transferred                       | 291,351,792                  | 273,302,947                  |
| <i>Revenue in arrears</i>                    | -                            | 171,477,559                  |
| In year adjustment                           | <u>239,148,610</u>           | <u>-</u>                     |
| <b>Total Refunds and Transfers</b>           | <b><u>5,379,630,310</u></b>  | <b><u>3,897,357,798</u></b>  |
| <b>BALANCE AS AT 30 JUNE</b>                 | <b><u>8,787,150,136</u></b>  | <b><u>8,432,972,935</u></b>  |

The Deposits Accountability Statements were approved on <sup>25<sup>th</sup></sup> November, 2025 and signed by:

  
.....  
Hon. Winifidah B. Mokaya  
Chief Registrar of the Judiciary

  
.....  
CPA Wycliffe Wanga - ICPAK No: 3209  
Director Accounts

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**XII. Statement of Comparison of Budget and Actual Cash Amounts for FY2024/2025:**

| Item                          | Original Budget | Adjustments  | Final Budget | Actual on comparable basis | Performance Difference      | Remarks  |
|-------------------------------|-----------------|--------------|--------------|----------------------------|-----------------------------|----------|
| <b>RECEIPTS</b>               | <b>KShs.</b>    | <b>KShs.</b> | <b>KShs.</b> | <b>KShs.</b>               | <b>KShs.</b>                |          |
| Interest Income               | =               | =            | =            | <u>655,857,229</u>         | <u>(655,857,229)</u>        |          |
| <b>PAYMENTS</b>               |                 |              |              |                            |                             |          |
| Transfer to Exchequer         | -               | -            | -            | <u>291,351,792</u>         | <u>(292,351,792)</u>        |          |
| <b>Surplus for the period</b> | <b>=</b>        | <b>=</b>     | <b>=</b>     | <b><u>364,505,437</u></b>  | <b><u>(364,505,437)</u></b> | <b>=</b> |

The Deposits Accountability Statements were approved on <sup>25<sup>th</sup></sup>.....November, 2025 and signed by:



.....  
Hon. Winfridah B. Mokaya  
Chief Registrar of the Judiciary



.....  
CPA Wycliffe Wanga - ICPAK No: 3209  
Director Accounts

**THE JUDICIARY  
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**XIII. Notes to the Deposit Accountability Statements**

**1. General Information**

The Deposit balances represent cash deposits held by the Judiciary for Litigants during pendency of a court case. The deposits are refundable at the conclusion of a court process or forfeited to state as Fines. The deposits are held and managed by the Judiciary.

**2. Statement of compliance and basis of preparation**

The Deposit Accountability Statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The statements are prepared on the Accrual Basis of Accounting and applicable government legislations and regulations. The statements comply with and conform to the form of presentation prescribed by the Public Sector Accounting Standards Board of Kenya. The accounting policies adopted have been consistently applied to all the years presented. The cash flow statement is prepared using the indirect method.

**3. Reporting Entity**

The Statements are for the court Deposits by the Judiciary. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012.

**4. Reporting Currency**

The financial statements are presented in Kenya Shillings (KShs), which is the functional and reporting currency of the Government and all values are rounded to the nearest Kenya Shilling.

**5. Significant Accounting Policies**

The following accounting policies have been consistently applied by the Judiciary for all the Years presented.

**a) Recognition of revenue and expenses**

The Judiciary recognises all revenues from the various sources when the event occurs. In addition, the Judiciary recognises all expenses when the event occurs.

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**i) Interest Income**

Interest income is accrued on a time proportion basis using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the gross outstanding deposit at bank to determine interest income in each period.

**ii) Forfeitures**

Forfeitures are deposits transferred to revenue as fines upon conclusion of a case. Forfeitures are recognised once a court order is issued to forfeit the deposit or convert the deposit to fine.

**b) Budget Information**

The Outstanding deposits are as a result of court process and therefore not budgeted for. Expenses related to deposit management are borne by the Judiciary.

**c) Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial Year.

**d) Restriction on Cash**

Restricted cash represents amounts that are limited/restricted from being used to settle a liability for at least twelve months after the reporting period. This cash is limited for direct use as required by stipulation. Amounts maintained in deposit bank accounts are restricted for use in refunding third party deposits and retentions. As of 30<sup>th</sup> June 2025, this amounted to **KSh.7,898,228,667**. There were no other restrictions on cash during the year.

**e) Third Party Deposits and Retentions**

Court deposits and retentions held on behalf of third parties are recognised as liabilities under accounts payable. These amounts represent funds received by the Judiciary in trust for litigants or other parties, including deposits related to

**THE JUDICIARY  
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court cases, cash bails, bonds, and retentions on contracted services and works. Such balances remain payable until the underlying legal or contractual obligations have been satisfied.

**f) Comparative Figures**

The comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation. This is the first year of preparation of the Deposit Accountability Statements.

**g) Subsequent Events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2025.

**h) Related Party Transactions**

Related party means parties are related if one party has the ability to:

- a) Control the other party or
- b) Exercise significant influence over the other party in making financial and operational decisions, or if the related party entity and another entity are subject to common control.
- c) Related party transaction is a transfer of resources or obligations between related parties regardless of whether a price is charged.

**i) Contingent Liabilities**

A contingent liability is:

- a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- b) A present obligation that arises from past events but is not recognised because:
  - i) It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
  - ii) The amount of the obligation cannot be measured with sufficient reliability.

Some of contingent liabilities may arise from: litigation in progress, guarantees, and indemnities. Letters of comfort/ support, insurance, Public Private Partnerships.

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DEPOSIT ACCOUNTABILITY STATEMENTS  
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**6) Interest Income**

|              | 30-Jun-25                 | 30-Jun-24                 |
|--------------|---------------------------|---------------------------|
|              | Kshs                      | Kshs                      |
| Quarter 1    | 148,911,329               | 56,537,118                |
| Quarter 2    | 125,608,919               | 57,182,150                |
| Quarter 3    | 197,226,528               | 58,725,634                |
| Quarter 4    | <u>184,110,454</u>        | <u>267,456,936</u>        |
| <b>Total</b> | <b><u>655,857,229</u></b> | <b><u>439,901,837</u></b> |

**7) Transfer To Revenue**

|              | 30-Jun-25                 | 30-Jun-24                 |
|--------------|---------------------------|---------------------------|
|              | KShs                      | KShs                      |
| Quarter 1    | 82,401,490                | 56,537,118                |
| Quarter 2    | -                         | 57,182,150                |
| Quarter 3    | 173,351,982               | 58,725,634                |
| Quarter 4    | <u>35,598,319</u>         | <u>95,979,377</u>         |
| <b>Total</b> | <b><u>291,351,792</u></b> | <b><u>268,424,279</u></b> |

**8) Cash And Bank Accounts**

|                    | 30-Jun-25            | 30-Jun-24            |
|--------------------|----------------------|----------------------|
|                    | KShs                 | KShs                 |
| Bank Accounts (6A) | <u>7,898,228,667</u> | <u>8,432,972,935</u> |

**8A) Bank Accounts**

|  | 30-Jun-25                   | 30-Jun-24                   |
|--|-----------------------------|-----------------------------|
|  | KShs                        | KShs                        |
| <b>Central Bank of Kenya (CBK), A/c No. &amp; Type</b> |                             |                             |
| CBK: 1000589377 - Dep - Judiciary Fund                 | 580,482,722                 | 618,924,979                 |
| CBK: 1000182342 - Dep - Judiciary                      | 38,763,340                  | 38,763,340                  |
| KCB Single A/C   | 6,722,218,051               | 0                           |
| <i>Various Commercial Banks</i>                        | <u>556,764,555</u>          | <u>7,775,284,616</u>        |
| <b>Total</b>   | <b><u>7,898,228,667</u></b> | <b><u>8,432,972,935</u></b> |

**9) Receivables**

|                         | 30-Jun-2025               | 30-Jun-2024               |
|-------------------------|---------------------------|---------------------------|
|                         | KShs                      | KShs                      |
| Recoverable through AIA | 352,938,473               | -                         |
| Interest Receivable     | <u>535,982,996</u>        | <u>171,477,559</u>        |
| <b>Total</b>            | <b><u>888,921,469</u></b> | <b><u>171,477,559</u></b> |

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DEPOSIT ACCOUNTABILITY STATEMENTS  
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*Receivables aging analysis.*

|                | FY2024/2025               | % of the Total | FY2023/2024               | % of the Total |
|----------------|---------------------------|----------------|---------------------------|----------------|
|                | KShs                      |                | KShs                      |                |
| Under one year | 364,505,437               | 100%           | 171,477,559               | 100%           |
| 1-2 year       | 171,477,559               |                | -                         |                |
| 2-3 year       | -                         |                | -                         |                |
| Over 3 years   | 352,938,473               |                | -                         |                |
| <b>Total</b>   | <b><u>888,921,469</u></b> |                | <b><u>171,477,559</u></b> |                |

**10) Third Party Deposits and Retention**

|                             | 30-Jun-2025                 | 30-Jun-2024                 |
|-----------------------------|-----------------------------|-----------------------------|
|                             | KShs                        | KShs                        |
| General Deposits - HQs      | 619,246,060                 | 657,688,319                 |
| General Deposits - Stations | <u>7,631,921,079</u>        | <u>7,775,284,616</u>        |
|                             | <b><u>8,251,167,140</u></b> | <b><u>8,432,972,935</u></b> |
| <b>Ageing analysis:</b>     |                             |                             |
| Under one year              | 1,891,629,447               | 2,043,487,411               |
| 1-2 years                   | 1,513,568,632               | 1,354,602,257               |
| 2-3 years                   | 986,638,147                 | 1,051,209,217               |
| Over 3 years                | <u>3,859,330,913</u>        | <u>3,983,674,050</u>        |
| <b>Total</b>                | <b><u>8,251,167,139</u></b> | <b><u>8,432,972,935</u></b> |

**Note:** Not Included in the third part deposits and retentions are losses reported previously in Embu, Malindi, Molo, Nakuru Law Courts and Judiciary headquarters totaling KSh.146,615,052. The losses were reported to investigating agencies including the Assets Recovery Authority for prosecution and recovery.

**11) Cash Generated from Operating activities**

|  | 30-Jun-25                 | 30-Jun-24                 |
|--|---------------------------|---------------------------|
|  | KShs                      | KShs                      |
| Surplus From Interest Income                   | 364,505,437               | 171,477,559               |
| <b>Working Capital Changes</b>                 |                           |                           |
| Increase In Receivables                        | (717,443,910)             | -166,598,890              |
| Decrease In Payables                           | (181,805,795)             | 332,195,471               |
| Non-Cash deposits included in opening balances | 888,921,469               | (9,757,336)               |
| Unclassified deposits                          | <u>239,148,610</u>        | -                         |
| <b>Net Cash from Operating Activities</b>      | <b><u>593,325,811</u></b> | <b><u>327,316,802</u></b> |

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**12) (Increase)/ Decrease in Receivables**

|   | 30-Jun-2025               | 30-Jun-2024                 |
|---|---------------------------|-----------------------------|
|   | KShs                      | KShs                        |
| Receivables as at 1 <sup>st</sup> July (a)          | 171,477,559               | 4,878,669                   |
| Receivables as at 30 <sup>th</sup> June (b)         | <u>888,921,469</u>        | <u>171,477,559</u>          |
| <b>(Increase)/Decrease in Receivables (c=(b-a))</b> | <b><u>717,443,910</u></b> | <b><u>(166,598,890)</u></b> |

**13) Increase/ (Decrease) In Third-Party Deposits**

|  | 30-Jun-25                   | 30-Jun-24                 |
|--|-----------------------------|---------------------------|
|  | KShs                        | KShs                      |
| Payables as at 1 <sup>st</sup> July (d)          | 8,432,972,935               | 8,100,777,464             |
| Payables as at 30 <sup>th</sup> June (e)         | <u>8,251,167,140</u>        | <u>8,432,972,935</u>      |
| <b>(Increase)/Decrease in Payables (f=(e-d))</b> | <b><u>(181,805,795)</u></b> | <b><u>332,195,471</u></b> |

**14) Other Important Disclosures**

**14.1 Contingent Assets**

|                             | 30-Jun-25          |
|-----------------------------|--------------------|
|                             | KShs               |
| Receivable per TNT approval | <u>352,938,473</u> |

The Judiciary is in the process of verifying historical court files in instances where financial records were previously not well maintained by the Sub-County Treasuries (Previously District Accountant). This verification may identify case files with unrecorded deposit payables relating to funds held in trust for litigants and other parties. As the review is ongoing, the existence and amount of any such liabilities cannot be reliably measured at this stage. Accordingly, no provision has been recognised, and any amounts identified will be recorded once confirmed in accordance with IPSAS 19 requirements.

**THE JUDICIARY  
DEPOSIT ACCOUNTABILITY STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2025**

**Appendix I: Implementation of OAG recommendations on Judiciary Deposits Accountability statements for the year ended 30 June, 2024.**

| S/N | Matter Noted                                   | Recommendation by OAG   | Action Taken   | Status   |
|-----|--|---|--|--|
| 1.  | Failure to Disclose Budget Amounts             | Management to ensure that all balances in the financial statements are adequately disclosed, supported and reconciled   | The Judiciary to engage the CS for inclusion of interest on deposit as part of revenue estimates for the Judiciary.  | Pending  |
| 2.  | Unsupported Long Outstanding Reconciling Items | Management should ensure that all balances in the financial statements are adequately supported.  | The KShs.352,938,473 receipts in the cash books not in bank statements relates to un-transferred deposits from National Sub-County Treasuries upon de-linking of Judiciary accounting services from the District Treasuries. The analysis of the make-up is available. | Obtained the National Treasury Approval to be funded in the FY 2025-2026 |
| 3.  | Lost Deposits During Delinking of Judiciary    | Management should ensure that all balances in the financial statements are supported and appropriate measures are in place to safeguard third-party deposits. | The National Treasury acknowledged the Ksh352,938,472.50 vide letters dated 14 <sup>th</sup> November, 2022 Ref AG.3/10 Vol 11/(10) and letter dated 20 <sup>th</sup> March, 2024 in and the Judiciary was advised on how to deal with the matter.                     | Obtained the National Treasury Approval to be funded in the FY 2025-2026 |
| 4.  | Loss of Cash Deposits                          | Management should ensure that all balances in the financial statements  | The Judiciary reported the losses in Embu and Malindi Law Courts,  | Pending Response from  |

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| S/N | Matter Noted   | Recommendation by OAG   | Action Taken  | Status                             |
|-----|--|---|---|------------------------------------|
|     |  | are supported and appropriate measures are in place to safeguard third-party deposits.  | resulting to the arrest and prosecution of the suspects in Runyenjes Law Courts Criminal Case Number 267 of 2020 and Malindi Law Court Criminal Case Number 1961 of 2006, respectively. The Judiciary sought approval from the Cabinet Secretary the National Treasury and Planning to write off the losses for Embu and Malindi.                                     | National Treasury                  |
| 5.  | Failure to Submit Monthly Bank Reconciliation Statements and Quarterly Reports | Management should ensure that the monthly bank reconciliations are prepared and submitted as provided in the law.   | The Judiciary has collapsed all the revenue bank accounts into one which has enabled compliance.  | To be Implemented in subsequent FY |
| 6.  | Lack of Internal Audit Review  | Management should ensure that the internal audit is conducted promptly to enhance the effectiveness of internal control mechanisms and to identify risks that could lead potential financial losses, non-compliance issues, fraud, or operational inefficiencies. | The Directorate of Audit and Risk Management prepares a risk based Annual Internal Audit Work Plan each Financial Year. Internal audit reports are prepared for all audit engagements executed. The internal audit reports are submitted to the JSC Audit, Governance and Risk Management Committee for deliberations and the resolutions passed by the Committee are | Implemented                        |

**THE JUDICIARY  
DEPOSIT ACCOUNTABILITY STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2025**

| S/N | Matter Noted | Recommendation by OAG | Action Taken  | Status |
|-----|--------------|-----------------------|---|--------|
|     |              |                       | <p>submitted to management for implementation. Further, follow up is made on the implementation of internal audit recommendations and the status is submitted to the Committee. The internal audit reports that have been deliberated upon by the Committee are available for audit review.</p> |        |



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