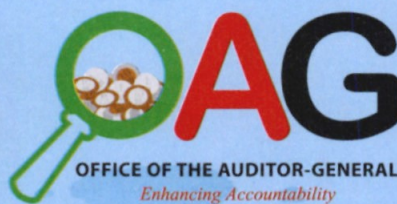


REPUBLIC OF KENYA



THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 12 MAR 2026 DAY: THUR

TABLED BY: Deputy Leader of the Majority Party
HON. DWIEN BAWA MP

CLERK-AT-TABLE: MERCI CHUMU

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REPORT

THE AUDITOR-GENERAL

ON

THE JUDICIARY

**FOR THE YEAR ENDED
30 JUNE, 2025**



THE JUDICIARY



ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2025

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

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1. ACRONYMS AND DEFINITION OF KEY TERMS

A: Acronyms

ADR	<i>Alternative Dispute Resolution</i>
AIE	<i>Authority to Incur Expenditure</i>
AJS	<i>Alternative Justice Systems</i>
CBK	<i>Central Bank of Kenya</i>
CRJ	<i>Chief Registrar of the Judiciary</i>
CRTS	<i>Court Recording and Transcription System</i>
ELRC	<i>Employment and Labour Relations Court</i>
EMAR	<i>Environment Management Agency Requirements</i>
FY	<i>Financial Year</i>
HAU	<i>Head of Accounting Unit</i>
ICT	<i>Information Communication Technology</i>
IPSAS	<i>International Public Sector Accounting Standards</i>
JCE	<i>Judiciary Committee on Elections</i>
JF	<i>Judiciary Fund</i>
JSC	<i>Judicial Service Commission</i>
KRA	<i>Key Result Areas</i>
NCAJ	<i>National Council for Administration of Justice</i>
NCLR	<i>National Council for Law Reporting</i>
OAG	<i>Office of the Auditor General</i>
OCOB	<i>Office of the Controller of Budget</i>
PFM	<i>Public Finance Management</i>
PMMU	<i>Performance Management and Measurement Evaluation</i>
PPE	<i>Property Plant & Equipment</i>
PSASB	<i>Public Sector Accounting Standards Board</i>
SCC	<i>Small Claims Courts</i>
SJT	<i>Sustaining Judiciary Transformation</i>
SOP	<i>Standard Operating Procedures</i>
STAJ	<i>Social Transformation through Access to Justice</i>

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B: Definition of terms

Term	Definition
Accrual Accounting	Accounting method where revenues and expenses are recorded when they are earned or incurred, not when cash is exchanged.
Appropriation-In-Aid (A-I-A)	Revenue collected by a government entity that is used to supplement its approved budget.
Audit Committee	An independent committee established to oversee financial reporting, internal controls, and risk management.
Budget Implementation Committee (BIC)	A committee tasked with monitoring and advising on the execution of the approved budget.
Donor Funds	Financial resources received from development partners or donors for specific programs.
Financial Year (FY)	A 12-month period used for financial reporting and budgeting, e.g., FY 2024/25.
Fiduciary Management	The responsibility of managing resources on behalf of the Commission with accountability and prudence.
International Public Sector Accounting Standards (IPSAS)	Global accounting standards for public sector entities.
Key Performance Indicators (KPIs)	Quantifiable measures used to evaluate the success in achieving strategic objectives.
Public Finance Management (PFM) Act	The law governing the management of public funds in Kenya.
Resource Mobilization	The process of securing financial, technical, or human resources for organizational operations.
Strategic Plan	A long-term plan outlining the strategic goals and objectives of the Commission.

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Term	Definition
Work Plan	A detailed document outlining specific tasks and timelines aligned to strategic objectives.
Judicial Service Act	Legislation governing the operations and management of the Judicial Service Commission.

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2. KEY ENTITY INFORMATION AND MANAGEMENT

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

(a) Background information

Article 1 of the Constitution provides that sovereign power belongs to the people of Kenya, which they have delegated to the various State organs including the Judiciary. The Judiciary of Kenya is one of the three co-equal arms of government established under Chapter Ten, Article 159 of the Constitution of Kenya (2010). It is mandated as an independent custodian of justice, entrusted with the exercise of judicial authority on behalf of the people of Kenya. Its primary role is to administer justice in accordance with the Constitution and other laws, resolving disputes fairly and efficiently, safeguarding rights and liberties, and upholding the rule of law. The Judiciary, together with its related institutions – the Judicial Service Commission (JSC), Kenya Law, Tribunals, and the Kenya Judiciary Academy (KJA) – collectively work to ensure the effective administration of justice through the formulation and implementation of judicial policies, compilation and dissemination of case law, and continuous improvement of judicial services.

The judicial system in Kenya is anchored in Articles 159 to 173 of the Constitution, which define its structure, independence, and financial autonomy, including the establishment of the Judiciary Fund under Article 173. The court system operates at two levels – Superior and Subordinate Courts – each with distinct jurisdictional mandates. The Superior Courts comprise the Supreme Court, Court of Appeal, High Court, Environment and Land Court, and Employment and Labour Relations Court. **The Supreme Court**, established under Article 163, is the apex court consisting of seven judges: the Chief Justice, who serves as its President; the Deputy Chief Justice, who serves as the Vice-President; and five other judges. **The Court of Appeal**, established under Article 164, hears appeals from the High Court and other designated bodies, while the **High Court**, established under Article 165, exercises original jurisdiction in constitutional, civil, and criminal matters. The Environment and Land Court and the Employment and Labour Relations Court, established under Article 162(2) and operationalized through the Environment and Land Court Act, 2011, and the Employment and Labour Relations Court Act, 2011 respectively, are courts of equal status to the High Court.

The Subordinate Courts, established under Article 169, consist of the Magistrates' Courts, Kadhis' Courts, Courts Martial, and other local tribunals established by an Act of Parliament. The Judiciary has also adopted a decentralized structure, with the Supreme Court, Court of Appeal, and High Court each having designated leadership – the Chief Justice, President of the Court of Appeal, and Principal Judge of the High Court, respectively – to enhance administrative efficiency, accountability, and accessibility to justice. Through this structure,

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the Judiciary continues to strengthen its institutional capacity, promote integrity, and ensure the delivery of accessible, fair, and effective justice for all.

(b) Mandate of the Judiciary

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 is expected to handle 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. Further, the Judiciary handles the broader administration of justice; formulation and implementation of judicial policies, and compilation and dissemination of case law and other legal information.

It provides independent, accessible, fair and responsive fora for dispute resolution and development of jurisprudence. The institution promotes the rule of law by shaping public policy through interpretation of the Constitution and ensuring access to justice. It protects the Constitution by promoting national values and principles of good governance. Further, it fosters social and political stability, and promotes national socio-economic development through its process and decisions. These functions are discharged through the Court Systems (structure), the Judicial Service Commission and The Kenya Law.

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

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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

(c) 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 the Registrar of Judiciary

(d) Fiduciary Management

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

No	Designation	Name	Date of Appointment
1.	Chief Justice and President of the Supreme Court of Kenya and, the Head of Judiciary	Hon. Lady Justice Martha Koome, EGH	19 th May 2021
2.	Deputy Chief Justice and vice President of the Supreme Court of Kenya.	Hon. Lady Justice Philomena Mwilu, EGH	28 th October 2016
3.	Chief Registrar of the Judiciary	Hon. Winfridah B. Mokaya, CBS,	18 th March 2024
4.	Deputy Chief Registrar of the Judiciary	Hon Paul N. Maina, OGW	1 st September 2021
5.	Registrar Supreme Court	Hon. Letizia Wachira	28 th January 2022
6.	Registrar Court of appeal	Hon. Moses Serem	4 th April 2012
7.	Registrar High Court	Hon. Clarence Awuor Otieno	24 th July 2023
8.	Registrar Employment & Labour Relations Court	Hon. Kennedy Kandet	3 rd June 2014
9.	Registrar Environment and Land Court	Hon. Rose Makungu	25 th January 2022
10.	Registrar Magistrate Court	Hon. Caroline Kabucho	31 st May 2023
11.	Registrar Tribunals	Hon. Anne Asugah	25 th January 2022
12.	Registrar, Court Automation Services	Hon. Elizabeth Chepkoech Tanui	26 th March 2024
13.	Director Finance	Ms. Beatrice Kamau	24 th July 2023

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No	Designation	Name	Date of Appointment
14.	Director Accounts	CPA Wycliffe Wanga	24 th July 2023
15.	Director Supply Chain Management	Mr. Jeremiah Nthusi	5 th November 2022
16.	Director Human Resource & Administration	Dr. Elizabeth Kalei	28 th January 2024
17.	Deputy Director Public Affairs & Communication	Ms. Catherine Wambui	1 st August 2013
18.	Director Planning & Organisation Performance	Dr. Joseph Osewe	5 th February 2024
19.	Director Audit and Risk Management	CPA Ronald Wanyama	13 th November 2022
20.	Director ICT	Mr. Peter King'oo	6 th April 2023
21.	Deputy Director, Building Services Unit	Architect Maxwell Suero	11 th July 2024

(e) Fiduciary Oversight Arrangements

I. Committees of the Judiciary

The Judiciary has established a comprehensive fiduciary oversight framework through specialized committees mandated to ensure efficiency, accountability, transparency, and improved service delivery across all operational and administrative levels.

- 1. Administration of Justice and Court Performance Committee (AJCPC):** Responsible for expanding judicial access by establishing courts in all counties and sub-counties, decentralizing the Court of Appeal, promoting Alternative Justice Systems (AJS), and enhancing Alternative Dispute Resolution (ADR) and Court-Annexed Mediation. The Committee also leads case backlog clearance, operationalization of Small Claims Courts, and training of judicial officers through collaboration with the Judiciary Training Institute.
- 2. Planning and Budget Implementation Committee (BIC):** Oversees the operationalization of the Judiciary Fund, prudent budget management, equitable resource allocation, and timely payments. The Committee ensures value for money, audit compliance, and financial accountability across all spending units.
- 3. Public Affairs and Communication Advisory Committee (PAC):** Leads in developing the Judiciary Communication Policy, managing internal and external communication, standardizing branding, and guiding strategic engagement with state organs. It also

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coordinates timely responses to media publicity and explores establishment of regional communication liaisons and a centralized information Centre.

4. **Judiciary Committee on Elections (JCE):** Advises on administrative measures for handling election-related disputes, coordinates judicial training on electoral matters, monitors case management performance, and facilitates public information dissemination on the Judiciary's electoral dispute resolution role.
5. **Buildings, Infrastructure and Facilities Development Committee (BIDC):** Ensures adherence to the Judiciary Project Masterplan, prudent contract management, and supervision of construction and renovation projects, while safeguarding Judiciary property through titling and fencing initiatives.
6. **ICT and Integrated Case Management Systems Committee (ICMS):** Coordinates implementation of the Integrated Case Management System (ICMS), conducts ICT needs assessments, monitors system performance, and recommends policy and legal reforms to enhance technology-driven service delivery.
7. **Judiciary Rules Committee:** Mandated under Section 81 of the Civil Procedure Act to develop and review Judiciary and statutory rules, ensuring alignment with evolving legal and procedural frameworks.
8. **Human Resource Management and Administration Committee (HRMC):** Responsible for operationalizing the organizational structure, overseeing recruitment and promotions, reviewing HR policies, managing staff welfare, and ensuring timely disciplinary processes, contract renewals, and utility payments.

II. Parliamentary Committees

The Parliament is mandated to provide oversight role and review of the Commission's performance on financial matters. During the financial year 2024/25, the Commission engaged the following Committees;

- i. Parliamentary Accounts Committee (PAC) during examination of the Commission's expenditure as per the Auditor General's report
- ii. Budget Appropriation Committee (BAC) during review of budget policy statement and proposed Medium Term budgets for the Commission and the Judiciary and
- iii. Justice and Legal Affairs Committee (JLAC) during the consideration of the budget policy statement, proposed Medium Term budgets, supplementary estimates and budget performance.

III. Office of the Auditor General

The Office of the Auditor General undertakes an annual audit of the Commission's financial statements by ensuring the Commission prudently manages public resources.

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IV. Office of the Controller of Budget

The Office of the Controller of Budget approves the Commission's expenditure requests through the exchequer and also analyses quarterly and annual budget performance reports.

These committees collectively reinforce fiduciary accountability, operational efficiency, and institutional integrity, forming a robust governance mechanism that supports the Judiciary's mission to deliver accessible, fair, and effective justice.

(a) Judiciary Headquarters

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

(b) The Judiciary of Kenya Contacts

Telephone: (254) 20-2221221
E-mail: info@judiciary.go.ke
Website: www.judiciary.go.ke

(c) Independent Auditors

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

(d) Principal Legal Adviser

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

(e) Bankers

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

3. PROFILE OF THE CHIEF JUSTICE AND PRESIDENT OF THE SUPREME COURT OF KENYA



Hon. Lady Justice Martha K. Koome, FCI Arb, EGH was appointed on 14th May, 2021 and assumed office on 21st May, 2021 as the Chief Justice of the Republic of Kenya, and President of the Supreme Court of Kenya. She is the first woman Chief Justice of the Kenyan Judiciary. She is the Chairperson of the Judicial Service Commission, National Council on the Administration of Justice (NCAJ), National

Council for Law Reporting, and the Vice Chairperson of the Southern and Eastern Africa Chief Justices' Forum. Prior to her appointment, she was a Judge of the Court of Appeal, and Judge of the High Court. Before joining judicial service, she was a practising advocate.

Hon. Justice Martha Koome was the President of the Kenya Magistrates and Judges Association (2019); Member of the AU Committee on the Rights and Welfare of the Child (2005 - 2010); Chairperson of FIDA - Kenya (1997- 2003); Chairperson of the Bill of Rights Sub-Committee at the Bomas Constitutional Conference; inaugural Treasurer of the East Africa Law Society; and Council Member of the Law of Society of Kenya (1994-1996). She chaired the NCAJ Special Taskforce on Children Matters that was the architect of the Children Act, 2022. She was awarded the runner-up UN Person of the Year in Kenya 2020, the National Honours of the Elder of the Order of the Burning Spear (EBS), and the Elder of the Order of the Golden Heart (EGH). She is an Advocate of the High Court of Kenya and a Fellow of the Chartered Institute of Arbitrators. She holds a Bachelor of Laws (LLB) from the University of Nairobi, Post-Graduate Diploma from the Kenya School of Law, Master of Laws (LLM) from the University of London, a certificate of completion for the Women and Power Program, (April, 2025) John F. Kennedy School of Government at Harvard University, Executive Education, and the African Chief Justices' Alternative Dispute Training (October 2024) from Pepperdine University.

4. PROFILE OF THE DEPUTY CHIEF JUSTICE AND VICE PRESIDENT OF THE SUPREME COURT OF KENYA



Hon. Lady Justice Philomena Mbete Mwilu, EGH, LLB, LLM.
Dip. Law FCIARB.

The Honourable Lady Justice Philomena Mbete Mwilu, EGH was appointed the 3rd Deputy Chief Justice and Vice President of the Supreme Court of Kenya on 28th October 2016. Lady Justice Mwilu, a Fellow of the Chartered Institute of Arbitrators, is an Advocate of the High Court of Kenya with

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over 40 years of experience in the legal profession and holds both Bachelor and Master of Laws degrees from the University of Nairobi.

She was admitted as an Advocate of the High Court of Kenya in 1984. Lady Justice Mwilu began her career in law in private legal practice in various law firms in Nairobi. Thereafter she ventured into the corporate world before being appointed a Puisne Judge in 2007. Lady Justice Mwilu served in the Commercial Division of the High Court in Nairobi, High Court in Eldoret, the Criminal Division High Court in Nairobi and thereafter was appointed to head the Environment and Land Division. In November 2012, she was appointed a Judge of Appeal where she served until her appointment as the Deputy Chief Justice.

As Vice-President of the Supreme Court of Kenya, Lady Justice Mwilu is responsible for the co-ordination of the overall performance of the Court and indeed the entire Judiciary. On 3rd May, 2017 she was elected by her colleague Justices of the Supreme Court to represent them as a Commissioner at the Judicial Service Commission for a term of five years. Upon the retirement of Chief Justice Emeritus Hon. Mr. Justice David K. Maraga on 12th January, 2021, Lady Justice Mwilu assumed the Office of Chief Justice in acting capacity pending the recruitment and appointment of the current Chief Justice, Hon. Justice Martha Koome. The Hon. Deputy Chief Justice is the Chair of the Judiciary Management Committee. In the discharge of her social responsibility, Lady Justice Mwilu is passionate about mentoring girls and boys in schools across the country, using her experience and example to promote positive, wholesome and healthy futures for young adults and especially the girl child in Kenya. For her service to society, the Lady Justice Mwilu was on 11th December 2024 decorated Elder of the Order of the Golden Heart.

5. PROFILE OF THE CHIEFE REGISTRAR OF THE JUDICIARY



Hon. Winfridah Mokaya, CBS, is the Chief Registrar of the Judiciary of Kenya and an Advocate of the High Court with over 27 years of distinguished service in the legal profession. She began her judicial career in 1997 as a District Magistrate II (Professional), rising through the ranks to become a Senior Principal Magistrate. In 2011, she was appointed the first Registrar of the Judicial Service Commission (JSC), where she served with distinction before assuming her current role as Chief Registrar of the Judiciary.

She holds a Bachelor of Laws degree from the University of Nairobi, a Postgraduate Diploma in Law from the Kenya School of Law, and is a Certified Public Secretary. She has pursued extensive training in Strategic Leadership, Corporate Governance, Public Finance, Tax Administration, Human Rights,

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and International Law, as well as specialized training in areas such as Environmental Crime, Refugee Protection, Anti-Corruption, and Judicial Integrity.

Hon. Mokaya is a member of the Kenya Magistrates and Judges Association (KMJA), the International Association of Women Judges - Kenya Chapter (IAWJ-Kenya), the Institute of Certified Public Secretaries of Kenya (ICPSK), and the East African Magistrates and Judges Association (EAMJA).

Her career reflects an unwavering commitment to strengthening judicial governance, advancing institutional reforms, and upholding the independence and integrity of the Judiciary in service to the people of Kenya.

6. PROFILE OF THE DEPUTY CHIEFE REGISTRAR OF THE JUDICIARY



Hon. Paul Ndemo, OGW ndc(K) is the Deputy Chief Registrar of the Judiciary. He serves as the Principal Assistant to the Chief Registrar of the Judiciary.

Prior to joining the Judiciary, Hon. Ndemo served in the Directorate of Public Prosecutions, where he distinguished himself in court as a formidable prosecutor.

Mr. Ndemo holds a Bachelor of Laws degree from the University of Nairobi, and a Master of International Studies degree from the same University. He also holds a certificate in strategic and security Studies from the National Defence College, Nairobi. He was admitted to the Bar in 1998.

7. PROFILE OF KEY MANAGEMENT TEAM

Hon. Letizia Wachira: Registrar Supreme Court



Hon. Letizia Wachira is the Registrar, Supreme Court of Kenya, having been appointed on 13th January, 2022. She is charged with amongst other responsibilities, the day-to-day management of the Court; supervision of the Court staff; acceptance, transmission, service and custody of documents of the Court; and other duties as assigned/directed by the Chief Justice and the Justices of the Court. She is the AIE holder of the Supreme Court.

Hon Letizia joined the Judiciary in the year 2004 as a District Magistrate II (Prof), and rose through the ranks to a Chief Magistrate until 2022 when she was appointed to her current position.

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Hon. Letizia Wachira holds a Bachelor of Laws Degree (LLB) and Master of Laws Degree (LLM) from the University of Nairobi, and a Post-Graduate Diploma from the Kenya School of Law. She is a Fellow of the Chartered Institute of Arbitrators.

Hon. Moses Serem: Registrar Court of appeal

Hon. Clara Otieno: Registrar High Court



Hon. Clara Otieno-Omondi was appointed Registrar of the High Court on 26th July 2023. She is an advocate of the High Court of Kenya with over 19 years' experience, she began her judicial career as a Resident Magistrate, rising to Senior Principal Magistrate. As the inaugural Head of Ruiru Law Courts, she led the station to national recognition and received the 2021 LSK Nairobi Branch Chair's Award for exemplary service.

Hon. Otieno-Omondi has also served at the Judiciary Training Institute, coordinating training and policy research. Prior to joining the bench, she practiced law at Ocharo & C0. Advocates. She holds a Bachelor of Laws (LLB) and Masters in Public Administration from the University of Nairobi, a Master of Laws (LLM) from the University of South Africa, a Post Graduate Diploma from the Kenya School of Law and is a CPS graduate. She is passionate about excellence in public service.

Hon. Kennedy Kandet: Registrar Employment & Labour Relations Court

Hon. Rose Makungu: Registrar Environment and Land Court



Hon. Rose Makungu is the Registrar of the Environment and Land Court, bringing over 20 years of experience in the Judiciary. She rose through the ranks to Chief Magistrate, serving in Mombasa, Maua, Machakos, and Milimani Law Courts. She also served as Judge Advocate handling court martial cases.

Before joining the Judiciary, she worked at the Attorney General's Office and as a Lecturer at the Catholic University of Eastern Africa. She holds an LLB from the University of Nairobi and a Postgraduate Diploma from the Kenya School of Law.

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She has completed leadership and management courses locally and internationally, including the Kenya School of Government, University of Cape Town, and the Centre for Management Excellence (UK). Hon. Makungu currently serves on various boards and church committees. In her free time, she enjoys reading, staying current with affairs, and travelling.

Hon. Caroline Kabucho: Registrar Magistrate Court

Hon. Anne Asugah: Registrar Tribunals

Ms. Beatrice Kamau: Director Finance



Beatrice Kamau is the Director Finance in the Judiciary. She joined the Judiciary in May 2012 and has over 34 years of experience in the Public Service having worked at the National Treasury, State Law Office, and Ethics and Anti-Corruption Commission. She holds a Master of Economics and Bachelor of Economics both from the University of Nairobi, a Diploma in Management of Technical Cooperation Projects from the International Training Centre of ILO in Italy, and has certification in Budgeting and Public Finance Management from Harvard University and IMF Institute, USA. She is a Fellow Member of the Economist Society of

Kenya.

Beatrice is credited with the introduction of Programme-Based Budgeting both at the KACC (EACC) and the Judiciary which aligns the budget and workplans with the Strategic Policy of the organisation. On 3rd September 2021, she was appointed as the Secretary to the Multi-Agency Technical Committee that spearheaded the Operationalisation of the Judiciary Fund.

CPA Wycliffe Wanga: Director Accounts, Bcom, MBA, CPA(K)



CPA Wanga is seasoned Financial specialist in public and private sector. He began his career as Auditor in manufacturing sector before joining PKf Consulting as Senior Auditor; bias in systems automations and taxation consultancy. In the Public Sector since 2004 he has been resourceful in Systems Review and Implementation.

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As the Director Accounts he is responsible for providing leadership in financial and accounting strategies; ensuring compliance to Public Sector Accounting Standards in recording and reporting;. Team lead in the Judiciary Financial Information Integrated systems.

Jeremial Nthusi: Director Supply Chain Management, OGW, BCom, MSc Proc &



Logistics, MBA, MCIPS, MKISM

Mr. Nthusi is a seasoned SCM practitioner with over 30 years of experience in Financial Management, Strategic Management, Procurement & Logistics Management. He is also a Certified Trainer of Trainers. He is currently the Director, SCM at the Judiciary. Previously worked at the University of Nairobi, KNBS, Ministry of Finance and in the private sector. He is pursuing a PhD in SCM. He is the Chairman of the Strategy Committee of the KISM Council. He holds a BCom, MSc Proc & Logistics, MBA,

MCIPS, MKISM. He holds Strategic Leadership Development Qualifications from Strathmore University and Kenya School of Government among others.

As the Director Supply Chain Management, he is responsible for obtaining quality goods and services at the lowest possible cost to ensure value for money to the Judiciary

CHRP (Dr.) Nekesa Kalei: Director, Head of Human Resource Management, Development & Administration



Dr. Nekesa Kalei is a Certified Human Resource Professional (CHRP-K). She holds a PhD in Human Resource Management from the Jomo Kenyatta University of Agriculture & Technology (JKUAT), a bachelor's and master's degree from the University of Nairobi and a Higher National Diploma in Human Resource Management. Dr. Kalei is also an alumna of Strathmore Business School where she attended the Senior Management Leadership

Programme (SMLP).

Dr. Kalei is also a Certified Engagement and Productivity Coach (CEPC).

This year, 2025 is her 28th year hands-on-Experience as a Human Resource Practitioner. Dr. Kalei is passionate about People Management, Change and Organizational Development. She is a Transformational Leader with focus on Systems Improvement and real time deliveries.

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Dr. Kalei is experienced in Talent Assessment and Acquisition, Talent Management and Development, Employee Welfare Administration as well as Organizational design and re-designing. She specializes in Mentorship, Trainings and Coaching to achieve Organizational Objectives.

Dr. Kalei is a Full Member of the Institute of Human Resource Management Being in a Senior Leadership position at the Judiciary, she is avid about Organizational Leadership and Corporate Governance, aimed at ensuring excellence in Organizational Strategic Leadership, including Team membership, working relations and interactions with the Board.

Ms. Catherine Wambui: Deputy Director Public Affairs & Communication

CPA Ronald Wanyama: Director, Audit and Risk Management.



CPA Ronald W. Wanyama is the Director, Audit and Risk Management. By virtue of this position, he serves as the Secretary, Audit, Governance and Risk Management Committee of the Judicial Service Commission (JSC). CPA Wanyama has over 26 years working experience and has worked with various public sector institutions in various capacities. CPA Wanyama is a member of the Institute of Certified Public Accountants of Kenya (ICPAK) and the Institute of Internal Auditors. He holds Bachelor of Commerce (Accounting Option) and Master of Business and Administration degrees from the University of Nairobi. He also holds a postgraduate diploma in Anti-Corruption and Good Governance from Marquette University, Les Aspin Centre for Government, Washington DC, USA. Last year, he completed the Strategic Leadership Development Program at the Kenya School of Government.

Mr. Peter King'oo: Director Information Communication and Technology



Mr. Peter King'oo is the Director ICT in the Judiciary. He also served as the Executive ICT advisor in the Office of the Chief Justice. Preceding his engagement at the Judiciary, Peter worked at the University of Nairobi as Chief ICT Officer, Topsoftchoice Limited as the Chief Technical Manager, and at Family Health Options Kenya as the Systems Administrator and systems Consultant.

He is a vastly skilled and well-seasoned ICT professional with over 18 Years of management experience in ICT governance, ICT advisory, planning, developing, implementing and evaluating the effectiveness of systems and infrastructure services that facilitate corporate growth. He has a well-rounded background in MIS Projects, Database Administration, Systems Administration, ISO 9001:2015, management of ICT Budget & Network infrastructure services and is an expert in system modelling, optimization, analysis and performance evaluation.

Peter holds a Bachelor of Science in Computer Science from Kenyatta University, Masters degree in Information systems from the University of Nairobi and is currently pursuing a PhD in Information Technology at Jomo Kenyatta University of Agriculture and Technology (JKUAT)

Architect Maxwell Suero: Deputy Director Building Services



Arch. Maxwell Suero is the Deputy Director Building Services and in-charge of the Department of Building Services in the Judiciary. He joined the Judiciary in 2021. He is a multi-skilled leader with over twenty years working experience in architectural practice, public procurement, project management, building maintenance, environmental-social impact assessment, strategy implementation, alternative dispute resolution and results management. He has been at senior management level for thirteen years.

He has a Bachelor of Architecture and a Master in Procurement and Contract Management. He possesses an advanced diploma in arbitration, a certificate in Data Science and another one in Strategic Leadership Development Program. He is a member of several professional bodies such as the Architectural Association of Kenya, Kenya Institute of Supplies Management and Chartered Institute of Arbitrators.

Dr. Joseph Ouma Osewe: Director Planning & Organisation Performance,



Dr. Osewe is a seasoned Strategy and Performance Management professional with 27 years of experience spanning both the public and private sectors. He holds a Doctor of Philosophy (Ph.D.) in Business Administration, a Master of Business Administration (MBA), a Postgraduate Diploma in Data Science and Business Analytics (Distinction), and is currently pursuing a second Master's degree in the same field. He also holds a Postgraduate Certificate in Environmental Impact Assessment and Audit, and a Bachelor of Technology (Hons) degree from Moi University.

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Dr. Osewe is a practitioner of the Chartered Quality Institute (UK), a member of the National Quality Institute (Kenya), the Kenya Institute of Management (MKIM), and is a registered Graduate Engineer with the Engineers Board of Kenya (EBK).

He has earned professional certifications in the Strategic Leadership Development Program (SLDP), Strategic Change Management, Balanced Scorecard Professional, as well as ISO Management Systems in Quality, Environment, and Information Security.

He currently serves as the Director of Strategy, Planning, and Organizational Productivity. Previously, he was the Assistant Director of Performance Management in the Judiciary of Kenya. Prior to this, he held senior roles at the Kenya Wildlife Service, including Deputy Director in charge of Strategy & Change and Head of Productivity Improvement & Quality Assurance. He also worked with the Kenya Bureau of Standards as a Training & Advisory Services Officer and a Standards Engineer

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8. STATEMENT BY THE CHIEF JUSTICE

As the Head of the Judiciary, I am honoured to share this year's Annual Report and Financial Statements, which reflect our unwavering commitment to delivering justice efficiently, equitably, and with integrity. This report provides a comprehensive account of the Judiciary's performance, financial stewardship, and institutional initiatives in delivery of justice for FY2024/2025.

The Judiciary continues to evolve in response to the growing demands of a dynamic society and the need for accessible, transparent, and technology-driven justice systems. Through this report, we affirm our accountability to the people we serve, to our partners in justice sector, and to our constitutional obligation to uphold the rule of law.

We have made important strides in case backlog reduction, infrastructure development, human resource capacity building, and the roll-out of digital innovations, including the E-Judiciary platforms and an Enterprise Resource Planning JUMUIKA system to ease administrative processes. These achievements underscore the dedication of our judges, judicial officers, and judiciary staff who remain the backbone of our institution.

This report presents a comprehensive snapshot of where we are as an institution – and more importantly, what we are doing and the investments we are making to enhance the delivery of justice. Litigants and every person who comes before our courts hold high expectations: that they will be heard, served, and their needs addressed fairly and timeously. It is our responsibility to continually assess whether we are meeting these expectations, identify areas where we fall short, and implement solutions that restore and build public confidence in our services.

The launch of the E-Judiciary Mobile Application marks a significant advancement in modernizing Kenya's justice system by leveraging technology to make court services more accessible, especially for marginalised and vulnerable groups. The App allows users to verify court orders, access case information, join virtual hearings, file matters in the Small Claims Court, thereby eliminating physical barriers to access to justice. This ensures efficiency for all court users. The App has security and privacy features prioritized, and it is available on major App stores. The platform reflects a commitment to accessible, expeditious, and transparent justice through digital innovation.

I am pleased to report that our Case Clearance Rates have improved across many court stations; a testament of the hard work, dedication, and efficiency of our judges, judicial officers and staff. This progress has been driven by critical reforms, including increased automation, the expansion of e-filing and virtual courts, and the strengthening of Court Users Committees – each playing a vital role in reducing case backlog and improving access to justice.

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To further expedite justice delivery and address case backlog, we have scaled up the “Mahakama Popote” initiative – our innovative virtual court system. The system leverages on technology to enable judicial officers serving in less-burdened court stations take up and hear matters from stations with a high caseload without requiring physical travel to those stations or in-person sessions. In the past one year, 7,665 cases were handled under *Mahakama Popote* with 6,269 cases successfully concluded.

We also continue to promote Court-Annexed Mediation (CAM) and Alternative Justice Systems (AJS) – key elements of the PCJ framework. These approaches have greatly eased court caseload and hastened dispute resolution through channels tailored to communities’ unique circumstances and the power of the people to resolve their disputes in an enabled environment. In the last one year, 2,218 cases have successfully been resolved through alternative justice methods.

Our reform journey, shaped by the ‘Social Transformation through Access to Justice’ (STAJ) Blueprint, rooted in a People Centred Justice (PCJ) approach, remains focused on expanding access to justice especially to the vulnerable, marginalised and previously under-served segments of our population.

The report also candidly highlights persistent challenges that we encounter in our day-to-day operations. Several courts continue to operate under serious constraints – including shortages of judges and judicial officers, heavy caseload, inadequate infrastructure, and significant gaps in human and financial resources. As many of you are aware, the Judiciary has consistently raised concerns regarding underfunding and recurrent budget cuts that have hindered the full implementation of our core programmes and mandate. I therefore take this opportunity to urge our partners, in the Executive and Parliament, to enhance Judiciary’s budgetary allocation to enable the institution optimally deliver on its mandate.

Hon. Justice Martha K. Koome, EGH
Chief Justice and President of the Supreme Court of Kenya

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9. STATEMENT BY THE CHIEF REGISTRAR OF THE JUDICIARY

The Judiciary's Annual Report and Financial Statements for the Financial Year 2024/2025 have been prepared in compliance with Section 39 of the Judicial Service Act, 2011, and Section 81 of the Public Finance Management Act, 2012. The institution is funded through appropriations from the National Assembly, drawn from the Consolidated Fund.

Social Transformation Through Access to Justice (STAJ)

The allocated resources for the reporting period were strategically directed towards advancing our core vision of Social Transformation through Access to Justice (STAJ). This vision is built upon five key pillars:

- **Institutional Strength:** Fostering an independent, accessible, and efficient institution that protects the rights of all, particularly the vulnerable.
- **Inspired Workforce:** Cultivating a team of Judges, Judicial Officers, and staff dedicated to excellence in justice delivery.
- **Financial Integrity:** Strengthening financial mechanisms to underpin the Judiciary's independence and integrity.
- **Strategic Partnerships:** Deepening collaborations that enhance coordination across the justice sector.
- **Public Trust:** Actively enhancing public confidence in the judicial system.

The Judiciary was allocated a budget of KShs 22.78 billion. Of this, KShs 22.72 billion (96% of the budget) was released by the exchequer. The institution demonstrated strong fiscal discipline, achieving an overall budget absorption rate of 98.35%, with recurrent expenditure at 98% and development expenditure at 78%. Despite this performance, a significant funding gap persists. The resource requirement for FY 2024/25 was calculated at KShs 44.90 billion against an allocation of KShs 22.78 billion, creating a shortfall of KShs 22.12 billion. This chronic underfunding continues to challenge our operational capacity. Table 1, shows the trend of resource requirements versus allocations over the last three fiscal years.

Table 1: Resource Requirements Vs Allocation in KSh. Billion

Financial Year	2022/23			2023/24			2024/25		
	Require ments	Allocati on	Funding Gap	Require ments	Allocati on	Funding Gap	Require ments	Allocati on	Funding Gap
Recurrent	32.59	19.23	13.36	35.81	21.02	14.79	38.62	21.96	16.66
Developme nt	6.96	1.90	5.06	7.36	1.45	5.91	6.28	0.82	5.46
Overall	39.55	21.13	18.42	43.17	22.47	20.70	44.90	22.78	22.12

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Currently, the allocated Cost per Case is Sh40,700. However, from an internal assessment, it was established that the optimal Cost per Case is KSh125,750.

The Judiciary's budgetary needs have consistently fallen short, with funding gaps of 47%, 48% and 49% over the past three fiscal years.

Impact of the Resource Gap

The funding shortfall has directly impeded progress. Most critically, the operationalization of 11 courts established in 2020—including Zombe, Borabu, and Matiliku—remains stalled due to a lack of infrastructure, budgetary constraints, and insufficient judicial officers and staff. Furthermore, the rollout of Small Claims Courts to every sub-county, as envisioned by the Act, is constrained without adequate resources for adjudicators and infrastructure.

Key Achievements and Deliverables

Notwithstanding the financial constraints, the Judiciary recorded substantial achievements across its strategic focus areas:

Case Management Efficiency has improved. The Judiciary achieved a case clearance rate of 102%, an improvement from 101% in the previous year. The overall case backlog was reduced by 30% while cases older than three years decreased by 36.6% from 91,423 in FY2023/24 to 57,964 in FY2024/25.

We continued with Infrastructure and Court Expansion where Judiciary Successfully operationalized four new law

courts: Kamwangi, Dagoretti, Kombewa, and Wamunyu. Further, new Small Claims Courts (SCC) in Voi and Garissa were launched, bringing the national total to 40. This expansion has been critical in providing Kenyans with expedited justice for minor claims.

Towards deepening Alternative Dispute Resolution (ADR), 5,156 matters were referred to mediation, achieving a settlement rate of 61.25%. The resolved disputes had a total value of KShs 15.3 billion, with an average turnaround time of 42 days. We continued to recruit mediators where 783 mediator applications were processed. Further we conducted a dedicated Mediation Service Week in all Environment and Land Courts (ELC) to promote ADR.

Towards Capacity Building and Partnerships, the Kenya Judiciary Academy (KJA) hosted the Nairobi Arbitration Week 2025, attracting over 500 international and local participants under the theme "Arbitrating in the Age of Sustainability." Further we collaborated with the All-African Judges and Jurists Forum (AAJFF) to host the inaugural All African Judges and Jurists Summit in Nairobi.

Human Capital Development has been pivotal to ensure human capital is well resourced and equitably shared among the court station. We implemented a structured career progression program and advancing 1,538 staff in Job Grades 9 to 6 and effected 583 strategic staff transfers to optimize staffing levels.

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Further, we established a Post-Retirement Medical Scheme through the Judicial Staff Superannuation Scheme to support retiree welfare.

The Digital Transformation agenda has been paramount for effective and efficient service delivery in a Secure space. All the 145 court stations and tribunals were connected to a secure Wide Area Network (WAN), significantly enhancing the security and reliability of our digital infrastructure.

The Judiciary has become cognizant of the need to take care of the environment. Towards green Justice and Innovation, the Judiciary hosted the ELC Climate Change Conference at Moi University. We developed and validated a pioneering Climate Change Curriculum for Judges in partnership with the International Development Law Organization (IDLO) and academic institutions and launched a Compendium on Ecological Jurisprudence and developed an Environmental Justice compendium for publication.

Recommendations

To safeguard judicial independence and ensure access to justice for all Kenyans, we recommend:

1. **Increased Resource Allocation:** To facilitate the recruitment of Judges, Judicial officers and staff and avail critical human resources needs, complete court infrastructure projects, and fully implement digitization and automation initiatives.
2. **Mainstreaming ADR:** Dedicated funding to mainstream Court-Annexed

mediation and accelerate the national rollout of Small Claims Courts.

3. **Legislative Action:** Expedited enactment of the Tribunal Bill to streamline the management and operation of various tribunals and full Operationalisation of the Judiciary Fund.


Conclusion

Investing in the Judiciary is an investment in the foundation of a fair, just, and prosperous society. The recruitment of additional Judges, Judicial officers and Judicial personnel and staff to expedite case resolution and eliminate backlogs.

The full implementation of our digital strategy, including e-filing, case tracking, and virtual courts.

The promotion of Alternative Justice Systems (AJS) and community outreach, fostering a more inclusive and efficient legal system.

As public awareness of legal rights grows, so does the demand for our services. The Judiciary remains steadfast in its commitment to utilizing all public funds entrusted to it with utmost efficiency, integrity, and in strict compliance with the law to deliver on its constitutional mandate.



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

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10. STATEMENT OF PERFORMANCE AGAINST PRE-DETERMINED OBJECTIVES FOR FY2024/2025

Section 81 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer presents a statement of performance against predetermined objectives of the Judiciary.

The key strategic objectives are built of the Judiciary vision with five key pillars:

- **Institutional Strength:** Fostering an independent, accessible, and efficient institution that protects the rights of all, particularly the vulnerable.
- **Inspired Workforce:** Cultivating a team of Judges, Judicial Officers, and staff dedicated to excellence in justice delivery.
- **Financial Integrity:** Strengthening financial mechanisms to underpin the Judiciary's independence and integrity.
- **Strategic Partnerships:** Deepening collaborations that enhance coordination across the justice sector.
- **Public Trust:** Actively enhancing public confidence in the judicial system.

The **Table 1** below shows some of the achievements during the financial year under review.

Table 1: Achievements against Key Strategic Objectives

Program	Strategic Objective	Outcome	Output	Achievement for the FY			Cumulative Achievement by end of FY			Remarks	
				Output Indicator	Target	Actual	Variance	Target	Actual Achievement		Variance
Access to Justice	A strong institution that is independent, accessible, efficient, and protects the rights of all, especially the vulnerable	Reduced backlog	Judicial Services	Case clearance rate - %	103	102	1	103	102	1	A case clearance rate of 102% was achieved in the period under review.
				Reduction of case backlog aged 3 years and above - %	15	-28	43	15	-28	43	Case backlog reduced by 28% and exceeded the target set of 15%.
		Court Circuits	No. of Supreme	1	0	1	1	0	1	The Supreme Court of Kenya	

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Program	Strategic Objective	Outcome	Output	Achievement for the FY			Cumulative Achievement by end of FY			Remarks	
				Output Indicator	Target	Actual	Variance	Target	Actual Achievement		Variance
				Court Circuits held.						sub registries circuits aim at bringing the court services closer to the litigants in various parts of the country through scheduled disposal and delivery of matters in the sub registries.	
				No. of COA Circuits held	28	19	9	28	19	9	
				No. of High Court Circuits held	51	94	-43	51	94	-43	Circuits held in Meru, Kiambu, Eldama Ravine, Lodwar, Mararal, Kilgoris, Iten, Kericho, Milimani Civil, Nyahururu, Marsabit, Manderu, Malindi, Voi, Garsen. Targets
				No. of ELC Circuits held.	13	96	-83	13	96	-83	
				No. of ELRC Circuits held.	31	32	-1	31	32	-1	Held in Meru, Kitale, Bungoma, Machakos, Malindi, Kericho, Kisii

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Program	Strategic Objective	Outcome	Output	Achievement for the FY			Cumulative Achievement by end of FY			Remarks	
				Output Indicator	Target	Actual	Variance	Target	Actual Achievement		Variance
				No. of stations with Tribunals Circuits	28	27	1	28	27	1	BPRT held in Kakamega , and Mombasa, Cooperative held in Mombasa, Nakuru, Nyeri and Kakamega, RRT held in Nyeri Mombasa, Lamu, Eldoret, Nakuru, Embu, Kisii, Kisumu Meru and Kakamega. Targets new circuits in BPRT Nakuru and Kisumu
		Mobile courts		No. of mobile courts in operation	60	59	1	60	59	1	
	Deepened Partnerships that Enhance Coordination in the Administration of Justice	Collaboration with Justice System Stakeholders and Partners		No of stations AJS Suites are established	0	8	-8	0	8	-8	AJS Suites established in Narok, Eldoret, Kajiado, Gichugu, Mandera, Kisumu, Othaya, Transzoia and Isiolo
				No. of mediation registries established	10	14	-4	10	14	-4	Increase was as a result of support through Donor Funding (Isiolo, Olkarao, Marsabit, Kmwangi, Ruiru,

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Program	Strategic Objective	Outcome	Output	Output Indicator	Achievement for the FY			Cumulative Achievement by end of FY			Remarks
					Target	Actual	Variance	Target	Actual Achievement	Variance	
											Githunguri, Kapenguria, Lodwar, Kakuma, Lokitang, Lokicha, Kwale, Msabweni, Kilgoris,)
				Mediation settlement rate - %	50	62.25	-12.25	50	62.25	-12.25	The total value of agreed cases was Kshs 26.7 billion.
				No. of new mediators accredited	200	732	-532	200	732	-532	
	A strong institution that is independent, accessible, efficient, and protects the rights of all, especially the vulnerable	Establishment of Courts	Judicial Services	No. of new High Court Stations established & operationalized	1	2	-1	1	2	-1	Makadara High Court and Civil Appellate Division were established.
No. of new ELRC stations established & operationalized.				1	1	0	1	1	0	Operationalized ELRC in Voi	
No. of ELC stations established & operationalized				3	1	2	3	1	2	ELC Appeals Division	
No. of new Magistrates' courts				3	6	-3	3	6	-3	Courts established are Kamwangi, Moiben, Wamunyu,	

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Program	Strategic Objective	Outcome	Output	Achievement for the FY			Cumulative Achievement by end of FY			Remarks	
				Output Indicator	Target	Actual	Variance	Target	Actual Achievement		Variance
				established & operationalized						Kombewa, Kendubay and Dagoretti.	
				No. of new Kadhis' courts stations established & operationalized	1	0	1	1	0	1	
				No. of new Mobile Courts established	3	1	2	3	1	2	
				No. of Courts onboarded to Mahakama popote initiative	10	12	-2	10	12	-2	Stations onboarded: Kisumu, Eldoret, Wundanyi, Voi, Limuru, Kikuyu, Ruiru, Kenol
		Establishment of new sub-registries.		No. of COA sub registries established	1	1	0	1	1	0	Sub-registry established - Garissa
				No. of new HC sub-registries established	14	1	13	14	1	13	Sub registry in Wajir established. New sub registries to open in Kilifi, Webuye and Ngong Court stations

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Program	Strategic Objective	Outcome	Output	Achievement for the FY			Cumulative Achievement by end of FY			Remarks	
				Output Indicator	Target	Actual	Variance	Target	Actual Achievement		Variance
				No. of ELC sub-registries established	3	2	1	3	2	1	Wajir and Boment
				No. of ELRC sub-registries established	3	0	3	3	0	3	New courts to be established in Narok, Busia, Embu and Kajiado
				No. of tribunals sub-registries established	7	3	4	7	3	4	New sub registries in Kisumu, Embu and Meru. Target for the 25/26 in Eldoret and Nakuru
				No. of new small claims courts established	20	3	17	20	3	17	
				NCAJ Annual administration of Justice Report Published	1	1	0	1	1	0	
				No. of Judiciary desks established in Huduma Centres	10	6	4	10	6	4	Huduma Centres established in GPO, City Square, Eastleigh, Kiambu (Thika), Makadara, Kibera.
							0			0	There is a pending court case on the

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Program	Strategic Objective	Outcome	Output	Achievement for the FY			Cumulative Achievement by end of FY			Remarks	
				Output Indicator	Target	Actual	Variance	Target	Actual Achievement		Variance
										establishment of Judiciary desks.	
		Digitization of Registries		No. of court files digitized	276,740	322,295	-45,555	276,740	322,295	-45,555	The increase in the number of digitized case files is attributed to the filing of new cases in FY 2024/25. The handwritten proceedings of these cases were subsequently digitized, thereby contributing to the overall count of digitized case files.
		Provision of Green Energy to Power ICT Solutions		No. of court stations connected with solar power	15	3	12	15	3	12	Courts connected with solar power - Kajiado, Naivasha, Etago.
		Gender Justice		No. of SGBV courts established	15	0	15	15	0	15	All magistrates court are registering gender justice cases.
		Simplified Court Processes		No. of HC guidelines for cases management developed	1	1	0	1	1	0	Guidelines for the conduct of service week, circuits, and part heard cases developed

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Program	Strategic Objective	Outcome	Output	Output Indicator	Achievement for the FY			Cumulative Achievement by end of FY			Remarks
					Target	Actual	Variance	Target	Actual Achievement	Variance	
		Development of Court Infrastructure		No. of ongoing High Courts buildings completed	16	0	16	16	0	16	To complete Kwale, Nyeri, Makueni and Nyanyuki
				No. of ongoing Magistrates' courts buildings completed	10	2	8	10	2	8	Magistrate Courts completed - Dagoretti and Marimanti
				No. of residential units for judge's constructions ongoing.	3	1	2	3	1	2	Residential unit- Marsabit
	No. of High courts buildings rehabilitated/ Refurbished			3	2	1	3	2	1	Rehabilitated Nyeri and Milimani.	
	No. of Magistrates' courts buildings rehabilitated / Refurbished			100	3	97	100	3	97	Milimani, Milimani Commercial, & Kilungu	
	Supply and installation of alternative			10	3	7	10	3	7		
	An Inspired Team of Judges, Judicial Officers, And Judiciary Staff Committed to Excellence in The Delivery of Justice										

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Program	Strategic Objective	Outcome	Output	Achievement for the FY			Cumulative Achievement by end of FY			Remarks	
				Output Indicator	Target	Actual	Variance	Target	Actual Achievement		Variance
				power supply – generators							
							0			0	
General Administration, Planning and Support Services	Strengthened Financial Mechanisms that Support the Independence	Accountability in Judiciary	Administration Services	Number of vehicles procured/ leased	41	78	-37	41	78	-37	Additional Judges Recruited during the FY
				Performance Measurements Report Published	1	1	0	1	1	0	
				State of the Judiciary and Administration of Justice Report (SOJAR) Published	1	1	0	1	1	0	
				No of Risk Management Policy Developed	1	0	1	1	0	1	To be developed in FY 25/26
				No. of Annual Caseload Statistics Reports Produced	1	1	0	1	1	0	
		Automated Judiciary	ICT Services	Court stations with e-filing - %	100	100	0	100	100	0	Any court established must be on e-filing.

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Program	Strategic Objective	Outcome	Output	Output Indicator	Achievement for the FY			Cumulative Achievement by end of FY			Remarks
					Target	Actual	Variance	Target	Actual Achievement	Variance	
		administrative services		Digitized court records - %	100	53	47	100	53	47	Target not met due to budgetary constraints
				No. of courtrooms with digital court recording solution	100	0	100	100	0	100	

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11. GOVERNANCE STATEMENT

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.

The Chief Justice, as per Article 161(2) of the Constitution, is the Head of the Judiciary, deputised by the Deputy Chief Justice providing overall leadership and policy guidance to the Judiciary. The Chief Registrar of the Judiciary (CRJ) acts as the chief administrator and accounting officer, overseeing day-to-day operations and managing financial resources

The Judiciary runs Dispensation of Justice programme with two sub-programmes of Access to Justice and General Administration planning and support. The governance structure is premised on the two sub-programmes, that is the court structure and leadership & the administrative function.

a) Court structure and leadership

The Constitution provides for a two-tier court system: **Superior Courts** and **Subordinate Courts**. Superior Courts comprise the Supreme Court, Court of Appeal, High Court, Employment and

Labour Relations Court (ELRC), and Environment and Land Court (ELC). Subordinate Courts include Magistrates Courts, Kadhis Courts, Courts Martial, and Tribunals.

Superior Courts

Supreme Court: Established under Article 163 of the Constitution as the highest court in Kenya. It has exclusive jurisdiction over presidential election disputes, hears appeals from the Court of Appeal and certain tribunals, provides advisory opinions to government entities, and determines issues relating to declarations of a State of Emergency. The Court is led by the **Chief Justice** (President of the Court), assisted by the **Deputy Chief Justice** (Vice President).

Court of Appeal: Established under Article 164 of the Constitution, it hears appeals from the High Court, ELRC, and ELC. The Court is headed by the **President of the Court of Appeal**, who oversees its administration and efficiency.

High Court: Established under Article 165 of the Constitution, it has unlimited original jurisdiction in both civil and **criminal** matters, hears constitutional petitions, supervises subordinate courts, and interprets the Constitution. The **Principal Judge** leads and manages its operations and divisions.

Employment and Labour Relations Court (ELRC): Created under the Employment and Labour Relations Court Act in line with Article 162(2)(a). It deals with disputes relating to employment and

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labour relations. The Court is headed by a **Principal Judge**.

Environment and Land Court (ELC): Established under the Environment and Land Court Act pursuant to Article 162(2)(b). It hears disputes involving land and environmental matters, exercises appellate and supervisory powers over subordinate courts and tribunals within its jurisdiction, and oversees quasi-judicial bodies in its field. The **Presiding Judge** leads the Court.

Subordinate Courts

These include **Magistrates Courts, Kadhis Courts, Courts Martial**, as well as other courts and tribunals created through legislation, such as the **Small Claims Court** and specialized tribunals established by Acts of Parliament.

b) Administrative function

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. Committees have been established for the effective discharge of Judiciary functions. They include; Administration of Justice committee, Budget Implementation Committee, Human Resources Management and Administration Committee (HRMC), ICT and Integrated Case Management System Committee (ICMS), Public Affairs and Communication Advisory Committee (PAC), and Building Infrastructure and Facilities Development Committee (BIDC).

JSC Audit, Governance and Risk Management Committee

Section 73(5) of the Public Finance Management Act, 2012 provides that every National Government public entity shall establish an Audit Committee whose composition and functions shall be as prescribed by the regulation. Judicial Service Commission has established an Audit Committee that assists it in fulfilling its oversight responsibilities. The committee monitors the effectiveness of the internal control systems and regularly receives reports from Internal and External Auditors, and oversees the implementation of Audit recommendations.

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12. MANAGEMENT DISCUSSION AND ANALYSIS

a) Budget execution:

(i) The Judiciary budget for FY2024/2025 was released on half year basis for both recurrent and development budgets. The annual budget of KSh. 22,784,327,460 comprised Recurrent budget of KSh.21,968,727,460 and Development Budget of KSh.815,600,000. Included in the development budget was Ford Foundation grant of KSh44,500,000.

Budget Execution highlight for the year

Details	Full year Budget	Exchequer Released	Actual Expenditure to Date	Surplus/ Deficit	Utilisation%
	Ksh.'000	Ksh.'000	Ksh.'000	Ksh.'000	%age
Recurrent	21,968,727	21,962,110	21,865,050	97,060	99.50%
Development	<u>815,600</u>	<u>760,149</u>	<u>637,677</u>	<u>122,472</u>	<u>83.88%</u>
Total	<u>22,784,328</u>	<u>22,722,259</u>	<u>22,502,727</u>	<u>219,532</u>	<u>99.03%</u>

The Judiciary achieved an overall absorption rate of 99.03%. This demonstrates strong fiscal discipline and effective utilisation of resources, with only an unutilised budget of KShs 281.601 million.

Key Highlights by Item

- **Compensation of Employees (99.95% utilisation):**
Expenditure closely matched the budget, reflecting accurate forecasting and timely disbursement of salaries, allowances, and statutory contributions.
- **Use of Goods and Services (97.38% utilisation):**
Strong absorption was recorded across most operational items, though some under-expenditure was noted in communication, routine maintenance, and specialised services mainly due to late delivery of invoices by service providers.

- **Transfers to Other Government Units (16.53% utilisation):**
This category recorded significant underperformance due to unutilised capital transfers mainly Ford Foundation grant that was received towards the end of the financial year. However, given that the programmes are ongoing, the funds will be effectively utilised in FY2025/2026.
- **Social Security Benefits (100% utilisation):**
Full absorption was achieved, highlighting effective planning and compliance in managing pension and retirement obligations.
- **Acquisition of Assets (84.75% utilisation):**

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Although most asset-related expenditures were well executed, under-absorption in construction of buildings (62.59%) led to overall variance, pointing to delays in project implementation and procurement bottlenecks.

Overall Assessment

The Judiciary demonstrated **commendable budgetary performance**, especially in recurrent expenditure items, with limited gaps in development spending where there was slow progress by contractors and external transfers.

(ii) Compliance and Governance

i. Non-Compliance with Statutory Requirements:

There was no non-compliance issues in the year ended 30 June 2025.

ii. On-going or potential court cases, default/material arrears in statutory/financial obligations

No ongoing or potential court cases or default/material arrears in statutory or financial obligations.

iii. Financial Improbity and Serious Governance Issues:

There were no financial improbity or serious governance issues in the year under review.

13. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

The Judiciary recognises that access to justice must be pursued alongside sustainable environmental stewardship. As an institution tasked with upholding the Constitution, the Judiciary is committed to embedding principles of sustainability, responsible resource use, and environmental justice in its operations. This report highlights the Judiciary's initiatives, achievements, and commitments towards environmental conservation and sustainable practices.

The Judiciary's sustainability agenda is anchored on:

- **The Constitution of Kenya, 2010** - Article 42 guarantees every person the right to a clean and healthy environment.
- **Sustainable Development Goals (SDGs)** - particularly SDG 12 (Responsible Consumption and Production), SDG 13 (Climate Action), and SDG 16 (Peace, Justice, and Strong Institutions).
- **National Climate Change Act (2016)** and related environmental legislation.
- **Judiciary's Social Transformation through Access to Justice (STAJ) Blueprint**, which recognises sustainability and efficiency as cross-cutting enablers.

The Judiciary has embraced the following operational Sustainability Measures to ensure sustainable environment:

- Resource Efficiency**
 - Renewable Energy:** Pilot solar power installations in select court stations to reduce reliance on the national grid.
 - Water Conservation:** Installation of water harvesting systems and promotion of efficient water use.
- Waste Management**
 - Introduction of paperless processes through **e-filing, virtual hearings, and digital registries**, significantly reducing paper consumption.
 - Development of proper disposal mechanisms for electronic waste from ICT equipment.
- Infrastructure and Green Buildings**
 - Incorporation of **green design principles** in new and refurbished court buildings, including natural lighting, ventilation, and water efficiency systems.
 - Promotion of accessibility and environmentally friendly landscaping in court compounds.
- Environmental Justice and Jurisprudence**
 - The Judiciary plays a critical role in enforcing environmental rights through the **Environment and Land Court (ELC)** and other judicial processes. Increased access to justice in environmental matters through **decentralisation of ELC stations**.
 - Promotion of **Alternative Dispute Resolution (ADR)** and mediation in

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environmental conflicts, fostering community participation.

Development of jurisprudence on climate change, land use, and environmental governance, strengthening accountability and protection of public interest.

v. Challenges

- Lack of established **Key Performance Indicators (KPIs)** for sustainability, including energy consumption, waste reduction, and compliance with environmental standards.
- Lack of annual reporting and audits on the Judiciary's carbon footprint and resource efficiency.
- Lack of a **Sustainability Action Plan** aligned to the Judiciary Blue Print on - STAJ.
- Limited funding for hampering large-scale green infrastructure projects such as solar installations.
- Inadequate technical capacity in environmental audits across all court stations.
- Balancing rapid digitisation with safe disposal of obsolete ICT equipment.

The Judiciary has commitments to expansion of renewable energy adoption to court stations; full digitisation of court processes to minimise paper use; mainstreaming **climate change adaptation and resilience into judicial operations and jurisprudence; strengthening partnerships**

with development partners, government agencies, and civil society to advance sustainable justice delivery.

The Judiciary remains committed to promoting justice in a manner that safeguards the environment and ensures sustainability for future generations. By embracing resource efficiency, environmental justice, and institutional responsibility, the Judiciary contributes to a just, equitable, and sustainable society.

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14. 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 MDA shall prepare financial statements in respect of that MDA. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

The Accounting Officer in charge of the Judiciary is responsible for the preparation and presentation of the MDA'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 financial year ended on June 30, 2025. This responsibility includes:

- (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Judiciary;
- (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 financial statements, which have been prepared on the Accrual Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the Judiciary's financial statements give a true and fair view of the state of Judiciary's transactions during the financial year ended June 30, 2025, and of the Judiciary's financial position as at that date. The Accounting Officer further confirms the completeness of the accounting records maintained for the Judiciary, which have been relied upon in the preparation of the Judiciary's financial statements as well as the adequacy of the system of internal controls.

The Accounting Officer in charge of the Judiciary confirms that the Judiciary has complied fully with applicable Government Regulations and that the Judiciary's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer 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.

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Approval of the financial statements

The Judiciary's financial statements were approved on 25th NOV.....2025 and signed by:



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

REPUBLIC OF KENYA

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REPORT OF THE AUDITOR-GENERAL ON THE JUDICIARY FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

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

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 transitional IPSAS financial statements of The Judiciary set out on pages 1 to 40, 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 transitional IPSAS financial statements present fairly, in all material respects, the financial position of 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 (including the transitional provisions permitted under IPSAS 33) and comply with the Judicial Service Act, 2011, the Public Finance Management Act, 2012 and The National Treasury and Economic Planning Circular No.3 of 14 April, 2025.

Basis for Qualified Opinion

Unsupported Employee Costs

The statement of financial performance reflects employee costs of Kshs.15,366,269,192, which includes basic wages for temporary employees amounting to Kshs.423,010,312, as disclosed in Note 9 to the financial statements. However, payroll analysis revealed that one thousand and one (1,001) casual workers were engaged for periods exceeding three (3) months, without supporting documentation, such as workload allocation, performance evaluations, approved Human Resource Plans, Human Resource Management Advisory Committee minutes, and formal amendments to employment terms.

Further, The Judicial Service Commission Circular No. JSC 8 of 18 January, 2024 directed that contract for officers engaged under the Ajira Programme be automatically renewed upon expiry without an end date.

In addition, employee costs increased by Kshs.190,972,170 or 82% compared to Kshs.232,038,142 reported in the previous year, but was not supported by documentation such as needs assessments, requisitions, recruitment records, employment contracts, and pending workload in the court stations, as well as budgetary requirements.

In the circumstances, the accuracy and completeness of the employee costs of Kshs.15,366,269,192 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of 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

1.0 Budgetary Control and Performance

1.1 Overall Under-Funding of Capital Projects

The statement of comparison of budget and actual amounts reflects that The Judiciary incurred capital expenditure of Kshs.744,928,847 against an approved final capital budget of Kshs.921,466,524, resulting in an underutilization of Kshs.176,537,677, or 19% of the approved budget.

Further, review of The Judiciary's Strategic Plan revealed that provision of critical infrastructure was identified as a key priority for promoting social transformation through improved access to justice. The resource requirements for completing ongoing capital projects during the year under review totalled Kshs.6.28 billion, compared to an approved capital expenditure budget of Kshs.0.92 billion, resulting in significant under-funding of Kshs.5.36 billion or 85% of the required resources.

The under-funding and under-utilization of the capital budget may impact the timely completion of critical infrastructure projects and adversely affect the achievement of strategic objectives.

1.2 Non-Funded Ongoing Projects

The Judiciary had twenty-nine (29) ongoing construction projects with total contract sum of Kshs.4,137,409,951, including valued works of Kshs.584,442,421 and uncertified commitments totalling Kshs.3,552,967,530. However, the approved development budget for the year was only Kshs.921,466,524, resulting to a funding shortfall of Kshs.3,215,943,427 or 78% of the committed contract sums.

At the current rate of funding, completion of these twenty-nine (29) projects may take more than five (5) years, which would negatively impact The Judiciary's strategic goals and service delivery.

My opinion is not modified in respect of these matters.

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, 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 Judiciary in the financial year 2024/2025 revealed that the following fourteen (14) issues remained unresolved:

No.	Financial Year	Audit Issue
1	2023/2024	Unsupported compensation of employees
2	2023/2024	Unsupported foreign travel subsistence and training expenses
3	2023/2024	Variances between the comparative balances and prior year audited financial statements
4	2023/2024	Pending bills-failure to pay pending bills as the first charge
5	2023/2024	Low absorption of development budget
6	2023/2024	Avoidable payments
7	2023/2024	Non-compliance with the one-third rule on basic salary
8	2023/2024	Non-compliance with the law on affirmative action
9	2023/2024	Non-compliance with staff establishment
10	2023/2024	Condemned new office building at the Mombasa law courts
11	2023/2024	Failure to prepare and submit bank reconciliation statements and quarterly reports
12	2023/2024	Lack of internal audit reports
13	2023/2024	Incomplete fixed assets register
14	2023/2024	Enhancement of governance systems for security-related expenditures

Other Information

Management are responsible for the Other Information set out on pages v to xlii which comprise of, Key Information and Management, Statement by the Chief Justice, Statement by the Chief Registrar of the Judiciary, Statement of Performance against pre-determined Objectives, Governance Statement, Management Discussion and Analysis and Environment and Sustainability Reporting, and The 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 Judiciary's financial statements, my responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is no 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 THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I

confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Non-Compliance with the Approved Salaries and Remuneration Commission's and Judicial Service Commission Staff Allowances

The employee costs of Kshs.15,366,269,192 as disclosed in Note 9 to the financial statements include personal allowances paid as part of salaries amounting to Kshs.5,274,886,002, which further includes allowances totalling Kshs.25,683,398 irregularly paid to three hundred and thirty six (336) officers at rates higher than those approved by the Salaries and Remuneration Commission (SRC) and the Judicial Service Commission guidelines for their respective job grades, including house allowances, commuter allowances, among others.

In the circumstances, Management was in breach of the SRC and JSC guidelines, resulting to irregular payments.

2. Non-Compliance with One-Third Rule on Basic Salary

Review of payroll data revealed that, six hundred and fifty-two (652) employees earned a net salary of less than one-third ($\frac{1}{3}$) of their basic salary. This was contrary to Section 19(3) of the Employment Act, 2007, which requires that the total amount of all deductions which may be made by an employer from the wages of his employee at any one time shall not exceed two-thirds of such wages.

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

3. Non-Compliance with Law on Affirmative Action

Review of payroll data and staff establishment revealed that The Judiciary had six thousand, eight hundred and eighty two (6,882) staff members during the year, out of this, only one hundred and fifty four (154) staff or 2% were Persons with Disabilities. This percentage falls below the threshold of 5%, contrary to Article 54(2) of the Constitution of Kenya (2010), which requires at least five percent (5%) of the workforce to be Persons with Disabilities.

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

4. Non-Compliance with Staff Establishment

Review of records revealed that The Judiciary has an approved staff establishment of ten thousand one hundred and six (10,106) against an in-post of six thousand eight hundred and eighty-two (6,882), resulting in a deficit of three thousand two hundred and twenty-two (3,224) or 32%. Further, approved establishment for Magistrates and Judges was one thousand two hundred (1,200), while only five hundred and sixty four (564) were in post, resulting in a shortage of six hundred and thirty six (636) or 47%.

In the circumstances, the significant understaffing may affect The Judiciary's ability to deliver services to the public.

5. Long Outstanding Court Cases at Kwale Law Courts

Examination of pending cases at The Judiciary revealed that there are four hundred and ninety six (496) cases in court that have been ongoing for more than three (3) years. The prolonged process of resolving these cases may result in justice being denied for the parties involved and could erode public confidence. Further, analysis of aging cases across courts revealed a significant backlog.

In addition, nine hundred and five (905) case records did not have documented court directives, which prevented progression, as the most recent court decisions were not recorded due to understaffing. It was also noted that delays in updating the Court Tracking System (CTS) and the frequent transfer of Judicial officers and judges without clearance of pending matters allocated to them.

In the circumstances, the long standing cases and missing outcomes on continuing court cases may negatively impact the effective delivery of justice.

6. Unoccupied New Building at the Mombasa Law Courts

Physical verification of the newly constructed court building at Mombasa Law Courts revealed that the facility, built under The Judiciary Improvement Performance Project (JIPP) with donor funding, remains unused. The structure was observed to have visible cracks, raising concerns about its stability and structural integrity. Despite the Judiciary experiencing space constraints, evidenced by the ongoing lease of premises at the Kenya School of Government for the Environment and Labour Relations Court at an annual rent of Kshs.3,915,000 from the 2023/2024 financial year, no documentation was provided to confirm the completion and official handover of the building.

In addition, there were no records indicating that liquidated damages for delays or defects were assessed, nor was there evidence of actions taken to hold the contractor or other responsible parties accountable.

In the circumstances, The Judiciary may not have obtained value for money spent on the project.

7. Failure to Comply with Climate Change Financing Requirements

Management did not provide evidence that The Judiciary allocated resources directed towards climate change activities. This was contrary to Regulations 6(1)(d) and 15(2)(a) of the Climate Change Regulations, 2021, which require each public entity at both the National and County Governments to allocate an amount in its annual budget towards climate change activities. The regulations also require each entity to designate a unit with adequate staff and financial resources and appoint a senior officer as head of the unit to coordinate the integration of the Climate Change action plan and other statutory climate change functions into sectoral strategies for implementation.

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

8. Irregular Use of Framework Contracts and Agreements

The statement of financial performance reflects use of goods and services amounting to Kshs.6,391,529,392 as disclosed in Note 10 to the financial statements. Included in this

amount is Kshs.35,687,579 spent through framework agreement and contracts for the supply of goods and services from six (6) suppliers. However, review of procurement documents revealed that the agreements did not include at least seven (7) vendors per category of goods and services that were procured.

Further, value for money assessments to evaluate the competitiveness of determining framework agreement terms were not carried out on the procurements. This was contrary to Sections 91 and 114 of the Public Procurement and Asset Disposal Act, 2015, which requires that open tendering is the preferred method of procurement. Further, framework agreements must include at least seven (7) vendors per category on framework contracts.

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

9. Lack of Performance Security/Bond

The statement of financial position reflects property, plant and equipment balance of Kshs.702,162,997 as disclosed in Note 14 to the financial statements. However, review of the list of building related contracts revealed twenty nine (29) incomplete contracts with a total contract value of Kshs.4,137,409,951. However, seventeen (17) contracts valued at Kshs.1,947,725,211 had expired contract periods and lacked valid performance bonds.

This was contrary to Regulation 135(1)(4) of the Public Procurement and Asset Disposal Regulations, 2020, which requires that performance security is mandatory for goods, works, and non-consultancy services contracts above five million shillings, and the Head of the Procurement Function shall be the custodian of the tender or performance security and must monitor its application.

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

10. Stalled Projects

Review of the project list revealed that eleven (11) construction related projects with a contract cost of Kshs.1,733,399,908, had lapsed contract periods and had stalled.

Further, there was no evidence of adequate budgetary provision to complete the remaining works, which exposes The Judiciary to increased risk of avoidable expenditure resulting from potential litigation by contractors, delayed service delivery and inefficiency in access to justice by the public.

In addition, no performance securities were seized on these contracts. This was contrary to Section 141(1) and (2) of the Public Procurement and Asset Disposal Act, 2015, which requires submission of a performance security of up to ten percent (10%) of the contract amount before contract signing, and requires that the security be seized if the contract is not executed properly.

In the circumstances, the effectiveness of the contracts, procurement implementation and monitoring and value for money on these contracts could not be confirmed.

11. Lack of an Approved Legal Framework Anchoring Tribunal Operations Within the Judiciary

Review of the organizational structure and work plans revealed that The Judiciary currently operates twenty three (23) operational tribunals. However, there is no enacted legislation providing a legal framework to anchor all tribunals' operations within The Judiciary. Further, the Tribunals Bill, although approved by Cabinet in 2023, remains pending in Parliament. This has resulted in legal uncertainty, governance gaps, inequitable access to justice, and budgeting constraints.

In the circumstances, lack of enabling legislation for Tribunals adversely affects The Judiciary's mandate to promote access to justice and good governance.

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 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. Incomplete Fixed Assets Register

Note 14 to the financial statements reflects property, plant and equipment balance of Kshs.702,162,997. However, field inspection in ten (10) court stations in Voi, Malindi, Kilifi, Kwale, Mombasa, Marimanti, Mavoko, Githongo, Mukurweini and Meru revealed that the fixed asset registers maintained at these stations were incomplete. Information such as date acquired, cost of the asset, serial number, tag number, asset condition, and net carrying values was not recorded in the asset register. Further, the asset records were inconsistent with the main register maintained at The Judiciary Headquarters.

In the circumstances, the effectiveness of controls on asset management could not be confirmed.

2. Enhancement of Governance Systems for Security Related Expenditures

The Judiciary incurred some expenditures on confidential security operations. Certificates of confidential expenditure were issued, supported by declarations from the Accounting Officer affirming proper use of funds in compliance with Regulation 101(5) of the Public Finance Management (National Government) Regulations, 2015.

As previously reported, there is need to enhance accountability of confidential expenditures, which have increased over the years, through review of the Regulations to clearly define entities eligible for confidential security related expenditures and to specify what constitutes security related operations. Further, entities should establish internal oversight mechanisms and processes that include detailed budget projections and post-operation financial summaries to address risks and ensure responsible use and accountability of the funds beyond the certificate. However, as at the time of the audit in November 2025, no action had been taken to implement the audit recommendations.

In the circumstances, the measures that are aimed at strengthening governance, fostering trust, and ensuring funds are utilized responsibly without compromising State security could not be confirmed.

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi


23 December, 2025

THE JUDICIARY
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16. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2025

	Note	Year Ended 30-Jun-2025 Ksh.
Revenue from non-exchange transactions		
Transfer from Exchequer	6	22,722,259,232
Transfer from other government entities	7	7,327,460
Transfers from Domestic and Foreign Partners		0
Other receipts	8	<u>1,118,886</u>
Total		<u>22,730,705,578</u>
Expenses		
Employee costs	9	15,366,269,192
Use of goods and services	10	<u>6,391,529,392</u>
Total expenses		<u>21,757,798,584</u>
Surplus for the year		<u>972,906,994</u>

The financial statements set out on pages 1 to 29 were signed by:



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




CPA Wycliffe Wanga - ICPAK
Member No: 3209
Director Accounting Services

THE JUDICIARY
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17. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025

ASSETS	Note	As at:	As at:
		30-Jun-2025	01-Jul-2024
Current Assets		Ksh.	Ksh.
Cash and Cash Equivalents	11	261,842,155	67,362,419
Receivables from exchange transactions	12	<u>56,411,586</u>	<u>5,063,732</u>
Total Current assets		<u>318,253,741</u>	<u>72,426,151</u>
Non-Current Assets			
Property, plant and equipment	14	702,162,997	-
Intangible assets	15	<u>249,257,965</u>	<u>206,492,115</u>
Total Non-Current Assets		<u>951,420,962</u>	<u>206,492,115</u>
Total Assets (A)		<u>1,269,674,703</u>	<u>278,918,266</u>
Liabilities			
Current Liabilities			
Trade and other payables	13	<u>91,542,416</u>	<u>872,100,944</u>
Total Current Liabilities		<u>91,542,416</u>	<u>872,100,944</u>
Total Liabilities (B)			=
Net Assets (A-B)		<u>1,178,132,287</u>	<u>(593,182,678)</u>
Represented By:			
Accumulated surplus		981,084,645	8,177,645
Prior Year Adjustment		-	-
Reserves		(9,444,467)	(807,852,438)
Capital Fund		<u>206,492,115</u>	<u>206,492,115</u>
Net Assets		<u>1,178,132,287</u>	<u>(593,182,677)</u>

The financial statements set out on pages 1 to 25 were signed by:



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



CPA Wycliffe Wanga - ICPAK
Member No: 3209
Director Accounting Services

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18. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2025


Description	Accumulated Surplus	Reserves	Capital Fund	Total
	Ksh.	Ksh.	Ksh.	Ksh.
As at 30 th June 2024 (cash basis)	8,177,645	64,248,507	-	72,426,152
Adjustments: (to recognize assets and liabilities)	-	(872,100,945)	206,492,115	(665,608,829)
As at July 1, 2024	8,177,645	(807,852,437)	206,492,115	(593,182,677)
Surplus/ deficit for the year	972,906,994	-	-	972,906,994
Additions to reserves	-	798,407,970	-	798,407,970
Other Charges	-	-	-	-
As at 30 June 2025	<u>981,084,639</u>	<u>(9,444,467)</u>	<u>206,492,115</u>	<u>1,178,132,287</u>

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19. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2025

	Note	Year Ended 30-Jun-2025 Ksh.
Cash Flows from Operating Activities		
Receipts		
Transfers from Exchequer	6	22,722,259,232
Transfer from other government entities	7	7,327,460
Other receipts	8	<u>1,118,885</u>
Total Receipts		22,730,705,578
Miscellaneous receipts	11(a)(i)	<u>1,455,622</u>
		22,732,151,200
Payments		
Employee costs	9	15,366,269,192
Use of goods and services	10	<u>6,426,473,425</u>
Total Payments		<u>21,792,742,617</u>
Net cash flows from/(used in) operating activities		939,408,583
Cash flows from investing activities		
Purchase of PPE	14	(702,162,997)
Purchase of Intangible assets	15	<u>(42,765,850)</u>
Net cash Flows from/(used in) investing activities		<u>(744,928,847)</u>
Net increase/(decrease) in cash & Cash Equivalent		194,479,736
Cash and cash equivalent at the start of the year		<u>67,362,419</u>
Cash and cash equivalent at the end of the year		<u>261,842,155</u>

The entity financial statements were signed by:



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



CPA Wycliffe Wanga - ICPAK
Member No: 3209
Director Accounting Services

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20. STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2025

Description	Original Budget	Adjustments	Final Budget	Actual on a comparable basis	Budget Utilisation difference	% of utilisation
	a	b	c=b+a	d	e=c-d	F=d/c%
Revenue						
Transfer from Exchequer	23,637,400,000	(904,899,960)	22,732,500,040	22,722,259,232	10,240,808	99.75%
Transfer from other government entities		7,327,460	7,327,460	7,327,460	-	100%
Transfer from foreign partners		44,500,000	44,500,000		44,500,000	-
Other Receipts	-	-	-	1,118,886	(1,118,886)	-
Total Revenue	<u>23,637,400,000</u>	<u>(853,072,500)</u>	<u>22,784,327,500</u>	<u>22,730,705,578</u>	<u>53,621,923</u>	<u>99.76%</u>
Expenses						
Employee Costs	14,931,563,111	441,786,214	15,373,349,325	15,366,269,191	7,080,134	99.95%
Use of goods and services	6,854,112,616	(364,600,965)	6,489,511,651	6,391,529,392	97,982,259	98.49%
Capital Items						
Acquisition of PPE	<u>1,851,724,273</u>	<u>(930,257,749)</u>	<u>921,466,524</u>	<u>744,928,847</u>	<u>176,537,677</u>	<u>180.84%</u>
Total Expenses	<u>23,637,400,000</u>	<u>2(853,072,500)</u>	<u>22,784,327,500</u>	<u>22,502,727,431</u>	<u>281,600,070</u>	<u>98.76%</u>
Surplus	=	=	=	<u>227,978,147</u>	<u>(227,978,147)</u>	

¹ The low absorption in acquisition of PPE (development budget was due slow and non-performance of contractors hence fewer certification of works.

² The Judiciary budget was revised downwards by Ksh.853,072,500 primarily attributed to the non-enactment of the Finance Bill, 2024, which significantly affected the Government's overall revenue collection performance. Consequently, budget ceilings for institutions including Judiciary were adjusted.

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20 (a) - Reconciliation Table

	Operating	Financing	Investing	total
Actual Surplus amount as per the Statement of Budget	227,978,147	-	-	227,978,147
Timing difference	(711,064,839)	-	744,928,847	33,864,008
Balance of Judiciary AIE fund				
Closing Cash and Cash Equivalent as per the Statement of Cash Flows	<u>(483,086,692)</u>	=	<u>744,928,847</u>	<u>261,842,155</u>

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21. NOTES TO THE FINANCIAL STATEMENTS

1) Establishment

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

2) Statement of compliance and basis of reporting

Statement of Compliance

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

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

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

These financial statements were authorized for issue by the Accounting Officer on 25th Nov. 2025.

Reporting period

The reporting period for these financial statements is for the period ended on 30th June 2025.

Basis of preparation

These Transitional IPSAS Financial Statements are Prepared in accordance with the Accrual Basis of Accounting Method Under International Public Sector Accounting Standards (IPSAS) on a going concern basis. Under an accrual basis, revenues are recognised when

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rights to assets are earned or levied rather than when cash is received, and expenses are recognised when obligations are incurred rather than when they are settled. The financial statements have been prepared and presented in Kenya Shillings to the nearest shilling.

While the financial statements substantially comply with accrual IPSASs, certain elements have not yet been fully recognised or measured due to transitional arrangements provided under IPSAS 33.

Elements Not Yet Recognised or Fully Measured

Category	Description / Status	Reason for Non-Recognition or Partial Recognition
Property, Plant and Equipment (IPSAS 17)	Only verified assets for FY2024/25 have been recognised. Comprehensive valuation of land, buildings, and specialized court equipment is ongoing.	Asset verification and valuation exercise still in progress.
Intangible Assets (IPSAS 31)	Internally developed software and systems have not been capitalised.	Lack of cost information and supporting documentation.
Heritage and Cultural Assets (IPSAS 17 & 31)	Court heritage assets, libraries, and artifacts have not been recognised.	Valuation methodologies for heritage assets not yet established.
Inventories (IPSAS 12)	Consumables and stationery are expensed on purchase.	Inventory management and valuation systems not yet implemented.
Employee Benefits (IPSAS 39)	Accrued employee benefits such as leave pay, gratuity, and pension obligations are not yet recognised.	Actuarial valuation process pending.
Provisions and Contingent Liabilities (IPSAS 19)	Legal claims, pending court awards, and contingent liabilities have not been disclosed.	Comprehensive review and quantification underway.
Receivables and Payables (IPSAS 9 & 23)	Only verified balances are reported; payables analysis ongoing.	Reconciliation of supplier accounts ongoing

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Category	Description / Status	Reason for Non-Recognition or Partial Recognition
Revenue from Non-Exchange Transactions (IPSAS 23)	Transfers from the National Treasury are recognised on a cash basis. Grants and other receivables are not yet accrued.	Dependence on cash-based Exchequer releases.
Leases (IPSAS 13 / IPSAS 43)	Lease liabilities and right-of-use assets not yet recognised.	Lease inventory and classification in progress.

Transitional Approach

The Judiciary is implementing a phased approach towards full adoption of accrual IPSASs in line with the Public Sector Accounting Standards Board (PSASB) roadmap. The transition program focuses on:

- Verification, valuation, and recognition of all non-financial assets;
- Integration of fixed asset and inventory management modules within Jumuika and IFMIS;
- Strengthening capacity of financial management staff on accrual IPSAS;
- Revision of accounting policies and procedures consistent with IPSAS requirements; and
- Enhanced coordination with the National Treasury for comprehensive financial reporting.

Conclusion

While these financial statements have been prepared substantially in accordance with accrual-based IPSAS, the Judiciary acknowledges that some elements remain unrecognised or partially measured. These will be incorporated progressively as data and valuations become available. The Judiciary remains committed to achieving full IPSAS compliance by the end of the designated transition period in accordance with the PSASB's implementation framework.

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Critical accounting judgements

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

Recognition of revenue

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

Recognition of non-exchange expenses and liabilities

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

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

Purpose and nature of financial instruments

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

Climate change obligations

Kenya's current National Determined Contribution (NDC) to deliver on the goals of the Paris Agreement sets a headline target of a 32 per cent emission reduction by 2030 relative to the

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business-as-usual scenario of 143 MtCO₂eq. Judiciary's commitment to climate change action does not constitute a present obligation on the balance sheet but are disclosed separately.

Physical assets

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

3) Adoption of New and Revised Standards

i) New and amended standards and interpretations in issue effective in the year ended 30 June 2024.

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

ii) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024.

Standard	Effective date and impact:
IPSAS 43	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an MDA.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of</p>

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Standard	Effective date and impact:
	discontinued operations to be presented separately in the statement of financial performance.
IPSAS 45- Property Plant and Equipment	<p>Applicable 1st January 2025</p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p>
IPSAS 46 Measurement	<p>Applicable 1st January 2025</p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
IPSAS 47- Revenue	<p>Applicable 1st January 2026</p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non-exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an MDA shall apply to report useful information to users of financial statements about the nature, amount,</p>

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Standard	Effective date and impact:
	timing and uncertainty of revenue and cash flow arising from revenue transactions.
IPSAS 48- Transfer Expenses	Applicable 1st January 2026 The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.
IPSAS 49- Retirement Benefit Plans	Applicable 1st January 2026 The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.

iii) Early adoption of standards

The Judiciary did not early - adopt any new or amended standards in the financial year or the MDA adopted the following standards early (state the standards, reason for early adoption and impact on MDA's financial statements.)

iv) Expected Impacts on the Judiciary

When these standards are adopted (or fully implemented), the Judiciary will see effects in multiple dimensions – financial reporting, internal processes, systems, disclosures, and stakeholder expectations. Below are the anticipated impacts for the Judiciary.

Expected Impact / Changes
Many lease arrangements that were off-balance-sheet under the old approach will now require recognition of right-of-use assets and lease liabilities (under IPSAS 43). This will offer better visibility of all obligations.
With IPSAS 45 and IPSAS 46, the Judiciary would be able to use current operational value (COV) for assets used to deliver services (versus fair value or historical cost). This will lead to revaluations and adjustments in PPE. Better visibility of all obligations.
Under IPSAS 47, classification and timing of non-exchange revenues (e.g., budget transfers, grants) will be governed by stricter criteria – e.g. when the performance obligations or

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Expected Impact / Changes
conditions are fulfilled. There will be more transparent timing of revenue and linking to performance.
IPSAS 48 introduces more rigorous accounting for transfers – distinguishing between conditions, eligibility, timing – and requires stronger disclosure. There will be better accountability and clearer reporting for transfers (e.g. to other government units).
IPSAS 44 may affect how advances, investments, receivables, and other financial instruments are measured and impaired. There will be more accurate measurement of financial exposures (credit risk, fair value adjustments).
All these standards include enhanced disclosure requirements (e.g. movement tables, sensitivity, assumptions).
While IPSAS 49 governs accounting by the benefit plan itself (not the Judiciary as employer), the Judiciary will have to coordinate with plan entities and include necessary disclosures. This will offer better transparency in pension or retirement plans associated with judicial officers.

4) Summary of Significant Accounting Policies

a) Revenue Recognition

i. Revenue from non-exchange transactions

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

ii. External Assistance

External assistance is received through grants and loans from multilateral and bilateral development partners. Grants and loans shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the recipient entity or by the beneficiary.

In case of grant/loan in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice. A similar recognition criterion is applied for loans received in the form of a direct payment. During the period ended 30 June

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2025 there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

iii. Other receipts

These include Appropriation-in-Aid and relates to receipts such as proceeds from disposal of assets and sale of tender documents. These are recognised in the financial statements the time associated cash is received.

b) Budget information

The original budget for FY2024/25 was approved by the National Assembly on 28/06/2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals to conclude the final budget. Accordingly, the Judiciary recorded reduction in recurrent appropriations of Ksh.175,999,960 and reduction of development budget by Ksh.684,400,000 on the 2024/25 budget following the National Assembly's approval. The Judiciary's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on an accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of cashflows has been presented under section 11 on page 26 of these financial statements.

c) Property, plant, and equipment

All property, plant, and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant, and equipment are required to be replaced at intervals, the Judiciary recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair

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and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

d) Right of use asset

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

e) Intangible assets

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

f) Research and development costs

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

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

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

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

g) Financial assets

Classification of financial assets

The Judiciary classifies its financial assets as subsequently measured at amortized cost, fair value through net assets/ equity, or fair value through surplus and deficit based on both the Judiciary's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless Judiciary has made an irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

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

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value

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through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through net assets/ equity

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

Trade and other receivables

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

Fair value through surplus or deficit

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

Impairment

The Judiciary assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The Judiciary recognizes a loss allowance for such losses at each reporting date.

h) Financial liabilities - Classification

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

i) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or a nominal cost), the cost of the

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inventory is its fair value at the date of acquisition. Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

- i) Raw materials: purchase cost using the weighted average cost method.
- ii) Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Judiciary.

j) Provisions

Provisions are recognized when the Judiciary has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Judiciary expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

k) Contingent liabilities

The Judiciary does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

l) Contingent assets

The Judiciary does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Judiciary in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

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m) Nature and purpose of reserves

The Judiciary creates and maintains reserves in terms of specific requirements.

n) Changes in accounting policies and estimates

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

o) Employee benefits

Retirement benefit plans

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

p) Related parties

In line with IPSAS 20 - *Related Party Disclosures*, the Judiciary considers a related party as a person or an entity with the ability to exert control individually or jointly or to exercise significant influence over the Judiciary, or vice versa. The Judiciary considers the following as related parties:

- Key Management Personnel:** Chief Justice, Deputy Chief Justice, Chief Registrar of the Judiciary (CRJ), Judges of the Supreme Court, Court of Appeal and High Court, Members of the Judicial Service Commission (JSC), and Directors of key departments.
- **Entities within Government:** The National Treasury, Judicial Service Commission, and Judiciary Fund which provide financing, budgetary oversight, and governance.

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- **Judiciary-Controlled Entities:** Judiciary Receiver of Revenue, Court Deposit Accountability Statements, Judiciary Training Institute, and donor-funded projects under Judiciary administration.

Related part transactions are disclosed in note 12

q) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at the 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.

a) Comparatives

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

5) Significant Judgments and Sources of Estimation Uncertainty

The preparation of the Judiciary's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. State all judgements, estimates and assumptions made:

Estimates and assumptions

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

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Useful lives and residual value

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

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

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6) TRANSFERS FROM THE EXCHEQUER

Nature of transfer	Amount recognized to Statement of Financial performance	Amount under income	deferred deferred	Total transfers Year ended 30 Jun 2025
Nature of transfer	Ksh.		Ksh.	Ksh.
Recurrent	21,962,110,165		-	21,962,110,165
Development	<u>760,149,067</u>		-	<u>760,149,067</u>
Total	<u>22,722,259,232</u>		-	<u>22,722,259,232</u>

Description	Year ended 30 Jun 2025
	Ksh.
Recurrent	21,962,110,165
Development	<u>760,149,067</u>
Total	<u>22,722,259,232</u>

7) TRANSFER FROM OTHER GOVERNMENT AGENCIES

	Year ended 30 Jun 2025
	Ksh.
Retirement Benefits Authority	7,327,460
Ford Foundation	-
Total transfer from government agencies	<u>7,327,460</u>

8) OTHER RECEIPTS

	Year ended 30 Jun 2025
	Ksh.
Unspent AIEs and Imprest	1,118,886
Total Other Receipts	<u>1,118,886</u>

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9) EMPLOYEE COSTS

	Year ended 30 Jun 2025
	Ksh.
Basic salaries of permanent employees	7,397,055,536
Basic wages of temporary employees	423,010,312
Personal allowances paid as part of salary	5,274,886,002
Employer Contributions to Compulsory National Social Security Schemes	<u>2,271,317,342</u>
Total	<u>15,366,269,192</u>

10) USE OF GOODS AND SERVICES

	Year ended 30 Jun 2025
	Ksh.
Utilities, supplies and services	163,801,832
Communication, supplies and services	481,447,850
Domestic travel and subsistence	1,032,787,758
Foreign travel and subsistence	178,674,403
Printing, advertising and information supplies & services	74,851,462
Rentals of produced assets	409,084,061
Training expenses	97,275,158
Hospitality supplies and services	587,056,009
Insurance costs	1,519,099,845
Specialised materials and services	114,533,472
Office and general supplies and services	289,140,638
Fuel Oil and Lubricants	295,286,119
Other operating expenses	762,242,989
Routine maintenance - vehicles and other transport equipment	246,402,580
Routine maintenance - other assets	<u>139,845,215</u>
Total	<u>6,391,529,392</u>

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10 (a) Adjustment to Domestic Travel and Subsistence, and Other Transportation Costs	
<i>Description</i>	Kshs
Domestic Travel and Subsistence, and Other Transportation Costs	1,032,787,759
Adjusted for	
Staff local travel expenses	4,448,115
Adjusted Domestic Travel and Subsistence, and Other Transportation Costs	1,037,235,874

10 (b) Other Operating Expenses	
<i>Description</i>	Kshs
Other Operating Expenses	762,242,989
Adjusted for	
Legal Dues/fees, Arbitration and Compensation Payments	19,400,000
Supplier payments	<u>11,095,918</u>
Adjusted Other Operating Costs	<u>792,738,907</u>

11) CASH AND CASH EQUIVALENT

Description		Year ended 30 Jun 2025	Opening statement 1st July 2024
		Ksh.	Ksh.
Fund Account	11(b)	116,493,940	2,986,780
Recurrent Account	11(a)(i)	144,394,069	63,390,649
Development Account	11(a)(ii)	<u>954,146</u>	<u>984,990</u>
Total Cash & Cash Equivalent		<u>261,842,155</u>	<u>67,362,419</u>

11 (a) DETAILED ANALYSIS OF THE CASH AND CASH EQUIVALENT

		Year ended 30-Jun- 2025	Opening Statement 01-Jul-2024
		Ksh.	Ksh.
Financial Institution			
(i) Recurrent Accounts			
CBK: 1000589353 - Fund Recurrent A/C		25,367,423	836,480

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	Year ended	Opening Statement
	30-Jun- 2025	01-Jul-2024
KCB: 1334521522 - Recurrent Single A/C	55,026,855	-
CBK: 1000181915 - Jud Recurrent (Old /C)	<u>363,999,791</u>	<u>62,554,169</u>
	<u>144,394,069</u>	<u>63,390,649</u>
(ii) Development Accounts		
CBK: 1000182048 - Jud Dev (Old A/C)	-	941,249
CBK: 1000589388 - Fund Development A/C	<u>954,146</u>	<u>43,741</u>
	<u>954,146</u>	<u>984,990</u>

11 (b) FUND ACCOUNT MOVEMENT

Central Bank of Kenya: 1000589396 - Judiciary Fund

	Year ended	Opening Statement
	30-Jun- 2025	01-Jul-2024
	KSh.	KSh.
Opening Balance	2,986,780	-
Exchequer Receipts from CFS	22,722,259,232	21,562,904,852
Unspent AIEs from court stations	1,118,886	79,454,514
Transfer from other government agencies (RBA)	7,327,460	-
Transfer to Judiciary Operations	<u>(22,617,198,418)</u>	<u>(21,639,372,586)</u>
Fund balance	<u>116,493,940</u>	<u>2,986,780</u>

12) RECEIVABLES FROM EXCHANGE TRANSACTIONS

	Year ended	Opening Statement
	30-Jun- 2025	01-Jul-2024
	KSh.	KSh.
Staff advances	51,688	1,779,300
Receivable from related party - KJA	5,059,898	-
Inter ministerial	<u>51,300,000</u>	<u>3,284,432</u>
Total	<u>56,411,586</u>	<u>5,063,732</u>

³ The increase of an amount of Kshs.1,455,622 being deposit in the old recurrent account as recovery of government liability was recognised in the statement of cashflow.

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Ageing Analysis- Receivables from non-exchange transactions	Current FY	% of the Total	1st July	% of the Total
Under one year		-	1,779,300	35.1%
1-2 years	56,411,586	100%	-	-
2-3 years	-	-	3,284,432	64.9%
Over 3 years	-	-	-	-
Total (tie to above total)	56,411,586	100%	5,063,732	100%

13) TRADE AND OTHER PAYABLES

	Year ended	Opening Statement
	30-Jun- 2025	01-Jul-2024
	KSh.	KSh.
Trade Payables	39,752,895	798,407,970
Staff Payables	1,471,895	4,448,115
Other Payables	50,317,626	69,224,859
Total	91,542,416	872,100,944

Ageing analysis: (Trade and other payables)	Current FY	% of the Total	1st July	% of the Total
Under one year	-	-	-	-
1-2 years	41,697,557	46%	802,856,085	92%
2-3 years	-	-	-	-
Over 3 years	49,844,859	54%	69,244,859	8%
Total (tie to above total)	91,542,416	100%	872,100,944	100%

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14) PROPERTY PLANT AND EQUIPMENT

	Motor vehicle	Furniture and fittings	Computers & ICT Equipment	Plant & Machinery	Work In Progress	Total PPE	Intangible Assets	Total Assets
Depreciation Rate								
Cost	Ksh.	Ksh.	Ksh.	Ksh.	Ksh.	Ksh.	Ksh.	Ksh.
Opening Bal as 1 st July 2024						-	206,492,115	206,492,115
Additions	7,092,000	66,960,520	252,912,919	159,837,849	215,359,709	702,162,997	42,765,850	744,928,847
Disposals	-	-	-	-	-	-	-	-
Transfer/ Adjustments	-	-	-	-	-	-	-	-
As At 30 June, 2025	7,092,000	66,960,520	252,912,919	159,837,849	215,359,709	702,162,997	249,257,965	951,420,962
Depreciation And Impairment								
Depreciation	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Impairment	=	=	=	=	=	=	=	=
As At 30 June, 2025	=	=	=	=	=	=	=	=
Net Book Values								
Opening Bal as at 1 st July 2024	-	-	-	-	-	-	-	-
As At 30 June, 2025	<u>7,092,000</u>	<u>66,960,520</u>	<u>252,912,919</u>	<u>159,837,849</u>	<u>215,359,709</u>	<u>702,162,997</u>	<u>249,257,965</u>	<u>951,420,962</u>

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15) INTANGIBLE ASSETS

	Year ended	Opening Statement
Depreciation Rate	30-Jun- 2025	01-Jul-2024
Cost	KSh.	KSh.
Opening Bal as 1 st July	206,492,115	206,492,115
Additions	<u>42,765,850</u>	-
As At 30 June	249,257,965	206,492,115
Depreciation And Impairment		
Depreciation	-	-
Disposals	-	-
As At 30 June	-	-
Net Book Values		
As At 30 June, 2025	<u>249,257,965</u>	<u>206,492,115</u>

16) RELATED PARTY DISCLOSURES

During the year, the Judiciary entered into the following transactions with related parties:

Nature of Transaction	Related Party	Amount KSh
Exchequer Releases	National Treasury	22,722,259,232
Training and capacity building	Judiciary Training Institute (controlled entity)	50,000,000

All transactions were conducted at arm's length and in accordance with applicable laws and regulations.

17) CASH GENERATED FROM OPERATIONS

	Year ended 30-Jun-2025
	Ksh.
Surplus for the year before tax	972,906,994
Adjusted for:	
Contribution to provisions/ Assets	798,407,970
Contribution to impairment allowance	
Working capital adjustments	1,771,314,965
Increase in receivables	(51,347,854)
Decrease in payables	<u>(780,558,528)</u>
Net cash flow from operating activities	<u>939,408,583</u>

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18) CONTINGENT LIABILITIES

	Year ended 30-Jun-2025
	Ksh.
Claims from merchants & contractors	<u>576,594,038</u>

The contingent liabilities arose from unsettled claims by suppliers and contractors. They have not been settled as they await verification by the Pending Bills Verification Committee. The details are annex 1

19) CURRENCY

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

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ANNEX 1 - Contingent Liabilities

No.	Financial Year	Contractor/ Supplier	Item Description	Services/Works Kshs.
Category 1: Recurrent				
1	FY2013-2015	Oksana Investment Supplies Limited	Provision of branding materials for Judiciary	8,495,964.00
2	FY2013-2015	African Touch Safaris	Provision of Air ticket services	659,993.00
Category 2: Development				
1	FY2011/2012	Njuca Consolidated Ltd	Non-Residential Buildings-Proposed Construction of Malindi Law Courts	53,935,410.18
2	FY2012/2013	M/s Bomco Building Contractors	Non-Residential Buildings-Proposed Construction of Kisumu Law Courts	41,343,567.17
3	FY2014/2015	JKUAT Enterprises Limited	Consultancy services for Design, Contract Management, and construction supervision for the proposed Prefabricated Courts at various court stations	329,671,749.26
4	FY2022	Kaplan & Stratton Advocates	Arbitrators fee	7,387,653.00
5	FY2022	Isamil Rahimtullah Registered Trustees and Sony Holdings Limited	Isamil Rahimtullah Registered Trustees and Sony Holdings Limited	131,926,833.29
6	FY2018	Wotech Kenya Limited	Drilling of boreholes	3,172,867.75
TOTAL				576,594,037.65

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ANNEX 2: Implementation Status of Auditor-General's Recommendations.

The following is the summary of issues raised by the Auditor-General during the prior year and management comments that were provided.

FY2020/2021						
REF:	Issue	Recommendations By Pac	Management Comment	Focal Person to Resolve	Status	Timeframe
1670	Bank Balances					
1670.1	Long Outstanding Items	<p>(i) The Accounting Officer should provide a status report to the National Assembly on its engagement with the assets Recovery Agency within three (3) months after adoption of the report.</p> <p>(ii) The Accounting Officer should liase with the National Treasury on writing off these amounts if they prove they are irrecoverable.</p>	<p>Long outstanding reconciling items in the deposit reconciliation for various court stations relates to periods when the Sub-County (Formerly District Treasury) superintended the Judiciary accounting services. A joint reconciliation between the National Treasury and Judiciary has been carried out to ascertain the variances which consisted of funds not transferred upon de-linking. The receipts in cashbook not in bank reflects the variances noted in those court stations</p>	DA	<p>(i) The Judiciary has continued to engage the ARA.</p> <p>(ii) Awaiting write off by the National Treasury.</p>	June, 2025

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FY2020/2021						
REF:	Issue	Recommendations By Pac	Management Comment	Focal Person to Resolve	Status	Timeframe
			<p>during the reconciliations. These receipts are part of the noted KShs 303,074,682 except KShs 47,840,030.25 that ought to be payments in bank statement not in cashbook that relates to fraud.</p> <p>The amount of KShs 87,051,557.08 related to payments in bank statements that had not been posted in the cashbook except KShs 34,074.235.50 in Molo Law Courts. This payment was as result of fraud where staff involved were disciplined and case forwarded to the DCI and Asset Recovery. The courts have continued to update cashbooks and reconciliations to clear long</p>			

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FY2020/2021						
REF:	Issue	Recommendations By Pac	Management Comment	Focal Person to Resolve	Status	Timeframe
			outstanding balances in subsequent bank reconciliations.			
1670.2	Loss of Cash Deposits	The National Treasury reconciles the Figures and submits a status report within three (3) months of adoption of the report.	<p>The losses of KShs 2,682,152 million in Embu and KShs 1,455,800 were fraud matters investigated in FY2016/2017 and matters are active in Runyenjes and Malindi law Courts respectively.</p> <p>The KShs 84,588,258 noted in Nakuru Law Courts was not a loss but an amount expected from the National Treasury for deposits balances not transferred upon de-linking. Subsequently upon reconciliation, it was established the funds not</p>	DA	<i>Awaiting approval by the National Treasury</i>	<i>open</i>

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FY2020/2021						
REF:	Issue	Recommendations By Pac	Management Comment	Focal Person to Resolve	Status	Timeframe
			<p>transferred amounted to KShs 52,427,008.06</p> <p><i>The KShs 1,455,800 loss in Malindi was reported in a loss report and matter is active in Malindi Law Courts.</i></p> <p><i>The above matters have been responded to before Parliamentary Accounts Committee (PAC) and awaiting resolution.</i></p>			
1671	Accounts Receivables					
1671.1	Unanalysed long outstanding district suspense and clearance Accounts	The Accounting Officer should reconcile the figures and provide a status report to the committee within three (3) months of adoption of the report.	The KShs 26,306,566 related to unspent AIEs to court stations that had not been surrendered at the date of reporting for FY2020/2021. The amount was made up of KShs 5,538,000 being JPIP AIEs to court stations and KShs 20,306,566.35 being unspent AIEs received from	DA	<i>Resolved awaiting PAC resolution.</i>	<i>June 2025</i>

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FY2020/2021						
REF:	Issue	Recommendations By Pac	Management Comment	Focal Person to Resolve	Status	Timeframe
			court station. The JPIP AIEs were subsequently surrendered while unspent AIEs were received from court station in Judiciary CBK account after the National Treasury had recovered unspent exchequer funds in July 2021.			
1671.2	Recoverability of imprest issued to non-employees	The Accounting Officer liaises with the parent ministry and claim refund of imprests from the officers, and submit an update within three (3) months of tabling and adoption of the report	These imprests are due from government officers who have since moved to other departments of government and some are deceased. The Accounting Officer has approved recovery in compliance with PFM Act 2012.	DA	<i>Resolved, awaiting PAC resolution.</i>	<i>June 2025</i>
1672	Unconfirmed Accounts Payables	The EACC to initiate and establish the validity of amounts said to have been transferred from the	The deposit reconciliation was carried out jointly by the Judiciary and the National Treasury. The	DA	<i>Awaiting EACC report</i>	<i>Open</i>

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FY2020/2021						
REF:	Issue	Recommendations By Pac	Management Comment	Focal Person to Resolve	Status	Timeframe
		subcounty treasuries to the National Treasury	National Treasury acknowledged the work that was jointly carried out with the officers from Directorate of General Accounting Services. This is evidenced by joint sign off on the summary reports from the reconciliation exercise by officers from the Judiciary and the National Treasury.			
1673	Foreign Travel Charged to Domestic and Subsistence	The matters was marked resolved	During the covid-19 period the National Treasury unilaterally revised downward Judiciary budgetary allocation to fund National activities to fight Covid-19 pandemic. This affected implementation of ongoing Judiciary activities. The Judiciary had already	DA	Resolved.	N/A

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FY2020/2021						
REF:	Issue	Recommendations By Pac	Management Comment	Focal Person to Resolve	Status	Timeframe
			incurred costs on local travel amounting to KShs 3,093.755 and the cut caused negative balance in the local travel budget item. The Accounting Officer wrote to the PS National on the effect of the unilateral budget cut.			
1674	Unsupported Contingent Liabilities	The Accounting Officer should ensure court awards are settled promptly	The contingent liabilities were disclosed based on amounts awarded to contractors/suppliers. The amounts vary from time-to-time due accrual of interest.	DA	<i>Resolved. Liabilities settled</i>	N/A
1675	Pending Bills	The Accounting Officer must at all times ensure that pending bills are settled as first charge in subsequent financial year when preparing estimates of expenditure and revenues of the entity pursuant to the	The unpaid pending bill composed of KShs 47,955,022.10 being a court award to Riley Services Limited still outstanding due to insufficient fund.	DA	<i>Resolved- Pending bills settled.</i>	N/A

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FY2020/2021						
REF:	Issue	Recommendations By Pac	Management Comment	Focal Person to Resolve	Status	Timeframe
		provisions of section 68(2) of the Public Finance Management Act, 2012.				
1676	Judiciary Mortgage Scheme Fund	The Auditor General to audit and report to the national assembly in accordance with the Public Audit Act, 2015.	The Judicial Service (Judiciary Mortgages Scheme Fund) Regulations, 2012 are draft regulations yet to be presented to the National Assembly for approval. However, Judiciary has an Agreement with KCB Bank that provides in clause 13 for Maintenance of Proper records and Accounts.	DA	<i>Resolved - Financial statements were submitted to OAG for Audit.</i>	<i>June, 2024</i>
1677	Delayed Completion of Construction of Thirty (30) Courts	(i) The accounting Officer to liaise with the National Treasury and ensure completion of the seventeen (17) courts. (ii) The accounting Officer should	Failure to complete projects on time is affected by unavailability of budgets. The Judiciary has engaged the National treasury to provide for budgetary and exchequer allocation to enable payment of	DA	<i>Partly resolved - some projects were completed while others were repackaged</i>	<i>June 2026</i>

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FY2020/2021						
REF:	Issue	Recommendations By Pac	Management Comment	Focal Person to Resolve	Status	Timeframe
		rationalise projects based on budget availability.	contractors on time. When a contractor presents a certificate, whose payment is delayed due to unavailability of funds, the project gets delayed and hence the contractors impose charges on delayed payment(s).		<i>and re-advertised.</i>	



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



CPA Wycliffe Wanga - ICPAK
Member No: 3209
Director Accounting Services



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