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# REPORT

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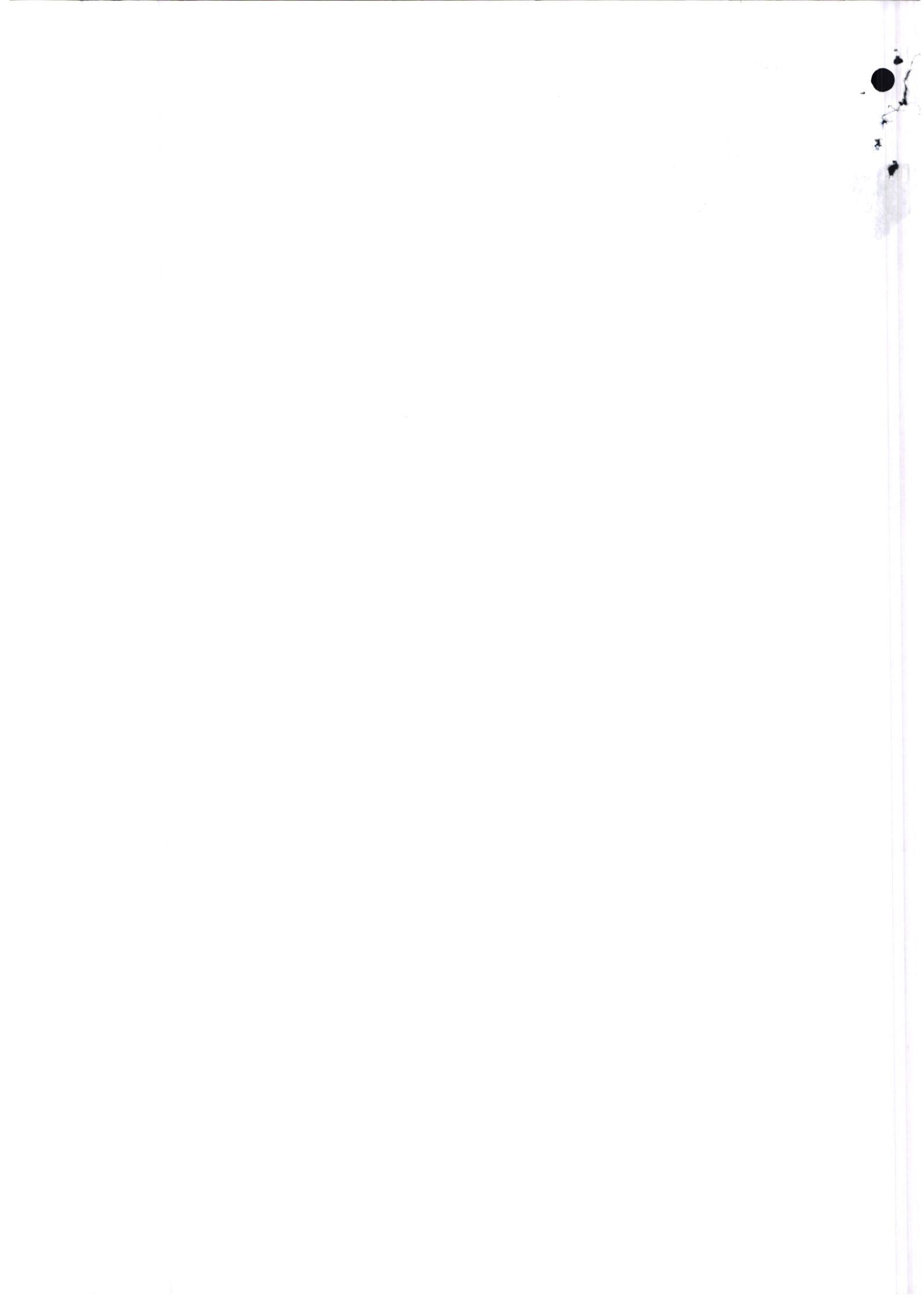
TABLED BY: HON NAOMI WAGOMU  
Deputy majority whip  
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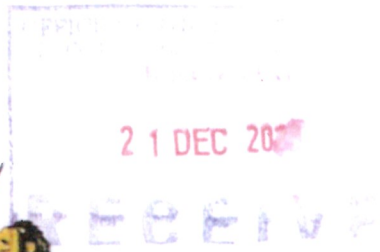
**THE AUDITOR-GENERAL**

ON

**THE COMMISSION ON ADMINISTRATIVE  
JUSTICE**

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





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



*Hata Mnyonge ana Haki*

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**THE COMMISSION ON ADMINISTRATIVE JUSTICE  
ANNUAL REPORT AND FINANCIAL STATEMENTS**

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

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

*The Commission on Administrative Justice*  
*Annual Report and Financial Statements for the year ended 30th June 2023*

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**1. Acronyms and Glossary of Terms**

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

## **2. Key Entity Information and Management**

### **(a) Background information**

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

#### **Mandate**

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

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

#### **VISION**

A society that upholds administrative justice and access to information

#### **MISSION**

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

#### **CORE VALUES**

- Responsiveness
- Independence
- Fairness
- Transparency
- Integrity

### **Key Strategic Objectives**

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

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

### **Strategic Programmes**

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

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

### **Key Strategic Priorities**

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

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

**The Commission members**

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

	NAME	DESIGNATION
	Hon. Florence Kajuju, MBS	Chairperson
	Mr. Washington O. Sati	Vice Chairperson
	Mrs. Lucy Ndung'u, EBS	Access to Information Commissioner

**Senior Management staff**

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

NO.	NAME	DESIGNATION
1.	Ms. Mercy Wambua, OGW	Commission Secretary/CEO
2.	Mr. Daniel Karomo	Director, Corporate Services
3.	Ms. Florence Mumbi	Director, Complaints Investigations & Legal Services
4.	Mr. Geoffrey Obonyo	Director, Strategy Research & Compliance
5.	Ms. Viola Ocholla	Director, Access to Information
6.	Mr. Osman Mohamed	Director, Public Education Advocacy & Communications
7.	Dr. Mary Kimari	Assistant Director, Advisory unit



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8.	Ms. Christine Omollo	Assistant Director, Human Resource & Administration
9.	Mr. Sammy Cheboi	Assistant Director, Public Education Advocacy & Communications
10.	Mr. Amos Musundi	Assistant Director, Internal Audit & Risk
11.	Mr. Benard Nyariki	Assistant Director, Finance & Accounts
12.	Ms. Damaris Mburu	Assistant Director, Supply Chain Management
13.	Ms. Flora Ngoze	Assistant Director, ICT
14.	Ms. Sarah Muthiga	Assistant Director, Complaints Legal Services & Regional Coordination
15.	Ms. Morine Akinyi	Assistant Director, Investigations

**(b) Key Management**

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

**KEY MANAGEMENT STAFF**



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



**Mr. Daniel M. Karomo**  
Director, Corporate Services



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



**Mr. Geoffrey Obonyo**  
Director, Strategy, Research  
& Compliance



**Ms. Viola Ochola**  
Director, Access to Information



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

**(c) Fiduciary Management**

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

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

**(d) Fiduciary Oversight Arrangements**

The Commission has put in place various Committees through which it oversees the Secretariat. Apart from the Audit Committee which is chaired by a member who is not an employee of the Commission, the Committees are chaired by the Commissioners. These Committees include: -

1. Finance, Administration and Human Resource committee
2. Complaints, Investigations and Access to Information committee
3. Programmes and Strategy committee
4. Audit and Risk committee

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

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

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

**i) Audit Committee.**

The Commission is cognizant of the provisions under Section 73(5) of the Public Finance Management Act, 2012 which requires every national government public entity to establish an audit committee, whose composition and functions shall be as prescribed by the regulations. In this regard, the Commission has an Audit Committee in place. The Committee is charged with the responsibility to advise on risk management and ensure that the Commission upholds appropriate financial management, accounting and reporting standards.

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

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

1. David Mwangi Gichimu - Chairperson
2. Sarah Barasa - Member
3. Jane Karanja - Member
4. Commissioner Lucy Ndung'u, EBS - Member
5. Amos Musundi - Secretary

**ii) Senior Management Committee**

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

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

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

**iii) Human Resource Management Advisory Committee .**

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

- |                         |               |
|-------------------------|---------------|
| 1. Mr.Daniel Karomo     | - Chairperson |
| 2. Mr.Osman Mohamed     | - Vice-person |
| 3. Ms. Florence Mumbi   | - Member      |
| 4. Ms. Viola Achola     | - Member      |
| 5. Mr. Geoffrey Obonyo  | - Member      |
| 6. Mr. Christine Omollo | - Secretary   |

**Parliamentary Committees.**

The Commission reports to Parliament through various house committees, Key among them Justice & Legal Affairs Committee and Public Accounts Committee.

**(e) Commission Headquarters**

P.O. Box 20414-00200  
West End Towers, 2<sup>nd</sup> Floor  
Waiyaki way  
**NAIROBI, KENYA**

**Entity Contacts**

Telephone: (254) 2270000  
E-mail: [info@ombudsman.go.ke](mailto:info@ombudsman.go.ke)  
Website: [www.ombudsman.go.ke](http://www.ombudsman.go.ke)

**(f) Entity Bankers (all banks)**

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

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

**NAIROBI, KENYA**

**(g) Independent Auditors**

Auditor - General  
Office of The Auditor General  
Anniversary Towers, University Way  
P.O. Box 30084  
GPO 00100  
**NAIROBI, KENYA**

**(h) Principal Legal Adviser**

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

### **3. Statement of Governance**

#### **A brief on the key leadership**

Pursuant to the CAJ Act, 2011, the Commission consists of three Commissioners serving on a full-time basis for a single term of six years and a Secretariat responsible for implementation of the programmes of the Commission. The Commissioners operate work as collegiate in providing policy direction and leadership to the Secretariat while the Chairperson is mandated to preside over all meetings of the commission; act as the spokesperson; and supervise and direct the work of the Commission. Further, in line with section 20(3) of the ATI Act, 2016 the Commission designated one of its commissioners as the Access to Information Commissioner with the responsibility of performing the functions assigned to the Commission under the Act. On the other hand, the CAJ Act, 2011 establishes a secretariat that is responsible for implementing the programmes of the Commission. It is headed by the Commission Secretary/ Chief Executive Officer, who reports to the Commission and is responsible for the day-to-day operations and administrative functions of the Commission. The secretariat is structured into directorates and departments that are aligned to the core mandate and functions of the Commission.

The governance oversight role of the Commission is vested in the Commissioners. The main responsibility of the Commissioners is to formulate the Strategic direction and oversee the management of affairs of the Commission. In this regard, the Commissioners develop policies and operational procedures that facilitate effective execution of the Commission's Mandate. The Commissioners also constitute relevant committees to assist in the stewardship role as they deem appropriate.

In general, the Commissioners shall act in the best interest of the Commission and uphold their fiduciary responsibilities and duty care. This involves not disclosing confidential information, avoiding real and perceived conflict of interest, and favoring the interests of the Commission over other interest.



### **Commission Policies**

The Commissioners have established policy and procedure documents to guide the management in the implementation of their roles and responsibilities.

### **Management Committees established.**

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

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

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

### **The audit committee (Its formation, composition, and activities/meetings).**

The audit Committee is basically the watchdog of the Commission. It ensures all the systems put in place by the Commission are functioning properly.

The Commission is cognizant of the provisions under Section 73(5) of the Public Finance Management Act, 2012 which requires every national government public entity to establish an audit committee, whose composition and functions shall be as prescribed by the regulations. In this regard, the Commission has an Audit Committee in place. The Committee is charged with the responsibility to advise on risk management and ensure that the Commission upholds appropriate financial management, accounting and reporting standards.

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

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

- |                                   |               |
|-----------------------------------|---------------|
| 6. David Mwangi Gichimu           | - Chairperson |
| 7. Sarah Barasa                   | - Member      |
| 8. John O Matagaro                | - Member      |
| 9. Commissioner Lucy Ndung'u, EBS | - Member      |
| 10. Jane Karanja                  | - Member      |
| 11. Amos Musundi                  | - Secretary   |

#### **Activities/Meetings**

<b>Name</b>	<b>Number of meetings held</b>	<b>Number of meetings attended</b>	<b>% attendance</b>
David Mwangi	4	4	100%
Commissioner Lucy Ndung'u	4	4	100%
Sarah Barasa	4	4	100%
John Matagaro	4	1	25%
Jane Karanja	4	3	75%

During the period, the three-year term of Mr. John Matagoro, who was the national Treasury representative expired and consequently Jane Karanja was nominated to represent the National Treasury. The Commission appointed her to sit in the Audit & Risk Committee from January 2023.

#### **Risk management, compliance, conflict of interest etc.**

##### **Risk management**

The Commissioners are responsible for maintaining sound risk management and internal control systems and determining the nature and extent of the risks that the Commission is willing to take to achieve its strategic objective. With the support of Audit, Risk Committee the Commissioners carries out a regular review of the effectiveness of its risk management framework and internal control systems.

The Commissioner's accountability is intended to improve the risk management culture across the Commission, ultimately ensuring optimal utility of available resources. Risk management is reviewed at the Commissioner meetings as part of their formal process.

During the year the key risks exposure that required interventions to ensure business continuity were:

- Compliance risk.
- Operational risk
- Financial risk.
- Strategic risk.
- Reputational risk.

#### **Internal control systems.**

The Commission remains committed to continuously providing timely and objective assurance to enhance internal control systems, risk management, promote accountability and good governance to support the operations and enhance Commissions' value.

The commission has also put in place internal audit function which mandated to provide independence assurance on the commission's risk management, governance and internal control process. The function periodically appraises the Commission audit committee on key audit findings and recommendations.

#### **Conflict of interest**

The Commissioners are required to avoid conflict of interest and deals with arm-length in any matter that relates to the Commission. The Commissioners are obligated to fully disclose to the Commission any real or potential conflict of interest, which comes to any Commissioner's attention, whether direct or indirect. In reporting, the Commissioner is required to provide all relevant information, including information which relates to their immediate family members by blood or marriage which is related to the area of conflict. The Commissioners are required to give in advance notice of any conflict issues to the chairman of the Commission. When declared the Commissioner shall abstain from the decisions where the conflict exist.

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The Commission Secretary records the conflicts of interest declared in conflict register for accountability purpose, and as a rule of good practice on appointment and on regular intervals or at any time when circumstances changes, all members shall in good faith disclose to the Commission for recording any other business or interest likely to create a potential conflict of interest. Declaration of conflict of interest is also a standard agenda item which is addressed at the onset of each agenda item which is addressed at the onset of each and every Commission meeting.

There was no conflict-of-interest reported during the financial year ended 30<sup>th</sup> June 2023.

**Code of ethics and conduct**

In line with section 3 of the Leadership and Integrity Act 2012, the Commissioners have implemented a Code of Ethics and Conducts which binds Commissioners and employees and is subscribed to by all members of the Commission. The Code has been integrated into Commission's operations through the development of various policies and reporting mechanism. The commission has put in place ethics and integrity programs to mainstream a strong ethical culture of doing right things among staff and other stakeholders in order to achieve its mandate.

The Commission Commissioners and employees are supposed to act with honest, integrity and fairness in all their dealing with each other. Upon employment every employee is supposed to sign a Code of ethics and conduct and commit to abide by its requirement as part of the contract requirements.

**Public participation**

We believe that good corporate governance is critical, at the national level. In the financial year we continued to achieve high levels of corporate governance by focusing on the value of public participation as envisaged in Article 10 of the Constitution of Kenya, 2010.

**Compliance with laws and regulations among others.**

The Commission complies with statutory and regulatory requirements as spelt out in various laws.

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Our operations are defined in the Commission on Administrative Justice Act, 2011 that provides for its modus operandi, functions and powers. The Commission has also in place the Code of Conduct which sets out rules that govern the conduct of individual Commissioner in order to operate effectively in the best interest of the Commission.

During the financial year ended 30<sup>th</sup> June 2023 the commission:

1. Remitted all statutory deductions to various bodies.
2. Submitted various reports to government agencies as required by law.

#### **4. Statement by the Commission Chairperson**

The Commission on Administrative Justice (Office of the Ombudsman) is obligated by law to give an account of its operations on yearly basis. This is actualized through the preparation of annual reports. I am therefore pleased to present this annual report for the 2022/2023 Financial year. The report documents the operations of the Commission in the period under review, which highlights key achievement and provides an account of the resources allocated to the Commission during the review period.

During the review period, the Commission endeavoured to discharged its wide mandate effectively through implementation of planned activities, in line with its Strategic Plan. Towards this end, the Commission undertook various activities that were aimed at promoting administrative justice and access to information. This was achieved through a collaborative approach that targeted public service delivery both at the national and county levels. To this end, the Commission played a key role in the electoral process that culminated in 9th August 2022 general election, which ushered in the new political dispensation under the Kenya Kwanza Alliance. The Commission monitored the electoral process during the campaigns period and was among accredited Election Observers of the last general election. Our recommendations which are contained in our report on the electoral process will go a long way, towards the desired electoral reforms. Further, the Commission promoted open governance, through enforcement of the Access to Information Act.

In our endeavour to enhance public service delivery, the Commission conducted training for public officers and institutions at the National and County Governments. The training was aimed at strengthening complaints handling and sensitization of the of duty bearers on their obligations to facilitate access to information.

The Commission is grateful for the support by the Government which provided the necessary resources, which enabled the Commission discharge its mandate effectively. I also take this opportunity to thank our development partners, who worked closely with us and made it possible to realize the milestones highlighted in this report, during the period under review. I reiterate our

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commitment to ensure prudent utilization of the resources allocated to the Commission, to enable us serve Kenyans.



**HON. FLORENCE KAJUJU, MBS**  
**CHAIRPERSON OF THE COMMISSION**

#### **5. Statement by the Commission Secretary / Accounting Officer**

The Commission has prepared this annual report and financial statements for the Financial Year 2022/2023 in accordance with Section 81 (2) (f) of the Public Finance Management Act, 2012 which requires the Accounting Officer to submit a report to the Office of the Auditor General, not later than three months after the end of each financial year. The report provides an account of the financial performance by the Commission, during the fiscal year 2022/2023.

In the year under review, the Commission was allocated **Kshs. 577 million**, in the Recurrent Vote, under the economic classification as follows: -

▪ Compensation of Employees	366 Million
▪ Use of goods and services	170 Million
▪ Transfers to Mortgage & Car loan fund	12 Million
▪ Social Security Benefits	10 Million
▪ Acquisition of Assets	19 Million

The Commission utilized a total of KShs. 568 Million (98% absorption rate), to implement planned activities under its three sub-programmes on General Administration and support services, Administrative Justice and Access to Information Services. I am pleased to note that the Commission achieved notable milestones key among them the monitoring of the electoral process, decentralization of the Ombudsman service, where branch offices were established in Laikipia and Garissa Counties and processing of 6,917 complaints out of which 4,458 complaints were resolved.

In order to mitigate risks, the Commission endeavoured to strengthen its internal controls, through the development of a risk management strategy and reviewing of various policy guidelines and procedures manuals, to ensure prudent utilization of resources. Further, Commission complied with the various statutes that govern the management of public resources, among them the Public Finance Management Act, 2012 and the attendant 2015 regulations.

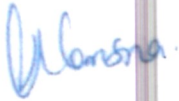
During the year under review, the Commission encounter challenges in the course of executing the budget, key among them the austerity measures instituted by the government, resulting to a reduction of our budgetary allocation by Kshs. 137 Million. This greatly hampered implementation of planned activities.



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I take this opportunity to affirm my commitment as the Accounting Officer, to ensure that the resources allocated to the Commission are managed prudently, towards the fulfilment of our mandate.



**MERCY K. WAMBUA, OGW**

**COMMISSION SECRETARY / CEO**

## **6. Statement of Performance Against Predetermined Objectives for the FY2022/23**

### **Introduction**

The Commission's strategic plan 2019-2023 identifies four key result areas for effective delivery of its functions and mandate. These are; Resolution of Public Complaints; Oversight and Enforcement of Access to Information; Public Education, Awareness and Visibility; and Institutional Strengthening and Capacity Building. The above results will be realized through implementation of the following seven strategic objectives:

- 1) To strengthen public service systems, processes, procedures and practices;
- 2) To strengthen complaints handling capacity in the public sector;
- 3) To promote disclosure of information within public and private sectors;
- 4) To strengthen the framework on access to information;
- 5) To enhance awareness and understanding of the Commission's mandate;
- 6) To strengthen the capacity of the Commission to effectively deliver on its mandate;
- 7) To mobilise adequate resources.

### **Progress on the attainment of Strategic Objectives**

For purposes of implementing and cascading the above strategic objectives to specific activities, all the strategic objectives were made specific, measurable, achievable, realistic and time-bound (SMART) and converted into strategic outcomes. Attendant indicators were identified for reasons of tracking progress and performance measurement. Below we provide the progress on attaining the stated objectives:

The Commission achieved an average of 82% implementation of its strategic objectives as indicated in the table below:

### **Progress on the attainment of Strategic Objectives through Performance Contracting**

For purposes of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified for tracking progress and performance measurement:

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The table below provides our performance against the key result areas.

KEY RESULT AREA	STRATEGIC OBJECTIVE	ACHIEVEMENT RATING (%)	REMARKS
<b>1: RESOLUTION OF PUBLIC COMPLAINTS</b>	1.1 To strengthen public service systems, processes, procedures and practices.	81%	The Commission inquired into and investigated complaints from members of the public; and issued advisory opinions on proposals for improvement. Planned Huduma Ombudsman Award was not undertaken during the review period.
	1.2 To strengthen complaints handling capacity in the public sector.	80%	Conducted trainings and Provided technical support to MCDAs in setting up complaints handling mechanisms
<b>2: OVERSIGHT AND ENFORCEMENT OF ACCESS TO INFORMATION.</b>	2.1 To promote disclosure of information within public and private sectors.	100%	The Commission enforced the right to information by ensuring disclosure of information, and adjudication on access to information applications.
	2.2 To strengthen the framework on access to information.	80%	Developed guidelines and policies on access to information for use by public bodies and private entities. Yet to lobby for the enactment of the County Access to Information Act.
<b>3: PUBLIC EDUCATION, AWARENESS AND VISIBILITY.</b>	3.1 To enhance awareness and understanding of the Commission's mandate.	89%	The Commission held public outreach forums for awareness creation. However, TV education programmes was limited due to cost implications.
<b>4: INSTITUTIONAL STRENGTHENING AND CAPACITY BUILDING.</b>	4.1 To strengthen the capacity of the Commission to effectively deliver on its mandate.	79%	General administration and co-ordination of operations of the Commissions resources and activities.
	4.2 To mobilize adequate resources	80%	Co-ordinated the establishment of partnerships and working relations with key stakeholders and development partners.

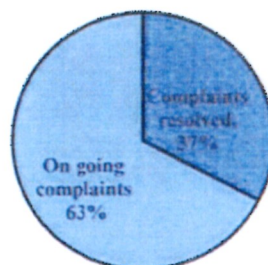
KEY RESULT AREA	STRATEGIC OBJECTIVE	ACHIEVEMENT RATING (%)	REMARKS
OVERALL AVERAGE PERFORMANCE (INDEX IN %)		82%	

### 7. Management Discussion and Analysis

In the period under review, the Commission on Administrative Justice implemented one programme - *Promotion of Administrative Justice*. The Commission achieved several milestones regarding the planned outputs during the period 2020/21 - 2022/23. In this regard, the sub sector:

- I. Provided appropriate remedies against aggrieved consumers of public services towards promotion of administrative justice and quality public service delivery through: -
  - (a) Handling of 29,258 public complaints against public officers and institutions out of which 10,833 (37%) were resolved.

Public Complaints Handled



- (b) On a year-on-year basis, 2,783; 3,592; and 4,547 complaints were resolved during the financial years 2020/21; 2021/22; and 2022/23 respectively.

*The Commission on Administrative Justice  
Annual Report and Financial Statements for the year ended 30th June 2023*

<b>FY</b>	<b>Complaints resolved</b>	<b>Complaints handled</b>	<b>Resolution rate</b>
2020/21	2,783	11,069	25.1%
2021/22	3,592	11,299	31.8%
2022/23	4,458	6,917	64.4%
<b>Total</b>	<b>10,833</b>	<b>29,258</b>	<b>37%</b>

b) Providing alternative dispute resolution mechanism, which has eased pressure on the courts and reduced cost of litigation.

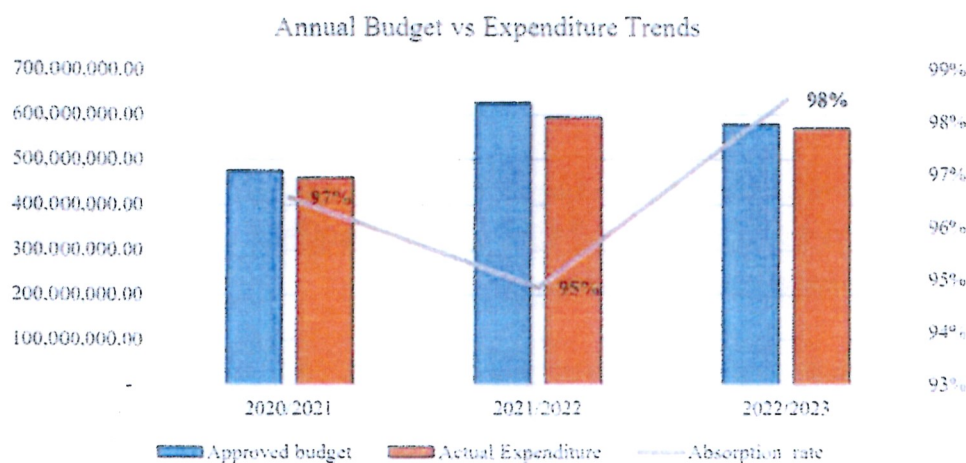
- II. Enhanced transparency and accountability in the public and private sectors, by promoting access to information whereby, various policy documents were developed and disseminated, these are County Model Law on Access to Information; The Access to Information (ATI) General Regulations 2023; Guidelines on ATI and elections in Kenya; ATI in the public service; A facilitators handbook; and a reporting guideline on ATI for public entities and private bodies.
- III. Promoted constitutionalism through enforcement of the right to information as enshrined in Article 35 of the Constitution. The commission adjudicated on 569 requests for information and determined 565 (99%) appeals.
- IV. Enhanced responsiveness and efficiency in public service delivery, by strengthening the capacity of public institutions to manage public complaints. This was achieved through training and technical support to Ministries, Counties, Departments and Agencies.
- V. Enhanced oversight on service delivery at the counties and awareness, whereby access to Ombudsman services was increased through decentralization. In this regard; -
  - a) Two branch offices were established in Laikipia and Garissa Counties.
  - b) Four service delivery points were established in Kwale, Makueni, Meru, and Wundanyi Huduma Centres.

*The Commission on Administrative Justice  
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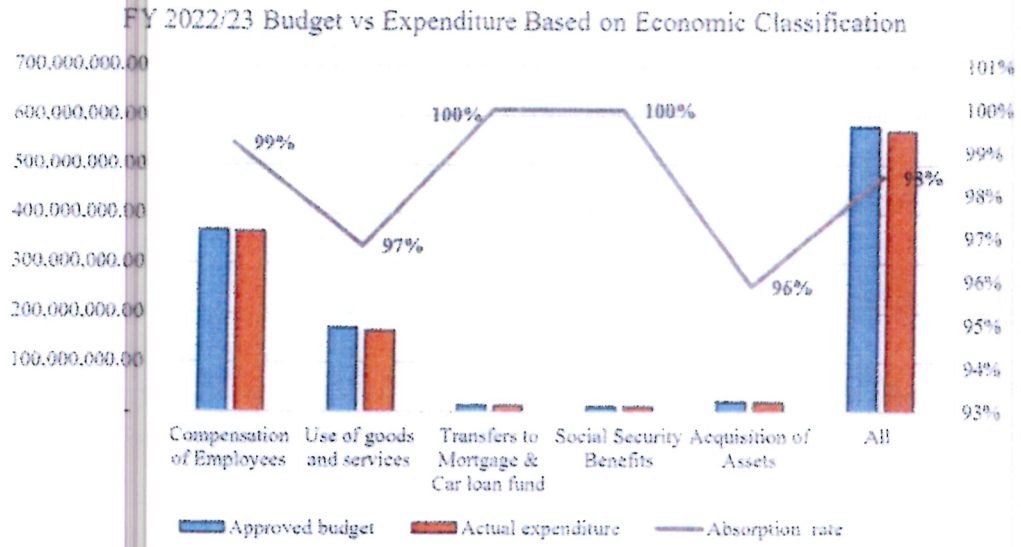
- c) Outreach services provided through an integrated mobile clinic approach in Nairobi, Kiini, Makueni, Garisa, Wajir, Nandi, Nyeri, Muranga, Marsabit, Meru, Bomet, Narok, Kakamega, and Bungoma Counties, where Complaint handling; spot-checks on service delivery and awareness creation on administrative justice and the right to information were conducted.

The Commission's budget increased from KSh. 474M allocated during 2020/2021FY to KSh. 624M allocated during the 2021/2022FY; and decreasing to KSh. 577M allocated during the 2022/2023FY. Out of the allocated budget, the Commission spent KSh. 458M during the 2020/21FY representing an absorption rate of 97%; KSh. 592M during the 2021/22FY representing an absorption rate of 95%; and finally KSh. 568M during the 2022/23FY representing an absorption rate of 98%.

The annual budget allocation and expenditure trends for the last three financial years is as shown in the table below:



During the reporting period, the Commission's annual budget and expenditure based on economic classification is tabulated below:



## **8. Environmental and Sustainability Reporting**

Commission on Administrative Justice (CAJ) is accountable to its stakeholders, with regard to execution of its mandate of addressing maladministration in the public sector, and enforcing the implementation of the Access to Information Act, 2016. We acknowledge our responsibility to the environment and to the local communities in which we operate.

### **a) Sustainability strategy and profile**

The Commission embraces responsibility for corporate actions and encourages a positive impact on the environment and the stakeholders, including but not limited to our citizens, employees, partners and existing communities. The Commission actively encourages all stakeholders to recognise those responsibilities and conduct their businesses in a responsible manner, towards the society.

### **b) Environmental performance /climate change/ mitigation of natural disasters**

The Commission affirms that, the nature of its operations have minimal impact on the environment. However, we acknowledge that there are inevitable environmental impacts associated with our daily operations, in general. The Commission endeavours to minimize any adverse effects and has put measures in place to occupational safety and health as well as environmental standards. To this end the Commission is Committed to complying with the international waste management protocols to which Kenya is a signatory, the Constitution (Article 69 ), the Sustainable Waste Management Act 2022 and the 7R waste management principle articulated in Kenya's National Solid Waste Management Strategy, which advocates for Reducing;Rethinking;Refusing; Recycling; Reusing;Repairing and Refilling of waste.

### **c) Employee welfare**

Our success as a Commission is largely dependent on our human capital (people). We recruit, retain, motivate and develop the best talent. We recognise the need to inculcate among our employees the culture of being sensitive to matters of safety, security, society and the environment.



This ensures that employees act with integrity and responsibility with the people they deal with and the environment they interact with.

We train employees to value each other, provide necessary support systems for people with different needs and have a system in place that encourages acceptance of cultural diversity. Further, we have embraced, gender parity, and have given employment opportunities to people with disability the minority groups. In this regard, the Commission has won the Dial award in two consecutive years.

The Commission recruits its employees through an open and competitive process, and is guided by the principles of fairness. The Commission is sensitive to the gender ratio, ethnicity and the need to accommodate persons with disability. In order to continuously hone their skills, the Commission has continued to allocate resources for skills development through training and continuous professional development. Further, the Commission has put in place a staff performance management system, with a clear appraisal and reward system. In order to provide a conducive work environment for its employees, the Commission developed and implemented a policy on safety in compliance with Occupational Safety and Health Act of 2007, (OSHA). A comprehensive human resource management and procedures manual guides the Commission on management of its human resource.

**d) Operational practices**

The Commission maintains an effective supply chain management and good working relations with its suppliers. To this end, the Commission upholds ethical practices and professional business practices. Suppliers are sensitised to know their rights and obligations, to ensure that they also maintain acceptable business practices and highest standards that meet the expectations of the Commission and our stakeholders. The Commission has a robust vetting criterion, which includes back-ground checks on previous execution of contracts with other clients and compliance with the law.

## **9. Statement of Management Responsibilities**

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

The Accounting Officer in charge of the Commission on Administrative Justice is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2023. 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 entity, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the Commission on Administrative Justice accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the Commission's financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2023, and of the entity's financial position as at that date. The Accounting Officer in charge of the Commission on Administrative Justice further confirms the completeness of the accounting records maintained for the Commission, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the Commission on Administrative Justice confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity'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 entity's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

#### **Approval of the financial statements**

The Commission's financial statements were approved and signed by the Accounting Officer on 15th December 2023.



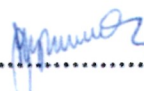
.....  
**Hon Florence Kajuju, MBS**  
**Chairperson of the Commission**



.....  
**Daniel M. Karomo**  
**Director of Corporates Services**



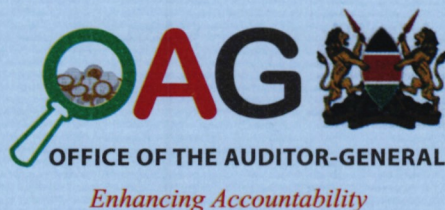
.....  
**Mercy K Wambua, OGW**  
**Commission Secretary /CEO**



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**Benard Nyariki**  
**Assistant Director -F & A**  
**ICPAK M/No 9143**

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## **REPORT OF THE AUDITOR-GENERAL ON THE COMMISSION ON ADMINISTRATIVE JUSTICE FOR THE YEAR ENDED 30 JUNE, 2023**

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### **PREAMBLE**

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

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

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

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report, when read together constitute the report of the Auditor-General.

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Qualified Opinion**

I have audited the accompanying financial statements of The Commission on Administrative Justice set out on pages 1 to 21, which comprise of the statement of

financial assets and financial liabilities as at 30 June, 2023, and the statement of receipts and payments, statement of cash flows, statement of comparison of budget and actual amounts and summary statement of appropriation- recurrent 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 effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of The Commission on Administrative Justice as at 30 June, 2023 and of its financial performance and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the Commission on Administrative Justice Act, 2011.

## **Basis for Qualified Opinion**

### **1. Presentation and Disclosures in the Financial Statements**

Review of the financial statements presented for audit revealed that signatures of the Chairperson of the Commission, the Commission Secretary/Accounting Officer, and the Director of Corporate Services were electronically inserted on the Annual Reports and Financial Statements.

In the circumstances, the Annual Report and the Financial Statements presented for audit do not conform to the format prescribed by the Public Sector Accounting Standards Board.

### **2. Unsupported Expenditure Under Use of Goods and Services**

The statement of receipts and payments reflects use of goods and services expenditure of Kshs.164,270,869. However, the following anomalies were noted:

#### **2.1. Unsupported Expenditure on Domestic Travel and Subsistence**

As disclosed in Note 3 to the financial statements, the balance includes domestic travel and subsistence of Kshs.25,191,668 out of which an amount of Kshs.8,572,707 was not supported by invitation letters, attendance schedules, back to office reports and work programs. Further, the expenditure schedule provided did not indicate purpose and destination of travel.

In addition, the domestic travel and subsistence amount includes Kshs.278,795 on mileage allowances which was not supported with a report from transport section indicating the non-availability official transport to warranty use of personal vehicle.

#### **2.2. Unsupported Expenditure on Foreign Travel**

Included in use of goods and services expenditure amount was foreign travel and subsistence expense of Kshs.10,199,942 out of which Kshs.7,766,160 was not supported with copies of passports, attendance schedules, reports on the benefits accruing from the

trip, events programs or timetable and boarding passes. Further, the expenditure schedule provided did not indicate the purpose and destination of travel.

### **2.3. Unsupported Lunch Expenses**

Included in the use of goods and services were cash purchases amounting to Kshs.10,036,856 which included lunch expenses of Kshs.566,984 that were not supported with acknowledgement receipts.

In the circumstances, the accuracy and regularity of expenditure totalling Kshs.16,905,851 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of The Commission on Administrative Justice Management in accordance with ISSAI 130 on 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**

#### **Pending Bills**

Note 15.1 and Annex 1 to the financial statements reflects pending accounts payable totalling to Kshs.6,694,879 in respect of supply of goods and services as at 30 June, 2023 that were not settled during the year but were instead carried forward to financial year 2023/2024.

Failure to settle bills during the year to which they relate adversely affects the budget provisions for the subsequent year as they form a first charge.

My opinion is not modified in respect of this matter.

### **Key Audit Matters**

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

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

### **Conclusion**

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

## **Basis for Conclusion**

### **1. Irregular Procurements**

The statement of receipts and payments reflects use of goods and services of Kshs.164,270,869 as disclosed in Note 3 to the financial statements. The following unsatisfactory matters were however noted;

#### **1.1 Lack of Electronic Tax Register Receipts**

Included in use of goods and services expenditure is Kshs.12,033,685 on communication supplies and services out of which Kshs.816,150 was in respect of cash purchases that were not supported with ETR receipts and were not taken on charge before they were issued to the respective user department.

#### **1.2.1 Irregular Procurement of Routine Maintenance-Vehicles Services**

The use of goods and services expenditure includes routine maintenance of vehicles amount of Kshs.4,294,560 out of which Kshs.507,280 was paid in cash. However, the Procurement plan on routine maintenance-vehicles and other transport equipment procurement provided a budget of Kshs.1,750,000 to be carried out through running contracts. In addition, the schedules provided to support the expenditure had no description of the nature of repairs and the registration number of the vehicles. This was contrary to Regulation 40(1) of the Public Procurement and Asset Disposal Regulations, 2020 which provides that a procuring entity shall prepare a procurement plan for each financial year as part of the annual budget preparation process. Further, Regulation 41(g) requires that the annual consolidated procurement plan for each procuring entity shall include the appropriate procurement method for each procurement requirement.

#### **1.2.2 Irregular Procurement of Hospitality Services**

As disclosed in Note 3, the use of goods and services expenditure includes hospitality supplies and services of Kshs.9,589,947 out of which Kshs.6,105,649 related to cash payments. Review of the procurement plan on hospitality supplies and services revealed a procurement budget provision of Kshs.10,923,500 which was to be carried out through Request for Quotations method of procurement. However, no documentation was provided indicating the cash purchases were done through the Request for Quotations. In addition, expenditure schedules provided did not indicate the items procured and was not supported with stores ledger contrary to Regulation 40(1) of the Public Procurement and Asset Disposal Regulations, 2020.

#### **1.3 Irregular Procurement of Furniture and General Equipment**

The statement of receipts and payments reflects acquisition of assets expenditure of Kshs.18,680,258 which included purchase of furniture and general equipment of Kshs.4,750,258 as disclosed in Note 6 to the financial statements of which Kshs.241,925 was in respect of furniture and equipment through cash purchases. Review of procurement plan on furniture and general equipment revealed a procurement budget of Kshs.2,072,500 through request for quotations reserved for the special groups. However,

no documentation was provided to confirm that the cash purchases were done to special groups. In addition, the expenditure schedules provided did not give description of the items procured contrary to Regulation 40(1) of the Public Procurement and Asset Disposal Regulations, 2020.

#### **1.4 Non-Compliance with Preferences and Reservations**

The Commission awarded contracts worth Kshs.20,017,009(11%) to Access to Government Procurement Opportunities (AGPO) out of total procurement expenditure of Kshs.189,186,609 as per procurement data reviewed, contrary to Section 53(6) of the Public Procurement and Asset Disposal Act, 2015 which requires that thirty percent (30%) of the contracts awarded should be for special groups.

In the circumstances, regularity of expenditure incurred on procurement of goods and services by the Commission could not be confirmed and Management was in breach of the law.

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

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

#### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on effectiveness of internal controls, risk management and governance section of my report I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

#### **Basis for Conclusion**

##### **1. Lack of Transport Policy**

The Commission does not have a transport policy in place contrary to the provisions of Paragraph H.2 (1) of CAJ human resources Policy manual and procedures 2016 which provides that the Commissions' transport is regulated through its transport policy.

In the circumstances, Management is able to manage its transport equipment effectively and efficiently.

##### **2. Lack of Risk Management Policy and Disaster Management Policy**

The Commission does not have a risk management policy and disaster management policy/recovery plan in place contrary to the provisions of Regulation 165(1) of the Public Finance Management (National Government) Regulations, 2015 which states that the



accounting officer shall ensure that the national entity develops risk management strategy strategies which include fraud prevention mechanism.

In the circumstances, Management is not in a position to identify risk occurrence and appropriate control measures in the event an emergency or disaster occurs.

### 3. Grounded Vehicles

Annexure 2 to the financial statements on summary of fixed assets register reflects transport equipment of Kshs.102,868,934 which includes GK A 788Q Toyota Prado purchased in 2008 which stalled in Isiolo while on official duties on 9 September, 2019 and was towed to Nairobi. However, the vehicle is still grounded to date. The vehicle had various conflicting vehicle inspection reports from public works as tabulated below;

- i. A mechanical inspection report ref :MOTIHUD/WSP/13B/R&L/VOL.I/(1364) dated 23 January, 2020 issued by Ministry of public works state department of infrastructure and gave an economical repair cost of Kshs.450,000;
- ii. Second Inspection report dated 1 July, 2020 ref: MOTIHUD/WSP/13B/R&I/REG/VOL.(924) issued by public works gave an economical repair cost of Kshs.850,000;
- iii. On 15 September, 2020 the Commission Secretary/CEO wrote to public works to value the vehicle and give a reserve price with a view of disposing it. A valuation and inspection report dated 4 November, 2020 Ref: MOTIHUD/1/MTD/WSP/12VOL.1/1383 valued the vehicle at estimated reserve price of Kshs.700,000; and
- iv. On 11 May, 2022 the Commission requested for another vehicle valuation for the purpose of disposing off the vehicle, which was done on 30/5/2022 Ref: MOTIHUD/1/MTD/WSP/12VOL.1(3089) by public works at estimated the reserve prices at Kshs.680,000 and an economical repair cost at Kshs.300,000.

Despite the vehicle being serviceable, it has been grounded for more than 4 years and the value continues to reduce due to wear and tear. This is contrary to Regulation 139(1) of the Public Finance Management (National Government) Regulations, 2015 which states that the Accounting Officer of a national government entity shall take full responsibility and ensure that proper control systems exist for assets and that —(a) Preventative mechanisms are in place to eliminate theft, security threats, losses, wastage and misuse; (b) Movement and conditions of assets can be tracked, (2) The Accounting Officer shall ensure that processes and procedures both electronic and manual are in place for the effective, efficient, economical and transparent use of the government entity's assets.

In the circumstances, effectiveness of controls of the management and safeguarding of for vehicles of the Commission 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 processes

and systems of internal controls, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

### **Responsibilities of Management and the Commissioners**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash 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 Commission's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Commission or to cease operations.

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

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

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

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

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

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

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

Because of its inherent limitations, internal controls may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.


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

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Commission to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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



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

**Nairobi**

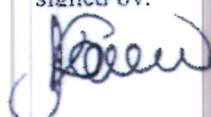
**26 January, 2024**



11. Statement of Receipts and Payments for the Year ended 30<sup>th</sup> June 2023

Description	Note	2022-2023	2021-2022
		Kshs	Kshs
<b>Receipts</b>			
Exchequer Releases	1	577,434,807	610,634,094
Other Receipts		-	-
<b>Total Receipts</b>		<b>577,434,807</b>	<b>610,634,094</b>
<b>Payments</b>			
Compensation Of Employees	2	363,556,193	331,845,293
Use Of Goods and Services	3	164,270,869	177,376,329
Social Security Benefits	4	10,014,307	11,970,014
Transfers to the staff Mortgage and car loan fund	5	12,250,000	32,000,000
Acquisition of Assets	6	18,680,258	39,478,576
<b>Total Payments</b>		<b>568,771,627</b>	<b>592,670,212</b>
<b>Surplus</b>		<b>8,663,180</b>	<b>17,963,882</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 15/12/2023 and signed by:



Hon Florence Kajuju, MBS  
Chairperson of the Commission



Daniel M. Karomo  
Director of Corporates Services



Mercy K Wambua, OGW  
Commission Secretary /CEO



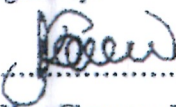
Benard Nyariki  
Assistant Director -F & A  
ICPAK M/No 9143


*The Commission on Administrative Justice*  
*Annual Report and Financial Statements for the year ended 30th June 2023*

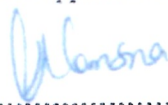
**12. Statement Of Financial Assets And Financial Liabilities As At 30<sup>th</sup> June 2023**


Description	Note	2022-2023	2021-2022
		Kshs	Kshs
<b>Financial assets</b>			
<b>Cash and cash equivalents</b>			
Bank balances	7A	10,021,925	19,127,911
Cash balances	7B	100,817	423,335
<b>Total cash and cash equivalent</b>		<b>10,122,742</b>	<b>19,551,246</b>
Imprests and advances	8	86,158	-
<b>Total financial assets</b>		<b>10,208,900</b>	<b>-</b>
<b>Financial liabilities</b>			
Third party deposits and retention	9	(1,122,385)	(1,403,707)
<b>Net financial assets</b>		<b>9,086,515</b>	<b>18,147,539</b>
<b>Represented by</b>			
Fund balance b/fwd.	10	18,147,539	6,786,464
Prior year adjustment	11	(17,724,204)	(6,602,807)
<b>Surplus for the year</b>		<b>8,663,180</b>	<b>17,963,882</b>
<b>Net financial position</b>		<b>9,086,515</b>	<b>18,147,539</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 15th December 2023 and signed by:

  
 .....  
 Hon Florence Kajuju, MBS  
 Chairperson of the Commission

  
 .....  
 Daniel M. Karomo  
 Director of Corporates Services

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

  
 .....  
 Benard Nyariki, (ICPAK M/No 9143)  
 Assistant Director -F & A

The Commission on Administrative Justice  
Annual Report and Financial Statements for the year ended 30th June 2023

13. Statement of Cash Flows For The Year Ended 30<sup>th</sup> June 2023

Description	Notes	2022-2023	2021 -2022
		Kshs	Kshs
<b>Receipts for Operating Income</b>			
Exchequer releases	1	577,434,807	610,634,094
Other receipts		-	-
<b>Payments For Operating Expenses</b>			
Compensation of employees	2	363,556,193	331,845,293
Use of goods and services	3	164,270,869	177,376,329
Social security benefits	4	10,014,307	11,970,014
<b>Adjusted For:</b>			
Adjustments during the year			
Decrease/(Increase) in accounts receivable	12	(86,158)	-
Increase/(Decrease) in deposits and retention	13	(281,322)	207,962
Prior year adjustments	11	(17,724,204)	(6,602,807)
<b>Net Cash Flow from Operating Activities</b>		<b>21,501,754</b>	<b>83,047,613</b>
<b>Cash flow From Investing Activities</b>			
Transfers to staff Mortgage and car loan fund	5	(12,250,000)	(32,000,000)
Acquisition of assets	6	(18,680,258)	(39,478,576)
<b>Net Cash Flows from Investing Activities</b>		<b>(30,930,258)</b>	<b>(71,478,576)</b>
Net increase in cash and cash equivalents		(9,428,504)	11,569,037
Cash & Cash Equivalent at Start of The Year	7	19,551,246	7,982,209
Cash & Cash Equivalent at End of The Year	7	10,122,742	19,551,246

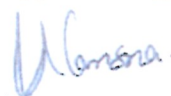
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 15/12 2023 and signed




Hon Florence Kajuju, MBS  
Chairperson of the Commission



Daniel M. Karomo  
Director of Corporates Services



Mercy K Wambua, OGW  
Commission Secretary /CEO



Benard Nyariki, (ICPAK M/No 9143)  
Assistant Director -F & A




The Commission on Administrative Justice  
Annual Report and Financial Statements for the year ended 30th June 2023


14. Statement of Comparison of Budget and Actual Amounts for FY2022/23


Receipt/Expense Item	Original Budget Kshs a	Adjustments Kshs b	Final Budget Kshs c=a+b	Actual on Comparable Basis Kshs d	Budget Utilization Difference Kshs e=c-d	% of Utilization f=d/c %
Exchequer releases	724,320,000	(146,512,777)	577,807,223	577,434,807	372,416	99%
Other receipts	-	-	-	-	-	-
Total Receipts	724,320,000	(146,512,777)	577,807,223	577,434,807	372,416	99%
Payments						
Compensation of employees	408,610,000	(42,206,870)	366,403,130	363,556,193	2,846,937	99%
Use of goods and services	234,830,000	(65,170,907)	169,659,093	164,270,869	5,388,224	97%
Transfers to the staff Mortgage and car loan fund	24,500,000	(12,250,000)	12,250,000	12,250,000	-	100%
Social security benefits	14,230,000	(4,215,000)	10,015,000	10,014,307	693	100%
Acquisition of assets	42,150,000	(22,670,000)	19,480,000	18,680,258	799,742	96%
Total Payments	724,320,000	(146,512,777)	577,807,223	568,771,627	9,035,596	98%
Surplus/ Deficit				8,663,180		

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

The entity financial statements were approved on 5th December 2023 and signed by:

  
Hon Florence Kajuja, MBS  
Chairperson of the Commission

  
Mercy K Wambua, OGW  
Commission Secretary /CEO

  
Daniel M. Karomo  
Director of Corporates Services

  
Benard Nyariki, (ICPAK M/No 9143)  
Assistant Director -F & A

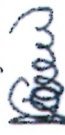
The Commission on Administrative Justice  
Annual Report and Financial Statements for the year ended 30th June 2023


14 (a) Statement of Comparison of Budget and Actual Amounts: Recurrent for FY2022/23


Receipt/Expense Item	Original Budget Kshs a	Adjustments Kshs b	Final Budget Kshs c=a+b	Actual on Comparable Basis Kshs d	Budget Utilization Difference Kshs e=c-d	% of Utilization f=d/c %
Exchequer releases	724,320,000	(146,512,777)	577,807,223	577,434,807	372,416	99%
Other receipts	-	-	-	-	-	-
<b>Total Receipts</b>	<b>724,320,000</b>	<b>(146,512,777)</b>	<b>577,807,223</b>	<b>577,434,807</b>	<b>372,416</b>	<b>99%</b>
<b>Payments</b>						
Compensation of employees	408,610,000	(42,206,870)	366,403,130	363,556,193	2,846,937	99%
Use of goods and services	234,830,000	(65,170,907)	169,659,093	164,270,869	5,388,224	97%
Transfers to the staff Mortgage and car loan fund	24,500,000	(12,250,000)	12,250,000	12,250,000	-	100%
Social security benefits	14,230,000	(4,215,000)	10,015,000	10,014,307	693	100%
Acquisition of assets	42,150,000	(22,670,000)	19,480,000	18,680,258	799,742	96%
<b>Total Payments</b>	<b>724,320,000</b>	<b>(146,512,777)</b>	<b>577,807,223</b>	<b>568,771,627</b>	<b>9,035,596</b>	<b>98%</b>
<b>Surplus/ Deficit</b>				<b>8,663,180</b>		


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

The entity financial statements were approved on 15th December 2023 and signed by:

  
Hon Florence Kajuju, MBS  
Chairperson of the Commission

  
Mercy K Wambua, OGW  
Commission Secretary /CEO

  
Daniel M. Karomo  
Director of Corporates Services

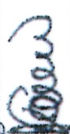
  
Bernard Nyariki, (ICPAK M/No 9143)  
Assistant Director -F & A


The Commission on Administrative Justice  
Annual Report and Financial Statements for the year ended 30th June 2023

14 (b) Budget Execution by Programmes and Sub-Programmes for FY2022/23


Programme/Sub-programme	Original Budget Kshs	Adjustments Kshs	Final Budget Kshs	Actual on comparable basis Kshs	Budget utilization difference Kshs
	2022/23FY	2022/23FY	2022/23FY	2022/23FY	2022/23FY
Programme: Promotion of Administrative Justice					
General Administration and support services	517,889,843	(122,331,000)	395,558,843	390,560,979	4,997,864
Administrative Justice services	166,094,551	(17,651,777)	148,442,774	145,604,296	2,838,478
Access to information services	40,335,606	(6,530,000)	33,805,606	32,606,352	1,199,254
<b>Total</b>	<b>724,320,000</b>	<b>(146,512,777)</b>	<b>577,807,223</b>	<b>568,771,627</b>	<b>9,035,596</b>

This statement is a disclosure statement indicating the utilisation in the same format as the Commission's budgets which are programme based. The entity financial statements were approved on 15th December 2023 and signed by:

  
.....  
Hon Florence Kajuru, MBS  
Chairperson of the Commission

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

  
.....  
Daniel. M. Karomo  
Director of Corporates Services

  
.....  
Bernard Nyariki, (ICPAK M/No 9143)  
Assistant Director -F & A

**15. Notes to the Financial Statements**

**1. Statement of Compliance and Basis of Preparation**

The financial statements have been prepared in accordance with Cash-basis International Public Sector Accounting Standards (IPSAS) as prescribed by the Public Sector Accounting Standards Board (PSASB) and set out in the accounting policy note below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include deposits and retentions. The financial statements comply with and conform to the form of presentation prescribed by the PSASB. The accounting policies adopted have been consistently applied to all the years presented.

**2. Reporting Entity**

The financial statements are for the Commission on Administrative Justice. The financial statements encompass the reporting entity as specified under Section 81 of the PFM Act 2012.

**3. Reporting Currency**

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

**Significant Accounting Policies**

The accounting policies set out in this section have been consistently applied by the Commission on Administrative Justice for all the years presented.

**a) Recognition of Receipts**

The Commission recognises all receipts from the various sources when the event occurs, and the related cash has been received.

**(i) Transfers from the Exchequer**

Transfers from the exchequer are recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the Commission.

**(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 criteria is applied for loans received in the form of a direct payment. During the year ended 30<sup>th</sup> June 2023, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

**(iii) Miscellaneous receipts**

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

**Significant Accounting Policies (Continued)**

**b) Recognition of payments**

The Commission recognises all payments when the event occurs, and the related cash has been paid out by the Commission.

**i) Compensation of Employees**

Salaries and wages, allowances, statutory contribution for employees are recognized in the period when the compensation is paid.

**ii) Use of Goods and Services**

Goods and services are recognized as payments in the period when the goods/services are paid for. Such expenses, if not paid during the period where goods/services are consumed, shall be disclosed as pending bills.

**iii) Interest on Borrowing**

Borrowing costs that include interest are recognized as payment in the period in which they are paid for.

**iv) Principal on borrowing**

The repayment of principal amount of borrowing is recognized as payment in the period in which the repayment is made.

**v) Acquisition of Fixed Assets**

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment. A fixed asset register is maintained and a summary provided for purposes of consolidation as per Annex 2.

**Significant Accounting Policies (Continued)**

**vi) In-kind contributions**

In-kind contributions are donations that are made to the Entity in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the Commission includes such value in the statement of receipts and payments both as receipts and as payments in equal and opposite amounts; otherwise, the contribution is not recorded.

**vii) Third Party Payments**

Included in the receipts and payments, are payments made on the entity's behalf to third parties in form of loans and grants. These payments do not constitute cash receipts and payments and are disclosed in the payment to third parties in the statement of receipts and payments as proceeds from foreign borrowings or grants.

**c) Cash and Cash Equivalents**

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

**Restriction on Cash**

Restricted cash represents amounts that are limited/restricted from being used to settle a liability for at least twelve months after the reporting period. This cash is limited for direct use as required by stipulation. Amounts maintained in deposit bank accounts are restricted for use in refunding third party deposits and retentions. As of 30th June 2023, this amounted to Kshs 1,122,385 compared to Kshs 1,403,707 in prior period as indicated on note 9. There were no other restrictions on cash during the year.

**Significant Accounting Policies (Continued)**

**d) Imprests and advances**

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as payments when fully accounted for by the imprest or Authority to Incur Expenditure (AIE) holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

**e) Third party deposits and retention**

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized on an accrual basis (as accounts payables). This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted for National Government Ministries and Agencies. Other liabilities including pending bills are disclosed in the financial statements.

**f) Pending Bills**

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they are recorded as 'memorandum' or 'off-balance' items. When the pending bills are finally settled, such payments are included in the Statement of Receipts and Payments in the year in which the payments are made.

**g) Budget**

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits and retentions, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was



approved by Parliament in June 2022 for the period 1<sup>st</sup> July 2022 to 30<sup>th</sup> June 2023 as required by Law and there were two number of supplementary adjustments to the original budget during the year.

A comparison of the actual performance against the comparable budget for the financial year under review has been included in the financial statements. Government Development Projects are budgeted for under the MDAs but receive budgeted funds as transfers and account for them separately. These transfers are recognised as inter-entity transfers.

#### **h) Comparative Figures**

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

#### **i) Subsequent Events**

There have been no events after the financial year end with a significant impact on the financial statements for the year ended 30<sup>th</sup> June 2023.

#### **j) Prior Period Adjustment**

During the year, errors that have been corrected are disclosed under note 10 explaining the nature and amounts.

#### **k) Related Party Transactions**

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

- a) Control the other party or
- b) Exercise significant influence over the other party in making financial and operational decisions, or if the related party entity and another entity are subject to common control.

Related party transaction is a transfer of resources or obligations between related parties regardless of whether a price is charged.

**Significant Accounting Policies (Continued)**

**1) Contingent Liabilities**

A contingent liability is:

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

Some of contingent liabilities may arise from: litigation in progress, guarantees, indemnities, Letters of comfort/ support, insurance, Public Private Partnerships, The Commission does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

**Notes to the Financial Statements**

**1 Exchequer releases**

<b>Description</b>	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Total Exchequer releases for quarter 1	155,966,565	143,452,346
Total Exchequer releases for quarter 2	136,173,135	102,697,637
Total Exchequer releases for quarter 3	84,686,303	175,473,533
Total Exchequer releases for quarter 4	200,608,804	189,010,578
<b>Total</b>	<b>577,434,807</b>	<b>610,634,094</b>

During the reporting period, the Commission ought to have received exchequer issues of Ksh. 577,807,223, as per the budgetary allocation. However, the Commission received Ksh. 577,434,807 only falling short by Ksh. 372,416 during the financial year.

**2 Compensation to Employees**

<b>Description</b>	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs.</b>	<b>Kshs.</b>
Basic salaries of permanent employees	244,450,997	227,989,415
Basic wages of temporary employees	8,158,395	10,031,457
Personal allowances paid as part of salary	67,508,250	53,370,499
Employer contributions to compulsory national social security schemes	43,438,551	40,453,922
<b>Total</b>	<b>363,556,193</b>	<b>331,845,293</b>

Notes to the Financial Statements (Continued)

3 Use of Goods and Services

Description	2022-2023	2021-2022
	Kshs	Kshs
Utilities, supplies and services	2,094,005	1,461,106
Communication, supplies and services	12,033,685	7,907,662
Domestic travel and subsistence	25,191,668	32,845,727
Foreign travel and subsistence	10,199,942	18,875,322
Printing, advertising and information supplies & services	1,904,294	2,549,950
Rentals of produced assets	48,798,886	48,341,941
Training expenses	2,829,549	3,720,376
Hospitality supplies and services	9,589,947	13,090,777
Insurance costs	28,028,459	21,865,286
Specialized materials and services	344,326	820,461
Office and general supplies and services	6,967,722	7,402,484
Fuel Oil and Lubricants	3,410,757	5,336,360
Other operating expenses	5,272,447	5,790,041
Routine maintenance – vehicles and other transport equipment	4,294,560	5,562,025
Routine maintenance – other assets	3,310,622	1,806,811
<b>Total</b>	<b>164,270,869</b>	<b>177,376,329</b>

4 Other Transfers

Description	2022-2023	2021-2022
	Kshs	Kshs
<b>Transfers to Funds</b>		
CAJ Staff Mortgage and Car loan fund	12,250,000	32,000,000
<b>Total</b>	<b>12,250,000</b>	<b>32,000,000</b>

Transfers to the fund relate to the scheme for staff mortgage and car loans. The funds for this purpose are deposited with Cooperative Bank of Kenya, Westland branch who are the fund managers for the Commission's staff Mortgage and Car loan scheme.

Notes to the Financial Statements (Continued)

5 Social Security Benefits

	2022-2023	2021-2022
	Kshs	Kshs
Government pension and retirement benefits	10,014,307	11,970,014
<b>Total</b>	<b>10,014,307</b>	<b>11,970,014</b>

Social security benefits relate to provisions for contractual staff gratuity. The gratuity provision is contributed to BRITAM Company limited who is the Commission's pension fund manager.

6 Acquisition of Assets

Non -Financial Assets	2022-2023	2021-2022
	Kshs	Kshs
Refurbishment of Buildings	2,000,000	4,950,281
Purchase of Vehicles and other Transport Equipment	11,930,000	30,000,000
Purchase of Office Furniture and General Equipment	4,750,258	4,528,295
<b>Total</b>	<b>18,680,258</b>	<b>39,478,576</b>

7 Cash and Bank Accounts

7A: Bank Accounts

Name of Bank, Account No. & currency	Amount in bank account currency	Indicate whether recurrent, Development, deposit etc.	Exchange rate (if in foreign currency)	2022-2023	2021-2022
				Kshs	Kshs
Central Bank of Kenya, Account No. 1000181524	KES	Recurrent	N/A	8,899,540	17,724,204
Central Bank of Kenya, Account No. 1000182377	KES	Deposit	N/A	1,122,385	1,403,707
<b>Total</b>				<b>10,021,925</b>	<b>19,127,911</b>

*The Commission on Administrative Justice  
Annual Report and Financial Statements for the year ended 30th June 2023*

*Notes to the Financial Statements (Continued)*

**7B: Cash on hand**

Description	2022-2023	2021-2022
	Kshs	Kshs
Cash in hand – Held in domestic currency	100,817	423,335
Cash in hand – Held in foreign currency	-	-
<b>Total</b>	<b>100,817</b>	<b>423,335</b>

**Detailed Cash is as follows:**

Description	2022-2023	2021-2022
	Kshs	Kshs
Location 1 – Head office, West End Towers	100,817	423,335
<b>Total</b>	<b>100,817</b>	<b>423,335</b>

**8 : Imprests and Advances**

Description	2022-2023	2021-2022
	Kshs	Kshs
Government Imprests	-	-
Salary advances	86,158	-
<b>Total</b>	<b>86,158</b>	<b>-</b>

**9 Third party deposits and retention**

Description	2022-2023	2021-2022
	Kshs	Kshs
Retention	-	-
Deposits	1,122,385	1,403,707
<b>Total</b>	<b>1,122,385</b>	<b>1,403,707</b>

Notes to the Financial Statements (Continued)

10 . Fund Balance Brought Forward

Description	2022-2023	2021-2022
	Kshs	Kshs
Bank Accounts	19,127,911	7,798,552
Cash in hand	423,335	183,657
Accounts Receivables	-	-
Accounts Payables	(1,403,707)	(1,195,745)
<b>Total</b>	<b>18,147,539</b>	<b>6,786,464</b>

These are the fund balances that were brought forward from the 2021/2022 financial year. The recurrent account bank balances were however swept back by exchequer as shown in note 11 below.

11 Prior Year Adjustments

	Balance b/f FY 2021/2022 as per audited financial statements	Adjustments during the year relating to prior periods	Adjusted Balance b/f FY 2021/2022
Description of the error	Kshs	Kshs	Kshs
Bank Account Balances	19,127,911	(17,724,204)	1,403,707
Cash In Hand	423,335	-	423,335
Accounts Payables	(1,403,707)	-	(1,403,707)
Receivables	-	-	-
Others ( <i>Specify</i> )	-	-	-
	<b>18,147,539</b>	<b>(17,724,204)</b>	<b>423,335</b>

The prior year adjustment relates to recurrent bank account balances that were swept back to exchequer at the beginning of the financial year amounting to Ksh. 17,724,204. This adjustment affects the statement of Assets and Liabilities as it results to reduction of fund balances brought forward.

Notes to the Financial Statements (Continued)

12 (Increase)/ Decrease in Advances and Imprests

Description	2022-2023	2021-2022
	Kshs	Kshs
Receivables As At 1 <sup>st</sup> July (A)	-	-
Receivables As At 30 <sup>th</sup> June (B)	86,158	-
(Increase)/ Decrease in Receivables (C=(B-A))	86,156	-

13 Increase/ (Decrease) in Retention and Third-Party Deposits

Description	2022-2023	2021-2022
	Kshs	Kshs
Payables As At 1 <sup>st</sup> July	1,403,707	1,195,745
Payables As At 30 <sup>th</sup> June	1,122,385	1,403,707
Increase/ (Decrease) In Payables	(281,322)	207,962

14 Related Party Disclosures

Related party disclosure is encouraged under non-mandatory section of the Cash Basis IPSAS.

The following comprise of related parties to the Commission.

- i) Key management personnel that include the Cabinet Secretaries and Accounting Officers
- ii) Other Ministries Departments and Agencies and Development Projects;
- iii) County Governments; and
- iv) State Corporations and Semi-Autonomous Government Agencies.



*Notes to the Financial Statements (Continued)*

**15 Other Important Disclosures**

**15.1: Pending Accounts Payable (See Annex 1)**

	<b>Balance b/f FY 2021/2022</b>	<b>Additions for the period</b>	<b>Paid during the year</b>	<b>Balance c/f FY 2022/2023</b>
<b>Description</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
Construction of Buildings	-	-	-	-
Construction of Civil Works	-	-	-	-
Supply of Goods	297,200	331,058	297,200	331,058
Supply of Services	5,236,292	6,363,821	5,236,292	6,363,821
<b>Total</b>	<b>5,533,492</b>	<b>6,694,879</b>	<b>5,533,492</b>	<b>6,694,879</b>

**16. Progress on follow up of Prior Years 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.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
Other Matter	The commission had Pending Bills totalling Kshs 5,533,492	The commission has committed to settle all pending bills as first charge.	Partly resolved	2023-2024

The Commission got an unqualified (clean) audit opinion and therefore no major audit observations for the prior year.



.....  
Hon Florence Kajuku, MBS  
Chairperson of the Commission



.....  
Daniel M. Karomo  
Director of Corporates Services



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



.....  
Benard Nyariki, (ICPAK M/No 9143)  
Assistant Director -F & A

16. Annexes

Annex 1 - Analysis of Pending Accounts Payable

Supplier of Goods or Services	Date invoiced/ contracted	Particulars	Original Amount Kshs	Balance at the beginning of the year Kshs	Addition During the year Kshs	Amount paid During the year Kshs	Outstanding Balance Kshs	Comments
				a	B	c	d=a+b-c	
<b>Supply of goods</b>								
1. Juska General Supplies	31/3/2023	Supply of newspapers	204,500	-	-	-	204,500	
2. Andavids Supplies Ltd	17/5/2023	Supply of water	224,132	-	-	145,890	78,242	
3. Posh IT Ltd	23/06/2023	Supply of accessories	310,000	-	-	261,684	48,316	
<b>Sub-Total</b>							<b>331,058</b>	
<b>Supply of services</b>								
4. Postal Corporation	8/3/2023	Courier services	583,484	2,859,351	583,484	2,859,351	583,484	
5. Wanera Auto Works	30/6/2023	Motor vehicle repairs	45,572	-	-	-	45,572	
6. KSG - Kabete	25/6/2021	Conference services	1,012,564		1,012,564		1,012,564	
7. Young works youth group	19/9/2022	Conference services	104,380		104,380		104,380	
8. College of Insurance	28/10/2022	Conference services	73,500		73,500		73,500	
9. NITA	28/10/2022	Conference services	45,000		45,000		45,000	
10. Sarova Panafric	29/9/2022	Conference services	368,300		368,300		368,300	
11. Safetec Solutions Ltd	29/06/2023	Consultancy services	52,900		52,900		52,900	

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Supplier of Goods or Services	Date invoiced/ contracted	Particulars	Original Amount Kshs	Balance at the beginning of the year Kshs	Addition During the year Kshs	Amount paid During the year Kshs	Outstanding Balance Kshs	Comments
12. Destiny World Travel	19/10/2022	Airtickets	501,995		501,995		501,995	
13. Tripstart	28/4/2023	Airtickets	62,181		62,181		62,181	
14. Longrock Tours & Travel	12/9/2022	Airtickets	56,410		56,410		56,410	
15. Angani Tours & Travel	17/5/2023	Airtickets	108,015		108,015		108,015	
16. Premier Safaris	16/5/2023	Airtickets	71,660	4,700	71,660	4,700	71,660	
17. ATS Travel	31/5/2023	Airtickets	210,125		210,125		210,125	
18. Fly Beyond Africa Ltd	5/10/2022	Airtickets	32,000	461,005	32,000	461,005	32,000	
19. Johnbow Tours & Travel	1/9/2022	Airtickets	199,040		199,040		199,040	
20. Bignan Travel & Holiday	31/10/2022	Airtickets	641,500		641,500		641,500	
21. Angani Tours & Travel	28/10/2022	Airtickets	477,925		477,925		477,925	
22. Fly Beyond Africa Ltd	12/6/2023	Airtickets	455,580		455,580		455,580	
23. Longrock Tours & Travel	27/9/2022	Airtickets	1,261,690		1,261,690		1,261,690	
Sub-Total							6,363,821	
Grand Total							6,694,879	

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Annex 2 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f Previous Year (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Transfers in/(out) during the year Kshs	Historical Cost c/f Current Year (Kshs)
Buildings and structures	7,997,872	2,000,000	-	-	9,997,872
Transport equipment	90,938,934	11,930,000	-	-	102,868,934
Office equipment, furniture and fittings	25,457,564	1,596,828	-	-	27,054,392
ICT Equipment	18,765,164	3,153,430	-	-	21,918,594
Machinery and Equipment	6,518,633	-	-	-	6,518,633
<b>Total</b>	<b>149,678,167</b>	<b>18,680,258</b>	<b>-</b>	<b>-</b>	<b>168,358,425</b>

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**Annex 3 – List of SCs, SAGAs and Public Funds Under the Commission on Administrative Justice**

Ref	SC, SAGA or Public Fund's name	Amount transferred during the year Kshs	Inter- entity reconciliations done? (yes /no)
1	CAJ Mortgage and Car loan fund	12,250,000	Yes

**Annex 4- Reports Generated from IFMIS**

IFMIS financial reports to be presented on request.